

Ministry of Finance



Plan for 2014-15

Statement from the Minister



*The Honourable Ken Krawetz
Deputy Premier
Minister of Finance*

I am pleased to present the Ministry of Finance Plan for 2014-15.

The Government's Direction and Budget for 2014-15 are built on the principle of *Steady Growth* to support a continued focus on sound economic growth and shared prosperity. To sustain this steady growth requires fiscal responsibility and prudent management so we can continue to support the people of Saskatchewan's priorities and secure a better quality of life for all.

I accept responsibility for ensuring that the Ministry is managed with integrity and professionalism and supports Government's commitments.

We will report on the progress made on this Plan in the Ministry's 2014-15 Annual Report.

Response to Government Direction

The Government is committed to establishing Saskatchewan as the best place to live, work and raise a family.

In October 2013, the first progress report on the *Saskatchewan Plan for Growth – Vision 2020 and Beyond* was released. Saskatchewan's growth is strong and steady. As Saskatchewan continues to move forward, the Government will support growth in 2014-15 through investing in people and needed infrastructure, encouraging economic growth, and through sound policy and financial decisions.

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

Sustaining growth and
opportunities for Saskatchewan
people

Meeting the challenges
of growth

Securing a better quality
of life for all
Saskatchewan people

Delivering responsive
and responsible
government

Government's vision and four goals provide the framework for ministries, agencies and third parties to align their programs and services to these priorities and meet the needs of Saskatchewan's citizens.

All ministries and agencies will report on progress in their 2014-15 annual reports. This supports Government's commitment to keep its promises and ensures greater transparency and accountability to the people of Saskatchewan.

Mission, Strategies and Actions

Mission Statement

The Ministry of Finance supports excellence in governance and public administration through economic, financial and fiscal expertise, leadership and services.

Government of Saskatchewan Goal:

Delivering Responsive and Responsible Government

Ministry of Finance Goal

Expert and balanced contribution to effective and efficient decision making

Key Actions

- ⇒ Review provincial tax policies to ensure the tax system is fair, adequate, and competitive.
- ⇒ Work with provincial agencies to annually review own-source budgetary revenues for which they are responsible.
- ⇒ Continue to review, with federal and provincial governments, Canada's current retirement income system. Specific actions include monitoring the implementation of Pooled Registered Pension Plans in Saskatchewan and across Canada, as well as continuing to consider various options to improve retirement income adequacy.
- ⇒ Provide guidance and advice to promote the use of a market-based compensation approach to ensure settlement of competitive collective agreements in a timely manner and within the parameters established by Cabinet.
- ⇒ Monitor domestic and international capital markets to identify and take advantage of opportunities to raise capital to meet Government and Crown requirements.
- ⇒ Work with ministries and the federal government to develop fair and effective federal/provincial agreements that address common interests.
- ⇒ Participate in ongoing discussions with federal, provincial and territorial governments on issues related to the major intergovernmental fiscal arrangements, including transfers in support of health care, post-secondary education and social programs.

Ministry of Finance Goal

High quality, timely and accurate reporting

Key Actions

- ⇒ Prepare timely, reliable, and relevant Summary Financial Statements.
- ⇒ Ensure government-wide accounting policies are in accordance with Public Sector Accounting Board (PSAB) pronouncements.
- ⇒ Review and approve financial statements of Treasury Board Crowns and agencies.
- ⇒ Oversee government-wide annual plans, performance measurement and annual reporting.
- ⇒ Meet reporting requirements of international regulatory agencies through timely development and filing of financial disclosure documents.
- ⇒ Provide input into the activities of Canadian and international accounting standard setting bodies.
- ⇒ Implement communication strategies delivering messages to external audiences related to, but not limited to, the Provincial Budget, financial reports, Public Accounts and Provincial Auditor's reports.
- ⇒ Regular reporting on the status of public sector collective bargaining.



Photo Credit: Enterprise Saskatchewan, Greg Huszar Photography, Mosaic Belle Plaine site

Ministry of Finance Goal

Provide services that meet client needs in the most effective and efficient manner

Key Actions

- ⇒ Develop and implement a governance policy for the ongoing operation and funding of MIDAS.
- ⇒ Provide accounts payable and travel expense claim processing services for executive government and continue to refine processes to maximize efficiencies.
- ⇒ Introduce system enhancements to further improve the efficiency of accounts payable processing.
- ⇒ Lead, coordinate and support the continued transformation of program review across government.
- ⇒ Assist public sector employers in strategy development and problem resolution as collective bargaining proceeds.
- ⇒ Explore opportunities to implement new revenue management technologies that create efficiencies and improve client service delivery.
- ⇒ Deliver financial management fundamentals training for employees to build financial management capacity in the public service.
- ⇒ Provide quality service to pension and benefit plan supervisory boards, participating employers and plan members through: annual assessments of initiatives and activities to ensure ongoing conformity with best practices for pension and benefit plans; regular reporting to governance bodies with respect to service standards and performance; and participation in annual strategic and risk management planning with governance bodies.

Ministry of Finance Goal

Effective policy, processes and oversight that supports excellence in governance and ensures accountability and compliance

Key Actions

- ⇒ Ensure government-wide financial management policies and procedures are sound.
- ⇒ Lead and support key components (planning, budgeting and reporting) of Government's Planning and Accountability Framework.
- ⇒ Lead, co-ordinate and support improvements to the Planning and Accountability Framework.
- ⇒ Assess the internal audit function across government.
- ⇒ Assess the internal controls of the Government's financial systems and assist in the development and implementation of improvements where required.
- ⇒ Continue to support, monitor and make enhancements to real-time validation projects.
- ⇒ Implement the Ministry's IT strategic plan and risk register.
- ⇒ Promote compliance with Saskatchewan's tax programs through quality service, taxpayer education and responsible, effective enforcement.
- ⇒ Effectively enforce Saskatchewan's tax programs utilizing additional audit resources and a comprehensive risk-based audit selection process.
- ⇒ Improve voluntary compliance with businesses operating in Saskatchewan through additional proactive outreach and education activities.
- ⇒ Work with the Government agencies to make improvements and continue the transition of the Provincial Budget to a Summary Budget focus.

Government of Saskatchewan Goal:

- Sustaining Growth and Opportunities for Saskatchewan People
- Meeting the Challenges of Growth
- Securing a Better Quality of Life for all Saskatchewan People

Ministry of Finance Goal

Achieve balanced budgets while addressing government's stated priorities

Key Actions

- ⇒ Within the context of the Ministry's ongoing review of provincial tax policies to ensure the tax system is fair, adequate and competitive, the Saskatchewan Plan for Growth sets out the following priorities and specific actions as affordable within a balanced budget:
 - ⇨ Lower the general corporate income tax rate from 12 per cent to 10 per cent.
 - ⇨ Continue to pursue business tax competitiveness to ensure Saskatchewan remains one of the best places in Canada to start and grow a small business.
 - ⇨ Continue to pursue personal income tax competitiveness.
 - ⇨ Identify opportunities to facilitate corporate presence and private-sector economic growth by introducing new non-refundable tax credits to attract investment, with an initial focus on encouraging new capital investment in the province's manufacturing and processing sectors.
 - ⇨ Monitor Saskatchewan's tax system, including credits and incentives, to ensure they are effectively contributing to economic growth and making Saskatchewan a competitive place to start and grow a business by facilitating business attraction and investment expansion.
- ⇒ During 2014-15, implement revenue initiatives announced in the 2014-15 budget, including amending *The Income Tax Act, 2000* to:
 - ⇨ Maintain the provincial income tax reduction for credit unions in response to the phase-out of the federal tax reduction; and,
 - ⇨ Adjust the provincial dividend tax credit rate for ineligible dividends in response to the federal change to the dividend gross-up rate.
- ⇒ Invest \$2.5 billion over the next three years in infrastructure.
- ⇒ Facilitate improved infrastructure planning by developing options to release a capital plan for the next fiscal year each fall.
- ⇒ Work with SaskBuilds, ministries and others to: drive innovation in infrastructure financing, design and delivery, including public-private partnerships; and, facilitate investment in the infrastructure needed to support health, education and quality of life priorities.
- ⇒ Work with ministries and agencies to provide options for adequately resourced expenditures that are aligned with Government's economic and social priorities.
- ⇒ Provide fiscal policy options for continued balanced budgets.
- ⇒ Monitor progress on reducing Government general public debt to half of its March 31, 2008 level by March 31, 2017.
- ⇒ Service outstanding debt ensuring the timely and accurate payment of interest and principal and reduce outstanding debt as directed.



Photo Credit: Tourism Saskatoon, City of Bridges

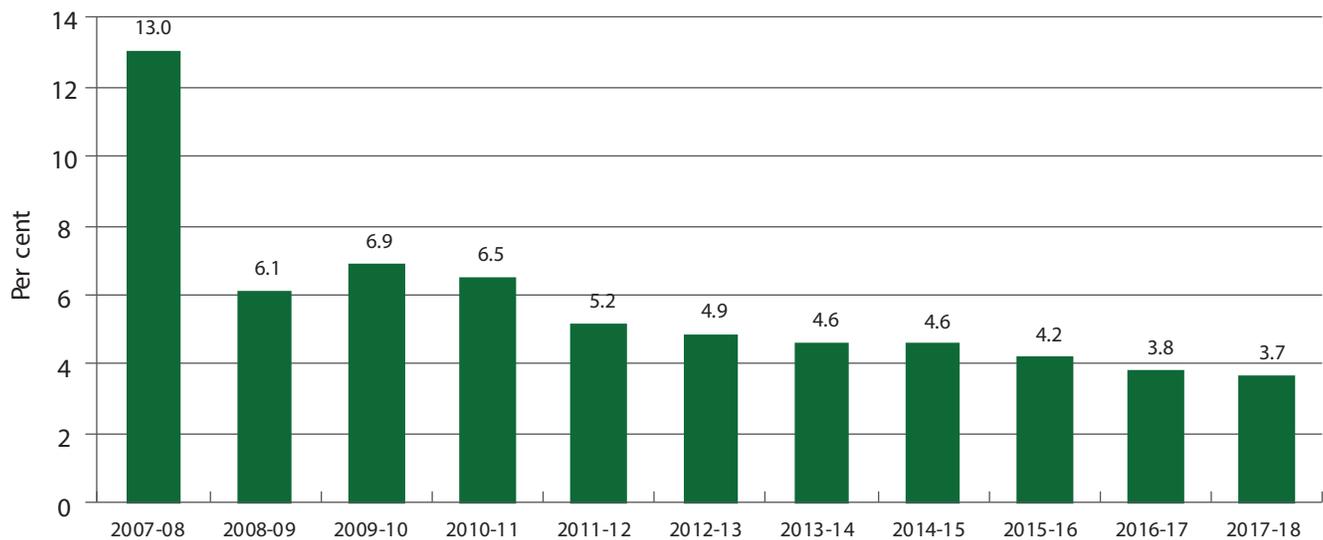
- ⇒ Maximize the return on investment of sinking fund and Growth and Financial Security Fund monies through sound investment decisions carried out pursuant to the investment policy guidelines of the two funds.
- ⇒ Provide cash management services for the General Revenue Fund (GRF), Crown corporations, and other government agencies.
- ⇒ Continue to achieve Public Service Renewal through focused efforts on:
 - ↪ Core Service Review
 - ↪ Conduct program reviews as per the Ministry four-year plan.
 - ↪ Simplification
 - ↪ Use LEAN methodologies and techniques to conduct process efficiency reviews, building upon our Ministry's culture of continuous improvement.
 - ↪ Enterprise Approaches
 - ↪ Actively apply an enterprise approach to initiatives/projects underway in the Ministry, and participate on cross-ministry initiatives.
 - ↪ Citizen Centered Service
 - ↪ Identify improvement projects and apply a citizen-centered lens to initiatives/projects underway in the Ministry.
 - ↪ People Management
 - ↪ Implement the Ministry Workforce Plan, with particular attention to succession management, training and development, and organizational culture.

Performance Measures

The Ministry of Finance has provided two broad categories of performance measures in its plan. The first set is a select group of government-wide indicators while the second set is a grouping of ministry-specific measures.

Measure

Government Debt as a Percentage of Gross Domestic Product (Debt-to-GDP ratio)



Source: Saskatchewan Public Accounts; 2014-15 Budget; Saskatchewan Provincial Economic Accounts

Measure Description

One facet of the Government's financial plan is to manage Government debt levels. The Ministry of Finance, as well as external investors and agencies, closely monitor the Province's debt-to-GDP ratio and overall credit ratings. A decreasing debt-to-GDP ratio indicates a declining drain on economic resources to service and repay debt and an associated increase in the fiscal flexibility of the Province. Investor confidence is influenced by this ratio because it provides a measure of the Province's debt relative to the size of the economy.

This ratio is calculated by dividing GDP for the previous calendar year by the level of Government general public debt at March 31. Debt is gross debt net of sinking funds. Gross debt is the amount owed directly to lenders and sinking funds are set aside for the repayment of that debt. Government general public debt is borrowed to finance government programs as opposed to debt borrowed for and repayable by Crown corporations.

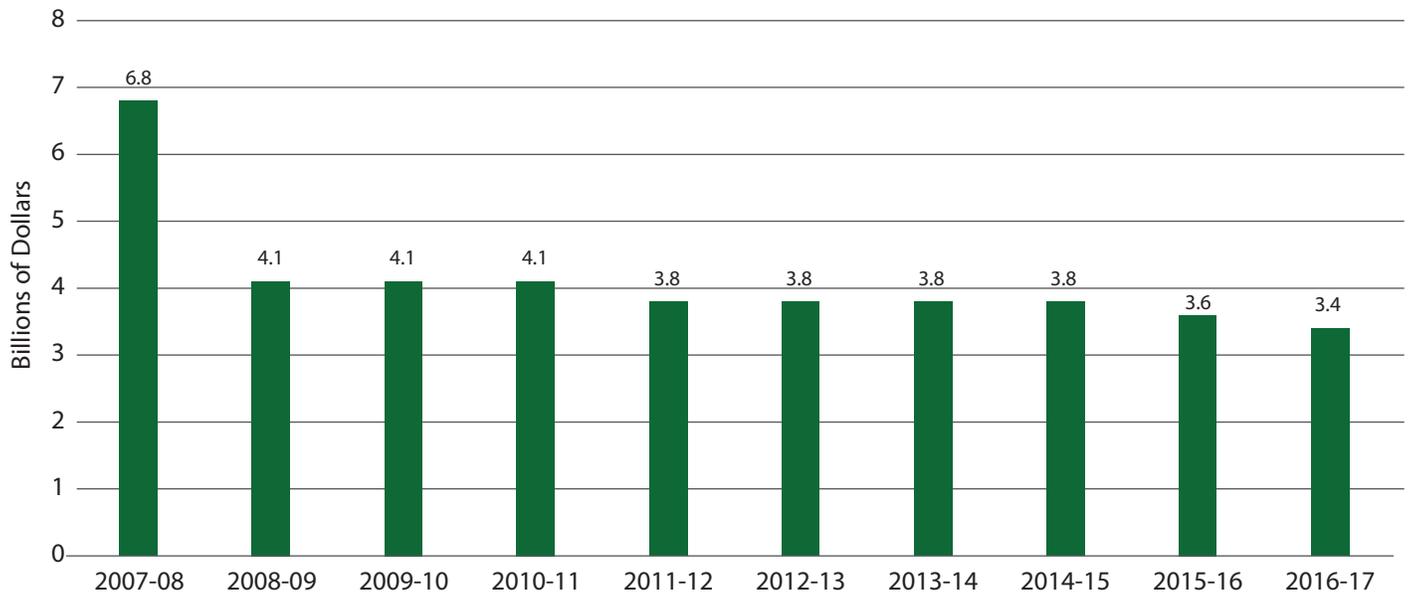
This measure is influenced by the state of the global, North American, and Canadian economies, as well as the level of government general public debt. Saskatchewan's nominal GDP is projected to continue growing and Saskatchewan's level of government general public debt is projected to continue falling. The debt-to-GDP ratio is significantly below previous years (13.0 per cent in 2007-08) and the 2014-15 Budget forecasts the debt-to-GDP ratio to continue to decline.



Photo Credit: Ministry of Parks, Culture, and Sport, photo by Paul Austring, Blue Sky over Duck Mountain

Measure

Government General Public Debt



Source: Ministry of Finance

Measure Description

The Province is committed to cutting Government general public debt to half of its March 31, 2008 level by March 31, 2017.



Photo Credit: Ministry of Parks, Culture and Sport, Nancy Ackerman, Dancers, Carry the Kettle First Nation

Measure

Government Credit Ratings

Jurisdiction	Rating Agency		
	Moody's	Standard & Poor's	DBRS
British Columbia	Aaa*	AAA	AA(high)
Alberta	Aaa	AAA	AAA
Saskatchewan	Aa1**	AAA	AA
Manitoba	Aa1	AA	A(high)
Ontario	Aa2	AA-*	AA(low)
Quebec	Aa2	A+	A(high)
New Brunswick	Aa2	A+	A(high)
Nova Scotia	Aa2	A+	A(high)
Prince Edward Island	Aa2	A	A(low)
Newfoundland and Labrador	Aa2	A+	A
Canada	Aaa	AAA	AAA

Credit Ratings as of February 3, 2014 * Negative outlook ** Positive outlooke

Measure Description

A credit rating is an independent evaluation by a recognized, objective agency of a borrower's willingness and ability to service and repay debt. Investors rely on credit ratings when making investment decisions. Many investors have guidelines that are based on credit ratings (e.g., must purchase bonds rated "AA" or higher). Therefore, a borrower's credit rating will impact the availability of credit, both in terms of the number of investors and the pool of funds it can tap. Typically, the higher the credit rating, the lower the risk to the investor and the less the issuer will have to pay in borrowing costs.

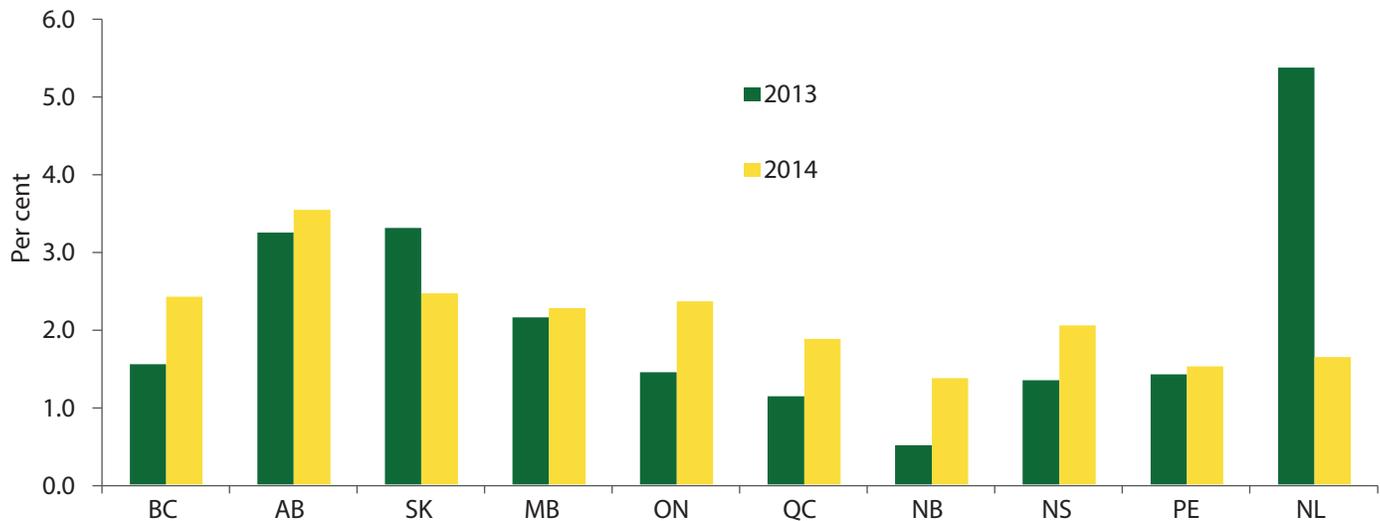
Saskatchewan's credit rating compares well when ranked against other Canadian provinces. All credit rating agencies now rate the Province at the "AA" level or above. This is extremely important to international investors, many of whom have a "AA" credit rating requirement for investment.



Photo Credit: Ministry of Parks, Culture and Sport, Greg Huszar Photography, Dock Jumpers

Measure

Private Sector Forecasts of Real GDP Growth



As of February 6, 2014

Source: IHS Global Insight, Conference Board of Canada, Centre for Spatial Economics and all of the major Canadian banks.

Measure Description

The Ministry of Finance closely monitors several economic, fiscal and demographic indicators. Private sector forecasts of real GDP growth show how the private sector expects the Saskatchewan economy to perform relative to other provincial economies. Percentages considered here are the average of private sector forecasts.

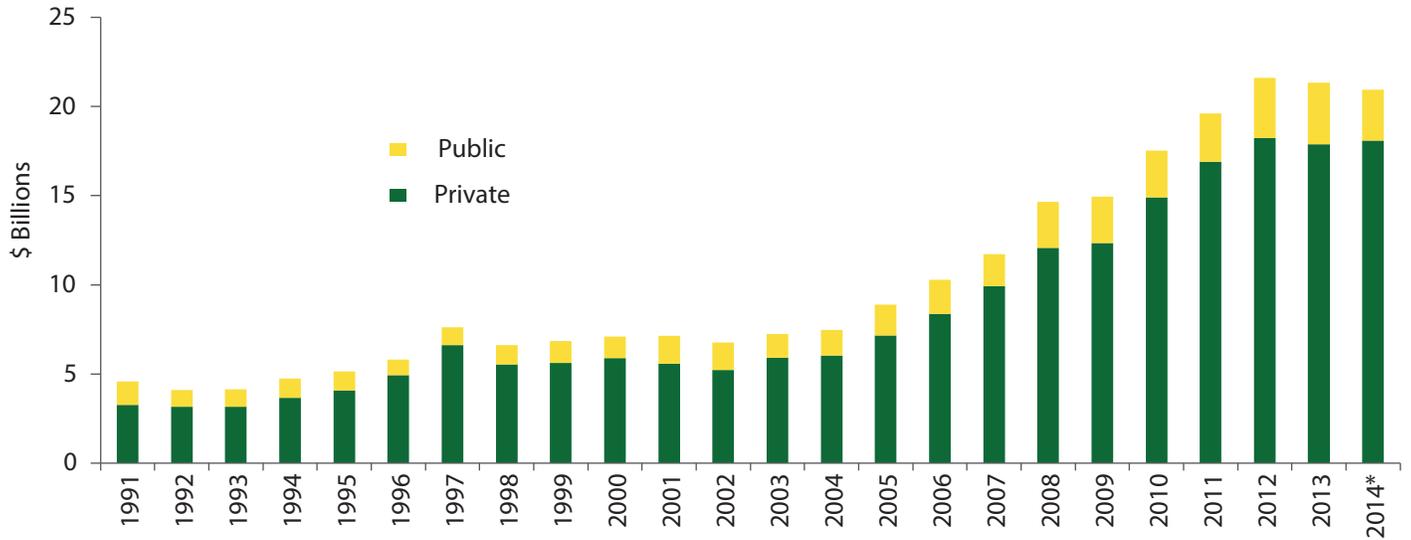
Private sector forecasters, on average, expect Saskatchewan real GDP to grow by 3.2 per cent in 2013 (second highest growth among provinces) and 2.4 per cent in 2014 (second highest growth among provinces).



Photo Credit: Tourism Saskatchewan, Greg Huszar Photography, Over the Hill Orchards

Measure

Total Capital Investment in Saskatchewan (Public and Private Investment)



Source: Statistics Canada * 2014 figure represents planned expenditures

Measure Description

Capital spending in the province demonstrates confidence in Saskatchewan as a place to invest and helps to provide for future economic growth. These data originate from Statistics Canada's Private and Public Investment Intentions Survey, an annual survey that collects data on historical expenditures as well as investment intentions for the coming year.

Total capital investment in Saskatchewan reached \$21.6 billion in 2012, a new record for the province. Though investment spending fell slightly in 2013 to \$21.3 billion and is expected to fall by another 1.9 per cent in 2014, total capital investment in the province remains exceptionally high by historical standards, having grown by roughly 45.6 per cent in the period 2008 through 2013.



Photo Credit: Tourism Saskatchewan, Greg Huszar Photography, Jones Peak, near Eastend

Measure

Income and Sales Taxes Paid by Representative Taxpayers

	Saskatchewan Income and Sales Taxes Paid by Representative Taxpayers								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Single parent family earning \$25,000	\$382	\$176	\$20	(\$177)	(\$128)	(\$168)	(\$182)	(\$178)	(\$187)
One-income family earning \$50,000	\$4,001	\$3,679	\$2,207	\$2,098	\$1,858	\$1,471	\$1,277	\$1,186	\$1,117
Two-income family earning \$75,000	\$6,516	\$6,096	\$4,710	\$4,601	\$4,571	\$4,117	\$3,965	\$3,923	\$3,874

Source: Ministry of Finance, Tax Simulation Models

Measure Description

Saskatchewan's tax levels for representative taxpayers provide an indication of the amount of after-tax or disposable income available to residents. Declining tax levels are therefore suggestive of improvements in the relative prosperity of residents. A negative value indicates that refundable tax credits exceed taxes payable.

The calculations upon which the performance measurements are based are performed by the Ministry of Finance using internal tax simulation calculations. Each of the measures is based on determination of combined provincial income and sales taxes payable by representative family profiles.

For each family profile, provincial income taxes are calculated based on the following assumptions:

- ⇒ each family has two dependent children;
- ⇒ for the two-income family, one spouse earns 60 per cent of the total income and the other earns 40 per cent;
- ⇒ the single parent family and the two-income family claim \$3,000 in deductible child care expenses; and,
- ⇒ each family claims available basic personal exemptions, dependent child credits and credits for Canada Pension Plan and Employment Insurance contributions.

The Provincial Sales Tax is calculated based upon average family expenditure baskets from the Survey of Family Expenditures in 2010 (Statistics Canada). The refundable Saskatchewan Low-Income Tax Credit is also incorporated into the calculations.

Reductions to Saskatchewan's sales and income taxes have significantly improved the fairness of the provincial tax system.



Photo Credit: Ministry of Parks, Culture and Sport, Devona Hill Photography, Rolling Pines Golf and Country Resort

Measure

Interprovincial Tax Comparisons for Selected Average Family Profiles

	Saskatchewan's Tax Competitiveness Rankings for Representative Taxpayers								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Single parent family earning \$25,000	3rd	3rd	2nd	2nd	2nd	1st	2nd	2nd	2nd
One-income family earning \$50,000	4th	3rd	2nd	2nd	2nd	2nd	2nd	2nd	1st
Two-income family earning \$75,000	4th	4th	3rd	3rd	2nd	2nd	2nd	2nd	2nd

Source: Ministry of Finance, Tax Simulation Models

Measure Description

Saskatchewan's interprovincial ranking with respect to the tax levels of representative taxpayers is indicative of the competitiveness of our tax system. This measure can be significantly impacted by tax changes initiated in Saskatchewan and by tax changes occurring in other provinces.

The calculations upon which the performance measurements are based use the same methodology as described in the measure examining income and sales taxes paid by representative taxpayers.

- ⇒ Quebec's income tax calculations are adjusted for the child care expense tax credit and the 16.5 per cent federal tax abatement.
- ⇒ Provincial sales taxes are calculated based upon average family expenditure baskets from the Survey of Family Expenditures in 2010 (Statistics Canada). The sales tax base in each province is identified from the enacting legislation, with total expenditures adjusted to reflect Saskatchewan consumption patterns. Provincial sales taxes are then estimated based on taxable expenditures in each province.
- ⇒ Refundable provincial income tax credits designed to reduce the impact of income and sales taxes are also incorporated into the calculations.

Reductions to Saskatchewan's sales and income taxes have significantly improved the competitiveness of the provincial tax system.



Photo Credit: Enterprise Saskatchewan, Greg Huszar Photography, Mosaic Belle Plaine site

Measure

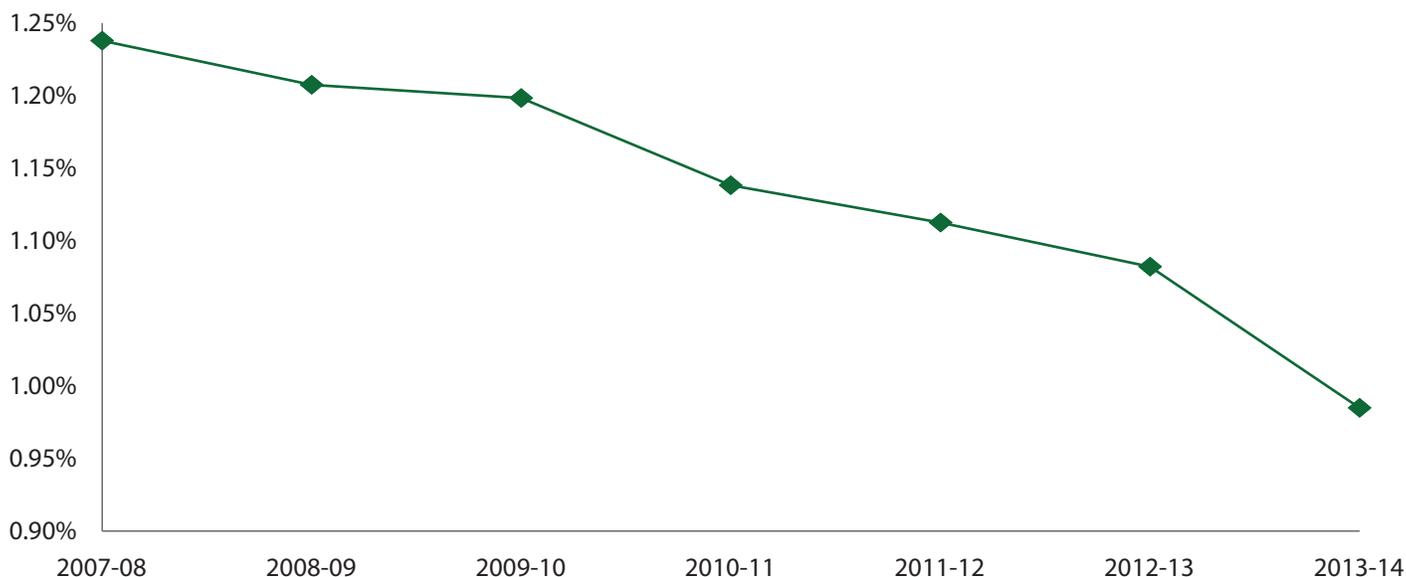
Public Service as a Percentage of the Saskatchewan Population

	2007-08 (Base Year)	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Budget
Population at July 1 ¹	1,002,048	1,017,346	1,034,782	1,051,425	1,066,349	1,087,546	1,108,303
Public Service FTEs ^{2,3}	12,405	12,284	12,400	11,967	11,863	11,768	10,914
Public Service as percentage of population	1.24%	1.21%	1.20%	1.14%	1.11%	1.08%	0.98%

Source: ¹ Revised population numbers from Statistics Canada, as of July 1 of the fiscal year. This data is available on the Bureau of Statistics website www.stats.gov.sk.ca

² The Growth and Financial Security Act definition of public service: FTEs for employees not employed under The Public Service Act, 1998 are excluded.

³ For 2007-08 to 2012-13, totals are based on actual FTEs (data from Ministry of Finance Annual Reports); budgeted FTEs for 2013-14 are shown (actual FTEs will be reported in the 2013-14 Ministry of Finance Annual Report).



Measure Description

The Growth and Financial Security Act (GFSA) requires Treasury Board to monitor the size of the public service and determine if it is growing or diminishing as a percentage of the Saskatchewan population. This measure allows Treasury Board to undertake initiatives with respect to controlling the size of the public service while balancing Government priorities such as improving programs and providing quality services to the public at the lowest cost to the taxpayer. The publication of this measure in the Ministry of Finance's Ministry Plan and Annual Report supports Government's commitment to increased transparency and accountability.

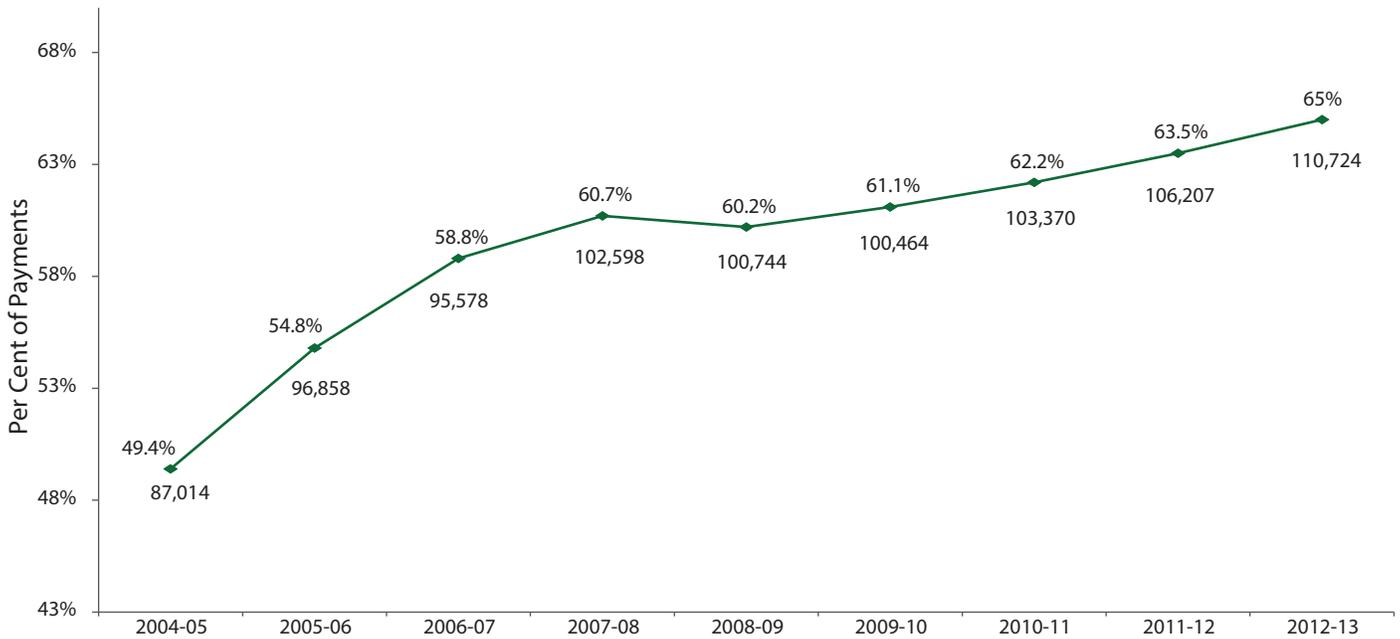
When compared to the 2007-08 baseline, the year in which the monitoring requirements were introduced through the GFSA, the public service has diminished as a percentage of the population each consecutive year from 1.24 per cent in 2007-08 to 0.98 per cent in 2013-14. The cumulative growth in population was 10.6 per cent while the public service declined by 12 per cent.



Photo Credit: Ministry of Parks, Culture and Sport, Davin Andrie, Hunt Falls

Measure

Percentage of Tax Payments Processed Electronically



Source: Ministry of Finance

Measure Description

The Ministry of Finance strives to provide excellent client services by ensuring that businesses have access to all electronic options for making tax payments. The percentage of tax payments processed electronically measures how well Finance is meeting its objective of streamlining regulatory compliance. Businesses that use electronic methods to make payments are able to save time and money on regulatory compliance and channel their resources to other activities. In addition, the Ministry realizes a reduction in the cost of processing payments when the tax return and payment are received electronically. The measure is determined from statistical reports generated from the main revenue system.

Finance continuously works with financial institutions to ensure that businesses are able to make tax payments through any of the financial institutions' electronic payment services that provide sufficient payee information. The percentage of tax payments processed electronically has grown over time, and efforts to promote the use of electronic services will continue. However, Finance has limited influence over this measure as many businesses have internal controls that only permit issuance of cheques and some businesses simply prefer to issue a cheque.

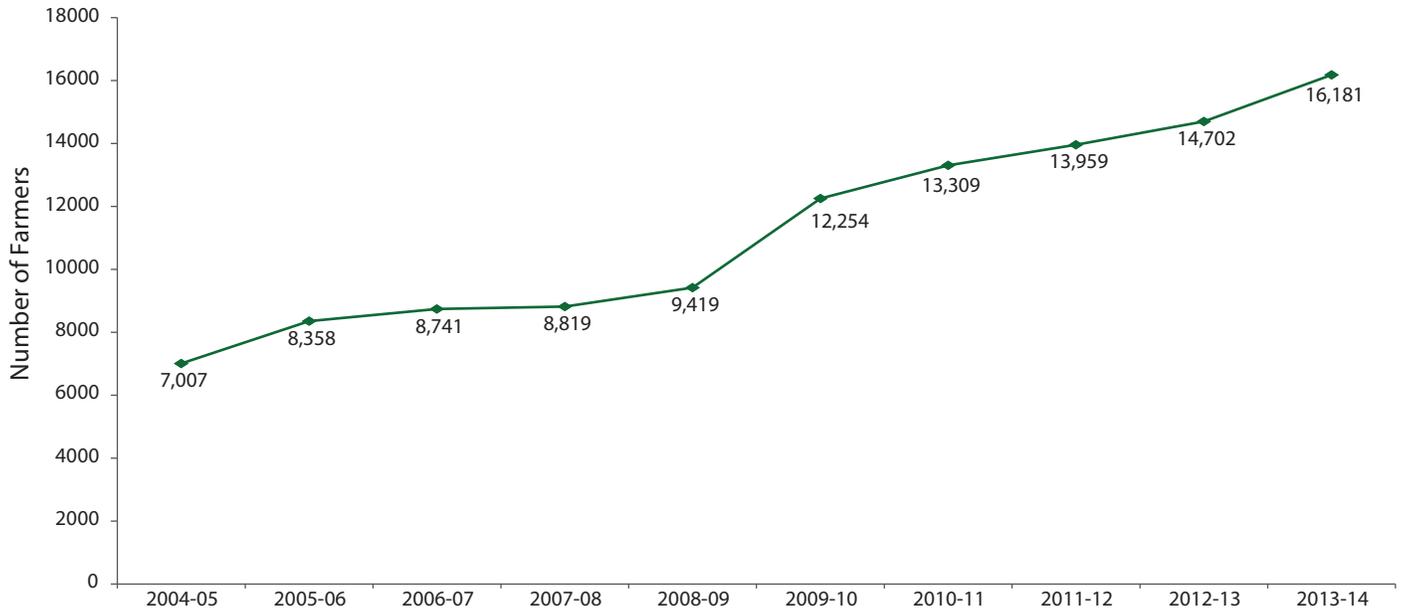
The percentage of tax payments processed electronically for 2013-14 is projected to be above 65 per cent and is expected to continue to increase in 2014-15.



Photo Credit: Saskatchewan Watershed Authority, photo by Jim Kroshius, Katepwa Weir

Measure

Number of Farmers that Applied for Fuel Tax Permit Renewals Online



Source: Ministry of Finance

Measure Description

Saskatchewan Electronic Tax Services (SETS) offers farmers, commercial loggers, and trappers a secure, fast and convenient alternative to filing their Fuel Tax exemption permit renewal in paper format. The number of farmers that filed permit renewals online tracks Finance's progress towards easing tax compliance and reducing the regulatory burden.

As a result of a Lean project completed in 2012-13, recommendations were implemented to provide efficiencies in the administration of the Farm Fuel Program. Through the automation of manual processes and reallocation of resources, processing timeliness and client service have and will continue to improve.

The basis for recording the number of farmers using SETS was changed from a fiscal year to a program year going back to 2009-10 to be consistent with prior years reporting and to avoid possible double counting of some farmers on a fiscal year reporting basis.

Finance continues to promote SETS as it is more convenient for program applicants and it reduces the cost of program administration. However, Finance has limited influence over this measure as some applicants do not have access to a computer with an Internet connection or simply prefer to mail in a completed application.



Photo Credit: Ministry of Parks, Culture and Sport, Hans-Gerhard Pfaff, Saskatchewan Legislative Building

Measure

Provincial Auditor's Assessment of Government's Accountability Systems

Provincial Auditor's Report	Satisfaction with processes and/or guidelines	Assessment of Ministry plans and reports
2012 Report	N/A	N/A ***
2011 Report, Vol. 2, Ch. 26B	Yes	Improving
2010 Report	N/A	N/A ***
2009 Report, Vol. 3, Ch. 19	Improving	Improving **
2008, Vol. 3, Ch. 20	Partial	N/A
2007, Vol. 3, Ch. 9	Partial	N/A*

Source: Provincial Auditor's Reports, available on-line at www.auditor.sk.ca

*The Provincial Auditor's (PA) approach to assessing government's accountability system has differed over the years; from 2007 on, the PA's focus shifted to solely examine government's accountability system and processes.

**In 2009, the PA assessed only a small sample of ministries but concluded that "public plans of ministries are improving".

***In 2010 and 2012, a specific chapter on government accountability was not included in the Fall Report.

Measure Description

The Ministry of Finance uses the Provincial Auditor's assessment of Government's accountability systems to gauge progress on the Ministry's efforts to promote accountable government. The table above shows that the Provincial Auditor's approach has changed over the years and a sample of ministry annual reports was not reviewed in each year.

In 2009, the Provincial Auditor's assessment was positive, indicating that government's overall approach to accountability was improving as were the individual ministry plans and annual reports. In the fall 2010 Report, the Provincial Auditor did not write a specific chapter on government accountability. This resulted in a lack of data for this performance measure in 2010.

In the fall of 2011, the Provincial Auditor assessed the annual reports according to the Public Sector Accounting Board (PSAB) Statement of Recommended Practice (SORP-2) principles for effective reporting. The Provincial Auditor concluded that the quality of the annual reports assessed had improved, were accessible on the website, linked to the Government's overarching direction document and, for the most part, reflected best practices. The Provincial Auditor also concluded that the guidelines provided by the Ministry of Finance "support quality reporting ... provided agencies with sound guidance ... (and) were generally consistent with best practices other than they did not expect agencies to include performance targets." The Provincial Auditor went on to recommend that the Ministry of Finance encourage ministries to disclose performance targets in their annual reports. As part of the Government of Saskatchewan Planning and Accountability Framework, ministries will be encouraged to disclose appropriate targets in their annual reports.

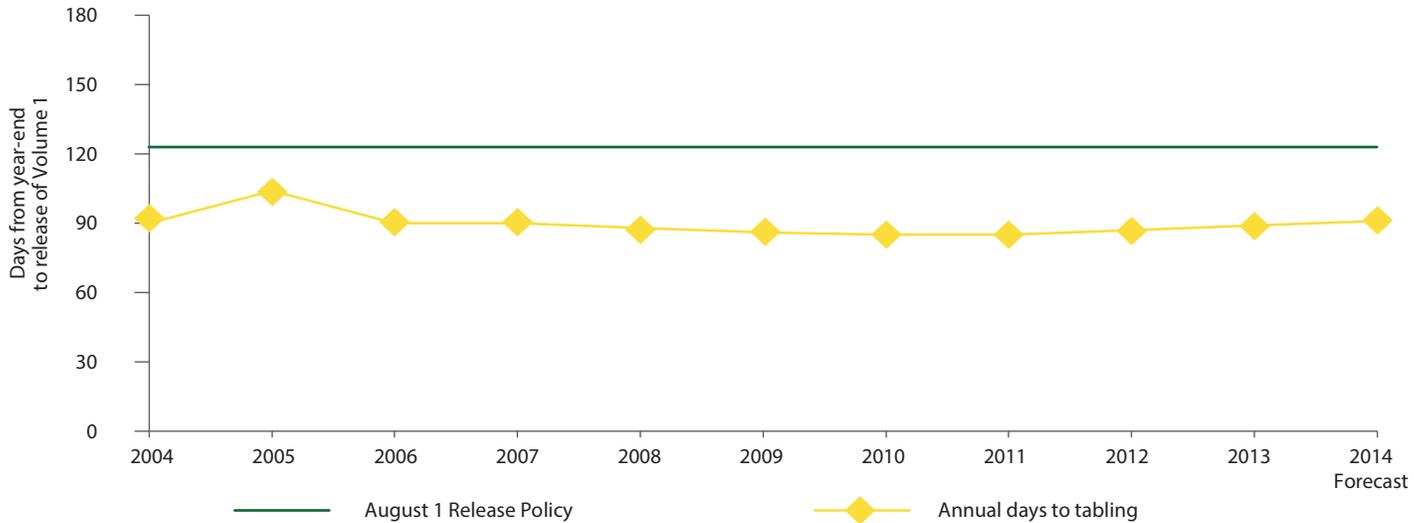
The Provincial Auditor did not include a specific chapter on government accountability in 2012 or 2013 reports.



Photo Credit: Ministry of Parks, Culture and Sport, Greg Huszar Photography, Nesslin Lake Campground

Measure

Timeliness of the Release of Public Accounts, Volume 1



Source: Saskatchewan Public Accounts

Measure Description

The Public Accounts are key financial accountability documents that are publicly released on an annual basis. The Public Accounts are prepared and tabled in accordance with *The Financial Administration Act, 1993* (FAA). The Ministry prepares and publishes the Public Accounts, pulling together information from ministries and other government organizations. Volume 1 contains the financial statements of the Government of Saskatchewan.

Government's financial statements demonstrate accountability for the resources, obligations and financial affairs for which the Government is responsible. Continued strong financial reporting through timely, reliable and relevant financial statements is essential to strong accountability.

Timeliness of financial statements contributes to government's accountability and demonstrates Finance's leadership for good governance, transparency and accountability across government. Under the FAA, the Public Accounts must be tabled on or before October 31st. The Government has established a policy of tabling Volume 1 of the Public Accounts on or before August 1st. For the last several years, the Government has been in a position to table Volume 1 in late June.



Photo Credit: Ministry of Parks, Culture and Sport, photo by Paul Austring, Duck Mountain

Measure

Percentage of Entities Meeting Tabling Deadline

Year	Percentage of Entities Meeting Tabling Deadline
2014-15 Forecast	95%
2013-14	89%
2012-13	94%
2011-12	91%
2010-11	86%
2009-10	86%
2008-09	77%
2007-08	76%
2006-07	84%
2005-06	84%
2004-05	81%

Source: Legislative Assembly of Saskatchewan website

Measure Description

The financial statements of government entities are prepared pursuant to their enabling legislation. Pursuant to *The Tabling of Documents Act, 1991*, entities are required to table their financial statements within 120 days of their year-end. Continued strong financial reporting by government entities is essential to strong accountability.

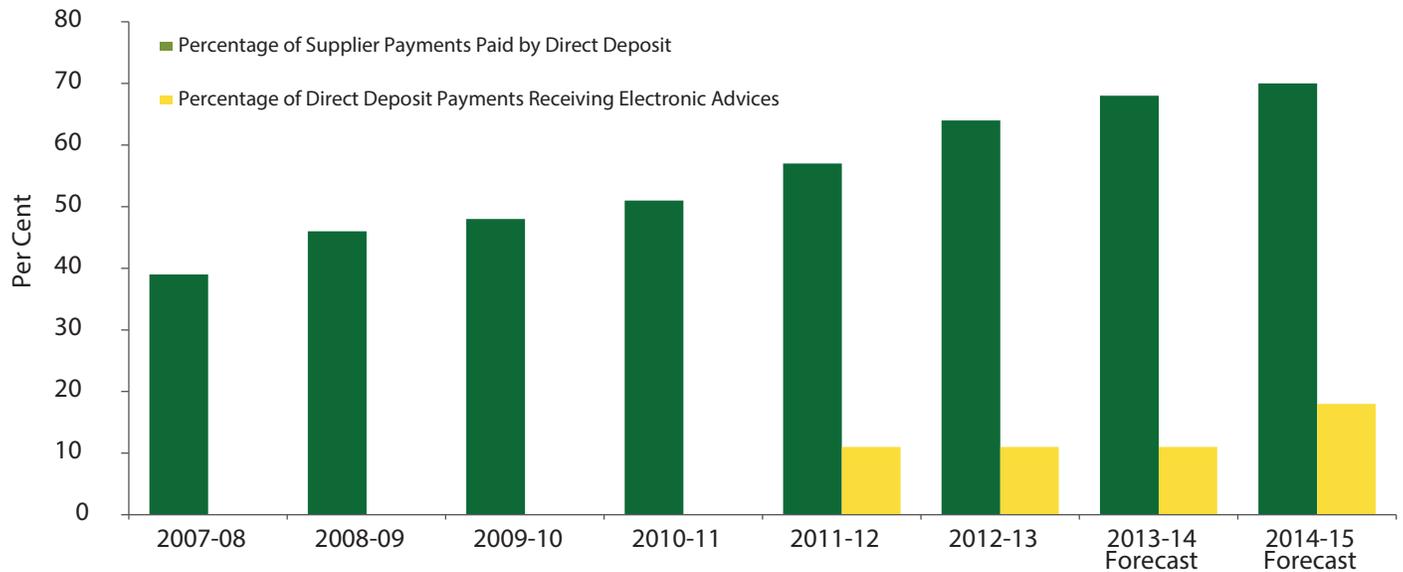
The Ministry, on behalf of Treasury Board, provides approval of the form and content of the financial statements in advance of the tabling. Finance is proactive in ensuring government entities table their financial statements on time (e.g., clearly communicates tabling deadlines) and monitors compliance with tabling deadlines. Finance's role contributes to timely, reliable and relevant financial reporting by Treasury Board Crowns and agencies and demonstrates Finance's leadership for good governance, transparency and accountability across government.



Ministry of Parks, Culture and Sport, Greg Huszar Photography, Motherwell Homestead National Historic Site of Canada

Measure

Direct Deposit and Electronic Advice Usage for Supplier Payments



Source: Ministry of Finance

Measure Description

Continued improvements in the efficiency of the Government's payment processes through the use of direct deposit and electronic advices, contributes to the best use of public funds. This is an ongoing program that started in 2007-08. In the seven years that the measure has been reported, direct deposits have increased from 38 percent to 68 percent. Commencing in 2011-12 electronic advices were offered as an option to paper. Currently 11 percent of the advices are distributed electronically.

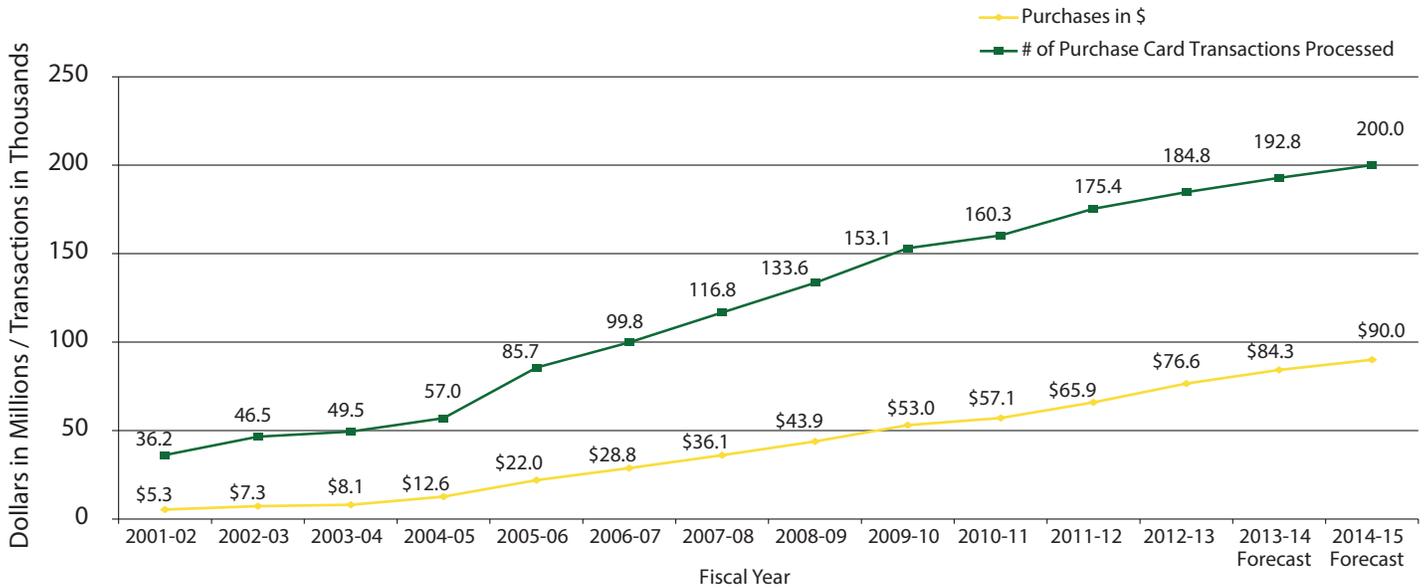
The Ministry continues to pursue the elimination of cheques and paper advices. The uptake of both these initiatives is dependent on acceptance by suppliers. The use of electronic advices is also limited by the availability and acceptance of the internet by suppliers.



Photo Credit: Ministry of Parks, Culture and Sport, Davin Andrie, Hunt Falls

Measure

Purchase Card Usage in the Government



Source: Ministry of Finance Statistical Reports

Measure Description

Purchase cards are a cost-effective way of making payments. Through the use of purchase cards, the Government is able to reduce administration and costs associated with the processing and payment of low dollar value purchases of goods and/or services up to a \$10,000 per transaction limit.

The total number and dollar value of purchase card transactions provides a measure of the level of efficiency being achieved.

For 2013-14, the number of purchases is expected to reach approximately 193,000 transactions totalling approximately \$84 million. This is a significant improvement from the inception of the purchase card program. The Ministry continues to work to improve the usage across government, which contributes to the best use of public funds. For 2014-15, a target has been set for 200,000 transactions totalling \$90 million.



Photo Credit: Tourism Saskatoon, Broadway Bridge

Measure

Benefit-Cost Ratio of Audit and Compliance Activities

Year	Return on Investment
2012-2013	532% (Actual)
2013-2014	380% (Target)

Source: Ministry of Finance, Revenue Division, Statistical Reports

Measure Description

Finance has increasingly placed more emphasis on promoting voluntary compliance of consumption tax statutes through education and outreach. The audit program remains an important tool to promote compliance with the Province's tax laws and to ensure equity and fairness for all businesses operating in Saskatchewan.

The benefit-cost ratio (BCR) measures the value of audit and compliance activities in relation to the costs of performing these activities. In 2012-13, Finance achieved an adjusted BCR of 532 per cent, above the target of 380 per cent. Gross BCR of 861 per cent was adjusted for audit revenue due to extraordinary assessments under *The Corporation Capital Tax Act*.

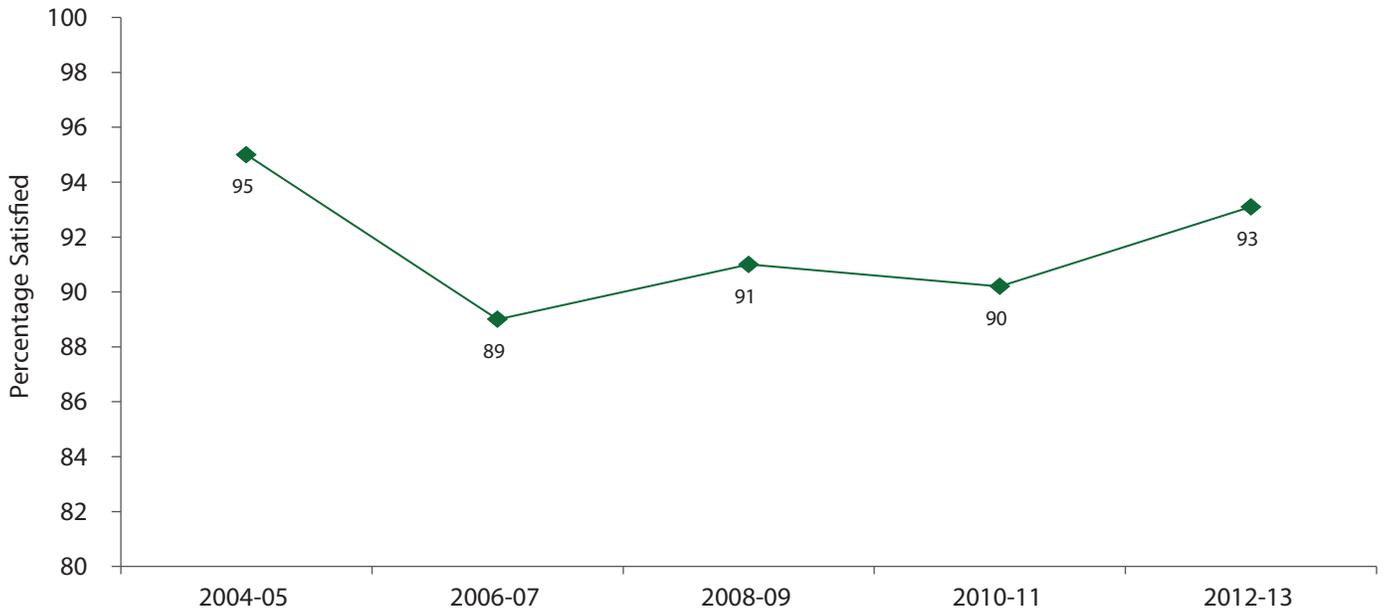
Since the first full year's data was not available until the spring of 2013, the target for 2013-14 remains the same as 2012-13.



Photo Credit: Ministry of Parks, Culture and Sport, Greg Huszar Photography, Elbow Marina

Measure

Client Satisfaction (of Businesses which Collect Taxes on Behalf of Government)



Source: Ministry of Finance

Measure Description

In 2002-03, Finance committed to conducting bi-annual satisfaction surveys of businesses collecting taxes on behalf of the Government. This measures whether these clients are satisfied with Finance's quality of service and timeliness of responses, refunds and adjustments. This allows businesses to evaluate Finance's performance and helps Finance to determine potential improvements for the timeliness of responses, refunds and adjustments.

In 2012, surveys were sent to 532 businesses based on a random sample of businesses that collect Provincial Sales Tax, Fuel Tax, Tobacco Tax and Corporation Capital Tax.

The bi-annual client satisfaction survey will be conducted again in 2014-15 as a means of measuring client satisfaction.

Financial Summary

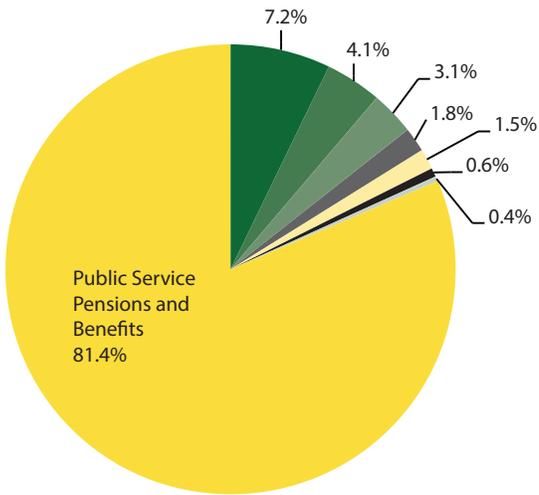
2014-15 Estimates	(in thousands of dollars)
Central Management and Services	6,503
Treasury and Debt Management	2,326
Provincial Comptroller	11,608
Budget Analysis	5,434
Revenue	28,805
Personnel Policy Secretariat	508
Research and Development Tax Credit	15,000
Miscellaneous Payments	120
Appropriation	70,304
Capital Asset Acquisitions	(2,200)
Non-Appropriated Expense Adjustment	688
Expense	68,792
Public Service Pensions and Benefits	301,365
Total Expense	370,157
Total Appropriation	371,669
FTE Staff Complement	
Ministry	325.4

For more information, see the Budget Estimates at: <http://www.saskatchewan.ca/budget>



Photo Credit: Saskatchewan Watershed Authority, photo by Vicki East, Rafferty Reservoir

Composition of 2014-15 Ministry of Finance Total Expense by Subvote (Total = \$370.2M)



Composition of 2014-15 Ministry of Finance Expense by Subvote (Total = \$68.8M)

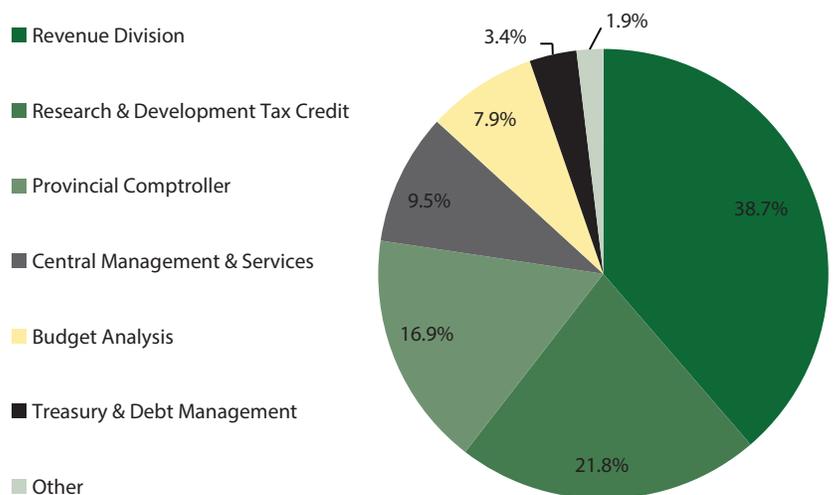




Photo Credit: Saskatchewan Watershed Authority, photo by Vicki East, Rafferty Reservoir

Highlights

2014-15 Budget Highlights:

- ⇒ The 2014-15 expense budget for the Ministry's operations is \$68.8 million, an increase of \$4,000.
- ⇒ When Pensions and Benefits are included the budget grows to \$370.2 million, an increase of \$10.3 million or 2.9 per cent.
- ⇒ The Ministry's FTE count (full-time equivalents) for 2014-15 is 325.4, an increase of 6.0 FTEs or 1.9 per cent.
- ⇒ The Ministry's 2014-15 budget provides:
 - ⇒ \$301.4 million for Pensions and Benefits funding requirements;
 - ⇒ \$6.3 million for audit and compliance capacity, a \$0.5 million and 6.0 FTE increase;
 - ⇒ \$15.0 million, status quo funding, for the Research and Development (R&D) Tax Credit; and,
 - ⇒ \$2.2 million in government-owned capital to begin development of a replacement revenue management system.

Other Ministry Highlights:

- ⇒ Timely release of financial information - Saskatchewan has consistently released Public Accounts in 90 days; only two other provinces have been able to maintain this standard.
- ⇒ Approve financial statements for 107 government agencies, which are to be tabled within 120 days of the agencies fiscal year end. Saskatchewan has achieved 89 per cent entities meeting the tabling deadline, which has been trending upwards from a low of 76 per cent in 2006-07.
- ⇒ The Ministry produces 800,000 cheques and deposit notifications to suppliers, employees and program recipients and supports 8,000 financial system users.
- ⇒ Approximately 56,000 businesses on the tax roll and 36,000 Farm Fuel Permits are renewed annually by Finance staff.
- ⇒ Achieve accurate cash forecasting, efficient use of cash balances, and manage \$2.5 billion in money market securities.
- ⇒ Budget reviews, production of Estimates and quarterly reports, and publication of ministry plans and annual reports are all produced within the respective deadlines.
- ⇒ Provide advice to the Sub-Committee on Public Sector Bargaining on 39 collective agreements covering more than 62,000 FTEs.

For More Information

Please visit the Ministry's website at <http://www.saskatchewan.ca/government/ministries/finance> for more information on the Ministry's programs and services.

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