

**February 26, 2019**

**Chapter 5, Implementing the Revenue Administration Modernization Project, 2017 Volume 1**

<b>Recommendation Indicate New/Outstanding</b>	<b>Page</b>	<b>Current Status (implemented, partially implemented, not implemented)</b>	<b>Actions Taken to Implement since PA Report</b>	<b>Planned Actions for Implementation</b>	<b>Timeline for Implementation</b>
<p><b>New:</b> 1. We recommend that 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.</p>	61	Partially Implemented	A benefits realization plan was prepared for the project.	As part of the project, the plan will be further refined after the final release, to identify how and when the benefits will be measured and reported.	Finance expects implementation in 2019-2020.
<p><b>New:</b> 2. We recommend that the Ministry of Finance report all cost incurred when reporting on its Revenue Administration Modernization Project.</p>	63	Implemented	<p>Finance notes that this issue is one of timing and not incomplete reporting provided to the Project Steering Committee.</p> <p>Finance agrees with this recommendation and has implemented the change as of May 17, 2017.</p>	N/A- Implemented	N/A- Implemented

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**Chapter 3, Finance, 2017 Volume 2**

<b>Recommendation Indicate New/Outstanding</b>	<b>Page</b>	<b>Current Status (implemented, partially implemented, not implemented)</b>	<b>Actions Taken to Implement since PA Report</b>	<b>Planned Actions for Implementation</b>	<b>Timeline for Implementation</b>
<p><b>New:</b> 1. We recommend 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.</p> <p>(Status – Implemented; 2018 Report – Volume 2; Chapter 5; Page.40)</p>	31	Implemented	<p>The Financial Administration Manual (FAM) was amended to clarify that incidents reported to PAC are due to acts by employees, suppliers or contractors. The change was communicated to others (ministries of Health, Education and Advanced Education) responsible for reporting losses.</p> <p>The Crown Investments Corporation policy is also consistent with FAM.</p>	N/A-Implemented	N/A-Implemented
<p><b>Outstanding:</b> We recommended that the Ministry of Finance establish a process to better estimate resource surcharge revenue earned during each quarter</p>	31	Partially Implemented	Finance continued efforts in developing and testing models to better estimate resource (oil and gas; uranium and potash)	Testing of estimation models will occur over next several fiscal years to ensure the models produce reliable estimates.	Testing will be conducted in 2019-20.

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<p>and record this estimate each quarter.</p> <p><i>(2011 Report – Volume 2; Public Accounts Committee agreement January 13, 2014)</i></p>			<p>surcharge revenues. However, reliable models, to estimate resource surcharge revenue earned in-year for each quarter have not been found.</p> <p>Based on testing, Finance has determined that models can provide reliable annual fiscal year-end estimates.</p>	<p>Finance will focus on the fiscal year-end estimation models and does not plan to invest any additional effort on in-year quarterly models.</p>	
<p><b>Outstanding:</b> We recommended that the Ministry of Finance confirm, in writing, processes and policies that the Information Technology Office (ITO) 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.</p>	32	Partially Implemented	<p>This recommendation specifically refers to disaster recovery plans for debt and investment systems (Debt system, Money Market system, Sinking Fund system).</p> <p>These applications have been assessed and are beyond their useful life and further investment in them is not prudent.</p>	<p>Planning for replacement of these applications will occur in 2019-2020. (Debt system, Money Market system, Sinking Fund system).</p> <p>The new applications will be required to have disaster recovery capability.</p> <p>The recovery plan has been established as follows: data is backed up</p>	<p>Planning for replacement of these applications, with disaster recovery capability, is planned for 2019-2020.</p>

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<i>(2006 Report — Volume Public Accounts Committee agreement March 13, 2007)</i>			Recovery plans have been developed.	daily and would be recovered from the server backups taken by ITO and manual processes for the services would be followed.	
<p><b>Outstanding:</b> We recommended that the Ministry of Finance follow its processes for removing unneeded user access to its information technology systems and data promptly.</p> <p><i>(2010 Report - Volume 2; Public Accounts Committee agreement May 18, 2011)</i></p>	33	Partially Implemented	<p>Finance has created and implemented de-registration guidelines for timely removal of users from various IT systems.</p> <p>A communications strategy for the de-registration guidelines has been developed for all staff to ensure awareness of the guidelines.</p> <p>The Information Technology Division (ITD) of Central Services and the Public Service Commission (PSC) are also working together to mitigate any accounts which are not disabled in a timely fashion.</p>	<p>A monthly reminder will be issued to all staff to remind them to remove system access that is no longer required.</p> <p>Monthly reporting will be provided to management to monitor compliance with the de-registration guidelines.</p>	De-registration guidelines implemented February 2018.

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<p><b>Outstanding:</b>  We recommended that the Ministry of Finance monitor and report publicly on the performance of the investments in its sinking funds.</p> <p>(Status – Implemented; 2018 Report – Volume 2; Chapter 5; Page.39)</p> <p><i>(2009 Report - Volume 1; Public Accounts Committee agreement June 25, 2010)</i></p>	<p>34</p>	<p>Implemented</p>	<p>In the 2018-19 Budget, Finance provided additional information relating to sinking funds, including a 2017-18 Q3 forecast and estimated contributions, earnings and redemptions for 2018-19. This reporting will continue on a go-forward basis.</p>	<p>N/A-Implemented</p>	<p>N/A-Implemented</p>

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**Chapter 5, Finance, 2018 Volume 2**

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<p><b>Outstanding:</b> 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.</p> <p><i>(2011 Report – Volume 2; Public Accounts Committee agreement January 13, 2014)</i></p>	35	Partially Implemented	<p>Finance continued efforts in developing and testing models to better estimate resource (oil and gas; uranium and potash) surcharge revenues. However, reliable models, to estimate resource surcharge revenue earned in-year for each quarter have not been found.</p> <p>Based on testing, Finance has determined that models can provide reliable annual fiscal year-end estimates</p>	<p>Testing of estimation models will occur over next several fiscal years to ensure the models produce reliable estimates.</p> <p>Finance will focus on the fiscal year-end estimation models and does not plan to invest any additional effort on in-year quarterly models.</p>	Testing will be conducted in 2019-20.

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<p><b>New:</b> We recommend that the Ministry of Finance perform regular reviews of its user accounts for its key tax revenue IT system.</p> <p><b>Outstanding:</b> We recommended that the Ministry of Finance follow its processes for removing unneeded user access to its information technology systems and data promptly.</p> <p><i>(2010 Report - Volume 2; Public Accounts Committee agreement May 18, 2011)</i></p>	<p>37</p> <p>37</p>	<p>Partially Implemented</p>	<p>Finance has created and implemented de-registration guidelines for timely removal of users from various IT systems.</p> <p>A communications strategy for the de-registration guidelines has been developed for all staff to ensure awareness of the guidelines.</p> <p>The Information Technology Division (ITD) of Central Services and the Public Service Commission (PSC) are also working together to mitigate any accounts which are not disabled in a timely fashion.</p>	<p>A monthly reminder will be issued to all staff to remind them to remove system access that is no longer required.</p> <p>Monthly reporting will be provided to management to monitor compliance with the de-registration guidelines.</p>	<p>De-registration guidelines implemented February 2018.</p>
<p><b>Outstanding:</b> We recommended that the Ministry of Finance confirm, in writing, processes and policies that the Information</p>	<p>38</p>	<p>Partially Implemented</p>	<p>This recommendation specifically refers to disaster recovery plans for debt and investment</p>	<p>Planning for replacement of these applications will occur in 2019-2020. (Debt system, Money Market</p>	<p>Planning for replacement of these applications, with disaster</p>

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<p>Technology Office (ITO) 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.</p> <p><i>(2006 Report — Volume 3 Public Accounts Committee agreement March 13, 2007)</i></p>			<p>systems (Debt system, Money Market system, Sinking Fund system).</p> <p>These applications have been assessed and are beyond their useful life and further investment in them is not prudent.</p> <p>Recovery plans have been developed.</p>	<p>system, Sinking Fund system).</p> <p>The new applications will be required to have disaster recovery capability.</p> <p>The recovery plan has been established as follows: data is backed up daily and would be recovered from the server backups taken by ITO and manual processes for the services would be followed.</p>	<p>recovery capability, is planned for 2019-2020.</p>
<p><b>Implemented:</b> We recommended that the Ministry of Finance monitor and report publicly on the performance of the investments in its sinking funds.</p> <p><i>(2009 Report - Volume 1; Public Accounts Committee agreement June 25, 2010)</i></p>	39	Implemented	N/A-Implemented	N/A-Implemented	N/A-Implemented

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<p><b>Implemented:</b>  We recommend 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.</p> <p><i>(2017 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of October 30, 2018</i></p>	<p>40</p>	<p>Implemented</p>	<p>N/A-Implemented</p>	<p>N/A-Implemented</p>	<p>N/A-Implemented</p>

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**Chapter 19, Internal Audit in Ministries, 2018 Volume 1**

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<p><b>Implemented:</b> We recommended that the Ministry of Finance evaluate various organization models for internal audit.</p> <p><i>(2012 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)</i></p>	242	Implemented	N/A -Implemented	N/A -Implemented	N/A -Implemented
<p><b>Implemented:</b> We recommended that the Ministry of Finance and ministries collaborate on methodology and tools to support risk-based internal audit planning.</p> <p><i>(2012 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)</i></p>	243	Implemented	N/A -Implemented	N/A -Implemented	N/A -Implemented
<p><b>Implemented:</b> We recommended that the Ministry of Finance work with ministries to:</p> <ul style="list-style-type: none"> <li>▪ Implement appropriate internal audit reporting</li> </ul>	243	Implemented	N/A -Implemented	N/A -Implemented	N/A -Implemented

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<p>structures to support effective internal audit;</p> <ul style="list-style-type: none"> <li>▪ Ensure that internal auditors have appropriate competencies; and</li> <li>▪ Develop risk-based internal audit plans.</li> </ul> <p><i>(2012 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)</i></p>					
<p><b>Outstanding:</b>            We recommended that the Ministry of Finance implement effective quality assurance programs for internal audit</p> <p><i>(2012 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)</i></p>	244	Implemented	<p>Each individual ministry is responsible for developing an effective quality assurance program for their internal audit function.</p> <p>Finance will continue to work to help ministries implement this outstanding recommendation.</p>	<p>Finance has formed a working group of the heads of ministries’ internal audit areas to help them address this issue.</p> <p>The first working group meeting is planned for February 2019.</p>	N/A -Implemented

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Chapter 20, Use of Continuous Improvement Processes, 2018 Volume 1

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<p><b>Intent of Recommendation Implemented:</b> We recommended that those responsible for the Lean initiative set measures to enable assessment of its overall success.</p> <p><i>(2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)</i></p>	249	Implemented	N/A - Implemented	N/A - Implemented	N/A - Implemented
<p><b>Intent of Recommendation Implemented:</b> We recommended that those responsible for the Lean initiative set targets for key measures related to the use of Lean.</p> <p><i>(2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)</i></p>	249	Implemented	N/A - Implemented	N/A - Implemented	N/A - Implemented

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<p><b>Intent of Recommendation Implemented:</b> We recommended that those responsible for the Lean initiative gather information to assess the overall success of the use of Lean.</p> <p><i>(2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)</i></p>	249	Implemented	N/A - Implemented	N/A - Implemented	N/A - Implemented
<p><b>Intent of Recommendation Implemented:</b> We recommended that those responsible for the Lean initiative deliver Lean training to meet assessed needs.</p> <p><i>(2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)</i></p>	251	Implemented	N/A - Implemented	N/A - Implemented	N/A - Implemented
<p><b>Intent of Recommendation Implemented:</b> We recommended that those responsible for the Lean initiative regularly assess the timeliness and quality of feedback provided</p>	251	Implemented	N/A - Implemented	N/A - Implemented	N/A - Implemented

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<p>on Lean plans and events.</p> <p><i>(2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)</i></p>					
<p><b>Intent of Recommendation Implemented; aspect related to reporting costs of Lean is no longer relevant.</b></p> <p>We recommended that those responsible for the Lean Initiative periodically report to ministries and agencies using Lean, as well as to the public, on the costs of Lean, and on the achievement of the Government’s overall goals for its use.</p> <p><i>(2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)</i></p>	252	Implemented	N/A - Implemented	N/A - Implemented	N/A - Implemented