

Advanced Education and Employment

2

Main points	28
Introduction	29
Related special purpose funds and agencies	29
Financial overview	30
Audit conclusions and findings	30
Findings—Department	32
Performance plan needed	32
Human resource plan needed	32
Better control over employees' pay needed	33
Findings—Saskatchewan Apprenticeship and Trade Certification Commission	34
Background	34
Service level agreement needed	34
Status of other outstanding recommendations of the Standing Committee on Public Accounts	35

Main points

The Department of Advanced Education and Employment (Department) needs to complete its performance plan and human resource plan. These plans are important so that the Department can track and report on its progress, have better information to make decisions, and be more accountable.

The Department needs to review the accuracy of payroll prior to paying employees. Lack of prior review of payroll accuracy increases the risk that employees may be paid incorrect amounts without timely detection.

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

Introduction

In April 2006, the Government restructured the Department of Learning into two new departments: the Department of Learning and the Department of Advanced Education and Employment.

The mandate of the Department of Advanced Education and Employment (Department) is to provide leadership and support to advanced education, training, and employment and immigration. The Department also helps connect people with jobs and careers in Saskatchewan.

The Department's responsibilities are set out primarily in *The Department of Post-Secondary Education and Skills Training Act*.

Related special purpose funds and agencies

At March 31, 2007, the Department was responsible for the following special purpose funds and agencies:

	<u>Year-end</u>
Saskatchewan Student Aid Fund	March 31
Training Completions Fund	March 31
Carlton Trail Regional College	June 30
Cumberland Regional College	June 30
Cypress Hills Regional College	June 30
North West Regional College	June 30
Northlands College	June 30
Parkland Regional College	June 30
Prairie West Regional College	June 30
Southeast Regional College	June 30
Saskatchewan Apprenticeship and Trade Certification Commission (SATCC)	June 30
Saskatchewan Institute of Applied Science and Technology (SIAST)	June 30

Financial overview

As set out in the table 1, the Department spent over \$689 million in 2006-07.

Table 1

	Estimates 2006-07 ¹	Actual 2006-07
	(in millions of dollars)	
Central Management and Services	\$ 16.6	\$ 17.5
Student Support Programs	78.9	73.3
Post-Secondary Education	436.0	517.9
Immigration	6.3	4.7
Training Programs	35.4	44.7
Career and Employment Services	29.1	30.1
Capital Asset Acquisitions	(0.8)	(1.1)
Capital Asset Amortization	2.4	2.3
	<u>\$ 603.9</u>	<u>\$ 689.4</u>

In 2006-07, the Department had revenues of \$59.2 million of which 92% came from the Federal Government primarily for labour market development programs.

The Department's *2006-07 Annual Report* sets out the reasons for the major differences between actual financial results and the estimates (www.aee.gov.sk.ca).

Audit conclusions and findings

This section reports the results of our 2007 audits of the Department, the Training Completions Fund, three of eight regional colleges (i.e., Carlton Trail, Cypress Hills, and North West), SATCC, and SIAST.

The chapter also provides an update on recommendations previously made by the Standing Committee on Public Accounts (PAC) that are not yet implemented.

¹ Saskatchewan Finance, *2006-2007 Saskatchewan Estimates*. The Estimates total does not include the additional \$37.473 million authorized through the *Saskatchewan Supplementary Estimates* for Learning (Vote 5) and a statutory adjustment.

In our opinion, for the fiscal years ending on or before June 30, 2007:

- ◆ **the Department and the above-listed agencies 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 above-listed agencies’ activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matter related to approving employees’ pay reported in this chapter**
- ◆ **the financial statements of the above-listed agencies are reliable**

We audit colleges on a cyclical basis. We work with the appointed auditor of each of these colleges to carry out the audits. We require the appointed auditors of the other five colleges that are not in rotation to provide us with reports that set out the results of their audits. We review these reports and have discussions with related departmental officials to identify if significant matters exist for these colleges. If so, we work with the appointed auditor on these matters. For SIAST, we carry out the audit jointly with the appointed auditor.

Exhibit 1 sets out the appointed auditor for each agency. We use the framework recommended by the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.² The auditors of the other five colleges did not report any new matters for the colleges they audited.

Exhibit 1

Crown agency	Appointed auditor
SIAST	Deloitte & Touche LLP, Chartered Accountants
Carlton Trail Regional College	E.J.C. Dudley & Co., Chartered Accountants
Cypress Hills Regional College	Stark & Marsh, Chartered Accountants
North West Regional College	Johnson Svenkeson, Chartered Accountants

² To view this report, see our website at www.auditor.sk.ca/rrd.html

The following sections set out our detailed findings.

Findings—Department

This section includes three new matters and provides an update on the status of previously reported recommendations.

Performance plan needed

The Department does not have a performance plan.

As mentioned earlier, the Department was created in April 2006. The Department did not publish a performance plan for the 2006-07 fiscal year. Also, the Department has not yet published a performance plan for 2007-08.

The Government, through the use of its Accountability Framework, expects departments to prepare performance plans. A public performance plan is a key document used to improve transparency and accountability. It sets out the goals and objectives that departments intend to accomplish over the medium to longer term.

Without a public performance plan, the Department cannot adequately monitor performance. As a result, the Department cannot report its performance completely.

1. We recommend the Department of Advanced Education and Employment develop a public performance plan.

Management told us that the Department's direction has been communicated through its budget initiatives and its progress reported in the 2006-07 annual report. Management also told us these materials clearly outline priorities related to strategies to attract, develop, and retain skilled workers to support the provincial economy.

Human resource plan needed

The Department does not have a human resource plan.

Effective human resource planning helps the Department to have the right people, in the right jobs, at the right time.

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

2. We recommend that the Department of Advanced Education and Employment develop a human resource plan.

In October 2007, management told us that the 2007-08 Human Resource plan is in the final draft stages and is awaiting approval.

Better control over employees' pay needed

The Department needs to better control employees' pay.

During the year, the Department reviewed its payroll costs during its review of monthly financial reports. However, the Department did not adequately review the accuracy of key payroll data for each pay period prior to paying employees. As a result, employees' pay has not been approved in accordance with *The Financial Administration Act, 1993*.

This weakness increases the risk that employees may be paid incorrect amounts.

3. We recommend that the Department of Advanced Education and Employment adequately review the payroll for accuracy prior to paying its employees to ensure that all employees' pay is approved in accordance with *The Financial Administration Act, 1993*.

Findings—Saskatchewan Apprenticeship and Trade Certification Commission

Background

The Saskatchewan Apprenticeship and Trade Certification Commission (the Commission) is established under *The Apprenticeship and Trade Certification Commission Act, 1999*. The Commission manages the provincial apprenticeship and trade certification system. This includes:

- ◆ designating trades for apprenticeship training and certification
- ◆ registering and monitoring the training of apprentices and journey people
- ◆ facilitating training delivery
- ◆ providing certification of achieved skill levels to apprentices and journey people
- ◆ representing Saskatchewan on inter-provincial apprenticeship and trade certification initiatives

In 2007, the Commission had revenues of \$13.8 million, including \$12.2 million from the Department, and had expenses of \$13.6 million. At June 30, 2007, the Commission's accumulated surplus was \$1.8 million. The Commission's *2006-07 Annual Report* includes its financial statements (www.saskapprenticeship.gov.sk.ca).

Service level agreement needed

In our 2006 Report – Volume 3, we recommended the Commission sign a service level agreement with the Information Technology Office (ITO) for the delivery of information technology (IT) services.

The Standing Committee on Public Accounts considered this matter in March 2007 and agreed with our recommendation.

The ITO continues to provide IT service delivery for the Commission. The Commission does not have an agreement with ITO to manage the services delivered.

Without a signed service level agreement, there is a risk that the Commission’s needs may not be met. Also, the Commission does not know whether its systems and data are secure and available when needed.

We continue to recommend the Saskatchewan Apprenticeship and Trade Certification Commission sign a service level agreement with the Information Technology Office for the delivery of information technology services.

Status of other outstanding recommendations of the Standing Committee on Public Accounts

The following table provides an update on recommendations previously made by the Standing Committee on Public Accounts (PAC) that are not yet implemented and are not discussed earlier in this chapter.³

Table 2

PAC REPORT YEAR ⁴	OUTSTANDING RECOMMENDATION	STATUS
2007	<p>PAC concurs:</p> <p>3-2 that the Department of Advanced Education and Employment (formerly part of the Department of Learning) should provide staff with written guidance on situations unique to the Department to help staff avoid conflicts-of-interest.</p>	<p>Partially implemented (as at March 31, 2007).</p> <p>The Student Financial Assistance branch within the Department has developed and implemented processes regarding how to handle conflict of interest issues. The Department is currently developing processes and procedures for the remaining branches to ensure all staff are aware of the criteria constituting a conflict of interest situation.</p>

³ For the definitions of the key terms used in the table, see Chapter 25 – Standing Committee on Public Accounts pages 398 to 399.

⁴ PAC Report Year refers to the year that PAC first made the recommendation in its report to the Legislative Assembly.

Chapter 2 – Advanced Education and Employment

PAC REPORT YEAR ⁴	OUTSTANDING RECOMMENDATION	STATUS
Saskatchewan Institute of Applied Science and Technology		
2007	PAC concurs: 3-4 that Saskatchewan Institute of Applied Science and Technology should analyze competency gaps for its entire workforce and provide periodic updates to the board.	Not implemented (as at October 31, 2005). A follow-up is planned for 2007-08.
2007	PAC concurs: 3-5 that Saskatchewan Institute of Applied Science and Technology should identify barriers to its current and future human capacity and provide the board with a plan to address the significant barriers.	Not implemented (as at October 31, 2005). A follow-up is planned for 2007-08.
2007	PAC concurs: 3-6 that Saskatchewan Institute of Applied Science and Technology should regularly inform staff involved in the recruiting process about trends in workforce gaps across SIAST and effective strategies to overcome barriers to human capacity.	Not implemented (as at October 31, 2005). A follow-up is planned for 2007-08.
2007	PAC concurs: 3-7 that Saskatchewan Institute of Applied Science and Technology's board should work with management to identify the content and frequency of reports necessary to monitor human resource risks and evaluate progress towards its human capacity objectives.	Not implemented (as at October 31, 2005). A follow-up is planned for 2007-08.