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## **Main points**

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.

## Introduction

The Department of Industry and Resources (Department) is responsible for stimulating business investment and promoting development of the province's resource sector. The Department is also responsible for the administration of the *Tourism Authority Act*.

The Department's mandate is "to achieve full and responsible development of Saskatchewan's energy, mineral and forestry resources, work with businesses to expand the Saskatchewan economy by promoting, co-ordinating, and implementing policies, strategies and programs that encourage sustainable economic growth, and to optimize revenues to fund government programs and services."<sup>1</sup>

The Department received \$62.4 million from the General Revenue Fund for its programs. Information about the Department's revenue and expenses appears in its annual report and in the *Public Accounts 2005-06: Volume 2: Details of Revenue and Expense* (see [www.gov.sk.ca/finance/paccts](http://www.gov.sk.ca/finance/paccts)). The following tables show the Department's major program spending and revenue.

### Spending

	<u>Original Estimates</u>	<u>Actual</u>
	(Millions of dollars)	
Investment Programs	\$ 17.7	\$ 15.0
Non-Renewable Resources	14.6	22.2
Industry Development	7.5	7.1
Administration	8.1	7.4
Transfer to Tourism Saskatchewan	7.9	7.9
Transfer to Saskatchewan Trade and Export Partnership Inc.	2.8	2.8
	<u>\$ 58.6</u>	<u>\$ 62.4</u>

<sup>1</sup> Saskatchewan. Department of Finance. (2006). *2006-2007 Saskatchewan Provincial Budget: Estimates*. Regina: Author. page 93.

**Revenues**

	<u>Original Estimates</u>	<u>Actual</u>
	(Millions of dollars)	
Natural Gas	\$ 191.4	\$ 269.0
Oil	656.3	1,125.0
Potash	293.0	278.0
Other	<u>51.4</u>	<u>68.8</u>
	<u>\$ 1,192.1</u>	<u>\$1,740.8</u>

The Department is also responsible for the Oil and Gas Environmental Fund (Fund). The purpose of the Fund is to provide a mechanism to clean up abandoned wells and respond to environmental problems associated with the exploration, development, production, and transportation of oil and gas.

In 2005-06, the Fund had revenue of \$80,937 and incurred no expenses. At March 31, 2006, the Fund held assets of \$2.9 million. The Fund's financial statements are included in its annual report.

## **Our 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 that it needs to improve its human resource plan as described below**
- ♦ **the Department complied with the authorities governing its and the Fund's activities regarding financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except that payments to NewGrade Energy Inc. were without authority<sup>2</sup>**
- ♦ **the financial statements of the Oil and Gas Environmental Fund are reliable**

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<sup>2</sup> See Appendix 2, page 2-11.

## Better human resource plan needed

In 2005-2006, the Department did not have an adequate human resource plan. An adequate human resource plan would help the Department to ensure it has the right employees, in the right jobs, and at the right time.

An adequate human resource plan would:

- ◆ set out priorities and human resource needs and should link to strategic direction of the Department
- ◆ identify key human resource risks and any competency gaps in current resources
- ◆ set out strategies and implementation plans to bridge competency gaps

The Department's Human Resource Strategic Plan contained information about its current employees and their competencies. The plan, however, did not include information about the Department's future human resource needs, i.e., number, type, and location of employees and required competencies. Nor did the plan set out the resources the Department would need and when. Also, the plan did not identify who is responsible to implement the planned strategies to meet the human resource needs.

1. **We recommend the Department of Industry and Resources improve its human resource plan by documenting its future human resource needs (number, type, and location of employees and required competencies) to meet the Department's goals and objectives.**
2. **We recommend the Department of Industry and Resources improve its human resource plan by documenting what resources it requires and when to meet its human resource needs.**
3. **We recommend the Department of Industry and Resources improve its human resource plan by assigning responsibility to staff to implement planned strategies to meet its human resource needs.**

Management told us that the Department uses the Public Service Commission's (PSC) guidelines for human resource planning and that the revisions to the PSC's guidelines for 2006-2007 will help meet the above recommendations.

