

Reports of appointed auditors

Appendix 4 contains the reports of appointed auditors that we have not relied on and the report of the appointed auditor indicates a matter or issue that should be reported to the Assembly.

Appendix 4 does not contain the reports of appointed auditors that indicate a matter or issue to report to the Assembly when we have not yet done our work. Appendix 2 contains a list of work not done.

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Workers' Compensation Board	Deloitte & Touche	4-2

**WORKERS' COMPENSATION BOARD
YEAR ENDED DECEMBER 31, 2001**

To: Province of Saskatchewan,
Provincial Auditor

We have examined the financial statements of the Workers' Compensation Board (Saskatchewan) for the year ended December 31, 2001 and have issued our report thereon dated April 18, 2002. We have examined the system of internal control as at December 31, 2001 and have issued our report to you dated April 18, 2002. We have also made an examination to determine whether the Workers' Compensation Board complied with specified legislative and related authorities pertaining to its financial reporting, safeguarding of assets, spending, revenue-raising, borrowing and investing activities during the year ended December 31, 2001 and have issued our report to you dated April 18, 2002.

Our examinations were made in accordance with Canadian generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances. In those instances, if any, that our study and evaluation of internal control disclosed conditions indicating controls were inadequate or not complied with, substantive tests were performed to detect any cases in which:

- 1) any officer or employee of the Workers' Compensation Board has wilfully or negligently omitted to collect or receive public money belonging to the Crown;
- 2) there has been a deficiency or loss to the Crown through the fraud, default or mistake of any person; and
- 3) an expenditure was made which was not properly vouchered or certified.

During the course of these examinations, nothing came to our attention that would indicate to us that:

- 1) any officer or employee of the Workers' Compensation Board has wilfully or negligently omitted to collect or receive public money belonging to the Crown;
- 2) there has been a deficiency or loss to the Crown through the fraud, default or mistake of any person; and
- 3) an expenditure was made which was not properly vouchered or certified.

During the course of our previous and current examinations, however, the following circumstances came to our attention concerning the inclusion of the accounts of the Workers' Compensation Board in the Government of Saskatchewan Summary Financial Statements.

The accounts of the Board are consolidated in the Summary Financial Statements on the basis that the Worker's Compensation Board is a government enterprise that is owned or controlled by the Government. In the consolidation process, we believe that the net assets of the Workers' Compensation Board, amounting to \$49,975,000 as at December 31, 2001 (2000 restated - \$105,796,000) should not be recorded as a reduction of the Government's accumulated deficit. It is the Board's considered opinion, based upon the legislative authorities in effect, these net assets do not accrue to the Government.

Chartered Accountants

April 18, 2002

Provincial Auditor's comments:

We think the Government's Summary Financial Statements comply with The Canadian Institute of Chartered Accountants' (CICA) recommendations. Those recommendations state:

The Government reporting entity should comprise the organizations that are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the legislature, or local government, and are owned or controlled by the Government.

CICA goes on to say:

A government may choose not to exercise its authority or actively participate in the implementation of its policies; nevertheless, control exists by virtue of the government's ability to do so.

The Government does have the ability to control the Workers' Compensation Board (WCB) in administering the workers' compensation program. The Government can and does influence the WCB's decisions by virtue of the Government's authority set out in *The Workers' Compensation Act, 1979*.

Subsection 181(2) of the Act states:

The Lieutenant Governor in Council may make regulations setting out guidelines for the making of decisions by the board, and a regulation made pursuant to this subsection supersedes any policy directive of the board that conflicts with it.

We also note the Government's Summary Financial Statements clearly state that any net assets of the WCB are not available for the payment of dividends to the General Revenue Fund.

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