

2008 Report – Volume 1

Opening statement by Fred Wendel, Provincial Auditor, for his meeting with members of the press regarding the 2008 Report – Volume 1.

Thank you for joining me this morning. With me today are Bashar Ahmad, Judy Ferguson, Jane Knox, Mike Heffernan, Ed Montgomery, and Deann Dickin.

Bashar, Judy, Jane, Mike, and Ed led most of the work that is included in the report we are discussing today. Deann ensures that the results of our work are put together and published. She also co-ordinates my activities and this meeting.

Before I answer your questions, I will make a few opening comments. The Government delivers its services through about 275 agencies. This report covers our work on about 130 of those agencies. The report focuses on in-depth audits of key risks the Government faces and financial audits of government agencies.

I want to begin my remarks on the results of our audit of the quality of health information and how well some government agencies are protecting the public.

The Ministry of Health reports surgical wait times. The report is based on information the Ministry keeps in a registry. The Ministry says that it uses the information in the registry to make service allocation decisions and to provide residents with wait time information for non-emergency surgery.

The information in the registry was not complete, accurate, or consistent among health regions. The Ministry needs better information in the registry to make service allocation decisions. Patients also need better information to help them make decisions about their own care.

When the Ministry acts on our recommendations to prepare reliable information, it will be in a position to publish more reliable reports. Reliable wait time information will help the Ministry manage the health system, assist patients, and build public confidence in our health system.

The Ministry of Corrections, Public Safety and Policing provides rehabilitation services to inmates. The Ministry needs to do timely assessments and case plans to help ensure inmates receive timely rehabilitation service before inmates are released. Timely services are particularly important for inmates sentenced for partner abuse and sexual and general assault.

The Ministry also needs to monitor re-offending rates in relation to rehabilitation programs taken to help measure the success of its rehabilitation programs. During the 2007 fiscal year, 50% of inmates admitted had re-offended within 24 months of release.

The Ministry of Environment needs a complete and accurate record of contaminated sites so it can effectively monitor them.

The Ministry also needs to do a complete assessment of contaminated sites to determine which sites pose the greatest risk to people and the environment so it can allocate resources and provide detailed guidance to employees on the best practices to manage those sites.

The Ministry has done its assessment for lagoons and some landfills. However, the Ministry has not formally assessed potentially contaminated industrial and commercial sites.

The Ministry had issued a permit to a commercial operator that required the operator to make changes to prevent a petroleum product spill. The Ministry did not monitor the operator to ensure changes were made to prevent a spill. A spill occurred in 2007 and the petroleum product ended up in Wascana Lake. I note that the Leader Post reported this spring that special equipment had been obtained to help clean up the spill.

The Ministry needs to ensure it has processes to assess risks and then focus on monitoring accordingly.

Now, I want to talk about some of the results of our financial audits.

For the most part, the 130 government agencies covered by this report have published reliable financial statements, complied with the law, and had reasonable practices to safeguard public resources.

A few agencies have some serious problems with their practices for safeguarding public resources.

The Teachers' Superannuation Commission administers the teachers' pension plan. The plan has assets of \$1.8 billion and has pension obligations to teachers of \$4.8 billion. The Commission also administers a group life plan, a dental plan, and a disability plan for teachers. In 2007, the Commission spent about \$20 million on these plans.

The Commission's members did not receive reliable financial reports for the Pension Plan during 2007. Commission members need reliable reports to monitor management's performance. As well, the financial statements for the pension plan presented to us for audit contained many errors.

The Commission did not keep proper books and records for benefit plans for teachers. The Commission's members did not receive any interim financial statements for these benefit plans. As well, the Legislative Assembly did not receive any financial statements for these plans.

To help remedy these problems, the Teachers' Superannuation Commission needs a strategic plan that is based on a risk assessment. As well, the Commission needs a human resource plan. A human resource plan would help ensure that the Commission has staff with the knowledge, skills, and ability to properly carry out its responsibilities.

Investment Saskatchewan uses an outside agency to manage investments worth about \$400 million. Investment Saskatchewan needs to comprehensively evaluate the performance of its investment manager. As well, it should set out expected and actual public policy outcomes for each investment. This information is necessary for decisions on holding and selling investments.

The Ministry of Corrections, Public Safety and Policing at March 31, 2007, held about \$300,000 in trust for inmates.

The Ministry had established reasonable policies to protect inmates' money from losses. However, employees did not always follow these policies. Last year, we reported a loss of \$25,000 of inmates' money caused in part by this deficiency. Better supervision of employees and timely and accurate bank reconciliations are still needed.

In summary, I want to emphasize four things:

- First, for the most part, the 130 Government agencies covered by this report have good practices for managing public resources, and have complied with the law
- Second, the Ministry of Health should improve the reliability of the surgical wait time information that it provides to the public
- Third, the Ministry of Corrections, Public Safety and Policing, and the Ministry of Environment need to improve their practices for protecting the public
- Fourth, the Teachers' Superannuation Commission, Investment Saskatchewan, and the Ministry of Corrections, Public Safety and Policing need to act promptly to improve their financial management practices

This ends my opening comments. I would be pleased to answer your questions.