

PROVINCE OF SASKATCHEWAN



07-08

ANNUAL REPORT

MINISTRY OF
INTERGOVERNMENTAL
AFFAIRS

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This annual report is also available in electronic format from the ministry's web site at www.gov.sk.ca/intergovernmental-affairs.



Letters of Transmittal



The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

Your Honour:

It is my privilege to submit the Annual Report of the Saskatchewan Ministry of Intergovernmental Affairs for the fiscal year ending March 31, 2008.

Since the election in November 2007, there is a new strategic direction and our government is reviewing the planning and reporting processes for all ministries. We are committed to accountability and to ensuring that we deliver on promises made to Saskatchewan people in 2007-08 in the election platform, the Speech from the Throne and in the Minister's Mandate letter.

Our government is working hard to build on its values of growth, security and promises. We are investing in Saskatchewan in ways that will sustain our current economic momentum and ensure it translates into long-term prosperity for everyone who calls Saskatchewan home.

Respectfully submitted,



Bill Boyd
Minister Responsible for Intergovernmental Affairs



The Honourable Bill Boyd
Minister Responsible for Intergovernmental Affairs

Dear Minister:

It is my honour to submit the Annual Report of the Saskatchewan Ministry of Intergovernmental Affairs for the fiscal year ending March 31, 2008.

This report reflects a year of transition from what was the Department of Government Relations and focuses on the newly created, stand-alone, Ministry of Intergovernmental Affairs.

Our ministry is committed to working collaboratively to advance Saskatchewan's interests in the West and at the national and international levels.

This report summarizes progress on commitments as they relate to the ministry as of March 31, 2008.

Respectfully submitted,



Al Hilton
Deputy Minister, Intergovernmental Affairs

Introduction

Since the election of a new government in November 2007, government undertook a reorganization that has specifically affected this ministry. This report is being prepared at a time of transition to a new government's agenda and provides reporting on key public commitments made during 2007-08 with a greater focus on commitments made by the new government since November 2007.

For the purposes of this report, progress will be reported on key commitments aligned with the ministry's organizational structure as of March 31, 2008. This will include key actions that were published in 2007-08, but will also include the new government's commitments since November, as presented in the Minister's Mandate letter and Throne Speech. Progress is reported as of March 31, 2008 on all of these key actions and commitments.

Ministry Overview

Previously, responsibility for Intergovernmental Affairs fell under the Department of Government Relations, along with Municipal Affairs and the Office of the Provincial Secretary. In November 2007, as a result of the government-wide restructuring, a new stand-alone Ministry of Intergovernmental Affairs was created.

Intergovernmental Affairs has both a Canadian focus, namely the management of federal, provincial and interprovincial relations, and an international focus, including trade policy and international relations.

Canadian Intergovernmental Relations advances Saskatchewan's economic, social and constitutional interests through the strategic management of intergovernmental partnerships throughout Canada. The trade policy function develops and advances Saskatchewan's objectives in domestic and international trade (market access) negotiations and disputes, while the international relations function co-ordinates the strategic management of provincial interests abroad.

The primary partners for these functions, both domestic and international, are other Canadian governments and organizations involved in managing the intergovernmental dimensions of these files.

The three new ministries created from Government Relations (including Intergovernmental Affairs) all participate in a shared services arrangement for the provision of their central financial, communication and administrative services.

Mandate

The ministry advances Saskatchewan's interests through the strategic management of relations with Canadian and foreign jurisdictions and is responsible for trade policy. Current areas of emphasis include removing trade-related barriers to growth, both domestically and internationally; and building new partnerships that support Saskatchewan's long-term prosperity.

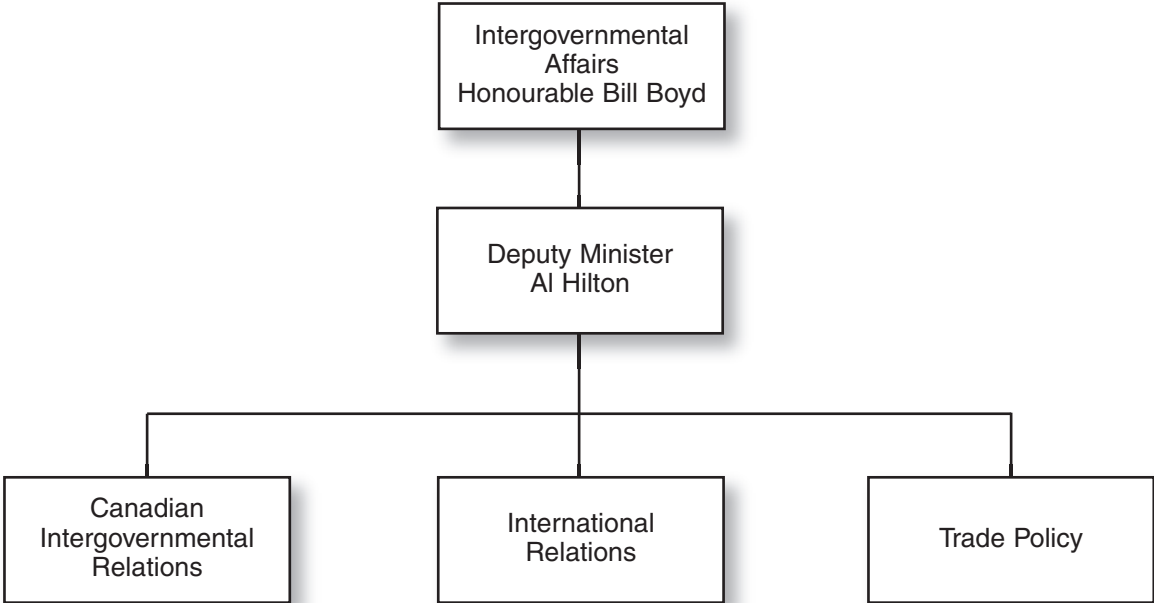
Key Programs and Services

The Ministry of Intergovernmental Affairs is comprised of the following key program areas:

- Canadian Intergovernmental Relations Branch
- International Relations Branch
- Trade Policy Branch

The ministry had 21.7 full-time equivalents in 2007-08 located in Regina.

Organizational Chart as at March 31, 2008



Please Note: Intergovernmental Affairs obtains financial, administrative, communications, HR and IT services through shared services arrangements with a number of ministries.

Minister's Mandate

In November 2007, the new Minister of Intergovernmental Affairs was given a mandate to accomplish progress over four years in the delivery of government's plan for *Securing the Future* and the implementation of commitments to:

- “• Host a New West Summit within the first year of our government.
- Reduce interprovincial trade barriers to encourage economic growth, while protecting public ownership of Saskatchewan's Crown Corporations and the ability of municipalities and the Government of Saskatchewan to utilize new growth tax incentives.
- Work with the federal government to secure a Saskatchewan Energy Accord modeled on the Atlantic Accord, or its financial equivalent, to support economic growth initiatives in Saskatchewan.
- Establish a new partnership with the federal government focused on the following priorities:
 - ~ Increased federal support for Saskatchewan's economic growth agenda, including post-secondary education, infrastructure and agriculture.
 - ~ Increased federal funding to support health care and protect the environment.
 - ~ The development of a new partnership between the federal and provincial government and First Nations to improve the social, economic, health and educational outcomes for First Nations people in Saskatchewan.
- Ensure that carbon offsets or penalties imposed by the federal government on heavy greenhouse gas emitters stay in Saskatchewan and contribute to the Saskatchewan Green Initiatives Fund.”

The excerpt from this letter that pertains to Intergovernmental Affairs can be found at www.gov.sk.ca/cabinet/boyd.

Progress in 2007-08

The Ministry of Intergovernmental Affairs has made significant progress implementing the key actions to which it committed in its 2007-08 Performance Plan, as well as implementing many of the early commitments made by the new government since it was elected in November 2007. These early commitments support the government's strategic priorities: growth, security and promises.

Below are updates on these commitments that relate to the work of the Ministry of Intergovernmental Affairs, as they were presented in the Minister's Mandate letter and the December 2007 Throne Speech. This is followed by results information and updates for the key actions from the 2007-08 Performance Plan of the former Department of Government Relations that relates to the Ministry of Intergovernmental Affairs.

A New Government Direction – Growth, Security and Promises

Internationally, trade talks on the Doha Round of negotiation continued and additional bilateral arrangements have been negotiated by the Canadian federal government. Meanwhile, US sentiments towards trade have deteriorated and the US has implemented initiatives to protect border security that have resulted in a thickening of the Canada-US border.

Nationally, in its approach to intergovernmental affairs, the current federal government has emphasized flexibility for provinces and territories to implement policies and programs that best fit their jurisdiction and has focused on improving the fiscal capacity of provinces and territories through increased transfers (including equalization) and reaching bilateral agreements with provinces and territories (for instance, on labour market or infrastructure).

At the same time, all western jurisdictions have experienced strong economic growth, low unemployment and population increases.

In this context, the Saskatchewan government's intergovernmental direction has been focused on sustaining economic growth by working constructively on a regional basis with western jurisdictions and bilaterally with the federal government. In addition, the approach has reflected a renewed emphasis on Canada and Saskatchewan's important relationships with the US both in terms of trade and border security.

Minister's Mandate Letter – Commitments and Results

“Host a New West Summit within the first year of our government.”

- The New West Summit is expected to be held in the 2008-09 fiscal year, after Enterprise Saskatchewan is operational. The timing will allow potential synergies to develop between Enterprise Saskatchewan and the New West Summit for the purposes of establishing partnerships with a variety of stakeholders interested in economic development.

“Reduce interprovincial trade barriers to encourage economic growth, while protecting public ownership of Saskatchewan's Crown Corporations and the ability of municipalities and the Government of Saskatchewan to utilize new growth tax incentives.”

- The ministry has led the Government of Saskatchewan's engagement with other provinces, territories and the federal government in strengthening Canada's economic union in a process to substantially reduce or eliminate the remaining barriers to interprovincial trade, investment and labour mobility, including through amendments to the national Agreement on Internal Trade. Outcomes from this engagement are expected in the 2008-09 and 2009-10 fiscal years.

“Work with the federal government to secure a Saskatchewan Energy Accord modeled on the Atlantic Accord, or its financial equivalent, to support economic growth initiatives in Saskatchewan.”

- The government has taken a constructive and positive approach to federal-provincial relations. In its 2008 budget tabled in February 2008, Canada announced a \$240 million contribution to the development of a full-scale commercial demonstration of carbon capture and storage technology in the coal-fired electricity sector. The budget also contained incremental funds for Saskatchewan for child care (\$31 million) and the synchrotron (\$10 million).

“Establish a new partnership with the federal government focused on the following priorities:

- **Increased federal support for Saskatchewan’s economic growth agenda, including post-secondary education, infrastructure and agriculture.**
- **Increased federal funding to support health care and protect the environment.**
- **The development of a new partnership between the federal and provincial government and First Nations to improve the social, economic, health and educational outcomes for First Nations people in Saskatchewan.”**
- A number of agreements have been reached with the federal government since November 2007 in support of the priorities identified above, including the Labour Market Agreement, funding for the Regina Inter-Modal Project, the Community Development Fund, the Carbon Capture and Storage Fund, the Patient Wait Time Guarantees Pilot Project, the Aboriginal Skills and Employment Partnership, and the Aboriginal Health Transition Fund.

“Ensure Saskatchewan is a member of North American and international energy and economic organizations.”¹

- The ministry has engaged, in an exploratory manner, with a number of international organizations of potential interest to Saskatchewan. Outcomes from these discussions are anticipated in the 2008-09 fiscal year.

Speech from the Throne, December 2007

The Throne Speech objective of ‘securing the future’ was to be achieved, in part, by the establishment of a growth agenda. The growth agenda was to respond to a number of challenges and opportunities facing the province. The Throne Speech noted that:

“within the borders of Saskatchewan, one can find natural resources and economic potential that would be the envy of any sovereign state on our planet. ...Despite our tremendous wealth in both natural and human resources, our province has never truly achieved its full potential...a growing population and a growing economy are the keys to securing our future...Saskatchewan should be a leader – not only in the New West that is emerging around us – but in the world...addressing Saskatchewan’s current labour shortage is key to securing the future...any (successful) growth agenda in Saskatchewan must pay particular attention to agriculture...the forestry sector presents this province with significant opportunities for growth.”

¹ While drafted under the Minister’s responsibilities for Energy and Resources, this direction also has implications for the Minister’s responsibilities for Intergovernmental Affairs.

- The ministry has contributed to the government's growth agenda through its lead role in working to increase market access, both internally within Canada, and internationally around the world, for Saskatchewan exports. Building on the ability of Saskatchewan businesses to export more contributes to the province's overall economic efficiency and growth. Market access is increased mainly through negotiating and implementing rules-based trade agreements, and advancing provincial interests in internal and international trade disputes affecting Saskatchewan goods/exports.
- The ministry engaged with other jurisdictions in Canada to advance Saskatchewan's market access interests within Canada in ongoing negotiations to improve the Agreement on Internal Trade and worked to advance the province's international market access interests through several forums, including the World Trade Organization (WTO), North American Free Trade Agreement (NAFTA), and the many bilateral and regional free trade negotiations that the federal government has launched in recent years.
- To advance Saskatchewan's growth agenda, the ministry co-ordinated and managed Premier Wall's March 2008 missions to Washington, DC and New York City. These missions provided an opportunity for the Premier to meet with key decision-makers in the United States (US) and to promote Saskatchewan's strengthening economy, as well as advocating Saskatchewan's interests in the energy and agricultural sectors. In addition to speaking engagements and private investment meetings, key components included meetings with:
 - ~ Secretary, US Department of Agriculture (DOA);
 - ~ Chair of the House Agriculture Committee;
 - ~ Secretary, US Department of Energy (DOE);
 - ~ Chair of the House Energy and Air Quality Sub-Committee; and,
 - ~ Member of the House Appropriations Subcommittee on Energy and Water.

The Throne Speech noted a balance must be found between economic development and protecting the environment. To address this challenge, the Throne Speech noted that:

“In negotiations with the federal government or other provinces, my government will continue to insist that carbon offsets or penalties imposed on heavy greenhouse gas emitters will stay in this province. This money will be earmarked for research into environmental technology.”

- Discussions with the federal government are underway. The ministry will continue to focus efforts on this issue in 2008-09.

The December 2007 Throne Speech commitments identified above for Intergovernmental Affairs may be found at www.gov.sk.ca/executive-council/throne-speech/.

Progress by Key Program

The following section provides updates on those actions from the 2007-08 Performance Plan for the former Department of Government Relations as they relate to the Ministry of Intergovernmental Affairs. These updates are organized by the ministry's key program areas: Canadian Intergovernmental Relations, International Relations and Trade Policy.

Canadian Intergovernmental Relations

Canadian Intergovernmental Relations has a central role in facilitating the collaborative processes and mechanisms necessary to effectively co-ordinate, advance and protect Saskatchewan's intergovernmental interests. In addition, overall achievement of intergovernmental objectives is improved by both supporting and challenging ministries to ensure that sectoral approaches are well aligned with broader intergovernmental priorities, and by enhancing communication about intergovernmental matters vertically and horizontally throughout the Government of Saskatchewan.

In 2008, the main intergovernmental issues were climate change and the economy. On climate change, it was vital for Saskatchewan to secure a broad national understanding of the need for deploying technological solutions that prevent carbon emissions at source (e.g., carbon capture and storage) as this kind of technology is pivotal to addressing Saskatchewan's high greenhouse gas emissions. On the economic front, Saskatchewan worked to ensure that concerns over the national economic downturn did not lead to a neglect of critical factors for sustaining growth in the West (e.g., economic infrastructure).

Prepare and implement a plan for Saskatchewan to host the 2008 Western Premiers' Conference (WPC).

- A plan was prepared to host the 2008 WPC in collaboration with the Office of the Provincial Secretary and with input from other ministries and western jurisdictions. All plans were completed and the conference was successfully held in Prince Albert from May 28 - 30, 2008.

Develop and distribute a reference guide for ministries that strengthens the analysis and disclosure of the intergovernmental implications of federal-provincial agreements.

- A reference guide was not developed; however, the ministry undertook a different approach to providing strategic analysis and advice to ministries, including:
 - ~ preparing and circulating (within government) a bi-monthly report on the federal-provincial-territorial environment;
 - ~ regular engagement of government officials working on intergovernmental affairs through the senior officials intergovernmental table; and,
 - ~ reviewing all federal-provincial agreements.

Advance and protect Saskatchewan's strategic interests with other governments using appropriate intergovernmental mechanisms and forums.

- Climate Change and Energy
 - ~ Climate change and energy comprised the main focus of the 2007 Council of the Federation (COF) annual summer meeting. Saskatchewan successfully secured a national agreement to develop and implement a national biofuels distribution system and to recognize forestry and agricultural sinks. Additionally, the COF released a pan-Canadian energy strategy that positions Saskatchewan as a national leader in the development of renewable and conventional energy and profiles Saskatchewan's strengths in innovative energy technologies such as carbon capture and storage.
 - ~ The COF hosted a forum on climate change adaptation on January 28, 2008. Intergovernmental Affairs played a lead role in co-ordinating the government's participation in this forum. Saskatchewan successfully advanced the following objectives: a) profiling work underway in the province to implement regional watershed planning to manage the water needs of industry, agriculture and residents; and, b) raise awareness of the contribution of crop science and research in adapting to climate change (for instance, developing drought-resistant varieties).
 - ~ The federal government announced a \$240 million contribution for the development of a full-scale commercial demonstration of carbon capture and storage technology in the coal-fired electricity sector.
- Federal-Provincial Fiscal Relations
 - ~ Intergovernmental Affairs worked with the Ministry of Finance to raise awareness that changes to the Canada Social Transfer announced in the 2007 federal budget were penalizing Saskatchewan. In February 2008, the federal government announced a \$31 million contribution to Saskatchewan to ensure that the province would not be penalized.

- First Ministers' Meeting (FMM)
 - ~ Intergovernmental Affairs played a lead role in co-ordinating the province's participation in the January 2008 FMM on the economy. Saskatchewan used the meeting as an opportunity to articulate a growth agenda focused on investments in infrastructure, research and development, efficient regulations, labour market training and sound fiscal policy. This agenda helped ensure the FMM was not solely focused on the slowdown in the manufacturing sector and supported Saskatchewan's interests on files such as infrastructure, energy and the WPC, where a similar growth agenda is being pursued.
- Infrastructure
 - ~ Intergovernmental Affairs concluded the detail of negotiations with Canada on a federal-provincial framework agreement in 2007-08 to increase federal funding for Saskatchewan transportation and municipal infrastructure.
- Improving the Future for Aboriginal People
 - ~ Since November 2007, through the co-operation of ministries, the province has finalized the following agreements with the federal government: the Aboriginal Skills and Employment Partnership Agreement and the Aboriginal Health Transition Fund.

International Relations

The International Relations Branch is responsible for the co-ordination, development and implementation of policies and programs for Saskatchewan's relations with foreign governments and international organizations.

For 2007-08, the border issue of primary interest to Canada and Saskatchewan was Phase 2 of the United States' Western Hemisphere Travel Initiative (WHTI), which would have required both Canadians and visiting Americans to show passports or comparable identity documents at the land border by January 1, 2008. In another key area, the US Farm Bill remained a continuing source of concern and interest.

Strengthen international and intergovernmental engagement through the management and development of intergovernmental relations with key jurisdictions of interest to Saskatchewan.

- During the period of 2007-08, the ministry targeted Saskatchewan's relationship with the US and, in addition to the Premier's March 2008 mission to Washington, DC and New York City, successfully managed provincial participation in two key initiatives:
 - ~ Supported, in collaboration with the Speaker's Office and the Legislative Assembly, Saskatchewan's participation in the annual meeting of the US Midwestern Legislative Conference, a regional component of the US Council of State Governments, held in Traverse City, Michigan. The participation of 11 Members of the Legislative Assembly (MLA) led to a resolution by US State legislators calling for a delay in the implementation of WHTI Phase 2.
 - ~ Supported the Premier in his participation in the annual meeting of the Western Governors' Association. Key components included discussions among Premiers and Governors; and a private meeting with the Secretary, US Department of Agriculture.

Update the province's international strategic framework, including the strategic focus/activity of the International Visitors Program, via a revitalized Interdepartmental Coordinating Committee.

- Through consultation with nine government ministries, agencies and educational institutions, the Ministry of Intergovernmental Affairs completed a comprehensive update of the province's international strategic framework.
- The ministry, in collaboration with the Office of the Provincial Secretary, led the development of a new strategy and set of guidelines for the province's International Visitors Program.
- Diplomatic visits facilitate intergovernmental exchanges of information, trade, investment, cultural relations and tourism. In 2007-08, the ministry managed, with the Office of the Provincial Secretary, 20 diplomatic visits.

Enhance the province's international development program by enriching the Matching Grants-in-Aid Program and assisting the Saskatchewan Council for International Cooperation in accessing additional project-specific federal funding for international development.

- An additional \$35,000 in funding has been added to the base-budget of the Matching Grants-in-Aid Program.
- Assisted the Saskatchewan Council for International Cooperation to meet the financial eligibility criteria of the new federal fund for project-specific initiatives from the local development community. A formal proposal for a development project in Sudan was completed and submitted for funding approval to the Canadian International Development Agency's Voluntary Sector Fund. The project involves capacity-building, mentoring and partnership between two Saskatchewan-based non-governmental development agencies and the Council.

Trade Policy

The primary international trade negotiation of interest to Canada and Saskatchewan was the World Trade Organization Doha Round of negotiations which were launched in 2001. Saskatchewan's international agricultural market access interests could only be achieved through a positive outcome at the WTO. However, there was considerable doubt as to whether the major differences between the key players in the negotiations in the areas of agriculture market access and domestic support, non-agricultural goods market access and trade in services could be bridged in time to bring the negotiations to a successful conclusion by the end of 2008.

Increasing protectionism in the US was a significant issue for Canada and Saskatchewan. This is a particular challenge for Saskatchewan as most bilateral trade disputes seemingly occur in the agricultural or natural resource sectors. Increasing protectionism was compounded by ongoing US border security concerns and measures. Several provisions contained in the draft versions of the new US Farm Bill and implementation of the 2006 Canada-US Softwood Lumber Agreement (SLA 2006) were of particular concern.

With respect to the internal trade agenda, Canada and provinces and territories continued to work toward achieving Premiers' direction through the Council of the Federation to improve the Agreement on Internal Trade (AIT), with a view to enhancing the economic union in Canada, and improve the competitiveness of the national and regional economies.

Pursue Saskatchewan's market access objectives in priority negotiating forums, especially:

- **International**
 - ~ **World Trade Organization – especially in agriculture and services.**
- **Domestic**
 - ~ **Agreement on Internal Trade – assist in completing the Council of the Federation's Workplan on Internal Trade; and,**
 - ~ **Alberta-BC Trade, Investment and Labour Mobility Agreement (TILMA) – launch the public consultations exercise and assist the government in responding to the resulting report on 'next steps.'**
- Throughout the 2007-08 period, the ministry co-ordinated, managed and advanced Saskatchewan's interests in priority trade and closer economic co-operation negotiations, including:
 - ~ International
 - WTO: Agriculture, including export subsidies, domestic support and market access; rules related to antidumping and countervailing duties; services;
 - NAFTA/Security and Prosperity Partnership: Retain and enhance market access in the US and Mexico markets;
 - European Union: Agriculture market access; procurement; and,
 - South Korea: Agricultural and industrial goods market access.

~ Domestic

The ministry co-ordinated, advanced and sought support from other federal-provincial-territorial governments in Canada for Saskatchewan objectives in key areas in the negotiations to improve and enhance the Agreement on Internal Trade (AIT), including:

- full labour mobility for all regulated professions and occupations in Canada;
- a more effective and enforceable AIT dispute resolution mechanism;
- a more ambitious agriculture chapter addressing all technical measures;
- completion of an Energy Chapter; and,
- regulatory reconciliation in the transport sector.

Defend and advance Saskatchewan interests in trade disputes affecting Saskatchewan economic sectors.

- The ministry, in collaboration with line ministries and the Ministry of Justice, defended and advanced Saskatchewan interests in trade disputes by monitoring trade developments to identify Saskatchewan interests, and to press federal negotiators to represent those interests in international trade disputes, while domestically monitoring compliance of jurisdictions under the rules of the Agreement on Internal Trade. Saskatchewan defended and advanced Saskatchewan interests in disputes affecting key economic sectors, including:

- ~ Wheat Duty Refunds (US);
- ~ Softwood Lumber – Provincial ‘Exits’ from Softwood Lumber Agreement 2006 (US);
- ~ Live Cattle Exports (US);
- ~ Country-of-Origin Labeling – US Farm Bill (US);
- ~ Levels of Agricultural Subsidies (US);
- ~ Film Production Subsidy Investigation (US);
- ~ Margarine (Quebec); and,
- ~ Edible Oils (Ontario).

Measurement of Results

An assessment of whether, and to what extent, Saskatchewan’s core intergovernmental interests have been protected and advanced.

An assessment of whether, and to what extent, Saskatchewan’s identified objectives have been achieved in the trade policy and international relations areas, including an estimate of the value of the incremental market access achieved at the conclusion of any trade negotiations and/or dispute settlements.

As a central agency, the Ministry of Intergovernmental Affairs provides leadership through the co-ordination of information and the provision of strategic advice across Saskatchewan government ministries. Negotiation and implementation of specific initiatives is often reported by other ministries. Also, strategic negotiations between governments are often confidential and can take years to complete. Files of strategic significance to the Ministry of Intergovernmental Affairs vary depending on the often rapidly changing political environment within Canada and the world and can be difficult to predict in advance and/or may not persist on a multi-year basis. For these reasons, the outcomes of the ministry are not well suited to long-term, quantitative measures. However, every effort has been made throughout this report to provide qualitative/narrative assessment of outcomes where negotiations are complete and results are public.

2007-08 Financial Overview

The financial results below reflect the Ministry of Intergovernmental Affairs' portion of the former Department of Government Relations. The administrative costs for the ministry are included in the Ministry of Municipal Affairs, as Intergovernmental Affairs has entered into a shared service arrangement with the Ministry of Municipal Affairs rather than establish an

independent administrative function within its ministry. A complete report of the financial results of the entire former Department of Government Relations can be referenced in conjunction with the information contained in the 2007-08 Annual Reports of the Ministry of Municipal Affairs, the Office of the Provincial Secretary, and the Ministry of Highways and Infrastructure.

Expenditures

The following table summarizes budgeted versus actual expenditures by subvote and subprogram. Variance explanations are provided for all variances that are greater than 5 per cent and \$100,000.

<i>in thousands of dollars</i>				
Subvote/Subprogram	Original Estimates	Actual Expenditures	Variance Over/ (Under)	
Central Management and Services	\$ 0	\$ 202	\$ 202	1
Intergovernmental Relations	\$ 2,453	\$ 2,555	\$ 102	
Canadian Intergovernmental Relations	876	953	77	
International Relations	1,012	1,137	125	2
Trade Policy	565	465	(100)	3
Total Appropriation and Expenditures	\$ 2,453	\$ 2,757	\$ 304	
Capital Assets	\$ 0	\$ 0	\$ 0	
Capital Asset Acquisitions	0	0	0	
Capital Asset Amortization	0	0	0	
Total Appropriation and Expenses	\$ 2,453	\$ 2,757	\$ 304	

Explanations of Major Variances

- 1 Establishment of Minister's and Deputy Minister's Offices.
- 2 Higher than anticipated salary payments partially offset by miscellaneous and operating under-expenditures.
- 3 Lower than anticipated salary payments as a result of vacant positions and miscellaneous operating under-expenditures.

Revenues

Variance explanations are provided for all variances that are greater than \$50,000.					
<i>in thousands of dollars</i>					
Revenue Category	Budget	Actual Revenue	Variance Over/ (Under)		
Transfers from the Federal Government	\$ 90	\$ 0	\$	(90)	
Cold Lake Air Weapons Range – Primrose Agreement	90	0	(90)		1
Total Revenue	\$ 90	\$ 0	\$	0	

Explanation of Major Variances

1 The agreement has not been signed. Once it has been signed, the revenue will be recorded by the Ministry of First Nations and Métis Relations.

Financial Accountability Statement

Intergovernmental Affairs is responsible for ensuring:

- public accountability for government finances entrusted to the ministry;
- fiscally responsible management of its resources and financial affairs;
- compliance with existing legislation and regulations;
- systems and controls are in place to safeguard public assets; and,
- appropriate results are reported to the public and the legislature.

There are a number of external controls in place to monitor these responsibilities which include:

Audited Results – The Provincial Auditor's Office has legislative responsibility to audit Intergovernmental Affairs. Audit conclusions are published in a report to the Legislative Assembly of Saskatchewan. If a deficiency is reported by the Provincial Auditor, the ministry may be called to appear before the Public Accounts Committee of the Legislature.

Accountable to Legislature – The ministry's annual budget is detailed in the Saskatchewan Provincial Budget Estimates. The ministry is called to appear before a Legislative Committee to defend the ministry's budget estimates.

Public Reporting – Expense and revenue details as they pertain to the ministry are published in the ministry's Annual Report, and the Public Accounts Volumes 1 and 2.

For More Information

Additional information about the Ministry of Intergovernmental Affairs is available at www.gov.sk.ca/intergovernmental-affairs. The web site includes both general and detailed information about the ministry, its key programs, special studies and legislation for which the ministry is responsible.

For more information about the ministry, or to provide feedback about the 2007-08 Annual Report or performance results, please contact the ministry at:

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