

## Chapter 5

### Finance

#### 1.0 MAIN POINTS

The Ministry of Finance and six of its agencies with March 31 year-ends had effective rules and procedures to safeguard public resources except for the matters related to the Ministry as noted in this chapter and in Chapter 6 for the Public Employees Benefits Agency.

Finance administers resource surcharge revenues. In order to ensure it records these revenues in the proper period, Finance needs to continue developing and implementing models to estimate these revenues reliably.

In addition, to better protect its IT systems and data, Finance needs to:

- Perform regular reviews of its user accounts for its key tax revenue IT system
- Follow its processes to promptly remove unneeded user access to its IT systems and data
- Confirm with one of its IT service providers the expected frequency of disaster recovery testing of Finance's systems and sharing the results of such tests with Finance

We found that Finance provided sufficient public information on the performance of its sinking fund investments. In addition, to facilitate consistent public reporting of losses of public money, Finance amended its directive regarding public reporting of those losses for ministries and Treasury Board Crown Corporations. It communicated its revised directive to other agencies responsible for public reporting of losses (e.g., Ministry of Education).

Finance and six of its agencies with March 31 year-ends complied with financial-related authorities. The six agencies' March 31, 2018 financial statements were reliable.

#### 2.0 INTRODUCTION

##### 2.1 Background

The Ministry of Finance is responsible for oversight of government revenue, expenditures, assets and liabilities. Finance is the lead ministry for fiscal policy; budget development and integrity; managing provincial debt; designing and administering fair, efficient, and competitive tax regimes; pension and benefit administration; labour relations advice to government; ensuring accountability to both the public and the Legislative Assembly for the use of public funds; and ensuring effective financial management and accounting policies and procedures.<sup>1</sup>

<sup>1</sup> [www.publications.gov.sk.ca/documents/15/107681-2017-18FinanceAnnualReport.pdf](http://www.publications.gov.sk.ca/documents/15/107681-2017-18FinanceAnnualReport.pdf) (5 September 2018).



## 2.2 Special Purpose Funds and Agencies

Finance administers and is responsible for the following special purpose funds and agencies (agencies). Each of the agencies (except for the General Revenue Fund) listed in **Figure 1** provides the Legislative Assembly with audited financial statements; some also provide an annual report.<sup>2</sup>

**Figure 1—Agency Groups by Fiscal Year-End**

Agencies with March 31 Year-End	
General Revenue Fund (GRF) <sup>A</sup>	Public Employees Benefits Agency Revolving Fund
Judges of the Provincial Court Superannuation Plan	Public Service Superannuation Plan
Public Employees' Pension Plan	Water Security Agency Retirement Allowance Plan
Saskatchewan Pension Annuity Fund	
Agencies with December 31 Year-End <sup>B</sup>	
Extended Health Care Plan	Extended Health Care Plan for Certain Other Employees
Extended Health Care Plan for Certain Other Retired Employees	Extended Health Care Plan for Retired Employees
Municipal Employees' Pension Commission	Municipal Financing Corporation of Saskatchewan
Public Employees Deferred Salary Leave Fund	Public Employees Dental Fund
Public Employees Disability Income Fund	Public Employees Group Life Insurance Fund
Saskatchewan Government Insurance Service Recognition Plan	Saskatchewan Pension Plan
Saskatchewan Power Corporation Designated Employee Benefit Plan	Saskatchewan Power Corporation Severance Pay Credits Plan
Saskatchewan Water Corporation Retirement Allowance Plan	SaskEnergy Retiring Allowance Plan
SaskPower Supplementary Superannuation Plan	

<sup>A</sup> The General Revenue Fund is comprised of all ministries of the Government. It is the fund into which all revenues are paid, unless otherwise provided for by law, and from which the Legislative Assembly appropriates all expenses.

<sup>B</sup> Our 2018 Report - Volume 1 includes the audit results for these agencies for the year ended December 31, 2017.

## 2.3 Financial Overview

In 2018, Finance managed gross public debt of \$19.1 billion (2017: \$17.2 billion) and investments in sinking funds of \$2.0 billion (2017: \$1.8 billion).<sup>3,4</sup> Also as shown in **Figure 2**, for the year ended March 31, 2018, Finance administered revenues of \$8.9 billion (2017: \$8.9 billion) including taxation revenues of \$6.0 billion, transfers from government entities (e.g., Saskatchewan Liquor and Gaming Authority) of \$0.7 billion, and transfers from the Federal Government of \$1.6 billion.

<sup>2</sup> The General Revenue Fund does not prepare financial statements and is not legally required to do so. The financial results of the General Revenue Fund are included in the Government's Summary Financial Statements.

<sup>3</sup> Gross public debt is borrowings through the issuance of debt instruments such as promissory notes and debentures. Investments in sinking funds are investments set aside for the repayment of debt.

<sup>4</sup> Ministry of Finance records and Government of Saskatchewan Summary Financial Statements – *Public Accounts 2017-18 Volume 1*, Schedule 8, p. 67.

**Figure 2—Revenue by Major Type**

	Estimates 2017-18	Actual 2017-18
	(in millions)	
Taxation	\$ 6,524.2	\$ 6,036.8
Non-renewable resources – resource surcharge	272.5	317.0
Transfers from government entities	726.8	709.9
Other own-source revenue	296.7	258.6
Transfers from the Federal Government	<u>1,593.3</u>	<u>1,623.2</u>
<b>Total Revenue</b>	<b><u>\$ 9,413.5</u></b>	<b><u>\$ 8,945.5</u></b>

Source: Ministry of Finance financial records.

As shown in **Figures 3** and **4**, in 2017-18, Finance had expenses of \$0.7 billion (2017: \$0.6 billion) including \$0.3 billion for public service pension and benefits (e.g., for members of the Public Service Superannuation Plan) and \$0.4 billion for interest costs related to servicing debt.

**Figure 3—Actual Expenses by Major Program**

	Estimates 2017-18	Actual 2017-18
	(in millions)	
Public service pension and benefits <sup>A</sup>	\$ 303.2	\$ 291.0
Revenue division	31.1	27.0
Provincial comptroller	10.8	9.1
Central management and services	7.1	7.4
Budget analysis	6.3	5.7
Research and development tax credit	5.0	5.0
Treasury management	1.6	1.5
Personnel policy secretariat	0.5	0.4
Miscellaneous	<u>0.1</u>	<u>0.1</u>
<b>Total Appropriation – Vote 18</b>	<b>\$ 365.7</b>	<b>\$ 347.2</b>
Capital asset acquisitions	(12.2)	(9.8)
Amortization of capital assets	<u>1.0</u>	<u>0.9</u>
<b>Total Expense – Vote 18</b>	<b>\$ 354.5</b>	<b>\$ 338.3</b>
Debt servicing appropriation and expense – vote 12	<u>366.4</u>	<u>356.4</u>
<b>Total Expense</b>	<b><u>\$ 720.9</u></b>	<b><u>\$ 694.7</u></b>

Source: *Saskatchewan Provincial Budget 17-18 Estimates* (votes 12 and 18); *Ministry of Finance Annual Report for 2017-18*; Ministry of Finance 2017-18 financial records.

<sup>A</sup> Finance determines the estimated and actual expenses for public service pension and benefits using the cash basis of accounting instead of the accrual basis. For 2017-18, the audited Summary Financial Statements account for these costs on an accrual basis, and include a decrease in pension and benefits costs for defined pension and benefit plans sponsored by the Ministry of Finance of \$178.1 million.

**Figure 4—Actual Expenses by Object**

	Estimates 2017-18	Actual 2017-18
	(in millions)	
Salaries and benefits (includes pensions)	\$ 330.5	\$ 315.3
Operating Transfers	5.0	5.0
Goods and services	18.0	16.2
Debt servicing	366.4	356.4
Other	0.0	0.9
Capital asset amortization	1.0	0.9
<b>Total Expense</b>	<b>\$ 720.9</b>	<b>\$ 694.7</b>

Source: Saskatchewan Provincial Budget 17-18 Estimates (votes 12 and 18); Ministry of Finance 2017-18 financial records.

Finance's annual report explains significant differences between actual and estimated expenses.<sup>5</sup>

## 3.0 AUDIT CONCLUSIONS

**In our opinion, for the year ended March 31, 2018:**

- **Finance and its agencies had effective rules and procedures to safeguard public resources except for the matters included in this chapter**
- **Finance and its agencies complied with the authorities set out in Section 5.0 governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.**

In addition, in Chapter 6 – *Finance—Public Employees Benefits Agency*, we report a matter identified during our audits of certain pension and benefit plans that the Agency administers.

We used standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001) to conduct our audits. We used the control framework published by CPA Canada to make our judgments about the effectiveness of Finance'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 examined the effectiveness of Finance's financial-related controls used to administer the revenue listed in **Figure 2** and expenses listed in **Figures 3** and **4**, to keep reliable financial records, and to prepare reliable financial reports. This included the following.

With respect to its estimates of income tax and resource surcharge revenues, we assessed Finance's processes to assess, estimate, collect, and record these revenues. With respect to its administration of the General Revenue Fund's cash, debt, and investments (including investments in sinking funds), we assessed its processes to record and manage cash (including its bank reconciliation procedures, and the opening and

<sup>5</sup> <http://publications.gov.sk.ca/documents/15/107681-2017-18FinanceAnnualReport.pdf> (5 September 2018).

closing of bank accounts), buy and sell investments, and obtain and repay debt. Also, because Finance relies on its computer systems to manage its operations, we assessed its controls over key IT service providers, security, change management processes, and user access.

The law requires us to report when a special warrant approved the payment of public money. For the year ended March 31, 2018, Cabinet approved, through Orders in Council (special warrants), spending of \$0.1 billion; the Legislative Assembly later approved these amounts through appropriation acts.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and highlight actions taken on and status of previous recommendations.

### 4.1 Work on Developing Better Resource Surcharge Revenue Estimates Continuing

***We recommended that the Ministry of Finance establish a process to better estimate resource surcharge revenue earned during each quarter and record this estimate each quarter.*** (2011 Report – Volume 2; Public Accounts Committee agreement January 13, 2014)

**Status** – Partially Implemented

Finance continues to develop a model to better estimate oil and gas resource surcharge revenue. As part of this development, it continues to test the reliability of resource surcharge revenue estimates produced from its recently developed reporting models for uranium and potash.

As explained in **Figure 5**, resource surcharge revenue is comprised of levies on the value of sales of oil, natural gas, potash, uranium, and coal in Saskatchewan under *The Corporation Capital Tax Act*. The bulk of the surcharge revenue is from oil, gas, potash, and uranium.

#### Figure 5—Brief Description of Resource Surcharge Revenue

Finance levies resource surcharges, in conjunction with corporation capital tax, each year on the value of sales of oil, natural gas, potash, uranium, and coal in Saskatchewan under *The Corporation Capital Tax Act*. It applies to resource corporations and resource trusts.

Only corporations who expect to pay at least \$4,800 of combined corporation capital tax and resource surcharge are required to remit equal monthly instalments of at least 75% of the tax payable for the first fiscal year. Finance levies interest charges on the difference between installments remitted and taxes due. Corporations must file annual corporation capital tax returns within six months of the end of their fiscal year. In 2017-18, about 171 resource corporations paid resource surcharge revenue (2016-17: 186 resource corporations).

The resource surcharge rate in effect at March 31, 2018 was:

- 3.0% of the value of sales of all potash, uranium, and coal produced in Saskatchewan, and oil and natural gas produced from wells drilled in Saskatchewan prior to October 1, 2002, and
- 1.7% for oil and natural gas produced from wells drilled in Saskatchewan after September 30, 2002

Source: [www.publications.gov.sk.ca/documents/15/11613-CT-3%20Corporation%20Capital%20Tax%20Resource%20Surcharge.pdf](http://www.publications.gov.sk.ca/documents/15/11613-CT-3%20Corporation%20Capital%20Tax%20Resource%20Surcharge.pdf) (5 September 2018); [www.saskatchewan.ca/business/taxes-licensing-and-reporting/provincial-taxes-policies-and-bulletins/corporation-capital-tax](http://www.saskatchewan.ca/business/taxes-licensing-and-reporting/provincial-taxes-policies-and-bulletins/corporation-capital-tax) (5 September 2018).

**Figure 6—Corporation Capital Tax and Resource Surcharge Revenues by Fiscal Year**

Year	Corporation Capital Tax & Resource Surcharge Combined Revenue	Corporation Capital Tax Revenue	Resource Surcharge Revenue
	(\$ in thousands)		
2013-14	\$ 550,064	\$ 113,196	\$ 436,868
2014-15	590,214	115,708	474,507
2015-16	525,697	125,061	400,636
2016-17	440,213	136,686	303,527
2017-18 (Budget)	422,400	149,900	272,500
<b>2017-18</b>	<b>463,040</b>	<b>146,003</b>	<b>317,037</b>

Source: Government of Saskatchewan Summary Financial Statements — *Public Accounts 2017-18 Volume 1*, Schedule 13 p. 72; Ministry of Finance financial records.

Finance estimates resource surcharge revenue each quarter and for the upcoming year to include in Saskatchewan’s Provincial Budget, and quarterly financial reports. At March 2018, Finance estimates resource surcharge revenue earned primarily based on cash received.

In 2017-18, its resource surcharge revenue was \$317.0 million as compared to a budget of \$272.5 million, and third quarter forecast of \$297.5 million (2016-17: actual \$303.5 million, budget \$339.5 million, and third quarter forecast of \$282.7 million).<sup>6</sup> Its estimated 2018-19 budget and 2018-19 first quarter forecast is \$317.3 million.<sup>7</sup>

In 2017-18, Finance continued its efforts in developing and testing models to better estimate resource surcharge revenue. Based on its testing, Finance determined its model for potash and uranium provided reliable annual estimates but not reliable quarterly estimates. It determined none of the oil and gas models it has explored provided reliable estimates due to price and revenue fluctuations. It expects to test the estimation models over several fiscal years to ensure the models produce a reliable resource surcharge revenue estimate.

As noted in the Public Accounts, the Government relies on revenue from non-renewable resources.<sup>8</sup> Resource surcharge revenue reflects about one-fifth of the Government’s total non-renewable resource revenue.

Having effective processes to more reliably estimate resource surcharge revenue would provide the Government with better information upon which to base its financial plans. It would also give legislators and the public a more accurate picture of revenue it expects to earn from resource surcharges.

<sup>6</sup> Government of Saskatchewan, *2017-18 Public Accounts—Volume 1*, p. 72; Government of Saskatchewan, *Saskatchewan Provincial Budget 17-18, Meeting the Challenge*, p. 72; Government of Saskatchewan, *2017-18 Third Quarter Financial Report—Budget Update*, p. 12; Government of Saskatchewan, *2016-17 Public Accounts—Volume 1*, p. 78; Government of Saskatchewan, *Saskatchewan Provincial Budget 16-17, Keep Saskatchewan Strong*, p. 70.

<sup>7</sup> Government of Saskatchewan, *Saskatchewan Provincial Budget 18-19, On Track*, p. 70; Government of Saskatchewan, *2018-19 First Quarter Financial Report—Budget Update*, p. 9.

<sup>8</sup> Government of Saskatchewan, *2017-18 Public Accounts—Volume 1*, p. 33; Government of Saskatchewan, *Saskatchewan Provincial Budget 17-18, Meeting the Challenge*, p. 72.

## 4.2 Regular and Timely Review of User Access Needed

Finance did not have a process to periodically review user access for its key tax revenue IT system.

Finance is modernizing its tax revenue processes, including implementing a new tax revenue IT system. Finance started using this new system in 2016. During 2017-18, Finance implemented the second of four phases of this new system. As of June 2018, the system had 114 users. However, Finance has not established a process to regularly review user access for this system to assess that user access is appropriate.

Periodic reviews of user access to IT systems determine whether access granted is consistent with each employee's job responsibilities and remains appropriate. Not having regular reviews of IT user access to key IT systems, like the tax revenue system, increases the risk of unauthorized access to and inappropriate modifications of systems and data.

### 1. We recommend that the Ministry of Finance perform regular reviews of its user accounts for its key tax revenue IT system.

Management indicated that Finance plans to develop a process to review user access for its key tax revenue IT system in 2018-19.

***We recommended that the Ministry of Finance follow its processes for removing unneeded user access to its information technology systems and data promptly.*** (2010 Report - Volume 2; Public Accounts Committee agreement May 18, 2011)

**Status** – Partially Implemented

Finance continued to not consistently follow its processes to remove unneeded user access to its IT systems and data promptly.

Finance expects removal of unneeded user access to its systems and data within one day of an employee's last day of employment. It also expects staff to monitor network access. Staff are to review, on a bi-weekly basis, a report showing employees who had not accessed the network in 30 days (inactive user report). In addition, Finance receives a monthly report that identifies any network accounts that remained active after an employee's last date of employment (separation report). It expected staff to use these reviews to identify where it missed requesting removal of unneeded user access, and to make such requests.

However, staff did not consistently follow Finance's established procedures. In 2017-18, in 7 of 18 instances we tested, user access to the network was not removed until between 12 to 170 days after last day of employment (2016-17: 3 of 23 instances where access was removed 4 to 65 days after last day of employment).

In addition, because the inactive user report only identifies users who are inactive after 30 days and Finance only receives the separation report monthly, these processes alone will not result in timely removal of unneeded user access.

Not removing unneeded user access promptly increases the risk of inappropriate access and unauthorized changes to Finance's IT systems and data.



### 4.3 Timely Determination of Disaster Recovery Requirements Needed

***We recommended that the Ministry of Finance confirm, in writing, processes and policies that the Information Technology Office (ITO)<sup>9</sup> uses to address its specific information technology security and disaster recovery requirements, and then identify and set up additional policies unique to the Ministry of Finance as necessary.*** (2006 Report – Volume 3; Public Accounts Committee agreement March 13, 2007)

**Status** – Partially Implemented

Finance continues to not have an adequate agreement with the Ministry of Central Services (one of its IT service providers). In addition, it has not yet confirmed with Central Services the expected frequency of its disaster recovery testing of Finance's systems and sharing of the results of such tests with Finance.

We found that Finance and Central Services did not always resolve identified disaster recovery issues within a reasonable timeframe. For example, by July 2018, Finance had not determined how to respond to Central Services' 2011-12 notice that Central Services was unable to conclude whether it could fully recover one of Finance's critical IT systems in the event of a disaster—at July 2018, Central Services continued to not be able to conclude on this. Also, as of July 2018, Finance did not know if Central Services can recover certain of its other critical IT systems that Central Services hosts. Critical IT systems that Central Services hosts for Finance include its debt system and investment system.

This contrasts with activity between Finance and its other IT service providers. In 2017-18, those other service providers continued to conduct successful disaster recovery tests on Finance's main revenue systems and the central system used by ministries for payments, payroll, and financial reporting (MIDAS).

Also, at July 2018, Finance's memorandum of understanding with Central Services continued to not set out the expected frequency of Central Services' disaster recovery testing of Finance's systems and sharing of the results of such tests with Finance. Although Finance has requested Central Services to include these requirements in the memorandum, the memorandum has not been amended.

Not requiring timely testing of disaster recovery plans and promptly resolving issues arising from the results of such tests, increases the risk that certain of Finance's critical systems (e.g., debt system, investment system) and data may not be available to provide services in the event of a disaster.

<sup>9</sup> Effective May 2012, the Information Technology Office (ITO) was disestablished as a separate Ministry and became the Information Technology Division of the Ministry of Central Services. The Ministry of Central Services last performed disaster recovery tests on some of Finance's IT systems that it hosts in 2011-12.



## 4.4 Additional Public Reporting Provided on Performance of Investments in Sinking Funds

*We recommended that the Ministry of Finance monitor and report publicly on the performance of the investments in its sinking funds.* (2009 Report - Volume 1; Public Accounts Committee agreement June 25, 2010)

**Status** – Implemented

Finance provided additional information on the performance of its approximately \$2.0 billion of investments in sinking funds in the *Saskatchewan Provincial Budget 18-19*.<sup>10</sup>

It provided a forecast of sinking fund balances at March 31, 2018, along with an explanation of why the forecasted balance was lower than expected. Finance also provided information on expected sinking fund contributions, investment earnings, and redemptions for 2018-19. It expects to compare its actual performance in 2018-19 to the budgeted amounts and report this information publicly. **Figure 7** briefly describes investments in sinking funds.

### Figure 7—Explanation of Investments in Sinking Funds and Their Purpose

Investments in sinking funds are money the Government sets aside to repay its long-term debt.

Finance's main investment objective is to optimize resources available in the sinking funds to retire debt when due. As such, when making sinking fund investment decisions, Finance considers the expected investment returns on sinking funds, risk of the investments, and desired time horizon of the investments (i.e., maturity date).

Finance invests in fixed-income securities (e.g., provincial bonds, debentures), and short-term interest-bearing investments with staggered maturity dates. Finance holds these investments until it needs cash to repay debt. If it does not have sufficient cash from investments that recently matured, it sells some of them.

Traditionally, Cabinet has required Finance to invest amounts equal to not less than 1% of the long-term borrowings owed by the General Revenue Fund each year. Starting in 2015-16, Finance is required to invest 2% for debt pertaining to the Saskatchewan Builds Capital Plan.<sup>A</sup>

Source: Ministry of Finance.

<sup>A</sup> Standing Committee on Crown and Central Agencies, Hansard Verbatim Report No. 45 — April 22, 2015, p. 631.

Consistent with prior years, in 2017-18 Finance actively monitored the planned and actual performance of its investment in sinking funds.<sup>11</sup> It provided the public with details of its investments in sinking funds in the Government's Summary Financial Statements. See **Figure 8** for details.

### Figure 8—Information About Investments in Sinking Funds in the Summary Financial Statements

	Actual 2017	Actual 2018
	(in millions)	
Investments in Sinking Funds at March 31	\$ 1,824.0	\$ 1,985.0
Market value of Investments in Sinking Funds at March 31	1,787.3	1,953.9

<sup>10</sup> [www.publications.gov.sk.ca/documents/15/106322-2018-19%20Budget%20for%20WEB.pdf](http://www.publications.gov.sk.ca/documents/15/106322-2018-19%20Budget%20for%20WEB.pdf) p. 49 (26 September 2018).

<sup>11</sup> Finance continued to regularly compare actual investment income to budget, and use market-based benchmarks (based on the FTSE TMX Canada Mid-Term Government Bond Index) to assess the reasonableness of returns earned on its sinking fund investments. Quarterly reports, provided to senior management, included comparisons of actual returns to the FTSE TMX index and actual investment income to budget along with reasons for differences.



	Actual 2017	Actual 2018
Contributions to Sinking Funds in year	122.7	156.1
Redemptions of Sinking Funds in year	49.4	33.1
Sinking Fund Earnings (interest income and gains/losses on investment sales) in year	37.1	39.8
Gains/(Losses) on investment sales (included in Sinking Fund Earnings)	1.1	(0.8)

Source: Government of Saskatchewan Summary Financial Statements – *Public Accounts 2017-18 Volume 1*, Schedule 8, p. 67 and Government of Saskatchewan Summary Financial Statements – *Public Accounts 2016-17 Volume 1*, Schedule 8, p. 73.

Providing sufficient and understandable information about the actual performance of investments in sinking funds compared to expected performance helps legislators and the public to know whether Finance did a good job managing the Government's significant investments in sinking funds, and whether this aspect of its debt management plan is successful.

## 4.5 Updated Guidance Used to Publicly Report Losses

***We recommended that the Ministry of Finance, through working with others responsible for public reporting of losses (e.g., the Crown Investments Corporation of Saskatchewan, and the ministries of Health and Education), clarify the nature of losses of public money and property to report publicly.*** (2017 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of October 30, 2018)

**Status** – Implemented

In May 2018, Finance amended its directive regarding public reporting of losses of public money for ministries and Treasury Board Crowns. It communicated the change to other agencies responsible for public reporting of losses.

Finance's directive requires the Provincial Comptroller to report to the Standing Committee on Public Accounts *losses of money and property over \$500 that have been reported by ministries and Treasury Board Crowns, and that are due to fraud or similar illegal acts by employees, suppliers or contractors.*<sup>12</sup> The directive clarifies that public reporting of losses due to unknown third parties is not required.

Finance communicated its revised directive to other agencies responsible for public reporting of losses of school divisions (i.e., Ministry of Education), Saskatchewan Health Authority (i.e., Ministry of Health), regional colleges and Saskatchewan Polytechnic (i.e., Ministry of Advanced Education), and CIC Crown Corporations (Crown Investments Corporation of Saskatchewan). It requested those agencies, other than CIC, to amend their public reporting of losses policies to be consistent with its directive. CIC's reporting policy is consistent with Finance's revised directive.

The Ministry of Education revised its policy to be consistent with Finance's revised directive in July 2018. The ministries of Health and Advanced Education have not yet revised their policies.

<sup>12</sup> Financial Administration Manual, Section 4105 *Reporting Incidents of Fraud or Similar Illegal Acts.* <http://applications.saskatchewan.ca/fam/pdf/4105.pdf> (10 October 2018).

We examined quarterly public loss reports published after May 2018 to determine whether losses were being consistently reported. We noted that the Ministry of Education and the Ministry of Health reported losses during this period.<sup>13</sup> Both ministries indicated in their public loss reports that losses include losses of money or property greater than \$500 due to fraud or similar illegal acts by employees, suppliers, or contractors. The Ministry of Education reported losses consistent with its revised policy. The Ministry of Health reported losses in addition to those due to actions of employees, suppliers, or contractors (e.g., damage to buildings caused by patients).

## 5.0 SUMMARY OF RELEVANT LEGISLATION

### Finance:

*The Executive Government Administration Act*  
*The Ministry of Finance Regulations, 2007*  
*The Corporation Capital Tax Act*  
*The Corporation Capital Tax Regulations, 1984*  
*The Financial Administration Act, 1993*  
*The Fuel Tax Act, 2000*  
*The Fuel Tax Regulations, 2000*  
*The Income Tax Act, 2000*  
*The Insurance Premiums Tax Act*  
*The Liquor Consumption Tax Act*  
*The Motor Vehicle Insurance Premiums Tax Act*  
*The Provincial Sales Tax Act*  
*The Provincial Sales Tax Regulations*  
*The Revenue and Financial Services Act*  
*The Revenue Collections Administration Regulations*  
*The Tobacco Tax Act, 1998*  
*The Tobacco Tax Regulations, 1998*  
 Orders in Council issued pursuant to the above legislation

### Public Employees Pension Plan:

*The Executive Government Administration Act*  
*The Public Employees Pension Plan Act*  
*The Public Employees Pension Plan Regulations, 2015*  
*The Superannuation (Supplementary Provisions) Act*  
*The Pension Benefits Act, 1992*  
*The Pension Benefits Regulations, 1993*  
*The Pension Benefits Standards Regulations, 1985*  
 (Canada)  
*The Income Tax Act* (Canada) (sections 147.1, 147.2, and 147.3)  
*The Income Tax Regulations* (Canada) (sections 8501, 8505, 8512, 8514)  
 Orders in Council issued pursuant to the above legislation

### Saskatchewan Pension Annuity Fund:

*The Saskatchewan Pension Annuity Fund Act*  
*The Saskatchewan Pension Annuity Fund Regulations*  
*The Pension Benefits Act, 1992*  
*The Pension Benefits Regulations, 1993*  
*The Pension Benefits Standards Regulations, 1985*  
 (Canada)  
*The Financial Administration Act, 1993*  
*The Trustee Act, 2009*  
 Orders in Council issued pursuant to the above legislation

### Judges of the Provincial Court Superannuation Plan:

*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
*The Pension Benefits Standards Regulations, 1985*  
 (Canada) (Schedule III)  
*The Provincial Court Act, 1998*  
*The Provincial Court Compensation Regulations*  
*The Provincial Court Pension Plan Regulations*  
*The Pension Benefits Act, 1992*  
*The Pension Benefits Regulations, 1993*  
*The Income Tax Act* (Canada) (sections 147.1, 147.2, and 147.3)  
*The Income Tax Regulations* (Canada) (sections 8501-8504, 8512, 8514, 8520)  
*The Superannuation (Supplementary Provisions) Act*, (section 36.2)  
 Orders in Council issued pursuant to the above legislation

### Public Employees Benefits Agency Revolving Fund:

*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
 Orders in Council issued pursuant to the above legislation

### Public Service Superannuation Plan:

*The Executive Government Administration Act* (section 13)  
*The Public Service Superannuation Act*  
*The Superannuation (Supplementary Provisions) Act*  
*The Superannuation Acts Uniform Regulations*  
*The Pension Benefits Act, 1992*  
*The Income Tax Act* (Canada) (sections 147.1, 147.2, and 147.3)  
*The Income Tax Act Regulations* (Canada) (sections 8501-8505, 8512, 8514, 8520)  
 Orders in Council issued pursuant to the above legislation

### Water Security Agency Retirement Allowance Plan:

*The Executive Government Administration Act*  
*The Financial Administration Act, 1993* (section 64)  
*The Crown Employment Contracts Act* (section 8)  
 Orders in Council issued pursuant to the above legislation  
 Water Security Agency Retirement Allowance Plan Document

<sup>13</sup> The Ministry of Finance, Ministry of Advanced Education, and CIC tabled nil reports of losses during this period.

