

Government Services

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Main points

For the year ended March 31, 2009, the Ministry of Government Services had adequate processes to safeguard its public resources except it should:

- ◆ sign a service level agreement with Information Technology Office to ensure that the Ministry's needs are met
- ◆ establish and use policies to monitor fuel expenses made with its credit cards to ensure fuel purchases are for government purposes
- ◆ develop an information technology strategic plan to help management know if it has addressed all significant threats and risks to the Ministry's information systems
- ◆ have a complete business continuity plan so it can continue to deliver its programs and services in the event of a disaster

Introduction

The mandate of the Ministry of Government Services (Ministry) is to support government program delivery by providing accommodation and property management, transportation services, purchasing, risk management, records management, telecommunications, and mail distribution.¹

In 2008-09, the Ministry had expenses of \$310 million. It recovered \$216 million of its costs from ministries and \$82 million from commercial activities.

The Ministry manages a significant amount of infrastructure and assets (e.g., buildings, vehicles) for the Government. At March 31, 2009, the Ministry held capital assets totalling \$437 million.

Information about the Ministry's revenues and expenses appears in its annual report (www.gs.gov.sk.ca).

Audit conclusions and findings

In our opinion, for the year ended March 31, 2009:

- ♦ **the Ministry had adequate rules and procedures to safeguard public resources except for the matters reported in this chapter**
- ♦ **the Ministry complied with authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing**

In this chapter, we also provide an update on recommendations previously made by the Standing Committee on Public Accounts (PAC) that are not yet implemented.

¹ *Ministry of Government Services 2008-2009 Annual Report*, p. 6.

Service level agreements required

In our 2008 Report – Volume 3, we recommended the Ministry sign a service level agreement with the Information Technology Office (ITO) for information technology services.

PAC considered this matter in December 2008 and agreed with our recommendation.

The Ministry needs to sign a service level agreement with ITO setting out the roles and responsibilities of both ITO and the Ministry. For example, the agreement would describe the services to be provided by ITO (such as help desk services and application development), service availability requirements (such as the percentage of time networks will be available), service delivery targets (such as time frames for setting up new email accounts), and the term of the agreement. The agreement should also identify security and disaster recovery requirements. Without the signed service level agreement, there is a risk that the Ministry's needs may not be met.

We continue to recommend the Ministry of Government Services sign a service level agreement with the Information Technology Office for information technology services.

Management told us that an agreement with ITO is substantially complete and pending approval.

Better monitoring of fuel expense needed

In our 2008 Report – Volume 3, we recommended the Ministry establish and use policies to monitor its fuel expenses made with its credit cards to ensure fuel purchases are for government purposes.

PAC considered this matter in December 2008 and agreed with our recommendation.

The Ministry has a fleet of approximately 5,500 vehicles. The cost of fuel is the largest operating expense for its fleet. The Ministry does not have policies to systematically monitor that fuel purchases were for government purposes. Without adequate systems and practices for

controlling fuel expenses, the Ministry is at risk of spending public money for unauthorized purchases.

During the year, the Ministry discovered \$37,000 in fraudulent use of two fuel credit cards.² The Ministry has cancelled the fuel credit cards and referred the matter to the police for investigation. The Ministry is also in the process of replacing its vehicle fleet management system to help better monitor fuel expenses.

We continue to recommend the Ministry of Government Services establish and use policies to monitor its fuel expenses made with its credit cards to ensure fuel purchases are for government purposes.

Information technology strategic plan needed

In our 2007 Report – Volume 3, we recommended the Ministry have an information technology strategic plan.

PAC considered this matter in June 2008 and agreed with our recommendation.

An Information Technology (IT) strategic plan sets out how IT will be used by the Ministry to deliver its programs and services. An IT strategic plan can help management ensure IT initiatives are appropriate to meet the Ministry's direction. Also, it will help to ensure that the Ministry has addressed significant threats and risks to its IT systems.

We continue to recommend the Ministry of Government Services have an information technology strategic plan.

Management told us that the plan is complete and pending approval.

² Losses of Public Money, 2008-09 Fourth Quarter Report, Losses Reported by Ministries and Treasury Board Crowns for the Period January 1, 2009 to March 31, 2009.

Business continuity plan needed

In our 2007 Report – Volume 3, we recommended the Ministry have a complete business continuity plan (BCP).³

PAC considered this matter in June 2008 and agreed with our recommendation.

The Ministry must carry out its mandate, even if a disaster disrupts its ability to deliver its programs and services in the usual manner. The BCP needs to be written, approved, and tested to help ensure that the Ministry can continue to deliver its programs and services in the event of a disaster. Without an adequate business continuity plan, the Ministry is at risk of not being able to deliver timely programs and services.

The Ministry is in the process of developing its BCP. It has completed a business impact analysis and has prioritized its critical business functions. The Ministry has developed a BCP for its six most critical functions. So far, it has tested three of those plans.

We continue to recommend the Ministry of Government Services have a complete business continuity plan.

³ **Business Continuity Plan**—Plan by an organization to respond to unforeseen incidents, accidents, and disasters that could affect the normal operations of the organization's critical operations or functions including normal operation of computerized system.

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.⁴

PAC REPORT YEAR ⁵	OUTSTANDING RECOMMENDATION	STATUS
2005	PAC concurs: 12-3 that the Saskatchewan Property Management Corporation should provide the public with additional information about the extent to which the use of its key infrastructure (i.e. facilities, vehicles, and aircraft) achieved its operational and financial plans, and explain significant differences between actual and planned results.	Partially implemented (as at March 31, 2009). The Ministry does not publish its targets. The Ministry of Government Services (formerly Saskatchewan Property Management Corporation) continues to follow the Accountability Framework which does not require targets at this time.
2009	PAC concurs: 6-1 that the Ministry of Government Services establish processes to ensure its vehicle fleet meets the safety standards of <i>The Traffic Safety Act</i> .	Not implemented (as at March 31, 2008). Follow up planned for 2010.
2009	PAC concurs: 6-2 that the Ministry of Government Services keep reliable maintenance and repairs records for its vehicles.	Not implemented (as at March 31, 2008). Follow up planned for 2010.
2009	PAC concurs: 6-3 that the senior management of the Ministry of Government Services receive reports to verify that vehicles are maintained in a safe condition and in an economical manner.	Not implemented (as at March 31, 2008). Follow up planned for 2010.

⁴ For the definitions of the key terms used in the table, see Chapter 20 – Standing Committee on Public Accounts.

⁵ PAC Report Year refers to the year that PAC first made the recommendation in its report to the Legislative Assembly.

