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Main points

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.

Introduction

The mandate of the Department of Justice (Justice) is to promote safe communities, social and economic order, and fair and just relations. Justice carries out its mandate through the operation of an independent, impartial, and effective justice system that upholds the rule of law and defines the basic legal rights of citizens.

Justice provides legal services for the Government, and justice and police services for the people of Saskatchewan. Justice also administers registry systems for corporations and local registrars (including trust accounts), and regulates pensions, credit unions, and businesses.

The Government's summary financial statements show expenses of \$356 million for the year ended March 31, 2006 for the protection of persons and property.

The following table shows the total government expenses for protection of persons and property by agency.

	(in millions of dollars)	
	<u>2006</u>	<u>2005</u>
Department of Justice	\$ 217	\$ 202
Department of Corrections & Public Safety	140	120
Less expenses by Justice and Corrections for purposes other than the protection of persons and property	(59)	(58)
Information Services Corporation of Saskatchewan	36	34
Department of Labour	15	14
Other government agencies	<u>7</u>	<u>7</u>
	<u>\$ 356</u>	<u>\$ 319</u>

For the year ended March 31, 2006, Justice spent \$217 million on its programs and earned revenues of \$59 million. Information about Justice's revenues and expenses appears in Justice's 2005-2006 annual report (www.saskjustice.gov.sk.ca).

The following is a list of Justice’s major programs and spending as reported in the *2005-06 Public Accounts: Volume 1: Main Financial Statements*:

	Original <u>Estimates</u>	<u>Actual</u>
	(in millions of dollars)	
Community justice	\$ 110	\$ 110
Court services	37	38
Marketplace regulation	5	5
Central management and services	19	19
Legal services	19	20
Boards and commissions	<u>22</u>	<u>25</u>
	<u>\$ 212</u>	<u>\$ 217</u>

Justice is also responsible for the operations of several trust and special purpose funds and Crown agencies with years ending March 31, 2006. These include:

Law Reform Commission of Saskatchewan
Office of the Rentalsman Trust Account
Provincial Mediation Board Trust Account
Public Guardian and Trustee of Saskatchewan
Queen's Printer Revolving Fund
Saskatchewan Legal Aid Commission
Saskatchewan Legal Aid Commission Pension Plan
Trust Accounts at Court Houses, Local Registrars, and Sheriff’s Offices
Victims' Fund

Our audit conclusions and findings

In our opinion, for the year ended March 31, 2006:

- ◆ **Justice and its agencies had adequate rules and procedures to safeguard public resources except as described in this chapter**

- ◆ **Justice and its agencies complied with the authorities governing their activities relating to financial reporting,**

safeguarding public resources, revenue raising, spending, borrowing, and investing except as described in this chapter

- ◆ **the financial statements for the agencies and funds are reliable**

System to enforce and collect fines needs improvement

Justice is responsible to track, enforce, and collect fines for offences under various provincial and federal laws. The purpose of a deterrent such as a fine or jail is to discourage the public from violating the law. If deterrents are not enforced, they will not be effective. Without effective deterrents, our communities will be less safe.

Justice's processes for administering fines include:

- ◆ controlling the distribution and receipt of tickets to and from law enforcement agencies
- ◆ ensuring the accurate and complete recording, tracking, and enforcement of tickets
- ◆ controlling the recording and receipt of fine payments
- ◆ collecting unpaid fines

Justice estimates that law enforcement agencies issue between 130,000 and 150,000 tickets each year.

In this section, we describe weaknesses in Justice's processes to record issued tickets and collect unpaid fines.

Recording, tracking, and enforcement of tickets

Justice needs to improve its processes for the receipt of tickets and informations. Informations are charges or complaints generally made under *The Criminal Code of Canada*. Improvements in processes are necessary so that Justice properly enforces fines and criminal charges. Several provincial government agencies, as well as other levels of

government (i.e., federal and municipal), rely on Justice to enforce fines and charges issued under various provincial and federal laws.

For purposes of this chapter, we refer to tickets and informations as tickets. Tickets may result in either fines or criminal charges. We expected Justice to have processes to know:

- ◆ the tickets issued by law enforcement agencies
- ◆ unissued tickets

We expected Justice to have cost-effective processes to track tickets directly or require law enforcement agencies (agencies) to provide it with periodic reports on their tracking of tickets.

Justice does not have processes directly or through agencies to track issued and unissued tickets. As a result, it does not know if it has recorded all tickets issued by agencies.

Our tests show that Justice cannot account for tens of thousands of tickets distributed to agencies over the past five years. Justice does not know if these missing tickets have been issued, voided, cancelled, or lost. As a result, Justice does not know if it has enforced all fines and criminal charges. This lack of rules and procedures could result in Justice not achieving its goals of safer communities and upholding the rule of law.

On February 18, 2002, the Standing Committee on Public Accounts (PAC) considered this matter and agreed with our recommendations.

We continue to recommend that Justice strengthen its procedures to ensure that Justice records the tickets issued by law enforcement agencies.

During the June 1, 2004 meeting of PAC, the Deputy Minister told the Committee that Justice planned to review, on a sample basis, outstanding tickets in its information system and use the information to guide future practices. In the April 12, 2005 meeting of PAC, the Deputy Minister told the Committee that this review was in progress. This review was completed in 2005-06, and Justice was unable to find any of the unaccounted for tickets in its sample. During the February 6, 2006

meeting of PAC, the Deputy Minister told the Committee that Justice has developed a policy requiring law enforcement agencies to return all issued, spoiled, or voided tickets. Justice informed the law enforcement agencies that this policy is effective April 1, 2006.

Collection of unpaid fines

For several years, we made recommendations that Justice improve its procedures for collecting court-ordered fines. Justice has implemented all but one of these recommendations.

In January 1999, PAC recommended that procedures be developed to ensure that when repeat offenders appear in court, the sentencing judge will be informed if previous fines are unpaid.

Justice carried out a pilot project. The Deputy Minister reported the results at the April 12, 2005 meeting of PAC. The Deputy Minister told the Committee that the limitations of Justice's existing fines system prevent Justice from efficiently providing this information to the courts. This system is in the process of being replaced, and Justice intends to explore the feasibility of automated tracking of this information. At the February 6, 2006 meeting of PAC, the Deputy Minister told the Committee that Justice expects to implement the new system by the end of 2007.

We continue to recommend that Justice ensure that when repeat offenders appear in court, Justice informs the sentencing judge of any unpaid fines.

Information technology security needs to be strengthened

Justice needs to ensure it has strong security to protect its information technology (IT) systems and data.

Justice has implemented some security policies including controls for managing physical security and for making its IT systems available when needed. However, Justice needs to follow its policies and procedures for removing user accounts and for monitoring network security. Justice also needs to ensure it promptly updates and maintains its systems against known security risks.

Without strong security processes, Justice cannot ensure the confidentiality, integrity, and availability of its systems and data.

- 1. We recommend that the Department of Justice secure and monitor access to information technology systems and data.**

Business continuity plan needs improvement

Justice needs to complete its business continuity plan¹ to help ensure that it can continue to deliver its critical services in the event of a disaster.

Justice has identified responsibilities that would be required to respond to a department emergency. Justice identified its critical services and is completing the development of plans for them. Justice has set up a committee to clearly prioritize which functions would be recovered and when and ensure all key staff are aware of the priorities. Justice needs to improve its documentation of its procedures for implementing the plan, for central coordination of the plan, and for coordination between the branches.

On February 6, 2006, PAC considered this matter and agreed with our recommendation.

We continue to recommend that the Department of Justice complete and implement its business continuity plan.

Human resource plan needs improvement

Justice needs to improve its human resource plan. Effective human resource planning helps Justice to have the right people, in the right jobs, at the right time.

Justice has a human resource plan for 2006-2007. We assessed this plan against the key elements of a human resource plan as discussed below.

¹ **Business Continuity Plan (BCP)**-Plans by an organization to respond to unforeseen incidents, accidents, and disasters that could affect the normal operations of the organization's critical operations or functions.

Disaster Recovery plan (DRP)-Plans by an organization to respond to unforeseen incidents, accidents and disasters that could affect the normal operation of a computerized system (also known as **Contingency Plan**). A DRP or contingency plan is only one component of the Business Continuity plan.

A good human resource plan needs to set priorities and link to the agency's overall strategic direction. It should identify key human resource risks and gaps that exist in current and future available resources. The plan should set out strategies and implementation plans to address human resource risks and gaps.

We found that Justice's human resource plan sets priorities, identifies key human resource risks, and explains Justice's current human resources. It also looked at projected retirements. The plan does not quantify what resources Justice needs to achieve its strategic goals or what resources will be available internally and externally in the future. Therefore, Justice did not assess adequately the expected human resource gap. The plan sets out strategies and broad action plans to address the human resource risks identified. Justice has also developed action plans to implement many of the strategies including assigning responsibility, setting timelines for completion, and regular reporting on progress. Measurable indicators and targets were not set out in the plan to help Justice monitor its progress. We note that Justice does report regularly to the Public Service Commission as required.

2. We recommend that the Department of Justice improve its human resource plan by:

- ◆ **quantifying its human resources needs**
- ◆ **providing details on the human resource gap between actual and required resources**
- ◆ **providing measurable indicators and targets**

Public Guardian and Trustee of Saskatchewan

The Office of the Public Guardian and Trustee of Saskatchewan (Guardian) administers the property and financial affairs of approximately 7,400 clients. Clients include dependent adults, children, and estates. The Public Guardian and Trustee is assisted by two Deputy Public Guardian and Trustees and approximately 37 staff.

For the year ended March 31, 2006, the Guardian acquired \$44.5 million, disbursed \$35.9 million, and held assets worth \$149.6 million on behalf of

its clients. The Guardian holds the majority of clients' assets in an investment fund. The Guardian is also responsible for personal items of clients, such as real estate, vehicles, furniture, appliances, and miscellaneous items.

Clients depend on the Guardian to manage their financial affairs. The Guardian is responsible for protecting clients' assets and making financial decisions and payments on their behalf. The Guardian needs strong administrative systems to carry out these duties. Without strong administrative systems, the clients' assets and the administration of their financial affairs are vulnerable.

Better controls over payments needed

The Guardian needs better controls over the payments it makes on behalf of dependent adult clients (its clients).

In 2005-06, the Guardian paid \$20.6 million to suppliers on behalf of dependent adults.

The Guardian's payment system does not prevent the Guardian from paying a supplier twice for the same transaction. For some payments (e.g., overdue and urgent payments), a supplier sometimes sends the Guardian a second invoice. When this occurs, there is increased risk that the Guardian will pay the supplier twice.

We did a computerized search of all dependent adult payments the Guardian made during the year ended March 31, 2006. In total, the Guardian made 79 duplicate payments totalling \$16,000. It recovered 70 or approximately \$14,000 of these duplicate payments and it is continuing efforts to recover the remainder.

If the Guardian does not recover all of the remaining \$2,000 of duplicate payments, the amounts not recovered are losses to the Crown.

Without strong payment controls, the Guardian cannot properly administer the financial affairs of its clients.

3. **We recommend that the Public Guardian and Trustee of Saskatchewan fix its payment system to reduce the risk of duplicate payments.**

The Guardian told us that it is implementing additional controls such as staff awareness, staff education on new rules for processing invoices, and changes to the computer system to reduce the risk of duplicate payments.

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