

Chapter 24

Saskatchewan Impaired Driver Treatment Centre

1.0 MAIN POINTS

This chapter reports the results of our audits of the Saskatchewan Impaired Driver Treatment Centre (Centre) for the years ended March 31, 2014 and March 31, 2015.

The Centre's 2014 and 2015 financial statements are reliable. The Centre complied with the authorities governing its activities, and it had effective rules and procedures to safeguard public resources except for two areas.

The Centre needs to keep accurate accounting records, and it needs to provide its annual report, including its audited financial statements, to the Legislative Assembly within the timeframe required by law.

2.0 INTRODUCTION

The Saskatchewan Impaired Driver Treatment Centre (Centre) was established under *The Public Health Act*. Cabinet appoints the Centre's Board of Governors. The Centre provides a rehabilitation program for individuals who have been convicted of impaired driving offences.

For the year ended March 31, 2015, the Centre had grant revenue from the Ministry of Health of \$1.1 million (2013-14: \$1 million), and expenses of \$1.1 million (2013-14: \$1.1 million). At March 31, 2015, the Centre had net debt of \$33 thousand (2014: \$49 thousand), and held equipment and leasehold improvements totalling \$20 thousand (2014: \$54 thousand).

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the years ended March 31, 2014 and 2015:

- › **The Centre had effective rules and procedures to safeguard public resources except for the matter described in this chapter**
- › **The Centre 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 Public Health Act
Orders in Council issued pursuant to the above legislation

- › **The Centre's financial statements are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of the Centre'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.

In our 2014 and 2015 audits, we examined the effectiveness of the Centre's controls to administer its revenues, expenses, assets, and liabilities. Also, we examined the effectiveness of the Centre's governance and its controls to keep reliable financial records and prepare reliable financial reports.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Need to Keep Accurate Accounting Records

During the years ended March 31, 2014 and 2015, the Centre did not keep accurate accounting records.

The Centre did not have trained accounting staff to maintain its accounting records and prepare interim financial reports and annual financial statements. We found the Board received incomplete and inaccurate financial reports throughout the 2014 and 2015 fiscal years.

Also, the Centre did not prepare timely and accurate financial statements for the March 31, 2014 audit. In February 2015, the Centre prepared its financial statements for the year ended March 31, 2014 for audit purposes.

The Centre used a cash basis of accounting to prepare its interim financial reports. The annual financial statements submitted for audit contained numerous and material errors overstating reported annual surplus by almost \$79,000 (2014: \$91,000).

The Centre contracted an accounting firm to correct the errors and prepare accurate annual financial statements.

- 1. We recommend that the Saskatchewan Impaired Driver Treatment Centre provide training and guidance to staff for maintaining accurate accounting records and preparing interim financial reports.**

4.2 Timely Annual Report and Financial Statements Needed

The Centre did not provide its annual report including its audited financial statements to the Legislative Assembly within the timeframe required by law.

The law requires the Centre to report its activities to the Minister of Health each year¹. The Centre must submit its annual report including its financial statements to the

¹ Section 88 of *The Public Health Act*.

Minister responsible for tabling in the Legislative Assembly within 120 days of its year-end.²

Delays in preparing and finalizing its financial statements resulted in delayed submission of the Centre's annual report. The Centre's annual report for its March 31, 2013 year-end was tabled on May 22, 2014 instead of by July 29, 2013 as required by law. Also, the Centre's annual report for the year ended March 31, 2014 was tabled on July 29, 2015 instead of by July 29, 2014, as required by law. The Centre submitted its financial statements and annual report for its March 31, 2015 year-end on September 21, 2015; by law, this report was due July 29, 2015.

- 2. We recommend that the Saskatchewan Impaired Driver Treatment Centre submit its annual report, including its audited financial statements, to the Minister responsible within the timeframe required by *The Public Health Act*.**

² Section 13 of *The Executive Government Administration Act*.

