

Chapter 4

Government Relations

1.0 MAIN POINTS

During 2016-17, the Ministry of Government Relations had effective rules and procedures to safeguard public resources except that it continues to need to remove unneeded user access to its computer systems and data promptly.

The Ministry complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

2.0 INTRODUCTION

2.1 Background

The Ministry of Government Relations is responsible for municipal relations; public safety; and for First Nations, Métis, and northern affairs.¹ Its responsibilities include co-ordinating, developing, promoting, and implementing policies and programs related to cities, municipalities (urban, rural, northern), and matters of an inter-municipal nature.

Its policies and programs relate to community planning, development, and diversification of cities and municipalities; joint ventures related to municipalities; and administrative and technical advice provided to administrators/councils to support the effective and efficient operation of municipal governments, community facilities, and local government elections.

In addition, the Ministry is responsible for co-ordinating, developing, promoting, and implementing policies:

- With respect to matters affecting First Nations and Métis people
- To foster and advance development in northern Saskatchewan
- For emergency management, disaster assistance, fire commissioner services, and building accessibility and other safety standards
- For public safety (e.g., safety standards for boilers, pressure vessels, gas equipment and installations)²

2.2 Financial Overview

For the year ended March 31, 2017, the Ministry had revenues of \$183.5 million (including \$166.9 million from the Federal Government) and expenses of \$527.5 million. **Figure 1**

¹ www.saskatchewan.ca/government/government-structure/ministries/government-relations (31 August 2017).

² *The Ministry of Government Relations Regulations.*



lists the Ministry's expenses by major programs. For further details, see the Ministry's *2016-17 Annual Report* available on its website.³

Figure 1 – Expenses by Major Program

	Estimates 2016-17 ^A	Actual 2016-17
	(in millions)	
Central Management and Services	\$ 9.7	\$ 9.1
First Nations and Métis Engagement	81.8	80.9
Municipal and Northern Engagement	405.7	393.3
Saskatchewan Municipal Board	1.9	1.6
Public Safety	11.2	41.4
Total Appropriation	<u>510.3</u>	<u>526.3</u>
Capital Asset Acquisitions	(1.8)	(1.6)
Amortization of Capital Assets	2.6	2.8
Total Expense	<u>\$ 511.1</u>	<u>\$ 527.5</u>

Source: *Ministry of Government Relations 2016-17 Annual Report*.

^A The Ministry obtained additional funding through supplementary estimates of \$28.2 million.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2017:

- **The Ministry had effective rules and procedures to safeguard public resources except as described in this chapter**
- **The Ministry complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Assessment Management Agency Act

The Assessment Management Agency Regulations

The Cities Act

The Crown Employment Contracts Act

The Executive Government Administration Act

The Financial Administration Act, 1993

The Government Organization Exemption Regulations

The Government Relations Administration Act

The Indian and Native Affairs Act

The Ministry of Government Relations Regulations

The Métis Act

The Municipalities Act

The Municipal Boards Act

The Municipal Grants Act

The Municipal Grants Regulations

The Northern Municipalities Act, 2010

The Provincial Disaster Assistance Program Regulations, 2011

The Public Services Act, 1998

The Purchasing Act, 2004

The Saskatchewan Gaming Corporation Act (Part III.01, and III.1)

The Saskatchewan Natural Resources Transfer

Agreement (Treaty Land Entitlement) Act

2002 Gaming Framework Agreement

Orders in Council issued pursuant to the above legislation

We used standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001) to conduct our audit. We used the control framework published by CPA Canada to make our judgments about the effectiveness of the

³ www.saskatchewan.ca/government/government-structure/ministries/government-relations (31 August 2017).

Ministry'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.

We tested the Ministry's controls for managing grant payments to municipalities as the Ministry receives and distributes significant funding for various municipal programs. This included testing its processes for awarding grants, approving grant payments, and monitoring municipalities' compliance with federal and provincial funding agreements.

The Ministry also provides significant financial assistance to individuals and organizations for provincial disaster claims and expects to receive reimbursements from the federal government for a portion of the amount it pays. We tested the Ministry's controls over managing disaster claims and recovering amounts from the federal government, including processes for making and recording significant accounting estimates.

The Ministry provides significant funding annually to the First Nations Trust and six Community Development Corporations based on profits Saskatchewan casinos earn.⁴ We tested the Ministry's controls for managing these grant payments including monitoring the compliance of the First Nations Trust and the Corporations with the 2002 Gaming Framework Agreement.

4.0 KEY FINDINGS AND RECOMMENDATIONS

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

4.1 Timely Removal of Unneeded IT User Access Needed

We recommended that the Ministry of Government Relations document and implement procedures to ensure unneeded user access to its information technology systems and data is removed promptly. (2012

Report – Volume 2; Public Accounts Committee agreement January 13, 2014)

Status – Partially Implemented

For the last half of 2016-17, the Ministry did not consistently follow its process to monitor removal of unneeded user access to its IT systems and data.

For the first two quarters of 2016-17, the Ministry identified that unneeded access to its IT network was not removed promptly for 14 of 56 employees who left the employ of the Ministry (2015-16: 9 of 95). For those 14 employees, the Ministry did not remove access until 2 to 99 days after termination (2015-16: 1 to 74 days). Not removing unneeded user access promptly increases the risk of inappropriate access and unauthorized changes to the Ministry's IT systems and data.

⁴ In accordance with the 2002 Gaming Framework Agreement and *The Saskatchewan Gaming Corporation Act* (for the First Nations Trust).



4.2 Guidance for Monitoring the 2002 Gaming Framework Agreement Provided

We recommended that the Ministry of Government Relations provide guidance to staff for analyzing and taking action on issues arising from its monitoring of the 2002 Gaming Framework Agreement. (2015 Report – Volume 2; Public Accounts Committee agreement September 15, 2016)

Status – Implemented

During 2016-17, management developed and approved guidance for staff about analyzing and taking action on issues arising from its monitoring of compliance with the 2002 Gaming Framework Agreement. We found the guidance sufficient.

We found that management maintained documentation to show it sufficiently monitored the compliance of the First Nations Trust and Community Development Corporations with the Agreement and took appropriate action on issues it identified (e.g., attempting to receive information not submitted when expected; withholding payments when information not received).