

Government Relations

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Main points

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.

Introduction

In this chapter, we set out:

- ◆ a brief overview of the Department of Government Relations' (Department) mandate and finances
- ◆ the results of our audit of the Department for the year ended March 31, 2006

Background

The Department manages the provincial government's relations with other governments within Saskatchewan, in Canada, and abroad. Also, the Department:

- ◆ works with communities to support local governance, provide financial and technical support, and develop legislation, regulations, and other policies in response to the changing needs of municipal governments
- ◆ coordinates and manages matters related to Government House, French-language services, official protocol, provincial honours, and provides administrative services to the Office of the Lieutenant Governor

The Department's website contains its annual reports, other key publications, agreements, and further information about its programs. It is located at www.gr.gov.sk.ca/.

Related special purpose funds and agencies

At March 31, 2006, the Department was responsible for the following Crown agencies:

	<u>Year-end</u>
Government House Foundation	March 31
Municipal Potash Tax Sharing Administration Board	December 31
Northern Revenue Sharing Trust Account	December 31

Each year, the Legislative Assembly (Assembly) receives the annual audited financial statements of each agency and the annual report of the Foundation. These are available at www.gov.sk.ca/finance/.

We reported the results of our audits of the Municipal Potash Tax Sharing Administration Board and the Northern Revenue Sharing Trust Account (NRSTA) in our 2006 Report – Volume 1.

Overview of Department's finances

For the year ended March 31, 2006, the Department had revenues of \$41.3 million (2005-06: \$12.3 million) including \$40.8 million from the Federal Government. Also, it spent \$198.2 million (2005-06: \$147.3 million). The following is a list of major programs and spending for the year ended March 31, 2006.

	<u>Original Estimates</u>	<u>Actual</u>
	(in millions of dollars)	
Central Management and Services	\$ 5.3	\$ 5.8
Intergovernmental Relations	4.4	4.2
Municipal Financial Assistance	143.3	170.8
Municipal Relations	5.1	4.4
New Deals for Cities & Communities	-	8.3
Other	-	1.2
Provincial Secretary	2.3	2.5
Saskatchewan Municipal Board	1.1	1.0
	<u>\$ 161.5</u>	<u>\$ 198.2</u>

The Department's 2005-06 Annual Report explains significant differences between its planned and actual revenue and expenses.

Audit conclusions and findings

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

- ◆ **the Department had adequate rules and procedures to safeguard public resources except for the matters reported in this chapter**

- ◆ **the Department complied with authorities governing its and the Foundation’s activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing**

- ◆ **the financial statements of the Foundation are reliable**

Control over security and disaster recovery of IT systems

The Department’s service level agreement with the Information Technology Office (ITO) does not address the areas of IT security and disaster recovery.

Since January 2005, the Department uses ITO to provide it with its IT services. Even though the Department uses ITO, the Department remains responsible for having adequate policies to support its information technology requirements.

The Department’s agreement with ITO sets out the scope, level, and quality of services ITO provides to the Department. However, the agreement does not include adequate provisions for security or the on-going availability of key IT services.

1. **We recommend that the Department of Government Relations confirm, in writing, processes and policies that ITO uses to address the Department’s specific IT security and disaster recovery requirements, and then identify and set up additional policies unique to the Department as necessary.**

In August 2006, management told us it is negotiating a memorandum of understanding with ITO to address the Department’s security and disaster recovery concerns.

Status of previous recommendation—oversight of NRSTA

The Department continues to take steps to address previously reported concerns about its processes to oversee NRSTA.

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Chapter 7 of our 2003 Report – Volume 3 reported concerns over the operations of the NRSTA. It recommended that the Department set up a process to oversee NRSTA's operations including setting out the reports necessary to monitor NRSTA effectively. Chapter 8 of our 2005 Report – Volume 1 and Chapter 8 of our 2006 Report – Volume 1 reported on the Department's progress and noted more work remained.

During the year, the Department set out the key information it needs to monitor the operations of the NRSTA and a process to monitor better the receipt and review of this information from NRSTA's management. It expects this process will enable it to oversee NRSTA's operations effectively.

Our Office will assess the use of this process in future audits.