

Annual Report for 2022-23

Ministry of Finance

Letters of Transmittal



The Honourable Donna Harpauer
Deputy Premier and Minister of Finance

Office of the Lieutenant Governor of Saskatchewan

I respectfully submit the Annual Report for the Ministry of Finance for the fiscal year ending March 31, 2023.

A handwritten signature in cursive script that reads "Donna Harpauer".

Donna Harpauer
Deputy Premier and Minister of Finance



Max Hendricks
Deputy Minister of Finance

The Honourable Donna Harpauer
Deputy Premier and Minister of Finance

Dear Minister:

I have the honour of submitting the Annual Report of the Ministry of Finance for the fiscal year ending March 31, 2023.

A handwritten signature in cursive script that reads "Max Hendricks".

Max Hendricks
Deputy Minister of Finance

Ministry Overview

Mandate Statement

The Ministry of Finance (Finance) is responsible for oversight of government revenue, expenses, 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 the Government of Saskatchewan; 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.

Mission Statement

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

Ministry Role

The Ministry of Finance is a central agency responsible for advising the Government of Saskatchewan on financial implications associated with the policy decisions of all ministries and agencies.

The 2022-23 actual FTE utilization was 328 which after including students was 336.5 FTEs. Staff are primarily located in Regina, with regional offices in Saskatoon and Yorkton. In addition to the budgeted FTEs, there are 138.0 FTEs and associated salaries with the Public Employees Benefits Agency (PEBA) Revolving Fund and paid for by the various pension and benefit plans.

Under Order in Council 232/2022, the Minister of Finance is responsible for the following Acts of the Legislative Assembly:

- *Accounting Profession Act*
- *Certified Management Consultants Act*
- *Corporation Capital Tax Act*
- *Financial Administration Act, 1993*
- *Fuel Tax And Road Use Charge Act*
- *Income Tax Act, 2000*
- *Insurance Premiums Tax Act*
- *Liquor Consumption Tax Act*
- *Members of the Legislative Assembly Benefits Act*
- *Motor Vehicle Insurance Premiums Tax Act*
- *Municipal Employees' Pension Act*
- *Municipal Financing Corporation Act*
- *Political Contributions Tax Credit Act*
- *Provincial Auditor Act*
- *Provincial Sales Tax Act*
- *Public Employees Pension Plan Act*
- *Public Service Superannuation Act*
- *Revenue and Financial Services Act*
- *Saskatchewan Pension Annuity Fund Act*
- *Saskatchewan Pension Plan Act*
- *Statistics Act*
- *Superannuation (Supplementary Provisions) Act*
- *Tobacco Tax Act, 1998*
- *Vapour Products Tax Act*

View the Ministry's Operational Plan at:

<https://pubsaskdev.blob.core.windows.net/pubsask-prod/134518/FinancePlan2022-23.pdf>

Progress on Goal 1: Public resources are used in an accountable and transparent way

Public resources are used in the way government intended: doing what we said we would do and being clear about how we do it.

Strategy:

Effective accountability frameworks govern summary entities and third-party transfers.

Key Actions:

- Support government entities in effectively following accountability frameworks, policies, processes, and financial management responsibilities.
 - Reviewed and approved audit opinions for all financial statements of entities and funds that must be tabled before the Legislative Assembly to ensure that disclosure is adequate and accounting policies are appropriate.
 - The Ministry continues to provide general advice to ministries and government entities on financial management matters including accounting and financial management advice on the establishment of the Saskatchewan Distance Learning Corporation, Lotteries and Gaming Saskatchewan and Plannera Pensions and Benefits (the not-for-profit corporation replacing the Public Employees Benefit Agency).
 - Reviewed financial programs and systems by conducting internal control assessments as required. Ministry programs, bank accounts, contracts, and payments were audited using a risk-based approach.

Strategy:

Reporting is high quality, transparent, simple, and informative.

Key Actions:

- Provide public reporting that clearly communicates Saskatchewan's short and long-term fiscal picture to citizens through budget documents, quarterly reports, and Public Accounts.
 - The Ministry is responsible for the preparation and release of the Public Accounts in accordance with *The Financial Administration Act, 1993*.
 - Volume 1 contains the audited Summary Financial Statements and related financial statement discussion and analysis for the province. The 2021-22 Public Accounts, Volume 1, was tabled in the Legislative Assembly on June 30, 2022.
 - Volume 2 contains General Revenue Fund financial schedules, details, and other supplementary information. The 2021-22 Public Accounts, Volume 2, was tabled in the Legislative Assembly on October 31, 2022.
 - The Public Accounts are available in the Publications Centre: <https://publications.saskatchewan.ca/#/categories/5584>

- The Ministry worked with 25 ministries, agencies, and Treasury Board Crowns to develop and table their annual reports for 2021-22, in accordance with the *Executive Government Administration Act*. All 25 annual reports were tabled per legislation within 120 days following the close of the fiscal year. All annual reports are available in the Publications Centre:
<https://publications.saskatchewan.ca/#/products/118428>
- Provided input on Public Sector Accounting Standards documents and submitted responses to the Public Sector Accounting Board (PSAB) for the 2022-23 Annual Improvements Exposure Draft and the PSAB Future Work Plan Consultation Paper. The Ministry continues to lead and make progress on the implementation of all new Public Sector Accounting Standards ensuring government-wide financial policies and procedures are sound and the accounting policies comply with PSAB standards.
- The Ministry updated the 2022-23 Annual Report template to ensure alignment with the redesigned public Business Plans launched in 2022-23, so that they are easier to read and clearly show how public resources are used to achieve results for Saskatchewan people. This improvement demonstrates the Ministry's commitment to providing citizens with a clear picture of Saskatchewan's fiscal health.
- Modernize Saskatchewan's Budget documents and reporting to better meet the needs of citizens and government.
 - The Ministry initiated the Budget Book Improvement Project, which resulted in a more streamlined and well-documented Budget Book production process, leading to improved project timelines and cost-saving measures. This included a 40 per cent reduction in overtime hours worked in the Communications Branch and \$21,000 in one-time cost avoidance. Overall, the results achieved significantly improved the Ministry's financial reporting process.
- Provide public reporting that demonstrates key performance information with respect to tax administration and compliance.
 - The Provincial Auditor of Saskatchewan independently assesses the government's performance and provides recommendations to improve accountability practices. The Ministry has responded to the Provincial Auditor's recommendations in their report on enforcing provincial sales tax legislation for improving tax administration and compliance. As a result, two out of six recommendations have been implemented. The Ministry has undertaken a project to review the current compliance initiatives and their effectiveness while enhancing the risk-based selection of compliance work. The project will be implemented in several stages throughout the 2023-24 and 2024-25 fiscal years.

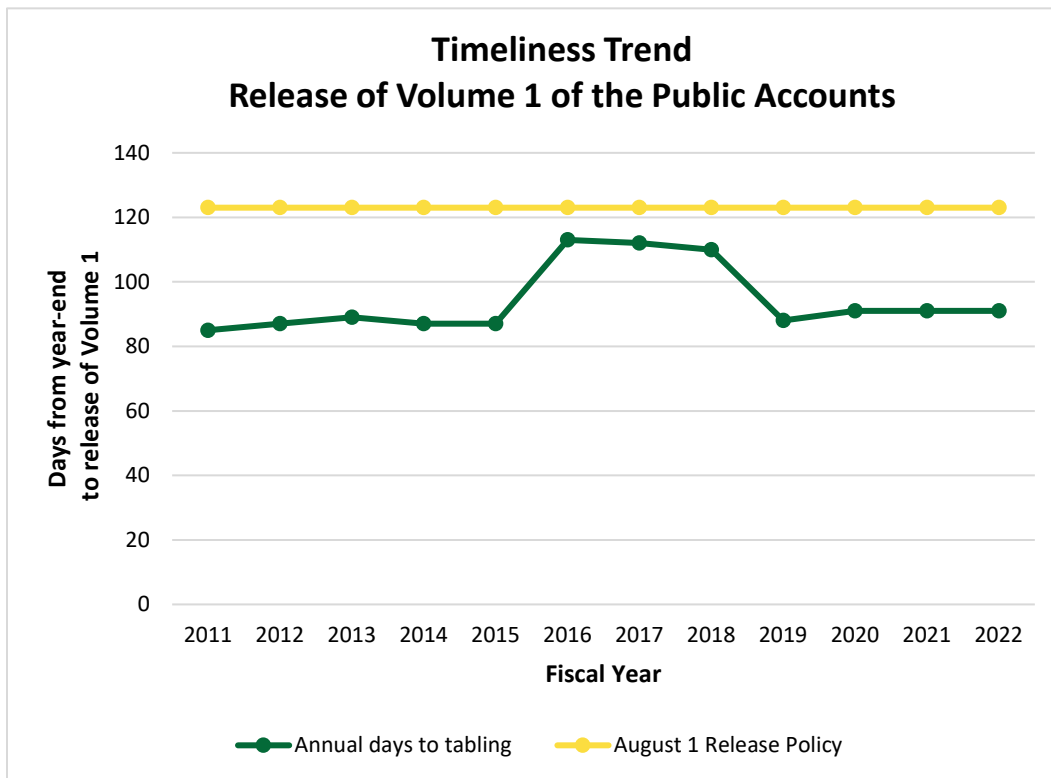
Performance Measure Results:

Timeliness and Quality of Public Reporting

Public reports are timely, reliable, and relevant so that they show that resources are used the way Government intended.

- The Public Accounts are key financial accountability documents that are publicly released on an annual basis. Under *The Financial Administration Act, 1993*, the Government of Saskatchewan has established a policy of tabling Volume 1 of the Public Accounts no later than August 1 and Volume 2 on or before October 31. Volume 1 of the 2020-21 Public Accounts was tabled on June 30, 2022. Public Accounts, Volume 2, was tabled on October 31, 2022.

The following chart demonstrates that the Public Accounts Volume 1 tabling date has been met in all years and well exceeded in most years.



Source: Ministry of Finance

Progress on Goal 2: Fiscal plan achieves government priorities

A good fiscal plan achieves government goals through responsible management of the provincial budget and debt. We achieve government priorities over the long term through responsible, principled, sustainable financial management.

Strategy:

Decisions are informed with proactive, strategic, evidence-based analysis and recommendations.

Key Actions:

- Provide analysis and advice to facilitate the development of fiscal policies that achieve government's priorities.
 - *The Saskatchewan Revenue Agency Act* was passed in the spring Legislative session. The Act enables Government to create a framework for establishing a new Treasury Board Crown Corporation, the Saskatchewan Revenue Agency (SRA). Establishing the SRA is the first step in a larger undertaking related to the potential transformation of the province's corporate income tax system. The Ministry is engaging in consultations to determine the next steps and provide an assessment of policy, system, and administrative design needs.
 - In August 2022, the Government of Saskatchewan announced a Four Point Affordability Plan to help people address the rising cost of living. The Plan included (1) extending the small business tax rate reduction by a year, (2) removing the PST from gym memberships and some recreational activities, (3) providing one-time \$500 Saskatchewan Affordability Tax Credit (SATC) payments, and (4) retiring up to \$1B in debt. The Ministry coordinated the development and implementation of the Four Point Affordability Plan, which included the establishment of the infrastructure needed to successfully implement the SATC. A total of 845,732 checks were issued in a condensed timeframe to eligible Saskatchewan residents resulting in \$422.7 million of financial assistance.
 - In 2022-23, the Ministry provided leadership and expertise around the implementation of tax initiatives and changes related to:
 - Small business Corporate Income Tax rate;
 - Tobacco Tax;
 - Vapour Products Tax (VPT) exemption in Lloydminster;
 - Saskatchewan Affordability Tax Credit;
 - Manufacturing and Processing Exporter Tax Incentive;
 - Saskatchewan Mineral Exploration Tax Credit;
 - Assorted initiatives relating to the Provincial Sales Tax (PST); and,
 - Gasoline Competition Assistance Program (GCAP).
- Engage with partners, including economic ministries, in the development of economic incentives that support growth for Saskatchewan.
 - The Ministry conducted an analysis as part of the Red Tape Review of Corporation Capital Tax Regulations. The analysis concluded that no further work is currently

- needed. Reducing regulatory burdens benefits corporations and supports Saskatchewan's Growth Plan goal of reducing government red tape for businesses.
- The Ministry continues to consult with the Ministry of Trade and Export Development proactively on new tax initiatives to support growth for Saskatchewan. An example includes the one-year extension of the Manufacturing and Processing Exporter Tax Incentive.
 - The Ministry continues to participate on the board for Saskatchewan Indigenous Investment Finance Corporation (SIIFC), and there is ongoing work regarding SIIFC operationalization with regular interactions among officials of SIIFC and the Ministry of Trade and Export Development. SIIFC was launched in 2022 and offers up to \$75 million in loan guarantees to support Indigenous-equity ownership of major projects in mining, energy, oil and gas, forestry, and value-added agriculture.
 - Negotiated tax administration agreements with First Nations to share cannabis excise duty revenues paid to Saskatchewan by the federal government under the Coordinated Cannabis Taxation Agreement (CCTA) for cannabis sales conducted by on-reserve retailers that are covered by the provincial licencing framework.
 - The Ministry provided advice and analysis on initiatives such as the Saskatchewan Mineral Exploration Tax Credit (increased from 10 to 30 per cent) and the Targeted Mineral Exploration Incentive (funding increased from \$0.75 million to \$4 million). Saskatchewan's Critical Minerals Strategy enhances some of the programs and incentives to facilitate further sector growth.
- Continue to advance options to assume control of the Federal Fuel Charge Program.
 - The submission to the federal government for the Government of Saskatchewan to take over full control of the Federal Fuel Charge Program has been paused indefinitely. In partnership with the Ministry of Environment, Finance has focused its efforts on the Output-Based Performance Standards (OBPS) Program enhancements, which received federal approval in November 2022.

Strategy:

Province's finances are managed within a long-term framework.

Key Actions:

- Attract international investment in new Saskatchewan debt to minimize borrowing costs.
 - The Ministry developed investor relations materials and presented to over 40 new investors to promote Saskatchewan's story and attract international investors. Many of the firms that heard one of these presentations subsequently invested in the Saskatchewan USD-denominated debenture issued in June 2022.
 - The Ministry also presented virtually to London and Mexico City trade offices and participated in supporting the Premier's New York City mission in June 2022, and the United Kingdom/Germany trade mission in April 2022.
 - In June 2022, the Ministry completed a \$1 billion USD debt issuance, representing the first time issuing in the US market since 1994. The transaction was fully hedged, eliminating foreign exchange exposure.
- Assess the impact of e-commerce on tax revenue and develop approaches to address the fair and consistent application of provincial taxes.
 - The Ministry has focused on targeted education reviews and outreach activities. Ongoing activities will be further enhanced by the results of a compliance review.

- Assist ministries in ensuring the financial arrangements of federal-provincial agreements are appropriate and are accounted for within the fiscal plan.
 - In 2022-23, 25 federal-provincial fiscal agreements were reviewed by Finance.
- Implement audit and compliance strategies to promote compliance with Saskatchewan's tax programs to protect provincial revenue.
 - Implement a revenue collection strategy targeted at medium risk underpaid accounts.
 - Developed and implemented an effective collection compliance strategy to protect provincial revenue from Saskatchewan's tax programs. As a result of these efforts, the Ministry collected \$1.1 million in revenue for the 2022-23 fiscal year.
 - Implement an enhanced contractor compliance program with SaskBuilds & Procurement (SPB) and Crown Investments Corporation (CIC).
 - The Ministry is working to further expand the enhanced PST compliance initiative with SBP and CIC to ensure that all contractors working for the province are licensed and complying with their PST obligations. Participation throughout government has secured revenues of over \$500,000 this year, through a combination of bonding and compliance activities. The contractor clearance program is important, as it helps ensure the province's PST revenue is protected and a level playing field is maintained for all contractors working in Saskatchewan, regardless of where they are based.
 - Implement an expansion to the risk-based audit program.
 - The audit program continues to focus on high-risk industries including the underground economy. The Ministry initiated work on a business intelligence unit to further enhance the risk-based selection and business intelligence processes. This risk-based selection approach improves resource allocation, efficiency, and effectiveness by focusing on areas of greatest concern.
- Monitor key fiscal indicators and provide advice to support the long-term fiscal health of Saskatchewan.
 - The Ministry led the 2022-23 First Quarter financial analysis, which indicated that there would be a significant improvement in the province's fiscal situation largely due to a surge in non-renewable resource revenue. The improved fiscal outlook allowed the government to launch a Four Point Affordability Plan in August 2022. The Ministry continues to monitor the fiscal picture and provide analysis to develop policies and support recommendations that benefit the citizens of Saskatchewan.
 - Supported the Province's collaborative efforts with other jurisdictions to create a Gross Domestic Product (GDP) estimation model using the expenditure approach. The estimation model provides a comprehensive view of GDP that enables a more timely understanding of Saskatchewan's economic performance.

Strategy:

Provincial budget process is modern, efficient, and effective.

Key Actions:

- Increase efficiency, awareness, understanding, and accountability for the budget and in-year reporting.
 - The Ministry has dedicated significant effort toward modernizing budget processes. This collaborative work has focused on integrating strategic plans and budgets, improving budget submission documents and templates, and developing budgeting, and forecasting process documentation to improve efficiency and accountability. This modernization is expected to lead to better accountability, as well as a more efficient and streamlined processes.

Performance Measure Results:

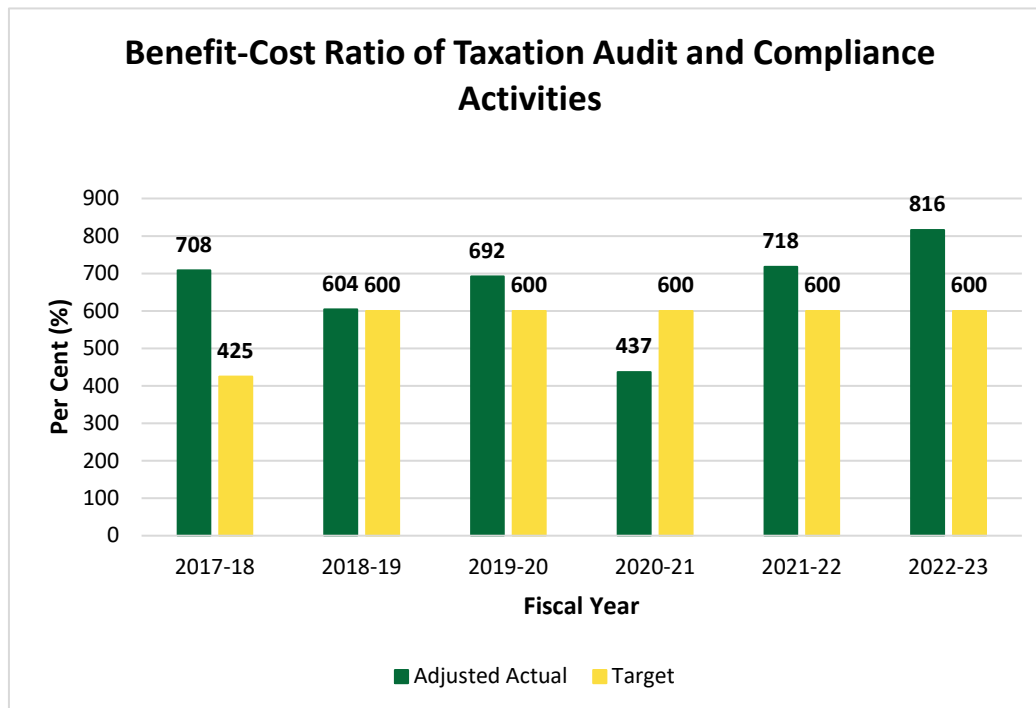
Benefit-Cost Ratio of Taxation Audit and Compliance Activities

Audit and compliance activities promote tax fairness, create level playing field for businesses, and generate revenue to provide key government services for citizens.

The value of audit and compliance activities in relation to the cost of performing these activities will be 600 per cent, or for each dollar spent on audit and compliance, the Ministry will generate \$6.00 of incremental revenue.

- The Ministry has increasingly placed more emphasis on promoting voluntary compliance of consumption tax through education and outreach. The audit program remains a crucial 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 2022-23, the Ministry achieved a BCR of 816 per cent, above the target of 600 per cent. This means for each dollar spent on audit and compliance, the Ministry generated \$8.16 of incremental revenue to be used for government priorities, including health care, education, social services, and assistance, as well as needed infrastructure like highways, schools, and health care facilities.



Source: Ministry of Finance

Performance Measure Results:

Borrowing cost of new debt

While many factors impact the cost of borrowing, reducing the cost of borrowing relative to other jurisdictions is important so that the province's finances are well-managed over the long-term.

- Many factors influence the cost of borrowing for the Province of Saskatchewan's long-term debt, including market interest rates for Government of Canada debentures, the provincial government's economic and fiscal situation, as well as the size of annual borrowing programs and ability of bonds to be traded on the market after initial issuance (known as liquidity). Interest rates alone do not provide a meaningful measure of Saskatchewan's performance. Instead, it is useful to examine Saskatchewan's cost of borrowing compared to those of other provinces.

The following table shows the annual average "spread" between the rate at which Saskatchewan would issue a new 10-year and 30-year debenture, and the rate at which each comparator province would issue the same debenture.

A comparison of 2022-23 with 2021-22 shows Saskatchewan's average cost of borrowing decreased relative to Ontario, Quebec, Manitoba, and British Columbia, while its cost of funding increased relative to Alberta. For example, on a new 30-year debenture, the spread to Ontario, Quebec, Manitoba, and British Columbia decreased by 1, 3, 6 and 5 basis points respectively, while the spread to Alberta increased by 9 basis points.

These comparisons are influenced by the varied fiscal situations of the provinces; however, Saskatchewan's relative improvement overall also reflects the diversification of funding sources for the Province of Saskatchewan. For context, on a \$3.0 billion annual borrowing program, each basis point improvement in the spread to Ontario reduces interest costs by \$300,000 per year over the entire life of the new debt.

Fiscal Year	10-year New Issue Average Spread (Basis points)					30-year New Issue Average Spread (Basis points)				
	SK/ON	SK/QC	SK/MB	SK/AB	SK/BC	SK/ON	SK/QC	SK/MB	SK/AB	SK/BC
2022-23	1	3	(4)	2	3	3	4	(8)	4	5
2021-22	1	7	(1)	(3)	7	4	7	(2)	(5)	10
2020-21	10	13	1	(9)	15	19	20	1	(9)	23
2019-20	7	12	(1)	(1)	12	9	12	(4)	(2)	17
2018-19	1	6	(6)	(1)	10	2	6	(10)	(1)	13
2017-18	3	6	(3)	(3)	9	6	8	(6)	(2)	12

Source: Ministry of Finance

Progress on Goal 3: Operational Excellence

Citizen and client expectations are met through systems, processes and people working together efficiently, effectively, innovatively and in a fiscally responsible way to deliver results.

Strategy:

Ministry attracts and retains a skilled, engaged, and diverse workforce.

Key Actions:

- Implement actions in response to the results of the biennial Government of Saskatchewan Employee Engagement and Culture Survey to maintain a high level of engagement in our workforce.
 - The Ministry continues to execute its action plan in response to the 2021 Employee Engagement and Culture Survey. Initiatives have been undertaken to support employee wellness, ensure workplace flexibility, foster a culture of recognition, and share innovation stories.
 - The Ministry's Culture and Engagement Committees engaged leaders and collaborated with employees to coordinate events throughout the year to deliver on shared priorities that raise employee engagement, support diversity and inclusion, and promote safety.
- Deliver priority activities and initiatives to acquire, engage and grow a diverse workforce.
 - The Ministry has taken various steps to promote a culture of inclusivity and grow a diverse workforce. Some examples of key initiatives include implementation of the Inclusion Toolkit, offering Mental Health First Aid and Aboriginal Awareness training, supporting corporate mentorship opportunities, and clarifying internal policies around learning and career development.

Strategy:

Business processes are modern, efficient and generate value for clients.

Key Actions:

- Transform government business with an integrated, cloud-based human resource, financial, and procurement system.
 - The Ministry of Finance is one of five partner ministries involved in the Enterprise Business Modernization Project (EBMP) to implement a new government-wide solution for an integrated financial, human resource and procurement system. The project began in October 2020 and work is underway to build and test the new solution.
- Continue work to modernize the treasury investment systems.
 - An analysis was conducted to assess provincial governments' system needs and review the products available in the market. Using the inputs from the analysis, a

comprehensive business case was approved by Finance's Executive Leadership Team and the project is now progressing to the procurement stage. The modernization effort will enhance reporting and analytics, improve efficiency through system integration, and reduce manual data entry.

- Complete upgrades to the system used to validate and process tax exempt fuel and tobacco sales.
 - The rollout to on-reserve retailers will be complete in 2023-24. Once the project is completed, the upgrade will ensure a stable and secure system for registered on-reserve retailers, providing a reliable platform for selling tax-exempt fuel and tobacco products to eligible Status Indian purchasers and claiming a refund of the tax pre-paid on these products.
- Continue to transition the Revenue Administration System to a cloud-based service offering and upgrade the application to enhance client service.
 - The work to transition to a cloud-based system, currently in the implementation phase, is underway. The project is scheduled for completion in the 2023-24 fiscal year. This upgrade and migration to cloud-based services will ensure a stable and secure system for tax clients, improve reporting and monitoring capabilities, reduce downtime, and streamline services.
- Continue to improve and promote electronic processing, services, and direct access options for clients.
 - The Ministry continues to work on strategies and infrastructure to improve and promote electronic processing, services, and direct access options for clients. These efforts include:
 - Promoting electronic tax payments and online filing assistance for tax clients.
 - Aligning provincial filing due dates with the federal Goods and Services Tax (GST) filing date in April 2020 resulting in an 84 per cent uptake. Additionally, 88 per cent of all payments were processed electronically, providing a convenient and secure way for taxpayers to pay their taxes. This alignment has significantly improved the efficiency and convenience of the tax filing process for all involved.
 - The Ministry continues to promote direct deposit with electronic remittances usage for supplier payments. Currently, 86 per cent of payments are being made through direct deposits, with 75 per cent of those payments also having electronic remittances. Through the adoption of these electronic methods, the government can optimize the use of public funds and increase the efficiency of payment processes.

Strategy:

Ministry information is managed and used as a strategic resource.

Key Actions:

- Continue to build cyber security awareness and further mitigate cyber risks by implementing approaches for regular security testing and incident responses.
 - The Ministry took proactive steps to ensure that all employees employed before 2023 have completed cyber security awareness training with no reported cyber-security breaches in the 2022-23 fiscal year. This initiative has equipped employees with the necessary knowledge and skills to safeguard citizen and organizational information, improving overall data protection and security measures.
- Develop a data management strategy to enable the ministry to effectively acquire, store, access and use data for decision making.
 - The Ministry developed robust business continuity and crisis management plans to

ensure critical business functions can continue operating or can be quickly restored in the event of a disruption or crisis. These plans prioritize the uninterrupted delivery of services to citizens, minimizing any potential impact or interruption. To ensure their effectiveness, the plans will undergo annual testing, allowing for further refinement and enhancement.

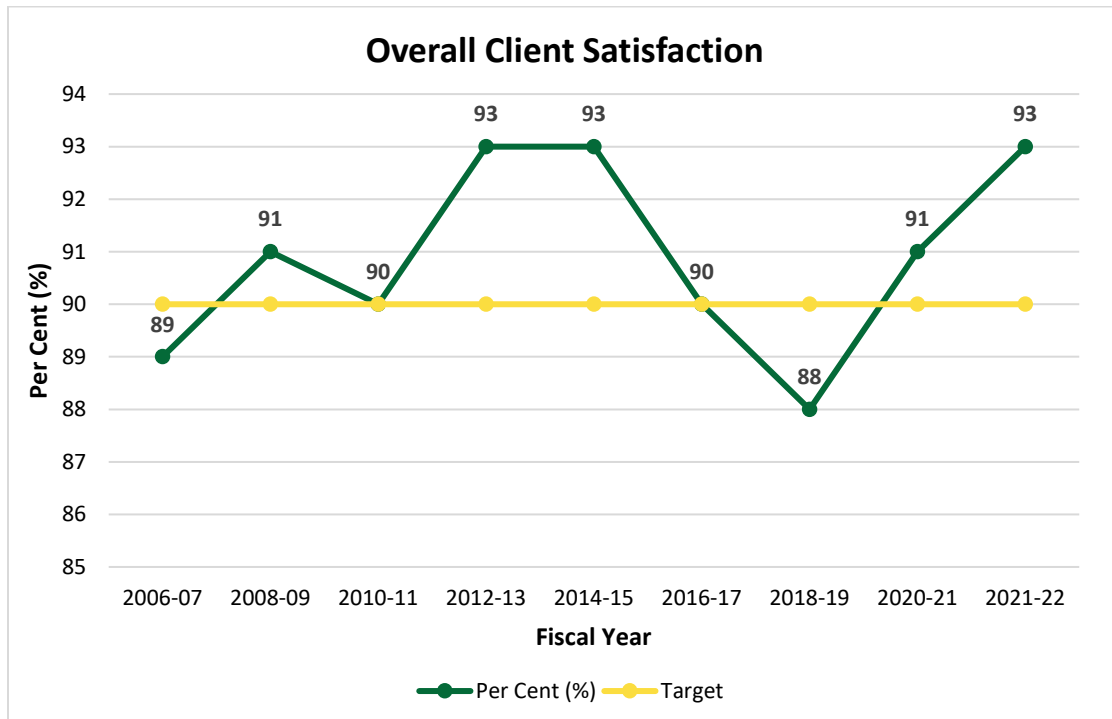
- Adopt and pilot an information classification system.
 - The project is on hold and the Ministry is exploring ways to integrate this project with Enterprise data analytics.

Performance Measure Results:

Client Satisfaction

Clients are satisfied with Ministry of Finance’s quality of services and their expectations are met. Client Satisfaction of Businesses which Collect Taxes: Businesses collecting taxes on behalf of the government are satisfied with Ministry of Finance’s quality of services and timeliness of responses, refunds, and adjustments. The target for the biennial client satisfaction survey is a satisfaction rating of 90 per cent or higher.

- The biennial client satisfaction survey resulted in a satisfaction rating of above 90 per cent.



Source: Ministry of Finance

Performance Measure Results:

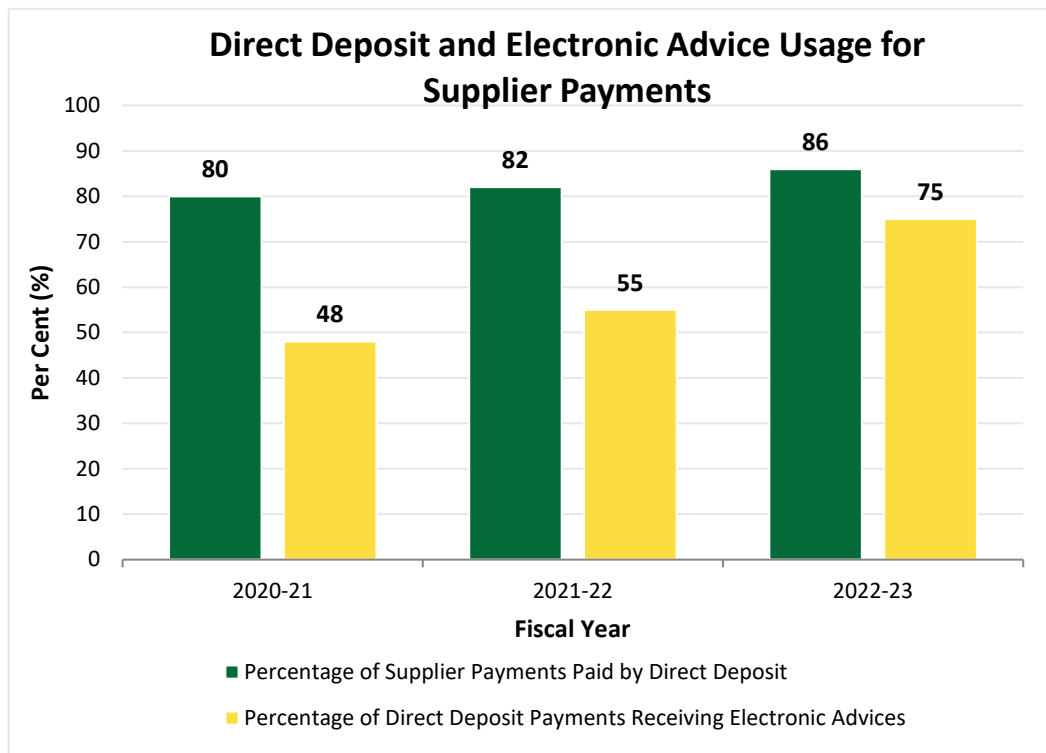
Processes completed electronically

Adopting electronic processes makes it easy for citizens, clients, and internal stakeholders to interact with Finance.

- 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. Direct deposits have increased from 38 per cent to 86 per cent over the past 17 years. Commencing in 2011-12, electronic advices were offered as an option to paper. Currently, 75 per cent of the direct deposit payment advices are distributed electronically. The Ministry continues to work towards reducing the number of cheques and paper advices.

By adopting these electronic methods, the government can optimize the utilization of public funds and improve the efficiency of payment processes.



Source: Ministry of Finance

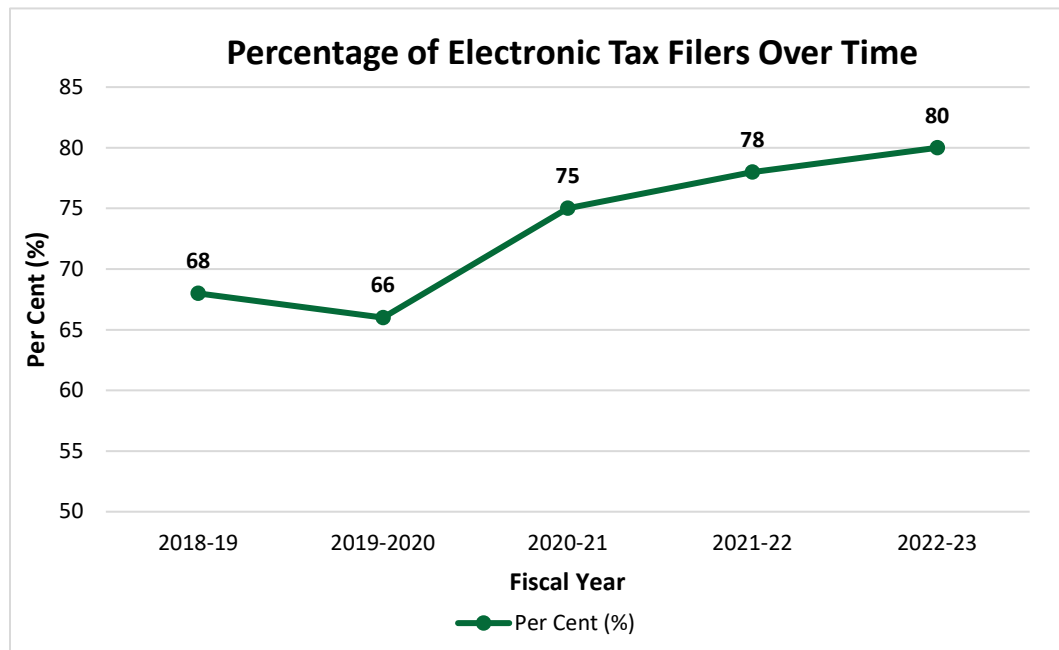
Performance Measure Results:

Electronic Tax Filing Uptake

Clients have a wide variety of accessible options to do business with Finance and find it easy to utilize electronic processes to file taxes.

- The Ministry strives to provide excellent client services by ensuring that businesses have access to electronic options for making tax payments and filing returns. The percentage of tax returns processed electronically measures how well the Ministry is meeting its objective of streamlining regulatory compliance. Businesses that use electronic methods to file their returns and 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 Ministry implemented a new on-line portal in February 2019 that enhanced the filing and payment options for clients. In April 2020, as part of the Red Tape Reduction Initiatives, the Ministry introduced the Extended Filing Due Date Initiative which aligned the filing due date with GST filing for PST, LCT and BCP tax clients that filed and paid electronically. This resulted in the percentage of tax returns and payments processed electronically to grow over time. The Ministry will continue to promote the use of electronic services.



Source: Ministry of Finance

Performance Measure Results:

Employee Engagement Index (EEI)

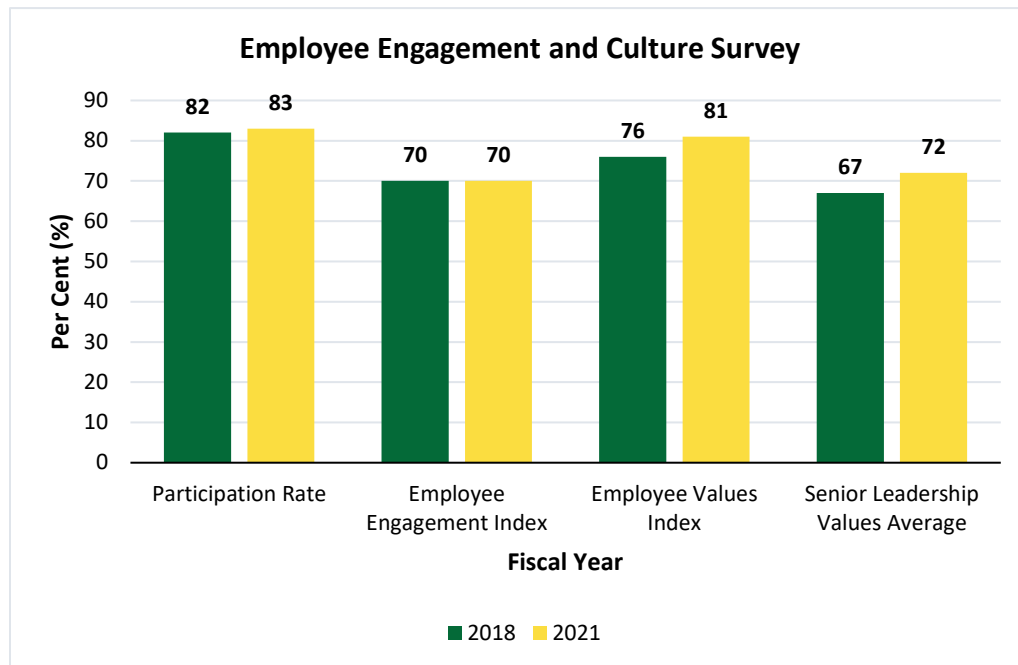
Engaged employees feel positive about their work and are motivated to deliver services that meet client expectations and needs.

- The Government of Saskatchewan Employee Engagement and Culture Survey is conducted biannually; the last survey took place in the fall of 2021. The Ministry's participation rate increased to 83 per cent for the 2021 Employee Engagement and Culture Survey. The survey assessed various aspects of employee engagement, including the Employee Engagement Index (EEI), Employee Values Index, and Senior Leadership Values Average.

The EEI represents the average agreement score of employee engagement outcome statements. It reflects the overall level of employee engagement within the organization. The EEI score remains unchanged at 70 per cent in the 2021 survey, which compares favourably to the government-wide Employee Engagement Index score of 63 per cent.

The survey also evaluated the Employee Values Index. The Government of Saskatchewan's Commitment to Excellence outlines its four core values of showing respect and integrity, serving citizens, practicing excellence and innovation, and acting as one team. Respondents were asked to rate the frequency of observing these behaviors within their work units, evaluating their supervisor/manager and colleagues. The Employee Values Index score in the 2021 survey increased by five percentage points from the 2018 survey, reaching 81 per cent.

The Ministry's Senior Leadership Values Average in 2021 was 72 per cent, showing a positive trend and reflecting the extent to which senior leadership demonstrates the organization's core values. This score was five percentage points higher than in the 2018 survey. The next Employee Engagement and Culture Survey is scheduled to be conducted in the fall of 2023.



Source: Ministry of Finance

Financial Summary

In 2022-23, the Ministry had expenses of \$794.2 million, \$417.6 million over the original budget estimate of \$376.6 million.

Excluding pensions and benefits and the Saskatchewan Affordability Tax Credit program, Ministry operating expenses were \$56.7 million, \$3.3 million under the budget estimate of \$60.0 million, primarily as a result of under expenditures in salaries due to vacancies and reduced operating expenses.

Spending for pensions and benefits was \$312.4 million, \$1.5 million under the budget estimate of \$313.9 million. Spending on the non-statutory plans was \$3.4 million under budget, due mainly to Public Employees Pension Plan (PEPP), Canada Pension Plan and Employment Insurance. Spending on the statutory plans was \$1.9 million over budget due to actual results differing from actuarial projections. Total spending on the Saskatchewan Affordability Tax Credit Program was \$424.4 million, \$25.6 million less than the amount of \$450.0 million provided through supplementary estimates. The Ministry expects to complete the last round of payments of the program in 2023-24.

The Ministry collects revenue on behalf of the Government of Saskatchewan from taxation, resource surcharges of non-renewable resources, transfers from government entities, and interest and fees. In 2022-23 the Ministry recorded revenues of \$13.0 billion, an increase of \$2.4 billion over the 2022-23 budget estimate of \$10.6 billion.

Expense Summary

Subvote	2021-22 Actuals (\$000s)	2022-23 Budget (\$000s)	2022-23 Actuals (\$000s)	2022-23 Variance (\$000s)
Central Management and Services	\$8,408	\$8,953	\$9,293	340
Treasury Management	1,459	2,332	1,841	(491)
Provincial Comptroller	7,941	10,324	7,571	(2,753) ¹
Budget Analysis	5,529	6,780	6,063	(717)
Revenue				
Revenue Division	18,801	20,329	446,798	426,469 ²
Allowance for Doubtful Accounts	4,025	2,050	2,550	500
CRA Income Tax Administration	1,435	1,435	1,435	-
Real Time Validation System	-	1,000	606	(394)
Fuel Charge Program	-	5,000	-	(5,000) ³
Personnel Policy Secretariat	495	532	487	(45)
Research and Development Tax Credit	5,000	5,000	5,000	-
Miscellaneous Payments				
Bonding of Public Officials	22	21	20	(1)
Unforeseen and Unprovided For	172	1	-	(1)
COVID-19 Support Programs	15,648	-	-	-
Implementation of Guarantees*	-	1	-	(1)
Pension and Benefits				
Public Service Superannuation Plan*	113,873	109,411	111,194	1,783 ⁴
Members of the legislative Assembly – Pensions and Benefits*	3,691	2,735	2,011	(724)
Judges Superannuation Plan*	7,208	8,613	9,519	906
Public Employees Pension Plan	78,314	81,000	80,187	(813) ⁵
Canada Pension Plan – Employer’s Contribution	37,022	43,000	40,722	(2,278) ⁵
Employment Insurance – Employer’s Contribution	13,152	15,500	14,093	(1,407) ⁵
Workers Compensation – Employer’s Assessment	9,743	12,000	12,776	776
Employees’ Benefits – Employer’s Contribution	38,743	41,000	41,413	413
Services to Public Service Superannuation Plan (PSSP) Members	527	642	511	(131)
Total Appropriation	\$371,208	377,659	794,090	416,431
Less: Capital Asset Acquisitions	799	3,700	1,999	(1,701)
Add: Capital Asset Amortization	2,272	2,626	2,110	(516)
Total Expense	\$372,681	376,585	794,201	417,616

*Statutory amounts

Expense Variance Explanations:

1. Vacancy management and operational savings.
2. Includes \$424.4 million of spending relating to the Saskatchewan Affordability Tax Program. This includes payments to individuals and program operational costs. The remaining overage relates to information technology operational pressures.
3. Program did not proceed as planned.
4. Actual expense was higher than what was actuarially projected.
5. Savings due to salaries being lower than anticipated, as contributions are based on salaries.

Revenue Summary

Revenue Source	2022-23 Budget (\$000s)	2022-23 Actuals (\$000s)	2022-23 Variance (\$000s)
Taxation	\$7,279,270	\$9,026,122	\$1,746,852 ¹
Non-Renewable Resources	493,100	902,145	409,045
Transfers from Government Entities	627,049	710,883	83,834
Other Own-Source Revenue	287,597	344,687	57,090
Total Own-Source Revenue	8,687,016	10,983,837	2,296,821
Total Transfers from the Federal Government	1,882,400	1,954,981	72,581
Total Revenue	\$10,569,416	\$12,938,818	\$2,369,402

Revenue Variance Explanations:

1. Increase due to increases in Corporate Income Tax, Personal Income Tax and Provincial Sales Tax.

Additional financial information can be found in the Government of Saskatchewan Public Accounts located at <https://publications.saskatchewan.ca/#/categories/893>