

Chapter 17

Parks, Culture and Sport

1.0 MAIN POINTS

Effective May 25, 2012, the Ministry of Tourism, Parks, Culture and Sport became the Ministry of Parks, Culture and Sport (Parks) and some responsibilities were transferred to the Ministry of the Economy.

This chapter reports the results of the annual audits of Parks and its agencies for the year ended March 31, 2012. Parks and its agencies had effective controls to safeguard public resources and complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending borrowing, and investing. Parks' agencies' financial statements for the year ended March 31, 2012 are reliable.

Parks has not yet renewed its agreement with its lotteries marketing agent. Parks plans to amend the new agreement to require the lotteries marketing agent to make payee lists available to the Ministry.

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

2.0 INTRODUCTION

The mandate of Parks is to support, celebrate and build pride in Saskatchewan. Parks' strategic focus is on tourism enhancement, quality of life and economic growth.¹

2.1 Financial Overview

For the year ended March 31, 2012, Parks spent \$98.5 million (2011 - \$102.3 million) including net capital acquisitions of \$9 million (2011 - \$4.8 million). Also, Parks recorded revenue of \$8.8 million (2011 - \$13.3 million) from lottery licencing fees and agreements with the Federal Government. In addition, Parks raises revenue and incurs expenses through the Commercial Revolving Fund.² At March 31, 2012, Parks had 239 employees.³

Information about Parks' revenues and expenditures appear in Parks' *2011-12 Annual Report*.⁴ Parks' major programs and spending are shown in **Figure 1**.

¹ Saskatchewan Provincial Budget: 2011-12 Estimates, www.finance.gov.sk.ca/budget2011-12/2011-12Estimates.pdf

² The Commercial Revolving Fund collects and distributes funds used in the operation of Saskatchewan's provincial parks.

³ Government of Saskatchewan. *Public Service Commission 2011-12 Annual Report*, p. 28.

⁴ www.pcs.gov.sk.ca/Annual-Report.



Figure 1 – Major Programs and Spending

	Estimates 2011-12	Actual 2011-12
	(in millions of dollars)	
Central Management Services	\$ 9.8	\$ 9.4
Tourism	14.7	13.9
Parks	27.3	27.4
Building Communities Program	5.7	1.3
Culture	29.4	25.9
Heritage	8.9	8.9
Strategic Policy, Planning & Partnerships	2.3	2.3
Community Initiatives Fund	9.5	9.4
Saskatchewan Communications Network	---	---
Total Appropriation	\$ 107.6	\$ 98.5
Capital Asset Acquisitions	(9.3)	(9.0)
Capital Asset Amortization	2.4	2.2
Total Expenses	\$ 100.7	\$ 91.7

Source: 2011-12 Ministry Tourism, Parks, Culture and Recreation Annual Report.

3.0 BACKGROUND

At March 31, 2012, Parks was responsible for the following special purpose funds, trusts, and Crown agencies (agencies). Each one has a March 31 year-end:

- Commercial Revolving Fund
- Community Initiatives Fund
- Saskatchewan Arts Board
- Saskatchewan Heritage Foundation
- Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation
- Saskatchewan Snowmobile Fund
- Western Development Museum

4.0 AUDIT CONCLUSIONS, SCOPE AND FINDINGS

Our Office worked with Virtus Group LLP, the appointed auditor, to carry out the audit of the Community Initiatives Fund and Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. We followed the framework in the *Report of 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:

- › **Parks and its agencies had effective rules and procedures to safeguard public resources except for the matter described in this chapter**
- › **Parks and its agencies complied with the following authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

<i>The Active Families Benefit Act</i>	<i>The Natural Resources Act</i>
<i>The Arts Board Act, 1997</i>	<i>The Parks Act</i>
<i>The Arts Board Regulations</i>	<i>The Parks Regulations, 1991</i>
<i>The Culture and Recreation Act, 1993</i>	<i>The Regional Parks Act, 1979</i>
<i>The Economic and Co-operative Development Act - Sections 8 (a), 8(b), and 9(1)(e)</i>	<i>The Regional Parks Regulations</i>
<i>The Film Employment Tax Credit Act</i>	<i>The Saskatchewan Gaming Corporation Act (Part IV)</i>
<i>The Film Employment Tax Credit Regulations</i>	<i>The Snowmobile Act</i>
<i>The Heritage Property Act</i>	<i>The Snowmobile Regulations, 1998</i>
<i>The Interprovincial Lotteries Act, 1984</i>	<i>The Tourism Authority Act</i>
<i>The Interprovincial Lotteries Regulations, 1994</i>	<i>The Tourism Authority Regulations</i>
<i>The Meewasin Valley Authority Act</i>	<i>The Wakamow Valley Authority Act</i>
<i>The Ministry of Tourism, Parks, Sport, and Culture Regulations, 2007</i>	<i>The Wanuskewin Heritage Park Act, 1997</i>
<i>The Multiculturalism Act</i>	<i>The Western Development Museum Act</i>
	<i>The Government Organization Act</i>
	Orders in Council issued pursuant to the above legislation

- › **The financial statements of the agencies are reliable**

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

In our 2011-12 audits, we examined the effectiveness of Parks' and its agencies' financial-related controls used to administer their spending, their revenues, and their various assets consistent with related authorities. In addition, we examined the effectiveness of the controls Parks uses to keep reliable financial records, prepare reliable financial reports, and safeguard the provincial parks that it administers. We also examined the processes used to oversee the lottery system and the Lottery Trust Fund for Sport, Culture and Recreation, and the Community Initiatives Fund. This year, we paid particular attention to the following areas:

- › Processes surrounding revenue and payment systems
- › Payment processes Parks used to provide financial support through operating grants to the Commercial Revolving Fund, Saskatchewan Arts Board, Saskatchewan Heritage Foundation, Saskatchewan Snowmobile Fund, and Western Development Museum
- › Processes surrounding Parks' oversight of the lottery system and the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation, and the Community Initiatives Fund



4.1 Amend Lottery Agreement

We recommended that when the Ministry of Tourism, Parks, Culture and Sport renews its agreement with its lotteries marketing agent that the Ministry amend the agreement to require the lotteries marketing agent to make payee lists (e.g., employees and suppliers) available to the Ministry. (2011 Report – Volume 2)

Status – We continue to make this recommendation.

Sask Sport Inc. (parent company of Saskatchewan Lotteries) is Parks' marketing agent for the marketing of lottery products in Saskatchewan and the administration of the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation (Trust Fund). Parks indicated that it plans to renew its agreement with Sask Sport Inc. when the current agreement expires on March 31, 2014. The renewal is expected to include an amendment requiring its marketing agent to provide Parks with an annual payee listing of all money paid out of the Trust Fund.

5.0 EXHIBITS

5.1 Status of Previous Recommendations of the Standing Committee on Public Accounts

The following exhibit provide 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 Parks, Culture and Sport (Provincial parks capital asset planning) (2009 Report – Volume 3)		
2011	18-1 that the Ministry of Parks, Culture and Sport include in its capital asset plan for the provincial parks system the projected future use levels for key capital assets (including assumptions and factors influencing trends) and a summary of capital asset risks for the projected use levels.	Partially implemented (as of September 15, 2011)
2011	18-2 that the Ministry of Parks, Culture and Sport set out principles in its capital asset plan to guide how it operates and maintains key capital assets in the provincial parks system.	Not implemented (as of September 15, 2011)
2011	18-3 that the Ministry of Parks, Culture and Sport include estimated life-cycle costs in its long-term capital asset plan for the provincial parks system.	Not implemented (as of September 15, 2011)