

Chapter 24

Finance—Implementing the Revenue Administration Modernization Project

1.0 MAIN POINTS

The Ministry of Finance expects its Revenue Administration Modernization Project (RAMP) to improve how it administers many types of taxation revenue.

By August 2021, we found the Ministry established a plan for how and when it will measure and report to stakeholders about benefits achieved from implementing RAMP. It documented information about the measurement methodology, data sources, baselines, and targets for expected benefits. It expects to start reporting to Ministry senior management and Treasury Board about actual benefits achieved compared to expected benefits by September 30, 2022.

2.0 INTRODUCTION

The Government of Saskatchewan relies on its taxation revenues to finance its core services (e.g., provision of health and education). The Ministry of Finance is responsible for administering and collecting certain provincial taxes.¹ Each year, the Ministry directly levies about \$4 billion of taxation revenue.

Through its Revenue Administration Modernization Project (RAMP), the Ministry updated its administration processes for taxation revenue including updating related IT systems over five years (2014 to 2019). The Ministry used RAMP to change how it administers many types of taxation revenue, including provincial sales, education property, fuel, and tobacco taxes.

2.1 Focus of Follow-Up Audit

This chapter describes our follow-up audit of management's actions on the one remaining recommendation we first made in our *2017 Report – Volume 1*, Chapter 5, about the Ministry of Finance's processes for managing the implementation of RAMP. By September 2019, as reported in our *2019 Report – Volume 2*, Chapter 34, the Ministry implemented one of our two recommendations, and made progress on the remaining recommendation.²

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Ministry's management agreed with the criteria in the original audit.

¹ *The Revenue and Financial Services Act*, s. 10 gives the Minister of Finance the authority to collect or control the collection of public money, assess taxes, and collect those taxes.

² Find reports regarding this recommendation at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in our *2017 Report – Volume 1*, Chapter 5, pp. 55–64. We reported our first follow-up of this recommendation in our *2019 Report – Volume 2*, Chapter 34, pp. 271–273.



To carry out this follow-up audit, we discussed actions taken with management and examined supporting documents (e.g., plans for reporting project benefits, guidance for measuring and tracking project benefits).

3.0 STATUS OF RECOMMENDATION

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at August 31, 2021, and the Ministry's actions up to that date.

3.1 Plan Set to Measure and Report Benefits from RAMP

We recommended the Ministry of Finance establish how and when it will measure and report to stakeholders about the benefits achieved from its Revenue Administration Modernization Project. (2017 Report – Volume 1, p. 61, Recommendation 1; Public Accounts Committee agreement February 26, 2019)

Status—Implemented

The Ministry of Finance established a plan in 2021 for how and when it will measure and report to stakeholders about the benefits achieved from RAMP until 2029–30.

The Ministry established, in its 2014 RAMP business case, the benefits it expected to achieve from RAMP (e.g., reduced time to process tax returns or issue refunds, increased revenue from better data analysis to identify errors and improve collection) and tracks them in a spreadsheet. For each expected benefit, it documents how it plans to measure the benefit. It tracks a baseline (initial) value and target for each benefit to support later comparisons to actual values over the next 10 years.

Starting in 2016, the Ministry centrally stores reports and queries from its new tax revenue IT system (TACS) that it uses to measure the benefits to consistently measure the benefits over time. It notes these sources in its tracking spreadsheet for easy reference.

At August 31, 2021, we found the Ministry documented sufficient information to support the measurement of most benefits. Management advised us it is working to complete remaining details as it finishes assessing data available from its new IT system.

By September 30, 2022, the Ministry's plan expects it to provide its first annual report on RAMP benefits to its senior management and senior government officials who approved RAMP in 2014 (e.g., Treasury Board). The annual reports will include comparisons of expected to actual benefits achieved with explanations for any significant differences, as well as a five-year historical trend. We found the Ministry's Revenue Division began preparing internal, monthly data summary reports in April 2021 to prepare for the annual reporting process.

Having established processes to determine benefits obtained from RAMP helps the Ministry show whether it is achieving the productivity, revenue and efficiency gains expected, as well as take corrective action when needed.