Key messages

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Observations

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Introduction

My Office helps to improve how government agencies manage public resources. We also help to improve the information government agencies give to the Legislative Assembly.

The Government delivers its services through nearly 275 agencies. These agencies include departments, Crown corporations, authorities, boards, commissions, and special purpose funds. Appendix 2 of this report lists these agencies. This report covers mainly agencies with March 31, 2006 year-ends. Our 2006 Report – Volume 1 covers mainly agencies with December 31, 2005 year-ends.

For the most part, the nearly 125 agencies covered by this report have adequate practices to manage risks to public resources. That is, the agencies have sound practices to safeguard public resources and have complied with the laws governing their operations. Also, most agencies published reliable financial statements. However, serious problems exist at some agencies. The Government needs to fix these problems.

Also, many government agencies continue to improve their public accountability.

Part A of this chapter highlights issues concerning risk management and accountability for several government agencies covered in this report. Part B presents the main points for each chapter of this report to provide an overall summary of the report.

Risk management

My Office continues to focus on how government agencies manage risks related to the key forces and trends that affect them. Managing these risks is critical to effective government services and the ability to pay for those services. The key forces and trends affecting the Government include advancing technologies, economic constraints, globalization, pressures on the environment, and population changes.

Government agencies that are managed well have good governance practices. They have a clear plan of what they want to do; they determine the risks that may prevent them from carrying out their plan; and they have

strategies to reduce their risks. They also monitor their progress in achieving their plans.

In addition, well-managed agencies tell legislators and the public what they plan to do and how much it should cost. They then report what they actually did and what they spent. Having to answer for what they actually did compared to what they planned to do improves how government agencies manage public resources.

Under the headings of economic constraints, advancing technologies, population changes, and pressure on the environment, I highlight some of my Office's work related to these key forces and trends.

Economic constraints

The demand for public services continues along with the demand for lower taxes. Good governance and supervisory practices help agencies respond to these conflicting pressures.

When agencies do not carry out their duties effectively, it can lead to poor or improper use of public resources. For example:

♦   some agencies have not finished setting direction

♦   some agencies need to improve their written policies to better safeguard public resources

♦   some agencies have good written policies for safeguarding public resources, but employees do not always follow them

♦   some agencies have not adequately carried out their duties to supervise agencies that are accountable to them

Chapter 2—Health makes several recommendations to improve the delivery of health services. These recommendations include:

♦   The Department should clearly set out its expectations for health outcomes for the regional health authorities. It then needs to monitor the performance of the authorities and take corrective action when necessary.

♦   The boards of the regional health authorities should set performance targets for their authorities, monitor performance, and take corrective action when necessary.

♦ Regina Qu'Appelle and the Saskatoon Regional Health Authorities should establish better practices to reduce injuries to care staff.

We set out six measures to help legislators and the public assess the sustainability of health spending in Saskatchewan. A sound understanding of the health system's finances is important for an informed debate about the issues facing the health system. These issues include the affordability of services and the maintenance of the health system's infrastructure. One of the measures shows that health spending is growing faster than the provincial economy and the consumer price index.

We report that the Department's practices have improved for overseeing the spending of community-based organizations that it finances. The Department needs to make sure that these organizations only use public money to deliver agreed-upon services. We report on the actions the Department has taken as a result of our special investigation of a community-based organization called the Métis Addictions Council of Saskatchewan Inc.

We report that the Prince Albert Regional Health Authority needs to improve its practices to achieve recommended immunization rates (i.e. 95%) for two year old children. In 2005-06, the Authority's reported immunization rate is 67%. If a region does not maintain sufficient immunization coverage, it risks communicable disease outbreaks in local communities and the possibility of the diseases spreading to other locations.

Chapter 3—Learning reports that the Department needs to improve its practices over student aid and provincial training allowances. To qualify for assistance, students must meet a financial needs test. The Department needs to do more to ensure that people receiving assistance are entitled to it.

Chapter 4—Community Resources reports on how the Department must continue to improve its supervisory practices to ensure employees follow prescribed policies. In Volume 1 of our 2005 Report, we reported that the Department incurred a loss of about $1 million. An employee misused public money that was intended for social assistance payments.

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The Department provides financial help to people who meet a financial needs test. The Department has good written policies to help ensure only eligible people receive aid. We report that employees are improving their compliance with those policies, but more work is needed to ensure that the people receiving assistance are entitled to it. Until employee compliance with the Department's approved policies improves, the risk of misuse of public money remains. We also report the Department is improving its child protection practices.

The Department needs to better supervise the community-based organizations that receive money from it. It has to ensure money is used for intended purposes and achieves desired results.

Chapter 5—Environment reports that the Department is making slow progress in improving practices that help ensure public money is safeguarded and controlled. In Volume 1 of our 2005 Report, we reported the need to improve practices to prevent the misuse of public money. We reported a loss and possible loss of public money totalling about $500,000. Many of the conditions that resulted in the loss continue. The Department remains vulnerable to further losses of public money.

Chapter 8—Liquor and Gaming Authority reports that the Authority has improved its supervision of Saskatchewan Indian Gaming Authority Inc. (SIGA). We made several recommendations in 1999 and 2000 to improve Liquor and Gaming's supervisory practices. Those recommendations are now implemented except that Liquor and Gaming needs to finish setting SIGA's policies for cultural events.

SIGA has made good progress in preparing written policies to control its spending except for cultural events. However, SIGA needs to better supervise employees to ensure they comply with those policies. In 2006, SIGA spent money on marketing, promotion, sponsorship, and travel that did not comply with approved policies.

Chapter 13—Financial status of pensions reports on the status of the Government's plan to pay for its outstanding pension debt. At March 31, 2006, the Government's pension debt was $4.3 billion. In 2001, the Government presented a debt management plan to the Standing Committee on Public Accounts for how it would pay for this debt. According to the debt management plan the Government does not intend to fully fund

these pension plans, but rather intends to eliminate the pension debt by paying all pensions over the lifetime of the members (i.e., over the next 50 to 60 years).

Advancing technologies

Advances in information technology have a large impact on the risks at government agencies.

Computer systems and networks bring new risks to the security (i.e., accessibility, integrity, and confidentiality) of information that agencies use to manage. For information to be accessible, agencies must have plans to operate if their systems fail.

Chapter 6—Information Technology Office reports on the services the Office delivers to government departments. The Office has begun to deliver computer services to government departments that were previously delivered by those departments. The consolidation of computer services is intended to reduce costs, and improve security and services to the public.

We report that the Office and departments need clear written agreements that set out service, security, and disaster recovery expectations. Clear written agreements are necessary for the Office and its clients (i.e. departments) to properly protect clients' data. Also, we report that the Office needs to follow its security policies and procedures, and prepare a disaster recovery plan that meets its clients' needs. In other chapters of this report, we recommend that departments must have strong security practices and be able to continue their operations if the Office is unable to provide services. The success of the Office depends on reliable and secure service to the departments.

Chapter 9—Saskatchewan Gaming Corporation reports on the Corporation's practices to install a new electronic gaming system. The Corporation's used many good project management practices, but the transition to the new system was not well-handled. The transition deficiencies caused poor control over slot machine revenue. As a result, the Corporation does not know if it received all slot machine revenue during the year.

Chapter 2—Health reports on the payroll system the Saskatchewan Association of Health Organizations (SAHO) uses to pay employees of the regional health authorities and other health care agencies. SAHO prepares the payroll for approximately 37,000 people. We report on the central controls over security, integrity, and availability of the system.

SAHO has contracted out part of the work that it does for regional health authorities to two parties. Thus, the security, integrity, and availability of the regional health authorities' data also depend on the adequacy of the controls of these two parties. SAHO needs to take steps to carefully monitor the controls of these two parties.

A number of chapters report that agencies need to prepare good business continuity plans. These agencies may be unable to deliver services, lose essential information, or incur increased costs if they have a major disruption and cannot resume operations in a timely way. See *Chapter 23—Board of Internal Economy, Chapter 4—Community Resources*, *Chapter 5—Environment, Chapter 15—Finance, Chapter 2—Health*, *Chapter 20—Highways and Transportation*, *Chapter 16—Justice,* and *Chapter 8—Liquor and Gaming Authority.*

Population change

Saskatchewan faces a potential shortage of skilled workers. This is a risk for the Government and for the economy as a whole. This year, we continued our focus on human resource planning.

Public sector agencies need sound human resource plans. Human resource planning helps to ensure agencies have the right people, with the right skills, at the right times to achieve their objectives.

Chapter 7—Public Service Commission reports that the Commission leads human resource planning for government departments. The Commission is making changes to its practices for helping departments. In several chapters of this report, we note the need to improve departments' human resource plans. Although departments are using the Commission's guidance many of their plans need improvement.

Chapter 8—Liquor and Gaming Authority reports on the Authority's succession management practices. The Authority has reasonable

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succession management practices, but needs to improve documentation and communication.

Chapter 8B—Saskatchewan Indian Gaming Authority Inc. reports on the Authority's progress in complying with our 2003 recommendations to prepare and implement a sound human resource plan. The Authority has made good progress.

Pressure on the environment

Chapter 5—Environment reports on the Department's practices for regulating the quality of air and drinking water. In 2004, we made recommendations to improve the regulation of air quality. In 2005, we made recommendations to improve the regulation of water quality.

We report that the Department has complied with our recommendations regarding water quality and has made some progress complying with our recommendations regarding air quality, but considerable work remains.

Government accountability

My Office continues to focus on improving the Government's accountability to the Legislative Assembly. The ability of the Assembly to hold the Government accountable is key to good government.

Public plans and annual reports

The Department of Finance issues guidelines for the yearly incremental improvement of plans and annual reports. It bases the reporting guidelines on the most current Canadian principles for annual reports in the public sector. The guidelines are based on a publication by CCAF-FCVI Inc. We encourage all government agencies to use these guidelines to improve their reports.

Chapter 14—Public plans and annual reports assessments describes our assessment of the 2006 public performance plans and annual reports of 15 government agencies. These agencies have generally complied with the Department of Finance's guidelines.

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The plans and reports of these 15 agencies provide more information than they did previously. Legislators and the public now have better information to judge the performance of these agencies. We will continue to monitor how agencies improve their performance plans and annual reports.

Acknowledgement

The dedicated efforts of the staff of this Office are essential for the continuing achievement of its responsibilities. The knowledge and commitment of our staff make this report possible. A list of staff is set out in the following exhibit.

Exhibit

My colleagues at the Office of the Provincial Auditor for Saskatchewan are:

Ahmad, Mobashar	Heebner, Melanie	Pritchard, Brent
Anderson, Mark	Heffernan, Mike	Ross, Chantara
Atkinson, Brian	Hoang, Lysa	Rybchuk, Corrine
Bachelu, Gaylene	Hungle, Angie	Schiller, Rita
Bailey, Brendan	Jensen, Rory	Schwab, Victor
Bernath, Eric	Kahovec, Steven	Shaw, Jason
Blelloch, Kevin	Knox, Jane	Shorten, Karen
Bogdasavich, Michelle	Kotylak, Jonathan	Sommerfeld, Regan
Borys, Angèle	Kress, Jeff	St. John, Trevor
Clemett, Tara	L'Heureux, Desirée	Toth, Stephanie
Creighton, Kerri	Lindenbach, Michelle	Thorson, Angela
Deis, Kelly	Lipoth, Becky	Tomlin, Heather
Dickin, Deann	Lowe, Kim	Volk, Rosemarie
Drotar, Charlene	Martens, Andrew	Walker, Sandra
Duran, Jason	Montgomery, Ed	Watkins, Dawn
Ferguson, Judy	Mowat, Audra	Wendel, Leslie
Grabarczyk, Rod	Nyhus, Glen	Zerr, Jennifer
Grunert, Cherie	O'Quinn, Carolyn	
Harasymchuk, Bill	Pattullo, Candice	

Compilation of main points

1B

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Compilation of main points

1B

Chapter 2—Health

Part A of this chapter sets out the results of our audits of the Department of Health (Health) and its Crown agencies. Health needs better reports from regional health authorities (RHAs) to monitor their progress in achieving Health's objectives and to hold them accountable for their annual spending of $2.2 billion. It does not have a capital asset plan to manage its $900 million in capital assets (e.g., land, buildings, and equipment). It needs a written, tested, and approved business continuity plan to help ensure that it can continue to provide critical services in the event of a disaster. Health also needs to focus activities of its internal audit where Health is at greatest risk of loss of public money or spending money for unintended purposes.

The Saskatchewan Cancer Foundation (Foundation) needs to complete the setting of the performance targets needed to monitor the Foundation's progress in achieving its objectives. The Foundation must strengthen the preparation, approval, and implementation of information technology processes to ensure the confidentiality, integrity, and availability of information systems and data. It also needs a written, tested, and approved business continuity plan to ensure that it can continue to deliver its programs and services if its facilities or people are unavailable in case of a disaster.

We also examined the progress made by the Regina Qu'Appelle and Saskatoon RHAs in implementing our 2003 recommendations to reduce work-related back and shoulder injuries to care staff. Saskatoon and Regina Qu'Appelle RHAs are taking action to reduce injuries; Regina Qu'Appelle is progressing more slowly.

Part B sets out six financial measures that help the Legislative Assembly and the public to assess the sustainability of health spending. A sound understanding of health spending is important for an informed debate about the health issues facing Saskatchewan. Those issues pertain to the affordability of programs and services and the maintenance of Saskatchewan's health care infrastructure of buildings and equipment.

Part C describes the results of the audits of the 12 RHAs. Boards of directors of the RHAs need to improve how they set direction, monitor performance, safeguard public resources, comply with the law, and ensure adequate accountability to the Legislative Assembly.

In Part D, we note that the Prince Albert RHA needs to improve its processes to achieve recommended immunization rates (i.e., 95%) for two-year olds. Immunization is an essential primary health service that reduces the incidence of disease, severity of illness, and frequency of hospitalization. The RHA's processes to create opportunities to immunize children by working with others and to monitor immunization coverage need improvement. The RHA's reported immunization rate is 67% for two-year olds who have received at least one injection from the RHA.

Part E describes how the Saskatchewan Association of Health Care Organizations (SAHO) needs to strengthen its processes to ensure the security, integrity, and availability of its payroll system. SAHO provides payroll services to over 37,000 people in almost all health care agencies in the province including the employees of the 12 RHAs. We make four recommendations for improving the payroll system.

Chapter 3—Learning

The Department of Learning oversees the learning sector including its various partners (such as school boards, universities, regional colleges, public libraries). During 2005-06, the Department spent over $1 billion delivering its program and services.

The Department needs to improve its human resource plan to ensure it has the right people, in the right jobs, and at the right time to meet the Department's goals and objectives.

The Information Technology Office (ITO) now delivers information technology services to the Department and Saskatchewan Apprenticeship and Trade Certification Commission (SATCC). The Department and SATCC need to sign a service level agreement with ITO to ensure all the Department and SATCC's needs are met.

In our 2005 Report – Volume 3 and prior reports, we made recommendations for the Department to improve its processes to safeguard public resources. During 2006, the Department made some progress in addressing our outstanding recommendations. An update on each recommendation is provided.

We also report the results of our audit on the reliability and understandability of the Department's performance information. We concluded that the performance information reported by the Department for Goal 1 of its 2005-06 Annual Report is reliable and understandable.

Chapter 4—Community Resources

Part A of this chapter notes that the Department of Community Resources (DCR) needs to strengthen its processes to ensure that it spends public money only for the purposes intended by the Legislative Assembly. DCR needs to continue to strengthen its processes:

♦ to ensure that only eligible clients receive assistance and that they receive the correct amount of assistance
♦ to ensure that it protects children and that payments to care givers are authorized
♦ to improve its assessment of community-based organizations' progress in achieving DCR's objectives

DCR needs a business continuity plan to help ensure that it can continue to deliver its critical services in the event of a disaster. Also, it must strengthen its information technology security processes to ensure the confidentiality, integrity, and availability of information systems and data.

We also examined DCR's actions on our 2004 recommendations to strengthen its processes to measure its progress in helping social assistance recipients and others seeking financial assistance to find and keep work. We found that DCR's actions are not yet adequate to implement our recommendations.

Part B describes our special investigation of Oyate ataya WaKanyeja OwicaKiyapi Inc. (Oyate) in response to the March 9, 2006 request of the Standing Committee on Public Accounts. The Committee asked our Office to carry out an immediate special investigation of the services, administration, and operations of Oyate including any allegations of wrong-doing. The findings and conclusions were reported to the Members of the Standing Committee on Public Accounts in June 2006 (see www.auditor.sk.ca).

Chapter 5—Environment

In our 2005 Report – Volume 1, we reported that the Department of Environment (Department) incurred a loss of public money and possible loss of public money totalling about $500,000. We identified several deficiencies in the Department's controls to reduce the risk of error or fraud and made several recommendations. In our 2005 Report – Volume 3, we made other recommendations to help the Department improves its processes to safeguard public resources.

In 2006 we examined the progress the Department made in addressing our recommendations. The Department has established rules and procedures to safeguard public resources but faces challenges in ensuring staff follow them. As a result, many of our recommendations remain outstanding. It is challenging for the Department to address our recommendations without a plan to do so. The Department needs a plan setting out when and how it will fully address our recommendations, and whether it has the resources to do so. In addition, a better human resource plan would help the Department determine the competencies it needs to those that exist along with strategies to address any gaps. We also make three new recommendations to help the Department improve its processes to safeguard public resources.

We also report that the Department needs to do more work to address our recommendations to better regulate air emissions. The Department addressed our recommendations relating to regulating the quality of drinking water.

Chapter 6—Information Technology Office

The Information Technology Office (ITO) provides information technology (IT) services to client departments. We audited whether the ITO safeguarded public resources and complied with the law. It did so. We also audited the ITO's controls to protect the confidentiality, integrity, and availability of client IT systems and data. As well, we followed up on an earlier service delivery audit.

The ITO has set up the foundation for a secure data centre. During the audit period, the ITO worked at implementing its security processes while it continued to add new clients and provide additional services. We found

that the ITO had adequate controls to protect client IT systems and data for the period October 1, 2005 to March 31, 2006 except the ITO needs to:

♦ perform quality assurance tests to ensure its security policies and procedures are followed

♦ follow its security policies and procedures

♦ protect its systems and data from security threats

♦ implement a disaster recovery plan for its data centre and client systems

To maintain the security of client IT systems and data, the ITO needs to continue to strengthen its processes and monitor its operations as it continues to grow.

We also followed up our earlier audit of the ITO's processes to manage the delivery of agreed-upon services to clients. We continue to recommend that the ITO work with its clients to implement agreements that govern service delivery, security, and disaster recovery. We continue to recommend that the ITO sign adequate agreements with its clients before delivering IT services to them.

Chapter 7—Public Service Commission

Public Service Commission (PSC) leads the development and coordination of human resource planning across departments. It also prepares a human resource plan for its own activities which it needs to improve.

In 2005-06, PSC took steps to better lead human resource planning across departments, but some work remains. It provided departments with better guidance on human resource planning. For example, it trained departments on a formal process to help them identify and analyze human resource risks. PSC plans to apply the formal process to the across-department plan in the next planning cycle. In addition, PSC, along with departments, agreed upon a more manageable number of near-term human resource priorities. PSC needs to ensure departments agree that the longer-term priorities are manageable.

Also, PSC needs a written agreement with the Information Technology Office (ITO). Since March 2006, PSC receives information technology services from ITO. PSC remains responsible for the integrity of these

services. A written agreement is essential so that PSC can monitor ITO's services.

Chapter 8A—Liquor and Gaming Authority

Succession planning is critical to ensure an effective workforce is ready to assist the agency to achieve its objectives. We report that the Liquor and Gaming Authority (Liquor & Gaming) needs to document and communicate potential competency gaps, document employees' career goals and action plans, and document and monitor the progress of its succession strategies.

We also report that Liquor & Gaming needs to better control its bank accounts. In addition, Liquor & Gaming needs to prepare a business continuity plan and ensure its employees understand and comply with the code-of-conduct and conflict-of-interest policies.

Chapter 8B—Saskatchewan Indian and Gaming Authority Inc.

In this chapter, we report the results of our audit of the Saskatchewan Indian Gaming Authority Inc. (SIGA) for the year ended March 31, 2006 and our follow-up on SIGA's processes to build human resource capacity. We report that SIGA continues to make progress to safeguard public resources.

By the year-end, SIGA had fully implemented 70% of our past recommendations, partially implemented 27% of those recommendations, and continued to work on the one remaining recommendation.

SIGA also continues to work on building its human resource capacity. It needs to improve its human resource plan by projecting its future human resource needs and determining gaps between resources needed and access to these resources. Management also needs to provide the Board information on the effectiveness of its training activities.
In this chapter, we also describe our plan to examine SIGA's project management processes for the Dakota Dunes Casino project.

Chapter 9—Saskatchewan Gaming Corporation

In this chapter, we report the results of our audit of the Saskatchewan Gaming Corporation (SGC) for the year ended March 31, 2006 including SGC's project management processes.

We report that SGC needs to improve its human resource plan and promptly establish revised rules and procedures when it changes its systems. Also, SGC needs to follow its approved rules and procedures relating to marketing and promotion, confirmation of compliance with SGC's code-of-conduct, and completion of all employees' performance evaluations.

SGC implemented a new casino management system. We concluded that SGC had adequate project management processes to implement this system except that it needs to improve three things. First, it needs to improve project reporting to senior management and the Board. Second, it needs to monitor and track the achievement of the benefits it set out for the project. Lastly, it needs to document the results of testing the new systems and the follow up of all risks before the new systems become operational.

Chapter 10—Property Management

The Department needs to segregate the duties of employees who make purchases using procurement cards (i.e., credit cards) by removing their ability to approve payment for those purchases.

The Department needs to prepare and independently review and approve all significant reconciliations promptly.

The Department needs to follow its established information technology policies and procedures so that its data is protected from disclosure, modification, or loss.

Chapter 11—Agriculture and Food

The Department is responsible for 14 agencies with March 31year-ends. The Department and each of these agencies complied with the authorities governing their activities except for Saskatchewan Agricultural Stabilization Fund (SASF). Each agency prepared reliable financial statements for the

year ended March 31, 2006 except for SASF, which recorded transfers from the General Revenue Fund incorrectly. Also, the Department and these agencies had adequate processes to safeguard public resources except for SASF, Saskatchewan Crop Insurance Corporation (SCIC), and Pastures Revolving Fund.

For the last two years, the Department did not prepare an annual report for SASF or provide the Fund's financial statements to the Assembly by the date required by law.

SCIC needs to strengthen its processes for estimating and paying insurance claims that farmers submit. During 2005-06, SCIC lost public money totalling $286,000 resulting from paying incorrect claims.

We continue to recommend that the Department include sufficient guidance on financial reporting in the Pastures Revolving Fund's Financial Manual.

As at June 30, 2006, the Department had adequate systems for succession management except for the processes it uses to analyze the impact of future workforce gaps on the achievement of its objectives.

Chapter 12—Saskatchewan Power Corporation

Saskatchewan Power Corporation (SaskPower) incurred a loss of public money totalling nearly $190,000 over a period of four years, because of poor supervision of and ineffective direction to staff and lack of segregation of duties.

Agencies with effective boards, strong management, and control systems cannot prevent or detect all losses of public money. Nevertheless, they can take steps to reduce the risk of such losses.

In this chapter, we recommend SaskPower take additional steps to reduce the risk of future losses of public money. SaskPower should educate its staff on the importance of controls to safeguard public resources and the warning signs that may indicate fraud and error. SaskPower's management should determine if the duties they assign to staff contribute to sound control. Where these duties, as assigned, increase the risk of fraud and error, management should set out procedures they will use to reduce the risk of undetected fraud and error.

Chapter 13—Financial status of pensions

In 2001, the Department of Finance gave the Standing Committee on Public Accounts (PAC) a report and presentation setting out how the Government plans to address its pension debt. The Department provided financial information and data and concluded that the Government would eliminate the pension debt by paying retirement benefits and making required contributions over the next 50 to 60 years. The Department also concluded that the payments are manageable and affordable.

In this chapter, we study how the Department's projections compare to the actual financial and economic performance. The study showed that the Government is better able to afford its pension debt in 2006 then it was in 2000. We encourage legislators and the public to use the updated information in this chapter to discuss the Government's management of its pension debt.

Chapter 14—Public plans and annual report assessments

In 2003, the Department of Finance established guidelines for preparing public plans and annual reports for all departments and certain other agencies. The guidelines contain a four-year implementation schedule that recognizes that improved public reporting takes time and resources.

The guidelines are based on sound performance reporting principles. These guidelines should enable government agencies to report effectively their progress in achieving their plans.

We assessed the public plans and annual reports of thirteen departments, and two Crown agencies for the year ended March 31, 2006. The plans and annual reports contain most of the current requirements of the Department's reporting guidelines. The plans and reports provide more performance information than they did previously and thus enhance public accountability.

Chapter 15—Finance

To understand and assess the Government's financial performance, legislators and the public should use the Government's summary financial statements.

The usefulness of the General Revenue Fund's (GRF) financial statements is limited. These statements account for only a portion of the Government's activities and include significant errors that affect the reported annual surplus. Users should consider the impact of these limitations when using the GRF financial statements.

The Department of Finance needs to revise its service agreement with the Information Technology Office. The service agreement does not adequately address information technology security and disaster recovery. Also, Finance should improve its human resource plan to help it continue to have the right employees in the right jobs. It must also complete its business continuity plan. Complete business continuity plans help agencies provide critical services if a disaster occurs.

Since 2003, Finance has been replacing, in phases, the central financial and human resources system. Finance used an approved, written contingency plan to manage implementation of the most recent phase. Finance is not tracking all of the costs, i.e., costs incurred by other departments, to replace the old system. As a result, legislators and the public cannot know the total cost of the project.

The Judges of Provincial Court Superannuation Plan and Public Service Superannuation Plan still need to improve their pension plan governance. Also, the Public Employees Pension Plan needs to complete its business continuity plan, and improve its procedures for monitoring investments and its information technology security policies.

Chapter 16—Justice

The Department of Justice (Justice) needs to improve its processes to track, enforce, and collect fines. Justice does not know if it has enforced all fines and charges. As a result, Justice may not achieve its goals of safer communities and upholding the rule of law.

Justice needs to complete and implement its business continuity plan and improve its human resource plan.

The Public Guardian and Trustee of Saskatchewan needs to improve its controls over payments made on behalf of dependent adults to prevent duplicate payments.

Chapter 17—Government Relations

The Department of Government Relations (Department) needs to set up processes to protect the confidentiality, integrity, and availability of its information technology (IT) systems. Even though the Department uses the Information Technology Office to provide it with IT services, the Department must have adequate policies and processes over its IT systems. This would include having strong controls and processes to ensure only authorized users are granted access to its systems and data, and its systems are available when needed.

Chapter 18—Northern Affairs

The Department needs to follow its established procedures for approving loans and having all required loan documents completed before disbursing loans.

Also, the Department needs to improve the management of its Northern Development Fund Loan Program. The program provides fixed-term loans to persons in Northern Saskatchewan for economic development. The Department needs to ensure that its employees adequately monitor the outstanding loans and document evidence of such monitoring.

Chapter 19—First Nations and Métis Relations

In this chapter, we report that the Department of First Nations and Métis Relations (Department) is improving its monitoring of $33.3 million provided to the First Nations Trust Fund and four community development corporations (organizations). It is starting to receive the required information sooner from these organizations and is working with them to address reported problems. However, it did not yet receive sufficient information to know if all of these organizations spend this money as permitted by law.

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Also the Department needs to prepare a human resource plan and complete the development of its performance plan. Managing with complete and robust plans will help ensure the Department's success.

Chapter 20—Highways and Transportation

Since April 2005, the Department of Highways and Transportation has received information technology services from the Information Technology Office without having a written agreement. Highways relies on its computer systems to operate. Written agreements typically set out the responsibilities of each party (e.g., the nature, level, and type of services expected), and are vital to monitor the delivery of service.

Highways needs to complete its business continuity plan. Complete and accessible business continuity plans would help Highways respond to unforeseen events or disasters efficiently and effectively.

Chapter 21—Industry and Resources

The Department of Industry and Resources (Department) needs to improve its human resource plan to ensure it has the right employees, in the right jobs, and at the right time to meet the Department's goals and objectives.

The Department should document its human resource needs and the resources required. The Department also needs to assign responsibility to implement the human resource strategy.

Chapter 22—Labour

We audited whether the Department of Labour safeguarded public resources and complied with the law. It did so.

We also followed up our earlier audit of the Department's processes for assisting clients of its worker's advocate program. The Department has improved its processes. It has set clear performance expectations for the program. Also, the Department monitors the program's achievement of these expectations.

Chapter 23—Board of Internal Economy

The Board of Internal Economy (Board) needs to make further improvements in three areas.

The Board needs to approve the plans and reports it uses to make decisions. The Board should receive reports that provide the information it requires to assess performance.

The Board needs to prepare an annual report on its operations. An annual report is a necessary accountability document for all public sector agencies.

The Board needs to complete its business continuity plan to help it to continue to deliver its vital services in the event of a disaster.

Chapter 24—Standing Committee on Public Accounts

The Standing Committee on Public Accounts (Committee) is a key agent of change for improving the Government's management of public resources. The Committee reviews the activities, performance, and reports of all government departments, agencies, and Crown corporations. During its review, the Committee can inquire about past performance, current concerns, and future objectives. Increasingly, the Committee's discussions relate to broader issues including strategic plans, key risks to achieving goals and objectives, and performance measurement.

Through its work and recommendations, the Committee helps the Legislative Assembly hold the Government accountable for its spending of public money and for its stewardship over public assets. The Government has fully implemented 66% of the Committee's recommendations. Of the recommendations that are not yet fully implemented 79% are partially implemented.

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