



Chapter 4

Corrections and Policing

1.0 MAIN POINTS

In this chapter, we report the results of the annual audit of the Ministry of Corrections, Public Safety and Policing (Ministry) and its related funds for the year ended March 31, 2012.

Effective May 25, 2012, Corrections and Policing became part of the Ministry of Justice, and Public Safety became part of the Ministry of Government Relations.

The Ministry of Corrections, Public Safety and Policing (Ministry) and its related funds complied with authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The financial statements of the Correctional Facilities Industries Revolving Fund and the Sask911 Account are reliable for the year ended March 31, 2012. The Ministry's related funds have effective rules and procedures, but the Ministry needs to improve its rules and procedures to safeguard public resources. The Ministry needs to:

- › Follow its policies and procedures for paying amounts owed to employees
- › Establish written policies and procedures for making timely payments to First Nations for policing services
- › Adequately monitor the security of its information technology systems and data, and complete its business continuity plan

The chapter also provides an update on the status of recommendations agreed to by the Standing Committee on Public Accounts (PAC).

2.0 INTRODUCTION

The Ministry's mandate was to advance safe, secure communities through enhanced crime prevention and reduction, rehabilitation and treatment services and programs, emergency planning and communication, monitoring building standards, fire prevention and disaster assistance programs, and licensing and inspection services.¹

2.1 Financial Overview

For the year ended March 31, 2012, the Ministry spent \$517.9 million on its programs and had revenues of \$202 million. Information about the Ministry's revenues and expenditures appears in its 2011-2012 annual report.²

¹ Ministry of Corrections, Public Safety & Policing, *11-12 Annual Report*, p. 6.

² See <http://www.justice.gov.sk.ca/cpsp-2011-12AnnualReport>.

Figure 1 – Major Programs and Spending

	Estimates 2011-12	Actual 2011-12
	(in millions of dollars)	
Central Management & Services	\$ 25.0	\$ 274.3
Adult Corrections	103.9	105.7
Young Offender	51.7	51.8
Public Safety	19.8	170.6
Policing	167.5	163.3
Provincial Public Safety Telecommunication Network	-	0.2
Major Capital Projects	10.7	6.3
Total Appropriation	378.6	525.3
Capital Acquisitions	(13.5)	(10.7)
Capital Asset Amortization	2.4	3.3
Total Expense	\$ 367.5³	\$ 517.9

Source: Ministry of Corrections, Public Safety and Policing, 11-12 Annual Report.

In 2011-12, the Ministry spent \$157 million on its provincial disaster assistance program and \$146 million on its contract with the RCMP.

2.2 Related Special Purpose Funds

At March 31, 2012, the Ministry was responsible for the following special purpose funds:

	<u>Year-end</u>
Correctional Facilities Industries Revolving Fund	March 31
Sask911 Account	March 31

3.0 AUDIT CONCLUSIONS, SCOPE AND FINDINGS

Our office worked with KPMG LLP, the appointed auditor, to carry out the audit of the Sask911 Account. We followed the framework in the *Report on the Task Force on Roles, Responsibilities, and Duties of Auditors* (www.auditor.sk.ca/rrd.html).

In our opinion, for the year ended March 31, 2012:

- ▶ **The Ministry and the above-listed special purpose funds had effective rules and procedures to safeguard public resources except as described in this chapter**

³ The Estimates do not include an additional \$153 million mostly for provincial disaster claims authorized through the Saskatchewan Supplementary Estimates.



- » **The Ministry and the above-listed special purpose funds complied with the following authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

<i>The Correctional Services Act</i>	<i>The Provincial Disaster Assistance Program Regulations, 2011</i>
<i>The Correctional Services Trust Account Regulations</i>	<i>The Crown Employment Contracts Act</i>
<i>The Correctional Services Administration, Discipline and Security Regulations, 2003</i>	<i>The Government Organization Act</i>
<i>The Youth Justice Administration Act</i>	<i>The Financial Administration Act, 1993</i>
<i>The Emergency Planning Act</i>	<i>The Public Service Act, 1998</i>
<i>The Fire Prevention Act, 1992</i>	<i>The Purchasing Act, 2004</i>
<i>The Electrical Licensing Act</i>	<i>The Saskatchewan Telecommunications Holding Corporation Act</i>
<i>The Electrical Licensing Fees Regulations</i>	<i>The Saskatchewan Telecommunications Act</i>
<i>The Gas Licensing Act</i>	<i>The Sask911 Fees Regulations, 2003</i>
<i>The Gas Licensing Regulations</i>	<i>The Emergency 911 System Act</i>
<i>The Police Act, 1990</i>	<i>The Public Safety Answering Point Regulations, 2011</i>
<i>The Police Regulations</i>	Orders in Council issued pursuant to the above legislation
<i>The Technical Safety Authority of Saskatchewan Act</i>	

- » **The financial statements of the above-listed special purpose funds are reliable**

We used the control framework developed by the Canadian Institute of Chartered Accounts (CICA) to make our judgments about the effectiveness of the Ministry's controls. The CICA defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

Assessing the Ministry's controls included a detailed evaluation of the Ministry's processes to pay eligible provincial disaster claims, to monitor the costs of policing services through the federal agreement with the Royal Canadian Mounted Police (RCMP), and to appropriately pay employees' salaries and wages (the majority of which were for correction workers).

3.1 Need to Follow Payroll Policies and Procedures

We recommended that the Ministry of Corrections, Public Safety and Policing supervise its employees to ensure they follow the Ministry's policies and procedures for paying amounts owed to employees. (2010 Report – Volume 1; Public Accounts Committee agreement May 11, 2011)

Status – We continue to make this recommendation.

The Ministry spent about \$144 million on salaries and wages for the year ended March 31, 2012.

The Ministry paid employees based on timecards that were not properly approved and supported. During 2011-12, consistent with prior years, supervisors approved timesheets without having adequate support to show that employees worked the time claimed on the timesheets. We found 40% of the timecards we tested were either not properly approved or were not properly supported. Further, the Ministry did not always approve overtime in advance or ensure proper support existed to verify the overtime.

Therefore, the Ministry may be paying employees more salary than earned. Due to the nature of the process, the amount of potential loss cannot be quantified.

Given that the Ministry handles a payroll of about \$144 million, it is cause for concern that 40% of timecards we tested were deficient.

These problems are consistent with findings we reported in our 2010 Report – Volume 1 – Chapter 4 (see **Exhibit 4.1**). On May 11, 2011 and June 7, 2011, PAC discussed and agreed with those recommendations.

3.2 Shared Services Agreement

We recommended that the Ministry of Corrections, Public Safety and Policing comply with the terms of the shared services agreement with the Ministry of Justice and Attorney General. (2010 Report – Volume 1; Public Accounts Committee agreement May 11, 2011)

Status – No longer relevant.

As discussed above, Corrections and Policing became part of the Ministry of Justice effective May 25, 2012.

3.3 Better Monitoring of IT Needed

We recommended that the Ministry of Corrections, Public Safety and Policing sign an adequate agreement on disaster recovery and security with the Information Technology Office. (2009 Report – Volume 1; Public Accounts Committee agreement February 2, 2010)

Status – Implemented.

During 2011-12, the Ministry signed a new memorandum of understanding with the Information Technology Office (ITO). The Ministry has also communicated its disaster recovery needs to ITO.

We recommended that the Ministry of Corrections, Public Safety and Policing adequately monitor the security of its information technology systems and data. (2009 Report – Volume 1; Public Accounts Committee agreement February 2, 2010)

Status – We continue to make this recommendation.

During 2011-12, the Ministry continued to receive monthly reports from ITO. The content of the reports are unchanged from prior years. Although the reports include information



on ITO's activities such as service levels and costs, they include limited information on the security or availability of its systems and no information about the adequacy of ITO's controls or how weaknesses at ITO could impact the Ministry's systems and data. Consequently, the Ministry does not know if ITO is addressing the Ministry's security and disaster recovery needs.

Consistent with the prior year, the Ministry did not follow its processes for promptly removing user access from individuals who no longer work for the Ministry. For example, we found 9 out of 10 individuals tested did not have their network access removed promptly. In one instance, network access was not removed until almost three months after employment ended. Also, we found the Ministry did not remove access in a timely fashion for 11 out of 12 individuals no longer employed by the Ministry who had access to the MIDAS⁴ financial or payroll systems. If former employees do not have access removed in a timely manner, it increases the risk of inappropriate access to the Ministry's systems and data.

3.4 Business Continuity Plan Not Completely Tested

We recommended that the Ministry of Corrections, Public Safety and Policing complete and implement its business continuity plan. (2007 Report – Volume 1; Public Accounts Committee agreement June 25, 2007)

Status – We continue to make this recommendation.

The Ministry maintains a current business continuity plan (BCP)⁵ for its critical business functions. According to the plan, the Ministry is to review the plan on an annual basis and test it every 12 – 18 months. The Ministry updated its BCP in January 2012. In April 2012, the Ministry completed some BCP testing.

As noted above, the Ministry has identified its disaster recovery needs to ITO. However, ITO does not perform disaster recovery testing to ensure that the Ministry's critical systems can be recovered in a timely way in the event of a disaster. Without an adequate tested disaster recovery plan, the Ministry cannot have a completely tested BCP.

⁴Multi-Informational Database Applications System.

⁵Business 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.

4.0 EXHIBITS

4.1 Status of Previous Recommendations of the Standing Committee on Public Accounts (PAC)

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

PAC Report Year	Outstanding Recommendation	Status
Ministry of Corrections, Public Safety & Policing—Labour Costs Related to Absenteeism (2010 Report – Volume 1)		
2011	4-4 that the Ministry of Corrections, Public Safety and Policing communicate to employees guiding principles such as personal accountability and fiscal responsibility.	Not implemented (as of December 31, 2009) Follow-up planned for 2013.
2011	4-5 that the Ministry of Corrections, Public Safety and Policing set formal thresholds to monitor sick leave and excessive hours worked and communicate these thresholds to corrections workers.	Not implemented (as of December 31, 2009) Follow-up planned for 2013.
2011	4-6 that the Ministry of Corrections, Public Safety and Policing monitor and control changes to work schedules to minimize labour costs in correctional centres (e.g. approval of shift trades, pay out of overtime).	Not implemented (as of December 31, 2009) Follow-up planned for 2013.
2011	4-7 that the Ministry of Corrections, Public Safety and Policing pay corrections workers for actual hours worked.	Not implemented (as of December 31, 2009) Follow-up planned for 2013.
2011	4-8 that the Ministry of Corrections, Public Safety and Policing establish processes to verify accurate data-entry of hours worked into the payroll system before paying employees.	Not implemented (as of March 31, 2012) Follow-up planned for 2013.
2011	4-9 that the Ministry of Corrections, Public Safety and Policing periodically analyze absenteeism patterns and regularly report to senior management the risk factors that influence labour costs in correctional centres. The analysis should include all types of absenteeism (e.g. use of sick leave, shift trades) and related overtime costs.	Not implemented (as of December 31, 2009) Follow-up planned for 2013.
2011	4-10 that the Ministry of Corrections, Public Safety and Policing establish adequate supervisory roles and responsibilities so that supervisors take prompt action on excessive absenteeism and overtime in correctional centres.	Not implemented (as of December 31, 2009) Follow-up planned for 2013.



PAC Report Year	Outstanding Recommendation	Status
2011	4-11 that the Ministry of Corrections, Public Safety and Policing implement an attendance management policy.	Not implemented (as of December 31, 2009) Follow-up planned for 2013.
Ministry of Corrections, Public Safety & Policing–Rehabilitate Adult Inmates (2008 Report – Volume 1)		
2009	2-3 That the Ministry of Corrections, Public Safety & Policing consistently comply with its policies to assess inmates' needs (primary & secondary) and plan relevant programs.	Partially implemented (as of August 31, 2011)
2009	2-5 That the Ministry of Corrections, Public Safety & Policing monitor the proportion of inmates accessing planned rehabilitation programs before the inmates are released into the community and enhance access to rehabilitation if required.	Partially implemented (as of August 31, 2011)
2009	2-6 That the Ministry of Corrections, Public Safety & Policing monitor re-offending rates in relation to rehabilitation programs to better evaluate its rehabilitation of inmates.	Partially implemented (as of August 31, 2011)
Ministry of Corrections, Public Safety & Policing–Managing for Results (2005 Report – Volume 3)		
2007	10-1 That the Department of Corrections and Safety (CPS) ... should analyze and report quarterly to executive managers the departments' progress toward planned outcomes.	Implemented (as of March 31, 2012) On a monthly basis, the Ministry tracks achievement of internal performance measures. Quarterly, senior management receives a written report on key activities and progress towards goals.