

Chapter 4

Saskatchewan Workers' Compensation Board

1.0 MAIN POINTS

Other than the need for better management of user access to its IT systems and data, the Saskatchewan Workers' Compensation Board (WCB) had effective rules and procedures to safeguard public resources as at December 31, 2019. WCB's 2019 financial statements were reliable and it complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

2.0 INTRODUCTION

The Board of WCB operates under the authority of *The Workers' Compensation Act, 2013*. WCB protects registered employers from lawsuits when a workplace injury happens. It provides guaranteed benefits and programs to injured workers in industries covered by the Act. It uses premiums paid by employers in covered industries to fund its costs. Premiums are based on a combination of the risk of incurring claims costs and the value of what is insured (employer payrolls).¹

At December 31, 2019, WCB held total assets of \$2.19 billion (2018: \$1.97 billion), which included investments of \$2.15 billion (2018: \$1.92 billion). It had liabilities of \$1.58 billion (2018: \$1.53 billion), including workers compensation benefits liability of \$1.33 billion (2018: \$1.28 billion).

During 2019, WCB generated comprehensive income of \$170 million (2018: comprehensive loss of \$154 million), comprised of revenue of \$545 million (2018: \$215 million) and expenses of \$375 million (2018: \$369 million).²

3.0 AUDIT CONCLUSIONS

Our Office worked with KPMG LLP, the appointed auditor, to carry out the audit of the Saskatchewan Workers' Compensation Board. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.

In our opinion, for the year ended December 31, 2019:

- **The Saskatchewan Workers' Compensation Board had effective rules and procedures to safeguard public resources except for the matter reported**

¹ Saskatchewan Workers' Compensation Board *2018 Annual Report*, p.8.

² This will refer to the 2019 annual report of the Saskatchewan Workers' Compensation Board at www.wcbsask.com/.



- **The Saskatchewan Workers' Compensation Board complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Workers' Compensation Act, 2013

The Workers' Compensation Board Pension Implementation Act

The Financial Administration Act, 1993

The Occupational Health and Safety Act, 1993

The Crown Employment Contracts Act

The Executive Government Administration Act, 2014

The Pension Benefits Act, 1992

The Members' Conflict of Interest Act

The Income Tax Act (Canada)

Regulations and Orders in Council pursuant to the above Legislation

- **The Saskatchewan Workers' Compensation Board had reliable financial statements**

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audit. We used the control framework included in *COSO's internal Control—Integrated Framework* to make our judgments about the effectiveness of WCB'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.

4.0 KEY FINDING AND RECOMMENDATION

4.1 Better Management of User Access Needed

The Workers' Compensation Board needs to improve its processes for managing user access to its IT systems and data. WCB makes significant use of its IT systems to manage operations including recording premium revenues, paying claims, and preparing financial statements.

WCB did not adequately manage user access to its IT systems and data. We found WCB did not:

- Consistently remove access for terminated users on a timely basis as access was removed up to one month after termination
- Perform its periodic IT user access review to assess validity of user accounts as specified in its policy
- Properly manage settings for user accounts

Not having proper account management practices could result in not promptly removing unneeded user access and increases the risk of unauthorized access to WCB's IT systems and data, including access to confidential information, and of inappropriate modifications to IT systems or data. Unauthorized access or modifications could result in incorrect premium revenues being collected and/or recorded, incorrect claims being paid and/or recorded, and/or inaccurate financial statements.

- 1. We recommend the Saskatchewan Workers' Compensation Board follow its documented procedures for managing user access to its IT systems and data.**