

# Culture, Youth and Recreation

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## Main points

The Department of Culture, Youth and Recreation needs to review and approve payroll prior to paying its employees.

The Saskatchewan Arts Board needs to have formal agreements before investing money.

## Introduction

The mandate of the Department of Culture, Youth and Recreation (Department) is to support and celebrate Saskatchewan as a great place to live and work. The Department works collaboratively with diverse groups and communities to enhance the Province's cultural, artistic, recreational and social life. It also recognizes accomplishment and promotes excellence in the arts, culture, heritage and sport. Information about the Department is available on its website ([www.cyr.gov.sk.ca](http://www.cyr.gov.sk.ca)).

## Financial overview

For the year ended March 31, 2007, the Department spent \$67 million (which includes \$10.4 million for the film employment tax credit program) and had revenues of \$6.5 million.

The following is a list of major programs and spending reported by the Department.

	<u>Original Estimates<sup>1</sup></u>	<u>Actual</u>
	(in millions of dollars)	
Culture	\$ 17.3	19.0
Building communities program	---	12.1
Heritage	10.1	10.9
Central and management services	7.3	8.3
Community Initiatives Fund	5.7	6.5
Saskatchewan Communications Network	5.9	6.4
Policy and youth	3.3	3.0
Recreation	0.7	0.8
	<u>\$ 50.3</u>	<u>\$ 67.0</u>

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

<sup>1</sup> Saskatchewan Finance, *Saskatchewan 2006-07 Budget Estimates*. The Estimates' total does not include the additional \$22.1 million authorized through the *2006-07 Saskatchewan Provincial Budget – Supplementary Estimates - November*

## Special purpose funds and Crown agencies

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

	<u>Year-End</u>
Community Initiatives Fund	March 31
Doukhobors of Canada C.C.U.B Trust Fund Board	May 31
Saskatchewan Archives Board	March 31
Saskatchewan Arts Board	March 31
Saskatchewan Communications Network Corporation	March 31
Saskatchewan Heritage Foundation	March 31
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	March 31
Saskatchewan Western Development Museum	March 31

## Audit conclusions and findings

Our Office worked with the following appointed auditor:

- ◆ KPMG LLP
  - Saskatchewan Communications Network Corporation
  
- ◆ Virtus Group LLP
  - Community Initiatives Fund<sup>2</sup>
  - Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation<sup>2</sup>

To complete our work on the above-listed agencies, we used the framework recommended in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors* ([www.auditor.sk.ca/rrd.html](http://www.auditor.sk.ca/rrd.html)). Our Office and the appointed auditors formed the following opinions below.

### **In our opinion, for the fiscal years ending on or before May 31, 2007:**

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

- ◆ **the Department and its agencies complied with authorities governing their 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 Department's funds and agencies are reliable<sup>2</sup>**

## **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.

1. **We recommend that the Department of Culture, Youth and Recreation 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*.**

## **Saskatchewan Arts Board**

The Saskatchewan Arts Board's (Board) mission is to cultivate an environment in which the arts thrive for the benefit of everyone in Saskatchewan.

For the year ended March 31, 2007, the Board had revenues of \$6.6 million and expenses of \$6.5 million. At March 31, 2007, the Board

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<sup>2</sup> We continue to disagree with how the agency accounts for grants. Our 2004 Report – Volume 3 contains further information on this matter.

had net financial assets of \$741,012. The Board's 2006-07 Annual Report includes its financial statements ([www.artsboard.sk.ca](http://www.artsboard.sk.ca)).

***Agreements required before investing money***

The Board needs to have formal agreements before investing money.

On July 1, 2006, the Board placed approximately \$544,000 with an organization for investment purposes. However, the Board did not sign an agreement with that organization until March 21, 2007.

Although discussions took place with the organization prior to investing the initial money, the Board invested money without a signed agreement. Lack of a signed agreement increases the Board's risk of money being invested inappropriately.

- 2. We recommend the Saskatchewan Arts Board have signed agreements prior to making investments.**