

## Chapter 4

### Creative Saskatchewan

#### 1.0 MAIN POINTS

Creative Saskatchewan's 2013-14 financial statements were reliable. It complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except that it did not obtain Cabinet's approval for a grant payment.

#### 2.0 INTRODUCTION

On July 2, 2013, Creative Saskatchewan was established under *The Creative Saskatchewan Act* (Act). The mission of Creative Saskatchewan is to facilitate the commercial development of creative industry producers, entrepreneurs, businesses, and associations in realizing their economic potential within and outside the province through business product development and market access.<sup>1</sup> The Act allows Creative Saskatchewan to provide grants, loans, guarantees, equity investments, or other financial assistance to achieve its mission.

For the period July 2, 2013 to March 31, 2014, Creative Saskatchewan had revenues totalling \$7.4 million, and expenses totalling \$5.6 million including grants of \$4.9 million. Creative Saskatchewan held assets totalling \$4.4 million at March 31, 2014.

#### 3.0 AUDIT CONCLUSIONS AND SCOPE

**In our opinion, for the period July 2, 2013 to March 31, 2014:**

- › **Creative Saskatchewan had reliable financial statements**
- › **Creative Saskatchewan complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matter described in this chapter:**

*The Creative Saskatchewan Act*  
*The Creative Saskatchewan Regulations*  
 Orders in Council pursuant to the above legislation

Our audit included examining Creative Saskatchewan's processes to assess eligibility of applicants, and approve and make grants.

<sup>1</sup> *Creative Saskatchewan: 2013-14 Annual Report*, p. 2.



## 4.0 KEY FINDING AND RECOMMENDATION

In this section, we outline a key observation from our assessments and the resulting recommendation.

### 4.1 Payment Not Properly Authorized

Creative Saskatchewan did not obtain proper approval for a grant payment.

*The Creative Saskatchewan Act and The Creative Saskatchewan Regulations* require Creative Saskatchewan to obtain an Order in Council to give financial assistance (e.g., grant) to a single individual or corporation when the amount exceeds \$250,000 in a fiscal year. An Order in Council is a directive issued by the Lieutenant Governor on the advice of Cabinet that authorizes a payment and makes the decision public.

In 2014, Creative Saskatchewan approved and provided a grant of \$440,000 to a single corporation but it did not obtain an Order in Council (Cabinet). Accordingly, this payment was not properly authorized or made public.

- 1. We recommend that Creative Saskatchewan obtain an Order in Council, as required by law, prior to providing financial assistance where the amount exceeds \$250,000 in a fiscal year to a single individual or corporation.**