

ANNUAL INTEGRATED AUDITS**Chapter 1**
School Divisions

This chapter summarizes the results of the 2017-18 annual audits of the 28 school divisions. The 2017-18 financial statements of each of these school divisions are reliable, and each complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

Twenty-six school divisions had effective rules and procedures to safeguard public resources. Lloydminster Public needs to independently review and approve monthly bank reconciliations and journal entries. Sun West needs to complete documentation of its IT disaster recovery plan. Also, in 2017-18, four school divisions improved their financial-related controls and implemented previous recommendations.

Chapter 2
Summary of Implemented Recommendations

This chapter lists agencies that implemented recommendations from previous annual integrated audits and had no other significant integrated audit findings.

PERFORMANCE AUDITS AND STUDIES**Chapter 3**
eHealth Saskatchewan – Mitigating Vendor Influence and Related Conflicts of Interest

Conflicts of interest, whether apparent, potential, or real, bring into question the integrity and fairness of decisions made by public servants. Sound policies should assist in mitigating risks associated with conflicts of interest, and vendor influence.

This chapter reports on eHealth Saskatchewan's policies and processes to mitigate vendor influence and related conflicts of interest. eHealth needs to:

- Develop and use an approved policy outlining permitted vendor-sponsored travel

We identified eight instances where eHealth's vendors paid for eHealth employee travel and training expenses but the contract with the vendor did not include specific provisions to pay for these costs. For three of these instances, the business reason for eHealth employees attending conferences outside of Canada was unclear (which were paid for by two eHealth vendors). Two eHealth employees on these trips were also involved in the procurement process for the two vendors.

Having a clear and robust policy will promote a consistent and fair approach across the organization in accepting vendor-sponsored travel.



- Have staff complete written conflict of interest declarations annually, and actively track employees with declared conflicts of interest

Sixteen of 22 employees we tested did not have a completed conflict of interest declaration form in their personnel files. We identified five employees (former and current) with undeclared conflicts.

Requiring mandatory annual written declarations promotes a culture of actively identifying, declaring, and mitigating conflicts.

- Document reasons for sole-source purchases and formally document declarations of conflict by staff involved in vendor selection

None of the 10 sole-sourced purchases that we tested had any written justification. As of March 2019, employees involved in vendor selections were not formally declaring conflicts of interest.

Without formal documentation of potential conflicts or justification for sole-sourcing, eHealth is not facilitating equitable treatment of vendors, and may not have obtained the best value when making purchases.

Chapter 4

Energy and Resources—Auditing Producer Returns for Non-Renewable Resources

The Ministry of Energy and Resources levies and collects revenue, on behalf of the Government, from the production and sale of Saskatchewan's non-renewable resources such as potash, uranium, coal and enhanced oil recovery.

The Ministry uses its audits of producer royalties and taxes as the primary way to validate the accuracy and completeness of taxes remitted. To be effective, its audits must be timely and risk-based. In 2017-18, the Ministry's audits resulted in reassessments of additional production taxes and royalties totalling about \$54 million.

For the 12-month period ended December 2018, the Ministry had effective processes to assess the completeness and accuracy of producer royalty and tax returns for potash, uranium, coal, and enhanced oil recovery, other than the following. The Ministry needs to:

- Eliminate its audit backlog by completing audits consistent with its risk-based audit plan

At December 2018, the Ministry was several years behind schedule in completing audits. Not completing audits in a timely manner increases the risk the Ministry may have difficulty collecting reassessment amounts if a producer were to sell or cease operations before an audit was complete. In addition, if a reassessment determines the producer overpaid, then the Ministry is subject to paying interest on overpayments to the producer.

- Consistently document significant audit decisions, audit procedures, and quality review processes

The Ministry's audit manual was out of date. An up-to-date manual would give clear guidance as to expected content of audit files. Consistently documenting key audit decisions and procedures in audit files would enable reviewers to better assess whether audits are designed

and executed properly. Setting clear expectations about a timely review process would allow for timely feedback from reviewers before finalizing audits.

- Better estimate staff time and costs needed to complete its audits

Budgeting expected staff time and costs would allow the Ministry to determine audit resources necessary to complete its required audits. Tracking actual time spent, and periodically comparing budget-to-actual costs would enable the Ministry to assess whether audits are done efficiently.

Chapter 5

Finance—Public Employees Benefits Agency—Effectively Informing Certain Pension Plan Members

The Ministry of Finance, through its division called the Public Employees Benefits Agency, had, other than for one area, effective processes to keep members of the following pension plans sufficiently informed—the Public Employees Pension Plan and the Municipal Employees’ Pension Plan.

Other than the following area, the Agency’s practices for keeping members informed aligned with good practice, and was consistent with its assigned and legal responsibilities as the pension plan administrator.

The Agency did not give 130 retiring members of the Municipal Employees’ Pension Plan all legally required information within 90 days, as required by law.

Providing pension plan members with relevant and timely pension information helps members to make informed decisions. It also helps strengthen their trust in the pension plan in which they participate.

Chapter 6

Government Relations—Alerting the Public about Imminently Dangerous Events

The Ministry of Government Relations uses SaskAlert to notify the public of emergencies in real time via mobile devices (like cell phones), radio, television, or its website. At March 2019, about half of Saskatchewan’s municipalities and about five percent of Saskatchewan’s First Nations can issue alerts through SaskAlert. About 115,000 mobile device users have downloaded the SaskAlert mobile app. SaskAlert is part of a national alerting system.

For the 12-month period ending January 2019, the Ministry of Government Relations had generally effective processes for alerting the public about imminently dangerous events that may pose risks to public health and safety. It needs to make improvements in the following areas. The Ministry needs to:

- Maintain a robust and enforceable written contract with the service provider that it uses to administer SaskAlert on a day-to-day basis, and to give training and help-desk support to participating municipalities and First Nations. In addition, it needs to monitor the delivery of those services. Active



monitoring will help ensure municipalities and First Nations receive sufficient training and support to issue public alerts properly and promptly.

- Ensure participating municipalities and First Nations complete practice alerts as expected so they are capable of creating accurate and timely alerts when an emergency situation arises. As well, active monitoring of all alerts would help the Ministry identify participants at a greater risk of issuing an inaccurate alert, and in need of additional training and support.
- Periodically confirm the continued appropriateness of user access of individuals from participating municipalities and First Nations to the national alerting system. Regular review of user access reduces the risk of issuing inappropriate alerts that could threaten the SaskAlert program's reputation.

Timely, accurate and clear public alerting can help residents and visitors to Saskatchewan adequately prepare for situations that pose risks to their health or safety.

Chapter 7

Health—Monitoring Opioid Prescribing and Dispensing

Canada is facing an opioid crisis driven by both illegal and prescription opioids. Prescribers commonly use prescription opioids as one of several approaches to address chronic pain. Unfortunately, opioids are associated with a high risk of addiction.

About 16 Canadians are hospitalized each day, and eight people die each day because of opioid-related poisonings. This is more than the average number of Canadians killed daily in motor vehicle collisions. In 2018, 119 people died due to opioids (117 in 2017) in Saskatchewan.

For the six most prescribed opioids, Saskatchewan's prescribing of opioids is well above the national level. Physicians prescribe almost all opioids in Saskatchewan.

This chapter reports on the processes that the Ministry of Health uses to reduce misuse and addiction of prescribed opioids. It notes that the Ministry needs to:

- Consider whether the scope of its monitoring activities is sufficient to reduce inappropriate prescribing and dispensing of opioids in Saskatchewan.

Since 1988, the Ministry helps fund a physician prescription monitoring and education program. It receives limited information to determine whether the program helps reduce prescribed opioid misuse. The audit identified various improvements needed in delivering the program, including giving the program access to necessary patient information, and a functional IT system.

The Ministry does not actively monitor dispensing practices of Saskatchewan's 385 pharmacies, or know whether those practices contribute to the opioid crisis. A risk-based monitoring approach would help it determine whether pharmacies properly dispense opioids.

Also, the Ministry did not monitor all opioids prescribed in Saskatchewan including ones known to be more addictive, and to cause overdose or death. Monitoring all opioids would help detect misuse and inappropriate opioid prescribing.

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- Work with the College of Physicians and Surgeons of Saskatchewan to promote physicians reviewing patient medication profiles before prescribing opioids. Professional bodies in other provinces like Alberta and British Columbia require physicians to do so for high-risk drugs like opioids. Such reviews may help physicians identify a patient's potential misuse of opioids or over-prescribing.

Opioid misuse affects people in communities across Saskatchewan. Actively monitoring prescribing and dispensing of opioids helps ensure only patients experiencing chronic pain receive opioids, and risks of addiction to opioids are appropriately managed.

Chapter 8

Northern Lights School Division No. 113—Purchasing Goods and Services

Northern Lights School Division No. 113 purchases various goods and services to deliver educational services to students in northern Saskatchewan. In 2017-18, the Division bought almost \$26 million of goods and services.

This chapter sets out the results of our audit on the Division's processes to purchase goods and services.

At November 2018, the Division did not have effective processes to purchase goods and services.

The Division needs to better align its purchasing requirements with good purchasing practices. This includes setting requirements over the use of purchasing methods (i.e., single or sole source, request for quotes, request for tenders), requiring staff involved with purchases to declare real or perceived conflicts of interest, recognizing requirements of applicable external trade agreements, and improving its guidelines for purchase cards.

To mitigate possible financial, legal, and reputational risks to the organization, the Board of Education needs to approve the Division's key purchasing policies. The Division can also mitigate these risks by assessing the robustness of its service contract and purchase order templates, and finalizing contracts before receiving goods and services. In addition, by setting a standard amount of time for suppliers to submit responses to tenders, and consistently documenting its tender communications with potential suppliers, the Division can better demonstrate that it treats suppliers fairly and equitably.

We found the Division did not consistently adhere to its purchasing policy or purchase card guidelines. For example, almost 90% of the tenders we tested, the Division did not document its evaluation of the suppliers using the selection criteria it established for the tenders. Without documenting supplier evaluations when tendering, the Division cannot support its supplier decisions and demonstrate achievement of best value for purchasing decisions. When staff do not adhere to policy, there is increased risk of inappropriate transactions.

The Division does not separate incompatible purchasing duties (e.g., tendering, receipt of goods and services, approval of invoices for payment). Separating incompatible duties, and closely monitoring transactions where not feasible, would help the Division mitigate the risk of fraudulent transactions going undetected.



Finally, by keeping the supplier listing in its financial system up-to-date, the Division can mitigate the risk of duplicate or fraudulent payments and help monitor the existence of fictitious suppliers.

Strong processes to purchase goods and services supports transparency, fairness, and achievement of best value in purchasing activities.

Chapter 9 Northlands College—Purchasing Goods and Services

Northlands College purchases various goods and services to deliver educational and training programs and services across northern Saskatchewan. In 2017-18, the College bought over \$9 million of goods and services.

This chapter sets out the results of our audit on Northlands College's processes to purchase goods and services.

At November 2018, Northlands College had generally effective processes to purchase goods and services. Its procurement policy requires staff to ensure consistency and fairness when making purchases and sets out guidance for evaluating potential suppliers.

While we found that staff followed the College's policies when making purchases using various procurement methods (e.g., quotes, tenders, purchase cards), the College needs to better align its purchasing requirements with good purchasing practices. This includes setting requirements over the use of single or sole source purchasing, requiring staff involved with purchases to declare real or perceived conflicts of interest, and recognizing the requirements of applicable external trade agreements. In addition, by setting a standard amount of time for suppliers to submit responses to tenders, and consistently documenting its tender communications with potential suppliers, the College can better demonstrate that it treats suppliers fairly and equitably.

To mitigate possible financial, legal, and reputational risks to the organization, the Board needs to approve the College's key purchasing policies. The College can also reduce these risks by assessing the robustness of its contract templates, and finalizing contracts before receiving goods and services.

Finally, by keeping the supplier listing in its financial system up-to-date, the College can mitigate the risk of duplicate or fraudulent payments and help monitor the existence of fictitious suppliers.

Strong processes to purchase goods and services supports transparency, fairness, and achievement of best value in purchasing activities.

Chapter 10 Saskatchewan Crop Insurance Corporation—Managing Succession of Human Resources

In 2016-17, the Saskatchewan Crop Insurance Corporation made succession management one of its key corporate strategies because about 50% of the Corporation's staff were eligible for retirement (i.e., aged 50 and over).

To operate and administer its programs, the Corporation employs qualified staff including agricultural representatives, consultants, specialists, and managers. In 2018, the Federal Government listed these occupations as in demand in Saskatchewan.

This chapter reports the results of our audit of the Corporation's succession management processes. For the 12-month period ending January 31, 2019, the Corporation had effective succession management processes, other than in the following areas. The Corporation needs to:

- Set timeframes to complete specific succession management processes. Setting timeframes would assist the Corporation in completing key steps of its processes consistently and within a reasonable time. It would also ensure that the Corporation uses the most relevant data during its annual succession management planning.
- Periodically evaluate the effectiveness of its succession management processes. Identification and collection of key baseline data will enable the Corporation to assess its success. In addition, evaluating and adjusting existing processes (where issues are identified based on the evaluation) helps in continuously improving succession management.

Strong succession management processes helps to ensure the Corporation has the right people, with the right skills, in the right job.

Chapter 11

Saskatchewan Government Insurance—Monitoring Fines from the Automated Speed Enforcement Program

Unsafe speed continues to be a serious concern in Saskatchewan. Speed and aggressive driving are a key cause of collisions. Failure to properly monitor vehicle speed increases the risk of vehicle collisions. Vehicle collisions put the lives of drivers and passengers in the vehicle speeding, and in the vehicle(s) in which they collide at risk.

Saskatchewan Government Insurance, on behalf of the Auto Fund, operates the Automated Speed Enforcement Program under *The Traffic Safety Act* and related regulations. *The Traffic Safety Act* allows for the use of photographs of a vehicle from speed monitoring devices. In September 2018, the Government announced that it had decided to continue with the Program on a permanent basis.

We found SGI had effective processes in place to monitor that the fines issued from its automated speed enforcement program were accurate and reliable for the 12-month period ended September 30, 2018, other than SGI needs to:

- Maintain formal written enforceable contracts with each party key to delivering its automated speed enforcement program and consistently enforce the provisions within each of those contracts.

Operating under expired contracts may make it difficult for SGI to enforce the components of each contract. Not enforcing all provisions of each contract (e.g., inconsistent issuance of fines to out-of-province vehicles) results in inequitable treatment of registered vehicle owners.

- Periodically determine whether its service provider sufficiently maintains the integrity of data in the IT system used to process automated speed enforcement program fines.



Not periodically determining the integrity of data in the IT system may result in the IT system not being sufficiently protected and may affect the ability to issue fines timely. This increases the risk that fine information may not be readily available if challenged in court.

- Regularly determine whether rejected violations are consistent with its policies.

Improving the monitoring of rejected violations will allow SGI to better monitor that the service provider and applicable police services are issuing fines in compliance with SGI's expectations.

Chapter 12

Saskatchewan Health Authority – Maintaining Saskatoon and Surrounding Area Health Care Facilities

There are over 50 health care facilities located in the City of Saskatoon and surrounding area (Saskatoon-area facilities). Patients, residents, visitors, and staff rely on well-maintained facilities in the delivery of health care services.

This chapter reports, for the 12-month period ending November 2018, the Saskatchewan Health Authority did not have effective processes to maintain health care facilities in the City of Saskatoon and surrounding area.

While the Authority has qualified staff and relies on their professionalism to conduct maintenance, it needs to make improvements in the following areas to effectively maintain its Saskatoon-area facilities over their entire lifespan.

The Authority needs complete and consistent information about each key Saskatoon-area facility and component subject to maintenance to provide a basis for maintenance planning decisions. It needs a comprehensive risk-based maintenance plan to guide maintenance decisions of those facilities and components over the long-term. This would include setting desired conditions of key facilities and components; and consistently setting the nature, extent, and expected frequency of regular maintenance.

The Authority needs documented guidance on prioritizing maintenance to support completing maintenance within scheduled timeframes. Timely maintenance reduces the likelihood of failure or breakdown, which reduces the risk of harm to residents, patients, visitors, and staff.

Senior management need to receive reports on results of Saskatoon-area maintenance activities. Having sufficient analysis and reporting of maintenance results would help the Authority assess if maintenance is occurring as expected, and whether maintenance funding is sufficient and efficiently used.

Chapter 13

Communicating Information about Government Programs and Services in a Non-Partisan Way

The public expects communications of government agencies to inform them about government programs and decisions in a politically neutral way.

Based on 11 government agencies we studied, these agencies rely primarily on the expertise of their communications staff to understand what constitutes non-partisan communications, and keep communications non-partisan.

As of March 2019, the Government does not have centralized guidance to help more than 200 different agencies make sure their communications are non-partisan. We think it should.

Making criteria for non-partisan communications public could increase transparency. It could also build public confidence in government agencies' ability to communicate about programs and services in a neutral manner. Furthermore, this criteria could be useful in efficiently educating government officials involved with external communications.

FOLLOW-UP AUDITS

Chapter 14 Central Services—Securing the Data Centre

The Ministry of Central Services provides IT services to 18 government ministries and seven other agencies. The Ministry uses a data centre, operated by a third-party service provider, to deliver IT services to its clients on its behalf. The data centre houses computer network equipment and servers that support client systems and data.

At December 2018, the Ministry addressed one of our two remaining recommendations related to securing the data centre.

We found the Ministry holds an adequate agreement with its service provider to offer disaster recovery services to the Ministry's clients. Disaster recovery plans for critical client IT systems are tested annually. Disaster recovery plans help clients recover as quickly as possible and continue to provide key services in the event of a disaster.

The Ministry has made progress on properly configuring and updating its server and network equipment, using a risk-based approach. The Ministry properly configures new servers and monitors the configuration of all servers. Network equipment is up-to-date. However, the data centre's firewall rules do not sufficiently restrict access to the data centre. Inadequate firewall rules increase the risk of a security breach.

Chapter 15 Central Services—Using Consultants

By October 2018, the Ministry of Central Services had implemented the final outstanding recommendation from our 2014 audit of processes for using consultants. The Ministry formally evaluated consultants' performance. In addition, it improved the standard wording of its contracts (template) to indicate that an evaluation of consultant performance will be completed.

Formally evaluating the performance of consultants will assist the Ministry in making future contracting decisions.



Chapter 16

Corrections and Policing, and Justice and Attorney General—Leading the Community Safety and Well-Being Initiative

By January 2019, the Ministries of Corrections and Policing, and Justice and Attorney General improved some of their processes to lead the Community Safety and Well-Being Initiative and, in particular, to better support the 14 Community Mobilization Hubs located across Saskatchewan. This initiative aims to reduce crime by having agencies voluntarily work together to respond to at-risk, marginalized, and vulnerable individuals and families.

The Ministries confirmed that the agencies deciding to participate in a Hub (like local policing services and school divisions) accept and understand their roles within the initiative. Also, the Ministries gave Hubs additional direction and staffing support.

The Ministries need engaged participating agencies for the initiative to be successful. Confirming participating agencies accept and understand expectations increases the likelihood of connecting acutely-elevated risk individuals or families to necessary services, and addressing the root causes of crime.

Further improvements are underway. The Ministries were working on determining how best to measure the success of the Community Safety and Well-Being Initiative, and its impact on increasing safety of Saskatchewan communities. The Ministries expect to make this determination in the spring of 2019.

Chapter 17

Education—Capital Asset Planning for Schools

By January 2019, the Ministry of Education had implemented one of the last two remaining recommendations we made in our 2013 audit of its capital asset planning processes for Pre-Kindergarten (Pre-K) to Grade 12 educational facilities.

The Ministry established a capital asset strategy. The strategy includes the development of a 10-year capital asset plan for the provincial Pre-K to Grade 12 system.

Working with school divisions, it developed a comprehensive manual about infrastructure planning and related funding programs. The Ministry and school divisions are using the guidance to better co-ordinate infrastructure planning for educational facilities across the province.

The Ministry has not yet determined how it will monitor the success of the capital asset strategy. Rather it had focused its monitoring efforts on evaluating some of its infrastructure funding programs (e.g., major capital, relocatables).

Chapter 18

Education—Increasing Grade 12 Graduation Rates

By January 2019, the Ministry of Education made progress in improving its processes to increase Grade 12 graduation rates. The Ministry developed processes to identify and communicate key strategies to strengthen student achievement and increase Grade 12 graduation rates. It also

identified critical risks to student graduation and analyzed data to monitor the impact that risks had on graduation rates.

The Ministry continued to work on assessing school divisions' plans to improve graduation rates. It collected graduation-rate improvement plans from all school divisions and planned to assess these plans during the 2018-19 school year. When the Ministry reviews these plans, it can determine whether the divisions have appropriate strategies to address the risks to student graduation.

Chapter 19

Education—Monitoring School Instruction Time

By January 2019, the Ministry of Education made limited progress in improving its processes to monitor school divisions' delivery of minimum required instruction time for required areas of study (e.g., 210 minutes per week for Grade 6 math).

The Ministry does not actively monitor whether each school division provides students with at least the minimum amount of instruction time for required areas of study. The Ministry expects schools to monitor, but does not check that they are.

Not all school divisions are actively monitoring whether they comply with the minimum amount of instruction time for required areas of study. For example, three of the four school timetables we reviewed did not meet the provincial minimum requirements for the instructional time for various required areas of study. Directors of Education of these divisions were not aware of these exceptions and did not report them to the Ministry.

Active monitoring would help the Ministry to know whether school divisions meet the Ministry's requirements for instruction time. It would also help it identify school divisions, if any, where it needs to take corrective action to ensure students receive sufficient instruction time for all required areas of study.

Chapter 20

Education—Putting into Operation the Education Sector-Wide Strategic Plan

The Ministry of Education is responsible for providing leadership and direction to the Pre-Kindergarten through Grade 12 (PreK-12) education sector. This includes providing leadership and co-ordination for the preparation of goals, objectives, and educational planning for the present and future growth and development of the education system.

By February 2019, the Ministry had implemented the last recommendation outstanding from our 2015 audit of its processes to put into operation the sector-wide strategic plan for the PreK-12 education sector, called the Education Sector Strategic Plan (ESSP). The Ministry established a process to systematically review school division action plans, and was preparing to share the results of its June 2018 reviews with school divisions by March 31, 2019.



Chapter 21

eHealth Saskatchewan – Sharing Patient Data

By January 2019, eHealth Saskatchewan and the Ministry of Health implemented the two outstanding recommendations in relation to eHealth's processes to share patient data among healthcare professionals (through provincial electronic health records).

eHealth set standard requirements for data in clinical records. Having standardized data for clinical encounters ensures relevant, comparable, and timely information is readily available for patient care.

eHealth began working with other key health sector agencies (e.g., Saskatchewan Health Authority) to determine IT priorities for the health sector, including enhancements needed to provincial electronic health records. eHealth makes IT funding requests to the Ministry of Health based on these IT priorities.

Chapter 22

Energy and Resources – Regulating Pipelines

This chapter reports the status of three recommendations we first made in our 2012 audit on the Ministry of Energy and Resource's processes to ensure compliance with *The Pipelines Act, 1998* and *The Pipelines Regulations, 2000*.

By March 2019, the Ministry had implemented all three recommendations we first made in our 2012 audit. The Ministry developed and implemented a risk-based assessment approach to verify pressure tests and assessed the risk of all pipelines in the province. The Ministry developed guidance for staff to evaluate ongoing pipeline operations. The Ministry is using reviews of operator Integrity Management Programs and Emergency Response Plans to monitor pipeline integrity and safety.

Effective regulation reduces the risk of pipeline failures. Pipeline failures caused by poor design or inadequate maintenance can seriously affect people, the environment, and the economy. A pipeline leak can contaminate both land and water.

Chapter 23

Environment – Regulating Contaminated Sites

Contaminated sites can pose risks to public health and safety if not properly managed.¹ The Ministry of Environment regulates all contaminated sites in Saskatchewan within the rules set by *The Environmental Management and Protection Act, 2010* and the Saskatchewan Environmental Code. At December 2018, it was regulating over 1,100 contaminated sites not yet fully reclaimed in Saskatchewan.

By December 2018, the Ministry had implemented the last recommendation from our 2008 audit of its processes to assess, monitor, and report on the status of contaminated sites.

¹ Under *The Environmental Management and Protection Act, 2010*, section 2(l), an environmentally-impacted site is an area of land or water that contains a substance that may cause or is causing an adverse effect. In this chapter, we refer to environmentally-impacted sites as contaminated sites.

The Ministry obtained priority ratings for all of the contaminated sites in its IT system it was regulating. In addition, it evaluated about 70% of its manual files, which includes contaminated sites identified prior to 2014. It calculated the priority ratings for manual files it evaluated, when the manual files did not already include the priority ratings. It indicated it planned to complete evaluating the remaining manual files in 2020-21.

Chapter 24

Finance—Monitoring the Fuel Tax Exemption Program

By January 2019, the Ministry of Finance implemented two of the six recommendations we made in our 2016 audit of processes to monitor whether its fuel tax exemption program is achieving program objectives. The Ministry co-ordinated its risk management activities and documented key operating procedures for the fuel tax exemption program.

In addition, it had partially implemented one other recommendation. The Ministry provided the Legislative Assembly with some additional information on key tax expenditure programs including the actual value of tax exemptions based on available information.

However, the Ministry has not yet set out how it plans to measure the success of each fuel tax exemption program component. In addition, it does not annually give the Legislative Assembly measurable program objectives, or periodically publish the achievements of its key tax expenditure programs. It also does not require staff to separately document its reviews of tax expenditure programs.

Because tax expenditure programs result in lower revenues for the Government, having measurable program objectives and strong processes to evaluate, and report on, its tax expenditure programs' achievements is key to enable management and legislators to make informed decisions about tax expenditures.

Chapter 25

Government Relations—Safe Drinking Water in Northern Settlements

This chapter reports our second follow-up of five remaining recommendations initially made in 2012 about the Ministry of Government Relations processes to provide safe drinking water to northern settlements. Northern settlements are unincorporated communities in the Northern Saskatchewan Administration District that the Ministry administers.^{2,3}

By September 2018, the Ministry had communicated the safety of drinking water to the residents of the northern settlements of Stanley Mission and Wollaston Lake.

The Ministry needs to:

- Test drinking water samples as required by its water system permits to adequately monitor the safety of drinking water

² The Ministry administers the northern settlements through its Northern Municipal Services branch.

³ The Northern Saskatchewan Administration District is a geographical area in northern Saskatchewan, defined under *The Northern Municipalities Regulations*.



- Complete water system maintenance and supervise maintenance activities as expected for all drinking water systems to keep water systems working effectively and to reduce the risk of providing unsafe drinking water
- Resolve issues with the safety of drinking water for the northern settlement of Uranium City and other northern settlements with trihalomethane levels exceeding maximum allowable limits to reduce risks to residents' health⁴

Chapter 26

Health—Co-ordinating the Use of Lean

Lean is a continuous improvement methodology. It involves analyzing processes to identify areas for improvement, carrying out activities intended to achieve those improvements, and monitoring the impact of changes.

By February 2019, the Ministry of Health, working with others in the health sector, had established a risk management framework for the health sector. The use of the framework allows for consistent evaluation and scoring of risks across all health care sector agencies.⁵

The Ministry was also working on plans to report publicly on the benefits realized from using Lean within the health sector since 2011. It aims to report publicly on Lean in 2020.

Chapter 27

Health—Providing Special Needs Equipment for Persons with Disabilities

The Ministry of Health, under an agreement, relies on its service provider—the Saskatchewan Abilities Council—to provide special needs equipment for persons with disabilities through the Special Needs Equipment Program.

By December 2018, the Ministry, primarily through its service provider, improved some of its key processes to provide special needs equipment, but more work remains.

The Ministry increased the number of certain types of equipment available to reduce wait times. In addition, it identified clients with loaned equipment who were deceased or no longer living in Saskatchewan. Through the Council, it was determining how best to recover this unused equipment.

The Council continued to face challenges in completing preventative maintenance on loaned equipment requiring preventative maintenance (like lifts) within a reasonable timeframe to avoid safety risks to clients. Although it was more actively asking clients to return such equipment for maintenance, clients often did not do so.

In addition, the Ministry has not determined how to measure the success of the Program or set clear expectations for when its service provider should escalate complaints.

⁴ Trihalomethanes are formed when chlorine, which is generally used for disinfections, reacts with naturally occurring organic compounds present in water. www.saskh20.ca/pdf/epb211b.pdf (19 October 2018).

⁵ Health sector agencies include the Ministry of Health, the Saskatchewan Health Authority, the Saskatchewan Cancer Agency, 3sHealth, eHealth Saskatchewan, and the Health Quality Council.

Chapter 28

Highways and Infrastructure—Enforcing Vehicle Weight and Dimension Requirements

This chapter is our first follow-up audit of five recommendations initially made in 2017. By December 2018, the Ministry had made several improvements.

The Ministry had developed a risk-based enforcement plan that took into account weight and dimension risks, and completed weight and dimension enforcement activities consistent with that plan.

Senior management received periodic information on weight and dimension enforcement activities including monthly actual-to-planned comparisons for key activities. Such comparisons assist the Ministry in monitoring the performance of the Highway Patrol branch, and help it determine whether the Ministry's weight and dimension enforcement activities are sufficient and appropriate.

Through the implementation of a new IT system, the Ministry was working on consistently documenting its responses to inquiries or complaints received. Consistently documenting responses to inquiries helps show it handles inquiries sufficiently and appropriately, and considers whether adjustments to its activities are warranted.

Chapter 29

Immigration and Career Training—Co-ordinating English-Language Programs

As of February 2019, the Ministry of Immigration and Career Training (formerly part of the Ministry of the Economy) made some progress in implementing the three recommendations we made regarding co-ordinating English-language programs.

Saskatchewan's regional colleges deliver English-language programming on behalf of the Ministry. The regional colleges' business plans set out outcomes that they expect to achieve when delivering this business. The Ministry approves these plans.

The Ministry still needs to work towards:

- Updating its method to assess demand for provincially-funded English-language programs
- Assessing whether regional colleges meet the Ministry's expectations for delivering English-language programming

Without a clear assessment of program needs, and whether provincial programs meet those needs, the Ministry may not know if provincial English-language programs are sufficient and/or necessary, and effective in assisting immigrants in improving their English-language skills.



Chapter 30

Immigration and Career Training – Nominating Qualified Immigrant Applications

As of February 2019, the Ministry of Immigration and Career Training (formerly part of the Ministry of the Economy) had implemented the two outstanding recommendations we initially made in our 2013 audit of its processes to nominate qualified immigration applicants.

The Ministry updated and approved its Entrepreneur Immigration Procedures Manual for its staff. In addition, the Ministry trained staff.

Having up-to-date guidance and training better enables staff to appropriately assess immigrant applications, including assessing the business establishment plans. This will assist in treating applicants in a fair and equitable manner.

Chapter 31

Immigration and Career Training – Working Towards Establishing Outcomes-Based Contracts

By February 2019, the Ministry of Immigration and Career Training implemented one of the three recommendations we made in our 2017 audit of its processes to establish outcomes-based contracts for the delivery of its Adult Basic Education – Essential Skills for the Workplace Program.

The Ministry has made progress in using outcomes that are clearly defined and measurable. However, the Ministry has not made progress in using financial incentives nor aligning payment terms to the achievement of outcomes. Using financial incentives and aligning payment to achievement of outcomes are key to obtaining overall better value, better performance, and lower costs for contracted services.

Chapter 32

Living Sky School Division No. 202 – Engaging Grades 7 to 12 Students

Living Sky School Division No. 202 has improved its processes to engage Grade 7 to 12 students.

By February 2019, Living Sky required its schools to use an action plan template to develop clear and timely responses to the *OurSCHOOL* survey results for student engagement. The Division also regularly meets with its Indigenous Advisory Council to obtain feedback to help increase the engagement of First Nations and Métis students.

While the Division analyzed the year-over-year survey results at a division-level, its schools did not conduct a year-over-year analysis at a school-level. Also, the Division and its schools did not establish interim targets related to the survey results. Establishment of interim targets and in-depth analysis at the school-level can help the Division to measure the success of specific student engagement initiatives. Doing so may help schools focus their resources on initiatives that are making a difference in student engagement.

Chapter 33

Prairie Spirit School Division No. 206—Maintaining Facilities

By February 2019, Prairie Spirit School Division No. 206 made progress in improving its processes to maintain its facilities.

The Division required independent review of estimated maintenance costs. Prairie Spirit was developing service objectives and an overall maintenance plan for all of its facilities and significant components. The Division worked on making the records of its facilities and components more complete and accurate, including setting out what key information it expected staff to record.

While Prairie Spirit did not yet provide its Board with periodic comprehensive maintenance reports, it developed a reporting template to provide its Board with information about key risks impacting the Division's facilities. The Division expected to report this information to its Board by spring 2019.

Effective maintenance processes help enhance the future viability and safety of schools, improve the quality of space, protect against loss of facility value or service life (i.e., replacing a facility earlier than intended), and limit repair costs in the future.

Chapter 34

Saskatchewan Apprenticeship and Trade Certification Commission— Enabling Apprentices to Achieve Certification

By January 2019, the Saskatchewan Apprenticeship and Trade Certification Commission strengthened its processes to enable apprentices to achieve certification.

The Commission implemented a formal policy for industry inspections and progressed on documenting that employers receive an industry inspection as required. Not consistently documenting inspections as required increases the risk of the Commission not detecting employers who are not following the rules. In addition, apprentices may not receive appropriate supervision and on-the-job training.

Chapter 35

Saskatchewan Health Authority—Providing Timely and Appropriate Home-Care Services in the City of Prince Albert and Surrounding Area

By February 2019, the Saskatchewan Health Authority had improved its processes to provide timely and appropriate home-care services in Prince Albert and surrounding area. The Authority implemented the three remaining recommendations first made in 2014.

The Authority improved its compliance with established policies and procedures for completing required needs assessments. Completing each of the required needs assessments help ensure clients receive all the required services, and reduce the risk of injury to clients and staff.

It also began conducting monthly audits to monitor compliance with its needs assessment policy. Tracking compliance rates helps the Authority monitor the work done, and focus its efforts on communities and areas where improvements are needed.



The Authority formed a Home Care Approval Committee for Prince Albert home care. The Committee reviews and approves all clients' home-care plans. Staff work schedules align with the approved home-care plans. Consistent review and approval of home-care plans confirms the appropriateness of assessed needs for home-care services. Having schedules that align with approved home-care plans helps ensure clients receive the services based on their assessed needs.

Chapter 36

Saskatchewan Liquor and Gaming Authority—Regulating Commercial Permittees' On-Table Sale of Liquor

By February 2019, the Saskatchewan Liquor and Gaming Authority improved its processes to regulate commercial permittees' on-table sale of liquor by:

- Updating its risk-based inspection plan
- Formalizing timelines for completing inspections and investigations
- Consistently documenting sanction decisions
- Notifying retail liquor stores about suspended special licences as required by legislation

However, further work remains. The Authority needs to complete planned inspections within established timeframes. In addition, it needs to monitor and report key trends of permittee non-compliance with requirements to help ensure it is focusing its inspection efforts in the right areas.

Effective regulation of commercial permittees' on-table sale of liquor helps minimize public health and safety risks associated with the service and consumption of liquor, while maintaining a fair regulatory system for permittees.

Chapter 37

SaskPower—Inspecting Gas and Electrical Installations

By September 2018, SaskPower implemented the last outstanding recommendation from our 2011 audit of SaskPower's processes for inspecting gas and electrical installations.

SaskPower inspectors are consistently documenting appropriate rationale for not inspecting high-risk installations, and managers are approving the rationale. In February 2018, SaskPower implemented a new IT system that requires inspectors to document rationale, and managers to review and approve it.

Having effective processes to make sure gas or electrical equipment are properly installed reduces safety risks to the Saskatchewan public.

In December 2018, the Government announced its intention to transfer gas and electrical inspection activity from SaskPower to the Technical Safety Authority of Saskatchewan.⁶

⁶ www.saskatchewan.ca/government/news-and-media/2018/december/13/tsask (28 March 2019).

Chapter 38

SaskTel—Purchasing Fibre Optic Network Upgrade and Other Network Hardware

SaskTel improved its processes to purchase goods and services related to its fibre optic network upgrade and other network hardware.

By January 2019, SaskTel had implemented the four recommendations from our 2017 audit. SaskTel improved processes for resolving supplier performance issues, and using supplier feedback. SaskTel also revised forms so that it logged the names of staff involved in evaluating purchase proposals. In addition, it revised its process to properly authorize successive purchases of materials where amounts exceed initial approval thresholds.

Having strong processes to buy goods and services decreases the risk SaskTel may not be transparent, fair, and achieve best value.

Chapter 39

Social Services—Placing Minister’s Wards in Permanent Homes

The Ministry of Social Services has services designed to plan for the long-term development of permanent and long-term wards under *The Child and Family Services Act* and to assist families in adopting children under *The Adoption Act, 1998*.

This third follow-up audit reports that the Ministry of Social Services implemented two of the three recommendations remaining from our 2013 audit of the Ministry’s processes to place Minister’s wards in permanent homes.

By December 2018, the Ministry collected and analyzed information to enable it to determine the effectiveness of its services for permanent and long-term wards in its care. In addition, it set a target to register at least 85% of eligible permanent wards on the adoption registry within 120 days of becoming a ward. However, as of December 2018, the Ministry had not met this target. Delays in placing children on the adoption registry could negatively affect the likelihood that children find an adoptive home.

Chapter 40

St. Paul’s Roman Catholic Separate School Division No. 20—Promoting Good Student Health and Physical Fitness

St. Paul’s Roman Catholic Separate School Division No. 20 has generally improved its processes to promote good student health and physical fitness.

By February 2019, St. Paul’s set clearer expectations for promoting student physical activity, and making school-level decisions about which health and physical fitness initiatives to select. However, principals in schools were not consistently using this guidance. Schools not consistently following guidance increases the risk that the Division will not meet its strategic goal of promoting good student health.



Also, St Paul's established a way to centrally monitor partnerships and community relationships in which individual schools had entered. Furthermore, it was more actively monitoring initiatives used (division-wide and at individual schools) to promote good student health and physical fitness. Active monitoring will help it focus on initiatives that contribute to student health and fitness. Healthier and fit students are better positioned to learn.

Chapter 41

Technical Safety Authority of Saskatchewan—Inspecting Elevating Devices

By February 2019, the Technical Safety Authority of Saskatchewan (TSASK) made progress in improving its processes to inspect elevating devices. It improved its processes by keeping accurate and complete inspection records, and consistently documenting its communication of inspection deficiencies with elevating device owners. It also consistently monitored whether device owners resolved deficiencies within an acceptable timeframe.

TSASK was actively working on developing a risk-informed strategy for prioritizing inspections using a three-phased approach. It expected to finalize its strategy in 2020.

TSASK was not consistently following its procedures for handling complaints. In addition, it and the Ministry of Government Relations had not yet defined the expected frequency for inspecting elevating devices to enable reporting of overdue inspections.

Effective regulation of elevating devices helps prevent device malfunction and keeps the public safe.

Chapter 42

University of Regina—Protecting Interests in Research

The University of Regina improved its processes to protect its interests (e.g., financial, reputational, ownership) as it fosters research and commercialization of research.

By January 2019, the University had implemented the three remaining recommendations from our 2013 audit. It had defined and consistently used its definitions for specialized resources (e.g., equipment purchased with research funds). Having clearly defined and consistently used definitions of specialized resources decreases the risk that the University does not have enforceable rights to share in the intellectual property (e.g., patents, trademarks) created by academic staff and in any potential profits from commercialization.

The University also had followed its processes to review its research institutes. Reviewing its research institutes allows the University to assess whether institutes contribute to the University's strategic research goals, and whether researchers' time is appropriately spent on the institute administration.

Chapter 43

Water Security Agency—Co-ordinating Flood Mitigation

In 2014, we audited the effectiveness of the Water Security Agency's processes to co-ordinate flood mitigation. We made two recommendations. By early April 2019, the Agency improved its flood mitigation processes and implemented the two recommendations.

We found that the Agency determined 98 communities had ongoing flood risks. It further assessed these risks and evaluated where additional flood mitigation activities would be beneficial for the 98 communities. As of early April 2019, the Agency evaluated 86 of the 98 communities. Management indicated it planned to complete its assessment of the remaining 12 communities during 2019.

Co-ordinating flood mitigation activities in communities that are continually at risk of flooding can prevent or reduce flood damage, which can reduce impacts on the health and safety of residents and reduce the cost to government for disaster assistance.

Chapter 44

Water Security Agency—Ensuring Dam Safety

At March 2019, the Water Security Agency had not yet fully addressed two of four recommendations that we first made in our 2005 audit of its processes to ensure its four largest dams were safe. Its four largest dams were the Gardiner, Qu'Appelle River, Rafferty, and Grant Devine (formerly known as the Alameda). The Agency has emergency preparedness plans for each of its four major dams.

The Agency has not approved its 2016 draft policy about testing the plans.

As of March 2019, the Agency has tested only one of the four emergency preparedness plans—the Rafferty dam in January 2018. The Agency was implementing recommendations from lessons learned from the testing of the emergency preparedness plan for this dam.

Testing plans helps make sure the plans work as intended if an emergency were to occur, such as a dam failure.

The Agency made some progress in updating its procedure manuals for its four major dams, but more work remained. These procedure manuals set procedures to operate, maintain, and monitor the dams safety. Up-to-date manuals support safe operations of the dams.

Chapter 45

Modernizing Government Budgeting and Reporting

The Government of Saskatchewan has good budgeting and financial reporting practices. It gives legislators and the public a budget, quarterly financial reports, and audited Summary Financial Statements each of which appropriately focuses on the financial activities of the entire Government. In addition, it publishes each of them within a reasonable timeframe. These documents helps legislators and the public understand the Government's plans. They include key



information to facilitate holding the Government accountable for its use of public money, and the fiscal health of the Government.

But, as of September 2018, the Government had not embedded the key aspects of its summary budgeting and financial reporting practices into law. This would help ensure they are sustained. In addition, it would ensure legislators and the public continue to receive timely key accountability documents (like summary budgets and interim reports), and quality financial information.