

Chapter 17

Parks, Culture and Sport

1.0 MAIN POINTS

This chapter reports the results of the annual audits of the Ministry of Parks, Culture and Sport (formerly the Ministry of Tourism, Parks, Culture and Sport), its five agencies and two special purpose funds for the year ended March 31, 2013.

The Ministry of Parks, Culture and Sport (PCS), its funds, and agencies, complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2013 financial statements of PCS' agencies and special purpose funds are reliable.

PCS, its agencies, and the Saskatchewan Snowmobile Fund had effective rules and procedures to safeguard public resources except for the following matter related to PCS.

Although PCS has made some progress in addressing our past recommendation, it needs to renew its agreement with its lotteries marketing agent and require the lotteries marketing agent to make payee lists available to PCS.

2.0 INTRODUCTION

The mandate of PCS is to support, celebrate and build pride in Saskatchewan. PCS' strategic focus is on tourism enhancement, quality of life, and economic growth. It works with diverse groups and communities to enhance the province's cultural, artistic, recreational and social life; to promote excellence in the arts, culture, heritage and sport; and to support a vibrant and growing arts and cultural community. PCS supports and promotes Saskatchewan tourism, manages and enhances Saskatchewan's provincial parks system, conserves ecosystems and cultural resources, and provides recreational and interpretive opportunities for park visitors.¹

2.1 Financial Overview

For the year ended March 31, 2013, PCS spent \$99.8 million (2012 - \$102.6 million) including net capital acquisitions of \$9.2 million (2012 - \$9 million) (see **Figure 1**). Also, PCS recorded revenue of \$7.8 million (2012 - \$8.8 million) from lottery licencing fees and agreements with the federal government. In addition, PCS raised revenue and incurred expenses through the Commercial Revolving Fund.²

Information about PCS' revenues and expenses appear in its *2012-13 Annual Report*.³

¹ *Saskatchewan Provincial Budget: 2012-13 Estimates*, p.131.

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

³ www.pcs.gov.sk.ca/Annual-Report (30 October 2013).



Figure 1 – Major Programs and Spending

	Estimates 2012-13	Actual 2012-13
	(in millions)	
Central Management Services	\$ 11.4	\$ 11.8
Tourism Initiatives	0.6	0.3
PCS	30.4	27.5
Building Communities Program	2.8	0.9
Culture	29.2	31.7
Heritage	8.9	9.0
Sport Recreation and Stewardship	4.4	4.4
Capital Commission Operations	8.2	6.0
Community Initiatives Fund	9.3	9.7
Regina Stadium Project*	—	5.0
Total Appropriation	\$ 105.2	\$ 106.3
Capital Asset Acquisitions	(11.8)	(9.2)
Capital Asset Amortization	2.9	2.7
Total Expenses	\$ 96.3	\$ 99.8

Source: 2012-13 Ministry of Parks, Culture and Sport Annual Report

* The Ministry obtained additional funds of \$5.0 million through Supplementary Estimates.

2.2 Background

At March 31, 2013, PCS was responsible for the following special purpose funds, trusts, and Crown agencies (agencies). Each one has a March 31 year-end:

Special Purpose Funds (Funds)

Commercial Revolving Fund
Saskatchewan Snowmobile Fund

Crown Agencies (Agencies)

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

3.0 AUDIT CONCLUSIONS AND SCOPE

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 (Trust Fund). We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.⁴

⁴ See our website at www.auditor.sk.ca.

In our opinion, for the year ended March 31, 2013:

- ▶ **PCS, its agencies and the Saskatchewan Snowmobile Fund had effective rules and procedures to safeguard public resources except for the matter described in this chapter**
- ▶ **PCS, its funds 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 funds and 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 PCS' 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 2012-13 audits, we examined the effectiveness of PCS' and its agencies' financial-related controls used to administer their spending, revenues, and various assets consistent with related authorities. In addition, we examined the effectiveness of the controls PCS 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 PCS 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 PCS' oversight of the lottery system and the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation, and the Community Initiatives Fund



4.0 KEY FINDINGS AND RECOMMENDATION

In this section, we outline key observations from our assessments and the resulting recommendation.

4.1 Amendment to Lottery Agreement Needed

We recommended that when the Ministry of Parks, Culture and Sport (formerly 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; Public Accounts Committee has not yet considered this recommendation)

Status – Partially Implemented

Sask Sport Inc. (parent company of Saskatchewan Lotteries) is PCS' marketing agent for the marketing of lottery products in Saskatchewan and the administration of the Trust Fund. PCS 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 PCS with an annual payee listing of all money paid out of the Trust Fund.

5.0 EXHIBIT

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

The following exhibit provides an update on recommendations agreed to by the Public Accounts Committee that are not yet implemented and are not discussed earlier in this chapter.

PAC Report Year	Outstanding Recommendation	Status
Ministry of Parks, Culture and Sport (formerly the Ministry of Tourism, 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) We plan to do a follow-up in 2014.
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) We plan to do a follow-up in 2014.
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) We plan to do a follow-up in 2014.