

**Report to the  
Legislative Assembly of Saskatchewan  
on the Financial Statements  
of Crown Agencies  
for Years Ending in the  
2001 Calendar Year**

**April 2002**



## **Provincial Auditor Saskatchewan**

1500 Chateau Tower  
1920 Broad Street  
Regina, Saskatchewan  
S4P 3V7

Telephone: (306) 787-6398  
Fax: (306) 787-6383

E-mail: [info@auditor.sk.ca](mailto:info@auditor.sk.ca)  
Website: <http://www.auditor.sk.ca/>

ISSN 0581-8214

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We serve the people of Saskatchewan through the Legislative Assembly.  
We are committed to fostering excellence in public sector management and accountability.



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1500 Chateau Tower  
1920 Broad Street  
Regina, Saskatchewan  
S4P 3V7

Phone: (306) 787-6366  
Fax: (306) 787-6383  
Internet e-mail: [fwendel@auditor.sk.ca](mailto:fwendel@auditor.sk.ca)

SASKATCHEWAN

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April 12, 2002

The Honourable P. Myron Kowalsky  
Speaker of the Legislative Assembly  
Room 129, Legislative Building  
REGINA, Saskatchewan  
S4S 0B3

Dear Sir:

I have the honour of submitting my *Report to the Legislative Assembly of Saskatchewan on the Financial Statements of Crown Agencies for Years Ending in the 2001 Calendar Year* in accordance with the provisions of Section 14 of *The Provincial Auditor Act*.

Respectfully submitted,

Fred Wendel, CMA, CA  
Acting Provincial Auditor

/dd

# Report on the Financial Statements of Crown Agencies for Years Ending in the 2001 Calendar Year

|                 |   |
|-----------------|---|
| Purpose.....    | 1 |
| Background..... | 1 |
| Results.....    | 2 |

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## Purpose

The purpose of this Report is to inform the Legislative Assembly (Assembly) of our Office's views on the financial statements of Crown agencies whose accounts are audited by appointed auditors, for years ending in the calendar year ending December 31, 2001. This Report does not include our views on the financial statements of Crown Investments Corporation of Saskatchewan (CIC), its subsidiaries, and other related entities. We provide our views on CIC, its subsidiaries, and other related entities to the Assembly in a separate report entitled the *Report to the Legislative Assembly of Saskatchewan on the 2001 Financial Statements of CIC Crown Corporations and Related Entities*.

## Background

The Assembly allows the Government to appoint auditors (appointed auditor) to examine and report on certain Crown agencies. The Provincial Auditor, however, retains overall responsibility for the audits of all Crown agencies.

In June 1994, the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors* (Task Force) (to view a copy of this report, see our website at <http://www.auditor.sk.ca/rrd.html>) recommended how the audit system for CIC and its subsidiary Crown corporations could function more efficiently and effectively. In April 1995, Treasury Board decided that all Crown corporations and agencies should comply with the Task Force's recommendations. Our Office, Crown agencies, and appointed auditors use the Task Force's recommendations to better serve the needs of the Assembly.

To ensure the Assembly is informed of our Office's participation in the audits of Crown agencies, the Task Force recommended that we provide to the Assembly a report listing those agencies in whose audits we participated.

The objectives of each audit, as agreed with the appointed auditors, are to form the following opinions and to report the results to the Assembly.

- ◆ An opinion on the rules and procedures used by the agency to safeguard and control its assets and to ensure compliance with

**Report on the Financial Statements of Crown Agencies  
for Years Ending in the 2001 Calendar Year**

authorities pertaining to it. The audit is limited to those authorities relating to financial reporting, safeguarding assets, revenue raising, spending, borrowing, and investing activities.

- ◆ An opinion on the agency's compliance with those authorities.
- ◆ An opinion on the reliability of the agency's financial statements.

Our 2001 Fall Report – Volume 2 reported the results of these audits for audits completed by November 16, 2001. We will report the results of the remaining audits in 2002. The appointed auditors' reports on the reliability of Crown agencies' financial statements are attached to the agencies' financial statements.

The Government's summary financial statements include the financial results of all Crown agencies controlled by the Government. *Public Accounts 2000-01: Volume 1: Main Financial Statements* includes our auditor's report on the Government's statements for the year ended March 31, 2001.

## Results

We participated in all audits of Crown agencies, except as noted below.

- ◆ SaskPen Properties Ltd. and SP Two Properties Ltd. did not allow our Office to participate in the audits of these agencies.
- ◆ We did not participate in the audits of Chicken Farmers of Saskatchewan, Saskatchewan Alfalfa Seed Producers' Development Commission, Saskatchewan Broiler Hatching Egg Producers' Marketing Board, Saskatchewan Egg Producers, Saskatchewan Flax Development Commission, Saskatchewan Pulse Crop Development Board, Saskatchewan Sheep Development Board, and Saskatchewan Turkey Producers' Marketing Board. In 1999, the Department of Agriculture, Food and Rural Revitalization (formerly the Department of Agriculture and Food) and our Office agreed that the most efficient way for our Office to examine these smaller agricultural marketing and development agencies would be to work through the Agricultural and Food Products Development and Marketing Council (Council).

**Report on the Financial Statements of Crown Agencies  
for Years Ending in the 2001 Calendar Year**

As part of our audit of the Department, we examine the supervisory work carried out by the Council regarding the financial statements of these agencies and the rules and procedures to safeguard and control their assets and to comply with legislative authorities.

- ◆ We did not participate in the audit of the Saskatchewan Trade and Export Partnership Inc. (STEP). In 1999, the Department of Industry and Resources (formerly the Department of Economic and Co-operative Development) and our Office agreed, as part of the annual audit of the Department, that we would examine the supervisory work carried out by the Department over the STEP.
- ◆ In previous reports to the Assembly, we reported that when the basic financial management issues are in hand, we would rotate our financial audits of district health boards, i.e., we would not audit every district health board each year. Many districts now have sound financial systems. Accordingly, we only participated in the audits of nine of the thirty-one district health boards audited by appointed auditors.
- ◆ In previous reports to the Assembly, we reported that when the basic financial management issues are in hand, we would rotate our financial audits of regional colleges, i.e., we would not audit every regional college each year. Many colleges now have sound financial systems. Accordingly, we only participated in the audits of three of the eight regional colleges.

In our opinion, for all audits we participated in and completed our work by the date of this Report, the financial statements are reliable, except for:

- ◆ Saskatchewan Agricultural Stabilization Fund (Fund). The Fund's financial statements are not reliable because the Fund did not properly record transfers from the General Revenue Fund. For further information on this issue, see Chapter 11 of our 2001 Fall Report – Volume 2.
- ◆ Operator Certification Board (Board). We were unable to determine if the Board's financial statements were reliable because the Board did not have adequate rules and procedures to ensure it recorded all the revenue it received. For further



**Report on the Financial Statements of Crown Agencies  
for Years Ending in the 2001 Calendar Year**

information on this issue, see Chapter 10 of our 2001 Fall Report – Volume 2.

The following table lists all Crown agencies whose accounts are audited by appointed auditors, names the appointed auditor, sets out the agency's year end, shows if we participated in the audit of the agency, and sets out if we think the agency's financial statements are reliable.

Our 2001 Fall Report – Volume 2 reported on the rules and procedures used by Crown agencies to safeguard and control their assets and the agencies' compliance with authorities for audits completed by November 16, 2001. We will report the results of the remaining audits in 2002.

**Report on the Financial Statements of Crown Agencies  
for Years Ending in the 2001 Calendar Year**

| Crown Agency                                    | Appointed Auditor                      | Year End Date     | Participated in Audit | Financial Statements are Reliable |
|---|--|-------------------|-----------------------|-----------------------------------|
| Agricultural Credit Corporation of Saskatchewan | PricewaterhouseCoopers                 | March 31, 2001    | Yes                   | Yes                               |
| Assiniboine Valley District Health Board        | Parker Quine                           | March 31, 2001    | Yes                   | Yes                               |
| Associated Entities Fund                        | KPMG                                   | March 31, 2001    | Yes                   | Yes                               |
| Battlefords District Health Board               | Eaket Menssa Baert Cameron             | March 31, 2001    | Rotational            | N/A                               |
| Carlton Trail Regional College                  | E.J.C. Dudley & Co.                    | June 30, 2001     | Rotational            | N/A                               |
| Central Plains District Health Board            | Deloitte & Touche                      | March 31, 2001    | Rotational            | N/A                               |
| Chicken Farmers of Saskatchewan                 | PricewaterhouseCoopers                 | December 31, 2001 | No                    | N/A                               |
| Crop Reinsurance Fund of Saskatchewan           | KPMG                                   | March 31, 2001    | Yes                   | Yes                               |
| Cumberland Regional College                     | Neumann & Neumann                      | June 30, 2001     | Yes                   | Yes                               |
| Cypress Hills Regional College                  | Meyers Norris Penny                    | June 30, 2001     | Yes                   | Yes                               |
| East Central District Health Board              | Parker Quine                           | March 31, 2001    | Rotational            | N/A                               |
| First Nations Fund                              | KPMG                                   | March 31, 2001    | Yes                   | Yes                               |
| Gabriel Springs District Health Board           | Twigg & Company                        | March 31, 2001    | Rotational            | N/A                               |
| Greenhead District Health Board                 | Close Perkins & Hauta                  | March 31, 2001    | Rotational            | N/A                               |
| Keewatin Yatthé District Health Board           | Barkway & Co                           | March 31, 2001    | Rotational            | N/A                               |
| Living Sky District Health Board                | Meyers Norris Penny                    | March 31, 2001    | Yes                   | Yes                               |
| Lloydminster District Health Board              | Wilkinson Livingston Stevens           | March 31, 2001    | Yes                   | Yes                               |
| Mamawetan Churchill River District Health Board | Meyers Norris Penny                    | March 31, 2001    | Rotational            | N/A                               |
| Metis Development Fund                          | Deloitte & Touche                      | December 31, 2001 | Yes                   | **                                |
| Midwest District Health Board                   | KPMG                                   | March 31, 2001    | Rotational            | N/A                               |
| Moose Jaw-Thunder Creek District Health Board   | Robert A. Tiede, CA                    | March 31, 2001    | Yes                   | Yes                               |
| Moose Mountain District Health Board            | Meyers Norris Penny                    | March 31, 2001    | Rotational            | N/A                               |
| Municipal Financing Corporation of Saskatchewan | E.J.C. Dudley & Co.                    | December 31, 2001 | Yes                   | Yes                               |
| Municipal Employees' Pension Commission         | KPMG                                   | December 31, 2001 | Yes                   | **                                |
| North Central District Health Board             | Meyers Norris Penny                    | March 31, 2001    | Rotational            | N/A                               |
| North-East District Health Board                | Deloitte & Touche                      | March 31, 2001    | Rotational            | N/A                               |
| Northlands College                              | Meyers Norris Penny                    | June 30, 2001     | Rotational            | N/A                               |
| North Valley District Health Board              | Skilnick Robertson Besler Miller & Co. | March 31, 2001    | Yes                   | Yes                               |
| Northwest District Health Board                 | Deloitte & Touche                      | March 31, 2001    | Rotational            | N/A                               |
| North West Regional College                     | Downie, Johnson, Svenkeson             | June 30, 2001     | Rotational            | N/A                               |

**Report on the Financial Statements of Crown Agencies  
for Years Ending in the 2001 Calendar Year**

| Crown Agency   | Appointed Auditor                      | Year End Date      | Participated in Audit | Financial Statements are Reliable |
|--|--|--------------------|-----------------------|-----------------------------------|
| Operator Certification Board   | Mintz & Wallace                        | March 31, 2001     | Yes                   | ***                               |
| Parkland District Health Board                                       | Deloitte & Touche                      | March 31, 2001     | Rotational            | N/A                               |
| Parkland Regional College  | Skilnick Robertson Besler Miller & Co. | June 30, 2001      | Rotational            | N/A                               |
| Pasquia District Health Board  | Neumann & Neumann                      | March 31, 2001     | Rotational            | N/A                               |
| Pipestone District Health Board                                      | Meyers Norris Penny                    | March 31, 2001     | Rotational            | N/A                               |
| Prairie West District Health Board                                   | Close Perkins & Hauta                  | March 31, 2001     | Rotational            | N/A                               |
| Prairie West Regional College  | Gilchrist & Co.                        | June 30, 2001      | Yes                   | Yes                               |
| Prince Albert District Health Board                                  | Meyers Norris Penny                    | March 31, 2001     | Yes                   | Yes                               |
| Public Employees' Pension Plan                                       | KPMG                                   | March 31, 2001     | Yes                   | Yes                               |
| Rolling Hills District Health Board                                  | Stark & Marsh                          | March 31, 2001     | Rotational            | N/A                               |
| Saskatchewan Agricultural Stabilization Fund                         | KPMG                                   | March 31, 2001     | Yes                   | No                                |
| Saskatchewan Alfalfa Seed Producers' Development Commission          | Hergott Duval Stack & Partners         | July 31, 2001      | No                    | N/A                               |
| Saskatchewan Broiler Hatching Egg Producers' Marketing Board         | Meyers Norris Penny                    | December 31, 2001  | No                    | N/A                               |
| Saskatchewan Communications Network Corporation                      | Hill McKillop Orr & Company            | March 31, 2001     | Yes                   | Yes                               |
| Saskatchewan Crop Insurance Corporation                              | KPMG                                   | March 31, 2001     | Yes                   | Yes                               |
| Saskatchewan Egg Producers   | E. J.C. Dudley & Co.                   | December 31, 2001  | No                    | N/A                               |
| Saskatchewan Flax Development Commission                             | Merv Culham, CA                        | July 31, 2001      | No                    | N/A                               |
| Saskatchewan Grain Car Corporation                                   | Skilnick Robertson Besler Miller & Co. | July 31, 2001      | Yes                   | Yes                               |
| Saskatchewan Housing Corporation                                     | KPMG                                   | December 31, 2001  | Yes                   | Yes                               |
| Saskatchewan Lotteries Trust Fund for Sport, Culture, and Recreation | KPMG                                   | March 31, 2001     | Yes                   | Yes                               |
| Saskatchewan Pension Plan  | Deloitte & Touche                      | December 31, 2001  | Yes                   | Yes                               |
| Saskatchewan Property Management Corporation                         | Deloitte & Touche                      | March 31, 2001     | Yes                   | Yes                               |
| Saskatchewan Pulse Crop Development Board                            | Hergott Duval Stack & Partners         | August 31, 2001    | No                    | N/A                               |
| Saskatchewan Sheep Development Board                                 | Lorne Horning, CA                      | September 30, 2001 | No                    | N/A                               |
| Saskatchewan Trade & Export Partnership Inc.                         | KPMG                                   | March 31, 2001     | No                    | N/A                               |
| Saskatchewan Turkey Producers' Marketing Board                       | Hergott Duval Stack & Partners         | December 31, 2001  | No                    | N/A                               |
| Saskatchewan Wetland Conservation Corporation                        | PricewaterhouseCoopers                 | March 31, 2001     | Yes                   | Yes                               |
| Saskatoon District Health Board                                      | KPMG                                   | March 31, 2001     | Yes                   | Yes                               |

**Report on the Financial Statements of Crown Agencies  
for Years Ending in the 2001 Calendar Year**

| Crown Agency                                    | Appointed Auditor                            | Year End Date     | Participated in Audit | Financial Statements are Reliable |
|---|--|-------------------|-----------------------|-----------------------------------|
| SaskPen Properties Ltd.                         | Deloitte & Touche                            | December 31, 2001 | Denied Access         | N/A                               |
| Sask Pork *                                     | Deloitte & Touche                            | December 31, 2000 | Yes                   | Yes                               |
| Sask Pork                                       | Deloitte & Touche                            | July 31, 2001     | Yes                   | Yes                               |
| South Central District Health Board             | Meyers Norris Penny                          | March 31, 2001    | Rotational            | N/A                               |
| South Country District Health Board             | Stark & Marsh                                | March 31, 2001    | Rotational            | N/A                               |
| South East District Health Board                | Matchett, Potts & Seipp                      | March 31, 2001    | Yes                   | Yes                               |
| Southeast Regional College                      | Dillon, Hillstead, Melanson Consulting Group | June 30, 2001     | Rotational            | N/A                               |
| Southwest District Health Board                 | Stark & Marsh                                | March 31, 2001    | Rotational            | N/A                               |
| SP Two Properties Ltd.                          | Deloitte & Touche                            | March 31, 2001    | Denied Access         | N/A                               |
| Swift Current District Health Board             | Stark & Marsh                                | March 31, 2001    | Rotational            | N/A                               |
| Touchwood Qu'Appelle District Health Board      | Mintz & Wallace                              | March 31, 2001    | Rotational            | N/A                               |
| Twin Rivers District Health Board               | Wilkinson Livingston Stevens                 | March 31, 2001    | Yes                   | Yes                               |
| Workers' Compensation Board                     | Deloitte & Touche                            | December 31, 2001 | Yes                   | **                                |
| Workers' Compensation Board Superannuation Plan | Deloitte & Touche                            | December 31, 2001 | Yes                   | Yes                               |

\* The audit is included in this schedule because the audit was not finished in time for last year's Report.

\*\* Audit of financial statements not finished at the date of this Report.

\*\*\* We were unable to determine if the Board's financial statements were reliable because the Board did not have adequate rules and procedures to ensure it recorded all the revenue it received.