

Government Services

13

Main points	232
Introduction	233
Financial overview	233
Audit conclusion and findings	234
Better monitoring of fuel expense needed.....	234
Better information technology processes needed	235
Business continuity plan needed.....	236
Status of previous recommendations of the Standing Committee on Public Accounts	237

Main points

The Ministry of Government Services (Government Services) complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

This chapter summarizes our audit conclusions and findings on the audit of Government Services. Government Services had adequate rules and procedures to safeguard public resources except:

- ◆ at March 31, 2011, Government Services still does not have processes to monitor that credit card fuel purchases were for government business
- ◆ Government Services does not have an adequate agreement with the Information Technology Office, appropriately monitor security, or have a complete business continuity plan

This chapter also contains a summary of previous recommendations agreed to by the Standing Committee on Public Accounts.

Introduction

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

Financial overview

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

	<u>Original Estimates²</u>	<u>Actual³</u>
	(in thousands of dollars)	
Central Management and Services	\$ 45	\$ 44
Accommodation Services	169,115	170,000
Project Management	15,276	31,352
Purchasing	1,875	1,664
Transportation Services	43,752	47,334
Government Support Services	24,102	28,197
Capital Acquisitions	<u>12,548</u>	<u>14,340</u>
Total expenditures	<u>266,713</u>	<u>292,931</u>
Cost-recovery from Ministries	(168,861)	(183,751)
Cost-recovery from external clients	<u>(72,832)</u>	<u>(83,789)</u>
Total recoveries	<u>(241,693)</u>	<u>(267,540)</u>
	<u>\$ 25,020</u>	<u>\$ 25,391</u>

Government Services manages a significant amount of infrastructure and assets (e.g., buildings, vehicles) for the Government. At March 31, 2011, Government Services held capital assets totalling \$483 million.

¹ 10-11 Annual Report, Ministry of Government Services, p. 6.

² Saskatchewan Provincial Budget 10-11 Estimates – Government Services Vote 13: Government of Saskatchewan.

³ The Ministry of Government Services provides services to other ministries and some external clients (i.e., commercial activities). These services are provided on a cost-recovery basis. Costs allocated to other agencies includes \$35.5 million of amortization. Amortization is not included in appropriations.

Government Services had revenue of \$267.5 million.⁴ Its annual report⁵ explains differences between actual and estimated revenues and expenses and provides reasons for differences from its approved budget.

Audit conclusion and findings

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

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

- ◆ **Government Services complied with the following authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Public Works and Services Act
The Purchasing Act, 2004
The Purchasing Regulations
The Public Service Act, 1998
The Public Service Regulations, 1999
The Crown Employment Contracts Act
The Government Organization Act
The Financial Administration Act, 1993
**Orders in Council issued pursuant to the above
legislation**

This chapter includes an update on the status of previous recommendations agreed to by the Standing Committee on Public Accounts (PAC).

Better monitoring of fuel expense needed

We recommended that 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.
(2008 Report – Volume 3)

⁴ This includes \$86.7 million in revenue and \$183.8 million of recoveries of expenditures.

⁵ See www.gs.gov.sk.ca for Government Services' 2010-11 Annual Report.

On December 10, 2008, PAC agreed with our recommendation.

Government Services has a fleet of approximately 5,000 vehicles. The cost of fuel is the largest operating expense for its fleet. As previously reported, Government Services does not have adequate policies and procedures to systematically monitor that fuel purchases were for government purposes. Without adequate systems and practices for controlling fuel expenses, Government Services is at risk of spending public money for unauthorized purchases.

In 2010-11, Government Services implemented some new procedures and was in the process of replacing its vehicle fleet management and credit card systems. Government Services told us that this should allow it to adequately monitor fuel expenses in the future.

Status – We continue to make this recommendation.

Better information technology processes needed

We recommended that the Ministry of Government Services sign an adequate agreement on disaster recovery and security with the Information Technology Office. (2010 Report – Volume 2)

On January 20, 2011, PAC agreed with our recommendation.

In December 2009, Government Services and Information Technology Office (ITO) signed a service agreement. The agreement sets out roles and responsibilities of both Government Services and ITO. It identifies some of Government Services' security and availability requirements, and sets out the scope, level, and quality of services that ITO is to provide Government Services. However, the agreement does not include the following:

- ◆ the security policies and procedures that Government Services' employees must follow
- ◆ requirements for reports from ITO on the adequacy of ITO's security
- ◆ adequate provisions for the on-going availability of Government Services' key information technology services or disaster recovery processes, expectations and reporting requirements.

Status – We continue to make this recommendation.

We recommended that the Ministry of Government Services adequately monitor the security of its information technology systems and data. (2010 Report – Volume 2)

On January 20, 2011, PAC agreed with our recommendation.

In 2010-11, Government Services continued receiving monthly reports from ITO. The reports include information on ITO's activities such as service levels and costs, but little information on the security or availability of its systems. Also, Government Services does not receive any information about the adequacy of ITO's controls or how any weak controls at ITO could impact Government Services' systems and data. Nor does Government Services know if ITO could meet Government Services' disaster recovery needs.

Although Government Services has processes for promptly removing user access from individuals who no longer work for Government Services, it did not follow them in 2010-11. Five out of 19 individuals we tested did not have their access removed promptly. If former employees do not have access removed promptly, it increases the risk of inappropriate access to Government Services' systems and data.

Status – We continue to make this recommendation.

Business continuity plan needed

We recommended that the Department of Property Management (now the Ministry of Government Services) have a complete business continuity plan. (2007 Report – Volume 3)

On June 16, 2008, PAC agreed with our recommendation.

Government Services has developed and approved Business Continuity Plans (BCP)⁶ for its ten most critical business functions. Periodic testing is a critical part of the BCP to ensure that in the event of an emergency, the plan will be effective. Government Services has a practice of testing and

⁶ Business Continuity Plan (BCP)—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.

maintaining its BCP annually. Government Services tested its BCP for its ten most critical business functions during 2010-11. However, as noted above, Government Services does not have an adequate agreement with ITO to ensure that Government Services' critical IT systems can be recovered in a timely way in the event of a disaster recovery. Without an adequate agreement with ITO, Government Services cannot have a complete BCP.

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.⁷ Our intent is to follow up outstanding recommendations in upcoming reports.

PAC REPORT YEAR ⁸	OUTSTANDING RECOMMENDATION	STATUS
Ministry of Government Services - Processes to Maintain Vehicle Fleet (2008 Report – Volume 1)		
2009	6-1 that the Ministry of Government Services establish processes to ensure its vehicle fleet meets the safety standards of The Traffic Safety Act.	Partially implemented (as at September 30, 2010).
2009	6-2 that the Ministry of Government Services keep reliable maintenance and repairs records for its vehicles.	Partially implemented (as at September 30, 2010).
2009	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 September 30, 2010).

⁷ For definitions of the Key Terms used in the exhibit, see Chapter 27 – Standing Committee on Public Accounts.

⁸ "PAC Report Year" refers to the year that PAC first made the recommendation in its report to the Legislative Assembly.

Chapter 13 – Government Services

PAC REPORT YEAR ⁸	OUTSTANDING RECOMMENDATION	STATUS
Ministry of Government Services - Cross-Government Infrastructure (2003 Report – Volume 3)		
2005	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, 2011).
Ministry of Government Services - Processes to Maintain Buildings (2009 Report – Volume 1)		
2011	6-1 that the Ministry of Government Services establish and implement processes to ensure the information on its buildings is accurate, complete and available.	Partially implemented (as at March 31, 2011).
2011	6-2 that the Ministry of Government Services approve adequate maintenance plans for all the buildings the Ministry owns.	Partially implemented (as at March 31, 2011).
2011	6-3 that the Ministry of Government Services sign adequate agreements with its clients that describe each of the parties' responsibilities.	Partially implemented (as at March 31, 2011).
2011	6-4 that the Ministry of Government Services have processes so that maintenance is effectively carried out on all of its buildings.	Partially implemented (as at March 31, 2011).
2011	6-5 that the Ministry of Government Services provide senior management adequate reports to monitor the process to maintain its buildings.	Partially implemented (as at March 31, 2011).