

Chapter 33

Government Relations—Processes to Assess Public Concerns

1.0 MAIN POINTS

The Ministry of Government Relations (Ministry) is responsible for setting the legislative framework for municipal governments. Municipal governments, under this legislative framework, are the responsible and accountable level of government within their municipal jurisdiction. The Ministry works with municipalities, their representative associations, and other provincial agencies to help foster effective local government. When the public does not understand municipal government legislation or has concerns about municipal administration or services, they often express these concerns to the Ministry. The Ministry uses these concerns as a source of information to assist it in identifying areas for improvement to the system of municipal government.

For the 12-month period ending March 31, 2014, the Ministry had effective processes to assess concerns raised by the public for implications on the system of municipal government in Saskatchewan, except that it needs improve its guidance for assessing public concerns and track key information about those concerns in its electronic system.

2.0 INTRODUCTION

One of the purposes of the Ministry is to coordinate, develop, promote, and implement government policies and programs related to cities, urban municipalities, rural and northern municipalities, and matters of an inter-municipal nature. It is also responsible for coordinating, developing, promoting, and implementing policies and programs related to providing financial, administrative, technical, and other support services to municipalities, and to associations of municipalities as described in *The Ministry of Government Relations Regulations*.¹

This chapter describes the results of our audit of the Ministry's processes to assess concerns raised by the public for implications on the effectiveness of the system of municipal government in Saskatchewan.

2.1 Background

The Ministry works with municipalities, their representative associations, and other provincial agencies to help foster effective local government and sustainable municipal infrastructure and services. It is responsible for setting and maintaining the municipal legislative framework and provides some technical and policy support for municipalities. In 2013-14, the Ministry spent \$375.7 million on municipal programs including \$369 million of transfers to municipalities.²

Under Saskatchewan's municipal legislation, the Minister of Government Relations may, by order, constitute any area within Saskatchewan as a municipality and may incorporate it as a city, town, village, resort village, rural municipality, northern town,

¹ *The Ministry of Government Relations Regulations*, s.3.

² Ministry of Government Relations, *2013-14 Annual Report*, p.19.



northern village, or northern hamlet.³ The legislation provides the Minister with the power to establish and alter municipalities, issue orders or set regulations over various matters related to municipal administration and operations, and request an audit, investigation, or inquiry about the affairs of a municipality and its council.⁴ The Minister also has the power to dismiss municipal councils and appoint administrators to manage or supervise municipalities.⁵

As shown in **Figure 1**, Saskatchewan has 782 urban, rural, and northern incorporated municipalities with varying sizes of population.⁶ These municipalities operate under various Acts (e.g., *The Cities Act*, *The Municipalities Act*, and *The Northern Municipalities Act, 2010*).⁷ Under these Acts, municipalities are recognized as a “responsible and accountable level of government within their jurisdiction”⁸ and have the “rights, powers, and privileges of a natural person.”⁹ The legislation provides elected municipal bodies with governmental powers, the legislative authority to carry out those powers, and the ability to enforce them.

Figure 1 – Breakdown of Incorporated Municipalities by Type

| By Category | # ^a | Population Based on 2011 Census ^b | Range in Population Size |
|---|----------------|--|--------------------------|
| Urban Municipalities: | | | |
| Cities ^c | 16 | 588,823 | From 4,517 to 222,189 |
| Towns | 146 | 151,205 | From 75 to 7,084 |
| Villages | 260 | 44,089 | From 0 to 1,068 |
| Resort Villages | 40 | 4,092 | From 10 to 765 |
| Total Urban | 462 | 788,209 | - |
| Rural Municipalities | 296 | 174,585 | From 73 to 8,354 |
| Northern Municipalities and Villages ^d | 24 | 12,973 | From 0 to 2,611 |
| Non-Municipal Jurisdictions (parks, reserves) | Not Applicable | 57,614 | From 0 to 2,612 |
| Total | 782 | 1,033,381 | |

^a Source: Ministry of Government Relations website, www.municipal.gov.sk.ca/Programs-Services/Municipalities-Types (25 August 2014).

^b Source: *Saskatchewan Population Report 2011 Census of Canada*, www.stats.gov.sk.ca/stats/pop/Censuspopulation2006.pdf (25 August 2014).

^c Centres with populations more than 5,000 at time of incorporation incorporated under *The Cities Act*.

^d The 24 northern municipalities are comprised of two towns, 11 villages, 11 hamlets. www.municipal.gov.sk.ca/Programs-Services/Municipalities-Types (25 August 2014).

³ Any park lands or First Nation reserve land located within the boundaries of a rural municipality are not parts of the municipality (Source: *The Municipalities Act*, s. 67).

⁴ *The Cities Act* (s. 352(1), 353(1), 354(1), 356(1)), *The Municipalities Act* (s.395(1), 396(1), 397(1), 399(1)), *The Northern Municipalities Act, 2010* (s. 416(1), 417(1), 418(1), 420(1)).

⁵ *The Cities Act* (s. 356(2), 356(5), 357(1)), *The Municipalities Act* (s. 399(2), 399(5), 400(1)), *The Northern Municipalities Act, 2010* (s. 420(2), 420(5), 421(1), 422(1)).

⁶ www.municipal.gov.sk.ca/Programs-Services/Municipalities-Types (25 August 2014).

⁷ Through law, municipalities are provided with the power to impose taxes, pass municipal bylaws, and operate public utilities. Laws also set out requirements over municipal borrowing, budgeting, reporting, and specific governance requirements related to the duties of council members and mayors. These include declarations of pecuniary interests (conflicts of interest), terms of office, quorum, voting procedures, and meetings.

⁸ *The Municipalities Act*, (s.3(1)), *The Cities Act*,(s.3(1)), *The Northern Municipalities Act, 2010*, (s.3(1)).

⁹ *The Municipalities Act*, (s.4(3)), *The Cities Act*,(s.4(3)), *The Northern Municipalities Act, 2010*, (s.4(3)).

The public¹⁰ raise concerns about municipalities to the Ministry, its Minister, or members of the Legislative Assembly. Concerns may be expressed, for example, about municipal administration, governance, municipal services, or property tax levies or processes. In 2013-14, the Ministry handled over 4,000 public inquiries about municipalities (including general inquiries, information requests, and specific concerns). It receives most of these inquiries directly via telephone calls.

When handling specific concerns, it is important that the Ministry help the public understand the municipal legislative framework. It is also important for the Ministry to use these concerns as a source of information to assist it to continually evaluate the effectiveness and clarity of Saskatchewan's municipal legislative framework. Having effective, documented processes will help ensure the Ministry fairly and consistently completes this evaluation.

3.0 AUDIT OBJECTIVE, SCOPE, CRITERIA, AND CONCLUSION

The objective of this audit was to examine whether the Ministry of Government Relations (Ministry) had effective processes, from April 1, 2013 to March 31, 2014, to assess concerns raised by the public for implications on the effectiveness of the system of municipal government in Saskatchewan.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate the Ministry's processes, we used criteria based on related work and reviews of literature including reports of other auditors. Management agreed with the criteria (see **Figure 2**).

We examined the Ministry's documented processes for assessing, determining the potential impact, and communicating the results of its assessments of concerns from the public. We interviewed management responsible for making decisions about those concerns. We tested a sample of concerns to determine whether the Ministry followed its processes.

Figure 2—Audit Criteria

Effective processes to assess concerns raised by the public for implications on the system of municipal government in Saskatchewan include:

- 1. Maintain guidance for consistent and timely assessment of concerns**
 - 1.1 Maintain policies and procedures for assessing concerns
 - 1.2 Track key information about concerns
 - 1.3 Assign qualified staff to assess concerns
 - 1.4 Prioritize concerns (i.e., determine which concerns need immediate attention)
- 2. Determine potential impact of concerns**
 - 2.1 Analyze nature of concerns to identify systemic problems or potential problems
 - 2.2 Decide on action required and document rationale for decision
 - 2.3 Take action based on results of assessment
- 3. Communicate results of assessments**
 - 3.1 Report significant risks or implications to senior management
 - 3.2 Communicate significant systemic municipal issues to municipalities

We concluded that, for the year ended March 31, 2014, the Ministry of Government Relations had effective processes to assess concerns raised by the public for implications on the system of municipal government in Saskatchewan except that

¹⁰ For purposes of this audit, we consider the public to include individuals, industry, municipal associations, or other municipalities.



it needs to improve its guidance for assessing public concerns and track key information about those concerns in its electronic system.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we set out the criteria (expectations) in italics, our key findings, and related recommendations.

4.1 Improved Guidance for Assessing Concerns Needed

We expected that the Ministry would maintain written guidance that includes criteria to help prioritize concerns and promotes consistent and timely assessment of concerns based on documented analysis. The Ministry would make guidance readily available to staff. It would assign qualified staff to assess concerns and provide them with appropriate training. The Ministry would track key information about concerns. The Ministry would keep key information on public concerns in a central location or system. Keeping documentation centralized would help management monitor trends to identify possible systemic issues. Also, central documentation of concerns would help management monitor the status of responses.

The Ministry receives concerns about municipalities from the public in many forms including letters, emails, and telephone calls. The Ministry receives concerns either via the Minister’s Office, or directly at the Ministry. Three Ministry branches receive and handle the majority of concerns received – the Advisory Services and Municipal Relations Branch (ASMR), the Community Planning Branch (CP), and the Policy and Programs Branch (PPS). **Figure 3** briefly describes each branch and the source of concerns they receive.

Figure 3—Ministry Branches that Commonly Handle Public Concerns and their Source

| Branch | Description of Branch | Source: Direct | Source: Via the Minister’s Office |
|--|---|----------------|-----------------------------------|
| Advisory Services and Municipal Relations (ASMR) | ASMR provides services to municipal governments such as: - Administrative and technical advice to administrators/councils to support the effective and efficient operation of municipal government; - Preparation of municipal information manuals, technical bulletins and online documents ^a | Yes | Yes |
| Community Planning (CP) | The CP Branch provides tools and services to assist municipalities with planning and development. The Branch provides professional land-use planning advice and assistance to municipalities, other government ministries and the public. ^b | Yes | Yes |
| Policy and Program Services (PPS) | The Minister of Government Relations is assigned responsibility for various legislation, including the legislation that creates the system of municipal government. The PPS branch is responsible for updating and maintaining this legislation. | No | Yes |

^a www.municipal.gov.sk.ca/Programs-Services/Advisory-Service/ (17 September 2014).

^b www.municipal.gov.sk.ca/programs-services/community-planning-land-use (17 September 2014).

The Ministry has some documented policies and procedures to guide staff when assessing concerns. This guidance includes: assessing whether the concern falls under an area of Ministry responsibility, consulting relevant legislation, determining how to

proceed when the concern indicates a possible issue with the system of municipal government, and obtaining the required approvals prior to providing a response. For concerns received from the Minister's Office, the Ministry requires senior management to review and approve all written responses to these concerned parties before seeking the Minister's final approval of the response.

We found that the Ministry's documented guidance for assessing concerns differed between branches. While the documented guidance used by each branch included similar concepts, it differed in the level of detail provided. For example, one branch's guidance for assessing concerns received from the Minister's Office included a flow chart and a high-level overview of the process to assess and respond to concerns. Another branch's guidance for assessing concerns received from the Minister's Office included a different flow chart showing a similar process but it provided more detailed guidance to staff on the various steps in the process. Having different guidance in each branch for tracking and assessing concerns increases the risk of inconsistent tracking and assessment of concerns across the Ministry. Also, maintaining central guidance would be more efficient than maintaining multiple sets of documented policies and procedures in each branch.

1. We recommend that the Ministry of Government Relations centrally maintain guidance for tracking and assessing public concerns regarding municipalities.

The Minister's Office prioritizes concerns it receives by setting the date by which a response is required. While the Ministry does not have a documented process to set priority for concerns it receives directly, it strives to assess and respond to concerns received by phone within 24 hours (it receives the majority of its concerns via phone). The Ministry indicated that staffing levels at March 31, 2014 were adequate to handle the current volume of concerns.

For the concerns we examined, the Ministry assessed and responded to the concerns it received directly within its 24-hour target. For concerns received at the Minister's Office, most were responded to by the date requested by the Minister. For those that did not meet the deadline, the delays were not significant (one to seven days). The amount of time to assess and respond to each concern reflected the complexity of the concern.

The Ministry has approximately 35 staff who, as part of their duties, assess and respond to concerns. It maintains job descriptions that set out key competencies and experience requirements for these staff. Staff receive training on municipal legislation before they begin assessing and responding to concerns. Also, some staff belong to relevant professional organizations (e.g., many of the staff in the CP Branch are registered members of the Saskatchewan Professional Planners Institute). Also, senior management are involved in responding to concerns received from the Minister's Office.

The Ministry's guidance does not require staff responsible for assessing concerns to be objective and independent from the concerned party and the municipality that is the subject of the concern. The Ministry indicated it has a practice of not assigning staff to assess concerns where it knows a potential conflict of interest exists (e.g., where a Ministry staff member used to work for the municipality that is the subject of the concern



received). For the concerns we examined, there was no documentation of whether staff analyzing the concern had any conflicts of interest.

Without identification of possible conflicts of interest between staff and the concerned party or the municipality that is the subject of the concern, there is an increased risk that staff will not objectively assess concerns. This may impair the Ministry's ability to identify systemic issues with the municipal system.

2. We recommend that the Ministry of Government Relations require staff responsible for assessing public concerns about municipalities to document potential conflicts of interest, and then assign staff accordingly.

The Ministry does not give staff written guidance on when and how to document their analysis of concerns or require them to keep their analysis. Rather, some areas (i.e., Minister's Office and the ASMR Branch) use electronic tracking systems to guide staff on what information to document. Other branches that handle concerns keep key information in manual files (i.e., paper-based system). For concerns we examined, we found the Ministry completed sufficient analysis of concerns to support the Ministry's responses to concerned parties and identify systemic concerns in the system of municipal government. We found that this analysis was not consistently included in the information package that accompanied the draft response sent to senior management for approval.

Without complete guidance on when and how to document analysis of concerns, there is an increased risk that the Ministry will not complete sufficient analysis to identify systemic issues with the municipal government system. Also, this increases the risk of the Ministry not consistently assessing concerns in the event of unplanned staff turnover.

3. We recommend that the Ministry of Government Relations provide written guidance to staff on when and how to document their analysis of public concerns regarding municipalities.

Concerns received by the Minister's Office are logged in the Government's Ministerial Log System and concerns received by staff within the ASMR Branch are logged in the Ministry's internal electronic system known as the Provincial Municipal Relations Database (PMR). As previously noted, this Branch handles the majority of concerns received. For each concern the ASMR Branch received, staff documented the concerned party's contact information, the date received, the format in which the concern was received, the name of the related municipality, the nature of the concern, and how and when the Ministry responded. Similar information is included in the Ministerial Log System, except that this system does not track the nature of the concern. See **Figure 4** for details on inquiries and concerns received during 2013-14.

Figure 4—Number of Inquiries/Concerns Received During 2013-14 by Nature

| By Branch / Nature of Inquiry/Concern | Municipal Administration | Municipal Governance | Municipal Services | Taxation | Other | Total |
|---|---|----------------------|--------------------|------------|--------------|--------------|
| Inquiries/Concerns received directly from the public by ASMR ¹ | 951 | 380 | 495 | 761 | 1,218 | 3,805 |
| Concerns received directly from the public by CP | Not readily available as this Branch maintains manual files | | | | | About 100 |
| Concerns received by the Minister of Government Relations | Not available – the Ministerial Log System does not include breakdown by nature of concern received | | | | | 221 |
| Total | 951 | 380 | 495 | 761 | 1,218 | 4,126 |

Source: Ministry of Government Relations records.

For the purposes of this figure, numbers reported by ASMR include general inquiries, information requests, and specific concerns. 59% of the total inquiries, information requests, and concerns received related to urban municipalities and 41% related to rural municipalities.

The Community Planning Branch (CP Branch) receives concerns about municipalities related to use of land (i.e., zoning), land development, and policies made by municipalities about community development (i.e., municipal bylaws). The CP Branch records information about concerns in its manual files. Because of its use of manual files, management did not have readily-accessible information on the amount and nature of concerns received by the CP Branch.

Including information on concerns received by the CP Branch in the Ministry's electronic system (i.e., PMR) would help ensure consistent information is tracked for concerns it received, could help monitor trends to identify potential systemic issues, and would allow for improved reporting overall on concerns.

4. We recommend that the Ministry of Government Relations include key information about public concerns with potential impact on the system of municipal government received by the Community Planning Branch in its electronic system.

4.2 Potential Impact of Concerns Determined

We expected that the Ministry would determine whether the concern relates to an area for which the Ministry is responsible. The Ministry would further analyze the concerns to identify whether the concerns indicate systemic problems or potential systemic problems. Then, based on documented analysis, the Ministry would decide upon, and take action to address the systematic problem, as needed.

Ministry staff use their experience and knowledge of municipal legislation to determine if the concern relates to an area of Ministry responsibility. As noted in **Section 4.1**, staff receive training on municipal legislation. Where the concern was determined to be an



area outside of the Ministry's responsibility, we found staff promptly provided a response outlining potential further options for the concerned party.

For relevant concerns, staff use the guidance described in **Section 4.1** to assess concerns to identify potential systemic issues (e.g., concerns related to provincial grants to municipalities or differing interpretation of municipal legislation). Branches also use routine meetings to help identify systemic or common concerns.

If the assessment identifies that action is required (e.g., amend municipal legislation), staff identify the recommended action and, based on its assessment of risk and impact, the timeframe by which the action should be completed. For example, if staff assess the issue as low risk (e.g., requiring minor wording changes to legislation) they document the proposed change for inclusion in upcoming legislative revisions. If staff assess the issue as moderate to high risk, staff communicate the matter to senior management for consideration and direction.

As a result of concerns received and assessed in the 2013-14 fiscal year, the Ministry identified one systemic issue with the system of municipal government that was significant enough to require a prompt change to municipal legislation. This change related to the interpretation of the types of property tax collection fees that can be charged for property taxes in arrears under *The Tax Enforcement Act*. The Ministry also identified numerous minor wording changes to help improve the clarity of municipal legislation.

4.3 Results of Assessments Communicated to Senior Management

We expected senior management of the Ministry to receive information on significant risks or implications on the system of municipal government identified from the assessments of concerns received. We also expected the Ministry to communicate information to municipalities about any systemic issues identified.

Senior management is kept informed of significant risks or implications arising from concerns in numerous ways. Most reporting to senior management is informal in nature (e.g., emails and verbal conversations). This communication generally occurs when staff identify potential issues and assess the concerns.

For concerns received directly by the Ministry, only the ASMR branch generated a report from its electronic tracking system (PMR) for review by the Executive Director of the ASMR branch. The quarterly report summarized the number of concerns received for the period by type (see **Figure 4**), and statistics related to the nature of the concerns. We reviewed a sample of these reports and found that the number of concerns has been consistent for the last five years. Also, our review did not identify any significant trends or issues. Senior management discuss any systemic issues noted at bi-weekly meetings or on an ad hoc basis, depending on the significance of the issue.

For concerns received by the Minister's Office, senior management relies on their direct involvement in responses, so they do not receive any formal reports on these.

The Ministry does not have any formal guidance on communicating issues to municipalities. Instead, management determines when and what to communicate based

on experience and professional judgment. When systemic issues of direct relevance to municipalities are identified, the Ministry communicates relevant information to municipalities in various ways. For example, it may include the matter in the Ministry's publication called *Municipalities Today*, send information bulletins to municipality administrators, make presentations or provide training sessions at various municipal conventions, and/or post information on its website. None of the concerns we examined required specific communication to municipalities.

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