

# Education

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## Main points

The Ministry of Education (Education) and its funds complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except Education needs to approve school division operating and capital grant payments in accordance with its delegation of authority.

The financial statements of Education's funds are reliable for the year ended March 31, 2011.

Education had adequate rules and procedures to safeguard public resources except Education needs to enter into written agreements with school divisions setting out the terms and conditions of its capital grants that support its expenses.

### **Instruction time—a follow up**

This chapter also includes a follow up of our 2009 audit of Education's processes to achieve compliance by school divisions in delivery of instruction time. In 2009, we made four recommendations. Education has made some progress but has further work to do to meet these recommendations.

This chapter also contains an update on the status of previous recommendations agreed to by the Standing Committee on Public Accounts.

## Introduction

The Ministry of Education (Education) provides strategic and collaborative leadership to the early learning and childcare, Prekindergarten to Grade 12 education, literacy, and library sectors.<sup>1</sup> Education's responsibilities are set out primarily in *The Education Act, 1995*, *The Child Care Act*, and *The Public Libraries Act, 1996*.

## Financial overview

The following is a list of major programs and spending for the year ended March 31, 2011:

	Estimates <u>2010-11<sup>2</sup></u>	Actual <u>2010-11</u>
	(in millions of dollars)	
Central Management and Services	\$ 15.8	\$ 14.6
Pre-K to 12 Education	1,042.3	1,092.6
Early Learning and Child Care	58.0	53.1
Curriculum and E-Learning	5.5	5.3
Literacy	2.5	2.4
Provincial Library	12.2	12.4
Teachers' Pensions and Benefits	<u>176.8</u>	<u>406.8<sup>3</sup></u>
	<u>1,313.1</u>	<u>1,587.2</u>
Capital Asset Acquisition	(1.7)	(2.0)
Capital Asset Amortization	1.0	1.0
Other	<u>-</u>	<u>(0.2)</u>
Total Expense	<u>\$ 1,312.4</u>	<u>\$ 1,586.0</u>

Education's *2010-11 Annual Report* sets out the reasons for the major differences between actual financial results and the estimates ([www.education.gov.sk.ca](http://www.education.gov.sk.ca)).

In 2010-11, Education had revenues of \$59.9 million of which \$52.1 million came from refunds of prior year expenses.

<sup>1</sup> *Ministry of Education, 2010-11 Annual Report*, p.5.

<sup>2</sup> Saskatchewan Finance, *2010-11 Saskatchewan Estimates*.

<sup>3</sup> Education determines the estimated and actual expenses for Teachers' pension and benefits using the cash basis of accounting instead of the accrual basis. The cash-based amount reported in Education's annual report was \$184.4 million. Using the accrual basis of accounting for the year ended March 31, 2011, the actual expense was \$406.8 million (restated to include \$222.4 million of unrecorded pension costs).

## Related special purpose funds and agencies

At March 31, 2011, Education was responsible for the following special purpose funds and agencies:

	<u>Year-end</u>
Technology Supported Learning Revolving Fund	March 31
School Division Tax Loss Compensation Fund	March 31
Prince of Wales Scholarship Fund	March 31
Teachers' Superannuation Commission	
Teachers' Superannuation Plan	June 30
Teachers' Disability Plan	June 30
Teachers' Dental Plan	December 31
Teachers' Group Life Insurance Plan	August 31
Chinook School Division No. 211	August 31
Christ the Teacher Roman Catholic Separate School Division No. 212	August 31
Conseil des écoles francsaskoises School Division No. 310	August 31
Creighton School Division No. 111	August 31
Englefeld Protestant Separate School Division No. 132	August 31
Good Spirit School Division No. 204	August 31
Holy Family Roman Catholic Separate School Division No. 140	August 31
Holy Trinity Roman Catholic Separate School Division No.22	August 31
Horizon School Division No. 205	August 31
Ile a la Crosse School Division No. 112	August 31
Light of Christ Roman Catholic Separate School Division No. 16	August 31
Living Sky School Division No. 202	August 31
Lloydminster Roman Catholic Separate School Division No. 89	August 31
Lloydminster Public School Division No. 99	August 31
North East School Division No. 200	August 31
Northern Lights School Division No. 113	August 31
Northwest School Division No. 203	August 31
Prairie South School Division No. 210	August 31
Prairie Spirit School Division No. 206	August 31
Prairie Valley School Division No. 208	August 31
Prince Albert Roman Catholic Separate School Division No. 6	August 31
Regina Roman Catholic Separate School Division No. 81	August 31
Regina School Division No. 4	August 31
Saskatchewan Rivers School Division No. 119	August 31
Saskatoon School Division No. 13	August 31
South East Cornerstone School Division No. 209	August 31
St. Paul's Roman Catholic Separate School Division No. 20	August 31
Sun West School Division No. 207	August 31

## Audit conclusion and findings

This section reports the results of our 2011 audits of Education, the Technology Supported Learning Revolving Fund, the School Division Tax Loss Compensation Fund, and the Prince of Wales Scholarship Fund.

**In our opinion, for the year ended March 31, 2011:**

- ◆ **Education had adequate rules and procedures to safeguard public resources except as reported in this chapter**
- ◆ **Education and the above listed funds complied with the following authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except as reported in this chapter:**

*The Government Organization Act*

*The Ministry of Education Regulations, 2007*

*The Education Act, 1995*

*The Education Funding Regulations*

*The Child Care Act (section 22)*

*The Child Care Regulations, 2001*

*The Financial Administration Act, 1993*

*The Public Libraries Act, 1996 (section 64)*

*The Public Libraries Regulations, 1996*

*The Public Service Act, 1998*

*The Teachers' Dental Plan Act (section 7)*

*The Teachers' Life Insurance (Government  
Contributory) Act (section 6)*

*The Teachers Superannuation and Disability Benefits  
Act (sections 9(4), 43(7))*

**Orders in Council issued pursuant to the above  
legislation**

- ◆ **the financial statements of the above listed funds are reliable**

The results of the August 31, 2010 audits of the school divisions were reported in our 2011 Report Volume 1 – Chapter 4. The results of the Teachers' Superannuation Commission 2011 audits will be reported in a future report when we have completed our work.

We also followed up on Education’s processes to achieve compliance by school divisions in delivery of instruction time and provide an update on the status of previous recommendations agreed to by the Standing Committee on Public Accounts (PAC).

### **Better control over grants needed**

Education needs to better control operating and capital grants.

Education pays school divisions operating and capital grants in accordance with *The Education Act, 1995* and *The Education Funding Regulations* (Regulations). Education established a delegation of authority. This delegation segregates the duties of employees and sets out who approves key documents and at what dollar thresholds. This delegation is consistent with the payment approval requirements of *The Financial Administration Act, 1993*.

Education’s delegation requires the Deputy Minister, Assistant Deputy Minister, or Executive Director to approve payment of school division operating and capital grants. However, in 2010-11, Education did not follow its delegation as school division operating and capital grant payments were usually approved by directors or managers. By not following its delegation, Education is not complying with the payment approval requirements of *The Financial Administration Act, 1993*.

- 1. We recommend that the Ministry of Education approve school division operating and capital grant payments in accordance with its delegation of authority.**

Education’s public Pre-K to 12 School Facilities Funding Guidelines identifies funding levels available for school construction and sets out the approval process.<sup>4</sup> These guidelines are intended for general information only and are subject to change. The Minister uses approval forms to communicate its school capital funding decisions. However, these approval forms do not include the terms or conditions of these grants.

Without a formal funding agreement which includes the terms and conditions of the grants, there is an increased risk that school divisions may misunderstand what they must do to qualify for grants or what they

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<sup>4</sup> The guidelines are available at [www.education.gov.sk.ca/Finance/Facilities](http://www.education.gov.sk.ca/Finance/Facilities).

must do to keep the grants. As well, it may not always be clear when Education should record its capital grant expense.

2. **We recommend that the Ministry of Education enter into written agreements with school divisions setting out the terms and conditions of its capital grants that support the Ministry's expenses.**

## Implementation of past recommendations needed

In Exhibit 1, we set out our past recommendations, actions Education took during 2010-11, and the status of the recommendations at March 31, 2011.

**Exhibit 1—Status of past recommendations**

Past Recommendation (initial report)	Public Accounts Committee (PAC)	Actions Education took in 2010-11	Status of recommendation at March 31, 2011
<p><b><i>We recommend the Department of Learning's human resource plan should:</i></b></p> <ul style="list-style-type: none"> <li>- <b><i>quantify its human resource needs;</i></b></li> <li>- <b><i>provide details on human resource gap between actual and required resources;</i></b></li> <li>- <b><i>provide details on plans to implement the major strategies</i></b></li> </ul> <p>(2006 Report – Volume 3 – Chapter 3)</p>	<p>PAC agreed with this recommendation on March 20, 2007.</p>	<p>Education told us it has completed an organizational review and is developing an updated Human Resource Plan.</p>	<p><b>Partially implemented</b> – we continue to make this recommendation.</p>
<p><b><i>We recommend the Department of Learning sign a service level agreement with the Information Technology Office.</i></b></p> <p>(2006 Report – Volume 3 – Chapter 3)</p>	<p>PAC agreed with this recommendation on March 20, 2007.</p>	<p>Education told us it signed a Memorandum of Understanding with ITO after year end. We have not yet assessed the adequacy of this agreement.</p>	<p><b>Not implemented</b> – we continue to make this recommendation.</p>

**Chapter 5 – Education**

<b>Past Recommendation (initial report)</b>	<b>Public Accounts Committee (PAC)</b>	<b>Actions Education took in 2010-11</b>	<b>Status of recommendation at March 31, 2011</b>
<p><b><i>We recommend the Ministry of Learning follow its established procedures for user access to its systems and data.</i></b> (2007 Report – Volume 3 – Chapter 16)</p>	<p>PAC agreed with this recommendation on January 9, 2008.</p>	<p>During the audit, we found that Education did not remove network access for 10 employees on a timely basis.</p>	<p><b>Not implemented</b> – we continue to make this recommendation.</p>
<p><b><i>We recommend the Ministry of Education receive and review proper support for the payments made to the Teachers' Superannuation Commission.</i></b> (2008 Report – Volume 3 – Chapter 5)</p>	<p>PAC agreed with this recommendation on December 9, 2008.</p>	<p>Education is working with the Teachers' Superannuation Commission to obtain proper support for payments.</p>	<p><b>Partially implemented</b> – we continue to make this recommendation.</p>
<p><b><i>We recommend the Ministry of Education monitor the effectiveness of the Information Technology Office's security controls to protect the Ministry's computer systems and data.</i></b> (2008 Report – Volume 3 – Chapter 5)</p>	<p>PAC agreed with this recommendation on December 9, 2008.</p>	<p>Education received monthly reports from ITO during the year. The reports include information on ITO activities such as service levels and costs, but little information on the security or availability of its systems. In addition, Education does not receive any information about the adequacy of ITO controls or how the weaknesses at the ITO could affect Education's systems and data.</p>	<p><b>Partially implemented</b> – we continue to make this recommendation.</p>
<p><b><i>We recommend the Ministry of Education prepare an information technology strategic plan.</i></b> (2009 Report – Volume 3 – Chapter 4)</p>	<p>PAC agreed with this recommendation on May 12, 2010.</p>	<p>Education told us the development of an information technology strategic plan is in progress as part of Education's risk mitigation plan.</p>	<p><b>Not implemented</b> – we continue to make this recommendation.</p>



## Instruction time—a follow up

In 2009, we assessed Education’s processes to achieve compliance by school divisions in delivery of instruction time. Education sets the provincial core curriculum that provides guidance on what students are to learn and when they are to learn it. The core curriculum includes seven required areas of study. Education sets a required time allocation for instruction for each of these areas of study. School divisions have a limited degree of flexibility to adjust the time requirements to accommodate local needs.

If Education does not have adequate processes to achieve compliance by school divisions in delivering required student instruction time, students are less likely to receive the required number of instruction hours. It is also more likely that students in different school divisions will receive different hours of instruction.

In our 2009 Report – Volume 3, Chapter 4 (pp. 58-64), we concluded that, for the year ending September 30, 2009, Education did not have adequate processes to achieve compliance by school divisions in delivering student instruction time as required by the Minister. We made four recommendations. On May 12, 2010, PAC agreed with our recommendations.

The following sections set out the recommendations (in italics) and Education’s actions up to September 30, 2011. Education has been taking action on the recommendations. However, more work remains.

### Define “instruction time”

***We recommended that the Ministry of Education define “instruction time” to set clear expectations for delivery of the core curriculum.***

*(2009 Report—Volume 3)*

Education has researched the area and drafted a definition of “instruction time.” The definition attempts to distinguish which activities constitute instructional time and which do not. Education is consulting on the draft definition with its partners in the education sector.

While Education has made progress in addressing this recommendation, the definition remains draft pending further consultations and study.

**Status** – We continue to make this recommendation.

## **Require school divisions to publicly report**

***We recommended that the Ministry of Education require school divisions to publicly report on their performance in meeting the Ministry’s instruction time requirements. (2009 Report—Volume 3)***

Education does not require school divisions to publicly report their performance in meeting instruction time requirements. However, Education has itself begun to provide more information related to instruction time. Education has published instruction time results for most school divisions and education levels (Grades 1 to 5, Grade 6, Grades 7 to 9 and Grades 10 to 12) in two areas (mathematics in 2009 and language arts in 2010). These results were included in the *Saskatchewan Education Indicators Reports*.<sup>5</sup> Education told us that it plans to report on both mathematics and reading results for most school divisions in the 2011 report.

**Status** – We continue to make this recommendation.

## **Monitor compliance with core curriculum requirements**

***We recommended that the Ministry of Education monitor for all core curriculum areas of study the extent to which school divisions meet the Ministry’s requirements for instruction time. (2009 Report—Volume 3)***

Education is investigating methods for collecting information on instructional time for all subject areas. Education has met with school divisions to discuss the issue of instruction time. Education’s partners in the education sector have formed a committee to study the issue. The committee’s purpose is to determine the potential issues and possible processes available for collecting information on instructional time. The committee plans to report to Education in 2012.

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<sup>5</sup> The 2010 report is available at <http://www.education.gov.sk.ca/2010-Indicators>. The 2009 report is available at <http://www.education.gov.sk.ca/Default.aspx?DN=dfaff52e-a0f2-485e-9213-daaa59424ffe>.

Although Education has made progress towards addressing this recommendation, Education still has work to do.

Information on instruction time is gathered through voluntary, self-assessment questionnaires to be completed by teachers. Non-responses may lead to incomplete data. Education should continue to work towards effective monitoring of instruction time in the required core areas of study.

**Status** – We continue to make this recommendation.

## **Take corrective action where necessary**

***We recommended that the Ministry of Education take corrective action where necessary to improve school division compliance with the Ministry's requirements for instruction time. (2009 Report—Volume 3)***

Education told us it plans to work with school divisions to determine how its existing tools can be used to monitor and take corrective action to ensure requirements for instructional time are met.

**Status** – We continue to make this recommendation.

## Status of previous recommendations of the Standing Committee on Public Accounts

The following exhibit provides an update on recommendations agreed to by PAC that are not yet implemented and are not discussed earlier in this chapter.<sup>6</sup> Our intent is to follow up outstanding recommendations in upcoming reports.

PAC REPORT YEAR <sup>7</sup>	OUTSTANDING RECOMMENDATION	STATUS
<b>Ministry of Education – Child care facilities</b> (2010 Report – Volume 1)		
2011	5-2 that the Ministry of Education monitor key health, safety, and programming requirements of The Child Care Regulations during unscheduled visits to child care facilities and document its findings.	<b>Not implemented</b> (as at February 28, 2010). We plan to do a follow up in 2012.
2011	5-3 that the Ministry of Education report trends in child care facilities' compliance with The Child Care Regulations to senior management quarterly and to the public annually.	<b>Not implemented</b> (as at February 28, 2010). We plan to do a follow up in 2012.
<b>Ministry of Education – Teachers' Superannuation Commission</b>		
2009	3-6 that the Teachers' Superannuation Commission establish complete and written guidance for preparing its interim and year-end financial reports.  (2008 Report – Volume 1)	<b>Partially implemented</b> (as at June 30, 2010). We plan to do a follow up in 2012.
2009	3-7 that the Teachers' Superannuation Commission's annual report includes a report on the activities and the financial statements for each benefit plan the Commission administers.  (2008 Report – Volume 1)	<b>Partially implemented</b> (as at June 30, 2010). We plan to do a follow up in 2012.

<sup>6</sup> For definitions of the Key Terms used in the exhibit, see Chapter 27 – Standing Committee on Public Accounts.

<sup>7</sup> PAC Report Year refers to the year that PAC first made the recommendation in its report to the Legislative Assembly.

<b>PAC REPORT YEAR<sup>7</sup></b>	<b>OUTSTANDING RECOMMENDATION</b>	<b>STATUS</b>
2011	4-2 that the Teachers' Superannuation Commission have adequate support for all payments. (2009 Report – Volume 1)	<b>Partially implemented</b> (as at June 30, 2010). We plan to do a follow up in 2012.
2011	5-1 that the Teachers' Superannuation Commission implement adequate processes to establish and monitor agreements with the insurance company. (2010 Report – Volume 1)	<b>Not implemented</b> (as at June 30, 2010). We plan to do a follow up in 2012.

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