SUMMARY OF FINDINGS

International Centre for Northern Governance and Development
University of Saskatchewan
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The Board of the Northern Management Trust Account commissioned the International Centre for Northern Governance and Development (ICNGD) of the University of Saskatchewan to conduct an assessment of the financial and administrative needs, capacity, and issues facing Northern Saskatchewan municipalities, and to recommend means by which to address them. To that end, researchers from the ICNGD visited 23 of Northern Saskatchewan’s 24 hamlets, villages and towns during the fall of 2010, interviewing 24 administrators and 32 elected officials.

This report provides a summary of the major findings of the assessment. The ICNGD has found that the capacity of Northern Saskatchewan municipalities to meet their responsibilities and obligations under the Northern Municipalities Act is uneven, with the majority unable to consistently meet reporting requirements under the Act. Indeed, only 28% of municipalities submitted a clean financial statement by deadline in 2008, dropping to 13% in 2009.

The proper administrative and financial management of Northern Saskatchewan’s municipalities is fundamental for good governance. Without adequate financial and administrative management, Councils are unable to properly manage funds with full transparency; citizens are unable to hold their elected officials accountable; and communities are unlikely to meet their full economic and social potential. In a worst case scenario, fiscal mismanagement may lead to misuse or ineffective use of public funds.

These issues are all the more pressing as the region is on the verge of expanding opportunities for economic development in oil and gas, uranium, forestry, tourism and other activities. With effective and accountable municipalities as its governance foundation, Northern Saskatchewan has the potential to be a major economic engine for the province. With capable and transparent municipal governments, Northern communities will share more fully in its prosperity, jobs, and infrastructure and will likely exercise even greater autonomy in community decision-making.

Capacity building and appropriate structural arrangements are fundamental for success, efficiency and economic development in Northern Saskatchewan. It is not about simply spending more money; it is about providing communities with the proper tools and capacity to plan for their future. It is about working smarter and working together.
The Northern Management Trust Account (NMTA) Board decided to examine the extent to which the 24 towns, villages, and hamlets in Northern Saskatchewan have the administrative capacity needed to effectively operate their communities. In order to develop skills and enhance capacity building in the North, it was essential first to determine what level of capacity and opportunities for skills training currently exists and, equally as important, what the specific needs are of communities going forward.

The NMTA sought the services of the International Centre for Northern Governance and Development ("the Centre") of the University of Saskatchewan to conduct a Needs Assessment of the 24 Northern Saskatchewan municipalities. The Needs Assessment consisted of interviews and consultations within the communities with municipal staff members, elected officials, members of the NMTA Board, and provincial government staff. Information gleaned through interviews was supplemented with information from management reports provided by auditors for the municipalities.

Upon completion of the Needs Assessment, the Centre will submit a report that will provide an overview of the findings along with recommendations for future action regarding a capacity building program for Northern Saskatchewan communities.

1. PROJECT GOALS & OBJECTIVES:

1.1. Goal
To complete a needs assessment for the 24 towns, villages and hamlets in Northern Saskatchewan that outlines the current education/training opportunities provided to local government administrators with regards to financial management and governance issues while also outlining potential gaps and/or barriers in the education/training structure.

1.2. Objectives
The objective of the Needs Assessment is to understand the current educational and training opportunities and skill sets of municipal administrators and elected officials. The functional or operational areas below have served as the analytical framework for the needs assessment:

Financial Management
- Bookkeeping
- Financial statements
- Audit readiness
- Internal control systems
- Tax invoicing and collection
- Utilities invoicing
- Expenditure control
- Cash flow management
- Investment of financial resources
- Borrowing
- Goods and Services Tax/Provincial Sales Tax

Financial Planning
- Budget development
- Operating budget
- Capital budget
- Forecasting systems
- Capital asset management systems
- Tax Assessment
- Identifying additional sources of earned revenue (e.g. fees and charges)
- Identifying additional sources of non-exchange revenue (e.g. government grants)

Office Organization
- Routine office procedures established
- Filing systems and databases
- Technology management
- Assets secured
- Tax rolls maintained
- HR management
- Ongoing professional development of staff
- Procurement policies
- Compliance with regulation and legislation

Relationship and Communication with Council
- Administrative support for council
- Financial awareness of council members
- Developing leadership in council
- Council understanding how government works

Relationship with Ministry of Municipal Affairs (and other municipal organizations)

Relationship with Community Members

Values and Ethics
- Emphasis on Accountability
- Cultural sensitivity
- Conflict of interest

Risk Management
- Insurance coverage
- Operational and strategic planning
Governance

- Roles and responsibilities
- Community constitutions and by-laws
- Governance and law – liability issues
- Evolution of Aboriginal and municipal governance (issues in joint communities)
- Regionalization opportunities

Performance Measurement

- Monitoring the performance and success of programs and evaluating results.
1. INTERVIEWS

Data for this report was gathered through interviews of administrators and elected officials as well as discussions with representatives from the Ministry of Municipal Affairs and the NMTA Board. The majority of the interviews were conducted in person. A minority of interviews and follow-up questions were conducted by phone.

Administrators in 22 out of 24 hamlets, villages and towns of Northern Saskatchewan were interviewed. This resulted in a total of 24 administrator interviews. In one community the administrator on sick leave was interviewed as well as the acting administrator. In another community the administrator left the position after the majority of the interviews were conducted. In this case both the departing administrator and the new administrator were interviewed. In the two communities where administrators were not interviewed it was possible to interview the mayors.

Interviews were semi-structured with many open-ended in nature and were conducted with a pre-established template to ensure that topics were covered consistently across communities. Although efforts were made to obtain full coverage in all communities, one administrator was able to provide only a partial interview.

Interviews were conducted in October and November of 2010. Interviews ranged from 40 minutes to 2½ hours. A 1 to 1½ hour interview was typical for elected officials while a 2 to 2½ hour interview was typical for administrators.

Elected officials were interviewed in 20 communities. A total of 32 elected officials were interviewed including 17 mayors and 15 councilors.

2. THE COMMUNITIES: DESCRIPTION AND BACKGROUND

The context in which the communities of Northern Saskatchewan operate is important to understanding the challenges and opportunities that they have faced in the past and that will face them in the near future. Saskatchewan’s provincial north covers 46% of the total area of the province but is comprised by a mere 4% of Saskatchewan’s total population. A small population dispersed across large distances creates challenges in the availability and accessibility of services.

Northern communities want the capacity and the autonomy to meet the needs of their communities. Capacity building and accessibility to educational opportunities is a vital component to this meeting this objective.

Population in the eleven hamlets where data was available varied from 19 residents to 255 residents. Unemployment is high in many of the hamlets, with some communities having an employment rate as high as 60%.

The number of residents in the eleven villages varies from 361 to 2,348. Most of the villages have a majority of residents that identify as Aboriginal. Only one village has a higher non-Aboriginal identity population than Aboriginal identity population. The unemployment rates for villages range from 4.3% to 38.6%. Furthermore, some villages have a high proportion of residents, as much as 60%, that are in the lowest Statistics Canada income tax range.

For the towns, Creighton’s population is approximately 1,502 while La Ronge has a population of 2,702. Over half (58%) of La Ronge’s residents identify as Aboriginal. In Creighton, approximately 84% of residents identify as non-Aboriginal.
The following is an overview of Northern administrators. As of December 2010 all but one administrator’s position in the 24 communities were filled.

1. EXPERIENCE OF ADMINISTRATORS

The majority of administrators in the North appear to be experienced municipal workers, mature learners, and are relatively close to retiring. The remaining administrators have less than 4 years experience both in municipal work generally and administration specifically.

2. SALARY

As illustrated by three examples in the table below, there appears to be little consistency between municipalities with respect to remuneration.

<table>
<thead>
<tr>
<th>Community A</th>
<th>Community B</th>
<th>Community C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village</td>
<td>Village</td>
<td>Village</td>
</tr>
<tr>
<td>Salary</td>
<td>$85,000</td>
<td>$54,000</td>
</tr>
<tr>
<td>Yr Admin. Exper.</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Yr Total Municipal</td>
<td>4</td>
<td>15+</td>
</tr>
<tr>
<td>Experience</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Previous Office Experience</td>
<td>below 10</td>
<td>12</td>
</tr>
<tr>
<td>Education Levels</td>
<td>Diploma</td>
<td>Diploma/Certificate</td>
</tr>
<tr>
<td>Post Secondary</td>
<td>Incomplete</td>
<td>Complete</td>
</tr>
<tr>
<td>LGA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. EDUCATION LEVELS

<table>
<thead>
<tr>
<th>Grade</th>
<th>#</th>
<th>% Administrators</th>
<th>Post Secondary</th>
<th>Education Levels</th>
<th>Education Levels</th>
<th>Education Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>19</td>
<td>83%</td>
<td>Degree: 2, Diploma: 6, Certificate: 4 (one person has diploma/certificate)</td>
<td>11</td>
<td>48%</td>
<td>LGA completed</td>
</tr>
<tr>
<td>Under 12</td>
<td>3</td>
<td>13%</td>
<td>Partial post-secondary</td>
<td>4</td>
<td>17%</td>
<td>With LGA classes</td>
</tr>
<tr>
<td>Unknown</td>
<td>1</td>
<td>4%</td>
<td>None</td>
<td>8</td>
<td>35%</td>
<td>Newly enrolled for Jan/11</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100%</td>
<td>Total</td>
<td>23</td>
<td>100%</td>
<td>Total</td>
</tr>
</tbody>
</table>

The above table illustrates the status of administrative related education including high school, post secondary and the LGA.
4. GENERAL COMMENTS

All the administrators have an attachment to the north with 21 having been born in the North. Administrators work under very stressful conditions in isolated circumstances with a high degree of responsibility. They are often left without a great deal of supervision or support locally and must look beyond their community for these things.

Administrators are facing issues that cut across their experience and education levels. Education and training - although important - do not provide the only answers with regard to administrative performance.
Municipalities are required to submit audited financial statements within 6 months following the calendar year end (which is the same as the fiscal year end). The status of the financial statements was examined as at December 1, 2010.

1. SUBMISSION OF FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Status of Financial Statement Submissions</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total municipalities: 23 (Does not include Black Point)</td>
<td>23</td>
<td>24</td>
</tr>
</tbody>
</table>

Compliant

- Submitted
  (by July 1 following the Dec. 31 year end)
  | 11 | 5 |

Non-compliant

- Late
  (submitted after July 1)
  | 4  | 4  |

- Outstanding
  (not submitted & still outstanding as of Dec. 1 2010)
  | 8  | 15 |

Total
  | 23 | 24 |

2. GROUPING OF MUNICIPALITIES BY ABILITY TO SUBMIT FINANCIAL STATEMENTS FOR AUDIT

Enough information was gathered for all 24 municipalities to be able to group them by their ability to be ready for an audit and whether they could create financial statements for an audit.

**GROUP A:** 4 of 24 municipalities (17%) – municipalities that have well-established accounting systems with well-functioning bookkeeping and are able to analyze and summarize financial transactions and prepare financial statements

**GROUP B:** 9 of 24 municipalities (37%) – municipalities that have established accounting systems but are unable to prepare financial statements and may need bookkeeping assistance

**GROUP C:** 11 of 24 municipalities (46%) - municipalities that have under-developed accounting systems, need significant assistance with recording transactions and, therefore, are unable to prepare financial statements.
The pie chart illustrates the current ability of the Northern municipalities to prepare their financial statements.

According to generally accepted auditing standards an auditor should not be involved in performing accounting activities for preparing the financial statements which they are to audit. To do so calls into question the independence of the auditor and the quality of the audit itself.

The study of all 24 municipalities revealed that 20 used their auditor as an accounting resource to varying degrees.
1. FINANCIAL MANAGEMENT

**Percentage of Communities with a High Likelihood of Performing Financial Management Elements Successfully** (22 of 24 municipalities reporting)

<table>
<thead>
<tr>
<th>Financial Element</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bookkeeping</td>
<td>32%</td>
</tr>
<tr>
<td>Financial Statements</td>
<td>23%</td>
</tr>
<tr>
<td>Internal Control Systems</td>
<td>32%</td>
</tr>
<tr>
<td>Tax Collection</td>
<td>55%</td>
</tr>
<tr>
<td>Utilities Collection</td>
<td>64%</td>
</tr>
<tr>
<td>Expenditure Control</td>
<td>36%</td>
</tr>
<tr>
<td>Cash Flow Management</td>
<td>23%</td>
</tr>
<tr>
<td>Investing</td>
<td>23%</td>
</tr>
<tr>
<td>Borrowing</td>
<td>9%</td>
</tr>
<tr>
<td>GST and PST</td>
<td>55%</td>
</tr>
</tbody>
</table>

**Needs - Bookkeeping**

- A consistent approach to bookkeeping methods and bookkeeping technology is needed across the North. This will help those assisting administrators, and in the longer term will help administrators assist each other.

- A consistent approach to computerized bookkeeping would enable phone support once the municipalities have a trained administrator and proper technology to do the job.

- Administrators require qualified supervision to ensure they are developing proper practices.

**Needs - Financial Statements**

- A Northern succession strategy is needed that includes resources for planning, training and hiring new administrators.

- Mentorship in compliance with the UMAAS board of examiners requirements for administrators holding a LGA or equivalent business diploma/certificate/degree.

- Separation of the role of accounting support and the role of the auditor to enhance accountability of administrators, oversight by council and independence of the auditor.

- Access to accounting expertise and accounting supervision where required.

- Enforcement under the Act regarding submission of financial statements. This must be coupled with a strategy and timeline to deal with those municipalities experiencing serious shortfalls in their capacity.

(continued on page 10)
As illustrated above, the preparation of audited financial statements requires four basic functions:

1. Establishment of accounting and internal control systems;
2. Accurate and timely bookkeeping;
3. Generation of year-end financial statement; and
4. Completion of the audit.

The following is a summary of the likelihood of performing each of the four functions in the audit cycle in Northern Municipalities. There are significant gaps in the skills of administrators to complete the audited financial statement cycle in the majority of the municipalities.
### TABLE OF HIERARCHICAL FUNCTIONS

<table>
<thead>
<tr>
<th></th>
<th>GROUP A - HIGH LIKELIHOOD</th>
<th>GROUP B - MEDIUM LIKELIHOOD</th>
<th>GROUP C - LOW LIKELIHOOD</th>
<th>TOTAL MUNICIPALITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Accounting and internal control systems</td>
<td>32% Includes: 6 villages, 1 town</td>
<td>18% Includes: 2 hamlets, 1 village, 1 town</td>
<td>50% Includes: 9 hamlets, 2 villages</td>
<td>22 of 24</td>
</tr>
<tr>
<td>2. Bookkeeping Function</td>
<td>32% Includes: 6 villages, 1 town</td>
<td>18% Includes: 2 hamlets, 1 village, 1 town</td>
<td>50% Includes: 9 hamlets, 2 villages</td>
<td>22 of 24</td>
</tr>
<tr>
<td>3. Generation of year-end financial reports</td>
<td>23% Includes: 4 villages, 1 town</td>
<td>9% Includes: 1 hamlet, 1 town</td>
<td>68% Includes: 10 hamlets, 5 villages</td>
<td>22 of 24</td>
</tr>
</tbody>
</table>

### 1.1.2. The Role of Administrators

It is just as important to consider the functions required to complete the audit cycle as it is to consider the ability of administrators to complete each of the functions. Focusing on the function allows more freedom in finding solutions, especially in the short term when some administrators lack the training or experience.

The success of the audited financial statement cycle depends not only on the administrator but also on other individuals. The success of each stage depends on the success of the preceding stage as well as the involvement and shared responsibility of:

1. Administrator
2. Mayor and Council
3. Staff
4. Accounting Consultants
5. Auditors
6. Ministry of Municipal Affairs
7. Citizens

### Needs – Audited Financial Statement Cycle

- Ongoing evaluation of municipalities (administrators) based on challenges and strengths.
- Grouping of municipalities to find patterns that can help develop appropriate resources for overcoming common challenges and learning from common strengths.
- Identifying foundational steps for municipal activities in order to create mastery of required skills in lower order functions before proceeding to higher order functions. This should:
  - Increase the likelihood of greater success with more demanding tasks;
  - Create efficiencies when applying scarce resources to address challenges; and
  - Identify where alternate or shared resources are required.
- Outside resources are required to assist municipalities in completing the functions within their audit cycles when this is not occurring otherwise.

### Needs – Internal Control Systems

- A checklist of standard internal control systems available to all municipalities.
- Administrators who can organize their work schedule to implement procedures.
- Administrators who can supervise staff to ensure procedures are followed.
- Support for administrators in enforcing internal control systems when there is pressure from council or any other source to overlook procedures.
2. FINANCIAL PLANNING

Percentage of Communities with a High Likelihood of Performing Financial Planning Elements Successfully (22 of 24 municipalities reporting)

<table>
<thead>
<tr>
<th>Element</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Budget</td>
<td>27%</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>41%</td>
</tr>
<tr>
<td>Forecasting</td>
<td>23%</td>
</tr>
<tr>
<td>Capital Asset Management Systems</td>
<td>27%</td>
</tr>
<tr>
<td>Tax Assessment</td>
<td>36%</td>
</tr>
<tr>
<td>Grants</td>
<td>27%</td>
</tr>
</tbody>
</table>

Needs – Budgeting

- Administrators and councillors need to understand the role of budgeting as it relates to gathering and expressing the vision of the electorate through the allocation of financial resources.
- Administrators need to understand how to develop and monitor budgets. (This will require adequate financial information from the financial management area.)

Needs – Forecasting

- Administrators and councillors need to understand the role of forecasting financial outcomes for strategic planning.
- Administrators need to develop forecasting skills.

Needs – Capital Asset Management Systems

- It would be helpful if major initiatives such as the new accounting requirements for tangible capital assets were implemented with input from northern administrators and councils together with Northern Municipal Affairs (NMA) or any other similar type of body. This could include:
  - Timelines that allow sufficient time for training and implementation;
  - Training that considers the diverse levels of capacity throughout the North; and
  - A communication strategy that ensures administrators are aware of the initiative and its importance.

Needs – Tax Assessments

- Provide training for new administrators that includes basic procedures in maintaining tax rolls and producing tax assessments.

- Increase administrators’ understanding of their compliance requirements under the Act.
- Ensure changes in regulations are communicated effectively to administrators so they understand there are changes and what the changes imply.
- Special needs communities must be identified and should have supervision and inspection on a regular basis.

Needs – Additional Sources of Earned Revenue

- Municipalities must ensure that administrators focus their efforts on compliance with the Act as a first priority.
- If non-traditional revenue sources are significant, municipalities must consider hiring staff to assist with the non-traditional revenue sources so that municipal obligations as required by the Act are not overlooked.

Needs – Sources of Non-Exchange Revenue

- A central clearing house function to connect Northern municipalities with grant opportunities.
- Training in grant applications and management.

3. OFFICE ORGANIZATION

Percentage of Communities with a High Likelihood of Performing Office Organization Elements Successfully (21 of 24 municipalities reporting)

<table>
<thead>
<tr>
<th>Element</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing Systems</td>
<td>38%</td>
</tr>
<tr>
<td>Technology Management</td>
<td>38%</td>
</tr>
<tr>
<td>Assets Secured</td>
<td>48%</td>
</tr>
<tr>
<td>Tax Rolls Maintained</td>
<td>64%</td>
</tr>
<tr>
<td>HR Management</td>
<td>29%</td>
</tr>
<tr>
<td>Professional Development</td>
<td>43%</td>
</tr>
<tr>
<td>Compliance with the Act</td>
<td>33%</td>
</tr>
</tbody>
</table>

Needs – Office Organization

- Development of a Northern Administrator’s Handbook. This Handbook would outline policies, regulations and legislation. As well, this handbook would identify the major tasks in a municipal office and then provide procedures and templates with directions for completing these tasks. This could build on, and subsequently replace, the existing Municipal Affairs “Administrator’s Orientation Guide” for Northern administrators.
The tasks described in a Handbook could include the following:
- Utility invoices;
- Tax assessments;
- HR policies; and
- Filing keys and filing systems.

A Northern Administrator’s Handbook would help standardize procedures across the North especially in remote municipalities. This would enable advisors and mentors to more efficiently support administrators. It would also help administrators to help each other by providing a common language and common procedures.

A series of workshops designed to help administrators learn office procedures including scheduling, time management and invoicing, among others. These workshops should complement a Northern Administrators Handbook or could be used to build the Handbook from these workshops.

Additional reminders could be sent to administrators via emails that provide a countdown to important NMA calendar deadlines. This is also a good way to build relationships with administrators.

4. RELATIONSHIP AND COMMUNICATION WITH COUNCIL

Needs – Relationship and Communication with Council

- Given the vulnerability of Northern administrators and their isolation, which makes it difficult to connect with a professional community, there is a need for a formalized system of supports aside from council and mayor.

- A support system needs to include inspection. Regular inspection will serve to document what is being done correctly and what needs to be improved to ensure the municipality is compliant under the Act. Inspections provide a clear message to council and administrators as to what is necessary for compliance with the Act. This also provides a degree of risk protection to administrators.

- A support system needs to include regular supervision, especially for administrators who are not certified and who do not score well with respect to capacity to fulfill their role as administrator. Supervision includes an assessment of abilities, a plan to fill the gaps in abilities and follow-up for support in implementing the plan.

- In addition, a support system must include an assessment of council’s ability and a plan, over the long run, to build council’s capacity for supervision.

5. RELATIONSHIP WITH MINISTRY OF MUNICIPAL AFFAIRS

Needs – Relationship with Ministry of Municipal Affairs

- Staffing levels at the NMA (Northern Municipal Affairs) must be reviewed so they reflect the service levels and the type of service required by Northern Municipalities.

- The roles of the NMA must be clearly communicated and monitored.

- NMA staff and municipal administrators must understand and investigate ways to improve their relationship.

- Policies regarding NMA staff and advisor interaction with municipal administrators need to be developed and used when conflicts and concerns arise.

- Communication protocols must be reviewed and updated so they reflect the needs of municipal administrators and elected officials.

6. RELATIONSHIP WITH COMMUNITY MEMBERS

Needs – Relationship with Community Members

- General public education about how municipal government works and what services it provides.

- Customer service training for administrators and staff. This must be coupled with time management skills so that administrators can get their daily routines completed.

- A method to provide residents with information regarding services provided by various levels of governments and their agencies that does not interfere with the administrator’s primary municipal duties.

7. VALUES AND ETHICS

Needs – Values and Ethics

- Support is needed for administrators who encounter behaviour on councils that is not ethical or involves a conflict of interest. One type of support would be more communication on these topics between the NMA advisor and council members.

- Generic codes of conduct could be made available for both council and administrators. Ideally, these should be discussed and passed by council.
8. RISK MANAGEMENT AND STRATEGIC PLANNING

Needs – Risk Management and Strategic Planning

- Administrators must understand strategic planning so they can help council and their community do more long range planning. This is important given the interest in developing northern resources and interest in tourism expansion in the North.

- Administrators need a more comprehensive understanding of insurance coverage and access to sample policies around insurance purchasing.

9. GOVERNANCE

Needs – Governance

- Administrators need a greater understanding of the Act as it relates to their role and the role of council.

- Administrators need a greater understanding of the Act as it relates to:
  - Bylaws for community law and order issues; and
  - Bylaws related to council processes in conducting business.

- Bylaw enforcement is needed by someone who is respected by residents such as a special constable under the RCMP.

10. PERFORMANCE MEASUREMENT

Needs – Performance Measurement

- Administrators need a comprehensive understanding of overall performance measurement as it pertains to budgeting, grant applications and accountability to the electorate.
FINDINGS AND IDENTIFIED NEEDS – ELECTED OFFICIALS

1. FINANCIAL MANAGEMENT

Needs – Financial Management

- Targeted and accessible training in financial literacy for council, especially on how to read and interpret an audited financial statement.

- Better communication with and support of administrators on the part of council in dealing with the process leading up to audited financial statements.

- Council must engage in proper financial oversight.

2. FINANCIAL PLANNING

Needs – Financial Planning

- Training for mayor and council on budgeting in the areas of planning and monitoring.

- Further training and support for the implementation of capital asset management systems in northern municipalities.

3. OFFICE ORGANIZATION

Needs – Office Organization

- Computer literacy training for elected officials.

- Training for elected officials in oversight the administrator’s office management.

4. RELATIONSHIP AND COMMUNICATION WITH COUNCIL

Needs – Relationship and Communication with Council

- Enhanced, accessible training and/or learning material for new mayors and council members that clearly outline the general functions and the precise roles and responsibilities of municipal governments.

5. RELATIONSHIP WITH MINISTRY OF MUNICIPAL AFFAIRS

Needs – Relationship with Ministry of Municipal Affairs

- Better communication and performance of the advisory function of the NMA.

- More accessible and targeted training provided by the NMA.

6. RELATIONSHIP WITH COMMUNITY MEMBERS

Needs – Relationship with Community Members

- Clear and enhanced communication between municipal governments and the electorate concerning the functions, roles and responsibilities of municipalities.

- To the extent feasible, communication and partnering with other government agencies to enhance service delivery in northern communities.

7. VALUES AND ETHICS

Needs – Values and Ethics

- Better training and information for elected officials concerning conflict of interest rules as specified in the Act.

- The implementation of a standard code of conduct as stipulated in the Act for all councils that is short and easy to understand.

8. RISK MANAGEMENT

Needs – Risk Management

- Strategic planning training for councils targeted to the specific needs of hamlets, villages and towns.
9. GOVERNANCE

The following table provides the extent to which elected officials understand role requirements for administrators, council and mayors. Overall, officials in hamlets struggle the most.

### Percentage Score on Knowledge of Roles

<table>
<thead>
<tr>
<th></th>
<th>Administrators</th>
<th>Council</th>
<th>Mayors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamlet</td>
<td>43%</td>
<td>52%</td>
<td>63%</td>
</tr>
<tr>
<td>Village</td>
<td>81%</td>
<td>70%</td>
<td>93%</td>
</tr>
<tr>
<td>Town</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Needs - Governance

- Clarification of roles and responsibilities of administrators and elected officials by way of training and clear, easily accessible and easy to understand written material.

10. PERFORMANCE MEASUREMENT

### Needs – Performance Measurement

- Training for elected officials and administrators on how to establish and use non-financial program evaluations.
- Communication to elected officials of the value of non-financial program evaluations in making budgeting decisions and the use for application of grants.

TRAINING

1. ADMINISTRATORS

Training is not a catch-all solution to the capacity challenges faced by northern Saskatchewan municipalities. However, there are a number of administrative and financial needs that targeted learning and professional development opportunities would help address; these are outlined below.

The difference in training needs and capacity levels between hamlets, villages and towns must be emphasized. While there are only 24 communities in northern Saskatchewan, in reality there are three levels of need, and training options must take this into consideration. A one-stop training shop will not only fail to improve capacity, but will lead to frustration with the entire process and damage future regional training and networking efforts.

Hamlets, and settlements where appropriate, will benefit in particular from local training sessions on practical issues, such as financial administration and office management, either in small groups (4-5 nearby communities) or individually at the municipal office. Following an individualized needs assessment, the municipal advisor will need to provide substantial individual support and follow-up in building capacity in areas identified in the assessment.

Villages will benefit in particular from region-wide workshops on practical tasks as well as longer term professional development exercises in strategic planning, human resource management and leadership.

Towns will benefit in particular from more advanced professional development workshops such as those offered through the MLDP, UMAAS, SUMA and the Regina-based Municipal Affairs ministry.

There is still a benefit in having occasional workshops for all northern Saskatchewan municipal administrators, particularly in brainstorming, discussing common challenges, and establishing a network of professional contacts and support outlets.

2. OFFICIALS

Elected officials – mayors and councillors – also require support in their roles as leaders of northern Saskatchewan’s communities. Because many elected officials are only part-time in their governing capacity, and frequently have other employment, support must be made accessible and user-friendly.
The goal of the Northern Municipal Trust Account (NMTA) board, the Government of Saskatchewan, and the mayors, councillors and administrators of each Northern Saskatchewan community is to foster prosperous, healthy and sustainable northern communities. The NMTA has commissioned this report in recognition of the fact that strong, healthy and sustainable communities have strong and healthy governments.

Good governance, for which good financial management is imperative, is the crux of sustainable community and economic development in any context. Local governance and leadership that is transparent and accountable, and administrations that are efficient and effective, are the key to fostering an environment that is politically stable, attractive to business, and responsible to citizens. The recommendations of this report are aimed at improving the capacity of administrators and their councils to operate northern Saskatchewan municipalities in a way that complements these objectives.

Training and professional development opportunities for municipal officials are part of the solution for good governance and good development. So too are better communication, information, and understanding of the proper operation of local government provide. However, they are not the only parts that are needed for a solution. In some cases, it must be acknowledged that the level of governance, management, administrative, and fiscal capacity is not adequate to meet the myriad challenges, issues, responsibilities and obligations faced by modern communities. In these cases, it has been recommended that communities collaborate in sharing some important administrative positions within the financial management system to take care of the more specialized areas of financial management. In this way, financial resources can be better accessed, utilized, recorded and reported, leading to an improvement in overall financial management capacity and even municipal fiscal capacity.

It has also been recommended in this report that communities work together in order to improve municipal administration. Northern economic development is not a zero sum game. A prosperous North will be prosperous for everyone. Investors and workers alike will be attracted to the region if it is well-run, stable and healthy. But all communities and all their governments must work together to achieve that prosperity, and ensure that all of northern Saskatchewan municipalities are thriving. A regional recruitment strategy, shared training opportunities, the development of professional networks, and the sharing of best practices are critical to the success of the new north.

More capacity will ultimately lead to more autonomy, as provided for under the Northern Municipalities Act. But this does not mean there is no role for the provincial government. A healthy and prosperous northern Saskatchewan will only be achieved when all levels of government are working effectively together, drawing on different levels of expertise and experience to build strong communities. The provincial government has a role to play in advising and supporting northern municipalities, as well as holding them accountable to the residents of Saskatchewan in the same way that it does for southern municipalities.

Ultimately the goal of this report is to help northern municipalities work smarter. Healthy northern municipalities plan rather than react; they build communities, not just roads. Building financial and administrative capacity in northern Saskatchewan municipalities will help provide the foundation for such a future.