

Chapter 6 Environment

1.0 MAIN POINTS

This chapter reports the results of the annual audits of the Ministry of Environment (Environment), the Fish and Wildlife Development Fund, the Impacted Sites Fund (special purpose funds), and the Water Appeal Board (Board) for the year ended March 31, 2016.

Environment, the special purpose funds, and the Board complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2015-16 financial statements of the special purpose funds and the Board are reliable.

Environment and the Board had effective rules and procedures to safeguard public resources except Environment needs to follow its procedures to remove unneeded user access to its IT systems and data promptly.

2.0 INTRODUCTION

Environment is responsible for working with Saskatchewan stakeholders to protect the province's air, land, and natural resources to achieve a high environmental standard, and to support sustainable development in the use of these resources.¹

At March 31, 2016, Environment was responsible for the Fish and Wildlife Development Fund, the Impacted Sites Fund, and the Water Appeal Board.

2.1 Financial Overview

In 2015-16, Environment spent \$229.8 million (2014-15: \$150.0 million) including net capital acquisitions of \$8.0 million (2014-15: \$5.5 million). Also, in 2015-16, Environment had revenue of \$66.3 million (2014-15: \$53.3 million) from licences and permit fees for fishing, hunting, and forestry; non-refundable deposits on beverage containers; and fire suppression cost-sharing agreements.

Information about Environment's revenues and expenditures appear in its *2015-16 Annual Report*.² **Figure 1** presents Environment's expenses by major program.

¹ Saskatchewan Ministry of Finance, *2015-16 Saskatchewan Provincial Budget: Estimates*, p. 49.

² www.finance.gov.sk.ca/Planningandreporting/2015-16/2015-16EnvironmentAnnualReport.pdf (18 September 2016).

**Figure 1 – Expenses by Major Program**

	Estimates 2015-16 ^A	Actual 2015-16
	(in millions)	
Central Management and Services	\$ 16.3	\$ 15.2
Climate Change	2.6	1.1
Landscape Stewardship	4.0	3.4
Environmental Support	7.6	6.7
Fish and Wildlife	10.7	10.7
Compliance and Field Services	17.6	17.6
Environmental Protection	34.3	34.0
Forest Services	11.0	10.2
Wildfire Management	56.0	130.9
Total Appropriation	\$ 160.1	\$ 229.8
Capital Asset Acquisitions	(8.2)	(8.0)
Capital Asset Amortization	10.8	10.2
Non-Spending Control Items ^B	-	(4.4)
Total Expense	\$ 162.7	\$ 227.6

Source: 2015-16 Ministry of Environment Annual Report.

^A During 2015-16 the Ministry received a budget increase through a special warrant of \$80 million.

^B This number represents the change in inventory and prepaid expenses.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- › **Environment and the Water Appeal Board had effective rules and procedures to safeguard public resources, except Environment needs to remove unneeded user access promptly**
- › **Environment, the Fish and Wildlife Development Fund, the Impacted Sites Fund, and the Water Appeal Board complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Environmental Management and Protection Act, 2010

The Mineral Industry Environmental Protection Regulations, 1996

The Executive Government Administration Act

The Ministry of Environment Regulations, 2007

The Federal-Provincial Agreements Act

The Financial Administration Act, 1993

The Fisheries Act (Saskatchewan), 1994

The Fisheries Regulations

The Forest Resources Management Act

The Forest Resources Management Regulations

The Natural Resources Act

The Provincial Lands Act

The Provincial Lands Regulations

The Crown Resource Land Regulations

The Public Service Act, 1998

The Purchasing Act, 2004

The Water Appeal Board Act

The Water Security Agency Act

The Wildfire Act

The Wildlife Act, 1998

The Wildlife Regulations, 1981

Orders in Council issued pursuant to the above legislation

› **The financial statements of the Fish and Wildlife Development Fund, the Impacted Sites Fund, and the Water Appeal Board are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Environment's and the Water Appeal Board's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

This year, we paid particular attention to the following:

- › Environment's processes to levy and collect lease, licence, and permit revenues; revenue from the beverage container collection and recycling program; and commercial leases on behalf of the Ministry of Parks, Culture and Sport and the Northern Municipal Trust Account
- › Environment's process to estimate environmental liabilities related to contaminated sites
- › The accuracy and completeness of Environment's contractual obligations

4.0 KEY FINDINGS AND RECOMMENDATION

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

4.1 Timely Removal of User Access Needed

We recommended that the Ministry of Environment follows its established procedures and remove unneeded user access to systems and data promptly. (2014 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)

Status – Partially Implemented

Although Environment has established procedures for removing unneeded user access to its computer systems and data, staff did not consistently follow them.

For example, 1 of the 10 users we tested did not have network access removed until 38 days after the individual's last day of employ. The Ministry of Central Services' policy expects it to be asked to remove user network access on the last day of employ. In addition, in 4 of 10 users we tested, employees' user access to the network and to MIDAS³ was not removed until 2 to 7 days after last day of employ (2014-15: 3 of 10 users where access was removed 4 to 25 days after last day of employ).

In October 2014, Environment revised its user access monitoring processes to include weekly reviews of employee terminations using a weekly termination report. It used

³ This includes both MIDAS Financials and MIDAS HR/Payroll. MIDAS is the central application Environment uses to record and account for its financial activities, including its general ledger, accounts payable, accounts receivable, purchasing and payments, human resources and payroll records, etc.



these reviews to identify where Environment missed requesting removal of user access, and to make such requests. In June 2015, Environment determined that the weekly termination reports it was using were incomplete. The report was fixed in July 2015.

The Ministry's monitoring of the weekly termination report improved the timeliness of removal of user access. For example, we found three instances from April to June 2015 where unneeded network user access was removed 3 to 38 days after the last day of employ. Whereas, we found two instances from July 2015 to March 2016 where unneeded network user access was removed 2 and 10 days after last day of employ.

Not promptly removing unneeded user access increases the risk of inappropriate access to Environment's computer systems and data.