

Chapter 20

Saskatchewan Apprenticeship and Trade Certification Commission

1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Saskatchewan Apprenticeship and Trade Certification Commission (Commission) for the year ended June 30, 2015.

The Commission's 2014-15 financial statements are reliable. The Commission complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The Commission had effective rules and procedures to safeguard public resources except that it needs to review and approve its bank reconciliations independent of their preparation each quarter.

2.0 INTRODUCTION

The Saskatchewan Apprenticeship and Trade Certification Commission (Commission) operates under *The Apprenticeship and Trade Certification Act, 1999 (Act)*. The Act gives the Commission responsibility for managing an apprenticeship and trade certification system that meets the needs and priorities of Saskatchewan employers and employees.

The Commission provides services to nearly 16,000 clients including registered apprentices and tradespersons. The Commission regulates 49 designated trades and 20 sub-trades in Saskatchewan.¹

2.1 Financial Overview

At June 30, 2015, the Commission held net financial assets of \$3.1 million (2014: \$3.3 million). For the year ended June 30, 2015, the Commission had operating revenue of \$28.0 million (2014: \$26.6 million) and an annual deficit of \$0.3 million (2014: surplus of \$1.3 million). Each year, the Commission provides its annual report including its audited financial statements to the Legislative Assembly. The annual report can be found on its website.²

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended June 30, 2015:

- › **The Commission had effective rules and procedures to safeguard public resources except for the review and approval of its bank reconciliations**

¹ www.saskapprenticeship.ca/publications-resources/statistics/ (25 August 2015).

² www.saskapprenticeship.ca/publications-resources/annual-report/ (25 August 2015).



› **The Commission complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Apprenticeship and Trade Certification Act, 1999
The Apprenticeship and Trade Certification Regulations
The Financial Administration Act, 1993
The Executive Government Administration Act
Relevant orders in council issued pursuant to the above legislation

› **The Commission's financial statements are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of the Commission's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives. Assessing the Commission's rules and procedures to safeguard public resources included evaluating the Commission's processes for recording revenues, payroll, and purchasing goods and services.

4.0 KEY FINDING AND RECOMMENDATION

4.1 Timely Reviews of Bank Reconciliations Needed

The Commission did not review its bank account reconciliations on a timely basis.

The Commission's cash is included as part of a centralized bank account of the General Revenue Fund that is managed by the Ministry of Finance (Finance). Because of this arrangement, the Commission reflects its cash as "Due from the General Revenue Fund" in its accounting records and in its financial statements.

Each quarter, the Commission receives a statement from Finance that sets out the Commission's bank balance along with the interest the Commission has earned on its cash (Finance bank statement). Each quarter, Commission staff uses this information to prepare its bank reconciliation.

During 2014-15, these bank reconciliations were not reviewed until year-end, and the reviewer did not leave evidence of review and approval. Also, at year-end, Commission staff could not reconcile its recorded cash balance to the Finance bank statement. Several months after its June 30, 2015 year-end, the Commission hired a consultant to help it complete its bank reconciliation.

Timely preparation and independent review and approval of bank reconciliations provide a check that all charges to accounts are proper, and all funds have been received and deposited in the right bank account. Reconciliations also provide a check on the accuracy and reliability of accounting records.

1. We recommend that the Saskatchewan Apprenticeship and Trade Certification Commission review and approve its bank reconciliations independent of their preparation each quarter.