



PROVINCIAL AUDITOR  
*of Saskatchewan*

## **2020 Report – Volume 2**

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Report of the Provincial Auditor to the  
Legislative Assembly of Saskatchewan

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*of Saskatchewan*

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PROVINCIAL AUDITOR  
*of Saskatchewan*

December 8, 2020

The Honourable Speaker  
Legislative Assembly of Saskatchewan  
Room 129, Legislative Building  
Regina, Saskatchewan S4S 0B3

Dear Honourable Speaker:

I have the honour of submitting my *2020 Report – Volume 2*, to be laid before the Legislative Assembly in accordance with the provisions of section 14.1 of *The Provincial Auditor Act*.

Respectfully yours,

A handwritten signature in black ink that reads "Judy Ferguson".

Judy Ferguson, FCPA, FCA  
Provincial Auditor

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# **2020 Report – Volume 2**

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## Overview by the Provincial Auditor

### 1.0 PREAMBLE

Our Office continues to serve legislators and Saskatchewan residents by promoting accountability and better management through independent assessments of the Government's use of public resources.

At the time of writing this Overview, the Government of Saskatchewan and its residents (and the world) continue to cope with the COVID-19 pandemic and the resulting unprecedented circumstances. Our Office continues to thank front-line workers, and all who support them.

Because of the health and safety risk resulting from the pandemic, we completed the bulk of the audits included in this report via remote means. We continue to carefully manage the impact of the COVID-19 pandemic. For example, we are adjusting the timing of audits to accommodate the availability of a few government agencies more directly impacted by the pandemic.

### 2.0 HIGHLIGHTS OF EACH SECTION OF THE REPORT

The **2020 Report – Volume 2** provides legislators and the public with critical information on whether the Government issued reliable financial statements, used effective processes to administer programs and services, and complied with governing authorities.

The Report includes the results of examinations completed by November 2, 2020 with details on annual integrated, performance, and follow-up audits of 38 different agencies. **Appendix 1** lists each agency along with its year-end date, and whether this Report brings significant matters to the attention of the Legislative Assembly and the public.

The following provides highlights of the following sections of the Report—Annual Integrated Audits, Performance Audits, and Follow-up Audits.

#### 2.1 Annual Integrated Audits

**Integrated audits** are annual audits of agencies that examine:

- The effectiveness of their financial-related controls (e.g., processes to plan, evaluate, and coordinate the financial activities) to safeguard public resources with which they are entrusted
- Their compliance with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing
- The reliability of the financial statements (where applicable)

Since the **2020 Report – Volume 1**, the Office along with appointed auditors (if in place) completed annual integrated audits of 166 different agencies with fiscal year-ends between January and June 2020. These include 75 crown corporations and agencies,



19 government ministries, 36 pension and benefit plans and special purpose funds, and 36 health care affiliates.<sup>1</sup>

Most of these agencies had effective financial-related controls, complied with financial- and governance-related authorities, and prepared reliable financial statements.<sup>2</sup> This Section of the Report includes detailed findings about concerns with financial-related controls at only 20 different agencies, and notes five agencies fully implemented past financial-related recommendations.

A few agencies need to do more to make sure payments are properly approved and/or supported. As **Chapter 7** reports, the Ministry of Highways and Infrastructure did not always follow its policies when using purchasing cards (p-cards, corporate-issued credit cards) to make purchases. As **Chapter 15** reports, the Ministry of Social Services needs to verify client information used to support financial assistance payments to clients, and recover overpayments when they occur.

As **Chapter 11** reports, the Provincial Capital Commission has improved some of its processes related to its oversight of major developments in Wascana Centre. Key improvements include making public its process to review and approve proposed developments, and giving periodic status updates on each major development project. At March 2020, while work was underway, the Commission had not yet clearly documented how major Wascana Centre improvements and developments conform to the Master Plan, or finalized its procedures for public consultations.

Our Office continues to highlight various IT-related concerns in this Section.

As **Chapter 3** reports, eHealth must do a better job of controlling and monitoring IT network access and testing disaster recovery plans. eHealth is responsible for managing an IT network with 38 critical IT systems used to administer and deliver health care services in Saskatchewan. At March 2020, eHealth has not completed disaster recovery testing for any of these critical IT systems including the seven with completed disaster recovery plans. Tested disaster recovery plans reduce the risk of not being able to restore IT systems within a reasonable timeframe. Effective IT network monitoring helps detect and limit the impact of a successful attack on a corporate network.

As **Chapter 12** reports, the Saskatchewan Health Authority does not have a sufficient agreement to monitor IT services that eHealth is to provide. eHealth has been responsible for all of the IT systems and services within the health care sector since January 2017. This includes critical systems upon which the Authority requires to deliver and administer health services.

As **Chapter 16** reports, the Water Security Agency made limited progress on completing and testing a business continuity plan (particularly its IT disaster recovery plan). We first reported this concern in 2010.

Although we note improvements, some agencies continue not to promptly remove user access to the IT systems and networks when such access is no longer needed. These include the ministries of Corrections and Policing (Chapter 2), Justice and Attorney

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<sup>1</sup> **Appendix 2** lists agencies using an appointed auditor.

<sup>2</sup> **Appendix 1** identifies agencies with fiscal year-ends between January and June 2020.

General (Chapter 8), Highways and Infrastructure (Chapter 7) along with Northlands College (Chapter 10).

As **Chapter 5** reports, the Ministry of Government Relations continues to need to provide better supervision of staff responsible for recording financial activities and preparing financial reports for the Northern Municipal Trust Account. Active supervision helps ensure financial records are complete and accurate, and staff follow the Ministry policies. Our audit identified a number of errors in financial records and the 2019 financial statements presented for audit, and areas where staff did not always follow policies (e.g., review and approval of journal entries).

In addition, the Ministry made grant payments of \$1.8 million from the Trust Account for expansion of a regional landfill without clear legislative authority to do so. Not having clear legislative authority increases the risk of making payments inconsistent with the mandate of the Trust Account.

## 2.2 Performance Audits

**Performance audits** take a more in-depth look at processes related to management of public resources or compliance with legislative authorities. Performance audits span a variety of topics and sectors of government. In selecting which areas to audit, the Office attempts to identify topics with the greatest financial, social, health, or environmental impact on Saskatchewan.

This Section of the Report includes the results of five non-financial audits. The areas examined mostly relate to key regulatory activities and activities undertaken to reduce emissions of greenhouse gas in Saskatchewan. Reducing greenhouse gas emissions is a central part of the Government’s climate change strategy.

The following provides an overview of each audit.

### Chapter 19: Agriculture—Mitigating the Impact of Regulated Pests in Crops and Pastures

**What the Office examined:** The Ministry of Agriculture’s processes (for the 12-month period ending July 31, 2020) to mitigate the impact of regulated pests in crops and pastures. The Minister has declared a total of six animals, insects, and diseases as regulated pests.

**Why the Office examined this area:** Regulated pests can quickly cause significant damage to the yields and quality of crops and to pastures if undetected and left unchecked.

Agriculture is a significant contributor to Saskatchewan’s economy. In 2018, the value of provincial agriculture and food exports was almost \$13.5 billion with value-added revenue estimated at \$5.2 billion.

*Regulated Pests—Crops at Risk*

- Bacterial Ring Rot—potatoes
- Brown or Norway Rat—stored crops, especially grains
- Clubroot—canola
- Grasshoppers—cereal crops, lentils, flax, and pastures
- Late Blight—potatoes and tomatoes
- Richardson’s Ground Squirrels (certain gophers)—native grasses, legumes, cereal, pulse, and canola crops



The Ministry is responsible for mitigating the impact of regulated pests on crops and pastures, whereas landowner and producers are responsible for controlling identified pests.

**What the Office found:** The Ministry had fairly good processes to mitigate the impact of regulated pests in crops and pastures with improvements needed in a few areas.

The Ministry needs to proactively give producers guidance about detecting and reporting the presence of two pests—late blight and bacterial ring rot, and on developing response plans for four pests—grasshoppers, late blight, bacterial ring rot, and brown or Norway rat.

Early detection and timely, appropriate response plans are key to controlling regulated pests, and reducing their impact on crops and pastures. Early detection and effective response remains key even when a pest (like late blight and bacterial ring rot) has not been detected in the province for several years.

Other key findings include—the Ministry needs to:

- Make sure producers receive laboratory results confirming presence of clubroot promptly. Clubroot damages canola crops, and spreads quickly. Canola is Saskatchewan's leading crop in 2020.
- Revisit how it conducts surveillance to determine populations of gophers given the use of strychnine is deregistered effective 2023. Strychnine is regularly used in Saskatchewan to control gopher populations. The Ministry uses strychnine sales to estimate gopher populations.
- Periodically report to senior management on the sufficiency of its mitigation of regulated pests

Effectively mitigating the impact of regulated pests helps avoid them having a significant adverse impact on the yields and quality of crops.

## Chapter 20: Environment—Regulating Waste Diversion through Recycling

**What the Office examined:** The Ministry of Environment's processes (for the 12-month period ending August 31, 2020) to regulate waste diversion through recycling.

**Why the Office examined this area:** Saskatchewan produces the second highest amount of waste per capita, and has the lowest waste diversion rates in Canada. The majority of Saskatchewan's waste enters its landfills. Landfills emit greenhouse gases.

The Ministry has set a provincial waste reduction goal to reduce the amount of waste generated per person from the 2014 baseline by 30 percent by 2030, and by 50 percent by 2040. In addition, it has a goal to enhance waste diversion

- First provincially regulated waste reduction recycling programs was the beverage container program (SARCAN) in 1988
- The introduction of the Household Hazardous Waste program in 2021 increases the number of provincially regulated waste reduction recycling programs to eight.
- Not all recycling activities operating in the province are regulated (e.g., City of Regina's food and yard waste pilot project)

across Saskatchewan. Using recycling to divert waste from Saskatchewan landfills helps reduce associated greenhouse gas emissions.

**What the Office found:** Unlike some other Canadian jurisdictions, the Ministry does not use material-specific targets to assist in determining whether the regulated waste diversion recycling programs contribute to the achievement of the provincial waste reduction goal.

Other key findings include:

- Regulated waste diversion recycling programs generally follow a standard approach where producers of the waste finance the program (e.g., levy fees on customers), and program operators handle and regularly report on recycling activities.
- The Ministry needs a more robust understanding of the composition of waste entering Saskatchewan landfills to help set realistic, material-specific targets for each regulated program.
- To ensure it receives consistent and comparable data, the Ministry needs to use standard definitions for key information (including calculation methods) required from program operators. Key information includes collection and diversion rates.
- Ministry senior management need to receive periodic reports on the rate of waste diversion through regulated recycling programs to help inform future program decisions.

Effective processes to regulate waste diversion recycling programs decreases the risk of these programs not diverting sufficient solid waste from entering Saskatchewan landfills.

## Chapter 22: Saskatchewan Polytechnic—Carrying Out Applied Research

**What the Office examined:** Saskatchewan Polytechnic's processes (for the 12-month period ended January 31, 2020) to carry out applied research.

**Why the Office examined this area:** Sask Polytech has placed greater emphasis on growing its applied research. It aims to have its applied research support Saskatchewan's productivity and economic prosperity, enable the organization to keep current with industry needs, and provide opportunities for students to enhance their learning experience.

Applied research focuses on providing practical solutions to specific problems of individuals or organizations.

**What the Office found:** Sask Polytech generally used effective processes to carry out applied research with improvements needed in a few areas.

Other key findings include—Sask Polytech:

- Did not always document its assessment of a project's viability or associated key risks. Formally documenting assessments of viability and key risks reduces the risk of



missing critical evaluative aspects of potential projects and undertaking projects it cannot successfully complete.

- Did not ensure faculty and students involved in applied research projects always annually acknowledged compliance with Sask Polytech’s Code of Conduct Policies. Demonstrating compliance with policies helps show Sask Polytech researchers understand and accept responsibilities for carrying out research, and avoids conflict of interest.
- Primarily used annual growth in research revenue as its measure of success of applied research. Use of additional measures (like rate of success in securing grants) would assist in evaluating grant application processes, and whether stakeholders receive the best research products possible.

Effective processes for applied research are the basis of becoming a well-managed and respected research organization.

## Chapter 23: SaskPower—Planning to Shut Down and Decommission Boundary Dam

**What the Office examined:** SaskPower’s processes (for the 19-month period ended July 31, 2020) for planning the safe shut down of coal-fired electricity generating Boundary Dam Units 4 and 5, and decommissioning of the Boundary Dam Power Station site.

**Why the Office examined this area:** Federal regulations expect the phase out of the use of conventional coal-fired electricity generating units by 2030 as part of Canada’s strategy to reduce greenhouse gas emissions. Conventional coal-fired electricity generating units are those not equipped with carbon capture and storage (CCS) technology.

At July 2020, SaskPower has six conventional coal-fired electricity generating units. It decided not to equip Units 4 and 5 located at the Boundary Dam Power Station with CCS technology—one of the two other generating units at this location is equipped with CCS technology.

Phasing out conventional coal-fired units and decommissioning related power stations is complex and technical with implications beyond SaskPower and its operations.

- In 2018, coal-fired electricity was responsible for 63% of greenhouse gas emissions from the electricity sector in Canada.
- In 2019-20, coal-fired electricity generation represented 31% of SaskPower’s total available generating capacity.
- Shutting down coal-fired electricity generating units and transitioning away from coal-fired electricity generation is part of SaskPower’s plan to reduce carbon dioxide emissions by 40% from 2005 levels by 2030.
- Expected year of shut down of Boundary Dam Unit 4 is 2021, Unit 5 is 2024. The Boundary Dam Power Station site will to be decommissioned after shut down of Unit 3—likely sometime after 2029.

**What the Office found:** SaskPower is using an incremental approach to plan the shutdown of Boundary Dam Units 4 and 5, and the decommissioning of the Boundary Dam power site. Its planning for the shut down of Boundary Dam Units 4 and 5, and the decommissioning of the Boundary Dam power station site are at an appropriate stage, given the planned timeframes of shutdown and decommissioning.

However, SaskPower needs to use the system adopted by the Saskatchewan Environmental Code when estimating the contingency cost for decommissioning and reclaiming the Boundary Dam Power Station site. Use of this system will help ensure it makes a reasonable estimate of contingency costs.

As at July 2020, SaskPower estimates decommissioning the Boundary Dam Power Station site to cost \$83 million including contingency costs of \$13.8 million. Our findings indicate the contingency costs may be higher. Based on the classification system’s suggested range, the estimated total contingency could range between \$13.8 million to \$34.4 million.

Other key findings include:

- SaskPower’s well-defined project planning processes are consistent with good project management practice. These processes should provide SaskPower with a solid foundation to develop detailed planning for the shutdown of the above units, and in turn, for the decommissioning of the Boundary Dam Power Station site.
- SaskPower was appropriately using its project management processes to plan for its shutdown of the Boundary Dam Unit 4. The assigned project manager kept management sufficiently informed of the status of the project.
- SaskPower plans to use similar project management processes and lessons learned from planning for and managing the shutdown of Unit 4 in its planning for the shut down of Unit 5.
- The content of the October 2019 Decommissioning and Reclamation Plan for the Boundary Dam Power Station site is consistent with Ministry of Environment requirements and good practice.

Not having effective planning processes could result in increased costs, delayed timelines, safety concerns, and not sufficiently considering economic impacts on workers, families, and communities.

## Chapter 21: Saskatchewan Cancer Agency—Delivering the Screening Program for Colorectal Cancer

**What the Office examined:** The Saskatchewan Cancer Agency’s processes (for the 12-month period ended July 31, 2020) to deliver its population-based Screening Program for Colorectal Cancer.

**Why the Office examined this area:** In Saskatchewan, colorectal cancer is the second leading cause of cancer death. In addition, colorectal cancer cases in Saskatchewan are rising due to an aging population. Approximately 90 percent of colorectal cancers can be prevented or successfully treated if caught early.

- Voluntary program where participants submit self-administered fecal immunochemical test (FIT) kits
- Targets residents at higher risk of developing colorectal cancer—aged 50 to 74
- Program participation rate unchanged for several years and below national benchmark
- Lower program participation rate in Northern Saskatchewan



Saskatchewan's population-based Screening Program for Colorectal Cancer has been in place since 2009.

**What the Office found:** The Agency had generally effective processes to deliver its population-based Screening Program for Colorectal Cancer with improvements needed in a few areas.

The Agency needs to work with the Saskatchewan Health Authority to develop a consistent and provincial approach for booking colonoscopies to avoid delays in patients receiving them. We found 22 individuals waited longer than 60 days for a colonoscopy and subsequently had a cancer diagnosis. Delays in receipt of colonoscopies result in delays in treatment for those diagnosed with colorectal cancer.

The Agency needs to work with the Authority to determine a reasonable timeframe for providing results from colonoscopies to patients. Our data analysis found 5 percent of patients who had colonoscopies did not receive pathology results within 14 days of the colonoscopy (good practice)—some waited up to 104 days for results. Timely receipt of colonoscopy results assist in determining appropriate and timely treatment.

Other key findings include—the Agency:

- Uses good processes to identify residents eligible for the Screening Program for Colorectal Cancer, and to invite them to participate.
- Works successfully with the Authority to provide program participants with timely results of FIT kits.
- Actively monitors the quality of endoscopic services. To March 2020, 59 of 69 endoscopists practicing in Saskatchewan who perform colonoscopies for the screening program had participated in the voluntary direct observation program.
- Needs to analyze its public educational strategies to increase participation in its colorectal cancer-screening program. The program rate of participation of almost 47 percent has remained relatively unchanged since 2014; it is below Canada's national benchmark of 60 percent.
- Needs key performance indicators that are consistent with national good practice, and to regularly give senior management results and analysis about the success of the screening program.

Having an effective colorectal cancer screening program helps identify apparently healthy people who may have a higher risk of developing colorectal cancer. Early detection significantly increases the likelihood of preventing and successfully treating colorectal cancers.

## 2.3 Follow-Up Audits

**Follow-up audits** assess the sufficiency of actions taken to address recommendations made in our past performance audits, and those made by the Standing Committees on Public Accounts and on Crown and Central Agencies from their review of our reports. Our Office systematically assesses the status of outstanding recommendations to determine whether agencies made recommended improvements. It does the first follow-up either two or three years after the initial audit, and every two or three years thereafter until the recommendations are implemented or identified as no longer relevant.

This Section of the Report includes the results of 22 follow-up audits.

In general, we are pleased with the pace in which agencies are implementing our recommendations; the pace remains relatively unchanged since our last report. On an overall basis, agencies implemented almost two-thirds of the outstanding recommendations, and partially implemented just over one-quarter of the remaining recommendations.

We are particularly impressed with the Carlton Trail College and the Saskatchewan Impaired Driver Treatment Centre who implemented all and almost all of the recommendations we first made in 2018.

As **Chapter 24** reports, the College fully implemented all four recommendations about its processes to equip its board with competencies to govern. Key improvements include evaluating its Board's effectiveness at least annually, and actively providing board members with training to build their competencies in areas of identified gaps. Strong boards are those equipped with the skills necessary to govern.

As **Chapter 38** reports, the Centre fully implemented nine and partially implemented one of the ten recommendations about its processes to deliver the impaired driver treatment program. Key improvements include updates to the treatment program that align with good practice, consistently completing client assessments prior to treatment, and actively connecting clients with support upon program completion. These changes along with its plans to assess recidivism rates will better position the Centre to know if its program helps reduce impaired driving in Saskatchewan.

Our Office recognizes more complex improvements take time to make. We encourage agencies to make improvements in conjunction with other initiatives planned or underway wherever possible. However, sometimes progress is slower than we had hoped.

As **Chapter 32** reports, while the Ministry of Health has made some progress on implementing recommendations initially made in our 2012 audit, work remains to help prevent diabetes-related health complications in people living with diabetes.

We found the Ministry needs to do more to increase physicians' use of a key IT system—the system both tracks and promotes the use of best practice when caring for patients living with chronic diseases like diabetes. We found only 37 percent of diabetics have their patient care tracked in that system.



The Ministry needs complete data to do meaningful analysis about healthcare services provided to those living with diabetes. Such analysis would help it determine if these patients receive appropriate, timely health care services to help prevent complications, and have appropriate access to those services.

Saskatchewan’s provincial diabetes prevalence rate varies significantly from a high of 11 percent in the North East area to a low of 5.6 percent in Saskatoon. Saskatchewan’s overall diabetes prevalence rate of 8 percent is slightly higher than the national rate of 7.3 percent. Preventative measures and better disease management can reduce the prevalence of diabetes-related complications, the impact of the disease on quality of life, and lead to lower health costs.

The following table summarizes the results of the 22 follow-up audits. It sets out the status of recommendations by agency grouped by initial and subsequent follow-ups.

Chapter Name	Related Report <sup>A,B</sup>	Number of Recommendations Outstanding	Status of Recommendations			
			Implemented	Partially Implemented	Not Implemented	No Longer Relevant
<b>Initial Follow-Ups</b>						
Carlton Trail College—Equipping the Board with Competencies to Govern	2018–V2	4	4	0	0	0
Corrections and Policing—Providing Primary Medical Care in Adult Secure-Custody Correctional Centres	2018–V1	9	2	5	2	0
Finance—Public Employees Benefits Agency: Effectively Informing Certain Pension Plan Members	2019–V1	1	1	0	0	0
Saskatchewan Impaired Driver Treatment Centre—Delivering the Impaired Driver Treatment Program	2018–V1	10	9	1	0	0
Social Services—Investigating Allegations of Child Abuse and Neglect	2018–V2	5	1	1	3	0
<b>Initial Follow-Ups Subtotal</b>		<b>29</b>	<b>17</b>	<b>7</b>	<b>5</b>	<b>0</b>
<b>% of Initial Follow-Ups Subtotal</b>		<b>100%</b>	<b>59%</b>	<b>24%</b>	<b>17%</b>	<b>0%</b>
<b>Subsequent Follow-Up Audits<sup>C</sup></b>						
Corrections and Policing—Community Rehabilitation of Adult Offenders	2011–V1 2013–V1 2017–V2	4	2	2	0	0
Corrections and Policing—Planning for Inmate Capacity in Correctional Facilities	2016–V2 2018–V2	3	3	0	0	0
eHealth Saskatchewan—Securing Patient Data in the Saskatchewan Laboratory Results Repository	2015–V1 2017–V2	3	3	0	0	0
Environment—Preventing the Entry and Spread of Aquatic Invasive Species in Saskatchewan	2016–V1 2018–V2	4	2	2	0	0
Finance—Internal Audit in Ministries	2012–V2 2014–V2 2018–V1	1	1	0	0	0
Health—Preventing Diabetes-Related Health Complications	2012–V2 2015–V1 2017–V2	5	0	3	0	2
Justice and Attorney General—Supporting Provincial Court of Saskatchewan to Manage Court Workloads	2014–V1 2017–V2	5	3	2	0	0

Chapter Name	Related Report <sup>A,B</sup>	Number of Recommendations Outstanding	Status of Recommendations			
			Implemented	Partially Implemented	Not Implemented	No Longer Relevant
Living Sky School Division No. 202—Engaging Grades 7 to 12 Students	2017–V1 2019–V1	2	2	0	0	0
Regina Roman Catholic Separate School Division No. 81—English as an Additional Language Programming	2016–V2 2018–V2	2	1	1	0	0
Saskatchewan Apprenticeship and Trade Certification Commission—Enabling Apprentices to Achieve Certification	2014–V1 2016–V1 2019–V1	1	1	0	0	0
Saskatchewan Cancer Agency—Delivering the Screening Program for Breast Cancer	2016–V1 2018–V2	3	2	1	0	0
Saskatchewan Liquor and Gaming Authority—Managing Projects with Significant IT Components	2015–V2 2018–V2	4	4	0	0	0
Saskatchewan Public Safety Agency—Coordinating Provincial Emergency Preparedness	2015–V1 2018–V1	3	2	1	0	0
Saskatoon School Division No. 13—Procuring Goods and Services	2014–V2 2016–V2 2018–V2	1	1	0	0	0
Social Services—Protecting Children in Care	2008–V3 2013–V2 2016–V1 2018–V2	1	1	0	0	0
Social Services—Minimizing Absenteeism	2015–V2 2018–V1	4	2	2	0	0
Western Development Museum—Permanently Removing Historical Artifacts	2016–V2 2018–V2	4	3	1	0	0
<b>Subsequent Follow-Ups Subtotal</b>		<b>50</b>	<b>33</b>	<b>15</b>	<b>0</b>	<b>2</b>
<b>% of Subsequent Follow-Ups Subtotal</b>		<b>100%</b>	<b>66%</b>	<b>30%</b>	<b>0%</b>	<b>4%</b>
<b>Overall Total</b>		<b>79</b>	<b>50</b>	<b>22</b>	<b>5</b>	<b>2</b>
<b>% of Overall Total</b>		<b>100%</b>	<b>63%</b>	<b>28%</b>	<b>6%</b>	<b>3%</b>

Source: Compiled by Provincial Auditor of Saskatchewan.

<sup>A</sup> V—means Volume.

<sup>B</sup> The related Report reflects the report in which the Office first made the recommendation(s) (for initial follow-ups); and the Office last reported on the status of implementation of outstanding recommendations (for subsequent follow-ups).

<sup>C</sup> For Subsequent Follow-Ups, the Number of Recommendations is the number that remained not implemented after the previous follow-up audit.

### 3.0 ACKNOWLEDGEMENTS

The Office appreciates the co-operation it receives from the staff and management of government agencies along with their appointed auditors in the completion of the work included in this Report. It also appreciates the support of the Standing Committees on Public Accounts, and on Crown and Central Agencies.

In addition, as Provincial Auditor, I am proud to lead the Office, and its team of professionals. I am proud of their diligence, commitment, and professionalism particularly during this period where most were working remotely from home. Their hard work helps us fulfill our mission—to promote accountability and better management by providing legislators and Saskatchewan residents with an independent assessment of the Government's use of public resources.



Provincial Auditor Team		
Ahsan Amjad	Alla Shamrai	Amanda Iles
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Jeanie Kim	Jennifer Robertson	Jesse Chatterson
Jonathan Pituley	Jordan McNaughton	Jordan Spitzke
Kari Fiset	Kathleen Berenik	Kayla Forbes
Kaylee Sparrowhawk	Kelly Deis	Ken Yee
Kim Lowe	Kristen Young	Larissa Sych
Leon Zhu	Lesia Lazurko	Linda Klassen
Lorisa Tamke	Mallory Demofsky	Maro Ojaide
Mason Merriman	Maureen MacCuish	Maygen Ring
Melanie Heebner	Melissa Yanyu	Michelle Lindenbach
Nicole Dressler	Rahat Tahir	Rahil Ahmad
Renaë Snyder	Rosemarie Volk	Saad Warraich
Sahar Tahir	Selina Tam	Stephanie Russell
Tara Clemett	Tea Anaka	Trevor St. John
Victor Schwab	Wilfred Eze	Will Dong

## 4.0 ABOUT THE OFFICE OF THE PROVINCIAL AUDITOR

The Office of the Provincial Auditor is the external, independent auditor of the Government. *The Provincial Auditor Act* makes it responsible for auditing the Government of Saskatchewan and approximately 270 agencies.

The Office promotes accountability and better management through its audit work and public reports along with its involvement with legislative committees charged with reviewing its Reports.

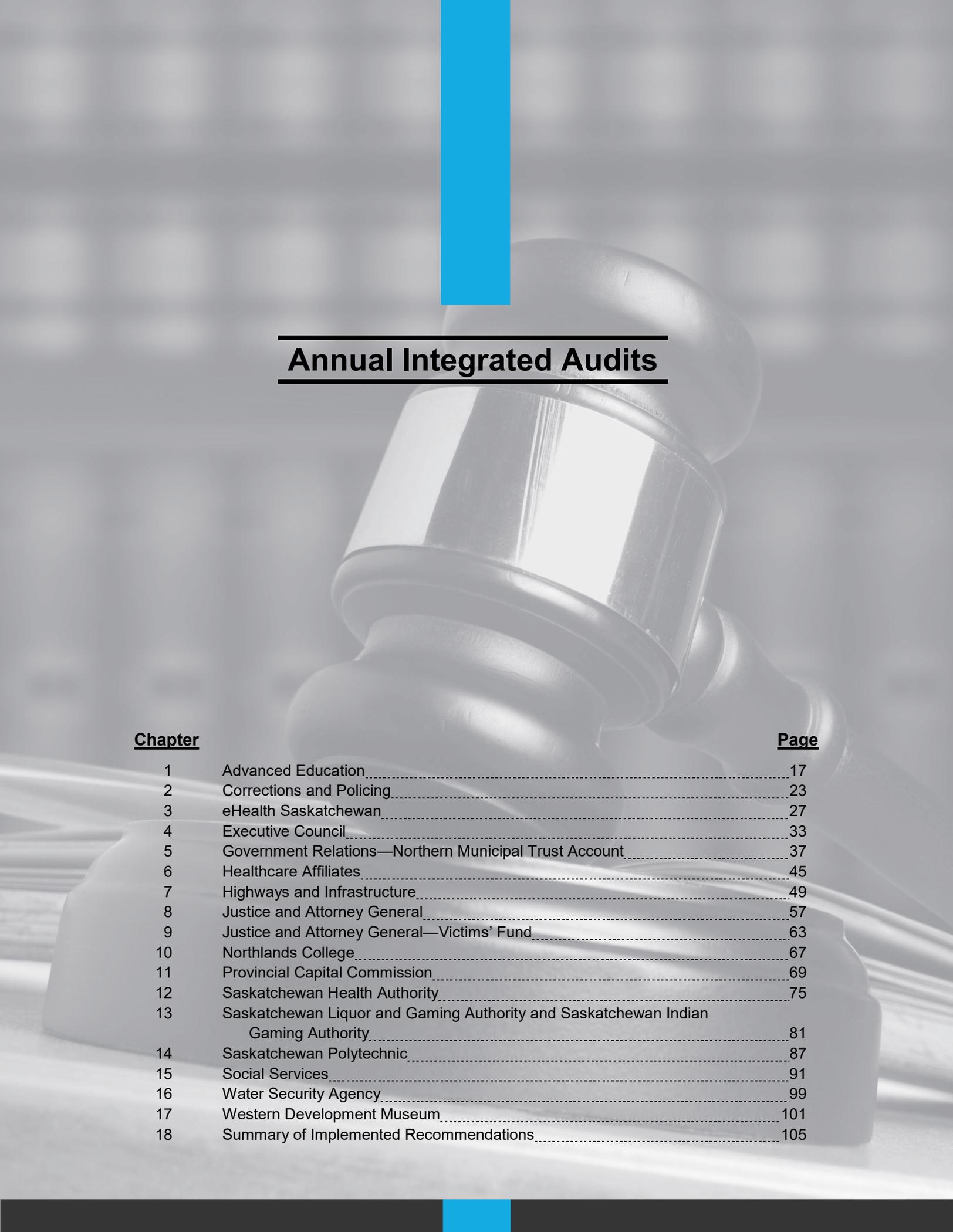
The Office routinely looks at the Government's administration of its programs and services.

Through *The Provincial Auditor Act*, the Provincial Auditor, the Office, and its staff are independent of the Government.

The Office uses Canadian professional auditing standards published by CPA Canada to carry out its audits. As required by the Act, the Provincial Auditor reports directly to the Legislative Assembly on the results of all examinations, and highlights matters that require the attention of legislators.

In addition to its reports on the results of its audit work, it gives legislators two key accountability reports each year—its business and financial plan, and annual report on operations. These describe the Office, including its purpose, accountability mechanisms, staffing, and key systems and practices. These reports are publicly available on its website, as well as further detail about the Office of the Provincial Auditor at [auditor.sk.ca](http://auditor.sk.ca).

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## **Annual Integrated Audits**

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# Chapter 1

## Advanced Education

### 1.0 MAIN POINTS

This chapter reports the results of the 2019–20 annual audits of the Ministry of Advanced Education and eight of its agencies. Each of those agencies had reliable financial statements, and complied with governing authorities. Other than the following two areas related to the Ministry, the Ministry and those agencies had effective rules and procedures to safeguard public resources.

First, the Ministry continues to not adequately oversee the activities of the province's two universities as it does not monitor the activities of their subsidiaries. This increases the risk of university subsidiaries undermining the powers granted to the parent university (e.g., borrowing without proper authority), which in turn, could potentially harm a university's reputation, or negatively impact its finances.

Second, since 2016–17, the Ministry does not follow Canadian public sector accounting standards to record, in its financial records, revenues and expenses of the Strategic Investment Fund. It records them in the incorrect year. Inconsistent application of Canadian public sector accounting standards can affect the relevance and reliability of financial reports, and can decrease the public's confidence in the accuracy of the government's financial reports.

### 2.0 INTRODUCTION

The Ministry of Advanced Education is responsible for a post-secondary education sector that supports a growing Saskatchewan and leads to a higher quality of life. The post-secondary education system develops a skilled and educated workforce for the Saskatchewan labour market. The Ministry provides leadership and resources to foster a high-quality advanced education and training system that responds to the needs of Saskatchewan's people and economy.<sup>1</sup>

#### 2.1 Financial Overview

For the year-ended March 31, 2020, the Ministry reported expenses of \$735.5 million for its programs (see **Figure 1** for detail by major program), and revenues of \$2.5 million (including \$0.6 million from the Federal Government for cost-sharing programs). The Ministry's *Annual Report for 2019–20* provides further details and reasons for differences between planned and actual results.<sup>2</sup>

<sup>1</sup> Ministry of Advanced Education, *Annual Report for 2019–20*, p.5.

<sup>2</sup> *Ibid.*, p. 31–32.

**Figure 1—Major Programs and Spending**

	Estimates 2019–20 <sup>A</sup>	Actuals 2019–20
	(in millions)	
Central Management and Services	\$ 15.3	\$ 13.6
Post-Secondary Education	678.4	677.3
Student Supports	41.9	44.4
<b>Total Appropriation</b>	<b>\$ 735.6</b>	<b>\$ 735.3</b>
Capital Asset Acquisitions	-	-
Capital Asset Amortization	0.2	0.2
<b>Total Expense</b>	<b>\$ 735.8</b>	<b>\$ 735.5<sup>B</sup></b>

Source: Ministry of Advanced Education, *Annual Report for 2019–20*, p. 31.

<sup>A</sup> The Ministry obtained additional funding through a special warrant of \$8 million.

<sup>B</sup> See **Section 4.2** for discussion of the \$2.9 million understatement of expenses.

This chapter includes the results of our audits of the eight agencies listed in **Figure 2** in addition to the results of the Ministry.

**Figure 2—Ministry Special Purpose Funds and Agencies With Audit Results Reported in this Chapter**

Year-End	Agency
March 31	Saskatchewan Student Aid Fund
March 31	Training Completions Fund
June 30	Carlton Trail College
June 30	Cumberland College
June 30	Great Plains College
June 30	North West College
June 30	Parkland College
June 30	Southeast College

We separately report the results of audits of two other agencies—Saskatchewan Polytechnic, (Chapter 14) and Northlands College (Chapter 10).

## 3.0 AUDIT CONCLUSIONS

Our Office worked with appointed auditors (see **Appendix 2**) to carry out the annual integrated audits of the regional colleges. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.<sup>3</sup>

**In our opinion, for the years ended on or before June 30, 2020, we found, in all material respects:**

- **The Ministry of Advanced Education and each agency listed in Figure 2 had effective rules and procedures to safeguard public resources except for the matters described in this chapter**

<sup>3</sup> [www.auditor.sk.ca](http://www.auditor.sk.ca).

- **The Ministry of Advanced Education and each agency listed in Figure 2 complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

<i>The Executive Government Administration Act</i>	<i>The Education Act, 1995 (subsection 3(1))</i>
<i>The Ministry of Advanced Education Regulations</i>	<i>The Graduate Retention Program Act</i>
<i>The Graduate Retention Program Regulations</i>	<i>The Non-profit Corporations Act, 1995</i>
<i>The Public Service Act, 1998</i>	<i>The Non-profit Corporations Regulations, 1997</i>
<i>The Financial Administration Act, 1993</i>	<i>The Student Assistance and Student Aid Fund Act, 1985</i>
<i>The Saskatchewan Advantage Grant for Education Savings (SAGES) Act</i>	<i>The Student Assistance and Student Aid Fund Regulations, 2001</i>
<i>The Saskatchewan Advantage Grant for Education Savings (SAGES) Regulations</i>	<i>The Lender-financed Saskatchewan Student Loan Regulations</i>
<i>The Degree Authorization Regulations</i>	<i>The Saskatchewan Student Direct Loans Regulations</i>
<i>The Saskatchewan Polytechnic Act</i>	Saskatchewan Risk Sharing Student Loans Agreement
<i>The Saskatchewan Polytechnic Regulations</i>	Canada-Saskatchewan Integration Agreement
<i>The Regional Colleges Act</i>	The Regional Colleges Accounting and Reporting Manual
<i>The Regional Colleges Regulations</i>	The Financial Administration Manual
<i>The Regional Colleges Programs Designation Regulations</i>	Orders in Council issued pursuant to the above legislation
<i>The Regional Colleges Programs and Services Regulations</i>	
<i>The Income Tax Act, 2000 (Saskatchewan)</i>	
<i>The Post-Secondary Education and Skills Training Act</i>	

- **The financial statements of each agency listed in Figure 2 are reliable**

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 the Ministry'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.

The audit of the Ministry included evaluating and testing its processes for administering grants (e.g., to post-secondary education institutions or students), recording revenues, tendering and awarding contracts, processing payroll, and purchasing goods and services. It also included assessing the Ministry's accounting treatment of transfers under the Government of Canada's Strategic Investment Fund.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Better Monitoring of Universities' Subsidiaries Needed

***We recommended the Ministry of Advanced Education adequately monitor the activities of subsidiaries incorporated by the University of Saskatchewan and the University of Regina.*** (2019 Report – Volume 2, p. 20, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Not Implemented



The Ministry of Advanced Education continues to not adequately monitor the consolidated activities of the province's two Universities—the University of Saskatchewan and the University of Regina. The Ministry monitors universities as part of its responsibility for the post-secondary education sector.<sup>4</sup>

The Ministry limits its monitoring to the activities of the Universities themselves, and does not monitor the activities of the subsidiaries of the Universities. The Universities, on a combined basis, incorporated five subsidiaries as part of fulfilling their primary role (e.g., providing post-secondary instruction, conducting research). The subsidiaries are essentially extensions of the Universities.

For the year-ended April 30, 2020, the Universities' financial results, on a combined basis, included subsidiary revenues of \$49.1 million, expenses of \$48.9 million, and tangible capital assets of \$55.8 million (2018–19: revenues of \$46.8 million, expenses of \$45.6 million, and tangible capital assets of \$51.4 million).<sup>5</sup>

Adequate Ministry oversight of the activities of the Universities' subsidiaries would decrease the risk of university subsidiaries undermining the powers granted to the parent university (e.g., *The University of Saskatchewan Act, 1995* or *The University of Regina Act*), and potentially harming the university's reputation, or having a negative financial impact.

## 4.2 Proper Recording of Transfers Related to the Strategic Investment Fund Needed

---

***We recommended the Ministry of Advanced Education follow Canadian generally accepted accounting principles for the public sector to record transfers in its financial records.*** (2017 Report – Volume 2, p. 18, Recommendation 1, Public Accounts Committee agreement October 3, 2018)

**Status**—Not Implemented

In our view, since 2016–17, the Ministry of Advanced Education does not follow Canadian public sector accounting standards for recording transfers related to the Federal Government's Post-Secondary Institutions Strategic Investment Fund because of an accounting error initially made in 2016–17.<sup>6</sup>

Canadian public sector accounting standards require agencies to recognize revenue and expenses related to government transfers only when they met eligibility criteria and the transfer is authorized.

In our 2016–17 audit, we found the Ministry had not met eligibility criteria under the Federal-Provincial agreement for the full amount it recorded in 2016–17 and the Federal

---

<sup>4</sup> To monitor, the Ministry meets regularly with university senior officials and reviews minutes and meeting packages of each University's Board of Governors.

<sup>5</sup> The Universities consolidate the financial results of subsidiaries into their financial statements.

<sup>6</sup> This Federal Government program called the Post-Secondary Institutions Strategic Investment Fund provides federal funding for infrastructure projects at post-secondary institutions to enhance and modernize research and commercialization facilities, as well as industry-relevant training facilities at colleges and polytechnic institutions in Canada. [www.canada.ca/en/innovation-science-economic-development/programs/science-technology-partnerships/investment-fund.html](http://www.canada.ca/en/innovation-science-economic-development/programs/science-technology-partnerships/investment-fund.html) (14 August 2020).

Government had not authorized that amount. We found the Ministry recorded these transfers before it earned them, and expensed before it was liable to pay them. That is, the Ministry overstated both its 2016–17 transfer revenues and expenses by \$65.8 million. See **Figure 3**.

In each of the following fiscal years, the Ministry has understated both its revenues and expenses by the amount it earned for that fiscal year. In 2019–20, the Ministry understated both revenues and expenses by \$2.9 million (2018–19: understated both revenues and expenses by \$12.1 million).<sup>7,8</sup>

**Figure 3—Detail on Ministry’s Accounting for Transfers Related to the Post-Secondary Institutions Strategic Investment Fund**

In 2016–17, the Ministry signed an agreement with the Federal Government to receive \$65.8 million under the Strategic Investment Fund. The Ministry subsequently signed parallel accountability agreements with certain post-secondary institutions to provide funds received from the Federal Government under this Fund for specific capital projects. The agreements expired March 31, 2019. The Federal Government agreed the Ministry met eligibility and authorized final payments in April 2019.

Starting in 2016–17, the Ministry inappropriately recorded revenues under the Federal-Provincial Agreement and related expenses under its accountability agreements with post-secondary institutions.

In our view, in 2016–17, the Ministry recorded revenues before it earned them, and expenses before it was liable to pay them. We found the Ministry had not met eligibility under the Federal-Provincial agreement for the full amount it recorded and the Federal Government had not authorized that amount.

**In 2019–20, the Ministry met eligibility, and the Federal Government authorized \$2.9 million in funding under the Federal-Provincial agreement. The Ministry received and distributed \$2.9 million during 2019–20.**

Inconsistent application of Canadian public sector accounting standards can affect the relevance and reliability of financial reports and can decrease the public’s confidence in the accuracy of the government’s financial reports. This also affects management’s ability to accurately track its future obligations and related revenue sources.

<sup>7</sup> 2019 Report – Volume 2, Chapter 1, p. 21.

<sup>8</sup> These errors had no impact on the accuracy of the Government of Saskatchewan’s Summary Financial Statements’ annual deficit or net debt.

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## Chapter 2

### Corrections and Policing

#### 1.0 MAIN POINTS

The Ministry of Corrections and Policing had effective rules and procedures to safeguard public resources except that staff did not always ensure prompt removal of unneeded access for former employees to the Ministry's computer systems. Not following established processes makes the Ministry's data and systems vulnerable to unauthorized access or inappropriate modifications.

During 2019–20, the Ministry and its special purpose funds complied with the authorities governing their activities related to financial reporting, safeguarding public resources, spending, revenue raising, borrowing, and investing.

The 2019–20 financial statements of the Ministry's special purpose funds are reliable.

#### 2.0 INTRODUCTION

The mandate of the Ministry of Corrections and Policing is to provide a fair justice system that promotes safe and secure communities, provides supervision and rehabilitation services for adult and young offenders, and ensures policing programs uphold the rule of law and protect society and the rights of individuals.<sup>1</sup>

The Ministry of Justice and Attorney General and the Ministry of Corrections and Policing jointly share supports for aspects of their activities. They call this Integrated Justice Services. It enables the strategic integration of the justice system through the provision of joint services, processes and functions to these ministries.<sup>2</sup> Areas of joint support include finance, planning, communications, capital investments and improvement, and certain community safety initiatives and programming.

#### 2.1 Financial Overview

For the year-ended March 31, 2020, the Ministries of Justice and Attorney General and Corrections and Policing had combined revenues totalling \$121.6 million comprised primarily of fines and fees, and transfers from federal and municipal governments.<sup>3</sup> In addition, as shown in **Figure 1**, they spent \$665.5 million on their programs in 2019–20. At March 31, 2020, the Ministry of Corrections and Policing had \$13.3 million accounts receivable and \$73.6 million accounts payable.

<sup>1</sup> Ministry of Corrections and Policing, Ministry of Justice and Attorney General, *Annual Report for 2019–20*, p. 5.

<sup>2</sup> *Ibid.*, p. 5.

<sup>3</sup> *Ibid.*, p. 24.

**Figure 1—Combined Expenses of Ministries of Justice and Attorney General and Corrections and Policing, and Integrated Justice Services by Program**

	Original Estimates 2019–20 <sup>A</sup>	Actual 2019–20
	(in millions)	
Central Management and Services <sup>B,C,D</sup>	\$ 48.8	\$ 49.2
Integrated Services <sup>B</sup>	47.9	46.7
Capital and Improvements <sup>B</sup>	<u>10.7</u>	<u>8.0</u>
<b>Jointly Administered</b>	<b>\$ 107.4</b>	<b>\$ 103.9</b>
Courts and Civil Justice <sup>C</sup>	68.6	65.3
Innovation and Legal Services <sup>C</sup>	38.7	40.1
Boards, Commissions, and Independent Offices <sup>C</sup>	<u>40.9</u>	<u>42.7</u>
<b>Ministry of Justice and Attorney General</b>	<b>\$ 148.2</b>	<b>\$ 148.1</b>
Policing and Community Safety Services <sup>D</sup>	220.2	221.4
Custody, Supervision, and Rehabilitation Services <sup>D</sup>	181.2	187.9
Demand Reduction and Modernization <sup>D</sup>	5.3	3.1
Saskatchewan Police Commission <sup>D</sup>	<u>1.7</u>	<u>1.7</u>
<b>Ministry of Corrections and Policing</b>	<b>\$ 408.4</b>	<b>\$ 414.1</b>
<b>Total Appropriations<sup>B,C,D</sup></b>	<b>\$ 664.0</b>	<b>\$ 666.1</b>
Capital Asset Acquisitions <sup>B</sup>	(10.7)	(7.2)
Capital Asset Amortization <sup>B</sup>	<u>6.5</u>	<u>6.6</u>
<b>Total Expense</b>	<b>\$ 659.8</b>	<b>\$ 665.5</b>

Source: Adapted from Ministry of Corrections and Policing, Ministry of Justice and Attorney General, *Annual Report for 2019–20*, p. 22.

<sup>A</sup> During 2019–20, the Ministry of Justice and Attorney General received a supplementary estimate of \$4.06 million, and the Ministry of Corrections and Policing received a supplementary estimate of \$6 million.

<sup>B</sup> Vote 91 Integrated Justice Services.

<sup>C</sup> Vote 3 Ministry of Justice and Attorney General.

<sup>D</sup> Vote 73 Ministry of Corrections and Policing.

## 2.2 Special Purpose Funds

This chapter reports the results of our audit of the Ministry of Corrections and Policing and two special purpose funds. At March 31, 2020, the Ministry was responsible for the following special purpose funds, each with a March 31 year-end—the Correctional Facilities Industries Revolving Fund, and the Criminal Property Forfeiture Fund.

## 3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2020, we found in all material respects:

- **The Ministry of Corrections and Policing had effective rules and procedures to safeguard public resources except for the matter described in this chapter**

- **The Ministry of Correction and Policing and its special purpose funds complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

**Corrections and Policing**

*The Correctional Services Act, 2012*  
*The Correctional Services Regulations, 2013*  
*The Correctional Services Trust Account Regulations*  
*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
*The Ministry of Corrections and Policing Regulations*  
*The Police Act, 1990*  
*The Police Regulations*  
*The Public Service Act, 1998*  
*The Purchasing Act, 2004*  
*The Youth Justice Administration Act, 2019*  
 Orders in Council issued pursuant to the above legislation

**Correctional Facilities Industries Revolving Fund**

*The Correctional Services Act, 2012*  
*The Financial Administration Act, 1993*  
 Orders in Council issued pursuant to the above legislation

**Criminal Property Forfeiture Fund**

*The Seizure of Criminal Property Act, 2009*  
*The Seizure of Criminal Property Regulations, 2009*  
*The Executive Government Administration Act*  
 Orders in Council issued pursuant to the above legislation

- **The financial statements of each fund are reliable**

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audits. We used the control framework included in *COSO’s Internal Control—Integrated Framework* to make our judgments about the effectiveness of the Ministry’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 Ministry audit, we paid particular attention to the following: the existence and accuracy of overtime expenses, the completeness of RCMP policing services expenses and payables, processes to track contractual obligations and contractual rights, processes to tender goods and services, and processes to ensure timely removal of user access to IT systems.

## 4.0 KEY FINDINGS AND RECOMMENDATION

### 4.1 Timely Removal of User IT Access Needed

***We recommended the Ministry of Corrections and Policing follow its established procedures for removing unneeded user access to its computer systems and data.*** (2015 Report – Volume 2, p. 74, Recommendation 2; Public Accounts Committee agreement January 11, 2017)

**Status**—Partially Implemented

The Ministry inconsistently followed its procedures for ensuring only authorized individuals retain access to its IT systems and data. The Ministry’s policies require removing users’ IT access immediately once they leave the Ministry.



For the 2019–20 fiscal year, we found for three of five users tested, staff did not ask for removal of user IT access to the Criminal Justice Information Management System (CJIMS) or to the IT network on a timely basis (between three and seven business days after the users no longer worked at the Ministry). The Ministry uses CJIMS to maintain data on custody, supervision, and rehabilitation of offenders, and to track the collection of fines.

In 2019–20, the Public Service Commission notified staff at the Ministry when employees no longer worked there. Management noted this process helps them improve timeliness in requesting removal of user access to IT applications and networks. However, we found the Commission’s notification process does not include employees going on leaves of absence who subsequently leave the employ of the Ministry.

The Ministry continues to work on establishing additional processes to ensure Ministry branches promptly and consistently request those responsible remove unneeded user IT access.

Not removing unneeded user IT access promptly increases the risk of unauthorized access to IT systems and data including confidential information, and of inappropriate modifications to IT systems or data.

## Chapter 3 eHealth Saskatchewan

### 1.0 MAIN POINTS

This chapter reports the results of the 2019-20 annual audit of eHealth Saskatchewan.

eHealth's 2019-20 financial statements are reliable. During 2019-20, eHealth complied with the authorities governing its activities related to financial reporting and safeguarding public resources. eHealth had, except for certain aspects of its IT security, effective rules and procedures to safeguard public resources in 2019-20.

At March 2020, eHealth did not have an adequate IT service level agreement in place with the Saskatchewan Health Authority, and has not had one for the past three years. Since 2017, eHealth has been mandated to lead IT services for the health sector, which includes the Authority. Adequate service level agreements make it clear what type of service must be provided, when, and at what cost.

In addition, eHealth requires better risk-based processes for controlling IT network access to help mitigate the impact of security breaches, and the extent of breaches. Improved IT network monitoring would also help timely detection of malicious activity. eHealth experienced a ransomware attack during the year. The attack indirectly impacted the accessibility of certain clinical IT systems (e.g., those used by health care professionals) and caused a serious business disruption for the health sector. Although it took time, eHealth was able to successfully recover the IT systems and related data from backups made prior to the attack.

Also, during 2019-20, eHealth made limited progress on testing its IT disaster recovery plans for the 38 IT systems identified as critical to the health sector. Testing recovery plans assures that critical IT systems can be successfully restored within a reasonable time when disasters occur.

In 2019-20, eHealth improved its conflict of interest and procurement practices. Staff completed annual conflict of interest declarations, followed the sole-sourced procurement policies, tracked value-added items on vendor contracts, and properly approved purchases before it received the related goods or services. These improvements help support eHealth achieving best value when making purchases.

### 2.0 INTRODUCTION

#### 2.1 Background

The mandate of eHealth Saskatchewan is to procure, implement, own, operate, and manage the Saskatchewan Electronic Health Record and, where appropriate, other health IT systems.<sup>1,2</sup>

<sup>1</sup> An electronic health record is a private, lifetime record of an individual's medical information providing health care professionals with immediate access to a patient's test results, past treatments, and medication.

<sup>2</sup> Order in Council 734/2010 issued under *The Crown Corporations Act, 1993*.



eHealth is responsible for managing critical IT services used to administer and deliver health care services in Saskatchewan. This includes responsibility for Saskatchewan's electronic health record and health information systems, and IT systems in use at the Saskatchewan Health Authority, Saskatchewan Cancer Agency and 3sHealth. eHealth is the Saskatchewan health sector's primary disaster recovery provider for IT services.

In addition, eHealth manages Saskatchewan's Vital Statistics Registry and health registrations.<sup>3,4</sup>

## 2.2 Financial Overview

During 2019-20, eHealth had revenues of approximately \$146 million of which almost \$120 million was grants from the Ministry of Health, and expenses of \$145 million. At March 31, 2020, it held tangible capital assets consisting primarily of computer hardware and system development costs with a net book value of \$6 million.

Figure 1—Financial Overview

	Budget 2019-20	Actual 2019-20	Actuals 2018-19
	(in millions)		
Grant from the Ministry of Health	\$ 113.2	\$ 119.6	\$ 115.0
Other Revenues	23.5	26.2	26.0
<b>Total Revenue</b>	<b>\$ 136.7</b>	<b>\$ 145.8</b>	<b>141.0</b>
Operational and Other Expenses	130.2	135.8	132.3
Amortization	10.0	9.4	10.4
<b>Total Expense</b>	<b>\$ 140.2</b>	<b>\$ 145.2</b>	<b>\$ 142.7</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$ (3.5)</b>	<b>\$ 0.6</b>	<b>\$ (1.7)</b>
Total Financial Assets (e.g., due from General Revenue Fund, receivables)		\$ 34.5	\$ 26.2
Total Liabilities (e.g., accounts payable, obligations under capital lease)		26.3	24.9
<b>Net Financial Assets</b>		<b>\$ 8.2</b>	<b>\$ 1.3</b>
<b>Tangible Capital Assets</b>		<b>\$ 6.0</b>	<b>\$ 14.5</b>

Source: Adapted from eHealth Saskatchewan 2019-20 audited financial statements.

## 3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2020, we found, in all material respects:

- eHealth Saskatchewan had effective rules and procedures to safeguard public resources except for the matters described below

<sup>3</sup> The Vital Statistics Registry registers all births, marriages, deaths, stillbirths, legal name changes, and changes of sex designation that occur in Saskatchewan.

<sup>4</sup> Health registration registers new Saskatchewan residents for provincial health coverage and maintains the registry of residents who are eligible for benefits. eHealth Saskatchewan issues health service cards to residents approved for Saskatchewan's basic health coverage.

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

eHealth Saskatchewan's governing Orders in Council

*The Crown Corporations Act, 1993*

*The Executive Government Administration Act*

*The Financial Administration Act, 1993*

*The Vital Statistics Act, 2009*

Regulations and Orders in Council issued pursuant to the above legislation

- **eHealth Saskatchewan 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 eHealth's controls.

We focused our audit efforts on the completeness and accuracy of tangible capital assets, the IT service level agreement with Saskatchewan Health Authority, and progress on disaster recovery plan testing of critical IT systems. We evaluated eHealth's progress towards improving its conflict of interest and procurement processes. We assessed the reasonableness of significant estimates (like accrued payroll and vacation liabilities) at year-end. In addition, we assessed eHealth's IT security controls for the eHealth IT network and financial-related IT systems.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Adequate IT Service Level Agreement Not in Place

***We recommended eHealth Saskatchewan sign an adequate service level agreement with the Saskatchewan Health Authority.*** (2018 Report – Volume 2;

p. 25, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Not Implemented

eHealth continues to not have an adequate service level agreement with the Saskatchewan Health Authority for the IT services provided. The interim operating agreement effective late 2017 is not adequate.

IT is an integral part of delivering and managing health care services (e.g., lab systems, accounting systems). In January 2017, the Minister of Health directed eHealth to consolidate IT services the Saskatchewan Health Authority, Saskatchewan Cancer Agency, and 3sHealth previously provided into a single service. At March 31, 2020, this consolidation is not yet complete. eHealth does not have a single set of IT policies or processes and staff within the Authority continue to provide IT services.



As of March 31, 2020:

- eHealth and the Authority had an IT consolidation committee to help guide the consolidation of IT services into eHealth.
- eHealth and the Authority discussed a draft master service agreement for the provision of IT services but had not finalized it.

Adequate service level agreements make it clear what type of service must be provided, when, and at what cost. They outline in detail services to be provided (e.g., help desk services, server maintenance, frequency of applying patches), service availability requirements (e.g., the percentage of time networks will be available), and service delivery targets (e.g., period for creating and removing user accounts). In addition, they identify security and disaster recovery requirements and set out options available in the event something goes wrong (e.g., data security breach, IT system outage). Agreements also provide a basis for a common understanding and monitoring of performance.

Without an adequate service level agreement, there is a risk that eHealth is not meeting the Authority's IT needs.

## 4.2 Disaster Recovery Plans and Testing Incomplete

***We recommended eHealth Saskatchewan have an approved and tested disaster recovery plan for systems and data.*** (2007 Report – Volume 3; p. 248, Recommendation 6; Public Accounts Committee agreement January 8, 2008)

**Status**—Partially Implemented

eHealth has not completed detailed disaster recovery plans nor conducted testing of those plans for its critical IT systems.<sup>5</sup> eHealth has identified 38 critical IT systems.<sup>6</sup>

During the year, eHealth experienced a disaster. eHealth's IT network was subject to a ransomware attack.

On December 20, 2019, a computer with access to eHealth's IT network was the target of a spear phishing attack.<sup>7</sup> This attack was undetected by eHealth until it led to a ransomware attack on January 5, 2020.<sup>8</sup> Effective IT network monitoring may detect and mitigate the impact of a successful attack on an organization's corporate network (see **Section 4.3** for recommendations to eHealth related to stronger network controls and monitoring).

This attack led to a serious business disruption. It affected the ability of over 40,000 health sector employees to work effectively. eHealth also incurred significant costs to respond to the attack.

Effective disaster recovery planning processes require organizations to validate backup of their data periodically. Occasionally, organizations simulate an actual disaster by doing a full restore at the off-site location and check whether backups are fully functional (i.e., disaster recovery test).

<sup>5</sup> Disaster recovery plans outline how to quickly recover from some event that compromises an organization's IT infrastructure (e.g., network).

<sup>6</sup> Since March 31, 2019, eHealth has deemed one IT system previously identified as critical as no longer critical. eHealth continues to work with its health sector partners (e.g., the Saskatchewan Health Authority) to identify all critical IT systems.

<sup>7</sup> Spear phishing is an email or electronic communications scam targeted toward a specific individual or organization.

<sup>8</sup> Ransomware is a form of malware that encrypts an organization's files. The attacker demands a ransom from the organization to restore access to the data upon payment.

eHealth's management indicated eHealth's initial response to the ransomware attack focused on the identification of impacts and containment of the threat to prevent impacts to its IT network, systems and data. These containment measures indirectly impacted the accessibility of certain clinical IT systems (e.g., those used by health care professionals). The ransomware attack encrypted a significant number of servers and data making them unusable. eHealth did not pay a ransom; instead it recovered its systems and related data from back ups made prior to the attack. This recovery took time and made a number of IT systems unavailable for extended periods.

As ransomware attacks are steadily rising and evolving, organizations like eHealth need disaster recovery plans that enable speedy and easy recovery of data from the point of attack.

In early 2020, eHealth began writing a recovery playbook for each critical IT system.<sup>9</sup> At March 31, 2020, eHealth had completed a recovery playbook for seven of the 38 critical IT systems. eHealth did not complete any disaster recovery testing in relation to these 38 IT systems.

Without tested disaster recovery plans, eHealth, the Ministry of Health, and the Authority may not be able to restore their critical IT systems and data (such as the personal health registration system or provincial lab systems) in a timely manner in the event of a disaster. These entities rely on the availability of those systems to deliver time-sensitive health services.

### 4.3 Stronger Control over eHealth IT Network Needed

As previously reported in the *2020 Report – Volume 1: Chapter 6 eHealth—Securing Portable Computing Devices*, eHealth did not sufficiently control access to the eHealth IT network, evaluate the effectiveness of its network access controls, or effectively monitor network security logs to detect or prevent malicious activity on the eHealth IT network in 2019-20.

See related recommendations in **Figure 2** made in our audit of eHealth's processes to secure portable computing devices used in the delivery of Saskatchewan health services from unauthorized access, which will help strengthen the security of the eHealth IT network.

**Figure 2—Recommendations related to Securing Portable Computing Devices**

#### We recommended eHealth Saskatchewan

- Implement a risk-based plan for controlling network access to mitigate the impact of security breaches
- Utilize key network security logs and scans to effectively monitor the eHealth IT network and detect malicious activity

Source: *2020 Report – Volume 1: Chapter 6 eHealth—Securing Portable Computing Devices*  
Public Accounts Committee has not yet considered these recommendations as of November 2, 2020.

Controlling IT network access helps mitigate the risk of security breaches, and the extent of breaches. Effective IT network monitoring helps timely detection of malicious activity and mitigate the risks of a successful attack on its corporate network.

<sup>9</sup> A recovery playbook, a document that typically forms part of the overall recovery plan, documents key aspects and recovery steps management must be aware of to enact the recovery plans during a crisis.



## 4.4 Conflict of Interest, Procurement and Purchasing Processes Improved

During 2019-20, eHealth improved its processes related to declarations of conflict of interest, and its staff followed its established processes related to documenting reasons for sole-sourced purchases, tracking receipt of value-added items, and approving purchases before the receipt of goods and services. See **Figure 3** for details.

These improvements help eHealth promote a culture of actively identifying, declaring, and mitigating conflicts, and achieve best value when making purchases.

**Figure 3—Status of Outstanding Recommendations related to Mitigating Conflicts of Interest and Vendor Influence**

Outstanding Recommendations	Key Actions Taken in Year Status at March 31, 2020
<p>eHealth Saskatchewan require all staff complete written conflict of interest declarations annually.</p> <p><i>(2019 Report – Volume 1, p. 28, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)</i></p>	<p><b>Implemented</b> – eHealth’s Board approved its Code of Conduct/Conflict of Interest policy June 26, 2019. During 2019-20, all Board members and staff completed a written conflict of interest declaration.</p>
<p>eHealth Saskatchewan follow its policy that requires all sole-sourced procurement decisions have a completed and approved justification form.</p> <p><i>(2019 Report – Volume 1, p. 37, Recommendation 5, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)</i></p>	<p><b>Implemented</b> – eHealth had one sole-source purchase in 2019-20. We tested the purchase and found it complied with eHealth’s procurement policy and had all the required documentation (e.g., rationale) on file.</p>
<p>eHealth Saskatchewan track value-added items expected and received through vendor contracts.</p> <p><i>(2019 Report – Volume 1, p. 38, Recommendation 8, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)</i></p>	<p><b>Implemented</b> – eHealth had only one contract with value-added items in 2019-20. We found eHealth was tracking expected and received value-added items for this contract appropriately.</p>
<p>eHealth Saskatchewan properly approve purchases before it receives the related goods and services.</p> <p><i>(2019 Report – Volume 1, p. 39, Recommendation 9, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)</i></p>	<p><b>Implemented</b> – For the sample of 30 payments we tested where physical goods and services were received by eHealth, we confirmed the date staff signed off goods received was before the payment approval date.</p>

## Chapter 4 Executive Council

### 1.0 MAIN POINTS

During 2019-20, the Office of the Executive Council had effective rules and procedures to safeguard public resources, and complied with authorities governing its activities other than in the following area.

Executive Council continued to set remuneration rates inconsistent with Board of Internal Economy directives. *The Legislative Assembly Act, 2007* gives the Board of Internal Economy clear authority to set remuneration rates of legislative secretaries through directives, and the Board has done so. Executive Council needs to work with the Board to remunerate legislative secretaries at rates consistent with the Board's approved rates. Not operating within laws and directives increases the risk of decreasing public confidence in government.

### 2.0 INTRODUCTION

#### 2.1 Background

The Office of the Executive Council provides support to the Premier, Cabinet, and Cabinet committees.<sup>1</sup> It also develops and advances the Government's plan for Saskatchewan, and manages the plan's implementation across government.

Its other functions include coordinating government business in the Legislative Assembly; maintaining Cabinet documents, Orders in Council, and regulations on behalf of the Government of Saskatchewan; providing strategic direction in communications throughout the Government; administering policies on communications, procurement, visual identity, and online development; and operating the Government's web, mobile and social media presence.<sup>2</sup>

#### 2.2 Financial Overview

The Office of the Executive Council spent about \$11.8 million in 2019-20 (see **Figure 1**). Details of its programs and services are available on its website.<sup>3</sup> Spending details are available in *Public Accounts – Volume 2*.<sup>4</sup> Executive Council does not prepare or table an annual report.

<sup>1</sup> *The Executive Government Administration Act* s. 26 establishes the Office of the Executive Council.

<sup>2</sup> [www.saskatchewan.ca/government/government-structure/executive-council-and-office-of-the-premier](http://www.saskatchewan.ca/government/government-structure/executive-council-and-office-of-the-premier) (19 August 2020).

<sup>3</sup> *Ibid.*

<sup>4</sup> [publications.saskatchewan.ca/#/categories/2481](https://publications.saskatchewan.ca/#/categories/2481) (19 August 2020).

**Figure 1—Financial Results for 2019-20 by Program**

	Estimates 2019-20	Actuals 2019-20
	(in thousands)	
Central Management and Services	\$ 5,520	\$ 5,523
Premier's Office	479	582
Cabinet Planning	1,080	893
Cabinet Secretariat	498	514
Communications Office	1,311	1,368
House Business and Research	245	176
Members of the Executive Council	137	128
Intergovernmental Affairs	2,483	1,903
Lieutenant Governor's Office	707	705
<b>Total Expense</b>	<b>\$ 12,460</b>	<b>\$ 11,792</b>

Source: Saskatchewan Provincial Budget 19-20 Estimates (vote 10); Office of the Executive Council 2019-20 financial records.

### 3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2020 we found, in all material respects:

- **The Office of the Executive Council had effective rules and procedures to safeguard public resources**
- **The Office of the Executive Council 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 related to authority to set remuneration rates for legislative secretaries described in this chapter:**

*The Executive Government Administration Act*  
*The Executive Government Administration Exemption Regulations (effective June 6, 2019)*<sup>5</sup>  
*The Members of the Executive Council Expense Regulations, 1988*  
*The Financial Administration Act, 1993*  
*The Provincial Secretary's Act (clause 3d.1)*  
 Orders in Council issued pursuant to the above legislation

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 Executive Council'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.

<sup>5</sup> The Government Organization Exemption Regulations were repealed June 6, 2019.

We examined the effectiveness of Executive Council's controls to keep reliable financial records and prepare reliable financial reports. This included examining its financial-related controls used to administer its spending, including processes used to process travel and business expense claims and to make accurate, public semi-annual reports on ministerial travel expenses.

## 4.0 KEY FINDING AND RECOMMENDATION

### 4.1 Unclear Authority for Remuneration Paid to Legislative Secretaries

***We recommended Executive Council work with the Board of Internal Economy to remunerate legislative secretaries at rates consistent with Board of Internal Economy approved rates.*** (2018 Report – Volume 2, p. 30, Recommendation 2; Public Accounts Committee agreement February 26, 2020)

**Status**—Not Implemented

During 2019-20, Executive Council (Cabinet) continued to set legislative secretaries' remuneration rates without clear legislated authority to do so. Also, its rates differ from rates the Board of Internal Economy approved in its directives.<sup>6</sup>

*The Legislative Assembly Act, 2007* gives the Board of Internal Economy clear authority to set legislative secretaries' remuneration rates through directives, and the Board did so. The Board of Internal Economy Directive #2—Annual Indemnity and Allowances directs an annual allowance of \$14,889 for legislative secretaries.<sup>7</sup> This directive remained in effect in 2019-20.

While *The Executive Government Administration Act* gives the Lieutenant Governor in Council (Cabinet) clear authority to appoint Members of the Legislative Assembly as legislative secretaries, with or without remuneration, it does not explicitly give Cabinet the authority to set remuneration for the legislative secretaries.<sup>8</sup> Regardless, Cabinet, through various Orders in Council, both appoints various legislative secretaries and sets their remuneration (i.e., \$3,000 per year).<sup>9</sup>

Executive Council officials told us that advice it received, in prior years, from Ministry of Justice indicated its practice related to setting legislative secretaries' remuneration is acceptable on the condition that legislative secretaries forego the amount set by the Board of Internal Economy and accept a lesser amount. Executive Council told us that further advice it received from the Ministry of Justice in October 2019 indicated Legislative Secretaries have agreed to forego the amount set by the Board of Internal Economy and accept the lesser rate of remuneration by virtue of accepting the appointment.

<sup>6</sup> Per *The Legislative Assembly Act, 2007*, S. 67, the Board of Internal Economy is comprised of the Speaker of the Legislative Assembly (Chair), two Executive Council-nominated Cabinet members, two Government caucus-nominated members, and two Official Opposition caucus-nominated members.

<sup>7</sup> Annual allowance is set in Board of Internal Economy Directive #21 - *Annual Indemnity and Allowances* issued under S. 62 of *The Legislative Assembly Act, 2007*. Directives are available at [www.legassembly.sk.ca/media/1172/directive-21-annual-indemnity-and-allowances.pdf](http://www.legassembly.sk.ca/media/1172/directive-21-annual-indemnity-and-allowances.pdf) (19 August 2020).

<sup>8</sup> *The Executive Government Administration Act*, S. 7(1).

<sup>9</sup> Orders in Council 340-2019, 342-2019, 343-2019 issued under *The Executive Government Administration Act*.



We did not see evidence of Executive Council working with the Board to ensure remuneration rates for legislative secretaries align (e.g., ask the Board to reconsider the rate sets out in its directive).

Laws and directives set standards and controls to govern actions. Not operating within those parameters, or taking steps to do so always, increases the risk of decreasing public confidence in government.

## Chapter 5 Government Relations—Northern Municipal Trust Account

### 1.0 MAIN POINTS

Other than the following, the Ministry of Government Relations had effective rules and procedures to safeguard the Northern Municipal Trust Account's public resources and it complied with its financial-related legislative authorities. The Ministry:

- Did not adequately supervise staff responsible for recording Trust Account financial information including making sure it has complete and accurate information to prepare financial statements. For example, we found the 2019 financial statements presented for audit did not properly record \$3.5 million in lease revenue and improperly disclosed approximately \$16.5 million in contractual rights.
- Did not adequately segregate duties of employees responsible for key accounting functions of the Trust Account to reduce the risk of fraud or undetected errors in the Trust Account's financial information.
- Made grant payments of \$1.8 million from the Trust Account in 2019 for expansion of a landfill without clear legislative authority to do so. Making grant payments without clear legislative authority increases the risk of making payments that are inconsistent with the mandate of the Trust Account.

The Trust Account's 2019 financial statements are reliable.

### 1.0 INTRODUCTION

The Ministry of Government Relations is responsible for administering the Northern Municipal Trust Account.<sup>1,2</sup> The Trust Account is to provide for the administration of funds and property held for the following two main purposes:

- To administer and finance the municipal functions and operations (e.g., provide water) of the Northern Saskatchewan Administration District.<sup>3</sup>

The Ministry, through the Trust Account, administers all revenues relating to the Northern Saskatchewan Administration District and all moneys appropriated by the Legislature for the purposes of northern revenue sharing and other grant programs. The Trust Account also acts as a municipal operating fund for the unincorporated area in the district (i.e., northern settlements and resort subdivisions).

<sup>1</sup> *The Northern Municipalities Act, 2010* establishes the Northern Municipal Trust Account and its purposes.

<sup>2</sup> *The Northern Municipalities Act, 2010* makes a Cabinet-appointed Board responsible for giving the Minister of Government Relations advice on the allocations of northern operating and capital grants, and changes to laws concerning the Trust Account.

<sup>3</sup> The Northern Saskatchewan Administration District is a geographical area defined under *The Northern Municipalities Regulations* s. 74 that includes 11 northern settlements and 14 resort subdivisions.



- To assist northern municipalities in providing quality services to their residents through operating and capital grants (e.g., for funding water and sewer systems to provide residents with access to a safe potable water supply, and municipal facilities and equipment).

The Ministry, through the Trust Account, levies and collects taxes for northern hamlets. It remits these taxes, upon receipt, to the respective entities.

At December 2019, the Ministry had five staff located in La Ronge to administer the Trust Account. An additional eight staff, located primarily in La Ronge, provide assistance in addition to their regular municipal advisory, community planning, policy analysis, and management responsibilities.

## 1.1 Financial Overview

As shown in **Figure 1**, in 2019, the Trust Account had an annual surplus of \$5.6 million (2018: deficit of \$4.2 million). It managed capital assets (e.g., water treatment plants, sewer systems and buildings) of \$5.1 million (2018: \$5.3 million).

**Figure 1—Financial Highlights**

	Actual 2018	Actual 2019
	(in millions)	
Grants from the Ministry of Government Relations (General Revenue Fund)	\$ 22.9	\$ 27.8
Taxation Revenue	6.2	5.1
Lease Fees Revenue	4.1	6.2
Revenue – Other Sources	2.0	2.3
<b>Total Revenue</b>	<b>\$ 35.2</b>	<b>\$ 41.4</b>
Grants (e.g., Northern Revenue Sharing, water and sewer)	33.9	27.1
Municipal Services	4.4	5.3
Other Expenses	1.1	3.4
<b>Total Expense</b>	<b>\$ 39.4</b>	<b>\$ 35.8</b>
<b>Annual (Deficit) Surplus</b>	<b>\$ (4.2)</b>	<b>\$ 5.6</b>
Total Financial Assets (e.g., Cash, Investments, Accounts Receivable)	\$ 50.2	\$ 54.9
Capital Assets (e.g., water and sewer, buildings, machinery)	\$ 5.3	\$ 5.1
Total Liabilities	\$ 12.0	\$ 10.9

Source: Adapted from the Northern Municipal Trust Account audited financial statements for the year ended December 31, 2019.

## 2.0 AUDIT CONCLUSIONS

**In our opinion, for the year ended December 31, 2019, we found, in all material respects:**

- **The Ministry of Government Relations had effective rules and procedures to safeguard the Northern Municipal Trust Account’s public resources except for the matters described in this chapter**

- **The Ministry of Government Relations complied with the following authorities governing the Northern Municipal Trust Account’s activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matters described in this chapter:**

*The Northern Municipalities Act, 2010*  
*The Northern Municipalities Regulations*  
*The Financial Administration Act, 1993*  
*The Executive Government Administration Act*  
 Orders in Council pursuant to the above legislation

- **The Northern Municipal Trust Account 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 the Ministry’s controls over the Trust Account. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization’s objectives.

The audit focused on key revenue sources (e.g., taxation, utility, leases, and fuel sales). It included assessing the Ministry’s monitoring of the Trust Account’s lease and land sales revenues, and the accuracy of the Trust Account’s tax calculations and fuel sales.<sup>4</sup> In addition, the audit assessed the reasonability of management’s estimates of lease receivables, accrued landfill-decommissioning costs, and liability of contaminated sites. It also assessed whether the Ministry properly recorded the Trust Account’s fuel inventory on hand at year-end.

## 3.0 KEY FINDINGS AND RECOMMENDATIONS

### 3.1 Closer Supervision of Financial Staff Needed

***We recommended the Ministry of Government Relations require management to carry out a detailed review of quarterly and year-end financial information (e.g., financial reports, journal entries, reconciliations) prepared by the staff responsible for recording Northern Municipal Trust Account financial information.*** (2015 Report – Volume 1, p.18, Recommendation 2; Public Accounts agreement September 15, 2016)

**Status**—Partially Implemented

***We recommended the Ministry of Government Relations prepare timely and accurate bank reconciliations for the Northern Municipal Trust Account, as its policies require.*** (2016 Report – Volume 2, p.69, Recommendation 1, Public Accounts Committee agreement March 21, 2017)

**Status**—Implemented

<sup>4</sup> The Ministry of Environment collects lease and land sales revenue on the Trust Account’s behalf.



The Ministry of Government Relations made some improvements during 2019, but did not review the Trust Account's financial information in sufficient detail.

The Ministry maintains sufficiently robust policies and related procedures to guide staff responsible for administering the Trust Account's day-to-day financial activities, and preparing financial reports (including the year end financial statements). In addition, the Ministry has made staff with suitable accounting expertise in its Corporate Services Division available to provide support to staff responsible for preparing the Trust Account's financial information. Corporate Services Division staff also review the annual draft financial statements and supporting documents prior to them being presented for audit. Providing support and performing detailed review of the financial statements is necessary because Ministry staff preparing the financial statements do not have robust accounting knowledge.

During the 2019 audit, management prepared and approved each of the monthly bank reconciliations timely as its policies required.

However, staff did not always follow key financial policies. In addition, the audit identified several significant errors in the Trust Account's accounting records, and the 2019 draft financial statements presented for audit.

For example, we found, contrary to policies, staff:

- Did not review nor approve five of 35 journal entries we tested. One of the unapproved journal entries we tested did not record \$3.5 million of lease fee revenues correctly.<sup>5</sup> As a result, the draft financial statements presented for audit improperly accounted for these amounts as unearned revenue instead of as earned revenue.

Its policy expects management to review and approve all journal entries. The Trust Account prepares between 15 and 35 journal entries each month.

- Did not actively pursue the collection of outstanding amounts receivable. At December 2019, the Trust Account had receivables of \$12.9 million (including \$3.7 million from the General Revenue Fund) of which \$59,000 were outstanding since 2014. We did not see any evidence of staff actively attempting to collect past-due amounts.

Its policies expect staff to review outstanding receivables at the beginning of each month and send reminder letters to clients with delinquent accounts.

We did not see evidence that staff responsible for the Trust Account's day-to-day administration sought the assistance of the Ministry's Corporate Services Division timely to help determine the appropriate accounting for unbilled leases, and payments for waste management for the Lac La Ronge Regional Waste Management Corporation landfill expansion.

In addition, we found staff did not sufficiently assess the reasonableness of year-end information the Ministry of Environment provided about contractual rights. The Ministry of Government Relations used this information to prepare disclosures about contractual rights

<sup>5</sup> The Ministry of Environment manages leases on the Trust Account's behalf. The Trust Account earns lease revenue of about \$6 million per year.

in its financial statements. We found the draft financial statements incorrectly included \$0.5 million in contractual rights for lease contracts not signed until after year-end.

Furthermore, staff did not review the draft financial statements and supporting information sufficiently. In addition to the lease revenue error (of \$3.5 million noted above), the audit found disclosures in the financial statements presented incorrectly disclosed amounts for various related party transactions (overstated revenue disclosed by \$4.1 million and accounts receivable by \$1.6 million), and contractual rights (overstated by \$16.5 million for contracts not signed until after year-end including \$0.5 million of leases administered by the Ministry of Environment).

The Ministry corrected the errors we identified in the draft financial statements before it finalized them.

Adhering to policies helps reduce the risk of errors in the financial records and/or potential losses due to fraud or mistakes. Carrying out detailed review of Trust Account financial information helps reduce the risk of errors in accounting records, and in financial statements presented for audit. Also, having significant errors in the financial statements increase the risk of delays in the completion of the annual audit.

### 3.2 Authority for Grant Payments for Landfill Expansion Unclear

The Ministry of Government Relations made grant payments from the Trust Account for expansion of a landfill without clear legislative authority to do so.

In January 2019, the Minister of Government Relations approved a program to fund (through the Trust Account) up to \$4.9 million of the construction costs related to an expansion of the Lac La Ronge regional landfill.<sup>6</sup> It refers to this program as the Regional Solid Waste Management program.

The regional landfill currently provides waste management services to three northern municipalities, including the Northern Saskatchewan Administration District, and the Lac La Ronge Indian Band. The planned landfill expansion is expected to benefit the Ministry as it owns part of the regional landfill.

During 2019-20, the Ministry paid \$2.3 million from the Trust Account for this program, and recorded this amount as a waste management operating expense.

The audit determined \$1.8 million of the \$2.3 million is a grant (government transfer) because the amount paid benefits municipalities who are not part of the Northern Saskatchewan Administration District. The Ministry agrees.

As of October 2020, the Ministry was still seeking clarity on the authority to make these grants for the regional landfill expansion. Neither *The Northern Municipalities Act, 2010* nor *The Northern Municipalities Regulations* provide clear authority for the Trust Account to make a grant for landfills.

<sup>6</sup> The total estimated capital cost of the expansion of the regional landfill is \$12.4 million. The Federal Government agreed to fund up to \$7.1 million (for the Lac La Ronge Indian Band), the Provincial Government agreed to fund up to \$4.9 million, and other participating northern municipalities agreed to fund the remaining \$0.4 million.



Making grant payments without clear legislative authority increases the risk of making payments that are inconsistent with the mandate of the Trust Account.

1. **We recommend the Ministry of Government Relations clarify the legislated authority to make grants from the Northern Municipal Trust Account to northern municipalities for landfills not wholly owned by the Ministry.**

### 3.3 Segregation of Incompatible Duties Needed

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***We recommended the Ministry of Government Relations adequately segregate duties of employees responsible for key accounting functions of the Northern Municipal Trust Account.*** (2018 Report – Volume 2, p.68, Recommendation 1; Public Accounts Committee agreement February 26, 2020)

**Status** – Not Implemented

During 2019, the Ministry did not properly segregate incompatible duties of staff responsible for receiving money, preparing bank deposits, making payments, and recording financial transactions in the Trust Account's accounting system.

The Ministry has not properly restricted what users could do with the Trust Account's IT accounting system. It inappropriately allowed employees whose responsibilities include receiving and depositing money, and making payments, to adjust accounting records. Management told us they plan to install a new security module for the Trust Account's accounting system in late 2020. It expects to use this module to better separate responsibilities of users given access to the Trust Account's IT accounting system.

In addition, the Ministry assigned staff responsibility for incompatible duties. During the audit, we found ten instances (2018: three instances) where only one person opened the mail and three instances (2018: three instances) where one person prepared the bank deposit and recorded the cash received in the Trust Account's accounting records. Management acknowledged this occurred in 2019 because of a small number of financial staff.

Not properly segregating responsibilities assigned to staff responsible for key accounting functions increases the risk of undetected fraud and error, including inappropriate adjustments to accounting records. This also increases the risk of errors in the Trust Account's financial information.

### 3.4 More Timely Tabling of Annual Reports Needed

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***We recommended the Ministry of Government Relations provide the Northern Municipal Trust Account's annual report to the Legislative Assembly in accordance with timelines set in The Executive Government Administration Act.*** (2017 Report – Volume 2, p.45, Recommendation 1; Public Accounts Committee agreement October 10, 2018)

**Status** – Not Implemented

The Ministry of Government Relations did not give the Legislative Assembly the annual reports for the Trust Account within the timeframes *The Executive Government Administration Act* requires—that is, by the end of April each year.<sup>7</sup>

The Trust Account's annual reports include audited financial statements.

The Assembly received the Trust Account's 2017 annual report on February 28, 2019. At October 2020, the Assembly had not yet received the Trust Account's 2018 and 2019 annual reports. Difficulties in preparing accurate financial statements delayed completion of the annual reports. Delays in the completion of the 2019 annual audit of the financial statements contributed to the Ministry's inability to finalize 2019 annual report.

Not tabling the Trust Account's annual report within the timelines set in legislation results in legislators not having sufficient information to monitor the Trust Account's operations.

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<sup>7</sup> *The Executive Government Administration Act*, s.13 requires the Minister responsible to table annual reports within 120 days after the year-end of the agency. The Northern Municipal Trust Account has a December 31 year end. The Minister of Government Relations is assigned responsibility for this Trust Account.

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## Chapter 6

### Healthcare Affiliates

#### 1.0 MAIN POINTS

This chapter summarizes the results of the 2019-20 annual audits of 36 healthcare affiliates. Each of the 36 healthcare affiliates had effective rules and procedures to safeguard public resources for 2019-20.

The 2019-20 financial statements of each of these healthcare affiliates are reliable with one exception. Raymore Community Health and Social Centre failed to record or amortize the cost of any tangible capital assets in its 2019-20 financial statements.

Also, one of the 36 healthcare affiliates (All Nations' Healing Hospital Inc.) did not seek approval for two capital projects exceeding \$100,000 each as required by law.

#### 2.0 INTRODUCTION

*The Provincial Health Authority Act* and related regulations set out the roles and responsibilities of the Ministry of Health, the Saskatchewan Health Authority, and Saskatchewan's 37 healthcare affiliates.<sup>1</sup>

*The Provincial Health Authority Administration Regulations* designates healthcare affiliates, and makes them responsible for providing contracted health services on behalf of the Saskatchewan Health Authority. **Appendix 1** of this Report includes a list of the 37 health care affiliates. Most affiliates provide health services for long-term care patients in the healthcare system; several also provide hospital services in certain areas of the province. These healthcare affiliates employ approximately 3,000 staff.<sup>2</sup>

**Figure 1** provides the combined financial results of 36 healthcare affiliates for 2018-19 and 2019-20.<sup>3</sup>

**Figure 1—Health Care Affiliates' Combined Financial Results**

	2019-20	2018-19
	(in millions)	
<b>Net Financial Liabilities<sup>A</sup></b>	\$ (30.8)	\$ (30.2)
<b>Non-financial Assets<sup>B,C</sup></b>	\$ 146.2	\$ 145.6
Grants from the Saskatchewan Health Authority	\$ 215.6	\$ 214.8

<sup>1</sup> St. Paul's Hospital (a healthcare affiliate located in Saskatoon) is not included in this chapter because it is consolidated into the financial statements of the Saskatchewan Health Authority.

<sup>2</sup> *Saskatchewan Health Authority 2019-20 Business Plan*, p. 37.

<sup>3</sup> These figures do not include St. Paul's Hospital because they are consolidated into the financial statements of the Saskatchewan Health Authority. The Saskatchewan Health Authority consolidates the financial activities of St. Paul's Hospital into its financial statements given a joint service management arrangement.



	2019-20	2018-19
	(in millions)	
Other Revenue (e.g., Federal Government grants, food service revenue)	65.3	63.3
<b>Total Revenue</b>	<b>\$ 281.2</b>	<b>\$ 278.1</b>
<b>Total Expense</b>	<b>\$ 280.1</b>	<b>\$ 276.4</b>
<b>Annual (Deficit) Surplus</b>	<b>\$ 1.1</b>	<b>\$ 1.7</b>

Adapted from audited healthcare affiliates financial statements for the years ending March 31.

<sup>A</sup> Net financial Assets (like cash and receivables) less liabilities (like accounts payable and debt).

<sup>B</sup> Non-financial Assets include tangible capital assets such as buildings.

<sup>C</sup> Non-financial Assets does not include the tangible capital assets of the Raymore Community Health and Social Centre. As reported in **Section 4.2**, its financial statements do not include this information.

Each year, the Saskatchewan Health Authority contracts with the healthcare affiliates to supply about 2,450 beds and health services.<sup>4</sup> The Saskatchewan Health Authority paid \$215.6 million in 2019-20 (\$214.8 million in 2018-19) to the 36 healthcare affiliates.

### 3.0 AUDIT CONCLUSIONS

Our Office worked with appointed auditors (see **Appendix 2**) to carry out the annual integrated audits of the 36 healthcare affiliates.<sup>5</sup> 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 March 31, 2020:**

- **Each healthcare affiliate 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 related to All Nations' Healing Hospital Inc.:**

*The Provincial Health Authority Act*  
*The Facility Designation Regulations*  
*The Provincial Health Authority Administration Regulations*  
*The Special-care Homes Rates Regulations, 2011*  
*The Trustee Act, 2009*  
*The Health Labour Relations Reorganization (Commissioner) Regulations*  
*The Housing & Special-care Homes Regulations*  
*The Critical Incident Regulations, 2016*  
 Orders in Council pursuant to the above legislation

- **The financial statements of each healthcare affiliate are reliable except the financial statements of the Raymore Community Health and Social Centre did not account for its tangible capital assets**
- **Each healthcare affiliate had effective rules and procedures to safeguard public resources**

<sup>4</sup> *Saskatchewan Health Authority 2019-20 Business Plan*, p. 38.

<sup>5</sup> This Chapter does not include the results of the annual audit of the St. Paul's Hospital because the annual audit of the Saskatchewan Health Authority includes the audit of St. Paul's Hospital. See Chapter 12 for the results of the annual audit of the Authority.

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 each healthcare affiliate'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.

As healthcare affiliates' expenses consist primarily of payroll and other goods and services, each audit included examining processes for preparing and processing payroll, and ordering, paying for, and receiving goods and services.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 All Nations' Healing Hospital Inc.

#### Approval for Projects Over \$100,000 Required

During 2019-20, All Nations' Healing Hospital Inc. did not seek approval from the Minister of Health for two capital projects exceeding \$100,000 each as required under *The Provincial Health Authority Act* and *The Provincial Health Authority Administration Regulations*.

Not seeking the Minister of Health's approval for larger renovation projects increases the risk money may be spent for items not considered a priority for the healthcare system.

1. **We recommend the All Nations' Healing Hospital Inc. seek the approval required by *The Provincial Health Authority Act* and *The Provincial Health Authority Administration Regulations* when undertaking capital projects valued at greater than \$100,000.**

### 4.2 Raymore Community Health and Social Centre

#### Recording of Cost and Amortization of Capital Assets in Financial Statements Required

Raymore Community Health and Social Centre did not record or amortize the cost of any tangible capital assets (e.g., equipment, furniture) in its financial statements for the year ended March 31, 2020. It has never recorded such transactions since its inception. The Centre opened 1981; it offers various services (e.g., foot care, blood pressure monitoring, blood sugar monitoring, lab services) to residents of Raymore and surrounding area.<sup>6</sup>

Raymore Community Health and Social Centre's audited financial statements were qualified for the year ended March 31, 2020 for this matter.

Canadian public sector accounting standards require entities like the Centre to record and amortize the cost of any continuing use of assets with useful economic life extending

<sup>6</sup> [www.rqhealth.ca/facilities-details/raymore-community-health-and-social-centre-about](http://www.rqhealth.ca/facilities-details/raymore-community-health-and-social-centre-about) (21 September 2020).



beyond an accounting period. It refers to these assets as tangible capital assets. Accounting for tangible capital assets this way provides a fairer presentation of the cost of business.

Not recording or amortizing the cost of any tangible capital assets in the Centre's financial statements increases the risk the financial statements present a misleading picture of the true cost of providing services in the year and does not comply with public sector accounting standards.

- 2. We recommend the Raymore Community Health and Social Centre record and amortize the cost of its tangible capital assets in its financial statements.**

## Chapter 7

# Highways and Infrastructure

### 1.0 MAIN POINTS

The Ministry of Highways and Infrastructure had, other than the following areas, effective rules and procedures to safeguard public resources for the year ended March 31, 2020.

The Ministry needs to always follow policies when making purchases with purchasing cards (e.g., only making purchases within approved individual transaction limits, having supervisors approve transactions). This helps the Ministry treat suppliers equitably, and verify purchases are for legitimate business purposes.

The Ministry set out additional processes to oversee purchases of Highway Patrol equipment and supplies, and track regulated Highway Patrol equipment, such as firearms and ammunition. However, it did not implement these policies prior to year-end. Requiring additional approvals or limiting these types of purchases to a few individuals would reduce the risk of buying unauthorized or inappropriate items. Given the portable and regulated nature of Highway Patrol equipment, tracking them and their use reduces the risk of liability for misplaced or lost items used for inappropriate purposes.

Furthermore, Ministry staff continue not to always ensure unneeded user access is removed promptly from its IT systems. Not following these established processes makes the Ministry's data and systems vulnerable to inappropriate access.

During 2019–20, the Ministry and the Transportation Partnerships Fund complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing and investing, except that the Ministry did not always obtain quotes or tenders in accordance with *The Purchasing Act, 2004*.

The 2019–20 financial statements of the Transportation Partnerships Fund are reliable.

### 2.0 INTRODUCTION

#### 2.1 Background

The Ministry of Highways and Infrastructure is responsible for managing the provincial transportation network. The network consists of 26,335 km of highways. The Ministry also operates and maintains 709 bridges, more than 62,000 culverts, 16 northern airports, 12 ferries, and 1 barge.<sup>1</sup>

The Ministry is to provide the public with a safe, reliable transportation system, and manage and provide for the development of an integrated transportation system.<sup>2</sup>

<sup>1</sup> Ministry of Highways and Infrastructure, *Annual Report for 2019–20*, p. 3.

<sup>2</sup> Ibid.



## 2.2 Financial Overview

At March 31, 2020, the Ministry managed tangible capital assets (comprised primarily of the provincial transportation system) with a book value of \$5.4 billion. In 2019–20, it spent \$485 million and acquired tangible capital assets of \$400 million comprised primarily of roads and bridges (see **Figure 1**).

**Figure 1—Major Programs and Spending**

	Estimates 2019–20	Actual 2019–20
	(in millions)	
Central Management and Services	\$ 17.8	\$ 17.0
Strategic Municipal Infrastructure	22.7	25.1
Operation of Transportation System	105.9	124.7
Preservation of Transportation System	116.4	113.2
Transportation Planning and Policy	3.4	3.3
Infrastructure and Equipment Capital	<u>439.8</u>	<u>399.7</u>
<b>Total Appropriation</b>	<b>\$ 706.0</b>	<b>\$ 683.0</b>
Capital Asset Acquisitions	(439.8)	(399.7)
Capital Asset Amortization	202.9	201.9
<b>Total Expense</b>	<b>\$ 469.1</b>	<b>\$ 485.2</b>

Source: Government of Saskatchewan—2019–20 Estimates (Vote 16), pp. 79–83, and Ministry of Highways and Infrastructure, *Annual Report 2019–20*, p. 27.

In 2019–20, the Ministry had revenues of \$33.8 million including federal transfers of \$29.7 million.<sup>3</sup> As shown in **Figure 1**, in 2019–20, it had expenses of about \$485 million.<sup>4</sup> During 2019–20, the Ministry purchased about \$19 million of goods and services through about 50,000 purchasing card (p-card, company-issued credit cards) transactions. At March 31, 2020, the Ministry had 530 p-cards.

## 3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2020, we found, in all material respects:

- **The Ministry of Highways and Infrastructure had, except for the matters described below, effective rules and procedures to safeguard public resources**
- **The financial statements of the Transportation Partnerships Fund are reliable**

<sup>3</sup> Ministry of Highways and Infrastructure, *Annual Report for 2019–20*, p. 28.

<sup>4</sup> *Ibid.* p. 27.

- **The Ministry of Highways and Infrastructure complied with the following authorities governing its activities and the Transportation Partnerships Fund's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing, except the Ministry did not always obtain quotes or tenders in accordance with *The Purchasing Act, 2004*:**

*The Highways and Transportation Act, 1997*  
*The Railway Line (Short Line) Financial Assistance Regulations*  
*The Ministry of Highways and Infrastructure Regulations, 2007*  
*The Fuel Tax Accountability Act*  
*The Public Works and Services Act*  
*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
*The Purchasing Act, 2004, and Regulations*  
 Orders in Council issued pursuant to the above legislation

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 the Ministry'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.

Because the Ministry uses contractors to maintain and construct its highways and bridges, the audit paid particular attention to the Ministry's controls over managing its contracts. This included assessing its processes for awarding, approving, and adjusting contracts; retaining appropriate security and holdbacks; approving estimates; obtaining appropriate clearance from the Workers' Compensation Board and tax authorities before making final payments; and tracking its related contractual obligations. The audit also included testing of purchases through use of p-cards.

In addition, because the Ministry relies on IT systems to manage the transportation system and related contracts, the audit included assessing the Ministry's key service level agreements, change management processes, and controls over user access for those key IT systems.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Consistent Monitoring of Purchase Card Use Needed

***We recommended the Ministry of Highways and Infrastructure increase its monitoring of compliance with established transaction limits for purchases made using purchase cards.*** (2020 Report – Volume 1, p. 30, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Not Implemented

The Ministry of Highways and Infrastructure did not sufficiently monitor whether staff consistently follow policies for purchases using purchase cards (p-cards, company-issued credit cards). Also, Ministry staff did not always follow policies for purchases made through use of p-cards.



In 2019–20, the Ministry identified numerous instances of Saskatchewan Highway Patrol staff not complying with p-card policies.<sup>5</sup> By November 30, 2019, following a Ministry-initiated independent investigation, the Ministry began to take steps to ensure p-card purchases comply with established policies.

For six of 51 purchases made using p-cards we tested, we found:<sup>6</sup>

- The Saskatchewan Highway Patrol had made each of these six purchases, and did not follow applicable purchasing policies.
- For one purchase (made before November 30, 2019), the purchaser did not obtain quotes or tender (competitive process), and the support to the purchase did not document why they did not. This does not comply with *The Purchasing Act, 2004*.
- For five purchases (two made before November 30, 2019, and three made after November 30, 2019), the approver was not the p-card holder's direct supervisor.<sup>7</sup>

For another 13 of 32 individual p-card transactions we tested, the purchaser had divided the purchase into multiple transactions (the Saskatchewan Highway Patrol made two of the 13 purchases). Of the 13 split p-card transactions, we found:

- For five purchases made before November 30, 2019, the purchaser did not obtain quotes or tenders (competitive process) and the support to the purchase did not document why they did not.<sup>8</sup> This does not comply with *The Purchasing Act, 2004*.
- For 12 purchases (seven made before November 30, 2019, and five made after November 30, 2019), the purchasers split the transaction to remain within the p-card individual transaction limit of \$10,000.<sup>9</sup>
- None included documentation to explain why the purchaser used a p-card for a transaction that was over the limit

For eight monthly p-card statements for p-cards issued to Saskatchewan Highway Patrol employees we tested, we found:

- Eight purchases (seven made before November 30, 2019, and one made after November 30, 2019) where the approver was not the p-card holder's direct supervisor

<sup>5</sup> As we reported in our *2020 Report – Volume 1*, in early 2019–20, the Ministry of Highways and Infrastructure investigated employee complaints about the Saskatchewan Highway Patrol's purchasing. The Ministry hired consultants to further investigate these reported irregularities. It notified our Office about the reported irregularities and its investigations. Its investigations focused on the period September 2017 to August 2019. While the investigations were being conducted, the Ministry placed a Highway Patrol employee on administrative leave. Following a review of the completed investigations, the Ministry terminated the employment of the employee.

<sup>6</sup> The Saskatchewan Highway Patrol made 20 of the 51 p-card purchases.

<sup>7</sup> Treasury Board policies expect the p-card holder's immediate supervisor or manager, in most instances, to review and approve the transactions listed on the monthly statement and summary for reasonableness (FAM Section 3154: Public Money and Property – Purchase Cards).

<sup>8</sup> Treasury Board policies require ministries to obtain three written quotes for purchases which are expected to exceed \$2,500 before making the purchase, and publicly tender the purchases of goods over \$10,000. (FAM s. 4505: Goods and Services—Purchases of Goods).

<sup>9</sup> Treasury Board policies set a maximum limit of \$10,000 for a single purchase unless approved by the Provincial Comptroller or delegate. (FAM s. 3154: Public Money and Property—Purchase Cards).

- Six purchases where the purchaser did not obtain quotes or tenders (competitive process) and the support for the purchase did not document why they did not obtain quotes or tenders

In March 2020, the Ministry, via email, reminded its p-card holders to follow the Government's policies on p-card use (e.g., follow transaction limits, obtain required quotes and approve purchase orders, and follow appropriate p-card approval process). Subsequent to March 31, 2020, the Ministry informed us it started reviewing Saskatchewan Highway Patrol p-card transactions to check that they comply with established policy and processes.

Using the appropriate procurement methods consistent with policy decreases the risk of not treating suppliers equitably, and the Ministry not getting best value when making purchase decisions. In addition, it decreases the risk of inappropriate purchases. Systematic reviews of purchases can identify non-compliance and provide opportunities to explain and reinforce established p-card purchasing policies and processes.

## 4.2 Additional Oversight of Firearms and Ammunition Purchases Needed

***We recommended the Ministry of Highways and Infrastructure implement policies to better oversee purchases of regulated firearms and ammunition to ensure they support its business needs.*** (2020 Report – Volume 1, p. 31, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Partially Implemented

As of March 31, 2020, the Ministry of Highways and Infrastructure had not yet implemented policies to better oversee purchases of regulated firearms and ammunition.

The Ministry purchased about \$230,000 worth of firearms, ammunition, and other Highway Patrol supplies during 2019–20. The Ministry did not purchase any firearms after August 2019.

Subsequent to March 31, 2020, the Ministry drafted a revised Signing Authority Delegation that would require the Chief of the Saskatchewan Highway Patrol to recommend the procurement of firearms, accessories, and ammunition to the Executive Director, Policing and Community Safety Services, of the Ministry of Corrections and Policing.

With the proposed amendment, the Ministry of Corrections and Policing would review the procurement for restricted and prohibited items under the federal firearms regulations, and give a recommendation for approval to the Deputy Minister of the Ministry of Highways and Infrastructure. The proposed amendment would access the knowledge of the Ministry of Corrections and Policing of laws and regulations governing firearms and ammunition. This would help ensure the Ministry of Highways and Infrastructure makes purchases consistent with those laws, and consistent with its Highway Patrol obligations. The Ministry approved this amended Signing Authority Delegation on October 7, 2020.



Having clear policies that restrict who can buy regulated items like firearms and ammunition (e.g., require additional approvals or limit purchases to a few individuals) can assist the Ministry in overseeing purchases of regulated goods. Having policies that restrict how employees can buy regulated items (e.g., disallowing use of p-cards, requiring the use of a purchase order) can also reduce the risk of buying unauthorized or inappropriate items. Further, requiring documentation of the business purpose of these types of purchases when requesting approval for the purchase of these goods would also reduce this risk.

### 4.3 Regulated Highway Patrol Equipment not Yet Properly Tracked

***We recommended the Ministry of Highways and Infrastructure implement better processes to track regulated highway patrol equipment.*** (2020 Report – Volume 1, p. 32, Recommendation 3; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Partially Implemented

As of March 31, 2020, the Ministry of Highways and Infrastructure had not implemented processes to better track regulated highway patrol equipment (e.g., firearms, ammunition). In June 2020, the Ministry bought an IT system to track highway patrol equipment.

At September 2020, the Ministry was in the process of entering the highway patrol equipment into the new system, and verifying the accuracy of the information. Management informed us it completed this work by October 2020, and fully implemented the tracking system.

The sensitive and portable nature of regulated highway patrol equipment increases the importance of keeping track of them and their use. Processes such as periodic inventory checks or counts, and restricting who can make changes to equipment tracking records decreases the risk of the Ministry being held liable for misplaced or lost items used for inappropriate purposes, or incurring loss of public money if items go missing.

### 4.4 Prompt Removal of Users' IT Access Needed

***We recommended the Ministry of Highways and Infrastructure follow its established procedures for removing user access to its computer systems and data.*** (2009 Report – Volume 3, p. 251, Recommendation 1; Public Accounts Committee agreement April 21, 2010)

**Status**—Partially Implemented

Although the Ministry of Highways and Infrastructure has established procedures to remove user access from its computer systems and data, it did not always follow them. Ministry staff are not consistently requesting the removal of user access promptly.

During 2019–20, user access for two of ten individuals (2018–19, eight of ten) we examined had a request sent by the Ministry to remove IT network access late.<sup>10</sup> For one of these

<sup>10</sup> Requests related to network access are sent to the Ministry of Central Services.

individuals, the Ministry sent the request to remove IT network access ten days after the individual's last day of employment (2018–19, between six to 140 days). As of September 22, 2020, the Ministry had not yet requested removal of IT network access for the other individual (greater than five months).

Not promptly removing user access increases the risk of unauthorized individuals accessing the Ministry's IT systems and sensitive data.

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## Chapter 8

### Justice and Attorney General

#### 1.0 MAIN POINTS

The Ministry of Justice and Attorney General and its agencies had effective rules and procedures to safeguard public resources other than Ministry staff did not always ensure prompt removal of unneeded access of former employees to the Ministry's computer systems. Not following established processes makes the Ministry's data and IT systems vulnerable to unauthorized access or inappropriate modifications.

During 2019–20, the Ministry, its agencies, and its special purpose funds complied with the authorities governing their activities related to financial reporting, safeguarding public resources, spending, revenue raising, borrowing, and investing.

The 2019–20 financial statements of the Ministry's agencies and special purpose funds are reliable.

#### 2.0 INTRODUCTION

This chapter reports the results of our annual audit of Ministry of Justice and Attorney General, its Crown agencies, and four of its five special purpose funds. We report the results of our audit of Justice and Attorney General-Victims' Fund in the chapter identified.

#### 2.1 Background

The mandate of the Ministry of Justice and Attorney General is to provide a fair justice system that upholds the law and protects the rights of all individuals in Saskatchewan, promotes safe and secure communities, and provides legal and justice policy advice to the Government.<sup>1</sup>

The Ministry of Justice and Attorney General and the Ministry of Corrections and Policing jointly share supports for aspects of their activities. They call this Integrated Justice Services. This enables the strategic integration of the justice system through the provision of joint services, processes and functions to these ministries.<sup>2</sup> Areas of joint support include finance, planning, communications, capital investments and improvement, and certain community safety initiatives and programming.

#### 2.2 Financial Overview

For the year-ended March 31, 2020, the Ministries of Justice and Attorney General and Corrections and Policing had combined revenues totalling \$121.6 million comprised primarily of fines and fees, and transfers from federal and municipal governments.<sup>3</sup>

<sup>1</sup> Ministry of Corrections and Policing, Ministry of Justice and Attorney General, *Annual Report for 2019–20*, p. 5.

<sup>2</sup> *Ibid.*, p. 5.

<sup>3</sup> Ministry of Corrections and Policing, Ministry of Justice and Attorney General, *Annual Report for 2019–20*, p. 24.



In addition, as shown in **Figure 1**, they spent \$665.5 million on their programs in 2019–20. At March 31, 2020, the Ministry of Justice and Attorney General had \$15.2 million accounts receivable and \$2.5 million accounts payable.

**Figure 1—Combined Expenses of Ministries of Justice and Attorney General and Corrections and Policing, and Integrated Justice Services by Program**

	Original Estimates 2019–20 <sup>A</sup>	Actual 2019–20
	(in millions)	
Central Management and Services <sup>B,C,D</sup>	\$ 48.8	\$ 49.2
Integrated Services <sup>B</sup>	47.9	46.7
Capital and Improvements <sup>B</sup>	10.7	8.0
<b>Jointly Administered</b>	<b>\$ 107.4</b>	<b>\$ 103.9</b>
Courts and Civil Justice <sup>C</sup>	68.6	65.3
Innovation and Legal Services <sup>C</sup>	38.7	40.1
Boards, Commissions, and Independent Offices <sup>C</sup>	40.9	42.7
<b>Ministry of Justice and Attorney General</b>	<b>\$ 148.2</b>	<b>\$ 148.1</b>
Policing and Community Safety Services <sup>D</sup>	220.2	221.4
Custody, Supervision, and Rehabilitation Services <sup>D</sup>	181.2	187.9
Demand Reduction and Modernization <sup>D</sup>	5.3	3.1
Saskatchewan Police Commission <sup>D</sup>	1.7	1.7
<b>Ministry of Corrections and Policing</b>	<b>\$ 408.4</b>	<b>\$ 414.1</b>
<b>Total Appropriations<sup>B,C,D</sup></b>	<b>\$ 664.0</b>	<b>\$ 666.1</b>
Capital Asset Acquisitions <sup>B</sup>	(10.7)	(7.2)
Capital Asset Amortization <sup>B</sup>	6.5	6.6
<b>Total Expense</b>	<b>\$ 659.8</b>	<b>\$ 665.5</b>

Source: Adapted from: Ministry of Corrections and Policing, Ministry of Justice and Attorney General, *Annual Report for 2019–20*, p. 22.

<sup>A</sup> During 2019–20, the Ministry of Justice and Attorney General received a supplementary estimate of \$4.06 million, and the Ministry of Corrections and Policing received a supplementary estimate of \$6 million.

<sup>B</sup> Vote 91 Integrated Justice Services.

<sup>C</sup> Vote 3 Ministry of Justice and Attorney General.

<sup>D</sup> Vote 73 Ministry of Corrections and Policing.

## 2.3 Special Purpose Funds and Agencies

At March 31, 2020, Justice and Attorney General was responsible for the following Crown agencies and special purpose funds, each with a March 31 year-end.

### Crown Agencies:

Financial and Consumer Affairs Authority of Saskatchewan  
 Law Reform Commission of Saskatchewan  
 Saskatchewan Legal Aid Commission

**Special Purpose Funds:**

Office of Residential Tenancies—Director's Trust Account  
 Provincial Mediation Board Trust Accounts  
 Public Guardian and Trustee of Saskatchewan  
 Queen's Printer Revolving Fund  
 Justice and Attorney General—Victims' Fund (Chapter 9)

## 3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2020, we found, in all material respects:

- **The Ministry of Justice and Attorney General, two of its agencies, and one of its special purpose funds had effective rules and procedures to safeguard public resources except for the matter described in this chapter<sup>4</sup>**
- **The Ministry of Justice and Attorney General, its agencies, and its special purpose funds complied, in all significant respects, with the provisions of the legislative and related authorities listed in Section 5.0 pertaining to their financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing activities**
- **The financial statements of the Ministry's agencies and funds are reliable**

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audits. We used the control framework included in *COSO's Internal Control—Integrated Framework* to make our judgments about the effectiveness of the Ministry'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 Ministry audit, we paid particular attention to the following: the Ministry's processes to track its contractual obligations and contractual rights, and its processes to ensure timely removal of user access to IT systems. We also evaluated the Ministry's processes to monitor compliance with the *Summary Offences Procedures Regulations, 1991* for issued manual tickets.

## 4.0 KEY FINDINGS AND RECOMMENDATION

### 4.1 Timely Removal of User IT Access Needed

***We recommended the Ministry of Justice and Attorney General follow its established procedures for removing unneeded user access to its computer systems and data.*** (2015 Report – Volume 2, p. 74, Recommendation 2; Public Accounts Committee agreement January 11, 2017)

**Status—Partially Implemented**

<sup>4</sup> Our Office audits the internal controls for the Public Guardian and Trustee of Saskatchewan, Financial and Consumer Affairs Authority of Saskatchewan, and Saskatchewan Legal Aid Commission.



The Ministry of Justice and Attorney General inconsistently followed its procedures for ensuring only authorized individuals retain access to its IT systems and data. The Ministry's policies require removing users' IT access immediately once they leave the Ministry.

For the 2019–20 fiscal year, we found:

- For two of ten users tested, Ministry staff did not ask the Ministry of Central Services to remove IT network access promptly; staff submitted the requests 13 business days and 31 business days after the user no longer worked at the Ministry. We found that neither employee accessed the network after termination.
- For five of seven users tested, Ministry staff did not ask for the removal of their access to significant IT applications timely (e.g., removal between three to 72 business days after user no longer worked at the Ministry).

Significant IT applications include the Criminal Justice Information Management System (CJIMS) and the Multi-Informational Database Applications system (MIDAS Financials). The Ministry uses CJIMS to maintain data on custody, supervision, and rehabilitation of offenders, and to track the collection of fines. The Ministry uses MIDAS Financials to record its revenue and expense transactions.

In 2019–20, the Public Service Commission notified staff at the Ministry of Justice and Attorney General when employees no longer worked at the Ministry. Management noted this process helps them improve timeliness in requesting removal of user access to IT applications and networks. However, we found the Commission's notification process does not include employees going on leaves of absence who subsequently leave the employ of the Ministry.

The Ministry continues to work on establishing additional processes to confirm its branches promptly and consistently request those responsible remove unneeded user IT access.

Not removing unneeded user IT access promptly increases the risk of unauthorized access to IT systems and data including confidential information, and of inappropriate modifications to IT systems or data.

## 5.0 SUMMARY OF RELEVANT LEGISLATION

### **Justice and Attorney General**

*The Administration of Estates Act*  
*The Administration of Estates Regulations*  
*The Community Justice Programs Regulations*  
*The Enforcement of Maintenance Orders Act, 1997*  
*The Enforcement of Maintenance Orders Regulations, 2009*  
*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
*The Justice and Attorney General Act*  
*The Ministry of Justice Regulations, 2016*  
*The Provincial Court Act, 1998*  
*The Provincial Court Compensation Regulations*  
*The Public Service Act, 1998*  
*The Purchasing Act, 2004*  
*The Queen's Bench Act, 1998*  
*The Queen's Bench Regulations*

### **Financial and Consumer Affairs Authority of Saskatchewan**

*The Cemeteries Act, 1999*  
*The Collection Agents Act*  
*The Collection Agents Regulations*  
*The Consumer Protection and Business Practices Act*  
*The Credit Union Act, 1998*  
*The Credit Union Regulations, 1999*  
*The Direct Sellers Act*  
*The Direct Sellers Regulations, 1997*  
*The Financial and Consumer Affairs Authority of Saskatchewan Act*  
*The Mortgage Brokers and Mortgage Administration Act*  
*The Mortgage Brokers and Mortgage Administration Regulations*

**Justice and Attorney General – Continued**

*The Summary Offences Procedure Act, 1990*  
*The Fine Option Program Regulations, 1991*  
*The Summary Offences Procedure Regulations, 1991*  
*The Victims of Crime Regulations, 1997*  
*The Youth Justice Administration Act*  
 Orders in Council issued pursuant to the above legislation

**Public Guardian and Trustee of Saskatchewan**

*The Administration of Estates Act*  
*The Administration of Estates Regulations*  
*The Adult Guardianship and Co-decision-making Act*  
*The Adult Guardianship and Co-decision-making Regulations*  
*The Children's Law Act, 1997*  
*The Dependent's Relief Act, 1996*  
*The Executive Government Administration Act*  
*The Missing Persons and Presumption of Death Act*  
*The Missing Persons and Presumption of Death Regulations*  
*The Pension Benefits Act, 1992*  
*The Pension Benefits Regulations, 1993*  
*The Pension Benefits Standard Regulations, 1985 (Canada)*  
*The Public Guardian and Trustee Act*  
*The Public Guardian and Trustee Regulations*  
*The Trustee Act, 2009*  
 Orders in Council issued pursuant to the above Legislation

**Queen's Printer Revolving Fund**

*The Queen's Printer Act*  
*The Queen's Printer Fees Regulations, 2004*  
*The Purchasing Act, 2004*  
*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
 Orders in Council issued pursuant to the above legislation

**Law Reform Commission of Saskatchewan**

*The Law Reform Commission Act*  
*The Executive Government Administration Act*  
 Orders in Council issued pursuant to the above legislation

**Financial and Consumer Affairs Authority of Saskatchewan – Continued**

*The Motor Dealers Act*  
*The Motor Dealers Regulations*  
*The Payday Loans Act*  
*The Payday Loans Regulations*  
*The Pension Benefits Act, 1992*  
*The Pension Benefits Regulations, 1993*  
*The Insurance Act*  
*The Saskatchewan Insurance Regulations, 2003*  
*The Securities Act, 1988*  
*The Securities Regulations*  
*The Trust and Loan Corporations Act, 1997*  
*The Trust and Loan Corporations Regulations, 1999*  
*The Executive Government Administration Act*  
 Orders in Council issued pursuant to the above legislation

**Office of Residential Tenancies – Director's Trust Account**

*The Residential Tenancies Act, 2006*  
*The Residential Tenancies Regulations, 2007*  
*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
 Orders in Council issued pursuant to the above legislation

**Provincial Mediation Board Trust Accounts**

*The Provincial Mediation Board Act*  
*The Provincial Mediation Board (Fees) Regulations*  
*The Bankruptcy and Insolvency Act (Canada), Part III and X*  
*Orderly Payments of Debt Regulations (Canada)*  
*The Tax Enforcement Act*  
*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
 Orders in Council issued pursuant to the above legislation

**Saskatchewan Legal Aid Commission**

*The Legal Aid Act*  
*The Legal Aid Regulations, 1995*  
*The Executive Government Administration Act*  
 Orders in Council issued pursuant to the above legislation

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## Chapter 9 Justice and Attorney General—Victims' Fund

### 1.0 MAIN POINTS

In 2019-20, the Ministry of Justice and Attorney General took steps to prepare, in a timely way, key supporting documents for the Victims' Fund's financial statements for management's review. However, it needs to give more attention during their preparation as we identified significant errors in the financial statements presented for audit.

In 2019–20, the Fund had reliable financial statements. The Ministry also complied with the authorities governing the Fund's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

### 2.0 INTRODUCTION

The Ministry of Justice and Attorney General—Victims' Fund receives all provincial and federal fine surcharges assessed under *The Victims of Crime Act, 1995* and under the *Criminal Code of Canada*.<sup>1</sup> The Act permits expenditures from the Fund to promote and deliver services and benefits to victims; conduct research and distribute information respecting victims' services, needs, and concerns; and fund crime prevention initiatives and administration expenses.

The Ministry of Justice and Attorney General administers the Fund and collects assessed surcharges on behalf of the Fund.

### 2.1 Financial Overview

As shown in **Figure 1**, for the year ended March 31, 2020, the Fund had revenues of \$14.3 million and expenses of \$11.2 million resulting in an annual surplus of \$3.1 million.

**Figure 1—Summary of 2019-20 Financial Results**

	Budget 2019-20	Actual 2019-20
	(in millions)	
Surcharge revenue	\$ 13.3	\$ 12.4
Federal cost sharing revenue	1.2	1.1
Investment income and gain	-	0.1
Other	-	0.7
<b>Total Revenue</b>	<b>\$ 14.5</b>	<b>\$ 14.3</b>

<sup>1</sup> *The Victims of Crime Act* established the Victims' Fund; it is continued under the authority of *The Victims of Crime Act, 1995*.



	Budget 2019-20	Actual 2019-20
	(in millions)	
Administration costs and bad debt	\$ 1.9	\$ 1.3
Crime prevention grants and crisis intervention services	5.0	4.5
Court-based programs	0.6	0.6
Compensation payments	1.2	1.2
Domestic violence courts	0.6	0.7
Restitution program	0.3	0.2
Research, evaluation, and prevention	0.8	1.5
Education and training	0.1	0.0
Federal cost sharing agreements	<u>1.2</u>	<u>1.2</u>
<b>Total Expense</b>	<b>\$ 11.7</b>	<b>\$ 11.2</b>
<b>Annual Surplus</b>	<b><u>\$ 2.8</u></b>	<b><u>\$ 3.1</u></b>
<b>Accumulated Surplus</b>		<b><u>\$ 8.1</u></b>

Source: Ministry of Justice and Attorney General—Victims' Fund Financial Statements for the year ended March 31, 2020.

### 3.0 AUDIT CONCLUSION

In our opinion, for the year ended March 31, 2020, we found, in all material respects:

- **The Ministry complied with the following authorities governing the Fund's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

*The Victims of Crime Act, 1995*  
*The Victims of Crime Regulations, 1997*  
*The Criminal Code of Canada (S. 737)*  
*The Executive Government Administration Act*

*The Financial Administration Act, 1993*  
 Orders in Council issued pursuant to the above  
 legislation

- **The Fund had reliable financial statements**

In addition to the above, in **Section 4.0**, we bring a significant matter to the attention of the Legislative Assembly.

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audit. The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The audit included reviewing the data and assumptions used to determine the collectability of the Fund's accounts receivable including fine surcharges. It also assessed the Fund's accounting treatment of transfers for the federal cost-sharing agreements (e.g., Family Information Liaison Unit, legal advice for victims of sexual offenders, engaging victims in a restorative process, and enhancement of services to victims of crime).

## 4.0 KEY FINDING AND RECOMMENDATION

### 4.1 Accurate Support for Financial Statements Needed

***We recommended the Ministry of Justice and Attorney General—Victims' Fund prepare key supporting documents at the same time as it prepares its financial statements.*** (2019 Report – Volume 2; p. 58, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Partially Implemented

While the Ministry took steps to prepare key supporting documents for the Fund's 2019-20 financial statements for management's review timely, we identified significant errors in the accuracy of the key supporting documents and in turn, the draft financial statements presented for audit.

The Ministry provided our Office with key documents to support the Fund's draft 2019-20 financial statements within the agreed upon timelines.

However, we found ten errors in the draft 2019-20 financial statements presented for audit. The cumulative value of these errors was significant. Management corrected these errors in the final draft financial statements.

Preparing key supporting documents accurately and at the same time as draft financial statements allows management to review the financial statements for accuracy and completeness. It also reduces the time it takes to perform the audit.

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## Chapter 10 Northlands College

### 1.0 MAIN POINTS

Northlands College had effective rules and procedures to safeguard public resources other than it did not always remove, within a reasonable time, access of employees to its IT network when they left the employ of the College.

In 2019–20, Northlands College had reliable financial statements. It also complied with the authorities governing its activities related to financial reporting and safeguarding public resources.

### 2.0 INTRODUCTION

Northlands College, one of Saskatchewan's seven regional colleges, offers classes in communities across northern Saskatchewan, with campuses in Buffalo Narrows, Creighton, and La Ronge. The College offers Adult Basic Education, Skills Training, and University courses to around 1,100 students each year.<sup>1</sup>

As shown in **Figure 1**, in 2019-20, the College had revenues of \$19.4 million and expenses of \$18.6 million.

**Figure 1—Financial Overview**

+	Budget 2019–20	Actuals 2019–20
	(in millions)	
Provincial grants	\$ 15.3	\$ 16.0
Other revenue	<u>3.3</u>	<u>3.4</u>
<b>Total Revenues</b>	<b>\$ 18.6</b>	<b>\$ 19.4</b>
General	7.0	6.9
Skills training	4.6	4.3
Basic education	2.9	2.4
University	4.2	3.4
Services	0.7	0.8
Scholarships	<u>0.1</u>	<u>0.1</u>
Student housing	<u>0.7</u>	<u>0.7</u>
<b>Total Expense</b>	<b>\$ <u>20.2</u></b>	<b>\$ <u>18.6</u></b>
<b>Annual Surplus (Deficit)</b>	<b>\$ <u>(1.6)</u></b>	<b>\$ <u>0.8</u></b>
<b>Accumulated Surplus (at June 30, 2020)</b>	<b>\$ <u>11.7</u></b>	<b>\$ <u>14.1</u></b>

Source: Northlands College audited financial statements for the year ended June 30, 2020.

<sup>1</sup> *Northlands College, Annual Report, 2018–19*, p. 34.



## 3.0 AUDIT CONCLUSIONS

Our Office worked with MNP LLP, the appointed auditor, to carry out the audit of Northlands College. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.<sup>2</sup>

**In our opinion, for the year ended June 30, 2020:**

- **Northlands College had effective rules and procedures to safeguard public resources except for the matter described in this chapter**
- **Northlands College complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

*The Regional Colleges Act*  
*The Regional Colleges Regulations*  
*The Regional Colleges Program Designation Regulations*  
*The Regional Colleges Programs and Services Regulations*

*The Financial Administration Act, 1993*  
*The Executive Government Administration Act*  
*The Income Tax Act, 2000 (Saskatchewan)*  
*The Financial Administration Manual*  
*The Regional Colleges Accounting and Reporting Manual*

- **Northlands College 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 Northland College'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.

Through our review of work carried out by the appointed auditor, we examined the effectiveness of Northlands College's processes for preparing and processing payroll, and paying for and receiving goods and services. We also examined the effectiveness of the controls used to safeguard financial-related IT systems and data.

## 4.0 KEY FINDING AND RECOMMENDATION

### 4.1 Timely Removal of User Access Needed

For two of five terminated employees tested, the College had not removed network access as of August 2020. In each case, the employees left the College before April 2020, and had accessed the network system after their last day of work. There is no indication they accessed any sensitive information or applications.

Not promptly removing unneeded user access increases the risk of unauthorized access to IT systems and data, including confidential information, and of inappropriate modifications to IT systems or data.

- 1. We recommend Northlands College follow its established procedures for removing unneeded user access to its computer systems and data.**

<sup>2</sup> See our website at [auditor.sk.ca/](http://auditor.sk.ca/)

## Chapter 11 Provincial Capital Commission

### 1.0 MAIN POINTS

The 2019-20 financial statements of the Provincial Capital Commission are reliable.

In 2019-20, the Provincial Capital Commission had effective rules and procedures to safeguard public resources and complied with authorities governing its activities other than certain processes related to major developments in Wascana Centre.

By March 2020, the Commission implemented two of five recommendations made in our *2019 Report – Volume 2* about its process for approving major developments. It published a clear checklist outlining its process to review and approve proposed developments in Wascana Centre. It began providing the public with periodic status updates on all major development projects within Wascana Centre.

While it made some improvements to partially implement the remaining three recommendations more work is needed to:

- Develop written expectations for public consultations proponents are to undertake in relation to major developments.
- Clearly document in its Board minutes how major developments conform to the Master Plan as required by *The Provincial Capital Commission Act*.
- Establish agreements with building owners of major developments in Wascana Centre to facilitate control of the building use and conformity with the Master Plan. The Commission signed two agreements in June 2020.

*The Provincial Capital Commission Act* places the onus on the Commission and its Board to make sure major developments in Wascana Centre are consistent with the Master Plan.<sup>1</sup> Wascana Centre includes land extending from downtown Regina to the outskirts of the City with various pieces owned by the Province, the City of Regina, and the University of Regina.

### 2.0 INTRODUCTION

#### 2.1 Background

*The Provincial Capital Commission Act* gives the Provincial Capital Commission the mandate to enhance quality of life for Saskatchewan citizens through the celebration and creation of opportunities, stewardship of the land, and engagement of youth about democracy and provincial history.<sup>2</sup> The Commission also promotes, preserves, and strengthens diverse heritage and culture to ensure Saskatchewan's capital city is a source of provincial pride and significance. It is dedicated to providing and enhancing visitor experiences and educational programming at Government House.

<sup>1</sup> The Master Plan is a public document intended to guide future development and conservation of Wascana Centre for about a seven-year period.

<sup>2</sup> *The Provincial Capital Commission Act* established the Provincial Capital Commission effective June 12, 2017.



The Commission is a statutory partnership of public landowners of the Wascana Centre located in Regina, Saskatchewan between the Provincial Government, the City of Regina, and the University of Regina.

A cabinet-appointed Board is responsible for overseeing the Commission. The Board is comprised of one City of Regina nominated member, one University of Regina nominated member, and three government-appointed members.

## 2.2 Financial Overview

As set out in **Figure 1**, in 2019-20, the Commission had revenues and expenses of \$11.6 million and \$11.1 million respectively, and a surplus of \$0.5 million. During the year, the Commission received over 90 percent of its revenue through grants. At March 31, 2020, it held net financial assets of \$8.6 million (financial assets like Due from the General Revenue Fund less liabilities) and tangible capital assets of \$3.2 million. Its tangible capital assets are primarily comprised of land, buildings and improvements, and equipment.

**Figure 1-Financial Overview for 2019-20 and 2018-19**

	Actual 2019-20	Actual 2018-19
	(in millions)	
Grants – Government of Saskatchewan – Ministry of Central Services	\$ 7.1	\$ 7.1
Grants – City of Regina	2.7	2.7
Grants – University of Regina	0.8	0.8
Service Revenue	0.6	0.8
Rental Revenue	0.2	0.2
Other Revenue	<u>0.2</u>	<u>0.2</u>
<b>Total Revenue</b>	<b>\$ <u>11.6</u></b>	<b>\$ <u>11.8</u></b>
Salaries and benefits	5.2	4.5
Contractual services and materials	3.0	2.4
Accommodation	2.4	2.1
Other	<u>0.5</u>	<u>0.5</u>
<b>Total Expense</b>	<b>\$ <u>11.1</u></b>	<b>\$ <u>9.5</u></b>
<b>Surplus for the year</b>	<b>\$ <u>0.5</u></b>	<b>\$ <u>2.3</u></b>
<b>Net Financial Assets</b>	<b>\$ <u>8.6</u></b>	<b>\$ <u>7.9</u></b>
<b>Tangible Capital Assets</b>	<b>\$ <u>3.2</u></b>	<b>\$ <u>3.4</u></b>

Source: Adapted from Provincial Capital Commission 2019-20 audited financial statements.

## 3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2020, we found, in all material respects:

- **The Provincial Capital Commission had except as noted below, effective rules and procedures to safeguard public resources**

- **The Provincial Capital Commission complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except as noted below:**

*The Provincial Capital Commission Act*  
*The Executive Government Administration Act*  
*The Crown Employments Contracts Act*  
 Orders in Council issued pursuant to the above legislation

- **The Provincial Capital Commission 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 the Commission's controls.

Our audit focused on the Commission's processes to properly record revenue, accurately and completely track contractual arrangements and obligations, and approve construction projects and improvements consistent with applicable authorities.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Public Consultation Expectations for Major Developments Needed

***We recommended the Provincial Capital Commission make public written processes about the timing, nature, and extent of public consultations for major amendments to the Wascana Centre Master Plan. (2019 Report – Volume 2, p. 69, Recommendation 1, Public Accounts Committee agreement February 26, 2020)***

**Status—Partially Implemented**

During 2019-20, the Commission began drafting but did not finalize expectations and procedures for public consultations it expects proponents to undertake for major developments in Wascana Centre.<sup>3</sup>

Public consultation helps the proponent and the Commission better understand the aspirations, interest, wishes, and proposals from various interested stakeholders before making decisions about proposed major development projects.

Having written expectations and procedures for public consultations would provide proponents a clear understanding of requirements when proposing major development projects in Wascana Centre. In addition, sharing established processes with the public would show the Commission is committed to obtaining public input when making decisions about major development proposals.

<sup>3</sup> Proponent is a person who puts forward a proposition or proposal for major development or use of public land within Wascana Centre.



## 4.2 Design Review Process and Status Updates for Major Developments Communicated

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***We recommended the Provincial Capital Commission publish, using clear language, its design review process for major developments in Wascana Centre.*** (2019 Report – Volume 2, p. 72, Recommendation 2, Public Account Committee agreement on February 26, 2020)

**Status—Implemented**

***We recommended the Provincial Capital Commission keep the public informed about the status of each proposed and approved major development in Wascana Centre until its completion.*** (2019 Report – Volume 2, p. 72, Recommendation 3, Public Account Committee agreement on February 26, 2020)

**Status—Implemented**

During 2019-20, the Commission published its process to review and approve proposed developments in Wascana Centre. In January 2020, the Commission also initiated a practice of providing the public with periodic status updates on all development projects within Wascana Centre.<sup>4</sup>

During the year, the Commission developed a step-by-step Development Process Review checklist (as well as a Proponent Development checklist).<sup>5</sup> The checklist includes eight phases comprised of 38 steps.<sup>6</sup> These steps take place both at a review and administration level throughout the duration of a project. It also outlines the roles and responsibilities the Commission, the Board, and proponents of major developments must follow. The Board reviewed and approved the Development Process Review checklist, and makes it publicly available through the Commission's website.

We found the checklist clear and easy to follow. Making well-defined, understandable steps and procedures publicly accessible promotes awareness and understanding by both potential proponents and the public.

To improve major development transparency, in 2019, the Board also approved the practice of publishing a summary document of the Board's proceedings and decisions on the Commission's website. These documents include status updates on major development projects.

We found it had published summary documents for its January 2020 and April 2020 meetings. We found the April 30, 2020 Board meeting summary provided a status update on the four major development projects underway in Wascana Centre, and indicated at which step—out of 38 steps each project is.

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<sup>4</sup> [www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/provincial-capital-commission#minister-and-board-of-directors](http://www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/provincial-capital-commission#minister-and-board-of-directors) (15 June 2020).

<sup>5</sup> [pubsaskdev.blob.core.windows.net/pubsask-prod/115755/Proponent-Development-Checklist.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/115755/Proponent-Development-Checklist.pdf) (15 June 2020).

<sup>6</sup> The eight phases include: Preliminary Proposal (steps 1 to 5), Statement of Intent (steps 6 to 15), Conceptual Design (steps 16 to 22), Detailed Design (steps 23 to 28), Engineering Advisory Committee Review (steps 29 to 32), City of Regina Building Permits (steps 33 and 34), Construction (steps 35 and 36), and Project/Closeout (steps 37 and 38).

Keeping the public informed about the status of each proposed major development in Wascana Centre helps promote transparency and understanding of major projects in Wascana Centre, and public opportunities to provide input.

### 4.3 Plan to Document Conformity to the Master Plan in Published Board Meeting Summary

***We recommended the Provincial Capital Commission clearly document in its Board minutes how major improvements and developments it approves conform to the Wascana Centre Master Plan.*** (2019 Report – Volume 2, p. 73, Recommendation 4, Public Account Committee agreement on February 26, 2020)

**Status**—Partially Implemented

During 2019-20, the Board did not make any decisions about the design of major improvements and developments in Wascana Centre and conformity to the Wascana Centre Master Plan.<sup>7</sup> The Board plans to use the Board meetings summaries published on its website to communicate these decisions (see **Section 4.2** for detail).

*The Provincial Capital Commission Act* places an onus on the Commission and its Board to make sure improvements and buildings in Wascana Centre are consistent with the Master Plan.

The Board made minute summaries available on the Commission's website for its January and April 2020 Board meetings. Neither of these minutes indicated any Board approvals in relation to major improvement design and conformity with the Master Plan.

As noted in the Board's April 30, 2020 board minute summary, there are four major developments ongoing in Wascana Centre. The status of each of these projects vary:

- For the project at step 36 (Construction phase) of the 38 steps, the remaining project-closeout steps do not require any further decisions of the Board about conformity with the Master Plan.<sup>8</sup>
- For the project at step 23 (Detailed Design phase) of the 38 steps, the Architectural Advisory Committee review of the detailed design is underway.<sup>9,10</sup> This review includes assessing proposed sustainability measures that show how the design minimizes the impact on the environment in keeping with the Wascana Centre Master Plan's conservation mandate. The Board had not yet decided whether the detailed design of this project conforms to the Master Plan.<sup>11</sup>

<sup>7</sup> The Master Plan is a public document intended to guide the future development of Wascana Centre. The five purposes outlined in the 2016 Master Plan include the seat of Government, education and research, cultural arts, recreational opportunities and conservation of the environment.

<sup>8</sup> Referred to as The Conexus Development Project. As noted in our 2019 Report – Volume 2, Chapter 10, the prior Board of Wascana Centre Authority approved this major development as non-conforming with the Master Plan.

<sup>9</sup> Referred to as The Canadian Institute for the Blind project.

<sup>10</sup> The Architectural Advisory Committee is comprised of architects who advise the Board on whether to approve a project submission based on its architectural merit and conformity with the Master Plan.

<sup>11</sup> In our 2019 Report – Volume 2, Chapter 10, we did not see evidence of the Board approving this major development as consistent with the Master Plan at the conceptual stage.



- For the other project at step 23 (Detailed Design phase) of the 38 steps, the Board approved the conceptual phase in November 2017, and the Architectural Advisory Committee review of the detailed design is underway but project timing is unclear as the proponent is presently raising funds to finance the development.<sup>12</sup> The Board had not yet decided whether the detailed design conforms to the Master Plan.
- For the project at step 19 (Conceptual Design phase) of the 38 steps, the Architectural Advisory Committee is reviewing the conceptual design.<sup>13</sup> The Board had not received a recommendation from the Committee and had not decided whether the conceptual design conforms to the Master Plan.

Earlier, for this project, as part of the Statement of Intent phase, the Board approved a Statement of Intent in its November 2019 Board minutes, after the Architectural Advisory Committee recommended it for approval. The Committee's recommendation included a statement it aligns with the Master Plan. As of mid-June 2020, the Board had not provided the public with information on whether this project conforms to the Master Plan.

Without clear documentation as to how proposed major developments in Wascana Centre conform to the Master Plan, the Commission cannot show it complied with the provisions of *The Provincial Capital Commission Act*.

## 4.4 Formal Agreements with Owners of Buildings in Wascana Centre Needed

***We recommended the Provincial Capital Commission establish agreements with building owners of major developments in Wascana Centre to facilitate control of building use and conformity with The Provincial Capital Commission Act and the Wascana Centre Master Plan in effect.*** (2019 Report – Volume 2, p. 74, Recommendation 5, Public Account Committee agreement on February 26, 2020)

**Status**—Partially Implemented

During 2019-20, the Commission began drafting a template agreement about building use in Wascana Centre. It expects to use this template when entering into agreements with building owners of major developments in Wascana Centre to help it facilitate control of building use and conformity to the Act and the Master Plan.

The Commission did not have any agreements signed with building owners by March 31, 2020. In June 2020, the Commission signed agreements with two tenants of buildings in Wascana Centre.

Having a formal mechanism (through agreements) to approve key changes to and tenants of major buildings in Wascana Centre will allow the Commission to ensure those buildings and their use conform to the five purposes in the Master Plan.

<sup>12</sup> Referred to as the Regina Garden Association—Floral Conservatory.

<sup>13</sup> Referred to as the City of Regina—Wascana Pool.

## Chapter 12

### Saskatchewan Health Authority

#### 1.0 MAIN POINTS

The Saskatchewan Health Authority's 2019-20 financial statements are reliable. In 2019-20, the Authority complied with the authorities governing its activities related to financial reporting and safeguarding public resources.

During 2019-20, the Authority implemented a conflict of interest policy covering permitted vendor-sponsored travel and began validating suppliers before adding them into its financial system.

To strengthen its financial controls, the Authority needs to:

- Sign an adequate service level agreement with its key IT service provider—eHealth Saskatchewan. Without an adequate agreement, the Authority risks not being able to effectively monitor the quality and timeliness of IT services delivered by eHealth, or know its critical IT systems and data are secure and will be restored in a reasonable timeframe in the event of a disaster.
- Separate incompatible duties related to paying suppliers, paying staff, and processing journal entries. Without adequate segregation of duties, the Authority faces a higher risk of fraud and of undetected errors in its financial information.

#### 2.0 INTRODUCTION

##### 2.1 Background

*The Provincial Health Authority Act* makes the Saskatchewan Health Authority responsible for planning, organizing, delivering, and evaluating health services within the province of Saskatchewan. The Authority's Board is responsible for administering its affairs and conducting the business of the Authority.

The Authority's mission is to improve health and well-being in Saskatchewan, every day, for everyone. The Authority uses many affiliates and health care organizations to help deliver health services in the province.

##### 2.2 Financial Overview

As set out in **Figure 1** below, in 2019-20, the Authority had revenue and expenses of \$4.38 billion and \$4.32 billion respectively, resulting in a surplus of \$65 million. During the year, the Authority received almost 90% of its revenue from the Ministry of Health. The Authority held assets of \$2.2 billion, including capital assets of \$1.8 billion at March 31, 2020.

**Figure 1—Revenue and Expense of Saskatchewan Health Authority**

	Actual 2019-20	Actual 2018-19
<b>Revenue</b>	<b>(in millions)</b>	
Ministry of Health—General Revenue Fund	\$ 3,887	\$ 3,678
Other Revenue	494	461
<b>Total Revenue</b>	<b>\$ 4,381</b>	<b>\$ 4,139</b>
<b>Expense</b>		
Salaries and benefits	2,650	2,555
Medical remuneration and benefits	387	356
Grants to ambulance services, health care organizations, and affiliates	328	324
Medical and surgical supplies	150	146
Amortization	125	134
Other expenses	676	652
<b>Total Expense</b>	<b>\$ 4,316</b>	<b>\$ 4,167</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 65</b>	<b>\$ (28)</b>

Source: Adapted from Saskatchewan Health Authority audited financial statements for the year ended March 31, 2020.

### 3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2020, we found, in all material respects:

- **The Authority had reliable financial statements**
- **The Authority had effective rules and procedures to safeguard public resources except as noted below**
- **The Authority complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

*The Provincial Health Authority Act*  
*The Provincial Health Authority Administration Regulations*  
*The Special-care Homes Rates Regulations, 2011*  
*The Medical Laboratory Licensing Act, 1994*  
*The Trustee Act, 2009*  
*The Health Labour Relations Reorganization (Commissioner) Regulations*

*The Health Administration Act*  
*The Housing & Special-care Homes Regulations*  
*The Narcotic Control Regulations (Canada)*  
*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
 Orders in Council issued pursuant to the above legislation

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 the Saskatchewan Health Authority’s controls.

As the Authority’s primary expenses are salaries and benefits, and goods and services, our audit included testing processes for preparing and processing payroll, and ordering, paying for, and receiving goods and services. We examined processes to safeguard financial-related IT systems and data. We assessed the reasonableness of key estimates recorded in the financial statements (e.g., accumulated sick leave liability). We assessed the reasonableness of information disclosed about the Authority’s pension plan.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 IT Service Level Agreement Required

***We recommended the Saskatchewan Health Authority sign an adequate service level agreement with eHealth Saskatchewan to enable monitoring of the quality and timeliness of eHealth’s provision of IT services.*** (2018 Report – Volume 2, p. 80, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Not Implemented

The operating agreement between the Authority and eHealth, signed in 2017, is not adequate in that it does not enable appropriate monitoring of the quality and timeliness of IT services.

The Authority moved the majority of its IT systems into eHealth’s data centre in 2017-18. Disaster recovery plans have not been completed or tested for critical IT systems and data (e.g., lab systems, hospital admissions systems).

Adequate service level agreements make it clear what type of service must be provided, when, and at what cost. They outline in detail services to be provided (e.g., help desk services, server maintenance, frequency of applying patches), service availability requirements (e.g., the percentage of time networks will be available), and service delivery targets (e.g., period for creating and removing user accounts). In addition, they identify security and disaster recovery requirements and set out options available in the event something goes wrong (e.g., data security breach, IT system outage). Agreements also provide a basis for common understanding and monitoring of performance.

Without an adequate service level agreement, there is a risk that the Authority cannot effectively monitor whether eHealth is meeting the Authority’s IT needs. Furthermore, not having completed or tested disaster recovery plans increases the risk the Authority may be unable to restore, within reasonable time, its critical IT systems and data in the event of a disaster.<sup>1,2</sup> This may adversely impact the Authority’s ability to deliver health care services.

### 4.2 Separation of Incompatible Duties Needed

***We recommended the Saskatchewan Health Authority separate incompatible duties.*** (2019 Report – Volume 2, p. 86, Recommendation 3, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Not Implemented

The Authority does not adequately segregate incompatible duties related to paying suppliers, paying staff, and using journal entries to record financial transactions.

<sup>1</sup> As reported in Chapter 3 in our 2020 Report – Volume 2, eHealth did not have a complete and tested disaster and recovery plan at March 31, 2020.

<sup>2</sup> eHealth Saskatchewan had a ransomware attack in January 2020 that made a number of Authority IT systems unavailable for extended periods.



The Authority uses journal entries extensively to record payroll, capital asset additions and disposals, and cash receipts.

**Figure 2** summarizes findings related to inadequate segregation of incompatible duties in the areas of payments, payroll, and journal entries. Our findings were similar to those in the prior year.

**Figure 2—Summary of Audit Findings Related to Inadequate Segregation of Incompatible Duties**

Results of Testing in 2019-20	Related Risk
<b>Payments</b>	
For each of six sole-sourced contracts we tested, the same individual approved the contract and the related payments. We found the contract and payment amounts aligned with the Authority's specified rates.	Not assigning more than one person to complete certain tasks such as approval of the initiation of the purchase, receipt of goods and services, and payment approval increases the risk of inappropriate purchases.
Our testing of IT controls over user access identified one staff member with the ability to both initiate and approve electronic fund transfers.	Not segregating initiation and approval of transfers increases the risk of making inappropriate transfers and not detecting errors or mistakes.
Our testing identified certain staff with the ability to both enter new suppliers into the financial system and approve invoices for payment, as well as other financial transactions.	Not segregating the ability to make vendor changes from the ability to approve invoices increases the risk of making payments to fictitious suppliers and not detecting errors or mistakes.
Our testing identified numerous staff located throughout the province with the authority to change information about vendors in financial systems. Changes to vendor information cannot be identified when made.	The Authority partially mitigated this risk through its new due diligence process to confirm the validity of suppliers before adding or updating them in the financial system. It implemented this new process in 2019-20 (see <b>Section 4.3</b> ).
<b>Payroll</b>	
Our testing continued to find employees with the ability to approve their own pay increments in the payroll system. We confirmed none of these employees approved their own pay increase during the year.	Not appropriately segregating payroll processing increases the risk of fraud and not detecting errors.
Our testing found two instances where employees approved their own timecard.	
<b>Journal Entries</b>	
Our testing of journal entries found various accounting systems located across the former health regions do not segregate access for the preparation and approval of journal entries.	Lack of independent review and approval increases the risk of unauthorized or inaccurate entries to accounting records resulting in financial information errors.
For journal entries we tested, in five of the 12 former regions, numerous entries were not approved by someone independent of the person who prepared it. The Authority does not require its staff to independently review and approve journal entries.	The Authority expects to have independent review and approval of journal entries with the implementation of the new Administrative Information Management System (AIMS) in 2020.

Not involving more than one individual in making purchases, paying employees, and processing journal entries increases the risk of undetected fraud or errors.

The Authority anticipates its implementation of the Administrative Information Management System (AIMS) will address a number of these segregation concerns.

### 4.3 Supplier Information Validated

***We recommended the Saskatchewan Health Authority document its due diligence procedures used to validate suppliers before adding them into its financial system.*** (2019 Report – Volume 2, p. 84, Recommendation 2, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

The Authority validates suppliers before adding them into its financial system.

In September 2019, the Authority implemented a new work standard. This standard sets clear procedures for setting up and changing supplier information in its financial system. It requires staff to research and document the validity of a new vendor or changed supplier information before making a purchase.

For four new or changed suppliers we tested, documentation showed staff completed due diligence procedures as expected.

Carrying out sufficient due diligence procedures to confirm the validity of suppliers before adding them into the financial system reduces the risk of making payments to fictitious suppliers.

#### 4.4 Conflict of Interest Policy in Place

***We recommended the Saskatchewan Health Authority implement an approved code of conduct policy including permitted vendor-sponsored travel.*** (2019 Report – Volume 2, p. 83, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

The Authority has an approved conflict of interest policy, which includes sufficient details on permitted vendor-sponsored travel.

In December 2019, the Authority implemented a new conflict of interest policy. This policy clearly sets out the Authority's requirements for the identification, disclosure and handling of actual, potential or perceived conflicts of interest that may arise during the course of clinical and business activities. It requires all managerial (i.e., directors and up) and practitioner staff in leadership positions to complete an annual conflict of interest disclosure form. Any violation of the policy may result in discipline up to and including termination of employment.

For 10 staff we tested who are required to complete the annual form, each had signed forms on file.

The policy does not permit vendor-sponsored travel unless pre-approval is obtained from the Chief Executive Officer or respective executive leadership team member. The Authority approved 37 instances of vendor-sponsored travel during 2019-20.

For three of instances of approved vendor-sponsored travel we tested, the Chief Executive Officer or an executive team member approved travel consistent with the policy.

Having a clear and robust policy promotes a consistent and fair organization-wide approach in accepting vendor-sponsored travel.

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## Chapter 13

# Saskatchewan Liquor and Gaming Authority and Saskatchewan Indian Gaming Authority

### 1.0 MAIN POINTS

During 2019–20, the Saskatchewan Liquor and Gaming Authority had effective rules and procedures to safeguard public resources other than the Authority needing to enforce its agreement with the Saskatchewan Indian Gaming Authority (SIGA) for receipt of the service provider controls report in a timely manner.

Without enforcing the written deadline, the Authority does not have key information to enable timely and sufficient monitoring of controls for the SIGA Casino Management System and its data. As a result, the Authority may be unaware of control deficiencies potentially impacting the completeness of SIGA's reported gaming revenues and expenses. This may impact the Authority's ability to take timely steps to mitigate the impact of deficiencies, if any.

Also, during 2019–20, SIGA had effective rules and procedures to safeguard public resources other than needing to monitor the activities of the service provider managing its Casino Management System. This increases the risk of unauthorized access to and inappropriate modifications of related systems and data that could impact the completeness of reported gaming revenue and expenses.

### 2.0 INTRODUCTION

#### 2.1 Background

The Saskatchewan Liquor and Gaming Authority operates under *The Alcohol and Gaming Regulation Act, 1997*. The Authority is responsible for distributing liquor and gaming products, and the regulation of liquor, gaming, and cannabis.<sup>1</sup>

The Minister responsible for the Authority forms the one-member Board governing the Authority. Members of the Authority's management comprise the Boards of both SLGA Retail Inc. and SLGA Holding Inc.—the Authority's solely owned subsidiaries.

The Authority operates government-owned retail stores through its subsidiary SLGA Retail Inc.<sup>2</sup> It also distributes liquor to retail store permittees who sell liquor to the public.

The Authority owns and operates all video lottery terminals (VLTs) in Saskatchewan. In addition, the Authority owns and manages all slot machines located in the casinos of Saskatchewan Indian Gaming Authority (SIGA). The Authority owns the VLTs and slot machines through SLGA Holding Inc.<sup>3</sup>

<sup>1</sup> Saskatchewan Liquor and Gaming Authority, *Saskatchewan Liquor and Gaming Authority—Plan for 2019–20*, (2020).

<sup>2</sup> SLGA Retail Inc. was approved for incorporation under Order in Council 423/2016. It was incorporated under *The Business Corporations Act* as a wholly-owned subsidiary of the Authority on September 28, 2016.

<sup>3</sup> SLGA Holding Inc. was approved for incorporation under Order in Council 312/2018. It was incorporated under *The Alcohol and Gaming Regulation Act, 1997* as a wholly-owned subsidiary of the Authority on June 26, 2018. Effective September 30, 2018, it operated as a wholly-owned subsidiary under the direction of the Authority.



The Authority contracts the operation of its VLT program to Western Canada Lottery Corporation—Saskatchewan Video Lottery Division. It also contracts the operation of slot machines at SIGA casinos (including the operation of a related Casino Management System) to SIGA.

SIGA is a non-profit established under *The Non-Profit Corporation Act, 1995*. Its members are the Federation of Sovereign Indigenous Nations (FSIN), the Tribal Councils of Saskatchewan, and independent First Nations.

SIGA, under licences issued by the Authority, operates seven casinos located on First Nations' reserves. They are: Bear Claw Casino, Dakota Dunes Casino, Gold Eagle Casino, Living Sky Casino, Northern Lights Casino, Painted Hand Casino, and Gold Horse Casino (reserve status pending as of March 2020).<sup>4</sup> SIGA's casino operations include slot machines, table games, and ancillary operations (i.e., gift shops, restaurants, lounges, and a hotel).

As required by the *Criminal Code of Canada* (section 207), the Authority is responsible for the overall conduct and management of slot machines in SIGA's casinos.

Revenue from slot machines belongs to the Authority. The Casino Operating Agreement between SIGA and the Authority sets the calculation of slot machine revenue belonging to the Authority.<sup>5</sup> The Authority allows SIGA to deduct reasonable costs from slot machine revenue; the Authority's financial statements include SIGA's revenue and expenses.

## 2.2 Financial Overview

In 2019–20, the Authority generated revenue of just over \$1 billion, expenses of \$0.6 billion, and comprehensive income of almost \$0.5 billion. At March 31, 2020, the Authority held consolidated assets and liabilities each worth \$0.3 billion.

**Figure 1** shows the Authority's key financial results by segment—liquor, VLTs, slot machines, other gaming, and cannabis.

**Figure 1—Authority's Key Financial Results for 2019–20 by Segment**

	Liquor	VLT	Slot Machines SIGA Casinos	Other Gaming	Cannabis	Total
	(in millions)					
Total Revenue <sup>A</sup>	\$ 636.4	\$ 213.9	\$ 234.6	\$ 1.3	\$ 0.2	\$ 1,086.4
Total Expense	<u>375.3</u>	<u>58.6</u>	<u>163.3<sup>B</sup></u>	<u>12.9</u>	<u>3.0</u>	<u>613.1</u>
Total Comprehensive Income (Loss)	<u>\$ 261.1</u>	<u>\$ 155.3</u>	<u>\$ 71.3</u>	<u>\$ (11.6)</u>	<u>\$ (2.8)</u>	<u>\$ 473.3</u>

Source: Adapted from Saskatchewan Liquor and Gaming Authority's 2019–20 consolidated financial statements.

<sup>A</sup> Includes other comprehensive income/loss.

<sup>B</sup> Under the Casino Operating Agreement, the Authority allows SIGA to deduct reasonable costs incurred from slot machine revenue in accordance with the operating policies approved by the Authority.

<sup>4</sup> In 2002, the Government of Saskatchewan and the FSIN signed the 2002 Framework Agreement. It allows for the development and operation of casinos in Saskatchewan within the parameters of the *Criminal Code of Canada*. In 2017, the Government of Saskatchewan and the FSIN extended the 2002 Framework Agreement to June 11, 2037.

<sup>5</sup> SIGA and the Authority signed a Casino Operating Agreement, effective June 11, 2002 to June 11, 2027. Under the Agreement, the Authority allows SIGA to deduct reasonable costs incurred from slot machine revenue in accordance with the operating policies approved by the Authority.

**Figure 2** shows SIGA's key financial results by segment—slot machine operations, table game operations, and ancillary operations.

**Figure 2—SIGA's Key Financial Results for 2019–20 by Segment**

	Slot Machine Operations	Table Game Operations	Ancillary Operations	Elimination of Intercompany Transactions	Total
	(in millions)				
Total Revenue	\$ 236.4	\$ 14.1	\$ 23.5	\$ (3.2)	\$ 270.8
Total Expense	149.3	17.4	34.4	(3.2)	197.9
Profit (loss) before the following:	\$ 87.1	\$ (3.3)	\$ (10.9)	\$ --	\$ 72.9
Unrealized (loss) on interest rate swaps <sup>A</sup>					\$ (1.7)
Total net income and comprehensive income for the year before distribution to the Authority					\$ 71.2

Source: Adapted from Saskatchewan Indian Gaming Authority's 2019–20 financial statements.

<sup>A</sup> Unrealized gain (loss) on interest rate swaps is the amount of change in the fair value of the swaps in a fiscal year.

### 3.0 AUDIT CONCLUSIONS

Our Office worked with Deloitte LLP, the appointed auditor, to carry out the audit of SIGA. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.<sup>6</sup>

**In our opinion, for the year ended March 31, 2020, we found, in all material respects:**

- **The Saskatchewan Liquor and Gaming Authority and Saskatchewan Indian Gaming Authority each had effective rules and procedures to safeguard public resources, except for the matters included in this chapter**
- **The Saskatchewan Liquor and Gaming Authority, SLGA Retail Inc., SLGA Holding Inc., and Saskatchewan Indian Gaming Authority each complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

**The Authority:**

*The Alcohol and Gaming Regulation Act, 1997*  
*The Alcohol Control Regulations, 2016*  
*The Cannabis Control (Saskatchewan) Act*  
*The Cannabis Control (Saskatchewan) Regulations*  
*The Executive Government Administration Act*  
*The Environmental Management and Protection Act, 2010 (Section 40)*  
*The Environmental Management and Protection (General) Regulations (Section 12)*  
*The Financial Administration Act, 1993*  
*The Gaming Regulations, 2007*  
*The Liquor and Gaming Authority Employee Code of Conduct Regulations*

*The Liquor Consumption Tax Act*<sup>7</sup>  
*The Customs Tariff Act (Canada)*  
*Excise Act (Canada) (Schedule I, II, II.1)*  
*Excise Tax Act (Canada) (Section 188)*  
*Excise Tax Act, 2001 (Canada) (Schedule 4-6)*  
*Criminal Code of Canada (Section 207)*  
 Orders in Council issued pursuant to the above legislation  
 2002 Framework Agreement, as amended  
 2002 Casino Operating Agreement, as amended  
 Western Canada Lottery Corporation Operating Agreement  
 Indigenous Gaming Regulators Licensing Agreement

<sup>6</sup> See our website at [www.auditor.sk.ca](http://www.auditor.sk.ca).

<sup>7</sup> SLGA Retail Inc. is responsible to impose and collect Liquor Consumption Tax (LCT); the Authority remits LCT on behalf of SLGA Retail Inc.



**SIGA:**

*The Non-Profit Corporations Act, 1995*  
*The Non-Profit Corporations Regulations, 1997*  
*The Alcohol and Gaming Regulation Act, 1997*  
*The Gaming Regulations, 2007*  
*Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*  
*Proceeds of Crime (Money Laundering) Suspicious Transaction Reporting Regulations (Canada)*

2002 Framework Agreement, as amended  
2002 Casino Operating Agreement, as amended  
Terms and Conditions for SIGA Table Games (issued by Indigenous Gaming Regulators Inc.)<sup>8</sup>  
SIGA Slot Machine Operating Procedures and Directives (issued by the Authority)  
SIGA Operating Policies and Directives (issued by the Authority)  
SIGA Bylaws

**SLGA Retail Inc.:**

*The Alcohol and Gaming Regulation Act, 1997*  
*The Business Corporations Act*  
*The Business Corporations Regulations*  
*The Environmental Management and Protection Act, 2010 (Section 40)*  
*The Environmental Management and Protection (General) Regulations (Section 12)*

*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
*The Liquor Consumption Tax Act*  
Orders in Council issued pursuant to the above legislation

**SLGA Holding Inc.:**

*The Alcohol and Gaming Regulation Act, 1997*  
*The Gaming Regulations, 2007*  
*The Executive Government Administration Act, 1993*

*The Financial Administration Act, 1993*  
Orders in Council issued pursuant to the above legislation

➤ **The Saskatchewan Liquor and Gaming Authority, SLGA Retail Inc., SLGA Holding Inc., and Saskatchewan Indian Gaming Authority each 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 audits.

We used the control framework included in COSO's *Internal Control—Integrated Framework* to make our judgments about the effectiveness of the Authority's and SIGA'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.

The audit of the Authority included examining its financial-related controls used to administer revenue and expenses, safeguard assets, keep reliable financial records consistent with related authorities, prepare reliable financial reports/statements, and monitor SIGA's operations. This included evaluating its significant IT systems and processes, and assessing the work of its Gaming Integrity Branch and Audit Services Branch with respect to compliance with legislation over liquor and gaming activities in the province. The audit also included examining the adoption of International Financial Reporting Standards 16—Leases, and testing the Authority's implementation of its new point-of-sale system in retail stores.

In addition, the audit included assessing the appropriateness of accounting for significant related party transactions with SLGA Retail Inc. and SLGA Holding Inc., the accuracy of the year-end consolidation adjustments, and the elimination of inter-entity transactions.

Because SIGA operates in the casino industry, it processes a significant number of cash transactions and holds a significant amount of cash in its casinos. As a result, the audit of SIGA paid particular attention to its controls for managing cash in casinos. This included

<sup>8</sup> Indigenous Gaming Regulators Inc. is an institution of FSIN; it licenses and regulates on-reserve charitable gaming in Saskatchewan, including table games at SIGA casinos.

assessing its processes for approving and recording transactions, and monitoring staff compliance with established procedures to safeguard cash. Also, because SIGA relies on IT to manage its operations, the audit included assessing its controls over key IT service providers, IT security, change management processes, and user access.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Need to Enforce Agreement for Receipt of the Service Provider Controls Report

***We recommended the Saskatchewan Liquor and Gaming Authority establish a written agreement with Saskatchewan Indian Gaming Authority indicating when it will receive the audit report on controls for the SIGA Casino Management System.*** (2019 Report – Volume 2, p. 94, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Partially Implemented

In July 2019, the Authority signed an agreement with SIGA about receiving an audit report on the effectiveness of controls for the SIGA Casino Management System within 40 days following March 31 (i.e., by May 10 annually). The Authority received the 2020 audit report on June 1, 2020.

The Authority's management uses key information in the audit report to assess the controls used to protect the SIGA Casino Management System and its data (e.g., details of cash collected and paid out by the slot machines), and to identify steps necessary to mitigate areas of concern, if any.

Without enforcing the written deadline, the Authority does not have key information to enable timely and sufficient monitoring of controls for the SIGA Casino Management System and its data. As a result, the Authority may be unaware of control deficiencies potentially impacting the completeness of SIGA's reported gaming revenues and expenses, and take timely steps to mitigate the impact of deficiencies, if any.

### 4.2 Monitoring of SIGA's Service Provider Needed

***We recommended the Saskatchewan Indian and Gaming Authority monitor activities of its service provider that manages its Casino Management System.*** (2019 Report – Volume 2, p. 94, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Not Implemented

SIGA does not have processes in place to sufficiently monitor activities of its service provider (e.g., ensure access to the Casino Management System is authorized and appropriate, as well as to identify any changes made and not reported to SIGA).



Without monitoring activities of its service provider, SIGA does not know whether access to its Casino Management System by the service provider is appropriate and whether any unauthorized changes to its system occur. This increases the risk of unauthorized access to and inappropriate modifications of systems and data that could impact the completeness of reported gaming revenues and expenses.

### 4.3 SIGA Review of User Access Completed

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***We recommended the Saskatchewan Indian Gaming Authority perform regular reviews of its computer application user accounts.*** (2010 Report – Volume 2, p. 260, Recommendation 2; Public Accounts Committee agreement January 20, 2011)

**Status**—Implemented

During 2019–20, SIGA reviewed user access of its financial system. Subsequent to year-end, SIGA reviewed user access for its Casino Management System.

Timely reviews of IT user access determine whether access granted is consistent with each employee's job responsibilities and is appropriate. Lack of regular and timely reviews of IT user access increases the risk of unauthorized access to and inappropriate modifications to systems and data.

## Chapter 14

### Saskatchewan Polytechnic

#### 1.0 MAIN POINTS

In 2019-20, Saskatchewan Polytechnic had effective rules and procedures to safeguard public resources, complied with relevant authorities, and had reliable financial statements.

Saskatchewan Polytechnic did not establish a policy to guide compensating of losses of its employees and students. In 2018-19, it did not follow good practice when paying compensation for a loss incurred by a member of its management. During 2019-20, it compensated students for theft of their tools stored on its premises without a policy to guide the payments.

Having a Compensation for Loss Policy to guide payments for these types of circumstances would help ensure it treats similar circumstances consistently, and follows good practice.

#### 2.0 INTRODUCTION

##### 2.1 Background

Saskatchewan Polytechnic, established under *The Saskatchewan Polytechnic Act*, is Saskatchewan's primary provider of post-secondary education in applied education, training and research.<sup>1</sup> It offers certificate, diploma and degree programs and apprenticeship training at campuses in Prince Albert, Regina, Moose Jaw and Saskatoon to more than 16,000 students, with approximately 1,600 full-time equivalent staff.<sup>2</sup>

**Figure 1—Financial Overview**

	Estimates 2019-20	Actuals 2019-20
	(in millions)	
Grants and contractual services	\$ 184.0	\$ 188.9
Tuition and fees	60.1	56.8
Sales	11.4	8.8
Other	<u>2.6</u>	<u>3.5</u>
<b>Total Revenue</b>	<b>\$ 258.1</b>	<b>\$ 258.0</b>
Salaries and benefits	180.7	178.9
Facilities	33.1	33.3
Operational supplies and expenses	25.5	24.5
Other	23.2	22.0
<b>Total Expense</b>	<b>\$ 262.5</b>	<b>\$ 258.7</b>
<b>Annual deficit</b>	<b>\$ (4.4)</b>	<b>\$ (0.7)</b>
<b>Accumulated surplus</b>		<b>\$ 58.0</b>

Source: Saskatchewan Polytechnic June 30, 2020 audited financial statements.

<sup>1</sup> Applied education and training includes academic, scientific, trade, technical, technological and vocational fields of education.

<sup>2</sup> *Saskatchewan Polytechnic Annual Report 2018-19*, p. 5, 15.



## 3.0 AUDIT CONCLUSIONS

Our Office worked with KPMG LLP, to carry out the joint audit of Saskatchewan Polytechnic. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.<sup>3</sup>

**In our opinion, for the year ended June 30, 2020:**

- **Saskatchewan Polytechnic had effective rules and procedures to safeguard public resources**
- **Saskatchewan Polytechnic complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

*The Saskatchewan Polytechnic Act*  
*The Saskatchewan Polytechnic Regulations*  
*The Post-Secondary Education and Skills Training Act*  
*The Financial Administration Act, 1993*  
Orders in Council issued pursuant to the above legislation

- **Saskatchewan Polytechnic had reliable financial statements**

This chapter includes follow-up on a previous recommendation related to a significant matter.

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001) to conduct our audit. We used the control framework published by CPA Canada to make our judgments about the effectiveness of Saskatchewan Polytechnic'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.

Saskatchewan Polytechnic's primary revenue sources are tuition, contract services and grants. Its primary expenses are salaries. The audit focused on processes for initiation, authorization, processing and recording provincial and federal grant revenues, contract services and tuition. It also included data analysis of payroll.

## 4.0 OTHER MATTER

### 4.1 Policy to Guide Compensating Losses Needed

***We recommended Saskatchewan Polytechnic establish a policy to guide compensating for losses of its employees.*** (2019 Report – Volume 2, p. 99, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Not Implemented

<sup>3</sup> See our website at [www.auditor.sk.ca](http://www.auditor.sk.ca).

Saskatchewan Polytechnic did not establish a policy to guide compensating for losses its employees and students incur.

In 2018-19, Saskatchewan Polytechnic did not follow good practice when paying \$3,810 compensation for a loss incurred by a member of its management.<sup>4</sup>

During 2019-20, while Saskatchewan Polytechnic did not compensate any employees for losses incurred, it compensated students for theft of their tools stored on its premises.

Saskatchewan Polytechnic does not have a Compensation for Loss Policy to guide payments for these types of circumstances. A policy would help ensure it treats similar circumstances consistently, and follows good practice.

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<sup>4</sup> Treasury Board's publicly available Compensation for Loss policy for ministries outlines criteria for payment for reasonable compensation for losses (i.e., FAM 4110). We consider this policy to be good practice. While Saskatchewan Polytechnic is not required to follow this policy, our comparison of the above matter to Treasury Board's payment criteria found Saskatchewan Polytechnic's compensation payment would not have met Treasury Board's criteria for payment. [applications.saskatchewan.ca/fam/pdf/4110.pdf](https://applications.saskatchewan.ca/fam/pdf/4110.pdf) (21 August 2020)

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## Chapter 15

### Social Services

#### 1.0 MAIN POINTS

This chapter reports the results of our annual audit of the Ministry of Social Services and its three special purpose funds for the year ended March 31, 2020. Each fund complied with authorities governing their activities and their 2019-20 financial statements are reliable.

The Ministry complied with authorities governing its activities and had effective rules and procedures to safeguard public resources other than it needs to:

- Obtain appropriate support for and properly approve income assistance payments (including the newly launched Saskatchewan Income Support Program) to ensure eligible clients receive the correct amount of assistance.
- Recover and record overpayments timely for the Saskatchewan Income Support Program to better monitor the extent and reasons for errors, and avoid delaying recovery.
- Require staff to reconcile and review key bank accounts monthly to identify irregularities or errors. One of the Ministry's key bank accounts has \$450 million in income assistance payments paid out each year.
- Carry out timely reviews of financial reports from third-party service providers to determine if funding provided was used appropriately. During 2019-20, it paid these service providers almost \$350 million for services delivered to at-risk residents of Saskatchewan (e.g., elderly, persons with disabilities).

#### 2.0 INTRODUCTION

##### 2.1 Background

The Ministry of Social Services' mandate is to help children be safe from abuse and neglect, and help individuals to meet their basic needs and participate in their community.<sup>1</sup> The Ministry provides support through income assistance, child and family services, affordable housing, and supports for people with disabilities. The Ministry also builds capacity in community-based organizations.<sup>2</sup> Key programs and services include childcare subsidies, adoption services, child protection, foster care, financial assistance, and housing programs.<sup>3</sup>

<sup>1</sup> Ministry of Social Services, *Annual Report for 2019-20*, p. 2.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.



## 2.2 Financial Overview

In 2019-20, the Ministry of Social Services spent \$1.2 billion delivering its programs (see **Figure 1**). Appropriations (money from the General Revenue Fund) fund the Ministry. It also reported revenues totalling about \$46 million primarily from Federal Government transfers (e.g., special allowances for children in care).

**Figure 1—Expenses by Program**

	Estimates 2019-20 <sup>A</sup>	Actual 2019-20
	(in millions)	
Central Management and Services	\$ 57.5	\$ 60.5
Income Assistance Services	607.7	601.4
Child and Family Services	300.3	317.4
Client Support	12.5	12.6
Housing	8.1	6.8
Disability Programs and Services	250.9	247.0
<b>Total Appropriation</b>	<b>\$ 1,237.0</b>	<b>\$ 1,245.7</b>
Capital Asset Acquisitions	(8.3)	(9.6)
Capital Asset Amortization	6.3	6.2
<b>Total Expense</b>	<b>\$ 1,235.0</b>	<b>\$ 1,242.3</b>

Source: Ministry of Social Services, *Annual Report for 2019-20*, p. 19.

<sup>A</sup> During 2019-20, the Ministry received additional appropriation of \$13.35 million provided by special warrant for higher-than-budgeted utilization of Child and Family Services, as well as costs associated with providing emergency social services.

## 2.3 Saskatchewan Income Support Program

The Ministry of Social Services launched the Saskatchewan Income Support (SIS) program on July 15, 2019. The program aims to help people receiving income assistance overcome challenges, earn more income, become more self-sufficient, and start a career. Clients who are currently in the Saskatchewan Assistance Program or who are receiving Transitional Employment Allowance will remain in those programs until they are wound down in the summer of 2021, or until clients voluntarily move to SIS or no longer require income support.<sup>4</sup>

At March 31, 2020, the Ministry had 7,092 clients on SIS and spent \$32.8 million in program support payments from July 15, 2019 to March 31, 2020. See **Figure 2** for a comparison of the Ministry's significant income assistance programs.

**Figure 2—Major Income Assistance Services by Major Programs**

Program	2019-20	2018-19
	(in millions)	
Saskatchewan Assured Income for Disability	\$ 243.6	\$ 230.8
Saskatchewan Assistance Program	155.6	168.8
Transitional Employment Allowance	50.3	61.0
Rental Housing Supplements	33.7	44.0
Saskatchewan Income Support	32.8	-

<sup>4</sup> [www.saskatchewan.ca/government/news-and-media/2019/june/18/income-support-program](http://www.saskatchewan.ca/government/news-and-media/2019/june/18/income-support-program) (25 September 2020).

Program	2019-20	2018-19
	(in millions)	
Seniors Income Plan	27.6	27.0
Other <sup>A,B</sup>	57.9	296.9
<b>Total</b>	<b>\$ 601.4</b>	<b>\$ 828.5</b>

Source: Adapted from Ministry of Social Services information.

<sup>A</sup> Other includes Saskatchewan Employment Supplement, Child Care Parent Subsidies, Seniors Personal Care Home Benefit, Income Assistance Community Services, and Income Assistance Program Delivery expenses.

<sup>B</sup> In 2018-19, \$235.3 million is included in the \$296.9 million for Disability Programs and Services. Starting in 2019-20, Disability Programs and Services are set out separately (see **Figure 1**).

## 2.4 Crown Agency and Special Purpose Funds

The Ministry is responsible for the Saskatchewan Housing Corporation, which has a December 31 year-end. We reported the results of our 2019 audit of the Saskatchewan Housing Corporation in our *2020 Report – Volume 1*.

The Ministry is also responsible for the following funds with March 31 year-ends:

- Social Services Central Trust Account
- Social Services Valley View Centre Grants and Donations Trust Account and Institutional Collective Benefit Fund
- Social Services Valley View Centre Residents' Trust Account

## 3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2020, we found, in all material respects:

- **The Ministry of Social Services had effective rules and procedures to safeguard public resources except for matters described in this chapter**
- **The Ministry of Social Services and each of its funds complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matter described in this chapter:**

*The Child and Family Services Act*  
*The Child and Family Services Regulations*  
*The Child Care Act, 2014*  
*The Child Care Regulations, 2015*  
*The Social Services Administration Act*  
*The Department of Social Services Central Trust Account Regulations*  
*The Social Services Rehabilitation Institutional Collective Benefit and Trust Account Regulations*  
*The Rehabilitation Act*  
*The Rehabilitation Regulations*  
*The Vocational Rehabilitation Regulations*  
*The Residential Services Act*  
*The Private-Service Homes Regulations*  
*The Residential-Service Facilities Regulations*  
*The Saskatchewan Assistance Act*

*The Disability Housing Supplement Regulations*  
*The Employment Supplement Regulations*  
*The Personal Care Home Benefit Regulations*  
*The Rental Housing Supplement Regulations*  
*The Saskatchewan Assistance Regulations, 2014*  
*The Saskatchewan Assured Income for Disability Regulations, 2012*  
*The Transitional Employment Allowance Regulations, 2005*  
*The Saskatchewan Income Plan Act*  
*The Seniors Income Plan Regulations*  
*The Executive Government Administration Act*  
*The Ministry of Social Services Regulations, 2007*  
*The Financial Administration Act, 1993*  
 Orders in Council issued pursuant to the above Legislation

- **The financial statements of each fund are reliable**



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

We focused our audit effort on the following areas of the Ministry:

- Administration of the various programs (e.g., SIS, Saskatchewan Assistance Program, Saskatchewan Assured Income for Disability, Autism Individualized Funding) as prescribed by the legislation and policy manuals
- User access, change management, and recovery processes for key and new financial IT systems (e.g., MiCase/Business Central for SIS, Autism Spectrum Disorder program)
- Process for identifying and properly recording all payments and contractual obligations

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Income Verification Needed for SIS Clients

The Ministry of Social Services does not verify the accuracy of Saskatchewan Income Support (SIS) program client income information.

The Ministry had 7,092 clients on SIS at March 31, 2020, and as shown in **Figure 2**, spent \$32.8 million on SIS program support payments from July 15, 2019 to March 31, 2020.

The Ministry requires SIS clients to report their income and provide documentation to support it. Unlike its other major income assistance programs, the Ministry has not set up a process to confirm proof of income of SIS clients, and therefore has not independently verified their reported income and need for income assistance. The Ministry's other significant income assistance programs electronically screen clients against information provided by third parties to identify clients who are receiving income from other sources (e.g., Employment Insurance, student loans, Workers' Compensation). Receipt of other income can either reduce the benefit amount clients can claim under the Ministry's SIS program or impact their eligibility overall for assistance.

Use of third party verifications check the accuracy of key information (e.g., client income) submitted by clients. Not obtaining and checking third party information for client income verification increases the risk of providing income assistance through SIS to clients who are not eligible, or the Ministry paying incorrect SIS benefits.

1. **We recommend the Ministry of Social Services verify client income information for its Saskatchewan Income Support program.**

## 4.2 SIS Overpayments Not Recorded and Recovered Timely

The Ministry did not adequately record and recover Saskatchewan Income Support (SIS) overpayments during 2019-20.

An overpayment occurs when the Ministry pays a SIS client before receiving all information necessary to confirm a client's eligibility for benefits, or where it makes an error in determining a benefit. Overpayments are expected to be recovered beginning the month following payment. Also, the Ministry can pay clients benefits for security deposits on housing with the understanding that clients will repay these benefits beginning the following month.<sup>5,6</sup>

Until February 2020, the Ministry's IT system used to administer the SIS program did not allow staff to set up automatic recovery (beginning the following month) and record the related amount due (i.e., accounts receivable) for overpayments from future SIS benefits. The Ministry indicated that it was tracking overpayments manually from July 2019 to February 2020. However, the Ministry did not provide us with a complete listing or record accounts receivable for any SIS overpayments that occurred during this period.

Overpayment amounts not recovered at the end of the year are expected to be recorded as accounts receivable (amounts owing back to the Ministry). We estimated the Ministry did not record accounts receivable related to SIS overpayments of over \$500 thousand as of March 31, 2020.

In 88% (i.e., seven of eight) of SIS client files we tested, the Ministry did not record \$5,951 of amounts due from clients related to recoverable security deposits.

In addition, our testing of 30 files of clients receiving SIS assistance identified \$26,431 where the Ministry did not record amounts due from clients for overpayments.

In February 2020 (eight months after the SIS program commenced), the Ministry established an automatic recovery process in the IT system to prospectively recover overpayments from SIS clients. By March 31, 2020, the Ministry recovered approximately \$20,000 of SIS overpayments, and approximately \$12,000 of the \$389,000 of recoverable security deposits.

Not recording overpayments of SIS benefits does not allow management to assess the extent of errors resulting in overpayments. Also, not recording and initiating recovery of overpayments delays timely recovery of overpayments.

**2. We recommend the Ministry of Social Services record and recover overpayments related to its Saskatchewan Income Support program in a timely manner.**

## 4.3 Timely Bank Reconciliations Needed

The Ministry of Social Services did not prepare or review monthly bank reconciliations on a monthly basis for many of its bank accounts during the year.

<sup>5</sup> The Ministry considers security deposits to be recoverable payments. We include these with overpayments in this section.

<sup>6</sup> The Ministry's policies allow SIS clients to request and receive security deposit payments to be recovered by the Ministry at a rate of \$50 per month. Similarly, the Ministry's policies require it to recover any benefits overpaid to a SIS client at a rate of \$50 per month.



The Ministry uses the Government's Financial Administration Manual (FAM) as guidance for accounting policies and procedures. FAM requires agencies to reconcile their accounting records to their bank records at least monthly.

We found the Ministry:

- Did not always prepare or review its Social Assistance Program's Allowance bank account monthly reconciliations within a reasonable timeframe. For five of the twelve months we tested, it completed reconciliations late (i.e., 45 to 163 days after month end); for eleven of twelve months we tested, it reviewed late (i.e., up to 273 days after completion). The Ministry completed its March 31, 2020 reconciliation six months after year-end. The Ministry paid almost \$450 million in income assistance payments from this bank account during the year.
- Did not reconcile its Saskatchewan Income Support (SIS) bank account on a monthly basis. In March 2020, the Ministry prepared and reviewed a reconciliation that covered the account from the SIS program's start in July 2019 through March 2020. The Ministry paid \$32.8 million in income assistance from this bank account during the year.
- Did not always prepare and review its District Transfer revenue reconciliations timely.<sup>7</sup> For eight of nine months we tested, it completed reconciliations late (i.e., 32 to 94 days after month end). For four of nine months we tested, management reviewed reconciliations late (i.e., 32 to 48 days after completion). The Ministry received about \$4 million in the District Transfer bank account during the year.

Preparing timely bank reconciliations verifies the accuracy of accounting records and helps identify irregularities or errors. Lack of timely bank reconciliations increases the risk of errors, inaccurate financial records, and loss of public money without timely detection.

**3. We recommend the Ministry of Social Services require staff to reconcile and review each of its key bank accounts monthly.**

#### 4.4 Timely Analysis of Service Provider Financial Information Needed

***We recommend the Ministry of Social Services perform timely reviews on all the performance information submitted by the community-based organizations.*** (2007 Report – Volume 3, p.75, Recommendation 4; Public Accounts Committee agreement January 8, 2008)

**Status**—Partially Implemented

The Ministry of Social Services does not always review the results of the annual financial analysis of third-party service providers (i.e., community-based organizations) within reasonable timeframes.<sup>8</sup>

<sup>7</sup> District Transfer bank accounts are set up to allow staff in remote areas to use local banks to secure deposits until they can be transferred to the General Revenue Fund.

<sup>8</sup> The Ministry uses service providers to provide services to at-risk Saskatchewan residents who experience social, psychological, behavioral and cognitive difficulties. Community-based organizations also deliver programs for persons with developmental disabilities, and the elderly.

At March 31, 2020, the Ministry had service agreements with approximately 200 third-party service providers. During 2019-20, the Ministry paid these service providers almost \$350 million (2018-19: \$416 million).<sup>9</sup> The Ministry paid more than half of its community-based funding to 30 service providers.<sup>10</sup>

The Ministry requires third-party service providers, through its service agreements, to submit various reports (e.g., operational and financial) within specified timeframes. Management sets a target to receive and review 90% of the quarterly and annual reports submitted within the specified deadlines (or inversely, 10% of the reports may be late).

The Ministry aims to complete its review of the third-party service provider's annual financial statement analysis reports by November 30 each year. The Ministry reviews reports to determine whether the service providers used the funding it provided appropriately.

When the Ministry determines service providers did not fully use the funding provided or use it appropriately, the Ministry then determines whether it will recover the amount not spent or not spent appropriately from the service provider. Conversely, it may allow the service provider to keep the monies for use in a future period with an understanding the service provider would use the funding consistent with Ministry requirements.

For the 30 annual financial analysis reports we tested, the Ministry reviewed 50% after the November 30 deadline. Eight of the reviews were completed between four-81 days after the deadline. Seven of the 15 late reports were not reviewed until more than 100 days past the deadline date. Of these 15 third-party service providers that the Ministry did not complete a timely review of the annual financial statement analysis report, ten were among those that received the highest amount of funding from the Ministry.

For the 23 of 30 annual financial analysis reports we tested where the Ministry completed a review, it recovered \$1.4 million because the service providers did not use the funding in 2018-19.

Not reviewing the annual financial statement analysis report of third-party service providers in a timely manner increases the risk that the Ministry may be unable to identify issues and take corrective action in a timely manner (e.g., adjust future funding).

## 4.5 Social Assistance Payments Need to Be Supported and Properly Approved

***We recommend the Ministry of Social Services follow its established processes that ensure only eligible clients receive assistance and that they receive the correct amount of assistance.*** (2000 Report – Volume 3, p. 221,

Recommendation 2; Public Accounts Committee agreement June 6, 2001)

**Status**—Partially Implemented

The Ministry of Social Services does not always follow legislation or policies and procedures for making payments to income assistance clients.

<sup>9</sup> Provided by Ministry of Social Services management.

<sup>10</sup> Ibid.



The Ministry had 38,155 clients on Saskatchewan income assistance at March 31, 2020, and as shown in **Figure 2**, spent \$482.3 million in income assistance payments in 2019-20.<sup>11</sup>

Legislation outlines Saskatchewan income assistance benefits that the Ministry may pay to eligible clients (e.g., reasonable costs for funeral expenses).<sup>12</sup> Detailed Ministry policies and procedures further define the benefits.

The Ministry expects staff to review and approve support for assistance payments to ensure only eligible clients receive assistance and receive the correct amount of assistance.

Fifty of 77 (65%) files we tested had assistance payments that were not appropriately approved consistent with Ministry policy (e.g., approved when payment was not properly supported, payment made at incorrect rates, or payment not approved). Our testing identified the following examples of files with inappropriate support or where benefits were paid using incorrect rates, and therefore the Ministry should have recorded an amount due from the client:

- Thirty-one of 77 (40%) files with allowances lacked support. For example, in one file, a client received a food-supplements allowance without providing appropriate documentation (i.e., receipts). In another file, a client received shelter benefits that was not consistent with the amount set out in the policy.
- Two of 7 (29%) files with funeral expenses had incorrect rates. For example, in one instance, a client received more funding than allowed by policy.
- Six of 77 (8%) files had emergency cheques issued without documented rationale and lacked support.
- Five of 77 (6%) files lacked appropriate approval. For example, in three files, clients received their first SIS payment without approval by Ministry staff.

Not complying with legislation, and Ministry policies and procedures, increases the risk of paying clients incorrect amounts of income support.

<sup>11</sup> Income assistance programs include Saskatchewan Assured Income for Disability, Saskatchewan Assistance Program, Transitional Employment Allowance, and Saskatchewan Income Support.

<sup>12</sup> *The Saskatchewan Assistance Act* and Regulations.

## Chapter 16

### Water Security Agency

#### 1.0 MAIN POINTS

Other than the need for a complete and tested business continuity plan, the Water Security Agency had effective rules and procedures to safeguard public resources as at March 31, 2020. The Agency's 2019–20 financial statements are 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 Agency is responsible for managing water supply; protecting water quality; ensuring safe drinking water; managing dams and water supply channels; reducing flood and drought damage; and providing information on water. The Agency works to integrate all aspects of provincial water management to ensure water supplies support economic growth, quality of life, and environmental well-being.<sup>1</sup>

At March 31, 2020, the Agency held financial assets (e.g., cash, amounts owed from others) of \$102.6 million, tangible capital assets of \$392.6 million, and liabilities of \$36.3 million.

In 2019–20, the Agency generated an annual operating deficit of \$19.1 million comprised of revenue of \$31.4 million and expenses of \$50.5 million.<sup>2</sup>

#### 3.0 AUDIT CONCLUSIONS

Our Office worked with MNP LLP, the appointed auditor, to carry out the audit of the Agency. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.<sup>3</sup>

**In our opinion, for the year ended March 31, 2020:**

- **The Water Security Agency had effective rules and procedures to safeguard public resources except for the need for a complete and tested business continuity plan**

<sup>1</sup> *Water Security Agency Annual Report for 2019–20*, p. 3.

<sup>2</sup> Find the 2019–20 Annual Report of the Water Security Agency at [www.wsask.ca/About-WSA/Publications/Water-Security-Agency-Annual-Reports/](http://www.wsask.ca/About-WSA/Publications/Water-Security-Agency-Annual-Reports/).

<sup>3</sup> See our website at [www.auditor.sk.ca](http://www.auditor.sk.ca).



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

*The Water Security Agency Act*  
*The Water Security Agency Regulations*  
*The Water Power Regulations*  
*The Crown Employment Contracts Act*

*The Executive Government Administration Act*  
*The Financial Administration Act, 1993*  
Orders in Council issued pursuant to the above legislation

- **The Water Security Agency 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 the Agency'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.

The audit of the Agency included assessing revenue from contracts, confirming outstanding debt, testing capital assets, and agreeing payroll and other payments to support.

## 4.0 KEY FINDING AND RECOMMENDATION

### 4.1 Business Continuity Plan Not Complete

***We recommended the Water Security Agency implement and test a business continuity plan.*** (2010 Report - Volume 2, p. 296, Recommendation 1; Public Accounts Committee agreement January 20, 2011)

**Status**—Partially Implemented

In 2019–20, the Agency made limited progress on completing and testing a business continuity plan (particularly its IT disaster recovery plan).

The Agency uses IT systems to monitor water quality and inspection data, provide real-time information on water levels throughout the province, manage financial information, and track key information about its capital assets (e.g., asset condition, inspection results, maintenance).

An IT disaster recovery plan is part of a business continuity plan. By March 31, 2020, the Agency's business continuity plan remained incomplete and untested. Without a complete and tested plan, the Agency risks the availability of its IT systems and data in the event of a disaster.

The Agency advised us that it plans to engage a consultant to assist with developing and testing a sufficient IT disaster recovery plan.

## Chapter 17

### Western Development Museum

#### 1.0 MAIN POINTS

Other than the need to follow its policy for use of purchase orders, the Western Development Museum had effective rules and procedures to safeguard public resources as at March 31, 2020. The Museum's 2019–20 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

##### 2.1 Background

The Western Development Museum (under the authority of *The Western Development Museum Act*) is a corporate body with exhibit branches in North Battleford, Saskatoon, Moose Jaw, and Yorkton. Its main objectives are:

- To procure by gift, donation, devise, bequest or loan wherever possible, and by purchase where necessary and desirable, tools, machinery, implements, engines, devices, and other goods and chattels of historical value and importance connected with the economic and cultural development of western Canada
- To collect, arrange, catalogue, recondition, preserve, and exhibit to the public, the tools, machinery, implements, engines, devices, and other goods and chattels it has procured
- To stimulate interest in the history of the economic and cultural development of western Canada
- To co-operate with organizations having similar objectives<sup>1</sup>

##### 2.2 Financial Overview

Figure 1—Financial Results 2019-20

	Budget 2019-20	Actual 2019-20
<b>Revenue</b>	<b>(000s)</b>	
Rentals, concessions, souvenir sales	\$ 1,989.5	\$ 1,953.8
Less: Cost of Sales	(1,769.7)	(1,880.5)
<b>Gross Profit</b>	<b>\$ 219.8</b>	<b>\$ 73.3</b>

<sup>1</sup> Western Development Museum, 2019-20 Annual Report, p.4.



	Budget 2019-20	Actual 2019-20
<b>Revenue</b>	<b>(000s)</b>	
Admissions	728.5	608.8
Donations	479.6	232.4
Interest	15.0	29.2
Other Income	370.9	393.4
Province of Saskatchewan Appropriation	4,181.0	4,181.0
Other Grants	<u>96.9</u>	<u>114.6</u>
<b>Total Revenue</b>	<b><u>\$ 6,091.7</u></b>	<b><u>5,632.7</u></b>
<b>Expense</b>		
Curatorial Programs	2,001.8	1,909.4
Visitor Services	1,097.7	1,034.4
Support Programs and Services	<u>3,357.8</u>	<u>3,300.6</u>
<b>Total Expense</b>	<b><u>\$ 6,457.3</u></b>	<b><u>\$ 6,244.4</u></b>
<b>(Deficit) for year</b>	<b><u>\$ (365.6)</u></b>	<b><u>\$ (611.7)</u></b>

Source: 2019-20 Audited Financial Statements.

### 3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2020, we found, in all material respects:

- **The Western Development Museum had effective rules and procedures to safeguard public resources except for the matter described below**
- **The Western Development Museum complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

*The Western Development Museum Act*  
*The Financial Administration Act, 1993*  
*The Executive Government Administration Act*  
 Orders in Council issued pursuant to the above legislation

- **The Western Development Museum 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 the Museum'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.

We focused our audit effort on the Museum's processes to record revenue relating to admission, donation, and self-generating revenue streams (i.e., rentals, concession and souvenir sales), and processes to record the purchase of capital assets and inventory.

## 4.0 KEY FINDING AND RECOMMENDATION

### 4.1 Policies for Approving Purchase Orders Need to be Followed

The Museum does not consistently document or approve purchase orders in accordance with its purchase order policy.

The Museum's purchase order policy specifies the appropriate signing authority must approve all purchase orders before an employee makes a purchase. This is consistent with good practice.

During our audit, we identified seven purchases where the purchase order did not show that the appropriate authorization occurred prior to making the purchase. In these cases, the purchase orders did not clearly indicate the order date and authorization date; and the Museum did not clearly document the date of receipt of goods or services.

Approving purchase orders before making a purchase decreases the risk of staff making inappropriate or unauthorized purchases. Having clear documentation of such prior approval enables monitoring and demonstration of staff compliance with good purchasing practices and the Museum's policy.

1. **We recommend the Western Development Museum consistently document the approval of purchase orders before it purchases goods or services.**

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## Chapter 18

### Summary of Implemented Recommendations

#### 1.0 MAIN POINTS

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

#### 2.0 SUMMARY OF IMPLEMENTED RECOMMENDATIONS

**Figure 1** sets out, by agency, the recommendations as well as highlights key actions taken by the agency to implement its recommendations.

**Figure 1—Implemented Recommendations**

Past Recommendation (Initial PAS Report, Date of Agreement of PAC) <sup>A</sup>	Key Actions Taken During 2019–20 to Implement Recommendation
<b>Ministry of Environment</b>	
We recommended the Ministry of Environment verify the accuracy of lease information in its lease database used to administer leases. ( <i>2019 Report – Volume 2</i> , p. 36, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)	<p>During 2019-20, the Ministry reviewed the lease information in its database and updated information as necessary. For all 30 leases sampled, we found the lease information in its lease database agreed to signed lease agreements. We also assessed all long-term leases (e.g., expiry date of 2099), and found the Ministry's data for these leases was appropriate.</p> <p>The Ministry administers its own leases as well as leases for the Ministry of Government Relations (i.e., for the Northern Municipal Trust Account). We found the Ministry of Environment worked with the Ministry of Government Relations to determine if it had the most up to date lease agreements. Ministry of Environment staff went through its database to verify long-term leases had the correct expiry dates recorded in its database.</p>
<b>Ministry of Finance</b>	
We recommended the Ministry of Finance establish a process to better estimate resource surcharge revenue earned during each quarter and record this estimate each quarter. ( <i>2011 Report – Volume 2</i> , p. 166, Recommendation 1; Public Accounts Committee agreement January 13, 2014)	<p>During 2019-20, the Ministry used a reliable estimation model to estimate the amount of resource surcharge revenue to record at year-end.</p> <p>Our 2018-19 review of the Ministry's estimation models it was considering determined each of these models more reliably estimated annual resource surcharge revenue than the cash installment method the Ministry was using at that time.<sup>B</sup></p>



Past Recommendation (Initial PAS Report, Date of Agreement of PAC) <sup>A</sup>	Key Actions Taken During 2019–20 to Implement Recommendation
<b>Ministry of Government Relations</b>	
<p>We recommended the Ministry of Government Relations regularly review and update the processes it uses to make key accounting estimates (e.g., education property tax revenues, treaty land entitlement obligations). (<i>2019 Report – Volume 2</i>, p. 55, Recommendation 1; Public Accounts Committee agreement February 26, 2020)</p>	<p>During 2019-20, the Ministry of Government Relations reviewed and updated its processes for making key accounting estimates (e.g., education property tax revenues, treaty land entitlement obligations).</p> <p>During 2019-20, senior management implemented a process where staff from the various program areas (e.g., Policy and Program Services, First Nation Land Claims Unit) regularly update Corporate Services on changes to programs or other events that may impact key estimates. In addition, Corporate Services staff requested updated information needed to prepare key accounting estimates during the year and at year-end. They also updated their year-end procedures checklist to include this process.</p> <p>We observed and confirmed with staff that these new procedures were followed when making key accounting estimates. We did not find significant errors in the Ministry's key accounting estimates for 2019-20.</p>
<b>Saskatoon School Division No. 13—Pension Plan for Non-Teaching Employees of the Saskatoon Board of Education</b>	
<p>We recommended the Saskatoon School Division No. 13 complete monthly reviews of the bank and investment reconciliations for the Pension Plan for the Non-Teaching Employees of the Saskatoon Board of Education. (<i>2019 Report – Volume 2</i>, p. 101-103, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)</p>	<p>During 2019, the Agency completed monthly reviews of the bank and investment reconciliations for the plan.</p>
<b>Teachers' Dental Plan</b>	
<p>We recommended the Teachers' Superannuation Commission establish complete and written guidance for preparing interim and year-end financial reports (for the Teachers' Dental Plan). (<i>2008 Report – Volume 1</i>, p. 46, Recommendation 6; Public Accounts Committee agreement June 17, 2008)</p> <p>We recommended the Teachers' Superannuation Commission annual report include the financial statements of the [Teachers' Dental] Plan the Commission administers. (<i>2008 Report – Volume 1</i>, p. 46, Recommendation 7; Public Accounts Committee agreement June 17, 2008)</p>	<p>During 2019, management established written guidance for preparing interim and year-end financial reports for the Plan. This guidance included key accounting policies and pro-forma financial statements that were presented to the Commission at its June 2020 meeting. Management also provided interim financial reports for the Plan at this meeting.</p> <p>For the first time, management prepared complete and accurate annual financial statements for the years ending December 31, 2018 and 2019 in accordance with Canadian Public Sector Accounting Standards. In addition, management prepared an annual report for the Plan. The financial statements and annual report were presented to the Commission at its October 2020 meeting.</p>

<sup>A</sup> PAS: Provincial Auditor of Saskatchewan

PAC: Standing Committee on Public Accounts

<sup>B</sup> In our *2019 Report – Volume 2*, Chapter 6, we reported the quarterly estimation aspect of our recommendation was no longer relevant.



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## Performance Audits

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## Chapter 19

# Agriculture—Mitigating the Impact of Regulated Pests in Crops and Pastures

### 1.0 MAIN POINTS

Saskatchewan accounts for almost half of Canada’s total field crop acreage.

Laws make producers or landowners responsible for controlling identified regulated pests.<sup>1</sup>

A regulated pest is an animal, insect, or disease that the Ministry of Agriculture declares as a pest. As of July 2020, the Ministry had declared six regulated pests. It is responsible for mitigating the impact of those pests in crops and pastures.

For the twelve-month period ending July 31, 2020, the Ministry of Agriculture had, other than in the areas noted below, effective processes to mitigate the impact of regulated pests in crops and pastures. The Ministry needs to:

- Proactively provide producers with guidance about detecting and reporting the presence of two pests—late blight and bacterial ring rot, and on developing response plans for four pests—grasshoppers, late blight, bacterial ring rot, and brown or Norway rat.

Early detection and timely, appropriate response plans are key to controlling regulated pests and reducing their impact on crops and pastures even when the pest has not been detected in the province for several years.

- Make sure laboratory results confirming presence of clubroot are communicated to producers promptly. Clubroot damages canola crops, and spreads quickly. Canola is Saskatchewan’s leading crop in 2020.
- Revisit how it will conduct surveillance to determine populations of Richardson’s ground squirrel (gophers) given the Federal Government’s 2020 decision to deregister the use of strychnine effective 2023, and its use of strychnine sales to estimate gopher populations. Strychnine is regularly used in Saskatchewan to control gopher populations.
- Periodically report to senior management on the sufficiency of its mitigation of regulated pests.

Effectively mitigating the impact of regulated pests helps avoid them having a significant adverse impact on the yields and quality of crops. In 2018, the value of provincial agriculture and food exports was almost \$13.5 billion with value-added revenue estimated at \$5.2 billion.<sup>2,3</sup>

<sup>1</sup> *The Pest Control Act*, ss. 3, 5.

<sup>2</sup> [pubsaskdev.blob.core.windows.net/pubsask-prod/83874/Agriculture%252BStatistics%252BPocket%252BReference.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/83874/Agriculture%252BStatistics%252BPocket%252BReference.pdf) (20 October 2020)

<sup>3</sup> Ministry of Agriculture, *Annual Report for 2018–19*, p. 8.



## 2.0 INTRODUCTION

This chapter presents the results of our audit of the Ministry of Agriculture's processes to mitigate the impact of regulated pests in crops and pastures.

A pest is any animal, insect, or disease deemed to be destructive of or dangerous to any crop, grain, livestock, or other property.<sup>4</sup>

## 2.1 Background

The regulation and control of regulated pests is a shared responsibility between the Provincial and Federal governments.

Provincial laws make the Ministry of Agriculture responsible for promoting the agricultural or agri-food interests of the province.<sup>5</sup> Under *The Pest Control Act*, the Minister of Agriculture may declare any animal, insect, or disease deemed as likely to be destructive or dangerous to any crop, grain, livestock or other property to be a pest.<sup>6</sup>

*The Pest Control Act* also makes the producer or landowner responsible for controlling identified regulated pests (see **Figure 1**).

### Figure 1—Responsibility of Producers

Every person shall take measures to destroy any crop, vegetation, vegetable or other matter on any land or other premises owned, occupied or controlled by them that may contribute to the spread of any pest. By law, whenever a pest appears in a municipality or whenever the council of a municipality is of opinion that a pest is likely to appear in the municipality, the council may pass a bylaw providing for the purchase of materials required for the control or destruction of the pest within the municipality.

Source: *The Pest Control Act*, s.5.

The Ministry makes its Crops and Irrigation Branch primarily responsible for coordinating Ministry pest programs in conjunction with its other assigned duties. The Branch has about 42 staff, of which eight staff have a direct role in pest surveillance, extension or diagnostics. In 2019–20, the Ministry budgeted expenses of \$390 million (2019–20 actual: \$388 million), with about \$1.1 million budgeted for pest management under the Crops and Irrigation Branch.<sup>7</sup>

Federal laws make federal agencies responsible for regulating federally declared pests, and the availability and use of pest control products. For example, *The Seed Act* makes the Canadian Food Inspection Agency responsible for regulating bacterial ring rot among potato seed producers.<sup>8,9</sup> *The Pest Control Products Act (Canada)* makes Health Canada responsible for regulating the use of pest control products with an aim to prevent unacceptable risks to individuals and the environment from the use of pest control products.<sup>10</sup>

<sup>4</sup> *The Pest Control Act*, s. 3.

<sup>5</sup> *The Agriculture Administration Act*, s. 6.

<sup>6</sup> *The Pest Control Act*, s. 3 requires the Minister to use regulations to make declarations.

<sup>7</sup> *Ministry of Agriculture Annual Report 2019-20*, pp. 16 and 17 for Ministry-budgeted expenses and information provided by the Crops and Irrigation Branch at the Ministry of Agriculture on the Pest management budgeted expenses (June 10, 2020).

<sup>8</sup> The Canadian Food Inspection Agency is responsible for inspections (identification of potato lots or crops, sampling, testing and notification requirements) and documentation when the presence of bacterial ring rot is confirmed on a seed potato farm unit or when notification of an interception from foreign plant protection officials has been received. If found on a seed farm, the entire farm is decertified, and the crop must be sold as table or processing stock. The *Seed Act*, s.6 (1) (e) (Canada) provides authority to enter and remove seed or anything for the purpose of examination, conducting tests or taking samples of seeds.

<sup>9</sup> The Ministry is responsible for regulating bacterial ring rot among table producers who grow potatoes primarily for consumption. Seed producers grow potatoes for other producers' use as seed.

<sup>10</sup> [laws-lois.justice.gc.ca/eng/acts/p-9\\_01/page-2.html#docCont](https://laws-lois.justice.gc.ca/eng/acts/p-9_01/page-2.html#docCont) (13 October 2020).

## 2.2 Regulated Pests in Saskatchewan

At July 2020, the Minister of Agriculture had declared the following as pests (regulated pests): brown or Norway rat, Richardson's ground squirrel (certain gophers), grasshoppers, clubroot, late blight, and bacterial ring rot.<sup>11,12</sup> As described in **Figure 2**, these pests can cause significant damage or ruin crops including canola, cereal and pulse crops, potatoes, and stored grain leading to financial loss for the agricultural sector. They can also destroy the habitat of other organisms, including pastures (i.e. native grasses).

**Figure 2—Summary of Regulated Pests in Saskatchewan**

Regulated Pest	Potential Risk	Crops at Risk	Presence in Saskatchewan
Clubroot	A soil-borne disease that affects the roots of host plants, reduces the plants' ability to absorb water and nutrients, leading to stunting, wilting, yellowing, premature ripening, and shrivelling of seeds. <sup>A</sup> Clubroot can cause significant yield loss, up to 50% or greater, in canola and other susceptible crops, such as mustard and camelina, in the province.	Canola	Confirmed visible symptoms of clubroot in 51 canola fields in Saskatchewan as of January 2020, cumulative from 2008 to 2019. <sup>B</sup> <b>Section 6.0</b> shows the 2020 updated clubroot distribution map of clubroot severity, and its spread by location in the province
Grasshoppers (adult)	Under ideal food and weather conditions, grasshoppers multiply quickly, and when present in large numbers cause severe crop damage. A moderate infestation of 10 grasshoppers per square metre can consume 16-60% of the available plants eaten by grazing livestock. <sup>C</sup>	Cereal crops, lentil, flax and pastures	<b>Section 7.0</b> shows the 2020 grasshoppers forecast map including counts and infestation (risk levels) by location in the province
Richardson's Ground Squirrel (commonly known as gophers)	Each year, a single gopher can excavate about a ton of earth producing 30 to 50 mounds. Mounds damage vegetation and create rough terrain causing equipment damage to farm machinery. An average gopher population (of 50 gophers per hectare or 20 per acre) can consume about 1.8 kg (4 lbs) of vegetation per day. <sup>D</sup>	Pastures, native grasses, legumes, cereal, pulse, and canola crops	Infestations exists in Saskatchewan's south and west, and most severely in areas experiencing dry conditions each year
Late Blight	A fungus that infects and destroys the leaves, stems, fruits, and tubers of plants. If producers plant infected seed potatoes, late blight will likely be present on the emerging plants. Plants may die within days of being infected. <sup>E</sup> Late blight can become airborne, and spreads quickly potentially destroying entire fields in a short period if left unmanaged.	Potatoes and tomatoes	No known occurrences since 2010
Bacterial Ring Rot	A very infectious bacterial disease, symptoms include wilted stems, leaf rolling and early death of the plant. Tuber infection involves rotting of the vascular ring and rough skin cracks on the exterior of the tuber. At times, few or no symptoms are apparent. <sup>F</sup>	Potatoes	No known occurrences since 2012

<sup>11</sup> *The Pest Declaration Regulations, s. 2; The Bacterial Ring Rot Control Regulations; The Late Blight Control Regulations.*

<sup>12</sup> There are many species of gophers, Richardson's ground squirrel are one species and are commonly referred to as gophers.



Regulated Pest	Potential Risk	Crops at Risk	Presence in Saskatchewan
	Bacterial ring rot spreads primarily through use of contaminated tubers and storage and handling equipment.		
Brown or Norway Rat	Transmits diseases, contaminates grains with its urine and feces, and causes damage to building structures including crop storage facilities (insulation, electrical wires, pipes) through gnawing and tunneling. It eats about 10% of its weight per day (20 to 40 lbs per year). <sup>G</sup>	Stored crops, especially grains	Infestations exists throughout the province

<sup>A</sup> Saskatchewan Clubroot Initiative. (July 2018). Clubroot Management Plan. Retrieved from: [www.saskcanola.com/production/clubroot.php](http://www.saskcanola.com/production/clubroot.php) (08 October 2020).

<sup>B</sup> [pubsaskdev.blob.core.windows.net/pubsask-prod/116394/Agriview%252B-%252BApril%252B2020.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/116394/Agriview%252B-%252BApril%252B2020.pdf) (08 October 2020).

<sup>C</sup> [www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/crops-and-irrigation/insects/grasshoppers](http://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/crops-and-irrigation/insects/grasshoppers) (08 October 2020).

<sup>D</sup> [www.agr.gc.ca/eng/agriculture-and-climate/agricultural-practices/agroforestry/diseases-and-pests/pocket-gophers/?id=1198881854578](http://www.agr.gc.ca/eng/agriculture-and-climate/agricultural-practices/agroforestry/diseases-and-pests/pocket-gophers/?id=1198881854578) (08 October 2020).

<sup>E</sup> [www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/crops-and-irrigation/disease/late-blight-in-potato-and-tomato-gardens](http://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/crops-and-irrigation/disease/late-blight-in-potato-and-tomato-gardens) (22 October 2020).

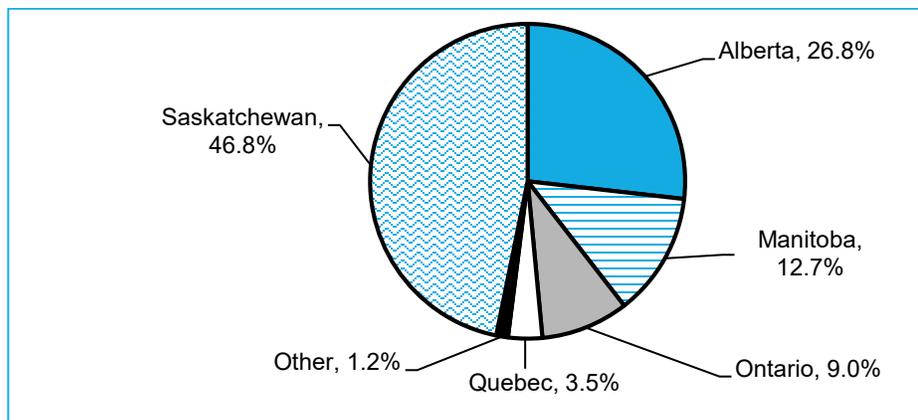
<sup>F</sup> [www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/crops-and-irrigation/horticultural-crops/potatoes](http://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/crops-and-irrigation/horticultural-crops/potatoes) (08 October 2020).

<sup>G</sup> [fieldcropnews.com/wp-content/uploads/2012/06/Rat-Control-revised-Sep-09\\_SASK\\_Gov.pdf](https://fieldcropnews.com/wp-content/uploads/2012/06/Rat-Control-revised-Sep-09_SASK_Gov.pdf) (08 October 2020). *Saskatchewan Clubroot Surveillance Plan, 2018*, p.1.

Agriculture remains a significant portion of Saskatchewan's economy. In 2018, the value of Saskatchewan agriculture and food exports was almost \$13.5 billion.<sup>13</sup> Also in 2018, Saskatchewan's value-added revenue from food and beverage processing and biofuel manufacturing increased to an estimated \$5.2 billion (13% increase from 2016).<sup>14</sup>

Saskatchewan accounts for almost half of Canada's total field crop acreage. As shown in **Figure 3** in 2016, Saskatchewan accounted for more than two-fifths of Canada's total field crop acreage with 36.7 million acres, more than Alberta and Manitoba combined.<sup>15</sup> Over the last six years, crop production averaged 35 million tonnes.

**Figure 3—Provincial Distribution of Total Field Crop Area, 2016**



Source: Statistics Canada (2017), Census of Agriculture (3438), *Saskatchewan Remains the Breadbasket for Canada*.  
Note: Totals may not equal 100% due to rounding.

<sup>13</sup> [pubsaskdev.blob.core.windows.net/pubsask-prod/83874/Agriculture%252BStatistics%252BPocket%252BReference.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/83874/Agriculture%252BStatistics%252BPocket%252BReference.pdf) (09 October 2020)

<sup>14</sup> Ministry of Agriculture, *Annual Report for 2018–19*, p. 8.

<sup>15</sup> Statistics Canada (May 2017). Saskatchewan Remains the Breadbasket of Canada, p. 3. [www150.statcan.gc.ca/n1/pub/95-640-x/2016001/article/14807-eng.pdf](http://www150.statcan.gc.ca/n1/pub/95-640-x/2016001/article/14807-eng.pdf) (8 January 2020). **Figure 3** data is based on the 2016 Census of Agriculture conducted every five years (next census in 2021). Largest field crops by acreage covered in 2016 Census included canola, spring wheat, barley, soy beans, and durum wheat ([www150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2017012-eng.htm](http://www150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2017012-eng.htm)) (09 October 2020). Total field crop area in **Figure 3** covers total cropland under field crops (in millions of acres).

Saskatchewan producers typically seed almost all of Saskatchewan’s cropland into field crops with the majority of acreage seeded with canola and spring wheat. For example, field crops made up almost 91% of the total cropland seeded in Saskatchewan in 2016. Canola was Saskatchewan’s leading field crop in 2020. Farmers reported planting 11.3 million acres in 2020, down 1.8% from 2019.

Ineffective processes to mitigate the impact of regulated pests increases the likelihood of these pests having a significant adverse impact on the yields and quality of crops. Lower crop production and lower quality crops result in lost revenues to producers, and others reliant on the agricultural sector (e.g., grain buyers, farm equipment dealers and suppliers). This in turn can result in possible loss of jobs—both directly and indirectly—reduction of tax revenue, and increased costs for agricultural risk management programs (e.g., Crop Insurance programs).

### 3.0 AUDIT CONCLUSION

**The Ministry of Agriculture had, other than the following areas, effective processes to mitigate the impact of regulated pests in crops and pastures in Saskatchewan for the 12-month period ended July 31, 2020.**

**The Ministry needs to:**

- **Proactively provide producers with written guidance about detecting and reporting the presence of late blight and bacterial ring rot**
- **Make sure laboratory results confirming clubroot presence are communicated to producers promptly**
- **Provide producers with written guidance on developing response plans for regulated pests including grasshoppers, late blight, bacterial ring rot, and brown or Norway rat**
- **Periodically report to senior management on the sufficiency of mitigation of regulated pests including Richardson’s ground squirrel, late blight, bacterial ring rot, and brown or Norway rat**
- **Revisit how it will conduct surveillance to determine populations of Richardson’s ground squirrel**

**Figure 4—Audit Objective, Criteria, and Approach**

**Audit Objective:** The objective of this audit is to assess whether the Ministry of Agriculture had, for the 12 month period ending July 31, 2020, effective processes to mitigate the impact of regulated pests in crops and pastures in Saskatchewan.

**Audit Criteria:**

Processes to:

1. **Systematically prevent and detect the risk of pests in crops and pastures**
  - 1.1 Prioritize threats of occurrence of new or existing regulated pests in crops and pastures
  - 1.2 Develop action plans with key parties (Health, Environment, Saskatchewan Association of Rural Municipalities (SARM) and other parties [e.g., farmers, land owners]) for prevention and early detection of regulated pests
  - 1.3 Increase awareness on pest prevention and detection techniques, response, and pest reporting responsibilities



2. **Promptly respond to incidents of regulated pests in crops and pastures**
  - 2.1 Use appropriate tactics (e.g., pest surveillance, field inspections, annual surveys [e.g., detection]) to investigate presence of pests in crops and pastures
  - 2.2 Structure prompt response to minimize the risk of pest spread
  - 2.3 Assess if actions taken minimize risk of pests and resulting damage

**Audit Approach:**

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's processes, we used the above criteria based on our related work, reviews of literature including reports of other auditors, and consultation with management. The Ministry agreed with the above criteria.

We examined the Ministry's policies, procedures, IT systems, reports, and other records relating to mitigating the impact of regulated pests in crops and pastures located in Saskatchewan. We interviewed key staff responsible for oversight of the six regulated pests. We also tested samples of Clubroot results and agreements (response plans). We assessed the Ministry's tactics (e.g., annual surveys, field inspections) to mitigate clubroot, grasshoppers, Richardson's ground squirrel, late blight, bacterial ring rot, and brown or Norway rat against good practices. In addition, we used an objective consultant with applicable subject matter expertise to help us identify good practice, and assess Ministry practices.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Collaborates with Stakeholders on Mitigating Regulated Pests

The Ministry of Agriculture routinely collaborates with key stakeholders on pest prevention and management through creating plans, education, awareness and good practices for regulated pests.

Key stakeholders include federal and provincial counterparts as well as SARM, Saskatchewan Crop Insurance Corporation, Agri-Food Canada, SaskCanola, Saskatchewan Vegetable Growers Association, Saskatchewan Seed Potato Growers Association, producers, and landowners.

To keep abreast of best practices, the Ministry participates in inter-jurisdictional meetings on pest prevention and control through the Canadian Plant Health Council.<sup>16</sup> Key members include: federal agencies like the Canadian Food Inspection Agency and Agri-Food Canada, provincial representatives like Manitoba Ministry of Agriculture, and industry associations like Association of Canadian Faculties of Agriculture and Veterinary Medicine.<sup>17</sup>

The Council's subcommittee meets twice a year (i.e., spring and fall).

We found the last meeting took place on December 6, 2019. The subcommittee discussed best practices, prevention strategies, and protocol harmonization of pest surveillance across Canada. The spring 2020 meeting did not take place due to the declaration of the COVID-19 pandemic in March 2020. The Ministry expects the next meeting to take place in October 2020.

<sup>16</sup> The Canadian Plant Health Council mandate includes enabling cooperation across government, industry, academia and other stakeholders. The Council uses subcommittees (e.g., Pest Surveillance Community of Practice) to assist in achieving this goal.

<sup>17</sup> Members of the Inter-Jurisdiction (Canadian Plant Health Council) meetings include; the Canadian Food Inspection Agency, Canadian Forest Service, Agri-Food Canada, Ontario Ministry of Agriculture, Food and Rural Affairs, Manitoba Ministry of Agriculture, Alberta Ministry of Agriculture and Forestry, Association of Canadian Faculties of Agriculture and Veterinary Medicine, Canadian Horticultural Council, Canada Wood Group, CropLife Canada and Canada Grains Council.

The Ministry also uses formal agreements with key stakeholders to support various programs and initiatives to prevent, detect and control regulated pests. At July 2020, the following agreements were in effect:

- The *Canadian Agriculture Partnership Bilateral Agreement* with Government of Canada. The Agreement gives Saskatchewan access to federal funding for activities related to the agricultural sector including those related to mitigating and controlling plant pests. It is a five-year agreement in effect until March 31, 2023.
- An agreement with SARM. The Agreement gives SARM responsibility for administering several Saskatchewan Pest Biosecurity Programs in return for funding from the Ministry of about \$9 million over three years.

Programs under this Agreement related to regulated pests include the Rat Control Program and the Plant Health Network.

Key activities include educating and training producers and rural municipalities on managing and controlling pests, and using qualified personnel to support regular pest surveillance activities like inspections. This agreement falls under the *Canada-Saskatchewan Agriculture Partnership Bilateral Agreement* and is in effect from April 4, 2020 to March 31, 2023.

- An information-sharing agreement with the Saskatchewan Crop Insurance Corporation. The agreement gives the Ministry annual access to legal land descriptions for land planted with specific crops (e.g., canola, lentils) to assist in pest surveillance activities such as annual surveys for clubroot and grasshoppers. The agreement came into effect July 4, 2019 for an indefinite term.

Our assessment of each agreement found each set out clear roles and responsibilities of each party including reporting responsibilities. In addition, each of the agreements are current.

Collaborating with key stakeholders helps the Ministry to keep up-to-date on good practices, leverage their resources and expertise, and provide opportunities for increasing awareness of good practices.

## 4.2 Pest Awareness Activities Undertaken

The Ministry of Agriculture regularly undertakes activities designed to increase producer and public awareness of regulated pests. It does so either directly or in conjunction with its key stakeholders.

The Ministry educates producers through various means. For example, it publishes factsheets, annual maps, and the Crop Production News monthly magazine on its website. It conducts annual training for individuals that participate in clubroot and grasshopper management (e.g., surveyors, plant health officers, municipal pest control officers). It publishes various control measures for regulated pests on its website as part of the



Integrated Pest Management Program.<sup>18</sup> In addition, its staff participate in radio interviews about good practices for identifying and controlling regulated pests.

In addition, it uses its key stakeholders such as rural municipalities to help educate producers. For example, rural municipalities place information posters in their offices, and SARM posts pest management tips on its website. We found the Ministry provides key stakeholders with its materials, or works with them on developing additional materials.

Our review of the materials (e.g., factsheets, magazine articles) for all six regulated pests found they contain understandable information. They include good practice information on detecting the existence or presence of regulated pests, preventing and managing their occurrence (e.g., farming and planting practices), and on responsibilities for reporting and controlling their existence. Specific examples of good practice information communicated include:

- Equipment cleaning and sanitation to minimize movement of contaminated or potentially contaminated soil to non-contaminated regions
- Restrict entry of vehicles into fields unless they have been properly cleaned
- Creation of a separate exit as far as possible from the field entrance
- Crop rotation (e.g., minimum of three year rotation with two-year break) between host crops such as canola, mustard and vegetables
- Economic thresholds for grasshoppers—the population level and extent of crop damage at which the value of the crop destroyed exceeds the cost of controlling the pest
- Annual monitoring (i.e., inspections for rats and squirrel)
- Disease monitoring by producers for early outbreak detection of late blight and bacterial ring rot

Awareness and education activities decreases the risk of producers not knowing how to prevent, detect and manage regulated pests.

### 4.3 Support for Appropriate Pest Surveillance Activities in Place

The Ministry of Agriculture supports the use of various pest surveillance activities that align with good practice for four regulated pests. Surveillance activities assist in detecting the presence of regulated pests in crops and pastures.

The Ministry's Plan for 2019-20, sets out a strategy to implement effective evidence-based assurance systems to improve the agriculture sector's long-term resiliency and competitiveness. It also outlines key actions including efforts to monitor and improve crop disease surveillance.<sup>19</sup>

<sup>18</sup> Integrated Pest Management is a strategy used to attain sustainable, long-term, pest control. It uses all viable options (chemical and non-chemical). [www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/livestock/pastures-grazing-hay-silage/integrated-pest-management-for-richardson-ground-squirrels](http://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/livestock/pastures-grazing-hay-silage/integrated-pest-management-for-richardson-ground-squirrels) (14 October 2020).

<sup>19</sup> Ministry of Agriculture, *Plan for 2019-20*, p. 6.

As shown in **Figure 5**, other than for late blight and bacterial ring rot, the Ministry supports surveillance of each regulated pest either directly (i.e., its staff are involved to some extent in the planning or conducting of the surveillance activity) or indirectly (i.e., provides funding). Surveys are the most common surveillance activity.<sup>20</sup>

We assessed the annual surveys used for the four regulated pests receiving Ministry support (see **Figure 5**) and found they align with good practices. For example, survey protocols (specific procedures) use biosecurity standards, which set out guidance on entering agricultural land to reduce spread of pests.

**Figure 5—Surveillance Activities Used to Identify Regulated Pests in Saskatchewan**

Regulated Pest	Key Surveillance Activities	Collaborates With	Ministry Role
Clubroot	Participates in annual general disease surveys Submits soil samples of potential disease to lab Assists producers with confirmed clubroot in developing response plan as part of Plant Health Network Encourages producers to self-monitor and submit soil samples to lab	Saskatchewan Clubroot Initiative Initiative membership includes SaskCanola, Saskatchewan Association of Rural Municipalities (SARM), Agriculture and Agri-Food Canada Industry	Chairs Saskatchewan Clubroot Initiative Participated in the development of the Clubroot Management Plan which sets out key surveillance activities, and survey protocols Uses survey results to develop annual distribution map (see <b>Section 6.0</b> ) May participate in the development of producer response plan
	Conducts laboratory testing of soil samples for disease pathogens	SaskCanola through Discovery Seeds Lab	Crop Protection Laboratory conducts testing for clubroot Ministry receives results then shares them with SARM plant health officers who inform producers Must ensure producer is informed of confirmed detection of clubroot
Grasshoppers	Conducts annual roadside surveys	Saskatchewan Crop Insurance Corporation	Provides guidance about conducting survey (protocol) Annually analyzes data from surveys and produces map reports (see <b>Section 7.0</b> ).
Richardson's Ground Squirrel (gopher)	Coordinates, as part of the Richardson's Ground Squirrel Stewardship Program, municipal annual inspections (distributes annual information forms for completion and submission to the Ministry)	SARM	Participates in the Richardson's Ground Squirrel Stewardship Program along with Ministry of Environment over use of strychnine (a federally regulated pest control product) to control gopher populations. Annually monitors, analyzes data about sales of strychnine to rural municipalities and produces reports.
Late Blight	Self-monitoring by producers who submit plant/tuber samples to lab	Vegetable Growers and Seed Potato Growers Associations	Communicates with producers and associations on monitoring. Crop Protection Laboratory testing as needed.

<sup>20</sup> Surveys involve physical inspections and collection of data to determine the presence of pests (i.e., clubroot, grasshoppers).



Regulated Pest	Key Surveillance Activities	Collaborates With	Ministry Role
Bacterial Ring Rot	Annual inspections of seed producers Tests soil samples for disease pathogens and informs producers	Canadian Food Inspection Agency Canadian Food Inspection Agency certified lab	Communicates with producers and associations on monitoring.
Brown or Norway Rat	Conducts annual inspections as part of the Rat Control Program	SARM	Receives annual report on Rat Control Program as expected under agreement with SARM Provides funding (along with the Federal Government) to SARM for Rat Control Program

Having Ministry support for surveillance activities that are systematic and reflective of good practice helps it have adequate information to determine whether sufficient activities occur to prevent the occurrence of and mitigate the impact of pests.

#### 4.4 More Involvement in Surveillance of a Few Regulated Pests Needed

The Ministry of Agriculture does not sufficiently plan or conduct surveillance activities for two regulated pests (late blight, bacterial ring rot). This does not align with its decision to declare these as pests.

For **clubroot**, the Ministry has placed priority on being actively involved in the mitigation of clubroot given the extent of canola planted in the province. It chairs the Saskatchewan Clubroot Initiative.<sup>21</sup> The Initiative has a documented Clubroot Management Plan, which the Ministry is actively delivering. The Ministry provides rural municipalities with sample bylaws about making producers responsible for identifying and reporting clubroot. At July 2020, 50% of Saskatchewan municipalities have adopted these bylaws.

We found members of the Initiative include key parties potentially impacted by clubroot, or essential to help prevent and control it.

We found the Clubroot Management Plan sufficiently robust and reflective of good practice. It includes good management practices to help producers prevent and early detect clubroot (e.g., crop rotation, minimizing spread of contaminated soil to non-contaminated areas). It clearly sets out each parties' responsibilities for awareness, control, and surveillance activities.

We found the 2020 survey protocol for clubroot provided sufficient guidance for surveyors on field selection (i.e., how to select samples and when to collect samples), sanitation practices (e.g., equipment cleaning), soil sampling from the field entrance, and assessing plants for visible symptoms while in the field.

<sup>21</sup> Members of the Saskatchewan Clubroot Initiative include; Saskatchewan Ministry of Agriculture, Producers and producer groups, Saskatchewan Association of Rural Municipalities (SARM), Agriculture Retail Industry, Agriculture and Agri-Food Canada, Saskatchewan Canola Development Commission (SaskCanola), Agricultural Producers Association of Saskatchewan (APAS), Canola Council of Canada, SaskEnergy, SaskPower, SaskTel, Saskatchewan Crop Insurance Corporation, Discovery Seed Labs, Enbridge Pipelines Inc.

We found the Ministry used the survey results to update the distribution map each year. At July 2020, it had developed and published on its website the 2020 map. See **Section 6.0** Clubroot Distribution in Saskatchewan (cumulative testing 2008 to 2019).

For **grasshoppers**, the Ministry engages Saskatchewan Crop Insurance to conduct surveys of grasshoppers each year. The Ministry maintains a survey protocol that it gives Saskatchewan Crop Insurance each year.

We found the 2020 survey protocol for grasshoppers provided surveyors with sufficient guidance on site selection (i.e., sampling four sites per rural municipality).

In addition, it also gave sufficient guidance on:

- When to conduct the survey—when the majority of grasshoppers are in the adult stage
- How to conduct the survey—by estimating the average number of grasshoppers encountered while walking along the roadside
- How to calculate average grasshopper counts from visual observations

We found the Ministry used survey results to develop a forecast map of the location and severity of grasshoppers. At July 2020, it had developed and published on its website the 2020 forecast. See **Section 7.0**.

For **Richardson's ground squirrel**, the Ministry is not involved in planning for or conducting surveillance activities. Rather, the Ministry's involvement focuses on population control measures—primarily the use of strychnine through the Richardson's Ground Squirrel Stewardship Program.

Rural municipalities participate in the Program on a voluntary basis. Participating municipalities receive information about integrated pest management methods, and the use of chemicals such as strychnine and non-chemical methods such as hunting and trapping to attain long-term sustainable pest control and economic thresholds.<sup>22</sup> Participating municipalities agree to submit information to the Ministry each year using standard forms (i.e., product evaluation and purchase agreement forms).

We found these forms include information primarily about the use of strychnine in rural municipalities (e.g., amounts purchased, location of use, gopher population density at time of use, effectiveness of use, impact on other species). The Ministry uses information on the volume of strychnine sales as a way to estimate gopher populations. Good practice

Good practices suggests a survey protocol includes:

- A comprehensive set of instructions for conducting a count of or monitoring an item such as a regulated pest.
- Enough detail about what, why, where, by whom, when, and how to conduct a survey. Clearly defined roles and responsibilities for response actions and monitoring
- Instructions and considerations for data collection (e.g., information about identifying the pest, and stage of infestation), data management, analysis, and reporting of results.

<sup>22</sup> Economic threshold is the population size of a colony of gophers that will require immediate management because the size is known to exceed the point where it will cause unacceptable economic loss to the producer. Economic thresholds for Richardson's ground squirrel—one hole per four meters or 20 per cent crop damage over 100 meters is an economically damaging level and a concern for possible control measures. A 100-metre transect equals approximately (25 X 25 meters) 625 burrows per hectare equivalent to a 20% loss in the crop in a 100-metre strip/area adjacent to a field margin, pasture or road allowance.



suggests this method of monitoring may provide inaccurate estimates of gopher populations.

We found the Ministry does not actively use the data about gopher density to identify areas in Saskatchewan with higher numbers of gopher infestations. Good practice suggests estimating populations based on thresholds—one gopher hole per four metres.

At July 2020, the last analysis the Ministry had completed about gophers related to the 2018 calendar year. At July 2020, the Ministry had not received the results of 2019 from all participating municipalities nor started its 2019 analysis. We did not see evidence of its actively seeking the information from municipalities that had not submitted the information.

In addition, Health Canada has announced that it plans to deregister strychnine effective March 2023 and it will not be available to purchase after March 2022.

At July 2020, the Ministry does not have plan to obtain data about the number of gophers once strychnine is deregistered. Not having a surveillance plan increases the risk that the Ministry will not have good information to estimate gopher populations.

**1. We recommend the Ministry of Agriculture revisit how it will conduct surveillance to determine populations of Richardson's ground squirrel.**

For **brown or Norway rat**, the Ministry provides SARM with funding to administer the Rat Control Program. The agreement with SARM sets out terms and conditions (e.g., rural municipalities must appoint a pest control officer). In addition, it requires SARM to report to the Ministry on key Program activities each year.

As of July 2020, the Ministry had received the 2019-20 Annual Rat Control Program report. However, we found it does not actively use this report to determine whether sufficient surveillance occurs. See **Recommendation 5** about reporting to senior management.

For **late blight**, the Ministry does not plan for and is not involved in any surveillance activities beyond paying for the costs of testing plant/tuber samples. It expects producers to self-monitor for late blight and submit soil samples to the lab for testing. The Ministry maintains adequate protocols on lab testing plant/tuber samples for late blight.

However, the Ministry has not provided producers with good practices for taking samples for late blight (e.g., a survey protocol). In addition, it does not summarize the extent of lab tests done each year, or analyze where samples are taken to determine whether sufficient surveillance occurs.

For **bacterial ring rot**, the Ministry does not plan for and is not involved in any surveillance activities given the Federal Government's responsibilities for regulating bacterial ring rot in seed potato producers. The Ministry is only responsible to regulate table potato producers.

As noted in **Figure 5**, the Ministry does not receive information about the nature and extent of surveys of the Canadian Food Inspection Agency. The Agency notifies the Ministry of confirmed instances of bacterial ring rot, if any.

No confirmed instances of late blight have been detected in the province since 2010, and of bacterial ring rot since 2012. At July 2020, Saskatchewan has only a modest amount of potato and tomato production—the key crops at risk of late blight. Only potatoes are at high risk of bacterial ring rot.

Late blight and bacterial ring rot both pose a significant risk to potato and tomato production in Saskatchewan. One incident of either late blight or bacterial ring rot can wipe out an entire crop leading to extreme economic loss for the producer.

The Ministry needs to do more to assess if producers actively look for the presence of late blight and bacterial ring rot. Proactively equipping producers with clear guidance on how best to detect the presence of these regulated pests, and giving them clear direction on where and how to report potential infestations would help the Ministry determine whether the sufficient surveillance occurs. It would also help keep the risk of the occurrence of these regulated pests low.

Systematic and sufficient use of surveillance activities help detect the presence of regulated pests (both current and newly identified). Early detection is key to controlling spread and mitigating their impact on crops and pastures.

**2. We recommend the Ministry of Agriculture proactively provide producers with written guidance about detecting and reporting the presence of late blight and bacterial ring rot.**

## 4.5 Prompt Reporting of Clubroot Lab Results Needed

The Ministry does not always communicate results of confirmed clubroot testing to producers promptly (e.g., a few business days).

Under *The Pest Control Act*, and guided by the Saskatchewan Clubroot Management Plan, the Ministry assumes the responsibility for making sure producers are informed of the presence of visible symptoms of clubroot. It also assumes the responsibility of informing producers of the presence of clubroot confirmed through lab testing.

The Ministry directly receives all of the results of lab testing of soil samples for clubroot. The Ministry shares test results with SARM plant health officers (who are part of the Plant Health Network). The Ministry expects the plant health officers to advise the producer of the test results. The Ministry has not set expectation on the timing of each step of this process.

For each of three of seven clubroot soil-sample test results we tested, the Ministry took 13 days to inform SARM's plant health officers of positive clubroot results; it called them. The Ministry did not keep documentation about the timing of those calls, or confirm when or whether the plant health officers informed the producers.

The Ministry expects producers to submit a response plan to a SARM plant health officer within 30 days once visible symptoms or lab testing confirms the presence of clubroot in a crop. However, some producers may await test results before starting to develop a response plan. Faster responses help contain the disease, and control its spread.



Timely dissemination of lab results enables producers to implement appropriate measures promptly to control the disease and reduce its impact on crops and pastures.

**3. We recommend the Ministry of Agriculture make sure laboratory results confirming clubroot presence are communicated to producers promptly.**

## 4.6 Guidance on Preparing Response Plans for Regulated Pests Needed

Guidance for preparing response plans is not readily available for four of the six regulated pests. Guidance exists for clubroot and Richardson's ground squirrel.

*The Pest Control Act* provides authority to municipalities to make producers responsible for responding to identified instances of regulated pests (see **Figure 1**).

A good response plan provides a set of written procedures for dealing with infestations of regulated pests. Procedures are designed to contain and control the spread, and minimize the impact.

For clubroot, an agrologist approves response plans. The Saskatchewan Clubroot Initiative provides clear and sufficient guidance about responsibilities and methods for developing response plans.

The Ministry gives producers a template (referred to as a clubroot management agreement). It expects them to submit the completed agreement to a SARM plant health officer within 30 days of seeing visible symptoms of clubroot or receipt of test results confirming its presence. It expects SARM plant health officers to review and approve the agreement, and provide producers with support, as necessary, in implementing it.<sup>23</sup> Each clubroot management agreement is valid for two years—the period for a producer to implement the response plan.

Our review of the template found it included all eight items considered as good practice for response plans for clubroot (see **Figure 6**).

**Figure 6—Key Content of Clubroot Management Agreement**

- Crop rotation—three-year rotation with a two-year break between host crops
- Use of only clubroot-resistant varieties
- Control canola volunteers and related weeds
- Biosecurity measures (e.g., cleaning of equipment, restricting entry of vehicles into fields unless properly cleaned)
- Use of soil conservation practices (e.g. direct seeding or zero-tillage)
- Notification once clubroot is detected/confirmed
- Intent to disclose that clubroot has been confirmed if land is sold or rented
- Signatures of the producer and/or landowner and the pest control officer on the clubroot agreement

Source: Adapted from the Ministry's Clubroot Management Agreement.

We tested five samples where clubroot was detected with visible symptoms in the field to determine if the clubroot agreements were prepared timely, and found the following. For three of five, producers submitted two agreements later than 30 days (i.e., seven days late, 33 days late) and the plant health officer did not sign one agreement.

<sup>23</sup> Municipalities who have adopted the agreement template as law have similar expectations.

The Ministry uses its interactions with SARM plant health officers along with its annual analysis of results of surveys for clubroot to determine if appropriate responses occurred.

For **Richardson's ground squirrel**, the Ministry provides municipalities with guidance on the use of Integrated Pest Management measures including non-chemical (e.g., shooting, trapping) and chemical options (e.g., strychnine—a federally regulated pest control product).

In 2020, Health Canada has announced it will no longer allow producers to use strychnine as of March 4, 2023.<sup>24</sup>

As of July 2020, the Ministry does not have plans to develop additional guidance on alternate measures effective in response and management of gopher populations. See **Recommendation 1**.

As noted in **Section 4.4**, the Ministry is not carrying out timely analysis of information about gopher infestations. Without such analysis, it does not know whether sufficient responses occur to minimize the risk of damage to crops and pastures.

For **other regulated pests**, the Ministry does not provide producers with guidance on developing response plans. Other regulated pests include grasshoppers, late blight, bacterial ring rot and brown or Norway rat. Nor did we see evidence that it works with its key stakeholders to have them provide such guidance.

The Ministry notes producers remain responsible, by law, for responding to detected regulated pests. Where they do not respond properly, *The Pest Control Act* gives municipalities the right to take action.<sup>25</sup> Furthermore, the Minister can also, under the Act, order actions such as the destruction of crops. As of July 2020, the Ministry has not issued any such orders.

Response planning provides a structured and prompt response for producers to minimize the risk of pest spread. Early pest detection and planning response for both current and newly identified pests, allow producers to minimize the risk of crop losses from pest infestations, and unnecessary pest management, which may lead to increases in production costs.

**4. We recommend the Ministry of Agriculture, working with its key stakeholders, provide producers with written guidance on developing response plans for grasshoppers, late blight, bacterial ring rot, and brown or Norway rat.**

<sup>24</sup> On March 4, 2020, the Pest Management Regulatory Agency of Health Canada announced its final decision to de-register the use of strychnine for gophers. Manufacturers will not be allowed to produce strychnine after March 4, 2021. Strychnine cannot be sold after March 4, 2022. Producers will no longer be able to use it after March 4, 2023. [www.canada.ca/en/health-canada/services/consumer-product-safety/reports-publications/pesticides-pest-management/decisions-updates/reevaluation-decision/2020/strychnine.html](http://www.canada.ca/en/health-canada/services/consumer-product-safety/reports-publications/pesticides-pest-management/decisions-updates/reevaluation-decision/2020/strychnine.html) (22 October 2020).

<sup>25</sup> *Pest Control Act* s. 8(1): Any municipality may enter into an agreement or agreements with any other municipality or municipalities for joint action in controlling or destroying pests, including the appointment of a joint committee to control, supervise and manage the program of control or destruction undertaken pursuant to the agreement, and including the purchase of equipment and hiring of operators thereof.



## 4.7 Reporting Needed for Regulated Pests

Senior management does not receive the results of pest mitigation strategies for all regulated pests (i.e., Richardson’s ground squirrel, late blight, bacterial ring rot, brown or Norway rat).

For **clubroot and grasshoppers**, senior management receives the annual maps the Ministry prepares using the annual survey results (see **Sections 6.0** and **7.0**). Also, it periodically shares these results with its Minister. For example, it gave the Minister a clubroot briefing note in December 2019 summarizing new findings of clubroot from the 2019 survey.

Our test of the 2020 clubroot distribution map and the 2020 grasshoppers forecast map against the information collected from the annual surveys found the maps complete and accurate. We found the surveys for clubroot and grasshoppers provide reasonable coverage; they typically cover over 200 rural municipalities each year. The majority of Saskatchewan’s 775 municipalities are typically seeded with crops.

We also found the annual clubroot map contains sufficient information on clubroot detected. For example, as summarized in Figure 7, the map shows clubroot detection in four rural municipalities in 2019.

**Figure 7—Summary of Clubroot Distribution by Location in 2019**

Rural Municipality #	# of Locations Tested	# Locations with Visible Symptoms	# Locations Detected from Lab Testing
271	7	0	1
442	13	1	2
466	5	3	3
501	10	1	1
<b>Total</b>	<b>35</b>	<b>5</b>	<b>7</b>

Source: 2020 Clubroot Distribution Map (September 28, 2020).

In addition, we found the grasshopper forecast map clearly shows, as summarized in **Figure 8**, severe and moderate grasshopper infestations were detected based on economic thresholds in eight rural municipalities.<sup>26</sup>

**Figure 8—Examples of Grasshopper Infestation and Risk levels to Cereals (severe and moderate) in 2020**

Rural Municipality #	Infestation Levels <sup>A</sup>	Risk levels based on economic thresholds
259	15.9	Severe
260	10.9	Moderate
261	17.0	Severe
290	18.0	Severe
292	10.7	Moderate
319	12.0	Moderate
320	12.0	Moderate
322	10.4	Moderate

Source: 2020 Grasshopper Distribution Map (September 28, 2020).

<sup>A</sup> – Infestation levels are the number of grasshoppers per square meter.

<sup>26</sup> Economic thresholds set for number of grasshoppers per square metre for cereals—8-12, for flax and lentil—2, and for canola—14.

For **brown or Norway rat**, each year, the Ministry receives annual rat reports from SARM under the Rat Control Program. The Ministry's agreement with SARM expects the report to include actual and forecasted costs of program delivery, performance indicators, targets, and actual outcomes. We found the required information sufficiently comprehensive to show the program's effectiveness and success. The 2019-20 Rat Control Program report included provincial brown or Norway rat infestation rates (i.e., 2.42 percent in 2018, 1.89 percent in 2019), and financial information on actual and forecasted expenses for rat control activities as expected.<sup>27</sup>

However, our comparison of the 2019-20 Rat Control Program report against the Agreement's reporting requirements found it did not contain all of the information expected. We found the report did not include trends of rat infestation counts or targets for provincial rat infestation rates (economic thresholds).

We suggest the Ministry ask SARM to supply the missing information. Without receiving the complete information, the Ministry cannot assess if the Program is working as intended and sufficient mitigation occurs. For **other regulated pests**, senior management does not receive regular reports about the results of mitigation strategies. Other regulated pests include late blight, bacterial ring rot, and Richardson's ground squirrel.

Absence of formal regular reporting to senior management on regulated pests—both current and newly identified—increases the risk of ineffective decision making about sufficiency of resources provided and success of mitigation activities. Regular reporting assists in assessing whether appropriate measures are taken to control confirmed instances of regulated pests, and to prevent or minimize the risk of future instances.

5. We recommend the Ministry of Agriculture periodically report to senior management on the sufficiency of mitigation of regulated pests including Richardson's ground squirrel, late blight, bacterial ring rot, and brown or Norway rat.

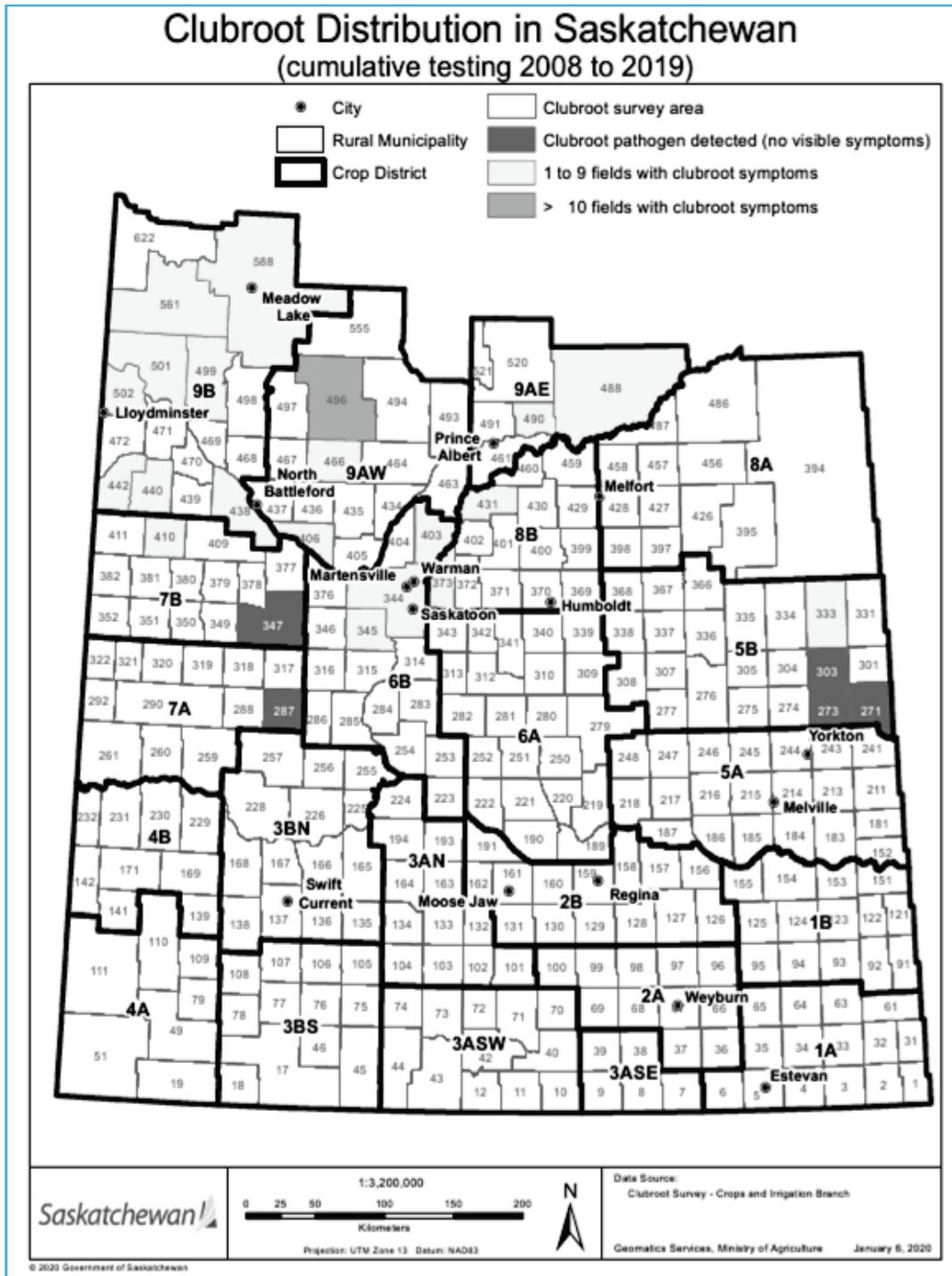
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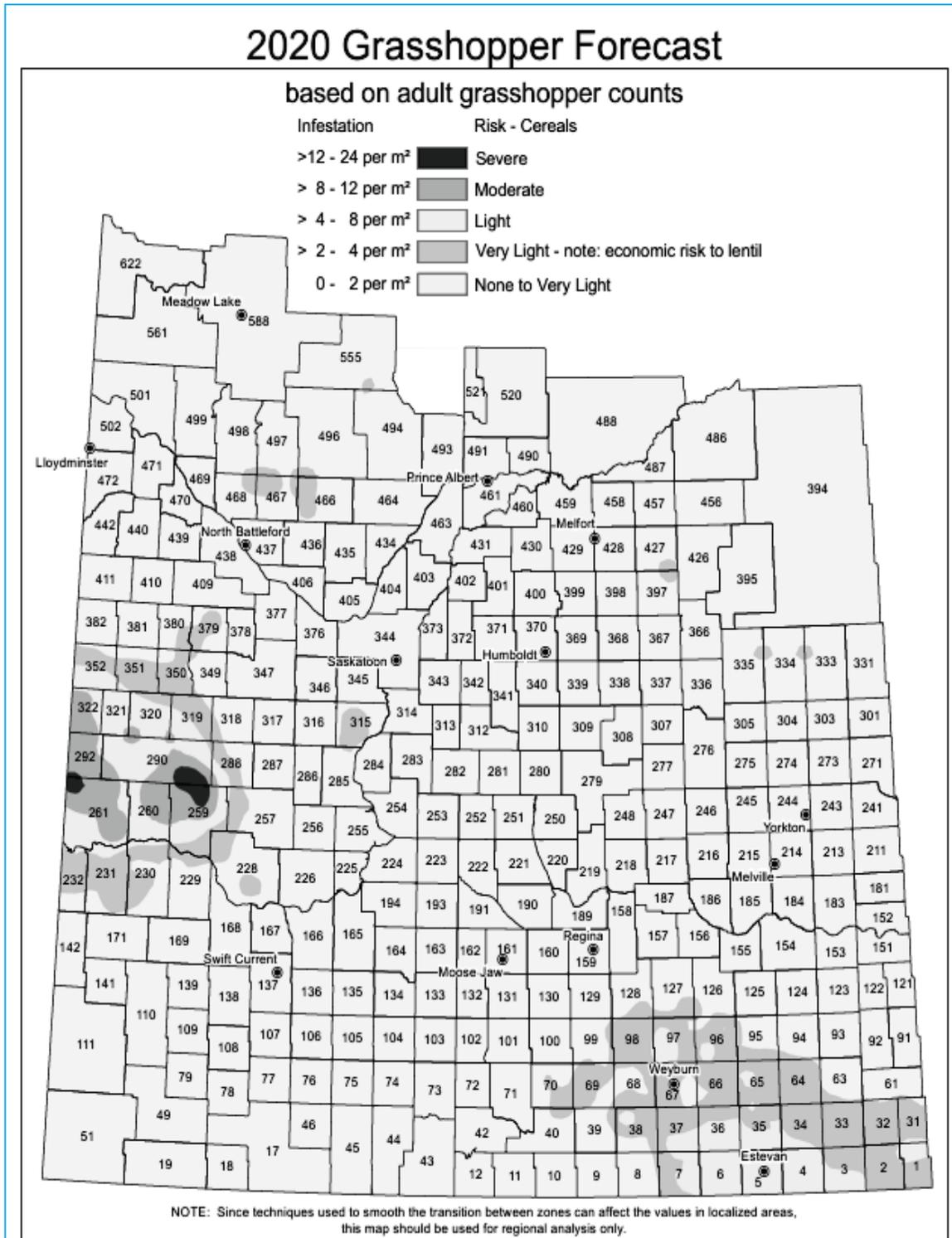
<sup>27</sup> Rat infestation rate is measured as a percentage of rat activity (presence of rats) in rural municipalities identified by inspections undertaken. Under the Rat Control Program, rural municipalities typically conduct approximately 60 thousand to 80 thousand inspections per year.



# 6.0 MAP OF CLUBROOT DISTRIBUTION IN SASKATCHEWAN (2008 TO 2019)



## 7.0 2020 GRASSHOPPER FORECAST MAP



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## Chapter 20 Environment—Regulating Waste Diversion Through Recycling

### 1.0 MAIN POINTS

Saskatchewan produces the second highest amount of waste per capita in Canada.<sup>1</sup> The majority of the waste generated in the province is discarded in Saskatchewan's 203 landfills. Waste not diverted from a landfill potentially leads to greater risk of water pollution, soil contamination, greenhouse gas emissions, and negative human health impacts.<sup>2</sup>

The Ministry of Environment regulates eight waste diversion recycling programs. These programs are designed to divert various types of solid waste such as bottles, tires, packaging, and used oil. The Ministry generally uses a standard approach to regulate these programs. Its approach includes designing programs similarly (e.g., producers of the waste finance the program [levy fees on customers], program operators handle recycling activities, and program operators regularly report on activities).

However, the Ministry does not know whether its eight recycling programs contribute to the achievement of the provincial waste reduction goal. The goal is to reduce the amount of waste generated per person from the 2014 baseline by 30% by 2030, and by 50% by 2040.

To better regulate waste diversion through its approved recycling programs, the Ministry needs to make improvements in several areas. These include:

- Gaining a more robust understanding of the composition of waste entering Saskatchewan landfills, and then setting material-specific targets for each program (such as recycle 75% of household paper by 2025). This would provide clear direction on the extent of waste it expects each program to divert to help achieve the provincial waste reduction goal.
- Setting standard definitions for key information (including calculation methods) it requires program operators to report. Key information includes diversion and collection rates. Use of standard definitions would enable comparisons amongst operators of a program, different programs, and Canadian jurisdictions.
- Periodically reporting to senior management on the rate of waste diversion through recycling programs to help evaluate the success of the approved recycling programs.

Recycling helps repurpose materials that would otherwise end up in the landfill and is a key part of environmental sustainability and stewardship. Diverting waste from Saskatchewan landfills helps reduce associated greenhouse gas emissions. Reducing emissions of greenhouse gas in Saskatchewan is a central part of the Provincial Government's climate change strategy.<sup>3</sup>

<sup>1</sup> *Saskatchewan's Solid Waste Management Strategy*, p. 1.

<sup>2</sup> *Ibid.*

<sup>3</sup> [www.saskatchewan.ca/business/environmental-protection-and-sustainability/a-made-in-saskatchewan-climate-change-strategy/prairie-resilience](http://www.saskatchewan.ca/business/environmental-protection-and-sustainability/a-made-in-saskatchewan-climate-change-strategy/prairie-resilience) (20 October 2020)

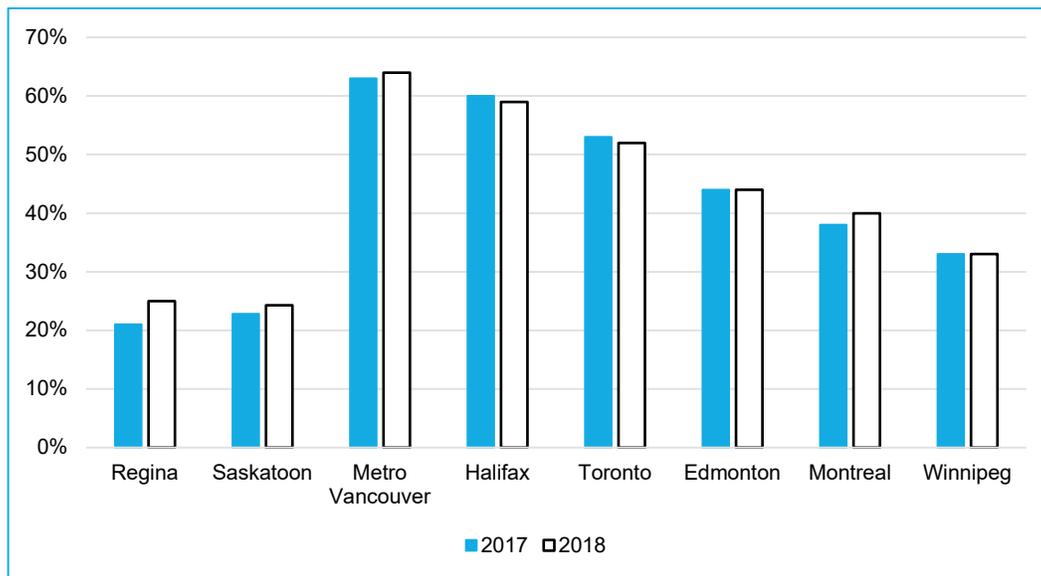


## 2.0 INTRODUCTION

This reports the results of our audit of the Ministry of Environment’s processes to regulate waste diversion through recycling. Waste diversion is reusing, recycling, or composting materials that would otherwise be discarded in a landfill. Recycling is one method to enhance waste diversion and protect the environment.

Saskatchewan has the highest number of landfills in the country and the lowest waste diversion rates.<sup>4</sup> **Figure 1** shows Regina and Saskatoon diverted less residential solid waste from landfills in 2017 and 2018 than six other Canadian cities.

**Figure 1—Percentage of Residential Solid Waste Diverted from Landfills in 2017 and 2018**



Source: [www.saskatoon.ca/sites/default/files/documents/2019\\_integrated\\_waste\\_management\\_report.pdf](http://www.saskatoon.ca/sites/default/files/documents/2019_integrated_waste_management_report.pdf) (15 October 2020)

Every year, each Saskatchewan resident generates at least 842 kilograms (1,856 pounds) of waste—roughly the weight of 60 regular (75 litre) household bags of garbage per person per year. The 207 transfer stations located across the province temporarily store waste and diverted materials for transportation to a regional landfill or recycling facility.<sup>5</sup> The majority of the waste generated in the province is discarded in Saskatchewan’s 203 landfills.<sup>6,7</sup>

The time it takes waste to decompose in a landfill varies significantly. **Figure 2** indicates orange peels can decompose in 6 months whereas waste like styrofoam and tinfoil never decompose.

<sup>4</sup> *Solid Waste Management Advisory Committee Recommendations Summary*, p.1.

<sup>5</sup> *Saskatchewan’s Solid Waste Management Strategy*, pp. 1–2.

<sup>6</sup> Municipalities are responsible for operating landfills subject to Ministry of Environment’s regulatory requirements. Some municipalities may have their own recycling programs.

<sup>7</sup> *Saskatchewan’s Solid Waste Management Strategy*, p. 1.

**Figure 2—Estimated Decomposition Rates in a Landfill**

Item	Estimated Decomposition Time
Orange peel	6 months
Milk cartons	5 years
Batteries	100 years
Paper	2 weeks
Plastic Bottle	450 years
Plastic Bags	10—1,000 years
Styrofoam	Never
Tinfoil/Aluminum foil	Never

Source: [www.thebalancesmb.com/how-long-does-it-take-garbage-to-decompose-2878033](http://www.thebalancesmb.com/how-long-does-it-take-garbage-to-decompose-2878033) (07 July 2020).

## 2.1 Solid Waste Management Strategy—Enhancing Waste Diversion

The Ministry of Environment is responsible for managing and protecting Saskatchewan's environment for the well-being of the province and its people.<sup>8</sup>

In January 2020, the Ministry released the *Solid Waste Management Strategy* with a provincial goal to reduce waste generated per person from the 2014 baseline of 842 kg per person by 30% by 2030 to 589 kg per person, and by 50% by 2040 to 421 kg per person.<sup>9,10</sup> This goal aligns with the Canada-wide goals that federal, provincial, and territorial governments have endorsed.

As shown in **Figure 3**, one of the Strategy's six goals is to enhance waste diversion across Saskatchewan. Related key actions include reviewing the household paper and packaging program (see **Figure 4**) to identify opportunities for improvement, and reviewing and assessing barriers to access to recycling programs and identifying options to reduce them.<sup>11</sup>

**Figure 3—Solid Waste Management Strategy Six Goals**

1. Enhance education, awareness and technical understanding of waste management best practices and the risks of improper practices across Saskatchewan
2. Encourage regional collaboration to enhance the cost effectiveness of waste management infrastructure
3. Provide a modern, efficient and effective regulatory system for waste disposal and management
4. Enhance waste diversion across Saskatchewan
5. Foster innovative and sustainable solutions to manage waste
6. Demonstrate government leadership in waste management

Source: *Saskatchewan's Solid Waste Management Strategy*, p. 7.

The Strategy includes further actions and a broad timeline for implementing its six goals. It identifies risks to diverting waste through recycling, such as cost, changing international markets (i.e., lack of international buyers for recycled products), and access to recycling programs, and includes how the Ministry plans to address each risk.

<sup>8</sup> *Ministry of Environment Plan for 2020–21*, p. 3.

<sup>9</sup> *Saskatchewan's Solid Waste Management Strategy*, p. 1.

<sup>10</sup> [www.saskatchewan.ca/government/news-and-media/2020/january/23/solid-waste-management-strategy](http://www.saskatchewan.ca/government/news-and-media/2020/january/23/solid-waste-management-strategy) (26 June 2020).

<sup>11</sup> *Ministry of Environment Plan for 2020–21*, pp. 3–4.



## 2.2 Ministry Responsibility for Regulating Recycling Programs

The Ministry of Environment regulates waste management through *The Environmental Management and Protection Act, 2010*. Since the late 1980's, Saskatchewan has increased the number of regulated waste diversion recycling programs; the Ministry refers to these as Extended Producer Responsibility programs. In this chapter, we refer to them as regulated waste diversion recycling programs.

As shown in **Figure 4**, at August 2020, the Ministry regulates eight waste diversion recycling programs designed to divert various types of solid waste such as bottles, tires, packaging, and used oil. These programs make a producer of the waste (e.g., company manufacturing a product, or importer of a product) physically and/or financially responsible for proper management of the product at the end of its useful life.<sup>12</sup> The producer of these wastes can absorb the program costs or pass them on to a consumer.<sup>13</sup>

**Figure 4—Saskatchewan's Waste Diversion Recycling Programs at August 2020**

Recycling Program	Program Operator	Year Program Started	Current Regulations
Beverage Container	Saskatchewan Association of Rehabilitation Centres (SARC)	1988	<i>The Environmental Management and Protection (General) Regulations</i>
Scrap Tires	Tire Stewardship of Saskatchewan Inc.	1998	<i>The Scrap Tire Management Regulations, 2017</i>
Used Oil and Antifreeze	Saskatchewan Association for Resource Recovery Corporation	1997	<i>The Used Petroleum and Antifreeze Products Stewardship Regulations</i>
Waste Paint	Product Care Association of Canada	2005	<i>The Waste Paint Management Regulations</i>
Electronic Equipment	Electronic Products Recycling Association	2007	<i>The Electronic Equipment Stewardship Regulations</i>
Household Packaging and Paper	Multi-Material Stewardship Western Inc. <sup>A</sup>	2016	<i>The Household Packaging and Paper Stewardship Program Regulations</i>
Agricultural Packaging (e.g., grain bags)	CleanFARMS Inc.	2017	<i>The Agricultural Packaging Product Waste Stewardship Regulations</i>
Household Hazardous Waste	Product Care Association of Canada Call2Recycle Canada Inc.	2021 2021 <sup>B</sup>	<i>The Household Hazardous Waste Products Stewardship Regulations</i>

Source: Adapted from information provided by the Ministry of Environment.

<sup>A</sup> Municipalities who run their own blue box recycling programs are a shared responsibility between industry and the municipality. Materials collected are reported through Multi-Material Stewardship Western Inc.'s annual report.

<sup>B</sup> The Ministry approved these program operators in 2020. They are expected to start operations in 2021.

The Ministry makes its Environmental Assessment and Stewardship Branch responsible for the oversight of the waste stewardship and recycling programs in addition to the environmental assessment program and other related activities. The Branch Plan sets out

<sup>12</sup> *Saskatchewan's Solid Waste Management Strategy*, p. 2.

<sup>13</sup> [www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/overview-extended-producer-responsibility.html](http://www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/overview-extended-producer-responsibility.html) (10 May 2020).

how it plans to meet the goals set out in the Strategy. The Branch has 16 full-time equivalent positions, and its 2020–21 budget is \$1.7 million.<sup>14</sup>

Recycling helps repurpose materials that would otherwise end up in the landfill and is an important part of environmental sustainability and stewardship. Ineffective processes to regulate waste diversion through recycling increases the risk of increased waste in landfills across the province.

Managing landfills can help reduce associated greenhouse gases emissions, thereby helping Canada meet its greenhouse gas emission goal. In December 2015, Canada agreed to reduce greenhouse gas emissions by 30% below 2005 levels by the year 2030.<sup>15</sup>

### 3.0 AUDIT CONCLUSION

**We concluded that, for the 12-month period ended August 31, 2020, the Ministry of Environment had, other than in the following areas, effective processes to regulate waste diversion through recycling.**

**The Ministry needs to:**

- **Use material-specific targets to assist in determining whether approved waste diversion recycling programs contribute to the achievement of the provincial waste reduction goal**
- **Obtain a more robust understanding of the composition of waste entering Saskatchewan landfills**
- **Use standard definitions for key information (including calculation methods) it requires operators of regulated recycling programs to report**
- **Analyze the reasonableness of information received from recycling program operators**
- **Periodically report to senior management on the rate of waste diversion through regulated recycling programs**

**Figure 5—Audit Objective, Criteria, and Approach**

**Audit Objective:** The objective of this audit is to assess whether the Ministry of Environment has effective processes for the 12-month period ended August 31, 2020 to regulate waste diversion through recycling.

**Audit Criteria:**

Processes to:

1. **Plan for waste diversion through recycling**
  - 1.1 Establish short and long-term waste diversion strategies and targets
  - 1.2 Plan to collect reliable waste diversion information
  - 1.3 Coordinate with key stakeholders (e.g., program operator, municipalities) to achieve waste diversion targets through recycling

<sup>14</sup> The 2020–21 Ministry budget included \$32 million in funding to the Saskatchewan Association of Rehabilitation Centres for the beverage container program.

<sup>15</sup> *Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy*, p. 2.



- 1.4 Establish measures for waste diversion through recycling
- 1.5 Inform key stakeholders about strategies
2. **Establish appropriate recycling programs**
  - 2.1 Set appropriate requirements (e.g., program criteria, approval terms, conditions)
  - 2.2 Inform key stakeholders about requirements
  - 2.3 Verify applications meet program requirements
  - 2.4 Issue appropriate program approval
3. **Monitor extent of waste diversion through recycling**
  - 3.1 Receive regular reporting on key recycling activities
  - 3.2 Track actual waste diverted through recycling (from approved program operators)
  - 3.3 Collect and use reliable information to evaluate the impact of waste diversion through recycling
  - 3.4 Take action as necessary (e.g., increase public awareness, propose legislative changes, cancel program)
  - 3.5 Report waste diversion results to senior management and the public

**Audit Approach:**

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's processes, we used the above criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. The Ministry's management agreed with the above criteria.

We examined the Ministry's plans, timelines, and reports relating to regulating waste diversion through recycling. We assessed program operator plans, agreements, and reports for consistency with the regulations. We analyzed information the Ministry received from program operators. In addition, we used an independent consultant with subject matter expertise in the area to help us identify good practice and assess the Ministry's processes.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Approach to Approve Operators of Recycling Programs Standardized

The Ministry of Environment consistently used a standard approach to approve recycling program operators.<sup>16</sup> It assessed program plans, appropriately approved, and communicated the approval to operators.

We found the Ministry used regulations to set recycling program requirements for seven of eight of its regulated programs. For one, the beverage container program, it set program requirements through its agreement with the program operator.<sup>17</sup>

Our review of the regulations listed in **Figure 4** found them to be generally consistent. Having generally consistent regulations helps move towards harmonization of recycling programs across Canada. Such harmonization would support the development and use of consistent environmental measures and regulations across Canada.<sup>18</sup>

Recycling program regulations set out who is responsible for the physical waste at the end of its life; who pays the costs associated with the program (e.g., recycling options, fees); how the program will be financed including how customers/industry remit fees, if applicable; and how the costs are allocated.<sup>19</sup>

<sup>16</sup> Program operators are responsible for running the applicable recycling program. This includes collecting recyclable products and related fees from municipalities and performing end of life functions for the waste.

<sup>17</sup> The agreement between the Ministry and the Saskatchewan Association of Rehabilitation Centres includes all of the program requirements, including how to make changes to the program.

<sup>18</sup> [www.cme.ca/en/search.html?keywords=harmonization&submit=&search](http://www.cme.ca/en/search.html?keywords=harmonization&submit=&search) (15 October 2020).

<sup>19</sup> *The Scrap Tire Management Regulations, 2017* do not include provisions about cost allocation; rather the approved program plan includes conditions about cost allocation.

For each regulated recycling program (other than the household paper and packaging and beverage container programs), the program operator uses environmental handling charges levied by the retailer to fund the recycling program (e.g., rental of facilities, purchasing of equipment, advertising costs). Retailers collect recycling fees upon sale of a product (such as the tire recycling fee of \$25 for every new vehicle sold, or \$5 for every passenger light truck tire sold) and remit the fees collected to the program operator.

For the household paper and packaging program, municipalities operate the recycling program and receive funding from the program operator based on their population. Retailers of products remit fees to the household paper and packaging program operator.

Other than the beverage container program, each set of regulations required interested potential program operators (applicants) to submit a program plan for the Ministry's review and Minister's approval, and included provisions on how to make changes to the program.

We found the expected content of these approved plans to be generally consistent (see **Figure 6**). We also found the Ministry included conditions in the approval of program plans (e.g., notify the Ministry of any changes to the program) in addition to regulatory requirements (e.g., must reapply every five years). Six recycling programs have a five-year renewal process. The scrap tire program has a three-year renewal process, and the beverage container program has a four-year renewal process.

**Figure 6—Expected Content of Plans for Recycling Programs**

Through regulations, the Ministry requires applicants to submit program plans with information on:

- Who is responsible for the physical waste at the end of its life
- Who pays the costs associated with the program in the program's agreement, program plan, or regulations (e.g., recycling options, fees)
- How the costs are allocated
- How the program will be financed including how customers/industry remit fees, if applicable
- What to report to whom and how often
- Creation of an advisory committee—out-of-province program operators like Product Care Association of Canada and CleanFARMS Inc. must keep Saskatchewan's interest in mind (typically done by having Ministry staff or Saskatchewan residents on its advisory committee)
- How disputes, if any, will be resolved

Source: Adapted from regulations related to Ministry of Environment regulated waste diversion recycling programs.

The Ministry uses a consistent approach to assess the completeness of program plans applicants submit. It uses a template to assess the completeness of the program plan against the related regulations. The Ministry works with applicants to address gaps, if any. The Ministry issues a program approval letter to the successful applicant (program operator). The letter communicates the Minister's approval of the plan, and refers to the related regulations and conditions to operate the program.

As shown in **Figure 4**, by August 2020, the Ministry had approved eight program operators for the seven recycling programs that required a program plan.<sup>20</sup> The Ministry only received one application for each program other than the household hazardous waste program; where it received and approved two applications.

<sup>20</sup> The household hazardous waste program has two program operators, but they operate programs for different types of waste (i.e., household batteries, pesticides, and other household hazardous material).



Each of the eight approved program plans we reviewed included all of the requirements from the related regulations. For each of these, we found the Ministry approved the program plan within six months of its receipt of the application (timely). For the beverage container program, the Minister communicated its re-approval of the program operator by signing a four-year agreement with the Saskatchewan Association of Rehabilitation Centres in March of 2020.

Using a standard process for approving program operators for recycling programs helps the Ministry assess applicants fairly and consistently.

## 4.2 Documented Definitions Needed for Key Information Program Operators Must Report

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The Ministry of Environment does not have written definitions and calculation methods for key information it requires operators of waste diversion recycling programs to report.

The Ministry primarily uses regulations to set out information program operators must report (for the beverage container program, the signed agreement in effect sets out reporting requirements). For example, it requires each program operator to report, at least annually, on return volumes, and return, recovery, or collection rates along with information on program costs. It requires each program to provide it with annual audited financial statements.

The Ministry has not defined, in writing, the meaning of the key terms (e.g., what constitutes a return, recovery rate, diversion rate). Also, it has not set out in writing or given program operators written guidance on how to calculate key information (e.g., how to measure collection or recovery, expenses to include when calculating cost per tonne). The Ministry does not require program operators to provide detail in their reports to enable it to determine how information reported was measured, or its source.

Our review of the 2018 and 2019 reports from each program operator found that they did not explain in the reports how they determined the information reported or the source. Consistent with Ministry requirements, reports included only audits of the annual financial statements.

We also found program operators and Ministry staff use the terms diversion rate and recovery rate interchangeably even though the meaning of these terms differ.<sup>21</sup> Also, six of the eight regulated recycling programs report recovery rates; whereas two programs (i.e., the electronics and used oil and antifreeze programs) report collection rates.

Not having well-defined terms or calculation methods for reporting key information increases the risk of program operators reporting inconsistent information. Information is most valuable when it is comparable. Having standard definitions for key information that program operators must report would enable comparisons among operators of the same program, among programs, and among jurisdictions. Having written definitions of key information would require program operators to report consistently; even when operators change.

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<sup>21</sup> Diversion rate is a calculation showing how much waste is diverted from landfills from reducing waste generated, reusing goods, or recycling. Recovery rate or collection rate is a calculation comparing the total products sold in a given year to the amount saved from landfills by recycling.

1. We recommend the Ministry of Environment set written standard definitions for key information (including calculation methods) it requires operators of waste diversion recycling programs to report.

### 4.3 Understanding of Waste Composition Needed

The Ministry of Environment has not obtained a robust understanding of the composition of waste entering Saskatchewan landfills.

The *Solid Waste Management Strategy* recognizes the use of the regulated waste diversion recycling programs to divert certain waste from entering landfills. It also recognizes others such as municipalities may have their own waste diversion programs.

As part of the Strategy's goal to demonstrate government leadership, the Ministry plans to conduct waste audits at government facilities every five years to obtain a better understanding of waste generation across government.<sup>22</sup> It plans to use the results of the audits to establish baseline information for each of these government facilities and inform targets for reduction.<sup>23</sup>

However, we found the Ministry does not have similar plans for its regulated waste diversion recycling programs even though most of these programs have been in place for more than a decade (see **Figure 4**).

The Ministry noted it had not set incremental targets as it first needs to better understand the type of waste generated in the province and entering landfills. It has not set out a timeframe to conduct this work.

Municipalities and private organizations are responsible for operating landfills that the Ministry regulates. The Ministry has not imposed regulatory requirements requiring municipalities and private organizations to track the type and volume of waste disposed into their landfills. At August 2020, most municipalities and private organizations do not voluntarily collect or track this information.

Having a better understanding of the waste types and volume entering Saskatchewan landfills would help the Ministry identify waste diversion options. For example, if mattresses are a high volume form of waste, a mattress-recycling program may be warranted. Also a more robust understanding of waste entering landfills would help inform the activities of its regulated waste diversion recycling programs.

By not understanding the waste type and volume disposed of in landfills, the Ministry is unable to determine how much of each type of waste the province is diverting from landfills and set incremental targets. Obtaining this information will allow the Ministry to determine if it requires additional recycling programs or needs to make revisions to existing programs.

2. We recommend the Ministry of Environment obtain a more robust understanding of the composition of waste entering Saskatchewan landfills.

<sup>22</sup> A waste audit involves gathering information on the amount and type of waste being discarded and where the waste comes from. This typically involves taking a sample of waste from a landfill and sorting, weighing, and recording the different types of waste. ([ketek.ca/waste-auditing/?qclid=EAlalQobChMI8tyXu7e37AIVAtvACh2u6Q9kEAAAYASAAEgKRVfD\\_BwE](https://www.ketek.ca/waste-auditing/?qclid=EAlalQobChMI8tyXu7e37AIVAtvACh2u6Q9kEAAAYASAAEgKRVfD_BwE)) (15 October 2020).

<sup>23</sup> *Saskatchewan's Solid Waste Management Strategy*, p. 11.



## 4.4 Recycling Program Specific Targets Needed

The Ministry of Environment has not set recycling program specific targets for regulated waste diversion recycling programs.

When setting incremental targets specific to waste diversion recycling programs, the Ministry should also consider establishing economic (e.g., net cost per unit of material recycled) and accessibility (e.g., percentage of population with access to waste management services) measures. For example, when the Ministry consulted with stakeholders on its Strategy, it heard that just over half of respondents (52%) identified geographic location as a barrier to appropriate waste management in the province (i.e., distance to closest recycling depot excessive).<sup>24</sup> In remote locations, the cost to transport waste to neighbouring landfills or recycling depots is high, resulting in a higher cost per tonne of waste diverted.<sup>25</sup> The Ministry currently has only environmental measures (e.g., weight of waste diverted from landfill). Good practice indicates waste diversion measures should cover all three categories (i.e., economic, accessibility, and environmental).

Our review of 2018 and 2019 annual reports submitted by program operators found one operator had set some targets, and reports against them in its annual reports. The approved program plan and regulations for this program do not refer to these targets. We did not see any evidence of the Ministry seeking explanations from the operator for not achieving these targets.

Unlike other jurisdictions (e.g., British Columbia and Ontario), the Ministry only uses its province-wide goal to measure its waste diversion. As noted earlier, this is a nationally endorsed Canada-wide waste reduction goal. In addition to the Canada-wide goal, British Columbia and Ontario have set material-specific targets for an intervening period (e.g., recycle 90% of household paper by 2020).<sup>26</sup> Targets for intervening periods are often referred to as incremental targets.

Setting specific goals for each regulated waste diversion recycling program would help the Ministry decide and communicate the extent it expects each program to contribute towards the provincial waste reduction goal—to reduce waste generated per person by 30% in 2030 and 50% in 2040 from 2014 levels.<sup>27,28</sup> In addition, this would help the Ministry determine to what extent each program is to enhance waste diversion in Saskatchewan (one of the six goals set out in the Solid Waste Management Strategy).

Establishing material-specific recycling targets for regulated waste diversion programs would allow the Ministry to monitor progress and adjust strategies sooner for identified concerns (i.e., if incremental targets are not met).

**3. We recommend the Ministry of Environment use material-specific targets to assist in determining whether waste diversion recycling programs contribute to the achievement of the provincial waste reduction goal.**

<sup>24</sup> *Saskatchewan Waste Management Strategy— What We Heard Spring 2017 Engagement*, p. 6.

<sup>25</sup> *Ibid.*

<sup>26</sup> [recyclebc.ca/wp-content/uploads/2020/06/RecycleBC2019-Final.pdf](https://recyclebc.ca/wp-content/uploads/2020/06/RecycleBC2019-Final.pdf) (21 August 2020).

<sup>27</sup> *Saskatchewan's Solid Waste Management Strategy*, p. 1.

<sup>28</sup> Waste generated per person was 842 kg in 2014.

## 4.5 Systematic Approach to Check Compliance with Reporting Requirements

The Ministry systematically confirms program operators of regulated waste diversion recycling programs comply with program reporting requirements.

The Ministry maintains a template for each regulated waste diversion recycling program. We found the templates list information program operators must report.

The Ministry monitors its receipt of reports, and follows up with program operators when it does not receive reports. Upon receipt of each report from a program operator, the Ministry compares information in the report to the related templates, and documents the results of its comparison.

We found the Ministry received reports from all program operators when expected (annually for all programs other than the scrap tire program; quarterly for the scrap tire program).

For each of the seven 2019 program operator annual reports we reviewed, the Ministry completed the template as expected. We found each of the annual reports contained the same type of information as in the prior year reporting period.

Using a well-defined approach to monitor receipt and content of required reports helps the Ministry determine, within a reasonable time, compliance of program operators with the reporting requirements of the regulated waste diversion recycling programs. Timely monitoring enables identification of need for further action, if required.

## 4.6 Analysis of Program Operator Information Needed

The Ministry of Environment does not have sufficient processes to analyze the reasonableness of program information reported on regulated waste diversion recycling programs (e.g., trend analysis using several years' worth of program information).

Unlike other Canadian jurisdictions, it does not undertake any additional verification steps even on a periodic basis. For example, some other Canadian jurisdictions (e.g., Ontario, British Columbia, New Brunswick) select a sample of program operators and perform a detailed review of the statistical information reported. In British Columbia, a recycling program operator hired an accounting firm to report on the reasonableness of the following annual report disclosures about the description of how products recovered were managed, total amount of product sold and collected, location of collection facilities, and description of performance for the year compared to established targets.<sup>29</sup>

While obtaining this level of verification over reported information is consistent with good practice, it can be costly.

The Ministry's current assessment of reasonableness of program information reported is limited to comparing the current year information to the preceding year. Determining if trends exist requires the Ministry analyze key performance measures over several years (e.g., five) to obtain an understanding of program performance.

<sup>29</sup> [recyclebc.ca/wp-content/uploads/2020/06/RecycleBC2019-Final.pdf](https://recyclebc.ca/wp-content/uploads/2020/06/RecycleBC2019-Final.pdf) (21 August 2020).



Also, under *The Environmental Management and Protection Act, 2010*, the Ministry is responsible to establish a system of monitoring that includes activities that have or may have an adverse effect, including discharges and waste management.<sup>30</sup>

Not analyzing the reasonableness of program information received increases the risk the Ministry is using unreliable or incorrect information when overseeing regulated waste diversion recycling programs.

4. We recommend the Ministry of Environment analyze the reasonability of program information reported by regulated waste diversion recycling programs.

## 4.7 Success of Regulated Recycling Programs Not Yet Assessed

The Ministry does not yet regularly assess whether its regulated waste diversion recycling programs divert a sufficient amount of waste from landfills at a reasonable cost.

During its review of program operator's reports, the Ministry considers if there is more the program operator could report on. For 2019, the Ministry identified suggestions for additional reporting for one recycling program.

While the Ministry regularly receives program information from program operators, it does not use the information to determine the effectiveness of the program. For example, it does not consider trends in key information such as collection, program cost, and rates of collection or diversion.

Our analysis of trends of key information from reports of each regulated program for up to a five-year period found the recovery rates changed by different rates over the period analyzed. For example, as **Figure 7** shows, the scrap tire program increased its recovery rate from 2014 to 2019 by 10.9%, whereas the beverage container program increased its recovery rate by 0.8%.

**Figure 7** also shows the percent change of cost per unit appropriately decreased when recovery rates increased for the scrap tire and waste paint programs. The cost per unit decreased by 1.4% for the scrap tire program and by 25.6% for the waste paint program.

**Figure 7—Recycling Program Performance from Base Year to 2019**

Program	Base Year <sup>A</sup>	2019 Recovery Rate %	Recovery rate % change base year to 2019	Cost per unit % change base year to 2019
Beverage Container	2014	87.2	0.8	8.3
Electronic Equipment	2014	Not Available <sup>B</sup>	Not Available <sup>B</sup>	(5.9)
Scrap Tires	2014	75.4	10.9	(1.4)
Used Oil and Antifreeze	2014	Not Available <sup>B</sup>	Not Available <sup>B</sup>	4.9
Waste Paint	2014	8.0 <sup>C</sup>	37.9	(25.6)

<sup>30</sup> *The Environmental Management and Protection Act, 2010*, s.3 (1) (c) (ii).

Program	Base Year <sup>A</sup>	2019 Recovery Rate %	Recovery rate % change base year to 2019	Cost per unit % change base year to 2019
Household Paper and Packaging <sup>D</sup>	2016	77.4	24.8	87.6
Agricultural Packaging <sup>E</sup>	2018	50.7	(34.1)	14.2

Source: Adapted from information provided in program operator annual reports.

<sup>A</sup> Base year is either 2014 to show a five-year period, or the year the program started.

<sup>B</sup> The program operator's annual report does not include the recovery rate.

<sup>C</sup> Paint is designed to be used up. The program operator only recovers unused paint, so the recovery rate does not reflect paint individuals use up.

<sup>D</sup> The Ministry approved the program in October 2015.

<sup>E</sup> 2018 reporting period is from the date the Ministry approved the program (January 25, 2018).

At August 2020, the Ministry had not formally assessed whether the regulated waste diversion recycling program was sufficiently successful in diverting waste from landfills when renewing program operator contracts.

In recent years, the Ministry revised recycling program regulations to require periodic reviews of recycling programs. It expects to do these reviews in conjunction with the next renewal of programs (e.g. every five years for most programs). Its first formal review of a recycling program is scheduled for October 2020 for the scrap tires program.

However, not having material-specific targets or well-defined terms for key information reported may diminish the value of this first review. Targets or clear baselines are key to determining whether a program is working as intended and making a sufficient difference in diverting waste. See **Recommendations 3** about the need for material-specific waste diversion targets, **1** about defining key terms and calculation methods for key information reported, and **5** about periodically reporting to senior management.

## 4.8 Better Reporting on Regulation of Waste Diversion Needed

The Ministry of Environment regularly reports to senior management about implementing the household hazardous waste program on an overall basis. It does not regularly report results of its other regulated waste diversion recycling programs.

We found it provides quarterly reports on its action plan to develop and implement the provincial household hazardous waste program.<sup>31</sup> This reporting includes some gaps the Ministry identified in the household hazardous waste program, and how the Ministry plans to address these gaps (e.g., staggering program reviews to streamline the approval process).

As described in **Section 4.4**, material-specific recycling program targets would assist the Ministry in regulating waste diversion. In addition, it would help them determine and report on the extent to which these programs contribute to meet goals established in the *Solid Waste Management Strategy* (such as its goal to enhance waste diversion across Saskatchewan).

<sup>31</sup> The household hazardous waste programs referred to are those run by Product Care Association of Canada (pesticides and other household hazardous material) and Call2Recycle Canada Inc. (consumer batteries). Municipalities also run household hazardous waste recycling programs; however, these do not fall under the Ministry's responsibility.



Since the Ministry only set the waste diversion goals included in the Strategy in January 2020, by August 2020, it had not reported progress on these goals.

Without regular reporting on the rate of waste diversion through recycling programs, senior management does not have adequate information for informed decision-making about recycling programs.

- 5. We recommend the Ministry of Environment periodically report to senior management on the rate of waste diversion through regulated recycling programs.**

## 4.9 Action Taken on Complaints Related to Regulated Recycling Programs

The Ministry of Environment followed up and acted upon public inquiry or complaints about regulated waste diversion recycling programs. In addition, it enforced regulations related to the waste recycling programs for identified non-compliance.

The Ministry indicated it receives only a few complaints from the public about the regulated waste diversion recycling programs. During the twelve month period ending August 2020 (the audit period), the Ministry received many inquiries and some complaints about regulated waste diversion recycling programs. For example, the Ministry received a complaint about these programs around the closure of a recycling depot. We found the Ministry responded to this complaint within seven days of its receipt, and its response seemed reasonable.

From time-to-time, program operators report concerns about retailers not complying with regulations for the waste diversion recycling programs. The Ministry can fine commercial retailers for not complying with these regulations.<sup>32</sup>

We noted one instance of the Ministry fining a tire retailer in January 2020 for non-compliance with regulations (not remitting tire fees owed to the tire program operator). The retailer later complied (i.e., paid the fine in March 2020, and remitted the fees owed to the tire program operator in July 2020).

Taking timely action on complaints and non-compliance assists the Ministry in identifying and resolving identified issues quickly. This allows the Ministry to fulfill its role as a regulator (i.e., monitoring program operators and addressing non-compliance) and helps the Ministry in meeting its waste diversion through recycling goals.

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<sup>32</sup> The Ministry has the authority to fine retailers under *The Summary Offences Procedure Regulations, 1991*.

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## Chapter 21

# Saskatchewan Cancer Agency—Delivering the Screening Program for Colorectal Cancer

### 1.0 MAIN POINTS

In Saskatchewan, colorectal cancer is the second leading cause of cancer death. Also, colorectal cancer cases in Saskatchewan are rising due to an aging population.

The Saskatchewan Cancer Agency is responsible for preventing and screening individuals for cancers, including colorectal cancer. Since 2009, the Agency provides a population-based Screening Program for Colorectal Cancer. The Agency collaborates with the Saskatchewan Health Authority to deliver the program. The Agency focuses its screening program on individuals between the ages of 50 and 74 because they are at higher risk of developing colorectal cancer.

At July 2020, the Agency had effective processes, other than in the following areas, to deliver its Screening Program for Colorectal Cancer. The Agency needs to:

- Work with the Saskatchewan Health Authority to reduce the time patients wait for colonoscopies and determine a reasonable timeframe for providing results from colonoscopies to patients.

A consistent and provincial approach for booking colonoscopies is important as delays in patients receiving colonoscopies can result in delays in a colorectal cancer diagnosis. We found 22 individuals waited longer than 60 days for a colonoscopy and subsequently had a cancer diagnosis.

Patients often find waiting for test results stressful. We found 12 individuals with a cancer diagnosis had to wait between 15 and 104 days for their colonoscopy results. Timely receipt of results assists in determining and providing appropriate and timely treatment.

- Analyze if its promotional strategies increase participation in its colorectal cancer screening program.

Participation of individuals in the screening program has remained relatively unchanged since 2014. Periodically analyzing promotional strategies helps determine if the Agency is successfully focusing its efforts to educate the public and raise awareness of the screening program to increase screening participation.

- Use key performance indicators that are consistent with national good practice to measure the success of the screening program.
- Provide timely results and analysis of the screening program to senior management and the Board. This allows the Agency to take timely action to address areas that fall short of expectations.



Having an effective colorectal cancer screening program helps identify apparently healthy people who may have a higher risk of developing colorectal cancer. Approximately 90% of colorectal cancers can be prevented, or successfully treated if caught early.

## 2.0 INTRODUCTION

The Saskatchewan Cancer Agency is responsible for the planning, organization, delivery, and evaluation of cancer care services throughout Saskatchewan. It is also responsible for providing services with respect to prevention and screening of individuals for cancers, including colorectal cancer.<sup>1</sup>

The Agency launched a population-based Screening Program for Colorectal Cancer in 2009.<sup>2</sup> To help deliver the program, the Agency collaborates with the Saskatchewan Health Authority.

In 2019-20, the Agency spent almost \$2.4 million on its Screening Program for Colorectal Cancer (2018-19: \$2.7 million).<sup>3</sup> The Agency has assigned about 11 staff to the program (e.g., medical advisor, epidemiologists).

### 2.1 Incidence of Colorectal Cancer in Canada and Saskatchewan

Cancer is the leading cause of death in Canada.<sup>4</sup> Cancer poses an enormous burden on both the health of Canadians and on the Canadian healthcare system.

Colorectal cancer is expected to be the third most commonly diagnosed cancer in Canada in 2020.<sup>5</sup> About 26,900 Canadians are estimated to be diagnosed with colorectal cancer, and an estimated 9,700 Canadians will die from this cancer in 2020.<sup>6</sup>

Research (as shown in **Figure 1**) has identified four factors that increase the risk of colorectal cancer (age, diet, exercise, and smoking/alcohol use).

**Figure 1—Risk Factors for Colorectal Cancer**

- Being 50 years of age or older
- A diet that is high in red meat consumption and low in fibre, fruits and vegetables
- Little or no exercise
- Smoking and/or alcohol use

Source: [www.saskcancer.ca/images/pdfs/health\\_professionals/clinical\\_resources/cancer\\_screening\\_guidelines\\_and\\_resources/Physician\\_Portfolio.pdf](http://www.saskcancer.ca/images/pdfs/health_professionals/clinical_resources/cancer_screening_guidelines_and_resources/Physician_Portfolio.pdf) (6 May 2020).

As **Figure 2** shows, most Canadians diagnosed with colorectal cancer are over the age of 50, with the risk increasing with age. In 2019, the highest number of projected cases in Canada were between 70 and 79 years of age, with 4,500 males and 3,300 females diagnosed with colorectal cancer.<sup>7</sup>

<sup>1</sup> *The Cancer Agency Act*, s.9(1) and (2).

<sup>2</sup> Population-based screening is where a test is offered to all individuals in a defined target group (e.g., of the same age range).

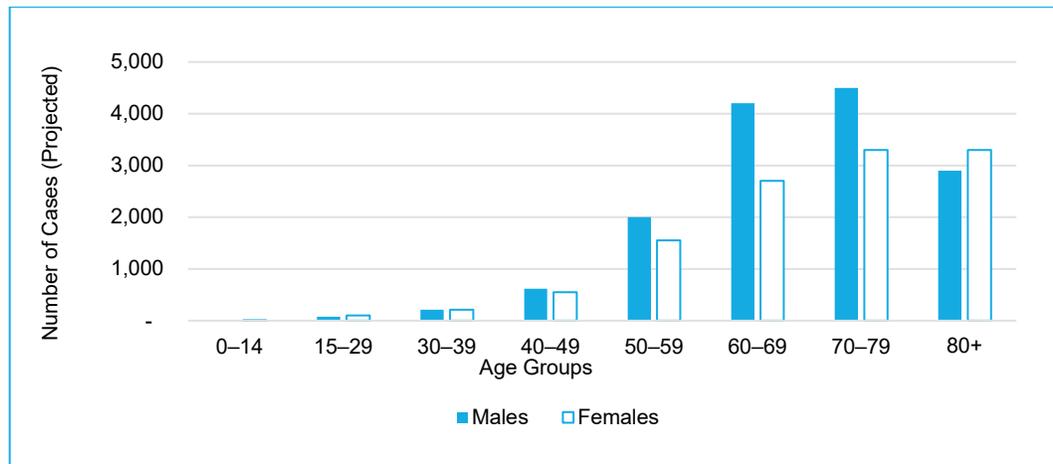
<sup>3</sup> Information provided by Saskatchewan Cancer Agency (7 May 2020).

<sup>4</sup> Canadian Cancer Society, *Canadian Cancer Statistics 2019*, (2019), p.6.

<sup>5</sup> [www.cancer.ca/en/cancer-information/cancer-type/colorectal/statistics/?region=sk](http://www.cancer.ca/en/cancer-information/cancer-type/colorectal/statistics/?region=sk) (6 May 2020).

<sup>6</sup> [www.cancer.ca/en/cancer-information/cancer-type/colorectal/statistics/?region=sk](http://www.cancer.ca/en/cancer-information/cancer-type/colorectal/statistics/?region=sk) (6 May 2020).

<sup>7</sup> Canadian Cancer Society, *Canadian Cancer Statistics 2019*, (2019), p.26. Cancer incidence data from 1984 to 2015 were used to project rates to 2019.

**Figure 2—Projected Colorectal Cancer Cases in Canada, 2019**

Source: Adapted from the Government of Canada's *Canadian Cancer Statistics 2019*, p.26.

In Saskatchewan, colorectal cancer is the second leading cause of cancer death.<sup>8</sup> It accounts for about 14% of new cancer cases in the province.<sup>9</sup> The number of new colorectal cancer cases in Saskatchewan is rising due to an aging population.<sup>10</sup>

Colorectal cancer screening can identify apparently healthy people who may have a higher risk of developing colorectal cancer, so they can be offered treatment or management techniques at an earlier stage, and to make a difference to their health outcome.

Research shows effective screening for colorectal cancer reduces mortality; approximately 90% of colorectal cancers can be prevented, or successfully treated if caught early.<sup>11</sup> Also, early identification of a colorectal tumor helps reduce costs of treatment.<sup>12</sup>

### 3.0 AUDIT CONCLUSION

The Saskatchewan Cancer Agency had, other than the following areas, effective processes to deliver its population-based Screening Program for Colorectal Cancer for the 12-month period ended July 31, 2020.

The Agency needs to:

- Analyze if its promotional strategies help increase participation in the screening program
- Work with the Saskatchewan Health Authority to reduce the time patients wait for colonoscopies and determine a timeframe (benchmark) for providing diagnosis results to patients

<sup>8</sup> [www.saskcancer.ca/screening-article/why-is-screening-for-colorectal-cancer-important](http://www.saskcancer.ca/screening-article/why-is-screening-for-colorectal-cancer-important) (6 May 2020).

<sup>9</sup> [www.saskcancer.ca/images/pdfs/health\\_professionals/clinical\\_resources/cancer\\_screening\\_guidelines\\_and\\_resources/Physician\\_Portfolio.pdf](http://www.saskcancer.ca/images/pdfs/health_professionals/clinical_resources/cancer_screening_guidelines_and_resources/Physician_Portfolio.pdf) (6 May 2020).

<sup>10</sup> [www.saskcancer.ca/images/pdfs/health\\_professionals/clinical\\_resources/cancer\\_screening\\_guidelines\\_and\\_resources/Physician\\_Portfolio.pdf](http://www.saskcancer.ca/images/pdfs/health_professionals/clinical_resources/cancer_screening_guidelines_and_resources/Physician_Portfolio.pdf) (6 May 2020).

<sup>11</sup> [www.saskcancer.ca/screening-article/screening-program-for-colorectal-cancer](http://www.saskcancer.ca/screening-article/screening-program-for-colorectal-cancer) (6 May 2020).

<sup>12</sup> US Department of Health and Human Services, Colorectal Cancer Screening, [www.hrsa.gov/sites/default/files/quality/toolbox/508pdfs/colorectalcancerscreening.pdf](http://www.hrsa.gov/sites/default/files/quality/toolbox/508pdfs/colorectalcancerscreening.pdf) (7 April 2020).



- **Align its key quality indicators with national indicators**
- **Provide timely results and analysis on the screening program to senior management and the Board**

**Figure 3—Audit Objective, Criteria, and Approach**

**Audit Objective**

The objective of this audit is to assess whether the Saskatchewan Cancer Agency had effective processes to deliver its population-based Screening Program for Colorectal Cancer for the 12-month period ending July 31, 2020.

**Audit Criteria:**

Processes to:

- 1. Offer timely access to the Screening Program for Colorectal Cancer**
  - 1.1 Identify at-risk individuals for screening
  - 1.2 Make identified individuals aware of screening services available
  - 1.3 Have effective strategies to reach individuals for screening
- 2. Provide the Screening Program for Colorectal Cancer**
  - 2.1 Set policies and procedures for the Screening Program that align with good practice
  - 2.2 Invite individuals for screening
  - 2.3 Confirm adequately trained personnel complete screening tests (e.g., process FIT kits, perform endoscopy)
- 3. Monitor performance of the Screening Program for Colorectal Cancer**
  - 3.1 Periodically align program with good practice and national benchmarks
  - 3.2 Maintain quality assurance processes (e.g., monitor systems that send out invitations for screening, check quality of manual data entry, monitor quality of screening tests)
  - 3.3 Assess key colorectal cancer screening results against performance benchmarks
  - 3.4 Report key colorectal cancer screening performance information to senior management, the Board, and the public

**Audit Approach:**

To conduct this audit, we followed the standards for assurance engagements published in the CPA Canada Handbook—Assurance (CSAE 3001). To evaluate the Saskatchewan Cancer Agency's processes, we used the above criteria based on our related work, reviews of literature including reports of other auditors, and consultation with management. The Agency agreed with the above criteria.

We examined the Agency's policies, procedures, IT systems, reports, and other records relating to delivery of its population-based Screening Program for Colorectal Cancer. We interviewed key staff responsible for the screening program. We also tested samples of individuals invited for screening, completed Fecal Immunochemical Test (FIT) kits, and follow-ups on abnormal results. In addition, we conducted data analytics on the data in the Agency's screening IT system. Our primary source of good practice was the Canadian Partnership Against Cancer.<sup>^</sup>

<sup>^</sup>The Canadian Partnership Against Cancer is a non-profit organization that works collaboratively with provincial, territorial, and national partners to improve the effectiveness and efficiency of cancer control in Canada. It identifies best practice and sets national benchmarks for screening programs, including colorectal cancer screening programs.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Individuals Identified As Eligible for Program

The Screening Program for Colorectal Cancer at the Saskatchewan Cancer Agency screens certain individuals, to identify those who are at risk or have developed colorectal cancer, consistent with good practice. It sets clear criteria about who is eligible to be invited to participate in the Agency's colorectal cancer screening program.

The Agency's colorectal cancer screening program, in common with other Canadian colorectal cancer screening programs, follows guidelines from the Canadian Partnership Against Cancer (CPAC) when determining potential screening program participants.<sup>13</sup>

Consistent with CPAC guidance, the Agency defines individuals eligible for the screening program as residents with a valid Saskatchewan Health Services card between the ages of 50 and 74 who have not been diagnosed with colorectal cancer in the last five years.<sup>14,15</sup> About one quarter of Saskatchewan's population (over 300,000 people) are between the ages of 50 and 74 (167,338 males and 165,966 females).<sup>16</sup>

Having a clear process to identify individuals to screen for colorectal cancer helps the Agency focus its screening program on individuals that can most benefit from participation in the screening program.

## 4.2 Clear Screening Policies and Procedures Established

The Saskatchewan Cancer Agency has clearly set out the key stages of its colorectal cancer screening program. It has up-to-date written policies and procedures for each key stage that are aligned with good practice.

Agency staff are members of the Canadian Partnership Against Cancer (CPAC). Staff responsible for the colorectal cancer screening program demonstrated their awareness of current national trends and practices related to colorectal cancer screening programs and colorectal cancer.

The Agency's colorectal cancer screening program is a voluntary program. As shown in **Figure 4**, the Agency had documented the key stages of the program. Key stages include:

- Identifying eligible individuals (potential clients)
- Inviting eligible individuals to participate in the program
- Mailing fecal immunochemical test (FIT) kits to potential and existing clients at prescribed intervals
- Coordinating testing of the FIT kits
- Communicating the test results

Where test results suggest the risk of colorectal cancer (i.e., abnormal result), the Agency or the Saskatchewan Health Authority coordinates the booking of a colonoscopy, and communicates the related results.

<sup>13</sup> The Canadian Partnership Against Cancer is a non-profit organization that works collaboratively with provincial, territorial, and national partners to improve the effectiveness and efficiency of cancer control in Canada.

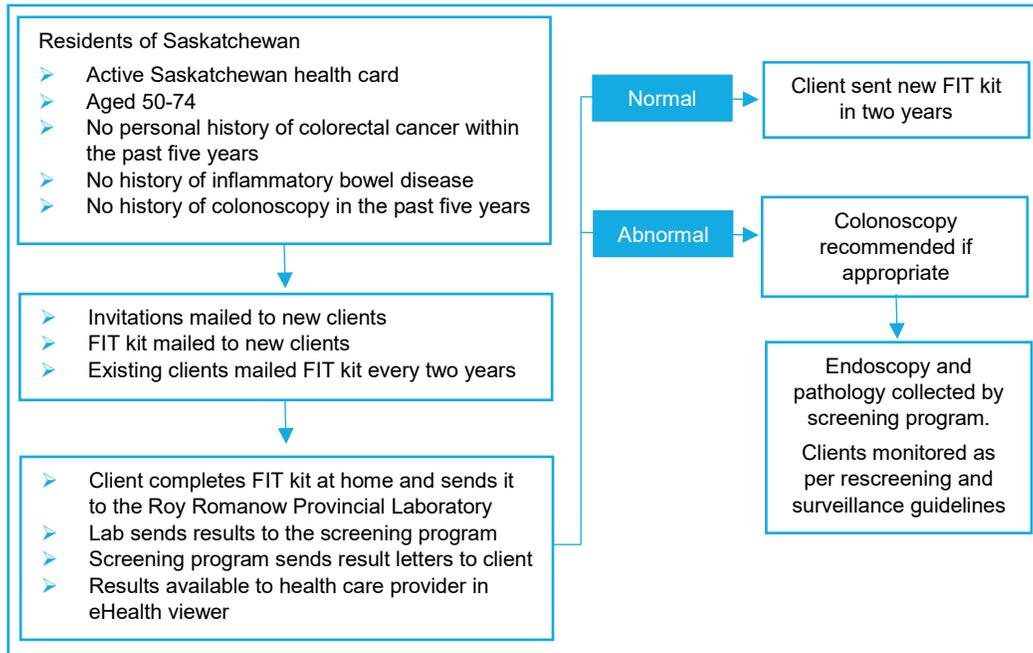
<sup>14</sup> [www.saskcancer.ca/screening-article/screening-program-for-colorectal-cancer](http://www.saskcancer.ca/screening-article/screening-program-for-colorectal-cancer) (23 September 2020).

<sup>15</sup> The Agency screens individuals that are at average risk of developing colorectal cancer. Average risk means that a client is asymptomatic with no colorectal cancer in the past five years, no first degree family history of colorectal cancer or advanced adenoma diagnosed before age 60, and no inflammatory bowel disease (e.g., Crohn's or ulcerative colitis).

<sup>16</sup> Information provided by the Saskatchewan Cancer Agency.



**Figure 4—Saskatchewan Cancer Agency’s Client Pathway for the Screening Program for Colorectal Cancer**



Source: [www.saskcancer.ca/images/pdfs/health\\_professionals/clinical\\_resources/cancer\\_screening\\_guidelines\\_and\\_resources/Physician\\_Portfolio.pdf](http://www.saskcancer.ca/images/pdfs/health_professionals/clinical_resources/cancer_screening_guidelines_and_resources/Physician_Portfolio.pdf). (02 June 2020).

We found the Agency’s screening program policies and procedures clear and understandable. In addition, they align with good practices in CPAC’s colorectal cancer screening guidelines and guidance published by the Canadian Association of Gastroenterologists. For example, consistent with CPAC guidance, the Agency’s program screens individuals within the target age range using a FIT kit every two years, unless a Saskatchewan resident informs the Agency, in writing, they do not want to partake in the screening program.<sup>17</sup>

In addition, the Agency has processes to periodically update its policies and procedures. We found it had updated all of the key policies and procedures for the colorectal cancer screening program within the past two years.

Having clear and documented key stages of the screening program along with clear written and up-to-date policies and procedures helps ensure staff responsible for the colorectal cancer screening program have a clear understanding of expected processes.

### 4.3 Promotional Strategies Not Increasing Participation Rates

While the Saskatchewan Cancer Agency has made efforts to target its promotional strategies to difficult-to-reach and under-screened areas of the province, it has not analyzed if its promotional strategies are raising awareness to help increase participation in the colorectal cancer screening program.<sup>18</sup> Our analysis found the participation of eligible individuals in this program has remained relatively unchanged since 2014.

<sup>17</sup> According to the Canadian Task Force on Preventative Health Care Guidelines.

<sup>18</sup> Participation rate shows the amount of individuals who completed a FIT kit out of the eligible target group (i.e., individuals between 50 and 74).

The Agency periodically analyzes data about participation in the program to help identify difficult-to-reach and under-screened populations and communities. For example, in 2017, the Agency's analysis of data, grouped by the former health regions, identified higher incident rates of colorectal cancer than expected for females in northern Saskatchewan and Weyburn and surrounding area, and for males in Prince Albert, Yorkton, and surrounding areas.<sup>19</sup>

In March 2020, the Agency's analysis of screening program participation rates by postal code identified various difficult-to-reach and under-screened areas across northern Saskatchewan and various communities in southern regions (e.g., Swift Current, Herbert, Moose Jaw, Balcarres).

The Agency uses various strategies to educate the public, public health care providers (e.g., primary care providers, physicians, nurse practitioners, nurses), and educators of health care providers (e.g., post-secondary institutions) about the risk of colorectal cancer and to promote its colorectal cancer screening program. For example, the Agency:

- Uses radio, television, and its website to promote its program primarily to the public throughout the year.
- Provides medical offices with brochures, screening program postcards, posters, fact sheets, and colorectal cancer screening program guidelines each year.
- Participates in health fairs and medical conferences attended by primary care providers and their educators, as well as other community engagement sessions. For the twelve-month period ended July 2020, the Agency attended 25 promotional events.<sup>20</sup>

To some extent, the Agency uses its analysis to help focus its promotional efforts. For example, the Agency, since 2016, has a Northern Health Bus initiative to promote awareness of its various cancer screening programs, including the colorectal cancer screening program. Its analysis has identified northern Saskatchewan as an under-screened area for colorectal cancer. In 2019, the Northern Health Bus held community engagement sessions (e.g., facilitated round table discussions about successes and gaps in the cancer care continuum) in 30 communities located in northern Saskatchewan.

We also noted the Agency periodically attends community events (e.g., town hall meetings) in areas with lower participation rates (e.g., Swift Current).

The Agency formally assesses the value of its participation in each promotional event. It requires agency coordinators who attend promotional events to complete a post-event evaluation form. The form records details about each promotional activity (e.g., number of participants), assesses the value of participating in the event (e.g., whether target audience was reached), and notes opportunities for improvement. It also notes if the Agency should attend the event again.

For each of the four events we tested, staff completed a post-event evaluation form as expected.

<sup>19</sup> In 2017-18, twelve health regions combined to form the Saskatchewan Health Authority.

<sup>20</sup> Due to the COVID-19 pandemic, no promotional events were attended from March 13, 2020 to July 31, 2020.



However, we found the Agency had not analyzed if its promotional strategies and participation in events raise awareness to help increase participation in its colorectal cancer screening program.

Our analysis found the participation rate in the Agency's colorectal cancer screening program has slowly decreased over the past six years to about 47% (see **Figure 5**). Also, the program participation rates falls short of Canada's national benchmark of 60% participation in colorectal cancer screening programs.<sup>21,22</sup>

**Figure 5—FIT Kit Completion and Participation Rates in Saskatchewan<sup>A</sup>**

	April 2014-March 2016	April 2015-March 2017	April 2016-March 2018	April 2017-March 2019	April 2018-March 2020 <sup>B</sup>
Number of people (over 50 years of age) who have completed at least one FIT kit	154,831	160,711	158,007	159,367	152,727
Colorectal cancer screening program population-based participation rate	50.0%	51.1%	49.3%	49.3%	46.9%

Source: Saskatchewan Cancer Agency *Annual Report 2018-19*. April 2018 to March 2020 figures adapted from information provided by the Agency.

<sup>A</sup> The Agency reports participation rate and completed FIT kit statistics over a two-year period.

<sup>B</sup> The Agency paused its Screening Program for Colorectal Cancer effective March 18, 2020 due to the COVID-19 pandemic.

While the Northern Health Bus initiative started in 2016, we found the participation rates of northern Saskatchewan residents in the colorectal cancer screening program have decreased (see **Figure 6**).

**Figure 6—Participation Rates of Northern Saskatchewan in the Screening Program for Colorectal Cancer**

Former Health Region	April 2016-March 2018	April 2017-March 2019	April 2018-March 2020
Mamawetan Churchill River <sup>A</sup>	46.1%	31.7%	33.9%
Keewatin Yatthé <sup>B</sup>	37.1%	26.5%	28.1%
Athabasca <sup>C</sup>	38.0%	20.1%	22.3%

Source: Information provided by the Saskatchewan Cancer Agency.

<sup>A</sup> Mamawetan Churchill River Health Region included communities such as Creighton, La Ronge, Pinehouse, Sandy Bay, and Weyakwin.

<sup>B</sup> Keewatin Yatthé Health Region included communities such as Beauval, Green Lake, Buffalo Narrows, and La Loche.

<sup>C</sup> Athabasca Health Region included communities such as Stony Rapids and Uranium City.

Focusing promotional strategies on under-screened areas to raise awareness and educate eligible target groups should lead to increased program participation rates. Periodically assessing promotional strategies will help determine if they are effectively raising awareness and educating the target group to participate in the program. Higher program participation should lead to early detection and better health outcomes for individuals diagnosed with colorectal cancer.

- 1. We recommend the Saskatchewan Cancer Agency analyze if its promotional strategies help increase participation in its Screening Program for Colorectal Cancer.**

<sup>21</sup> Canadian Partnership Against Cancer, *Cancer Screening in Canada*, (2015), p.9.

<sup>22</sup> Saskatchewan's participation rate was the highest in Canada as reported in the Canadian Partnership Against Cancer's 2017 *Colorectal Cancer Screening in Canada* results report. Report data was from the period January 2013 – December 2014.

## 4.4 Processes to Identify Individuals Eligible for Program Well-Defined

The Agency has well-defined automated processes to identify individuals who meet its eligibility criteria for its colorectal cancer screening program and to share relevant key information about them.

The Agency has written agreements with eHealth Saskatchewan, the Ministry of Health, and the Saskatchewan Health Authority to enable sharing of relevant data about individuals who meet its colorectal cancer screening criteria (potential clients), and agree to participate in its program (clients). It uses an IT system for its colorectal cancer screening program to track key data about potential new clients and existing clients.

Each week, information from Saskatchewan's personal health registration system automatically updates the Agency's screening IT system for eligible individuals, and any changes to information (e.g., change in address) for existing clients.<sup>23</sup>

Up-to-date information allows the Agency to reach all potential new and existing clients to have them participate in the screening program.

## 4.5 Individuals Invited for Screening Consistent with Good Practice

The Saskatchewan Cancer Agency invites and sends FIT kits to individuals eligible for its colorectal cancer screening program (potential clients), and program participants (clients) consistent with intervals set out in good practice.

The Agency's screening IT system lists potential and existing clients for the colorectal cancer screening program. Every week, information from Saskatchewan's personal health registration system automatically updates the Agency's screening IT system for individuals who are now eligible for the colorectal cancer screening program.

The Agency's screening IT system automatically determines the next screening date of eligible individuals and existing clients based on the following:

- For potential clients who have not had a previous screening: the date the individual turned 50 years old, or if over 50 years of age and new to the province, the date the individual obtained a valid Saskatchewan Health Services card, and subsequently two years from that date
- For existing clients with normal results from the previous screening: two years from the date of the last screening
- For existing clients with abnormal results (e.g., requiring colonoscopy) from the previous screening: five years from the date of the colonoscopy
- For existing clients with abnormal results who decline colonoscopy: two years from the date of the last screening

<sup>23</sup> eHealth Saskatchewan, a provincial government agency, administers Saskatchewan's personal health registration system.



The screening IT system also tracks if opportunistic tests were done prior to an individual becoming eligible for the screening program, and adjusts the individual's next screen date appropriately (i.e., five years after colonoscopy or two years after FIT).<sup>24</sup>

We found each of the 30 individuals tested had the correct next screen date recorded in the screening IT system based on their completion of a FIT kit, the results, and if further screening was required.

Our data analysis of program participants found about 95% of individuals who had a colonoscopy had their next screen date set appropriately at 5.5 years after their colonoscopy date. For the remaining individuals, screening dates appropriately differed due to decisions made by primary care providers (e.g., ordering a colonoscopy or FIT sooner than five years from a previous colonoscopy).

Each week, the Agency creates an invitation campaign in its screening IT system. A weekly campaign contains the list of all individuals who are eligible to be mailed an invitation or a FIT kit. The campaign includes the steps set out in **Figure 7**.

**Figure 7—Inviting Potential Clients to Participate in the Screening Program for Colorectal Cancer**

- Send an invitation letter to each individual when they first become eligible.
- Mail FIT kit to new clients two weeks after invitation letter is sent. Once individuals complete a FIT kit, they can drop the sample off at a medical laboratory or mail it in (the Agency provides a prepaid mailing envelope).
- Where the Agency does not receive a completed FIT kit from a new client, the Agency mails two reminder letters—one after nine weeks and if no response one after 18 weeks.

The screening IT system tracks the dates of each of these steps. If no response after 18 weeks, the screening IT system automatically identifies the individual as not participating in the current campaign. The Agency will invite the individual again in two years.

Source: Adapted from information provided by the Saskatchewan Cancer Agency.

We found invitation letters, FIT kits, and reminder letters are sent to eligible individuals within reasonable timeframes. Our testing of 30 individuals (potential clients) who became eligible for the colorectal cancer screening program found:

- Only four of 30 individuals were not sent an invitation letter within one week of the individual turning 50 years of age (letters were sent between four and 32 days later than one week). The reasons for sending the invitations later than one week were appropriate given the circumstances (e.g., individual did not have a valid Saskatchewan Health Services number upon turning 50 years old).
- All 30 potential clients were sent FIT kits either within two weeks (29 individuals) or three weeks of the screening program invitation letter (1 individual).
- All 25 individuals who did not complete a FIT kit were sent the nine-week reminder letter to complete the FIT kit as expected.
- Only six of the 23 individuals who required a second reminder were not sent the 18-week reminder letter as expected. We found this was a result of the COVID-19 pandemic which suspended program activities from March 17, 2020 to May 12, 2020.<sup>25</sup>

<sup>24</sup> Opportunistic screening is when individuals receive screening for colorectal cancer at the request of their physician.

<sup>25</sup> Effective March 18, 2020, the Screening Program for Colorectal Cancer suspended mailing FIT kits and reminders letters to individuals until precautionary measures around the COVID-19 pandemic were lifted.

Our data analysis further showed the Agency mailed FIT kits to potential clients within a reasonable timeframe. We found 96% of individuals who became eligible between August 1, 2019 and March 31, 2020 had a FIT kit mailed within three weeks of turning 50 years old and becoming eligible for screening.<sup>26,27</sup> The reasons for the remaining 4% who did not receive FIT kits within three weeks of becoming 50 years of age were appropriate (e.g., received an opportunistic screening prior to turning 50 years of age, or were ineligible because they did not have a valid Saskatchewan Health Services number when they turned 50 years of age).

Providing timely invitations (i.e., letters) and FIT kits to potential new and existing clients, and providing reminders if required, helps increase the likelihood of individuals participating in the screening program. This, in turn, increases the opportunity to detect colorectal cancer, if any, in its early stages.

Individuals can choose to opt-out of the program. Agency staff update the screening IT system to indicate which individuals choose not to partake in the screening program. The Agency does not send further communications to these individuals. Less than 1% of eligible individuals chose to opt out of the screening program from August 1, 2019 to March 31, 2020.

## 4.6 Screening Tests Analyzed by Qualified Staff

The Saskatchewan Cancer Agency is aware of the processes the Saskatchewan Health Authority uses to verify qualified staff analyze completed FIT kits (screening test).

As set out in **Figure 4**, completed FIT kits are sent to the Roy Romanow Provincial Laboratory. The Saskatchewan Health Authority operates the Provincial Lab. The Provincial Lab analyzes and tests the FIT kit samples. The Authority participates in the Diagnostic Quality Assurance Program at the College of Physicians and Surgeons of Saskatchewan. This Program confirms the Provincial Lab meets all the applicable standards established by the Laboratory Quality Assurance Program.<sup>28</sup> For example, it confirms:

- Qualification of staff (e.g., individuals are Medical Laboratory Technologists and licensed with the Saskatchewan Society of Medical Laboratory Technologists)
- Quality of the Provincial Lab's testing processes (e.g., methods for collection, identification, transportation, and assessment of condition of specimens)
- Adequacy of training

We found the Agency is aware the Provincial Lab is licensed and fully accredited.<sup>29</sup> Agency staff knew the accreditation remains valid until the next accreditation, and the accreditation usually takes place every three years.

<sup>26</sup> We expected the Agency to send invitation letters to individuals within one week of becoming eligible and then have the FIT kit sent two weeks after as required.

<sup>27</sup> The Agency suspended the screening program in March 2020, therefore data provided for the audit was from August 1 2019 to March 31, 2020.

<sup>28</sup> The Laboratory Quality Assurance Program requires medical laboratories in Saskatchewan to be compliant with the *Medical Laboratory Licensing Act* and Regulations.

<sup>29</sup> The Provincial Lab was accredited in December 2018.



Knowing qualified staff analyze and test FIT samples helps the Agency deliver a reputable screening program. In addition, it helps ensure patients (and their primary care providers) receive reliable test results.

## 4.7 FIT Kit Results Delivered Timely

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The Saskatchewan Cancer Agency uses an automated process to receive results of fecal immunochemical test (FIT) kits from the Roy Romanow Provincial Laboratory. It has well-established processes to provide FIT kit screening results to clients and primary care providers promptly after receiving results from the Provincial Lab.

Although the Agency and the Saskatchewan Health Authority have not determined a target turnaround time for the Provincial Lab to process completed FIT kits, the Agency has found the Provincial Lab processes FIT kits within a reasonable period.

Our data analysis confirmed the Provincial Lab processes FIT kits within a reasonable period. Our analysis found the Provincial Lab tested all FIT kits it received between August 1, 2019 and March 31, 2020 within five days of its receipt of them. During this period, the Provincial Lab received 21,431 FIT kits. Our analysis further found the Provincial Lab took, on average, two days to test FIT kits received between August 1, 2019 and March 31, 2020.

The Agency has well-defined process to both receive FIT kit results from the Provincial Lab, and to send clients the results of the tests.

Each day, the Agency electronically receives FIT kit results from the Provincial Lab, which automatically updates its screening IT system. Upon receipt, it checks the accuracy of the data (e.g., missing specimen collection date) before it mails written results (i.e., letter with test results) to clients and primary care providers. The Agency is aware from time to time the screening IT system misses generating test result letters. Therefore, each week, the Agency runs a report to identify clients with FIT kit results in its screening IT system who were not informed of the results (missing letters). It then sends these clients their test results.

Our testing of 30 clients who submitted a FIT kit found:

- The Provincial Lab tested all 30 FIT kits within four days of its receipt of them, taking two days on average.
- The Agency sent 28 of 30 individuals FIT kit results within three days of the Provincial Lab producing a FIT kit result, taking less than two days on average. For the remaining two, the Agency had identified it missed sending them test results and sent the results 9 days and 11 days, respectively, after its receipt of FIT kit results.

Clients often find waiting for test results stressful. Communicating FIT kit results promptly reduces stress. In addition, where FIT kit results indicate a risk of colorectal cancer (abnormal), it allows clients and primary care providers to take action sooner (i.e., schedule a colonoscopy).

## 4.8 Consistent Approach for Booking Colonoscopies Needed

Under its screening program, the Saskatchewan Cancer Agency and the Saskatchewan Health Authority do not have a consistent approach for booking endoscopic services (i.e., colonoscopies) for patients with an identified risk of colorectal cancer. This is resulting in patients not having colonoscopies booked within the 60-day national benchmark 90% of the time.

The Canadian Partnership Against Cancer has set a benchmark of booking 90% follow-up colonoscopies within 60 days of a patient's receipt of an abnormal screening result from a FIT kit. A follow-up colonoscopy is part of further screening to help determine the presence of colorectal cancer. Only endoscopists (specialist physicians) perform colonoscopies. At March 2020, Saskatchewan had 69 endoscopists located throughout the province that perform colonoscopies for the colorectal cancer screening program.

Either the Agency or the client's primary care provider are responsible for booking follow-up colonoscopies. The Agency is responsible to book colonoscopies in certain regions of the province—it calls these regions program-navigated and dual-navigated.<sup>30</sup> The areas where the Agency does not book the follow-up colonoscopies are called non-navigated regions and the responsibility for referring clients for colonoscopy lies solely with the client's primary care provider.

In program navigated regions, booking the appointment for the follow-up colonoscopy is the responsibility of the Agency where a client's abnormal result was from a FIT kit completed as part of its screening program. In dual navigated regions, booking the appointment for the follow-up colonoscopy is the responsibility of the Agency where a patient's abnormal result was from a FIT kit completed as part of its screening program or as ordered by a client's primary care provider as part of opportunistic screening.

From August 1, 2019 to March 31, 2020, 3,137 patients had an abnormal result from a completed FIT kit. Of these, our data analysis found the following:

- On an overall basis, 79% had follow-up colonoscopy appointments booked within 60 days of an abnormal FIT result, falling short of the national target of 90%.
- For patients in navigated regions (i.e., where the Agency is responsible for booking), the average wait time from abnormal FIT result to colonoscopy appointment was less than 60 days.
- For patients in non-navigated regions, the average wait time from abnormal result to colonoscopy appointment was over 60 days, ranging from 66 to 95 days.

<sup>30</sup> Over 65% of Saskatchewan's population is in Agency navigated regions.



In our testing of 30 individuals with an abnormal FIT result (including patients from navigated, dual-navigated, and non-navigated regions), 25 of 30 patients required a colonoscopy.<sup>31</sup> For these 25 patients, we found 11 of the 25 colonoscopies were not booked within 60 days. Of these 11:

- Four patients were part of the Agency's screening program. In one case, the Agency did not book one colonoscopy because it could not reach the individual with the abnormal test result after numerous attempts. In three cases, the Agency booked the colonoscopy late due to the Authority's pause on providing non-urgent medical procedures because of the COVID-19 pandemic. Once advised by the Authority that it was resuming non-urgent medical procedures, we found the Agency booked these appointments.
- Seven colonoscopies were not part of the Agency's screening program (that is, the client's primary care provider was responsible for booking the appointment), and lateness ranged from six to over 119 days (one colonoscopy was not booked at time of our testing).

For the 21 individuals we tested with a completed colonoscopy, the colonoscopy report information (from physicians) was accurately entered into the screening IT system.

We also analyzed data on wait times for colonoscopies for those individuals who were diagnosed with colorectal cancer. From August 1, 2019 to March 31, 2020, our data analysis found 22 individuals who waited longer than 60 days for a colonoscopy which diagnosed cancer (wait times ranged from 61 to 159 days after an abnormal FIT result).

The Agency is publicly accountable for national metrics such as the wait time from an abnormal FIT result to a colonoscopy. Both the Agency and the Authority recognize many patients do not receive endoscopy services within the 60-day national benchmark and many wait too long.

Management indicated, beginning September 2020, the Agency and the Authority started a project with a goal to improve endoscopy wait times by establishing yearly goals and targets.

Without a consistent and provincial approach for booking colonoscopies, patients who are not navigated through the Agency's screening program often wait longer for colonoscopies. Delays in receiving colonoscopies can result in delays in a colorectal cancer diagnosis. Research shows 90% of colorectal cancer can be prevented or successfully treated if caught early.

- 2. We recommend the Saskatchewan Cancer Agency work with the Saskatchewan Health Authority to reduce the time patients wait for colonoscopies with an aim to provide these services within the nationally accepted benchmark for colorectal cancer screening programs.**

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<sup>31</sup> In our sample, two individuals declined colonoscopy and three physicians recommended no colonoscopy.

## 4.9 Endoscopic Services Actively Monitored

The Saskatchewan Cancer Agency actively monitors the quality of endoscopic services endoscopists provide for the colorectal cancer screening program.

Each year, the Agency analyzes and reports on the quality of services each endoscopist practicing in Saskatchewan provides. It compares various aspects of the services of each endoscopist to provincial statistics (e.g., adenoma detection rate, bowel preparation, cecal intubation rate, and withdrawal times).<sup>32,33</sup> It summarizes the results of its analysis of each endoscopist in separate endoscopy quality reports. The Agency gives the report to the endoscopist, the Agency's medical advisor, and the Authority's Deputy Chief Medical Officer.

For five endoscopists we tested who completed colonoscopies for the screening program, we found the Agency has completed an annual endoscopy quality report for each.

Also since 2017, the Agency, in conjunction with the Saskatchewan Health Authority, has piloted the Direct Observation of Procedural Skills program. Endoscopists practicing in Saskatchewan can volunteer to participate in the program. Under the program, independent contractors with assessor training observe an endoscopist during a live procedure. The assessor evaluates the skills of the endoscopist against good practice, provides feedback, and identifies areas to improve performance. The Agency tracks results for each endoscopist observed through the program.

From its inception to March 31, 2020, the program has assessed 59 of the 69 endoscopists practicing in Saskatchewan that perform colonoscopies for the colorectal cancer screening.<sup>34</sup> Management indicated the Agency, in coordination with the Authority, has not determined how often it will assess endoscopists who volunteer to participate in the program.

Actively monitoring the work of endoscopists helps the Agency determine whether clients of the colorectal screening program and other patients receive quality endoscopic services.

## 4.10 Benchmark for Giving Patients Timely Pathology Results Needed

The Saskatchewan Cancer Agency and the Saskatchewan Health Authority have not set a benchmark for providing pathology results from colonoscopies to patients (including clients of the colorectal cancer screening program) and primary care providers within a target timeframe. The Agency does not routinely analyze how long its clients wait to receive pathology results.

<sup>32</sup> Adenoma detection rate is the rate at which an endoscopist finds one or more precancerous polyps during a screening colonoscopy procedure.

<sup>33</sup> Bowel preparation assesses whether an endoscopist adequately cleaned out the bowel before colonoscopy—a clear bowel improves the quality of a colonoscopy. Cecal intubation assesses whether an endoscopist reached the cecum or not during colonoscopy—reaching the cecum improves quality of a colonoscopy. Withdrawal time measures the length of time it takes an endoscopist to withdraw a specimen from the bowel during colonoscopy—withdrawal time should be six to 10 minutes.

<sup>34</sup> Saskatchewan Cancer Agency, *Annual Report 2019-20*, p. 10.



Subsequent to colonoscopies, the Authority is responsible for providing pathology results (e.g., cancer diagnosis) to patients and primary care providers. The Authority also provides this information to the Agency to track within its screening IT system.

Although European good practice is to have a diagnosis within 14 days after a colonoscopy, the Canadian Partnership Against Cancer has not yet set a benchmark for the time to diagnose after a colonoscopy.<sup>35</sup>

Our data analysis found from August 1, 2019 to March 31, 2020, 2,650 individuals had colonoscopies. Of these, 95% had pathology results provided within 14 days of colonoscopy. Twelve individuals with a colorectal cancer diagnosis had to wait longer than 14 days for the pathology results (ranged from 15 to 104 days after the colonoscopy). One individual, in a non-navigated region, waited 125 days for a colonoscopy and a further 59 days for pathology results. This individual was diagnosed with cancer.

In our testing of 25 colonoscopies, 16 patients were diagnosed with cancer. We found 14 of these patients had a diagnosis within 14 days after colonoscopy. In the two instances where pathology results exceeded 14 days, pathology results were provided 25 and 37 days after the colonoscopy.

Having benchmarks for expected timeframes to give pathology results from colonoscopies to patients and primary care providers would help the Agency and the Authority assess wait times. Timely receipt of pathology results assists in determining and providing appropriate and timely treatment, and reduces the risk of the abnormality growing or spreading to other parts of the body.

- 3. We recommend the Saskatchewan Cancer Agency work with the Saskatchewan Health Authority to determine a timeframe (benchmark) for providing patients and healthcare providers with pathology results related to screening for colorectal cancer.**

## 4.11 Analysis of Screening Program Results and Timely Reporting Needed

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The Saskatchewan Cancer Agency's reporting on key indicators does not contain analysis or explain where it has not met national benchmarks. In addition, the Agency provides senior management and the Board with key program information later than good practice expects.

The Agency tracks data on the six indicators it uses to regularly assess its colorectal cancer screening program (key indicators).

Each quarter, the Agency reports to senior management and the Board on five of its six key quality indicators (outlined in **Figure 8**). For each indicator reported in the quarterly report, the Agency compares the results for the quarter to its prior year results and related national benchmark, if available.

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<sup>35</sup> International Agency for Research on Cancer. *European guidelines for quality assurance in colorectal cancer screening and diagnosis*: 1st ed. Lyon (FR): The Agency; 2010.

**Figure 8—Six Quality Indicators Used by the Agency’s Screening Program for Colorectal Cancer**

Indicator <sup>A</sup>	Definition	National Benchmark	Actual Results at March 31, 2020
Participation rate (population based)	Proportion of the target population who successfully completed at least one FIT in the program within two years	60% or higher	46.9%
Retention rate	Proportion of individuals aged 50-74 re-screened within 24 or 30 months after a normal FIT in two years	Not set	<sup>B</sup>
Positivity rate	Proportion of individuals with an abnormal FIT result	Not set	7.0%
Follow up on colonoscopy uptake	Proportion of individuals with an abnormal FIT result having a follow-up colonoscopy within six months	85% or higher	80.6%
Wait times to follow up colonoscopy	Time interval from abnormal FIT to follow up colonoscopy	90% or higher within 60 days of an abnormal FIT result	114 days on average
Program invasive colorectal cancer detection rate	Rate per 1000 individuals with colorectal cancer confirmed by pathology from a follow-up colonoscopy performed within 180 days of an abnormal screening over two years	2 or more colorectal cancer cases per 1000 people screened	3.6 cases

Source: Adapted from information provided by the Saskatchewan Cancer Agency.

<sup>A</sup> The Agency includes four indicators in its quarterly reports to senior management and the Board (highlighted blue).

<sup>B</sup> Retention rate at June 30, 2019 was 77.4% as reported in June 2020.

In June 2020, the Agency began reporting on the sixth indicator (i.e., retention rate) and management intends to report on this measure annually going forward.

The Agency also periodically gives senior management reports on four additional indicators (i.e., invasive colorectal cancer stage distribution, colonoscopy withdraw time, bowel preparation, cecal intubation rate). It enables management to evaluate the quality of colonoscopies and endoscopic services.

Good practice suggests reporting results on key indicators three to six months after the results period.

The Agency reports on two of six key indicators (i.e., participation rate, positivity rate) within timeframes consistent with good practice, however, it does not for the four other key indicators. For example, it reported:

- Retention rate information six months later than good practice suggests—information related to June 2019 period end was reported in June 2020 instead of in December 2019
- Colonoscopy information three months later than good practice suggests—information related to September 2019 was reported in June 2020 instead of March 2020

We also found the Agency’s quarterly reporting to senior management and the Board does not include trends (e.g., comparisons to multiple previous periods) or analysis of trends. In addition, it does not include reasons why the program has not achieved national benchmarks, or management’s actions or plans to improve program performance.



At March 2020, as shown in **Figure 8**, for three of its indicators with national performance benchmarks, the Agency's colorectal cancer screening program did not achieve the national benchmark as indicated below:

- The participation rate (population-based) was 46.9% as compared to the national benchmark of 60% or higher.<sup>36</sup>
- The follow-up on colonoscopy uptake was 80.6% as compared to the national benchmark of 85% or higher.
- The wait time to follow-up colonoscopy was 114 days on average compared to the national benchmark of 90% or higher within 60 days of an abnormal FIT result.<sup>37</sup>

Periodically providing trends in results for key performance indicators and written detailed analysis would help the Agency understand its progress and identify opportunities for improvements. Providing timely performance information increases the ability of senior management and the Board to identify potential improvements sooner.

4. **We recommend the Saskatchewan Cancer Agency periodically include analysis of key quality indicator results for its Screening Program for Colorectal Cancer in its reports to senior management and the Board.**
5. **We recommend the Saskatchewan Cancer Agency report on results of key quality indicators timely for its Screening Program for Colorectal Cancer.**

In addition, we identified concerns with the accuracy of data the Agency uses to measure one of its quality indicators—the participation rate (population-based). We found the Agency did not calculate the population-based participation rate consistent with the calculation method set by the Canadian Partnership Against Cancer. In calculating this rate, the Agency considers any individual invited and screened within 24 months; whereas, the national calculation method considers any individual invited within a 24-month period and screened within 30 months. We determined the difference in calculation method results in the Agency's rate being slightly lower than if it used the national calculation method.

We suggest the Agency confirm it uses the calculation method set by the Canadian Partnership Against Cancer to calculate indicators compared to national benchmarks.

## 4.12 Consistency With National Indicators Needed

The Saskatchewan Cancer Agency has not considered whether to update its six key indicators to make them all consistent with the revised set of national indicators. Only four of the Agency's six key indicators are consistent with the 10 national indicators in place since October 2019.

<sup>36</sup> Saskatchewan's participation rate was the highest in Canada as reported in the Canadian Partnership Against Cancer's 2017 *Colorectal Cancer Screening in Canada* results report. Report data was from the period January 2013 to December 2014.

<sup>37</sup> Wait time to follow-up colonoscopy was 84 days on average in navigated regions, 113 days on average in dual-navigated regions and 154 days on average in non-navigated regions.

The Agency is a member of the Canadian Partnership Against Cancer (CPAC). As a member of CPAC, the Agency tracks and reports annually to CPAC on the national performance indicators for colorectal cancer screening programs.

The Agency's six key indicators, used for quarterly reporting, are a subset of 16 quality indicators for colorectal cancer screening programs that CPAC had in place prior to October 2019. In October 2019, CPAC released a revised set of 10 national performance indicators for colorectal cancer screening programs; half of which are the same or similar to the previous list of 16.

In October 2019, the Agency completed a feasibility scan and concluded it has information available to report on nine of the 10 revised indicators. It includes four of them (highlighted blue in **Figure 8**) in its quarterly reports to senior management and the board.

At July 2020, nine months since CPAC released the 10 revised indicators, we found the Agency has not identified nor regularly use revised national quality indicators key to monitor the effectiveness of the Authority lab staff and contracted endoscopists (like interval cancer rates), and the extent of participation of eligible individuals in its program (like screening program participation rates).<sup>38</sup>

Up to 2019, the Agency annually reported to CPAC on all 16 quality indicators. The Agency expects CPAC will ask it to report on the revised 10 national performance indicators in 2021.

Without having key performance indicators consistent with national good practice, the Agency risks using outdated and inappropriate measures to keep its senior management and Board informed about its colorectal cancer screening program throughout the year. Timely analysis and reporting of relevant quality indicators provides pertinent information for decision-making.

**6. We recommend the Saskatchewan Cancer Agency align quality indicators it regularly uses to report on the Screening Program for Colorectal Cancer with nationally accepted indicators.**

Also, we found information in the Agency's screening IT system about the number of FIT kits sent may be slightly overstated. Our testing of individuals eligible for the program identified one instance where the information about the FIT kits sent in the Agency's screening IT system was not accurate. In this instance, the screening IT system incorrectly indicated a FIT kit as sent even though the Agency appropriately did not send one. Management told us this individual did not qualify for a FIT kit because the individual had a colonoscopy less than five years prior (through opportunistic screening).

Management noted, from time-to-time, they do not send FIT kits. In these cases, the Agency does not correct information in the screening IT system because correcting the information would negatively impact the next screening date. The Agency would use the number of FIT kits sent to determine the screening program's participation rate.

<sup>38</sup> The interval cancer rate measures the effectiveness of screening in identifying cancer via FIT kits and via colonoscopy.



We suggest the Agency assess the accuracy of its data in its screening IT system used for calculating the colorectal cancer screening participation rate. Management indicated it resolved this issue in October 2020.

### 4.13 Temporary Screening Program Suspension Handled Appropriately

The Saskatchewan Cancer Agency handled the temporary suspension of its colorectal cancer screening program in a way that minimized, to the extent possible, the impact of the disruption of services on its potential and existing clients.

The Agency temporarily suspended the Screening Program for Colorectal Cancer between March 17, 2020 and May 12, 2020. Its suspension coincided with the Saskatchewan Health Authority's decision to suspend non-urgent procedures because of potential health and safety risks resulting from the COVID-19 pandemic.

We found the Agency's senior leadership clearly communicated to staff about the Program's temporary pause, explaining why. During this period, it appropriately did not invite individuals who became eligible for screening because appropriate follow-up (i.e., testing of FIT kits and colonoscopies) was not possible. It properly determined testing of FIT kits was not urgent.

We also found the Agency had a reasonable resumption plan to re-open the screening program in June 2020 once the Authority resumed providing non-urgent procedures. It identified all individuals eligible for screening since March 17, 2020. It then sent letters and FIT kits in smaller groupings to avoid overwhelming the Provincial Lab and health care system with testing. Where the Agency had mailed FIT kits to individuals prior to March 17, 2020, it sent reminder letters (approximately 10,500). Furthermore, Agency staff re-booked colonoscopy appointments for clients with cancelled appointments. It used a risk-based approach (based on the original date of booking and the clients' urgency and medical history) to determine which clients to schedule earlier.

Having a risk-based plan to resume services after the temporary disruption helped the Agency minimize the impact on its potential and existing clients.

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## Chapter 22

# Saskatchewan Polytechnic—Carrying Out Applied Research

### 1.0 MAIN POINTS

Since 2014, Saskatchewan Polytechnic (Sask Polytech) has had a goal to grow its applied research. Applied research focuses on providing practical solutions to specific problems of individuals or organizations.<sup>1</sup> Its applied research revenues quadrupled from 2014 to 2019 to \$3.6 million in 2018-19; these revenues represent about 1% of Sask Polytech's 2018-19 total revenues.

In 2019 and early 2020, Sask Polytech generally used effective processes to carry out applied research. We make five recommendations for improvement. For example, Sask Polytech needs to:

- Always document, for all types of applied research projects, its assessment of the viability of and key risks associated with potential projects before pursuing a project.

Our testing found for projects where Sask Polytech does not complete an application for funding, it does not document its assessment of a project's viability or associated key risks.

Formally documenting assessments of viability and key risks reduces the risk of missing key evaluative aspects of potential projects and undertaking projects it cannot successfully complete.

- Confirm all staff and students involved in applied research projects reaffirm their commitment to the Code of Conduct at least annually.

Our testing found faculty and students involved in research projects did not always annually acknowledge compliance with Sask Polytech's Code of Conduct Policies because of the way Sask Polytech requested these acknowledgments. Our testing found instances where the most recent acknowledgements ranged from just over a year ago to 11 years ago.

Annual acknowledgements remind staff and students of acceptable business practices and the need to consider and declare conflicts of interest. Demonstrating compliance with policies helps show Sask Polytech researchers understand and accept responsibilities for carrying out research.

Furthermore, to better support future growth in applied research, Sask Polytech needs measures to assess the success of its applied research beyond annual growth in research revenue, and to keep more robust, up-to-date project information to improve its ability to track a larger number of projects.

<sup>1</sup> [saskpolytech.ca/about/applied-research-and-innovation/](https://saskpolytech.ca/about/applied-research-and-innovation/) (20 April 2020).



## 2.0 INTRODUCTION

### 2.1 Responsibility for and Focus of Applied Research

Since 2014, Sask Polytech has identified applied research as a key area of focus.<sup>2</sup> Its goal is to grow applied research by leveraging its expertise in generating practical solutions for industry problems.<sup>3</sup> Sask Polytech aims to have its applied research support Saskatchewan's productivity and economic prosperity, enable the organization to keep current with industry needs, and provide opportunities for students to enhance their learning experience.<sup>4</sup>

As outlined in **Figure 1**, Sask Polytech focuses its applied research activities and expertise within five centres. These centres are to help industry partners refine and deliver solutions to their questions, build product prototypes (e.g., bio plastics, use of 3D printers), and provide testing.<sup>5</sup>

**Figure 1—Focus of Saskatchewan Polytechnic's Applied Research**

**Digital Integration Centre of Excellence**

- Is a research lab Sask Polytech uses to work collaboratively with multiple programs to bring digital solutions to various industry partners
- Focuses on data—data integrity, transmission, analysis, and storage

**Innovative Manufacturing Centre**

- Involves collaboration between Sask Polytech, industry and employers to provide students with a broad knowledge and skill-set in manufacturing
- Provides industry partners with access to the latest tools, equipment and expertise to improve production methods and test new ideas and products
- Includes facilities for: biomaterials testing and prototyping; research, additive manufacturing and prototyping; robotics; and mechatronics

**BioScience Applied Research Centre**

- Offers industry experts access to applied research expertise to discover solutions to everyday problems
- Strengths include: agricultural bioscience; analytical chemistry; analytical instrumentation; biochemistry microbiology; and molecular biology

**Hannin Creek Education and Applied Research Centre**

- Is an educational facility north of Prince Albert on the shores of Candle Lake
- In partnership with the Saskatchewan Wildlife Federation, HCEARC provides industry experts and students with unique hands-on learning opportunities in forestry, fisheries, wildlife, conservation law, recreation and environmental, civil and water resources technologies

**Centre for Health Research, Improvement and Scholarship**

- Supports faculty in Sask Polytech's Schools of Health Sciences and Nursing in achieving their scholarly development goals and aspirations
- Provides faculty with access to support for publication and presenting, grant and funding applications, and request in-service sessions on a variety of scholarly topics
- Serves as a hub for research networking and allows faculty to connect with potential research partners within the Sask Polytech community and beyond

Source: Adapted from [www.saskpolytech.ca/about/applied-research-and-innovation/industry.aspx](http://www.saskpolytech.ca/about/applied-research-and-innovation/industry.aspx) (1 May 2020).

Sask Polytech makes its Office of Applied Research and Innovation (Research Office) responsible for managing its applied research. Its responsibilities include managing the

<sup>2</sup> *The Saskatchewan Polytechnic Act* (s. 4, 16) gives Sask Polytech authority to provide applied research to governments, corporations, or other third parties, and enter into agreements for the purpose of performing applied research.

<sup>3</sup> Saskatchewan Polytechnic, *Multi-year Business Plan 2018-2021*, p. 18.

<sup>4</sup> *Ibid.*

<sup>5</sup> Industry partners are companies that choose to partner with Sask Polytech in an applied research project.

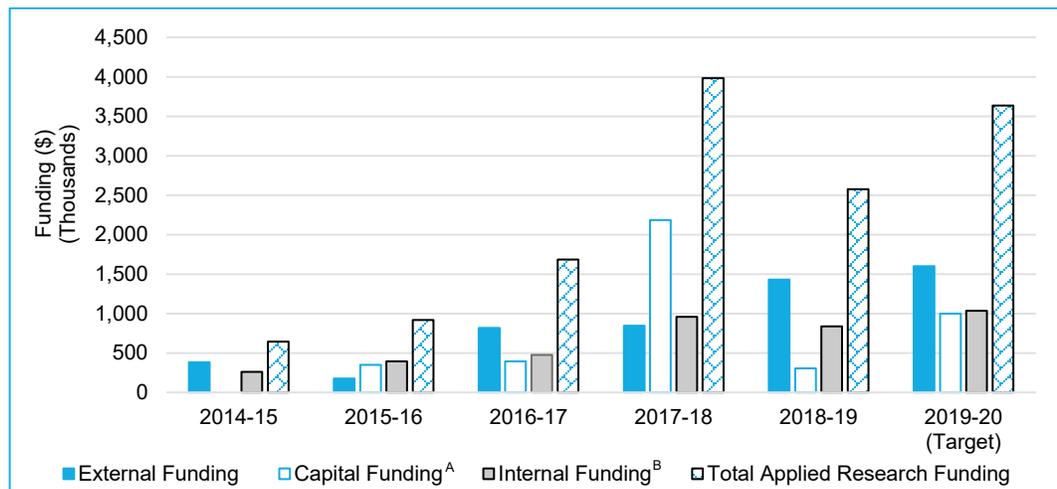
administrative aspects, facilitating development and interpretation of policies and guidelines, and distributing information about funding programs and other opportunities.<sup>6</sup> It is comprised of staff in about six full-time equivalent positions.

Faculty located at each of Sask Polytech's four campuses carry out applied research.<sup>7,8</sup> The Deans of each of its academic schools (e.g., School of Natural Resources and Built Environment, School of Mining, Energy and Manufacturing) assign research responsibilities to specific faculty members. Also, students may participate in applied research projects as temporary staff or through research scholarships. During the 12-month period ended January 2020, about 20 faculty members and almost 100 students were involved in applied research activities.

As illustrated in **Figure 2**, Sask Polytech has quadrupled its total applied research funding over the last five years. It has grown from \$642,000 in 2014-15 (of which 60% was from externally funded projects) to \$2.6 million in 2018-19 (of which 56% was from externally funded projects).<sup>9</sup>

Most of Sask Polytech's external research funding comes from federal research funding agencies (e.g., Natural Sciences and Engineering Research Council, Western Economic Diversification Canada). External research projects may be funded by research funding agencies, industry partners, or a combination.

**Figure 2—Saskatchewan Polytechnic Applied Research Funding 2014–15 to 2019–20**



Source: Adapted from information provided by Saskatchewan Polytechnic.

<sup>A</sup> Capital funding is funding specifically for the purchase of equipment or facility renovation/improvement. Sask Polytech receives capital funding almost exclusively from federal granting agencies.

<sup>B</sup> Internal funding refers to projects Sask Polytech finances through its own resources.

Effective applied research processes can assist research organizations with having their projects stand up to scrutiny, making suitable resources (e.g., people, equipment) available, and appropriately monitoring project budgets and timelines.<sup>10</sup> Such processes

<sup>6</sup> Saskatchewan Polytechnic, *Applied Research and Scholarship Action Plan 2015-2020*, p. 9.

<sup>7</sup> Unlike universities where faculty are hired to teach and carry out research, Sask Polytech hires its faculty solely to teach. Also, it places less emphasis than universities on publishing the results of research.

<sup>8</sup> Sask Polytech has campuses in Moose Jaw, Prince Albert, Regina, and Saskatoon.

<sup>9</sup> Outside agencies fund external projects; whereas Sask Polytech self-funds internal projects.

<sup>10</sup> *Report of the Auditor General of Canada – November 1999, Chapter 22, Attributes of Well-Managed Research Organizations*, p. 22-26.



support making informed decisions, maintains the financial viability of research activities, and helps protect Sask Polytech's reputation with industry partners and funding agencies.

Well-managed research organizations are widely known and respected—stakeholders view the organization as performing an essential service, is responsive to their needs, is reliable, demonstrates flexibility, and is service-oriented.<sup>11</sup> Not assisting its stakeholders (e.g., businesses, industries, communities) in meeting their needs can negatively impact Sask Polytech's reputation as an applied research partner. In addition, ineffectively applied research processes may not enable Sask Polytech to fully realize potential benefits of the learning opportunities this makes available to its students.

### 3.0 AUDIT CONCLUSION

**We concluded Saskatchewan Polytechnic had, other than the following areas, effective processes, for the 12-month period ended January 31, 2020, to carry out applied research.**

**Saskatchewan Polytechnic needs to:**

- **Establish written guidance on requiring funding agreements with industry partners involved in applied research projects**
- **Confirm staff and students involved in applied research projects identify and report potential conflicts of interest as its policies expect**
- **Always document its assessment of the viability and associated key risks of potential external applied research projects before pursuing a project**

**As Saskatchewan Polytechnic works towards achieving its goal of growing applied research and has an increasing number of applied research projects, it needs to:**

- **Maintain up-to-date project information (e.g., project status, project dates, ethics approvals) to improve its ability to track projects**
- **Broaden measures it uses to assess the success of the applied research initiative beyond its current measure of growth in annual research revenue**

**Figure 3—Audit Objective, Criteria, and Approach**

**Audit Objective:** The objective of this audit is to assess whether Saskatchewan Polytechnic has effective processes, for the 12-month period ended January 31, 2020, to carry out applied research.

**Audit Criteria:** Processes to:

1. **Establish a strategy for guiding applied research**
  - 1.1 Establish plan with measurable objectives for applied research activities
  - 1.2 Define clear responsibilities for applied research (e.g., organization-level, project level)
  - 1.3 Maintain key policies to support implementation of plan (e.g., conflict of interest, code of conduct, intellectual property, project management, delegation of authority)

<sup>11</sup> *Report of the Auditor General of Canada – November 1999, Chapter 22, Attributes of Well-Managed Research Organizations*, p. 22-30.

2. **Make informed decisions when undertaking applied research**
  - 2.1 Assess potential projects
  - 2.2 Estimate resources necessary to carry out projects (e.g., tools, training, expertise)
  - 2.3 Evaluate risks associated with and costs/benefits of projects
  - 2.4 Approve prioritized projects (e.g., enter into research agreements)
  - 2.5 Monitor approved budgets and deliverables for accepted projects
3. **Evaluate results of applied research**
  - 3.1 Maintain inventory of applied research projects (e.g., ongoing research, potential projects, agreements, intellectual property)
  - 3.2 Periodically evaluate performance of applied research by project and overall (e.g., compliance with policies and agreements, comparison to measurable objectives)
  - 3.3 Report status and progress of applied research to senior management and the Board

**Audit Approach:** To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate Sask Polytech's processes, we used the above criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. Sask Polytech's management agreed with the above criteria. We examined Sask Polytech's criteria, policies, and procedures relating to carrying out applied research. We interviewed staff responsible for applied research. We examined applied research documentation (e.g., policies, plans, applications for research funding). To assess the operating effectiveness of Sask Polytech's processes, we tested a sample of research projects, including review of project applications, agreements, correspondence, reports, and budgets.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Applied Research Measures Established But Focus on Revenue Generation

Sask Polytech established measures to evaluate the achievement of its applied research objectives, though the measures primarily focus on generating research revenues and do not consider other measures of performance such as quality.

Sask Polytech's strategic plan (i.e., *Tomorrow in the Making—Strategic Plan 2014-2020*) and multi-year business plan (i.e., *Saskatchewan Polytechnic Multi-year Business Plan 2018-2021*) each include the goal specific to applied research—*Grow applied research*.<sup>12,13,14</sup>

Both plans include measures of success to evaluate achievement of the applied research goal. As noted below, these measures primarily focus on generating research revenues:

- The number and dollar value of external applied research grants each year.
- Annual growth in applied research revenues. Revenues include those from external sources to fund projects and related capital (e.g., equipment), and those Sask Polytech allocates each year from its other resources (such as grants from the Ministry of Advanced Education)—it refers to these as internal contributions.

Sask Polytech established a revenue growth target of 5% for 2018-19 and 41% for 2019-20.

<sup>12</sup> The strategic plan sets the long-term direction for the organization and guides the development of the multi-year business plan.

<sup>13</sup> *Saskatchewan Polytechnic Multi-year Business Plan 2018-2021* identifies Sask Polytech's priorities, strategic initiatives, and resource allocations for three years.

<sup>14</sup> Sask Polytech's Board of Directors approved the strategic plan and multi-year business plans in May 2014 and May 2018, respectively.



We found Sask Polytech did not establish success measures about the quality of its applied research (e.g., rate of satisfaction of organizations to whom Sask Polytech provides research) or its rate of success in securing research grant applications—as good practice suggests.

Securing research projects (e.g., applying for grants) takes time and resources. Sask Polytech applies to federal and/or provincial granting bodies for about two-thirds of its applied research project funding. While Sask Polytech tracks the number of grant applications approved, we found it does not formally determine its success in securing these grants, or in securing other applied research projects.

Use of measures other than those that focus on revenue generation can assist Sask Polytech in evaluating its processes to secure applied research projects, and in providing its stakeholders with the best research products possible.

Some research organizations use ongoing and periodic reviews of projects and programs to measure progress toward providing relevant, timely, and significant expertise and research findings to their stakeholders.<sup>15</sup> Measurement of the quality of applied research can reduce risks to an organization's reputation and improve its ability to generate applied research funding in the future. Assessments of research quality can also provide insight into the need for additional training, coaching, or process improvement.

- 1. We recommend Saskatchewan Polytechnic broaden the measures used to assess the success of its applied research beyond annual growth in research revenue.**

Management indicated that it has considered obtaining feedback from its industry partners to help assess the quality of its research.

## 4.2 Well-defined Responsibility for Operationalizing Applied Research Goal

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Sask Polytech has clearly assigned responsibility for operationalizing its applied research.

The Research Office is responsible for operationalizing the research goal. It is to facilitate and promote applied research to faculty and industry, educate and mentor faculty about processes to identify potential applied research projects, and secure research contracts and funding.

In addition, the Associate Vice-President, Applied Research and Innovation is to work with the Vice-President, Advancement & International to establish the applied research targets included within the multi-year business plan.

Sask Polytech uses job descriptions (e.g., Director, Applied Research and Innovation) or job postings (e.g., Research Project Coordinator) to assign responsibilities to positions related to applied research.

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<sup>15</sup> Auditor General of Canada, *Report of the Auditor General of Canada to the Board of Governors of the International Development Research Centre*, (2016), p. 33.

Our review of the content of three job descriptions and three job postings relevant to expanding and coordinating applied research found each clearly established the associated duties and responsibilities. Sask Polytech gives applicants the job descriptions when they apply and makes them available upon request.

We found Sask Polytech used its process for evaluating staff performance (i.e., Personal Management Plans) to hold staff accountable for assigned responsibilities. We reviewed the Personal Management Plan for the Associate Vice-President, Applied Research and Innovation, and found it included personal objectives relevant to the position (e.g., development of applied research policies, development and submission of research applications).

Having well-defined responsibilities increases the likelihood of Sask Polytech achieving its research goal.

### 4.3 Reporting on Applied Research Appropriate

Sask Polytech's applied research reporting practices are comparable with good practice and appropriate given Sask Polytech's relatively early stage of growing applied research.

Research Office staff use various processes to advise senior management and the Board about Sask Polytech's applied research activities.

Given its focus on growing research and the modest number of applied research projects each year, staff within the Research Office, along with its Associate Vice-President, Director and Research Support Coordinator, are closely involved in managing the Office's operations on an ongoing basis. All Research Office staff and key researchers meet monthly to discuss ongoing research activities.

For the two months we tested, Research Office management and key researchers received written information about research applications, potential funding partners, scholarships awarded, and the status of projects. Also, for these two months, the Associate Vice-President received information about the primary success measure—growth in research revenues.

Each month, Sask Polytech's Senior Academic Leadership Team receives reports about the progress of applied research initiatives.<sup>16</sup>

For the two months we tested, reports to the Leadership Team included the status of applied research applications (e.g., approved, new, unsuccessful), and the amount of research revenues generated year-to-date.

Also, Sask Polytech's 2018-19 Annual Report reported the number of applied research projects and related revenue—68 external research projects (2017-18: 49 projects) and \$1.7 million in external research revenue (2017-18: \$3.0 million).

In addition in November 2019, Sask Polytech reported to the Board the 2018-19 results of the applied research measure set out in its multi-year business plan. Sask Polytech

<sup>16</sup> Sask Polytech's senior academic leadership team is comprised of staff delegated responsibility by the Provost and Vice President, Academic for input on strategic matters—including new program implementation and new initiatives.



reported a 35% decrease in research revenue in 2018-19 compared to its target increase of 5%. Sask Polytech's decrease in research revenue in 2018-19 was largely related to the fact that its research revenues in the prior year included two large capital research projects that did not continue into 2018-19.

Reporting information about applied research activities to researchers, senior management, and the Board keeps them informed of the status of the applied research initiative, and demonstrates accountability of the Research Office for achieving Sask Polytech's applied research objectives.

## 4.4 Research Policies in Place

Sask Polytech's policies applicable to applied research are consistent with good practice.

Sask Polytech has a well-defined process to keep its policies up-to-date and appropriately approved. Its policy and procedures governing policy development and administration establishes a schedule for periodic review and approval of established policies. For example, policies requiring Board approval must be reviewed every three years, and policies requiring approval from the President and Chief Executive Officer must be reviewed every five years.

Three of Sask Polytech's general policies address areas significant to applied research (e.g., authority of management to sign applied research contracts, code of conduct). As well, six policies outline requirements specific to applied research activities. See **Figure 4** for a brief description of each policy.

Sask Polytech makes policies available to staff on its website, and advises them of changes via email. Also, each year, it requires staff and students to acknowledge in writing they have read and understand its policies.

**Figure 4—Saskatchewan Polytechnic Policies Applicable to Applied Research**

### General Policies:

- Code of Conduct—sets out Sask Polytech's core values, core competencies, and principles of conduct. The policy requires all staff to reaffirm their personal commitment to the Code of Conduct and other core policies (e.g., harassment, appropriate use of IT) on an annual basis through acknowledgement of an electronic reminder that appears on their computer workstation. The policy also requires staff to familiarize themselves with all policies.
- Conflict of Interest—assists staff in identifying potential areas of conflict, and provides a procedure by which staff and the organization can disclose and manage conflicts.
- Management Authorities Grid—establishes the level of authority for members of management to approve various actions, including the approval of research agreements. The established authorities for approval of research agreements range from \$500,000 for Directors and Associate Deans to \$5 million for the President and Chief Executive Officer—though all levels of authority require consultation with Research Office staff prior to approving a research agreement.

### Policies Specific to Applied Research:

- Applied Research Integrity Policy and Procedure Statement—addresses responsibility and accountability and advances a high standard of integrity in research and scholarship.
- Ethics of Research Involving Human Participants Policy and Procedures—sets out requirements to assist in meeting the requirements of major granting agencies and regulatory bodies and that appropriate safeguards are provided for human participants. The policy requires all research involving living human participants to obtain approval from the Research Ethics Board prior to research commencing.

- Inventions and Technology Transfer Policy—encourages the advancement of research; disclosure, evaluation and, if appropriate, protection of inventions and research discoveries made by faculty, staff, and students; and the transfer of technology to partners and ultimately the commercialization of Sask Polytech inventions and research discoveries.
- Recovery of Indirect Costs of Applied Research Policy and Procedures—sets out principles for the recovery of indirect costs (i.e., overhead) of applied research and establishes a minimum indirect cost recovery rate of 20% of the direct costs.
- Applied Research Administration—provides guidance for the development, approval, and administration of applied research projects (e.g., preparation of project proposals and budgets, administration of research agreements, responsibilities of staff involved with research).
- Use of Animals in Teaching and Research—establishes an institution-wide program for the use of animals in teaching and research that meets Canadian standards for animal ethics and care.

Source: Adapted from [www.saskpolytech.ca/about/about-us/policies-procedures.aspx](http://www.saskpolytech.ca/about/about-us/policies-procedures.aspx) (28 April 2020).

We found Sask Polytech did not review two policies consistent with its established review schedule. Under its schedule, it should have reviewed the Ethics of Research Involving Human Participants Policy in March 2017, and Applied Research Integrity Policy in May 2019. We found the content of these policies reasonable. Management reviewed and revised these policies in May 2020.

Our review of the policies listed in **Figure 4** found their content appropriate and consistent with good practices other than the Conflict of Interest Policy. It did not address processes for handling identified conflicts of interest, nor specifically include procedures to eliminate, minimize or otherwise manage conflicts of interest that may affect research as expected by the Tri-Council.<sup>17,18,19</sup> In May 2020, management revised the Applied Research Integrity Policy. We found the revised policy includes sufficient guidance over handling and addressing conflicts of interest.

Having written and up-to-date policies and procedures provide staff with key direction and help maintain knowledge in the event of staff turnover. By enhancing its Applied Research Integrity Policy to include guidance on handling conflicts to align with the expectations of the Tri-Council, Sask Polytech provides staff clear guidance on how to address situations where conflicts of interest may be present. Having clear guidance increases the likelihood of staff and students involved in Tri-Council-funded projects complying with the Council's requirements. Not always complying with Tri-Council requirements could place Sask Polytech at risk of not securing future grants from the Council.

Sask Polytech maintains a template with standard wording for non-disclosure agreements with industry partners. While not specifically addressed in a policy, Sask Polytech signs non-disclosure agreements upon request by its industry partners. Its partners may request such agreements when they provide Sask Polytech with details about existing products for conducting applied research.

Our assessment of Sask Polytech's template for non-disclosure agreements found it included key aspects (e.g., identification of parties, defining information which is

<sup>17</sup> The Conflict of Interest Policy appropriately addressed some key areas (e.g., scope, guiding principles, potential conflicts of interest).

<sup>18</sup> The Tri-Council is comprised of the Canadian Institutes of Health Research (CIHR), the Natural Sciences and Engineering Research Council of Canada (NSERC) and the Social Sciences and Humanities Research Council (SSHRC). They are a major source of research funding for post-secondary institutions across Canada. [www.mcgill.ca/research/ran-welcome/tri-agency-administration](http://www.mcgill.ca/research/ran-welcome/tri-agency-administration) (28 April 2020).

<sup>19</sup> *Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans*, Article 7.1, p. 93.



confidential, term, and scope of the confidentiality obligation) for such agreements when compared to good practice.

For two of 19 applied research projects we tested, Sask Polytech signed appropriately worded non-disclosure agreements upon request by an industry partner.

The signing of non-disclosure agreements upon request by industry partners enables Sask Polytech to demonstrate its commitment to help protect its partners' confidential and proprietary information.

## 4.5 Receipt of Annual Code of Conduct Acknowledgement Not Sufficiently Monitored

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Sask Polytech does not actively monitor whether staff or students have acknowledged the annual code of conduct policy reminder, nor whether special circumstances exist where staff may not have received the reminder.

Each year, Sask Polytech sends an annual reminder to staff and students to electronically complete the requirement of reaffirming their commitment to the Code of Conduct Policy (annual acknowledgement).

For 19 applied research projects we tested (i.e., 10 external; nine internal), four faculty and five students involved in these projects had not completed the acknowledgement within the last year. The most recent acknowledgements ranged from just over a year ago to 11 years ago. For these projects, Research Office management noted they were unaware of any potential conflicts of interest associated with the projects.

Our further work found faculty and staff do not receive the annual reminder if they use their own computing devices (e.g., laptops), use MAC devices, or work on a network that they separately maintain from Sask Polytech's network.

Annual acknowledgement of the Code of Conduct Policy provides staff and students with reminders of acceptable business practices and the need to consider whether they have any conflicts of interest to disclose.

### **2. We recommend Saskatchewan Polytechnic confirm staff and students reaffirm their commitment to the Code of Conduct at least annually, as required by policy.**

Management told us they hope to implement a solution to help monitor the receipt of annual acknowledgements from all staff by September 2020.

For 19 applied research projects we tested (i.e., 10 external; nine internal), staff followed Sask Polytech's policies specific to research. For example, for one internal research project we tested, Sask Polytech obtained approval from its Research Ethics Board as expected (i.e., research involved human participants).<sup>20</sup>

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<sup>20</sup> Sask Polytech utilizes the University of Saskatchewan Research Ethics Board when research involves the use of human participants.

Staff compliance with research policies helps Sask Polytech complete research projects in accordance with established expectations—doing so can contribute towards Sask Polytech developing a reputation for providing quality research.

## 4.6 Some Potential External Applied Research Projects Informally Evaluated

Sask Polytech uses well-defined processes to evaluate risks and feasibility of potential projects financed through federal research funding or internal funding. Whereas, its processes to evaluate other types of externally funded potential projects are less formal.

To initiate applied research projects, the Research Office monitors and typically responds to an expressed need from for-profit and non-profit organizations, research granting institutions (e.g., NSERC), or its faculty. We observed examples of the Research Office contacting Deans and faculty members to inform them of potential applied research opportunities. The Research Office uses an email distribution system to communicate with faculty involved in research.

When evaluating whether to pursue a potential applied research project, Sask Polytech considers the following risks:

- Capacity risk—its capacity to do the research (e.g., does it have the necessary technical knowledge, can it meet the project deadline)
- Reputational risk—whether the scope and purpose of the project fit with Sask Polytech's values (e.g., respect, integrity)
- Financial viability risk—whether expected revenue will be sufficient to cover expected costs including related overhead costs and whether funder will be able to pay
- Financial risk—whether ongoing costs (e.g., equipment maintenance, facility space) will exist and who will pay for them

At January 2020, management indicated Sask Polytech does not need to prioritize potential applied research projects, as it has not yet reached its capacity for performing research—it accepts all research projects that it considers viable. We found this approach was justified given Sask Polytech's current focus on growing its applied research activities.

For each of its internally-financed **Seed Applied Research Project (SARP)** and **Sustainability Initiative Fund (SIF)** programs, the Research Office has developed standard eligibility criteria and applications.<sup>21,22</sup> To access these funds, typically March of each year, researchers (faculty or students) must submit completed applications to the Research Office. The Research Office confirms applications meet specific program guidelines (e.g., relevance to Sask Polytech's goals, promote corporate social responsibility or environmental sustainability) before submitting applications to an internal review committee.

<sup>21</sup> The SARP program provides funding support with the purpose of encouraging and supporting faculty members' interests in applied research and scholarly activities. Each year, the SARP program provides researchers with six awards of up to \$6,000 each.

<sup>22</sup> The SIF program provides funding support to selected projects that will contribute to bridging sustainable development challenges with practical and innovative solutions. Each year, the SIF program provides researchers with three awards of up to \$6,000 each.



The internal review committee is comprised of members nominated by Deans of the various schools within Sask Polytech. The Committee assesses the applications using a standard assessment worksheet, and recommends applications for funding to the Associate Vice-President, Applied Research and Innovation for final approval. During the 12-month period ending January 30, 2020, Sask Polytech had 18 internally financed projects ongoing for these programs, totalling \$108,000.

For internally financed applied research projects conducted through its **School of Nursing**, and **Centre for Health Research, Improvement and Scholarship**, the School of Nursing oversees these projects. It has developed standard eligibility criteria and applications. Management of the School reviews applications, and recommends applications for funding for the Dean's final approval. During the 12-month period ending January 30, 2020, the School of Nursing had 23 internally financed projects ongoing, totalling almost \$100,000.

For internally financed **student scholarships** for conducting applied research projects, Sask Polytech sets out scholarship requirements on its website.<sup>23</sup> Faculty members provide the Research Office with letters recommending specific students for scholarship to assist in assessing the potential projects. The Research Office reviews recommendations and makes decisions based on whether project proposals meets requirements. During the 12-month period ending January 30, 2020, the Research Office approved 46 internally financed student scholarships at \$1,000 each.

We found that the standard applications Sask Polytech uses for its internally financed applied research projects capture sufficient key detail to determine project risks (e.g., project eligibility, viability, expertise of lead researcher, potential risks, and ethics requirements).

For each of the nine internally funded applied research projects we tested, the project file showed Sask Polytech sufficiently considered the associated risks based on information documented through various means (e.g., project applications, letters of recommendation from faculty for student scholarships).

For **federally funded** applied research projects, each federal funding agency requires the completion and submission of their standard project applications within prescribed deadlines. The Research Office works directly with the researchers to prepare and submit applications before the deadline. During the 12-month period ending January 30, 2020, Sask Polytech submitted 28 applications for federally funded projects and was successful in securing funding for 21 projects totalling about \$750,000.

We found the standard applications of the federal granting agencies capture sufficient key detail to enable Sask Polytech to determine project risks.

For all six externally funded applied research projects we tested that required completion of an application, Sask Polytech documented its assessment of risks and capability to complete the project as part of completing the funding agency's standard project application.

<sup>23</sup> [www.saskpolytech.ca/about/applied-research-and-innovation/students.aspx](http://www.saskpolytech.ca/about/applied-research-and-innovation/students.aspx) (29 April 2020).

For other externally funded applied research projects, the requirements to obtain the funding vary with some requiring applications (e.g., Sask Lotteries), whereas for others (like industry), the Research Office, along with the potential researcher, work with the organization to determine its research needs and Sask Polytech's ability to meet those needs, and when. During the 12-month period ending January 30, 2020, Sask Polytech had 15 other externally funded projects ongoing, with total funding of almost \$1.5 million.

For all four external projects we tested not requiring the completion of an application, Sask Polytech did not document its consideration of risks within the project file. Our discussions with the assigned researchers and staff from the Research Office found it had informally considered the risks associated with these projects.

Also, for three of those four projects, Sask Polytech did not document an assessment of its ability to complete the projects (e.g., whether it had appropriate expertise to do the project). Our discussions with the assigned researchers found they had a good understanding of Sask Polytech's ability to complete the assigned projects.

Not formally documenting the evaluation of the viability of all potential externally funded applied research projects increases the risk of missing key evaluative aspects of potential projects. This could result in Sask Polytech undertaking projects that it cannot complete.

Use of informal processes may work with a small number of total researchers and a high level of involvement of the Research Office. However, Sask Polytech's strategy is to grow its applied research activities. Growth in research activities increases the risk of the Research Office not being able to maintain the same level of involvement and to recall the basis of decisions about project viability and acceptance.

**3. We recommend Saskatchewan Polytechnic always document its assessment of the associated key risks of externally funded applied research projects prior to deciding to pursue the project.**

## 4.7 Project Plans Consistently Established

Sask Polytech consistently establishes project plans (e.g., budgets, deliverables, timeframes) for each of its applied research projects.

To establish budgets for applied research projects, the Research Office's budget officers work with researchers to estimate expected project costs. It does this when applying for funding or pursuing applied research projects.

The Office requires expected costs (budgets) of externally funded applied research projects to take into account the estimated costs of removing faculty from their teaching responsibilities for the expected duration of the project and costs associated with required equipment, training, travel, and assistance provided by students.<sup>24</sup> In addition, project plans must incorporate requirements of the funding agencies. For example, a funding agency may require an industry partner to match its funding. In such cases, the Research Office staff work with the industry partner to make them aware of the funding requirements (e.g., required cash or in-kind contributions).

<sup>24</sup> Unlike universities, which hire faculty with the intention they will be involved in both teaching and research, Sask Polytech hires faculty with the sole intention of teaching.



For internally financed projects, the budget equals the funding made available to researchers for the particular research project (e.g., SARP, SIF, student scholarship).

The Research Office includes the final project budgets, along with associated project deliverables and timeframes, within applications submitted to federal funding agencies and/or within research contracts established with its industry partners.

Sask Polytech staff approve submitted applications and/or research contracts in accordance with Sask Polytech's Management Authorities Grid (described in **Figure 4**).

We found there are few budgeting requirements associated with external projects that are solely industry-funded, as the budget is equal to the contributions of the industry partner.

For each of 19 applied research projects—10 external, nine internal—we tested:

- Sask Polytech estimated the resources necessary (e.g., time of faculty and students, necessary equipment) to carry out the research project. For five of these projects—four external and one internal—the project file clearly showed that researchers identified the need for and received technical training (e.g., training for operating a drone, specialized software training).
- The project budgets were consistent with the scope of the research project (i.e., aligned with expected funding).
- Sask Polytech had approved the project application or funding agreement consistent with its policy.

The consistent establishment of project plans helps the Research Office hold researchers accountable for completing projects on-budget and in a timely manner.

## 4.8 Use of Funding Agreements Not Clear

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Sask Polytech has not specifically established when it requires funding agreements with industry partners involved in applied research projects.

Funding agreements for research projects typically set out responsibilities of the parties involved, funding details (e.g., cash or in-kind contributions), termination conditions, key deliverables, and associated project deadlines.

Research Office staff use their judgment when determining the need for establishing a funding agreement with an industry partner. The Office has not specifically established when it requires such agreements.

For five of 10 externally funded applied research projects we tested involving both an external funding agency and an industry partner, Sask Polytech did not enter into a funding agreement with the industry partner. For two of these external projects, the industry partners provided in-kind contributions (e.g., office or lab space, provision of staff resources) instead of funding.

Not establishing funding agreements with industry partners increases the risk of Sask Polytech not recovering verbally agreed upon project funding if a partner were to terminate its involvement with a project. Such circumstances could jeopardize Sask Polytech's ability to complete the project and meet its deliverables to other stakeholders (such as federal granting agencies where industry partners match federal funding).

- 4. We recommend Saskatchewan Polytechnic establish guidance about requiring funding agreements with industry partners involved in applied research projects.**

## 4.9 Project Budgets and Deliverables Actively Monitored

Sask Polytech actively monitors whether researchers completed projects within established budgets, and met agreed-upon project deliverables.

The Research Office uses spreadsheets to track budget and actual costs for external applied research projects on a monthly basis. The Research Support Co-ordinator updates actual costs using information about each project recorded in Sask Polytech's financial system.<sup>25</sup> The Co-ordinator regularly meets with researchers (at least monthly) to understand the status of their projects (e.g., research costs remaining). At times, the Research Office staff may adjust project budgets, such as for changes in project requirements like project materials or staffing. If budget overages occur, Sask Polytech makes the Dean of the school responsible for the project cover the overage from that school's budget.

Researchers are responsible to monitor completion of their project deliverables.

For 19 applied research projects—10 external, nine internal—tested, we found:

- The Research Support Co-ordinator tracked the budget and actual costs for the external research projects in spreadsheets
- None of the projects had significant budget overages
- Researchers met their project deliverables (e.g., completion of final research reports) or had properly approved extensions

Timely monitoring of research project costs and deliverables holds researchers accountable for their projects. Completing research projects within budget and within agreed upon deadlines contributes positively to Sask Polytech's reputation and ability to attract future research funding.

## 4.10 Inventory of Research Projects Incomplete

As the number of research projects grow, complete project information in an inventory allows the Research Office to efficiently track and report on projects. The Research Office recently began using spreadsheets to track and maintain an inventory of its external applied research projects, though we found the spreadsheets do not include complete information.

<sup>25</sup> Each research project has its own unique identifier (i.e., organization code) in the system to enable this process.



We found the Research Office began developing an inventory of its external applied research projects in mid-2019. The Research Office used spreadsheets as it did not have an IT system to assist with recording information on its projects. It created two spreadsheets—one for projects receiving funding from federal agencies and another for projects involving funding agreements with industry partners—to summarize details about the projects (e.g., name, project status, project dates, funding source, ethics approvals).

We reviewed the Research Office’s project inventory spreadsheets and found that nine of 10 external projects tested were appropriately included in the spreadsheets—one project was mistakenly included in both spreadsheets. However, for seven of the 10 projects tested, we found the spreadsheets did not include up-to-date information (e.g., project status, project dates, ethics approvals). Management indicated the spreadsheets were incomplete because staff had not had a chance to update the spreadsheets since it just began using them earlier in the year.

Improving its current documentation of research projects will better position Sask Polytech to track and report on projects as it grows its applied research activities and has an increased number of projects.

**5. We recommend Saskatchewan Polytechnic maintain an accurate and complete inventory of its applied research projects (e.g., project status, project dates, ethics approvals).**

## 4.11 Faculty Encouraged and Supported to do Applied Research

Sask Polytech adequately encourages and supports faculty to take on applied research projects.

The Research Office developed six webinars about applied research and made them available to faculty on Sask Polytech’s intranet.

We found the content of these webinars reasonable. They gave researchers useful information about responsibilities for applied research at a project level. More specifically, the webinars provided information about external research funding opportunities for collaborative research, sources of funding, and information about specific funding agencies (e.g., NSERC, SSHRC).

Defined roles for staff, along with supports for faculty, help clarify responsibilities associated with applied research activities. Having this information will help Sask Polytech as it continues to grow its applied research and in the event of staff turnover.

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## Chapter 23

# SaskPower—Planning to Shut Down and Decommission Boundary Dam

### 1.0 MAIN POINTS

SaskPower is the principal supplier of electricity in Saskatchewan. It operates under the mandate and authority of *The Power Corporation Act*. In 2019-20, coal-fired electricity generation represented 31 percent of SaskPower's total available generating capacity.

Coal is the most widely used power source in the world and coal-fired power plants produce 40 percent of the world's electricity. However, coal-fired electricity is also a significant source of greenhouse gas emissions. Increased concentrations of greenhouse gas emissions are the major contributing factors to increasing global temperatures and climate change. In 2018, coal-fired electricity was responsible for 63 percent of greenhouse gas emissions from the electricity sector in Canada.

Phasing out coal-fired units and decommissioning related power stations is complex and technical. To do so successfully and safely depends on SaskPower having effective planning processes.

At September 2020, SaskPower had, other than in the following area, effective processes for planning the safe shut down of coal-fired electricity generating Units 4 and 5 and decommissioning of the Boundary Dam Power Station site.

SaskPower needs to use the cost estimate classification system adopted by the Saskatchewan Environmental Code to determine the contingency used to estimate costs for decommissioning and reclaiming the Boundary Dam Power Station site. Based on the suggested contingency range of between 20 percent and 50 percent, the estimated total contingency could be as much as \$20.6 million higher than SaskPower's current estimate of \$13.8 million.

SaskPower has well-defined and documented project planning processes that align with good practice. The use of these project planning processes will provide SaskPower with a solid foundation to develop detailed planning for the shutdown of its conventional coal-fired electricity generating units, and in turn, for the decommissioning of the Boundary Dam Power Station site.

Overall, other than the contingency estimate noted above, SaskPower's planning completed to July 2020 reasonably considered project scheduling and budget, along with the impact of the shut-down and decommissioning of Boundary Dam Power Station site on the environment, the community, and its human resources.

Effective planning processes reduces the risk of overruns in costs, delays in timelines, safety concerns, and the impact on workers, families and communities. It also ensures the reliability of the power supply during shut downs and decommissioning.



## 2.0 INTRODUCTION

This chapter reports on the results of our audit of processes SaskPower uses for planning the safe shut down of Boundary Dam coal-fired electricity generating Units 4 and 5 and decommissioning the Boundary Dam Power Station site.<sup>1,2</sup>

### 2.1 Federal Requirement to Transition from Coal-fired Electricity to Reduce Greenhouse Gas Emissions

Reducing carbon dioxide emissions is an important action to help mitigate the effects of climate change.

Coal is the most widely used power source in the world and coal-fired power plants produce 40 percent of the world's electricity. However, coal-fired electricity is also a significant source of greenhouse gas emissions.<sup>3</sup>

Increased concentrations of greenhouse gas emissions, mainly carbon dioxide and methane, are the major contributing factors to increasing global temperatures and climate change.<sup>4</sup> In 2018, despite accounting for less than 7 percent of total electricity generation, coal-fired electricity was responsible for 63 percent of greenhouse gas emissions from the electricity sector in Canada.<sup>5</sup>

To reduce Canada's greenhouse gas emissions, Federal regulations generally require the elimination of coal generation as a source of electricity by 2030. Federal regulations expect the phase out of the use of conventional coal-fired electricity generating units. Conventional coal-fired electricity generating units are those not equipped with carbon capture and storage (CCS) technology.<sup>6</sup> CCS technology is designed to capture up to 90 percent of the carbon dioxide (CO<sub>2</sub>) emissions produced from the use of fossil fuels (like coal) in generating electricity and industrial processes and prevent the CO<sub>2</sub> from entering the atmosphere.<sup>7</sup> The Federal regulations allow units equipped with CCS technology to operate beyond 2029.

Also, Federal regulations expect timing of the phasing out of a conventional coal-fired electricity generation unit to depend on its age. In this report, we refer to the phasing out of a conventional unit as shutting down.

SaskPower, a Saskatchewan crown corporation, is subject to these Federal regulations. At July 2020, it has six conventional coal-fired electricity generating units it must shut down under these regulations.

<sup>1</sup> Shut down includes the processes to retire a coal-fired electricity-generating unit so that it no longer produces electricity; the assets of a unit may remain in place.

<sup>2</sup> Decommissioning refers to the process of dismantlement, environmental remediation, and reclamation of a plant site, which takes place after a unit or plant, is retired.

<sup>3</sup> [www.canada.ca/en/environment-climate-change/news/2017/11/taking\\_action\\_tophase-outcoalpower.html](http://www.canada.ca/en/environment-climate-change/news/2017/11/taking_action_tophase-outcoalpower.html) (30 September 2020).

<sup>4</sup> [climate.nasa.gov/causes/](http://climate.nasa.gov/causes/) (19 October 2020).

<sup>5</sup> [www.nrcan.gc.ca/science-data/data-analysis/energy-data-analysis/energy-facts/energy-and-greenhouse-gas-emissions-ghgs/20063](http://www.nrcan.gc.ca/science-data/data-analysis/energy-data-analysis/energy-facts/energy-and-greenhouse-gas-emissions-ghgs/20063) (14 October 2020).

<sup>6</sup> *Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations* (Canada).

<sup>7</sup> [www.ccsassociation.org/what-is-ccs/](http://www.ccsassociation.org/what-is-ccs/) (18 October 2020).

## 2.2 Phasing Out of Conventional Coal-fired Electricity Generation in Saskatchewan

SaskPower is the principal supplier of electricity in Saskatchewan. It operates under the mandate and authority of *The Power Corporation Act*. SaskPower's corporate mission is to ensure reliable, sustainable, and cost-effective power for its customers and the communities it serves.<sup>8</sup>

SaskPower-owned electricity generation facilities include three coal-fired stations, five natural gas-fired stations, seven hydroelectric stations, and two wind farms. These facilities have a capacity to generate a total of 4,121 megawatts (MW) of electricity.<sup>9</sup>

In 2019-20, coal-fired electricity generation represented 31 percent of SaskPower's total available generating capacity.<sup>10</sup> Two of SaskPower's coal-fired power stations are located near Estevan, and one is near Coronach. As shown in **Figure 1**, SaskPower has seven coal-fired electricity generating units at the three power stations. At July 2020, one of the seven units is equipped with CCS technology—Unit 3 at the Boundary Dam Power Station; the rest are conventional units.

SaskPower has a commitment to reduce carbon dioxide emissions by 40 percent from 2005 levels by 2030.<sup>11</sup> Shutting down coal-fired electricity generating units and transitioning away from coal-fired electricity generation is part of SaskPower's plan to achieve this commitment.

In May 2019, the Government of Saskatchewan signed an *Agreement with the Federal Government on the Equivalency of Federal and Saskatchewan Regulations for the Control of Greenhouse Gas Emissions from Electricity Producers in Saskatchewan* (commonly referred to as the Equivalency Agreement). The Agreement came into force on January 1, 2020, and terminates December 31, 2024.<sup>12</sup>

Under the Agreement, SaskPower has the flexibility to achieve its carbon dioxide emissions reduction from coal-fired electricity generating units by having the Federal Government regulate its emissions on a system-wide basis as opposed to on a unit-by-unit basis. In addition, the Agreement gives SaskPower more flexibility in determining the retirement date for each of its coal-fired units.<sup>13,14</sup>

Also, in July 2018, SaskPower announced its decision to not equip Boundary Dam (BD) Units 4 and 5 with CCS technology.<sup>15</sup> As shown in **Figure 1**, in conjunction with this decision, SaskPower largely determined the expected shut down years of its conventional coal-fired electricity generating units. It has made this public.

<sup>8</sup> SaskPower, *2019-20 Annual Report*.

<sup>9</sup> *Ibid.*, p. 10.

<sup>10</sup> *Ibid.*, p. 10.

<sup>11</sup> *Ibid.*, p. 26.

<sup>12</sup> [www.canada.ca/content/dam/eccc/documents/pdf/cepa/Canada-SaskatchewanEquivalencyAgreement-eng.pdf](http://www.canada.ca/content/dam/eccc/documents/pdf/cepa/Canada-SaskatchewanEquivalencyAgreement-eng.pdf) (30 September 2020).

<sup>13</sup> SaskPower, *2019-20 Annual Report*, p. 12.

<sup>14</sup> Prior to the Equivalency Agreement coming into force, federal regulations required SaskPower to shut down Boundary Dam Units 4 and 5 by December 31, 2019; the Agreement allowed SaskPower to extend those dates.

<sup>15</sup> [leaderpost.com/news/saskatchewan/sask-not-moving-forward-on-carbon-capture-expansion](https://leaderpost.com/news/saskatchewan/sask-not-moving-forward-on-carbon-capture-expansion) (30 September 2020).



As of September 2020, SaskPower had not decided whether it will equip any of the remaining conventional coal units with CCS technology to extend how long they can operate.<sup>16</sup>

**Figure 1—Power Capacity, Location and Expected Year of Shut Down of SaskPower’s Coal-Fired Power Stations and Electricity Generating Units at December 2019**

Power Station	Location	Power Capacity (MW)	Electricity Generating Unit	Year Commissioned	Expected Year of Shut Down
Boundary Dam <sup>A</sup>	Estevan	672	Unit 3	1970 and retrofitted with CCS technology in 2014	Unknown given CCS technology
			Unit 4	1970	2021
			Unit 5	1973	2024
			Unit 6	1978	2027
Poplar River	Coronach	582	Unit 1	1981	2029
			Unit 2	1983	2029
Shand	Estevan	276	Unit 1	1992	2029

Source: [www.saskpower.com/Our-Power-Future/Our-Electricity/Electrical-System/System-Map](http://www.saskpower.com/Our-Power-Future/Our-Electricity/Electrical-System/System-Map) and [docs.legassembly.sk.ca/legdocs/Legislative%20Committees/CCA/Debates/190917Debates-CCA.pdf](https://docs.legassembly.sk.ca/legdocs/Legislative%20Committees/CCA/Debates/190917Debates-CCA.pdf) (30 September 2020).

<sup>A</sup> SaskPower retired Boundary Dam Unit 1 in 2013 and Unit 2 in 2014.

The shaded cells are units within the scope of this audit.

SaskPower expects to decommission the Boundary Dam Power Station once it shuts down all units at this location, which is in 2029 or later.

Phasing out conventional coal-fired units and decommissioning related power stations is complex and technical with implications beyond SaskPower and its operations. Not having effective planning processes could result in increased costs, delayed timelines, safety concerns, and not sufficiently considering impacts on workers, families and communities. Also, inadequate planning processes could affect the reliability of the power supply during shut downs and decommissioning.

### 3.0 AUDIT CONCLUSION

For the 19-month period ended July 31, 2020, SaskPower had, other than in the following area, effective processes for planning the safe shut down of coal-fired electricity generating Units 4 and 5, and decommissioning of the power station site at Boundary Dam.

SaskPower needs to use the cost estimate classification system adopted by the Saskatchewan Environmental Code when determining the contingency used in estimating the cost for decommissioning and reclaiming the Boundary Dam Power Station site. At July 2020, SaskPower was at early stages in planning for the decommissioning and reclamation of this Station. It did not have detailed plans in place. Also, it had not yet undertaken an environmental site assessment of this site. These factors increase the uncertainty of the accuracy of its cost estimate.

<sup>16</sup> [docs.legassembly.sk.ca/legdocs/Legislative%20Committees/CCA/Debates/200624Debates-CCA.pdf](https://docs.legassembly.sk.ca/legdocs/Legislative%20Committees/CCA/Debates/200624Debates-CCA.pdf) (30 September 2020).

The planning processes in place as of July 2020 should provide SaskPower with a solid foundation to develop detailed planning for the shutdown of the above units, and in turn, for the decommissioning of the Boundary Dam Power Station site.

**Figure 2—Audit Objective, Criteria, and Approach**

**Audit Objective:**

To assess the effectiveness of Saskatchewan Power Corporation's processes for the 19-month period ended July 31, 2020 for planning the safe shut down of coal-fired electricity generating Units 4 and 5 and decommissioning of the Boundary Dam Power Station site.

**Audit Criteria:**

Processes to:

1. **Set out accountability for managing shut down and decommissioning**
  - 1.1 Define key roles and responsibilities (e.g., staff, committees, authority)
  - 1.2 Establish reporting relationships (e.g., who, timing)
  - 1.3 Set expectations for reporting progress (e.g., key content, timing)
2. **Prepare risk based shut down and decommissioning plans**
  - 2.1 Identify risks (e.g., costs, safety, environmental, reliability of power grid, workforce and community)
  - 2.2 Plan key elements (e.g., cost, timeframe, milestones, system reliability, safety, workforce and community)
  - 2.3 Identify resources required (e.g., people, financial, physical)
  - 2.4 Align plans with relevant legislative requirements, good practice, and SaskPower's strategic direction
  - 2.5 Manage risks
3. **Adjust shut down and decommissioning plans**
  - 3.1 Regularly evaluate progress on key elements
  - 3.2 Adjust plans as required (e.g., scope, actions, timelines)
  - 3.3 Consider impact on plans for other coal-fired units
  - 3.4 Regularly report progress to senior management and other external stakeholders (regulator, public)

**Audit Approach:**

To conduct this audit, we followed the standards for assurance engagements published in the CPA Canada Handbook—Assurance (CSAE 3001). To evaluate SaskPower's processes, we used the above criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management and an external advisor with subject matter expertise. SaskPower's management agreed with the above criteria.

We examined SaskPower's policies and procedures relating to planning for shut down and decommissioning. We interviewed SaskPower staff responsible for planning the shut down and decommissioning. In addition, we discussed regulatory requirements related to planning for shut down and decommissioning with the Ministry of Environment.<sup>A</sup> We also reviewed related documentation (e.g., SaskPower's project management standards and templates, shut down planning documentation, decommissioning plan, risk assessments and other analysis used in SaskPower's planning processes). We used an external consultant with expertise in the area to help us identify good practice and to assess SaskPower's planning processes.

<sup>A</sup> Boundary Dam Power Station is permitted as an industrial waste works facility under *The Environmental Management and Protection Act, 2010*. The Ministry of Environment is responsible for regulating these facilities.

## 4.0 KEY FINDINGS AND RECOMMENDATION

### 4.1 Applicable Legislation Identified and Considered

SaskPower identified and considered federal and provincial legislation applicable to its planned shut down of Boundary Dam (BD) Units 4 and 5 and its eventual decommissioning of the Boundary Dam Power Station site.



SaskPower's primary priority is to shut down these units and decommission the Power Station site in compliance with applicable federal and provincial legislative requirements, and in an environmentally responsible way.

In its planning, SaskPower is considering regulations related to the removal and storage of polychlorinated biphenyls (PCBs) as required by *The PCB Waste Storage Regulations*, as well as the Federal regulations related to reducing CO<sub>2</sub> emissions from coal-fired electricity generation. We found its preliminary plans for the shutdown of BD Unit 4 specifically identified the need to remove equipment and cables with PCBs in a way that complied with relevant regulations.<sup>17</sup>

With respect to provincial legislative requirements, SaskPower:

- Identified and acted on the requirement to submit a decommissioning and reclamation plan to the Saskatchewan Ministry of Environment by January 1, 2020.<sup>18,19</sup> It submitted the plan in October 2019 and the Ministry accepted it in December 2019.

We noted SaskPower built into the approved plan the requirement to submit an updated decommissioning and reclamation plan to the Ministry every five years, or when significant changes are made to the Boundary Dam Power Station site, and the requirement for completing an environmental site assessment and corrective action plan.<sup>20</sup>

- Considered the need to determine whether changes to the Boundary Dam Power Station's operating permit or the Environmental Protection Plan it had filed with the Ministry would be required.<sup>21</sup>

Furthermore, SaskPower acknowledges in its planning the need to monitor and respond to potential changes in legislative requirements that may occur before it completes each shut down and the decommissioning.

Identifying and building in the implications of legislation applicable to the shut down of coal-fired electricity generating units and decommissioning the Boundary Dam Power Station site reduces the risk of not complying with applicable legislative requirements, or not carrying out the shutdown and decommissioning in an environmentally responsible way.

## 4.2 Key Stakeholders Identified and Considered in Planning

In addition to regulatory bodies, SaskPower has identified communities affected by the shut down of the coal-fired electricity generating units and its workforce as key stakeholders to consider in its planning processes.

<sup>17</sup> PCBs are highly toxic industrial chemicals that pose serious health risks (e.g., cause cancer). PCB's are found in many of the cables located in Unit 4.

<sup>18</sup> The Ministry of Environment regulates industrial waste facilities. The Ministry has permitted the Boundary Dam Power Station to operate as an industrial waste works facility under *The Environmental Management and Protection Act, 2010* (i.e., Industrial Waste Works permit).

<sup>19</sup> *The Environmental Management and Protection Act, 2010* and *The Environmental Management and Protection (General) Regulations* require the submission of a decommissioning plan.

<sup>20</sup> *The Environmental Management and Protection Act, 2010*, ss. 13 & 14.

<sup>21</sup> *The Environmental Management and Protection Act, 2010*, s.27 requires SaskPower to maintain an environmental protection plan. The purpose of this Plan is to describe the methods to be used to prevent and monitor potential damage to the environment during operations.

SaskPower estimates the phasing out of coal-fired electricity generation could negatively affect over 1,300 workers in Saskatchewan coal-producing communities.<sup>22</sup>

We noted SaskPower had set up a committee in 2018 called Transition to 2030 with a mandate:

*To determine how SaskPower will transition from its current reliance on conventional coal-fired generation to a system that complies with changing environmental regulations and will meet our strategic goals to build a cleaner, reliable, modernized electricity grid in the most cost-effective way possible.*<sup>23</sup>

As of July 2020, the Committee had a written strategy for communicating with impacted communities (e.g., the City of Estevan). We noted the strategy included actions to maintain positive working relationships with impacted communities and demonstrate its commitment to them.

Our review of 2019-20 Committee minutes found it actively considered the implications of the shutdown of BD Units 4 and 5 and the decommissioning of Boundary Dam Power Station site on the affected communities and its workforce. It had regular discussions with officials from these communities. For example, SaskPower staff, including the President and Chief Executive Officer, met with community leaders and attended community events (e.g., Estevan Economic Development Group meetings) during 2019-20.

We also found SaskPower responded to requests for information to help the impacted communities prepare for transitioning away from coal (e.g., gave the City of Estevan workforce data to support its socio-economic impact study).<sup>24</sup>

In addition, SaskPower considered the potential impact on its workforce. Management anticipates an estimated reduction of 41 positions because of the shutdown of BD Units 4 and 5.<sup>25</sup> In September 2019, SaskPower publicly committed to no layoffs because of these workforce reductions.<sup>26</sup> At July 2020, it was developing plans to handle the anticipated reduction in workforce. Its plans include managing position reductions through attrition (i.e., as staff retire or move to different positions).

SaskPower also recognized the elimination of coal-generated electricity may decrease its ability to retain a sufficient number of qualified staff (e.g., power engineers). During 2019-20, SaskPower was considering strategies to retain these qualified staff.

Identifying key groups and communities affected by the shut down of coal-fired electricity-generating units and power stations and their needs provides key information to inform the development of the shut down and decommissioning plans.

<sup>22</sup> [www.saskatchewan.ca/~media/news%20release%20backgrounders/2019/oct/2019%20throne%20speech%20english.pdf](http://www.saskatchewan.ca/~media/news%20release%20backgrounders/2019/oct/2019%20throne%20speech%20english.pdf) (30 September 2020).

<sup>23</sup> SaskPower's Transition to 2030 committee is comprised of senior management and management from throughout SaskPower (e.g., operations, asset management, and internal audit).

<sup>24</sup> [www.estevan.ca/2020/03/02/socio-economic-impact-assessment/](http://www.estevan.ca/2020/03/02/socio-economic-impact-assessment/) (6 October 2020).

<sup>25</sup> It estimates a reduction of ten positions when unit 4 is shut down and 31 additional positions when unit 5 is shut down.

<sup>26</sup> [docs.legassembly.sk.ca/legdocs/Legislative%20Committees/CCA/Debates/190917Debates-CCA.pdf](https://docs.legassembly.sk.ca/legdocs/Legislative%20Committees/CCA/Debates/190917Debates-CCA.pdf) (6 October 2020).



## 4.3 Appropriately Structured Project Management Approach in Place

SaskPower has appropriate written project management guidance in place to support the use of a structured approach to planning for and managing projects.

SaskPower's Corporate Project Management Office maintains guidance about project management, and various templates to support the implementation of the guidance.

Our review of the guidance found it current, sufficiently comprehensive, and consistent with good practice for project management.

We found the project management plan guidance includes clear and understandable guidance on fundamental aspects of planning for and managing a project.

SaskPower's Project Management Plan guidance provides a structured planning framework, and clear assignments of responsibilities. See **Figure 3** for brief description of content requirements for a project management plan. For example, the guidance expects the development and approval of a robust project charter or plan. It also expects the responsibility for a project be assigned to a single individual—a project manager (consistent with good practice).

**Figure 3—Brief Description of SaskPower's Content Requirements for a Project Management Plan**

<p><b>Project governance</b>—who has responsibility and authority to make decisions; who is accountable for the project</p>
<p><b>Communications management</b>—how, when and in what format project information will be communicated to various members of the project team and key stakeholder groups</p>
<p><b>Stakeholder management</b>—identifies key stakeholders and their role in the project; includes templates for a stakeholder register and stakeholder management plan</p>
<p><b>Procurement management</b>—outlines general approach to what materials or services will be needed, how they will be procured and timing, and how interactions with related procurement functional areas will be handled</p>
<p><b>Resource management</b>—identifies resource requirements and for internal resources, staff assignments (timing, role)</p>
<p><b>Risk management</b>—identifies, tracks, prioritizes, mitigates and/or resolves project risks over the course of the project; includes templates for a risk register and project risk management plan</p>
<p><b>Quality management</b>—identifies the process by which the quality of project deliverables and general project execution will be managed; expects use of defined standards</p>
<p><b>Scope management</b>—identifies the approach and process about managing the detailed scope of the project</p>
<p><b>Schedule management</b>—identifies how the detailed schedule of the project will be defined, documented, verified, managed and controlled; includes a schedule management template</p>
<p><b>Cost management</b>—identifies the process about budget creation, communication, and management; includes templates for cost management plan, and a cost workbook</p>
<p><b>Change control management</b>—identifies how changes to the project will be managed and controlled on an ongoing basis; sets out what triggers changes to a plan (e.g., changes to the project scope, significant unforeseen circumstances) and how staff must document these changes (e.g., complete project change request template, issue and decision log), and who has authority to approve changes</p>
<p><b>Health, safety, and security</b>—identifies how these requirements will be defined, documented, verified, managed and controlled over the course of the project</p>

Source: Adapted from SaskPower Project Management Plan Standard (30 September 2020).

Our assessment of the content of the risk register, a key template, found it consistent with good practice. The risk register template includes the following:

- Clear written guidance about identifying risk including a list of potential areas of risks to help the project team identify risks. Potential areas of risks listed include accuracy of estimates, engineering schedules, environmental impact and regulatory requirements.
- A standard framework for evaluating and documenting risks identified (using a standard approach to ranking probability and impact) along with planned actions to respond to risk (including who is responsible for those actions and when).

The risk register forms part of the cost workbook, which is part of a monthly reporting package.<sup>27</sup>

SaskPower's Baseline project management guidance defines a baseline as a project's approved scope, schedule and/or costs. It expects the use of a baseline to monitor a project's success. It expects a project manager to report weekly and monthly on the status of a project. It includes supporting templates. For example, the project progress report template documents:

- An executive summary and project update including any highlights and progress
- Key risks and issues that are impacting or may impact the project
- Cost information (i.e., baseline, forecast and actual costs) including variance explanations.
- Schedule information (i.e., baseline, forecast and actual) for project events
- A scorecard with key project indicators used to monitor project progress

We found the project progress report template includes information key to assess the status of a project, and the expected timing of reporting supports appropriate monitoring.

In addition, SaskPower's project management guidance appropriately requires project teams to identify and document lessons learned when finishing a project. It includes a template for this purpose. Our assessment of the guidance and template found they were consistent with good practice.

Furthermore, SaskPower's guidance on addressing issues (including a related reporting template—a project issue log) is clear and practical. It defines reasonable thresholds to prompt alerting staff about budget overages or delays (e.g., if the project is 20 percent behind schedule, it is highlighted in the project progress report). It expects staff to escalate identified issues about these key indicators, as well as any other issues identified, through SaskPower's reporting process and regular meetings. It includes clear guidance on documenting project issues and decisions made to resolve those issues.

<sup>27</sup> The cost workbook contains key project information such as cost summary (budget, forecast and actual), risk register and progress reporting.



Having comprehensive project management guidance in place decreases the risk of projects being late or over budget and enables successful project completion. Providing templates for key aspects of project management helps ensure staff apply the guidance as intended, and document their basis for key decisions in a clear and consistent way.

Successful projects depend on rigorous planning to define the scope of work, and have a clear understanding what needs to happen and at what cost to deliver the desired results safely and on schedule. Appropriately identifying and managing project risks allows management to identify potential issues earlier in the process, address them and keep the project on track.

## 4.4 Incremental Approach Suitable for Shutdown and Decommissioning Projects

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SaskPower is using an incremental approach to plan for the shutdown of BD Units 4 and 5, and the decommissioning of the Boundary Dam Power Station site.

We found SaskPower's project management guidance supports an incremental planning approach. Under this approach, the assigned project manager and a core project team can carry out various planning activities and make decisions over time. Activities include the development of the project charter or plan (which sets out the scope of the project, identifies key deliverables and related tasks, and general project timetable or schedule), identifying risks, and making preliminary estimates of costs.

Under the incremental planning approach, planning becomes more detailed as the project moves closer to the expected date of formal approval of the project. Detailed planning would be completed before the project is formally approved and before the project starts.

SaskPower plans to use this structured approach in its shutdown of coal-fired electricity generating units, and may use it in the decommissioning of the Boundary Dam Power Station site. At July 2020, it has not yet decided since the start of decommissioning activities is at least ten years away.

We found this incremental approach to planning suitable for projects where SaskPower has made decisions well in advance such as the shutdown of its conventional coal-fired units. In its case, SaskPower decided in July 2018 when to shutdown certain units—three years before the earliest planned shutdown (i.e., BD Unit 4 in 2021). SaskPower estimates it will take about 12 months to complete activities to phase out the unit permanently.

Starting to plan for the shut downs and decommissioning early reduces the risk of failure. The technical and environmental complexities of phasing out BD Units 4 and 5 and decommissioning the Boundary Dam Power Station site, along with managing implications on the workforce and surrounding communities, increases the importance of starting to plan early.

## 4.5 Preliminary Planning for BD Unit 4 Consistent with Structured Approach and at Appropriate Stage of Completion

As of July 2020, SaskPower's planning for the shutdown of BD Unit 4 is at an appropriate stage given its planned shutdown date of December 31, 2021.

As of July 2020, SaskPower did not yet have a complete or approved project charter or plan for the shutdown of BD Unit 4 or BD Unit 5. Its overall plan is to shut down its BD Unit 4 and BD Unit 5 by putting them in a safe state and by de-energizing them (i.e., isolating equipment from sources of energy) so the units are structurally sound and safe.

SaskPower plans to use similar processes and lessons learned from planning for and managing the shutdown of BD Unit 4 in its planning for the shut down of BD Unit 5. It expects to have completed all of the shutdown activities related to BD Unit 4 about two years in advance of shutting down BD Unit 5. See **Figure 1** for expected shut down year.

By July 2020, SaskPower had made and documented a number of preliminary planning decisions about the shutdown of BD Unit 4 using SaskPower's project management planning guidance. One key decision is when it expects to complete its detailed planning for this project.

SaskPower expects to complete detailed planning for BD Unit 4 shutdown in 2021 based on various planned key dates. As shown in **Figure 4**, the planned shutdown date is December 31, 2021, and SaskPower expects to complete all shut down activities to phase out the unit by December 30, 2022.

**Figure 4—Planned Key Timing for Boundary Dam Unit 4 Shut Down Activities**

**January—July 2021:** Assigned staff will complete detailed planning for shutting down and de-energizing specific aspects of the unit and pieces of equipment (e.g., turbine, boiler, electrical systems). Staff will enter these detailed plans into SAP as individual work orders<sup>^</sup>

**November 2021:** Project sponsor will approve the project plan, including the budget. The project team will base the project budget on the work orders generated from the detailed planning.

**December 31, 2021:** SaskPower will shut down electricity generation of BD Unit 4.

**January—December 2022:** Assigned staff will complete planned work orders (shut down activities) to phase out the unit.

**December 30, 2022:** All shut down activities will be completed.

Source: Adapted from planning information provided by SaskPower.

<sup>^</sup> SAP is a multi-functional system that SaskPower utilizes for its business. SAP stands for Systems, Applications and Products in data processing.

As of July 2020, SaskPower has initiated and partially completed the following aspects of its project management plan for the shut down of BD Unit 4. We found these aspects relevant to the preliminary planning stage of the project.

**With respect to project governance,** SaskPower has assigned key positions and roles. These include a project manager (Project Manager, Power Production Project Delivery), executive sponsors (e.g., Vice President of Power Production) and project sponsor (Director, Generation Asset Management & Planning).



SaskPower clearly made the project manager responsible for managing the project consistent with its project management guidance (e.g., completing detailed planning, making sure project is meeting timelines, monitoring risks, monitoring actual cost compared to budget). We note the assigned project manager has a Project Management Professional (PMP) certification from the Project Management Institute.<sup>28</sup> We also found senior management presence in key roles (e.g., executive and project sponsors) on the project seemed suitable.

**With respect to stakeholder and resource management,** SaskPower started to complete a project stakeholder registry using the project management template. The registry lists names and positions of individuals with technical or functional expertise identified as necessary to complete related aspects of planning for shut down activities (e.g., preparation of detailed budget, environmental specialist).

SaskPower does not expect to finalize the assignment of responsibilities for preparing these detailed plans until January 2021. It expects key Boundary Dam staff (e.g., chief engineer, director) to review the assignment of staff prior to finalization.

Our assessment of key project roles and responsibilities listed in its registry found them reasonable for this stage of project planning. It suitably includes senior SaskPower staff from areas key to developing a robust plan, such as Finance, Environment, and Human Resources.

**With respect to risk management,** SaskPower has started to complete the project management risk register template. It has identified and assessed some preliminary risks related to the shut down of BD Unit 4, such as resource availability, environmental incidents, and SaskPower personnel leaving resulting in a lack of qualified personnel to operate these units safely until they are shut down. It followed guidance to rank these risks based on the probability of the risk occurring and the potential impact. In addition, the project team identified risk owners and actions to take if a risk event occurs.

Starting in 2021, senior management expects the project manager to provide an updated risk assessment monthly.

We found the project team was aware of other risk management activities of SaskPower. It was aware of risks identified through those activities, and was considering those risks when completing the project risk register. SaskPower has identified related risks as part of both its corporate, and Boundary Dam Power Station risk management activities.

SaskPower's overall corporate risk register includes risks arising from transitioning away from coal-generated electricity, such as the risk of uncertainty resulting in staff turnover. We noted SaskPower's electricity supply planning process considered risks related to system reliability when SaskPower decided in 2018 to shut down BD Units 4 and 5 (rather than equip them with CCS technology). SaskPower targets a 15 percent reserve margin in its supply plan (i.e., it plans for its supply of electricity to be greater than its expected electricity demand by 15 percent). As the North American Electric Reliability Corporation 2019 long-term reliability assessment notes SaskPower has sufficient generation capacity to 2029.<sup>29</sup>

<sup>28</sup> The Project Management Institute is a not-for-profit professional management association for project management.

<sup>29</sup> [www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC\\_LTRA\\_2019.pdf](http://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_LTRA_2019.pdf) (5 October 2020). The North American Electric Reliability Corporation is a not-for-profit international regulatory authority that works to assess the reliability and security of North America's electricity grid.

The risk registry kept by staff responsible for operating the Boundary Dam Power Station identifies and evaluates risks related to the operation of the plant. We found the station's registry includes environmental risks such as non-compliance with environmental regulations and safety risks such as possible injury.

**With respect to scope and schedule management**, SaskPower determined its approach to the shut down of BD Unit 4. It based this approach on its internal guidelines for removing generation units from service along with actions taken in the past to shut down other units at Boundary Dam (i.e., Units 1 and 2). See **Figure 4** for planned timing for key shut down phases.

It has also developed a preliminary overview of work that SaskPower staff must carry out to shut down the unit. For example, staff identified:

- A list of specific assets and pieces of equipment in the unit, (e.g., steam generation, drains, vents, boiler, etc.)
- Plan of key activities to take place to safely shut down the unit (e.g., disconnecting power supply, draining oil, etc.) along with general timing
- Other areas to consider such as updating equipment records, evaluating inventory levels and cancelling licences to operate equipment

Our assessment of the approach found it consistent with internal guidelines. Our assessment of SaskPower's internal guidelines for removing generating units from service found they provided robust guidance for removing all types of coal-fired generating equipment from service and are consistent with good practice.

**With respect to cost management**, in March 2020, SaskPower has made a preliminary estimate of costs for shutting down BD Unit 4 of \$7.36 million. This amount includes about \$0.61 million for shut down activities, and \$6.75 million for removal of PCB cables. It noted it based this estimate on actual costs incurred for the previous shut down of a unit at the Boundary Dam Power Station in 2013-14. We found this to be reasonable. It expects to refine cost estimates and complete a detailed project budget in 2021.

**With respect to health, safety and security**, SaskPower expects staff to incorporate these considerations into the detailed planning for shutting down specific equipment. It expects staff to follow SaskPower's standard protection code as part of shutting down and de-energizing individual assets.

We found the standard protection code sets out SaskPower's standard processes for working with the electrical system safely.

Taking an incremental approach to developing the plan to shutdown BD Unit 4 will help ensure SaskPower takes sufficient time to consider each of the key aspects set out in the project management plan. Following the structured approach will help ensure it documents the basis of key planning decisions. In addition, use of a structured planning approach increases the likelihood SaskPower will execute the shut down of BD Unit 4 safely, on schedule and on budget with enough consideration of the impact on the environment, the community, and human resources.



## 4.6 Progress on BD Unit 4 Shut Down Planning Reported Periodically

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The project manager assigned to the BD Unit 4 shut down project kept senior management sufficiently informed about the status of the project.

For the 19-months ending July 2020, the project manager used periodic meetings with senior management responsible for the shut down to keep them informed of the status of the planning.

We found this informal process reasonable given the early stage of the project (preliminary planning stage).

We also found the project manager has a clear understanding of reporting expectations once more detailed planning begins (expected to begin in January 2021- see **Figure 4** for key dates of project). The project manager expects to give management an updated project progress report on a weekly basis, and discuss the updated report at weekly meetings with management in SaskPower's Power Production Division. The project's executive are part of these meetings.

Robust and regular reporting helps management effectively monitor the project. Effective reporting identifies emerging risks and issues so management can help resolve them and keep the project on track.

## 4.7 Planning for Decommissioning Boundary Dam Power Station at Appropriate Stage of Completion

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As of July 2020, SaskPower's planning for the decommissioning of the Boundary Dam Power Station site is at an appropriate stage given its planned decommissioning timeframe is at least ten years away.

SaskPower expects to start work to decommission Boundary Dam once all four coal-fired electricity-generating units at this location are shut down. At July 2020, the exact date is currently unknown, given BD Unit 3 is equipped with CCS technology; SaskPower anticipates decommissioning of the site to be 2029 at the earliest.

Regardless, decommissioning of the Boundary Dam Power Station site will be a complex and expensive project. SaskPower estimates it will cost almost \$83 million to decommission the power station.<sup>30</sup>

SaskPower appropriately recognizes it must start planning early.

By July 2020, SaskPower has done the following preliminary planning activities. SaskPower:

- Prepared and submitted its 2019 Decommissioning and Reclamation Plan to the Ministry of Environment as required by law.<sup>31</sup> SaskPower is scheduled to next update the decommissioning and reclamation plan in 2024 (i.e., five years from October 2019).

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<sup>30</sup> SaskPower Decommissioning and Reclamation Plan Boundary Dam Power Station.

<sup>31</sup> The Ministry of Environment approved SaskPower's 2019 Boundary Dam Power Station Decommissioning and Reclamation Plan.

- Developed a process map to assist it in developing detailed decommissioning plans. We found the map sets out the steps and timelines (at a high level) SaskPower expects to follow in the decommissioning planning process along with approvals required for key steps. For example, the process map indicates SaskPower's plan to complete environmental site assessments about one year before finalizing and implementing its decommissioning plan. It also indicates who is expected to complete each step in the process.

Preliminary long-term decommissioning planning helps SaskPower to identify key considerations such as cost, regulatory requirements, and environmental impact at an early stage, and increase its likelihood of readiness. Preliminary planning allows SaskPower to build on this work, and further define these considerations as they move closer to the decommissioning date.

In addition, preliminary planning increases the likelihood of SaskPower having a clear understanding of what is expected to decommission the Boundary Dam Power Station site, when, and at what cost. Earlier understanding is particularly beneficial for costly projects.

## 4.8 Content of Boundary Dam Power Station Site Decommissioning Plan Generally Reasonable

The content of SaskPower's October 2019 Decommissioning and Reclamation Plan for Boundary Dam Power Station is consistent with the Ministry of Environment Guidelines and good practice.

SaskPower suitably based its 2019 Decommissioning and Reclamation Plan on the Ministry of Environment's *Guidelines for Decommissioning and Reclamation of Industrial Waste Works* because Boundary Dam Power Station is permitted as an industrial waste works facility.<sup>32</sup> SaskPower used an external consultant that had previous experience developing similar plans for other industries to prepare the 2019 Plan and the cost estimate included in the Plan.

We found the Ministry Guidelines provide an overview of the Ministry's expectations for decommissioning plans and the relevant legislative requirements.

We found SaskPower's 2019 Decommissioning and Reclamation Plan sufficiently considered the relevant Guidelines. For example, it includes expected information such as predicted timelines for work to be conducted, monitoring programs during the decommissioning and post-decommissioning phases, and cost estimates.

We also found SaskPower's 2019 Decommissioning and Reclamation Plan appropriately considered planning decisions fitting for this stage of the project, and included content reflective of good practice. The Plan:

- **Sets out clear expectations and deliverables**—The Plan's purpose is to identify Boundary Dam Power Station deliverables such as infrastructure to be decommissioned, expected condition of reclaimed site and to set out a high-level cost estimate to decommission the site.

<sup>32</sup> [publications.saskatchewan.ca/api/v1/products/89710/formats/106549/download](https://publications.saskatchewan.ca/api/v1/products/89710/formats/106549/download) (6 October 2020).



- **Sets out a high-level timeline for activities**—The Plan indicates SaskPower estimates decommissioning activities and monitoring of the site to take up to five years, and of the ash lagoons to take up to 15 years.<sup>33</sup>
- **Outlines the conditions to which remediation is to be completed**—The Plan outlines conditions for specific areas at the site (e.g., building, landfills, ash lagoons) as well as for the site overall (e.g., SaskPower currently expects to reclaim the site to reflect the surrounding land use).
- **Considers the impact on the environment**—The Plan notes SaskPower has identified the need for a strategy to manage and dispose of water from the ash lagoons, and consider the disposal of contaminated equipment and infrastructure.
- **Identifies key activities SaskPower still needs to complete that will further define environmental risk**—The Plan notes SaskPower must complete an environmental site assessment and corrective action plan as required by *The Environmental Management and Protection Act, 2010* before starting decommissioning activities.<sup>34</sup>
- **Makes a preliminary estimate of resources required**—The Plan includes estimated decommissioning costs for all related infrastructure on the site (e.g., buildings, storage areas) (see **Figure 5**), and key assumptions used to estimate all of the activities other than the determination of the contingency cost. See **Section 4.9** for discussion about contingency.

**Figure 5—2019 Boundary Dam Power Station Site Decommissioning and Reclamation Cost Estimate**

Activity	Cost (in millions)
Ash Lagoon Reclamation	\$ 41.96
Power Plant and Other Facilities Reclamation	20.31
Project Management	6.26
Site Investigation/Reclamation Plan	0.26
Public Participation/Open House	0.01
Subtotal	68.80
Contingency	13.76
<b>Total</b>	<b>\$ 82.56</b>

Source: SaskPower 2019 Boundary Dam Power Station Decommissioning and Reclamation Plan

Appropriate content in the plan allows SaskPower to meet its regulatory requirements and plan its decommissioning activities consistent with good practice.

<sup>33</sup> Ash lagoons are structures used at coal-fired power stations to properly dispose of ash which is a product of the process of burning coal to produce electricity. This ash contains contaminants like mercury, cadmium, and arsenic. Without proper management, these contaminants can pollute water and air.

<sup>34</sup> *The Environmental Management and Protection Act, 2010*, ss. 13 & 14. Section gg of the Act defines a site assessment as any activity to determine the cause, nature, or extent of a potential or existing adverse effect [contamination exceeding an environmental standard]. Corrective action plans detail what will be done to prevent, mitigate, or reclaim damage to the environment.

## 4.9 Boundary Dam Decommissioning and Reclamation Plan Missing Rationale for Cost Contingency

SaskPower did not have rationale to support the selected contingency percentage in the 2019 Decommissioning and Reclamation Plan used to determine its contingency costs. Also, the selected contingency percentage does not align with good practice.

As shown in **Figure 5**, the estimated \$82.5 million total cost to decommission the Boundary Dam Power Station site includes a 20 percent contingency of \$13.8 million. SaskPower indicated that it determined the contingency based on guidance from the Ministry of Environment.

Ministry guidance suggests best practice is to follow the process for cost estimates set out in the Saskatchewan Environmental Code.<sup>35</sup> The Code uses a standard cost estimation classification system to make cost estimates, and suggests contingency ranges for each class (see **Figure 6**).

**Figure 6—Cost Estimate Classes and Suggested Contingency Ranges**

Class	Level of Project Definition <sup>A</sup>	Suggested Contingency Range
Class 1	50—100%	3—15%
Class 2	30—70%	5—20%
Class 3	10—40%	10—30%
Class 4	1—15%	20—50%
Class 5	0—2%	30—100%

Source: Adapted from Standard Classification for Cost Estimate Classification System established by ASTM International.  
<sup>A</sup> Level of project definition means the amount of detailed engineering or architectural planning (e.g., drawings, designs) that is done compared to the total amount of planning expected. The level of project definition determines what class the project should fall. For example, Class 1 represents a high amount of detail planning completed which results in a low uncertainty in the cost estimate, Class 5 represents a low amount of detailed planning which results in high uncertainty.

The Ministry expects the preparer of a decommissioning and reclamation plan to determine the appropriate class and select a contingency percentage appropriate to the project when estimating decommissioning contingency costs.

However, SaskPower did not set in either the 2019 Decommissioning or Reclamation Plan or other supporting documents what cost-estimate class (i.e., class 1 through 5) it used, or the basis it used when selecting the 20 percent contingency. SaskPower's consultant who prepared the Plan told us the 2019 cost estimate is a class 4 estimate.

Our assessment of the Boundary Dam decommissioning project against the Standard Classification for Cost Estimate Classification System found the project had characteristics most consistent with class 4. For example, it estimated the amount of work required at a high-level based on preliminary understanding of the site.

However, our assessment of the 20 percent contingency against the suggested contingency range found selecting the lowest percentage (i.e., 20 percent) inconsistent with the uncertainties related to the Project costs at October 2019.

<sup>35</sup> The Ministry of Environment's Environmental Code adopted Standard Classification for Cost Estimate Classification System as established by ASTM International. ASTM International is an international standards organization. [pubsaskdev.blob.core.windows.net/pubsask-prod/89761/89761-Adoption\\_of\\_Standards\\_Chapter.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/89761/89761-Adoption_of_Standards_Chapter.pdf) (6 October 2020).



For example, at October 2019, SaskPower had not developed detailed plans for decommissioning such as specific steps or equipment needed for demolition. As well, SaskPower had not completed key steps such as an environmental site assessment. Not having detailed plans or the results of an environmental site assessment increases the likelihood of costs being higher than estimated hence warranting the need for a higher contingency percentage or providing a potential range of contingency costs.

Based on a suggested contingency range of between 20 percent and 50 percent, the estimated total contingency could range between a low of \$13.8 million and a high of \$34.4 million. A 5 percent increase would increase the contingency by \$3.5 million.

Not having sufficient rationale for the contingency percentage chosen or following good practice when selecting contingency percentages increases the risk of SaskPower not making reasonable estimates of contingency reclamation costs, and of SaskPower not having enough resources available at the time of decommissioning the Boundary Dam Power Station site.

1. **We recommend SaskPower use the cost estimate classification system adopted by the Saskatchewan Environmental Code to determine the contingency percentage used to estimate costs for decommissioning and reclaiming the Boundary Dam Power Station site.**

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## Follow-Up Audits

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## Chapter 24 Carlton Trail College—Equipping the Board with Competencies to Govern

### 1.0 MAIN POINTS

Carlton Trail College's Board of Directors improved its processes to govern.

By September 2020, the Board evaluates its effectiveness at least annually. The Board also regularly assesses desired versus existing competencies, and develops training plans to build competencies where there are identified gaps. This assessment is also done when there are changes to board membership, with updates to the training plan as required. The Board also developed guidance on making recommendations of potential new board members to the Ministry of Advanced Education to ensure timely appointments.

Regular evaluation of board effectiveness, being aware of gaps in competencies, and addressing gaps timely decreases the risk of weakened or ineffective board governance.

### 2.0 INTRODUCTION

#### 2.1 Background

Carlton Trail College is one of seven Saskatchewan regional colleges established under *The Regional Colleges Act*. It offers a wide variety of programs such as technical institute courses in business, healthcare, human services and trades and technology (e.g., practical nursing, early childhood education, office administration, welding), Adult Basic Education, and industry training.<sup>1</sup> The College maintains three offices in east-central Saskatchewan and employs over 40 administrative and program-delivery staff, along with instructional staff.<sup>2</sup> During 2019–20, the College delivered 158 courses to over 1,500 students.<sup>3</sup>

Management of the College is responsible for the day-to-day operations of the organization. Its Cabinet-appointed Board oversees the College. The Board can establish policies for the College's administration, personnel, operations, and courses, with the oversight of the Ministry of Advanced Education.<sup>4</sup>

#### 2.2 Focus of Follow-Up Audit

This chapter describes our first follow-up audit of management's actions on the recommendations we made in 2018.

Our *2018 Report – Volume 2*, Chapter 21 concluded, for the 12-month period ended June 30, 2018, Carlton Trail College had, other than in the areas reflected in our

<sup>1</sup> [www.carltontrailcollege.com/about-us/our-focus](http://www.carltontrailcollege.com/about-us/our-focus) (23 September 2020).

<sup>2</sup> [www.carltontrailcollege.com/about-us/our-story](http://www.carltontrailcollege.com/about-us/our-story) (14 September 2020).

<sup>3</sup> Adapted from information provided by Carlton Trail College. Due to COVID-19, the College cancelled delivery of some courses scheduled between March and June 2020.

<sup>4</sup> *The Regional Colleges Act*, s. 12, 13.



four recommendations, effective processes to equip the Board with competencies to govern. Competencies necessary to govern refer to individual board members' knowledge, skills, and experiences and include areas such as leadership skills, industry experience, financial expertise, legal expertise, and information technology expertise.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the College's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The College agreed with the criteria in the original audit.

In performing this follow-up audit, we examined the Board's policies and procedures, as well as the minutes and agenda packages from the Board and committee meetings. We also interviewed relevant staff.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at September 21, 2020, and the College's actions up to that date.

### 3.1 Effectiveness of Governance Evaluated Annually

***We recommended Carlton Trail College's Board reassess how often it evaluates the effectiveness of its governance.*** (2018 Report – Volume 2, p. 114, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

Carlton Trail College's Board determined that it should evaluate the effectiveness of its governance annually.

Since our 2018 audit, the Board updated its Board Evaluation Policy. The revised policy requires the Board to assess its performance annually by either coordinating the evaluation internally, or using an outside facilitator.

We found doing annual assessments consistent with good practice. In addition, we found the Board conducted annual governance self-assessments in both 2019 and 2020 consistent with its policy.

Regularly assessing governance practices provides Board members with valuable insight into the level of engagement and efficacy of the Board as a whole.

## 3.2 Strategy to Identify and Address Competency Gaps Established

***We recommended Carlton Trail College's Board set clear requirements on how often to reassess desired versus existing competencies.*** (2018 Report – Volume 2, p. 114, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

***We recommended Carlton Trail College's Board have a strategy to address identified gaps in board competencies.*** (2018 Report – Volume 2, p. 116, Recommendation 3; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

Consistent with its Charter and Development Policy, Carlton Trail College's Board reassesses desired versus existing competencies each year. The Board develops plans to actively address identified gaps in competencies (e.g., use of focused training and professional development).

The Board's Charter and Development Policy require the Board to develop an annual plan for its professional growth. To identify its competency gaps, the Board assesses the skills and competencies of Board members annually. It incorporates skill areas ranked as low (e.g., IT, risk management) into the Board's annual work plan.<sup>5</sup>

We found the Board assessed its existing competencies in September 2019 after the appointment of three new members in August 2019. The Board updated this assessment again in March 2020 to help it identify areas of professional development for inclusion in its 2020–21 work plan.

The Board also monitored and updated its work plan during the year for training and professional development completed by Board members. To help address competency gaps, the Board provided new board members with orientation, and occasionally engaged third parties to assist in areas with knowledge gaps (e.g., legal matters).

Having clear requirements on how often to specifically assess board competencies enables timely identification of gaps in competencies of boards. As well, having plans to address identified gaps helps ensure the Board, as a whole, has key skills to govern well.

## 3.3 Guidance on Timely Board Member Recruitment Developed

***We recommended Carlton Trail College's Board develop guidance on making timely recommendations of potential board members to the Ministry of Advanced Education.*** (2018 Report – Volume 2, p. 117, Recommendation 4; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Intent of Recommendation Met

<sup>5</sup> The annual work plan sets out specific actions to improve the Board's governance of the College in areas such as professional development, board meeting effectiveness, and risk management.



Carlton Trail College's Board followed its updated guidance and made timely recommendations of potential board members to the Ministry of Advanced Education.

Since our 2018 audit, the Board updated its Recruitment Policy. The revised policy requires it to begin the recruitment process for new members at least six months prior to the end of a Board member's term. The policy also outlines the steps the Board is to complete, including:

- Confirming whether board members wish to serve a second term
- Advertising for new board members in the College's region
- Engaging with potential new members to determine suitability and desire to serve on the Board
- Identifying suitable candidates for recommendation to the Ministry of Advanced Education<sup>6</sup>

We found the Board monitored the terms of its members through discussions at its meetings to ensure it could begin recruitment timely. The Board identified it will begin the recruitment process in fall 2020 for an upcoming vacancy in May 2021.

We also found the Board made timely recommendations to the Minister of Advanced Education when vacancies occur. For example, when the previous Board Chair submitted notice of his resignation in May 2020, the Board, within one month of receipt of the notice, recommended to the Ministry of Advanced Education a new chairperson and a replacement board member.

Having a clear timeline of when to start the recruitment process of potential board members avoids delays in appointing new members, and reduces the risk of members serving past their terms. Also, timely recruitment helps stagger terms of board members, which provides for a better continuity of entity knowledge.

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<sup>6</sup> Per Section 7 of *The Regional Colleges Act*, board members cannot serve more than two consecutive three-year terms.

## Chapter 25 Corrections and Policing—Community Rehabilitation of Adult Offenders

### 1.0 MAIN POINTS

As of June 2020, the Ministry of Corrections and Policing continued to improve processes relating to the community rehabilitation of adult offenders. It implemented two of the four remaining recommendations first made in 2011, and made progress on the other two.

The Ministry successfully implemented two initiatives in the Saskatchewan South Region since 2017 that improve key information sharing with probation officers and the staff at correctional facilities involved in developing and implementing integrated case plans for rehabilitating offenders.<sup>1</sup> It implemented these initiatives in various communities over the past several years. Having readily accessible information helps make the content of case plans more comprehensive to support more effective community rehabilitation.

The Ministry revised its policies addressing offender risk assessments, case management, and supervision in 2019. In addition, it established a process to actively monitor staff compliance with the revised policies. As of June 2020, it was refining this process to include the use of compliance targets.

In 2019, it implemented and began monitoring compliance with the revised supervision policy. However, the COVID-19 pandemic delayed the Ministry's plans to implement the revised risk assessment and case management policies. It expects to implement these revised policies, along with processes to monitor staff compliance, in fall 2020.

Implementing and monitoring staff compliance with revised policies decreases the risk of the Ministry not effectively rehabilitating offenders.

### 2.0 INTRODUCTION

The Ministry of Corrections and Policing is responsible for promoting safe and secure communities, and providing supervision and rehabilitation services for adult offenders.<sup>2,3</sup> The Ministry uses a variety of programs and services to rehabilitate adult offenders in its correctional centres and in communities. The Ministry's Community Corrections Branch is responsible for about 2,300 offenders in the South Region on a day-to-day basis.<sup>4</sup> Providing offenders with rehabilitation services that meet their needs at the right time helps decrease the likelihood of offenders committing further offences.

<sup>1</sup> The Ministry manages Saskatchewan as three regions—South, Central, and North.

<sup>2</sup> *Ministry of Corrections and Policing and Ministry of Justice and Attorney General Plan for 2020-21*, p.3.

<sup>3</sup> *Correctional Services Act, 2012*, s. 4(1)(d).

<sup>4</sup> Adapted from information provided by the Ministry of Corrections and Policing.



## 2.1 Focus of Follow-Up Audit

This chapter describes our third follow-up audit of management's actions on the recommendations we made in 2011.

Our *2011 Report – Volume 1*, Chapter 3, concluded that during 2010, the Ministry had, other than the matters reflected in the seven recommendations, adequate processes to rehabilitate adult offenders likely to repeat crimes (including serious or violent crimes) who were serving a community sentence in the Regina Qu'Appelle Region.<sup>5</sup> By October 2017, the Ministry implemented three of seven recommendations.<sup>6</sup>

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Ministry agreed with the criteria in the original audit.

In performing this follow-up audit, we examined policies, training materials, as well as agendas from relevant meetings (e.g., Workload Review Governance Committee). We also interviewed relevant Ministry staff and tested a sample of compliance audits the Ministry conducted in relation to its revised supervision policy.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at June 30, 2020, and the Ministry's actions up to that date.

### 3.1 Policies Revised with Implementation and Compliance Monitoring Underway

***We recommended the Ministry of Corrections and Policing (formerly the Ministry of Corrections, Public Safety and Policing) consistently follow its policy requiring risk assessments and case plans for adult offenders to be completed within six weeks of starting community sentences. (2011 Report – Volume 1, p. 37, Recommendation 1; Public Accounts Committee agreement September 23, 2014)***

**Status—Partially Implemented**

***We recommended the Ministry of Corrections and Policing (formerly the Ministry of Corrections, Public Safety and Policing) consistently follow its supervision policy for high-risk adult offenders in the community to have required contacts with probation officer or alternates. (2011 Report – Volume 1, p. 38, Recommendation 3; Public Accounts Committee agreement September 23, 2014)***

**Status—Intent of Recommendation Implemented**

<sup>5</sup> In 2013, the Ministry reorganized its eleven adult and youth community corrections regions into three regions—South, Central, and North. The Regina Qu'Appelle Region became part of the South Region.

<sup>6</sup> *2017 Report – Volume 2, Chapter 38, p. 269-273* (16 October 2020).

***We recommended the Ministry of Corrections and Policing (formerly the Ministry of Corrections, Public Safety and Policing) consistently follow its case management policy to prepare regular progress reports for adult offenders in the community.*** (2011 Report – Volume 1, p. 40, Recommendation 6; Public Accounts Committee agreement September 23, 2014)

**Status**—Partially Implemented

The Ministry of Corrections and Policing revised its policies surrounding offender risk assessments, case management, and supervision in 2019. It also established clear processes to determine and monitor staff compliance with the revised policies. However, while it had implemented and was actively monitoring compliance with the supervision policy, it had not yet implemented the revised risk assessment and case management policies.

The Ministry revised its risk assessment and case management policy requirements based on its review of standards used in Manitoba and Ontario. The Ministry consulted with various criminal justice stakeholders (e.g., provincial court judges, Assistant Deputy Attorney General) when considering revisions to its supervision policy. **Figure 1** describes the Ministry's 2019 policy adjustments made primarily to address staff workloads. In our 2017 audit, Ministry management noted many staff expressed concerns about their workload demands and the difficulty associated with meeting Ministry policy requirements.

**Figure 1—Key Policy Revisions Made in 2019**

**Risk Assessment and Case Management Policies**

- The policies require staff to complete risk assessments and case plans for offenders within 12 weeks of offenders starting their community sentences. The previous policy requirement was within six weeks.
- The case management policy sets out the requirements associated with progress reports—staff must document progress in the case plan every 120 days. This is unchanged from the previous policy.

**Supervision Policy**

- The policy requires staff to supervise offenders based upon the results of their risk assessments (e.g., high-risk offenders require two face-to-face contacts per month, while low-risk offenders require one face-to-face contact every two months). The previous policy required weekly face-to-face contact for serious violent offenders requiring high levels of supervision and did not require supervision for low risk offenders unless deemed necessary by a probation officer.

Source: Adapted from discussions with Ministry staff and review of Ministry policies.

Ministry management approved the revised policies and trained staff on their implementation. They approved the supervision policy in October 2019, and trained staff in fall 2019. Ministry management approved the revised risk assessment and case management policies in December 2019, and trained staff throughout the winter and spring 2020.

The Ministry implemented the revised supervision policy in December 2019, and as of June 2020, had not yet implemented the revised risk assessment and case management policies. The declaration of the COVID-19 pandemic in the spring of 2020 delayed the Ministry's implementation of these policies—it plans to begin their implementation in October 2020.



We found the Ministry also established well-defined processes to check whether staff complied with the revised policies (i.e., compliance audits), and consider root causes for identified non-compliance with policy (e.g., non-response from offenders), if any. It expects its Workload Review Governance Committee to receive the results of completed audits.<sup>7</sup> It plans to do these compliance audits at 30-, 60-, 90-, and 180-day intervals following implementation of a policy and bi-annually afterwards.

For two Ministry compliance audits of the revised supervision policy we tested, the Ministry completed the audits as and when expected. It communicated the audit results to the Workload Review Governance Committee within a reasonable period (i.e., 23 and 29 days) after the audits were done. These two audits found 47% and 57% (respectively) of staff complied with the revised supervision policy. Each audit considered potential root causes for non-compliance (e.g., probation officer unable to attend scheduled meeting with offender due to bad weather or illness).

In response to the results of the supervision policy compliance audits, we observed the Workload Review Governance Committee in May 2020 considered setting target rates of staff compliance with the policy. The Ministry expects to establish targets before starting its bi-annual compliance audits of this policy. The Ministry also indicated it expects to establish compliance targets for its risk assessment and case management policies through review of its compliance audit results following implementation of these revised policies.

The establishment of associated compliance targets would help the Ministry take timely and appropriate corrective action where staff do not follow policies to the extent expected.

Delays in implementing or monitoring the use of its revised risk assessment and case plan policies increases the risk of the Ministry not effectively rehabilitating offenders.

## 3.2 Initiatives Implemented to Promote Integrated Case Planning

***We recommended the Ministry of Corrections and Policing (formerly the Ministry of Corrections, Public Safety and Policing) consistently follow its policy to use integrated case plans for adult offenders that coordinate rehabilitation strategies between the community and provincial correctional centres.*** (2011 Report – Volume 1, p. 37, Recommendation 2; Public Accounts Committee agreement September 23, 2014)

**Status**—Implemented

Since 2017, the Ministry of Corrections and Policing implemented two initiatives in the South Region—the Serious Violent Offender Response Initiative (SVOR) and the In-Reach Initiative—to promote and support the use of integrated case plans for adult offenders through information sharing among stakeholders.

<sup>7</sup> The Ministry's Workload Review Governance Committee consists of the following members: Assistant Deputy Minister of Custody Supervision and Rehabilitation Services; Executive Director of Community Corrections; Executive Director of Adult Custody Services; Executive Director of Offender Services; Director, Community Corrections; Director, Operational Services; Director, Offender Programs and Chief Clinical Director; and Director, Integrated Community Corrections. Its primary mandate is to oversee the Ministry's workload review project focused on improving client service delivery, the organizational environment for employees, and reducing client risk to reoffend.



**The SVOR Initiative** supports the use of integrated case plans for serious violent offenders transitioning to a community sentence. It is a multi-stakeholder partnership that includes Public Prosecutions, Adult Corrections, federal and municipal police services, and the Canadian Mental Health Association (Saskatchewan Division). Its main objective is to reduce violent crimes in Saskatchewan by having all partners work together to develop integrated case plans and share information about offenders. The Ministry implemented this Initiative in Saskatoon and North Battleford in 2013, with expanded implementation in Regina and three northern communities (i.e., Pelican Narrows, Sandy Bay, and Deschambault Lake) in 2018. The Ministry did not have specific plans to further expand this Initiative beyond the existing communities.

**The In-Reach Initiative** is for offenders in custody with probation orders (i.e., community orders) following their incarceration.<sup>8</sup> Its goal is to prioritize the completion of offender risk assessments and support integrated case management. Under this Initiative, the Ministry manages offenders with community orders using a dedicated probation officer. The probation officer is to complete offender risk assessments and case plans while communicating with the correctional facilities and considering information prepared by staff at the facilities (e.g., correctional logs, risk assessments, case plans). The Ministry implemented this Initiative in Saskatoon in 2017 and expanded to Regina and Prince Albert in 2019. The Ministry did not have specific plans to further expand this Initiative beyond the existing communities.

We found the Ministry maintains case plan documentation at a community and facility level on its IT system (Criminal Justice Information Management System); it makes this information available to the probation officers and the staff at correctional facilities.

For five offenders in the SVOR Initiative we tested, files showed each offender had an integrated case plan that included details about partners involved, partner contacts with the offender, actions or tasks required, interventions taken, and progress of offender rehabilitation.

For nine offenders in the In-Reach Initiative we tested, files showed probation officers considered information prepared by staff at the correctional facilities (e.g., correctional logs, risk assessments, case plans) and information from other sources (e.g., police services, support workers) when completing offender risk assessments and case plans.

Offenders may move back and forth between the community and correctional centres (e.g., due to breached court orders or further offences). Enabling information sharing to support the creation of integrated case plans for offenders makes the content of plans more comprehensive and supports a more effective rehabilitation process.

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<sup>8</sup> A probation order (i.e., community order) is a punishment given out as part of a sentence which means that instead of imprisoning a person convicted of a crime, a judge will order that the person report to a probation officer regularly and according to a set schedule.

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## Chapter 26

# Corrections and Policing—Planning for Inmate Capacity in Correctional Facilities

### 1.0 MAIN POINTS

By August 2020, the Ministry of Corrections and Policing had implemented the three outstanding recommendations we made in our 2016 audit of its processes to plan for inmate capacity at its adult correctional facilities.

The Ministry finalized its Adult Custody Long-term Capacity Plan for strategic planning at its correctional facilities in April 2020. The plan captures definitions for operational capacity and ideal program space.

With its forecast of increased numbers of adult inmates in Saskatchewan's correctional facilities over time, the Ministry has also forecasted the associated demand for rehabilitation program space.

Having a written long-term plan to manage inmate capacity in adult correctional facilities is important to inform Ministry decision-making and determine the correct space to provide adequate housing and rehabilitation programs for adult inmates.

### 2.0 INTRODUCTION

The Ministry of Corrections and Policing is responsible for promoting safe and secure communities, and providing supervision and rehabilitation services for adult offenders.<sup>1</sup> Under *The Correctional Services Act, 2012*, it is responsible for:

- Establishing, administrating, maintaining, and operating correctional facilities
- Co-ordinating, developing, implementing, and promoting policies and programs with respect to correctional facilities and correctional services
- Providing correctional services and programs including the assessment, supervision, treatment, training, control, custody, rehabilitation, or reintegration of inmates

Significant growth in average daily count of individuals in provincial custody is creating challenges in planning facility capacity for housing and rehabilitating adult inmates. Over the last 10 years (i.e., from 2010 to 2020), the average daily count for adult females in custody increased 61%, and the average daily count for adult males in custody increased 25%. Over the next 10 years, the Ministry estimates the average daily count for both adult females and males in custody to increase between about 16% and 120%.<sup>2</sup> At August 2020, the Ministry has four adult correctional facilities across the province (i.e. Regina, Saskatoon, Prince Albert and Pine Grove).<sup>3</sup>

<sup>1</sup> *Adult Custody Long-term Capacity Plan*, Ministry of Corrections and Policing, 2020. p. 6.

<sup>2</sup> *Ibid.*, pp. 16-18

<sup>3</sup> *Adult Custody Long-term Capacity Plan*, Ministry of Corrections and Policing, 2020. p. 12.



## 2.1 Audit Focus

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This chapter describes our second follow-up audit of management's actions on recommendations we first made in 2016.<sup>4</sup> In 2016, we reported the Ministry of Corrections and Policing had effective processes to plan for inmate capacity at provincial adult correctional facilities other than those areas where we made six recommendations. By July 2018, the Ministry implemented three and partially implemented one of these recommendations.<sup>5</sup>

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Ministry's management agreed with the criteria in the original audit.

To perform our follow-up audit, we discussed actions taken with Ministry management, and reviewed the Ministry's guidance and documentation related to adult inmate capacity planning.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2020, and the Ministry's actions up to that date.

### 3.1 Adult Long-term Capacity Plan Documented

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***We recommended the Ministry of Corrections and Policing develop a written long-term plan to manage inmate capacity in its adult correctional centres.***

(2016 Report – Volume 2, p. 16, Recommendation 6; Public Accounts Committee agreement September 21, 2017)

**Status—Implemented**

The Ministry of Corrections and Policing has developed its Adult Custody Long-term Capacity Plan to manage inmate capacity in its correctional facilities. In developing the Plan, the Ministry consulted with Custody Services, Corporate Services, and Central Services within the Ministry on the contents of the Plan.

In April 2020, the Ministry completed the Adult Custody Long-Term Capacity Plan. We found the Plan includes capacity and program space for each of its correctional facilities. It defines operational capacity as the number of beds a facility has in place to accommodate the day-to-day fluctuations in demand.

The Plan also sets out the ideal program space to be 16 inmates to one program room and eight inmates to one staff member (space definition). It includes the Ministry's forecasted needs for correctional facilities based on this space definition.

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<sup>4</sup> 2016 Report – Volume 2, Chapter 28 [auditor.sk.ca/publications/public-reports](http://auditor.sk.ca/publications/public-reports).

<sup>5</sup> 2018 Report – Volume 2, Chapter 29 [auditor.sk.ca/publications/public-reports](http://auditor.sk.ca/publications/public-reports).

We further found the Ministry is using the Plan to guide its strategy and daily operations. For example, the Plan guided the development of the Ministry's 2020-21 Capital Asset Plan. It expects to review the Adult Custody Long-term Capacity Plan annually and update it as needed.

Having a written long-term plan to manage inmate capacity in its adult correctional facilities decreases the risk of the Ministry not having the space necessary to provide adequate housing and rehabilitation programs for adult inmates.

### 3.2 Inmate Capacity Defined

***We recommended the Ministry of Corrections and Policing define how it will determine the inmate capacity of its existing adult correctional facilities to guide facility capacity planning decisions.*** (2016 Report – Volume 2, p. 12, Recommendation 2; Public Accounts Committee agreement September 21, 2017)

**Status**—Implemented

The Ministry of Corrections and Policing has defined its operational capacity in the Adult Custody Long-term Capacity Plan. It defined operational capacity as the number of beds a facility has in place to accommodate day-to-day fluctuations in demand.

We found the Ministry developed facility parameters of bed-space capacity. It included space for contingency should the need arise. The Ministry expects to conduct annual reviews to confirm capacity.

We selected 12 dates for review of capacity numbers at the four adult correctional facilities. For the dates tested, each capacity number was within the operational capacity set out in the Plan.

Having clearly defined inmate capacity for each adult correctional facility assists in making long-term decisions about the Ministry's facilities and resident inmates.

### 3.3 Rehabilitation Program Demand Forecasted

***We recommended the Ministry of Corrections and Policing promptly forecast demand for rehabilitation program space in its adult correctional facilities.*** (2016 Report – Volume 2, p. 13, Recommendation 3; Public Accounts Committee agreement September 21, 2017)

**Status**—Implemented

The Ministry of Corrections and Policing has forecasted demand for rehabilitation program space.

The Ministry's Adult Custody Long-Term Capacity Plan forecasts demand for rehabilitation program space. The forecast demand for rehabilitation space is 70 to 133 program spaces over the next 10 years in the four adult secure facilities. The Ministry based the forecast on assumed ratio of 16 inmates to one program and eight inmates to one staff member.

Having processes to forecast demand reduces the risk of the Ministry not having adequate space to deliver rehabilitation programming to inmates.

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## Chapter 27

# Corrections and Policing—Providing Primary Medical Care in Adult Secure-Custody Correctional Centres

### 1.0 MAIN POINTS

By July 2020, the Ministry of Corrections and Policing had made progress in implementing recommendations on its Ministry's processes for the provision of primary medical care to adult inmates in Saskatchewan's four adult secure-custody correctional centres.

The Ministry and correctional centres had developed new policies and directives on health care, and updated existing ones.

The Ministry also made progress on developing mandated training for nurse managers. It plans to deliver this training during 2020-21. The Ministry also developed a new form to facilitate transferring key medical information when inmates move between correctional centres, which the correctional centres are starting to use.

The correctional centres made progress on tracking first-aid certifications and reporting to the Ministry on currency of certification. However, they did not do so accurately.

The Ministry updated its policy on complaints to require correctional centres to track, respond to, and analyze inmate medical care complaints timely. Correctional centres need to respond to complaints timely, and provide the Ministry with a complete analysis of trends and corrective action taken.

The Ministry is developing a review process to ensure the medical care provided in correctional centres identifies and addresses the needs of inmates. It expects to begin the review process in October 2020.

Primary medical care received in a correctional centre can play a role in reducing health inequality for vulnerable inmates that come from backgrounds with a likelihood of declining health. Serious health issues may arise without timely and appropriate medical care. Effective primary medical care in correctional centres can improve the health of the overall community by resulting in less transmittable diseases and reduced crime by treating mental health problems.<sup>1</sup>

### 2.0 INTRODUCTION

The Ministry of Corrections and Policing is responsible for the establishment, administration, maintenance, and operation of correctional facilities.<sup>2</sup> Although there is no expressed reference to medical care services in *The Correctional Services Act, 2012*, the Ministry acknowledges that administration and operation of correctional centres includes the provision of medical services, such as treatment, care, and medication for inmates in correctional centres.

<sup>1</sup> [www.stmichaelshospital.com/media/detail.php?source=hospital\\_news/2015/20150225\\_hn](http://www.stmichaelshospital.com/media/detail.php?source=hospital_news/2015/20150225_hn) (18 September 2020).

<sup>2</sup> Section 4 of *The Correctional Services Act, 2012*.



The Ministry's policy on Health Care Standards states the quality of care that inmates receive in a provincial correctional centre should be similar to that experienced by those in the community. Health services provided to inmates are client centred, responsive to individual needs, comprehensive, and sustainable.<sup>3</sup>

Primary medical care is a community's first and main point of contact with the health system. The focus of primary care is helping people live the healthiest lives possible; when they need health care, providing the right care, at the right time, right in their communities.<sup>4</sup>

Primary medical care includes medical care provided to inmates upon their admission to correctional centres, urgent care, health promotion, disease prevention, and follow-up care. It may also include referral by medical staff in the secure-custody correctional centre to a specialist or an emergency department. It does not include specialized health care (e.g., cardiac rehabilitation programs, chronic disease management programs).

## 2.1 Focus of Follow-Up Audit

This chapter describes our first follow-up audit of management's actions on the recommendations we made in 2018.

Our *2018 Report - Volume 1*, Chapter 3, concluded that the Ministry of Corrections and Policing had effective processes, except in the areas of our nine recommendations, for the provision of primary medical care to adult inmates in its secure-custody correctional centres.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Ministry of Corrections and Policing agreed with the criteria in the original audit.

To carry out our follow-up audit, we discussed actions taken with the Ministry and reviewed key documents provided by management (e.g., tracking sheets, reports).

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2020, and the Ministry's actions up to that date.

### 3.1 Nurse Manager Orientation Developed

***We recommended the Ministry of Corrections and Policing deliver orientation training for the nurse manager positions in adult secure-custody correctional centres.*** (2018 Report – Volume 1, p. 30, Recommendation 1; Public Accounts Committee agreement September 28, 2019)

**Status**—Partially Implemented

<sup>3</sup> Corrections and Policing, Adult Custody Services Policy Manual, *Health Care Standards*, (1996).

<sup>4</sup> [www.euro.who.int/en/health-topics/Health-systems/primary-health-care/primary-health-care/questions-and-answers-understanding-primary-health-care#384498](http://www.euro.who.int/en/health-topics/Health-systems/primary-health-care/primary-health-care/questions-and-answers-understanding-primary-health-care#384498) (18 September 2020)

The Ministry of Corrections and Policing developed a nurse manager orientation and communicated the required training to correctional centres in late June 2020. This is a new initiative and the Ministry expects training to occur within communicated timeframes (e.g., five months of commencing work as a nurse manager).

The new nurse manager orientation includes relevant key content for the provision of medical care in a correctional centre setting, including courses such as incident reporting, substance abuse, and resolving conflicts constructively. Other courses focus on managerial responsibilities such as conflict of interest, work planning for managers, and code of professional conduct.

The Ministry coordinated the nurse manager orientation centrally and communicated its availability to correctional centres.

The Ministry mandated the following timeframes for the completion of the training by nurse managers: within three months for current nurse managers (pending session availability), and prior to the first probationary review for new nurse managers—the review which typically occurs at five months.

The Ministry assigned each correctional centre's Deputy Director of Standards and Communication to be responsible for overseeing completion of the required training.

At July 31, 2020, nurse managers had not yet completed the required orientation training. In addition, the correctional centres were not yet tracking whether completion occurred within required timeframes.

Without completing the training, nurse managers may be unprepared and struggle in this key role in a correctional centre. The working environment of a secure-custody correctional centre differs from a hospital. This can lead to staff turnover, which may affect medical care to inmates.

## 3.2 Accurate Tracking of First-Aid Certifications Needed

***We recommended the Ministry of Corrections and Policing monitor the currency of first-aid certifications of correctional staff from adult secure-custody correctional centres.*** (2018 Report – Volume 1, p. 31, Recommendation 2; Public Accounts Committee agreement September 28, 2019)

**Status**—Partially Implemented

The Ministry of Corrections and Policing requires the adult secure-custody correctional centres to track first aid, cardiopulmonary resuscitation (CPR), and automated external defibrillator (AED) certifications and report on the currency of certification. Most staff have current first aid certifications.

The Ministry updated its Health Care Standards Policy in June 2020 to assign responsibility for monitoring the currency of staff certifications to the Director of each correctional centre. The policy states the Director shall develop an annual plan to address those staff members whose certification expires in the upcoming fiscal year.



In the four adult correctional facilities, for 29 of 30 staff we tested, their first aid certifications were current. For the individual without a current certification, the certification had lapsed and the employee is required to take the certification course.

We found the correctional centres appropriately track first aid certification expiry dates to confirm their currency for all staff. They use certification-tracking sheets.

However, our testing found the certification-tracking sheets were not always accurate. For 3 of 30 employees we tested, the certification expiry date on the tracking sheet did not match the actual expiry date on the certificate. By the end of October 2020, the Ministry expects correctional centres to review tracking sheets to verify accuracy.

We also found correctional centres submit tracking sheets to the Ministry for monitoring. Correctional centres reported between 90 and 100% compliance of staff holding current certifications. For correctional centres not reporting 100% compliance, they generally identified reasons for staff not having current certifications; reasons included staff on leave of absences, or new staff awaiting the next training course. All four correctional centres communicated their plans to the Ministry to ensure correction staff first-aid certifications are current.

Monitoring and maintaining current first-aid certification ensures adult secure-custody correctional centres' correctional staff has training to provide emergency care to inmates as required.

### 3.3 Routine Review of Medical Care Policies, Directives, and Analysis of Gaps Developed

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***We recommended the Ministry of Corrections and Policing regularly update medical care policies for adult secure-custody correctional centres.***

*(2018 Report – Volume 1, p. 32, Recommendation 3; Public Accounts Committee agreement September 28, 2019)*

**Status**—Implemented

The Ministry of Corrections and Policing developed new policies and updated existing policies to address gaps in medical care policies.

In December 2019, the Ministry developed an improved tracking system for health care policies. The Ministry maintained a schedule to track reviews of its medical care policies every three years.

For three policies we tested, the Ministry reviewed and updated its policies in accordance with expectations. The appropriate position within the Ministry approved the three policies.

Through its review of medical care policies, the Ministry determined several areas where it required new policies, or needed to update existing policies. New policies since our 2018 audit include topics such as lice control, emergency medical response, and communicable disease outbreaks. At July 2020, the Ministry is also developing a policy on health care intakes and transfers.

Effective medical policies provide current and overall direction on key areas. Regular reviews help identify whether policies remain relevant and give current direction for the correctional centres to use in daily operations and decision-making.

***We recommended the Ministry of Corrections and Policing have adult secure-custody correctional centre staff regularly update medical care directives.*** (2018 Report – Volume 1, p. 32, Recommendation 4; Public Accounts Committee agreement September 28, 2019)

**Status**—Implemented

Correctional centres reviewed and updated medical care directives in accordance with expectations. They developed new directives to address gaps where medical care directives did not previously exist.

As of February 2020, the Ministry expects each correctional centre to develop directives that help them put the Ministry policies into operation. The Ministry recognizes delivery of correctional services may differ between the women and men's facilities and because of the different inmate populations in each of its facilities.

All nine directives we tested were current and appropriately approved. The correctional centres each maintain a schedule to track reviews of medical care directives as of July 2020.

All correctional centres developed new directives to address gaps where directives previously did not exist. These new directives included key topics such as infection prevention control, intravenous medication administration, and hunger strikes.

A current and comprehensive set of current directives aids in ensuring inmates receive consistent and up-to-date medical care. The tracking sheets help to mitigate the risk that correctional centres may miss updating a directive.

### 3.4 Transferring of Inmate Medical Information Needed for Continuity of Care

***We recommended the Ministry of Corrections and Policing require staff to transfer inmate medical files between adult secure-custody correctional centres when it moves inmates between centres or former inmates re-enter the system.*** (2018 Report – Volume 1, p. 34, Recommendation 5; Public Accounts Committee agreement September 28, 2019)

**Status**—Partially Implemented

The Ministry of Corrections and Policing revised the nurse-to-nurse form used to transfer comprehensive medical details and records when an inmate is transferred between correctional centres.

The revised nurse-to-nurse form became effective June 29, 2020.<sup>5</sup>

<sup>5</sup> The correctional centres do not complete the nurse-to-nurse form if an inmate re-enters the system at a different correctional centre. Rather, the nurse at the receiving correctional centre completes an initial medical assessment on all inmates entering the correctional centre.



We found the revised nurse-to-nurse form captures information pertinent to the medical staff at the receiving correctional centre for transferring inmates. We also noted the revised form requires the initial nurse to send copies of treatment orders and results of recent bloodwork, x-rays, or other tests if applicable. This ensures pertinent and current medical information is available at the receiving correctional centre to provide a continuum of care.

We found, at July 31, 2020, correctional centres did yet not consistently use the revised form nor complete the form in its entirety. Two of seven transfers we tested did not use the revised form, and one transfer we tested did not fully complete it.

Not using the revised nurse-to-nurse form effectively increases the risk of inmates not receiving a continuum of care as they move between correctional centres. Not transferring complete inmate medical information increases the risk that inmates receive inappropriate or untimely medical care, which may put their health at risk. It may also lead to higher costs and reduced efficiency.

The Ministry decided it would not transfer the entire physical medical files due to the risk of information loss and to protect inmate privacy, but continues to explore electronic information system options to facilitate inmate medical file access for medical staff.

### 3.5 Timely Response to Inmate Complaints About Medical Care Required

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***We recommended the Ministry of Corrections and Policing formally respond to adult inmate complaints about medical care within timeframes required by The Correctional Services Regulations, 2013. (2018 Report – Volume 1, p. 36, Recommendation 6; Public Accounts Committee agreement September 28, 2019)***

**Status**—Partially Implemented

The Ministry of Corrections and Policing does not always respond to inmate complaints about medical care timely.

In January 2019, the Ministry updated their policy on complaints which requires the correctional centres to use complaint summaries to track complaints and respond timely.

The Ministry's policy requires correctional centres to track all complaints received and report on trends quarterly. The policy directs the correctional centres to record complaints in a standardized tracking log. The Director is expected to conduct monthly reviews to ensure compliance with the response timeframes. The policy directs the correctional centre to respond within five business days; this is consistent with *The Correctional Service Regulations, 2013*. If the correctional centre is unable to make a decision within five business days, it must provide the inmate with a status update every five days until it reaches a decision.

We found correctional centres are tracking complaints received and noting the date received and date responded to support timely responses.

Our analysis of the tracking sheets of the four adult correctional centres (Regina, Saskatoon, Prince Albert and Pine Grove) found correctional centres varied in responding to medical-care related complaints. One correctional centre responded to 50% of medical complaints timely, whereas another correctional centre responded to 92% of medical complaints timely. We found the correctional centres sometimes provided inmates an interim response as required by *The Correctional Services Regulations, 2013* when they determined they could not provide a response within the established timeframes.

Not providing timely responses or interim responses to inmate complaints about medical care is not consistent with the Ministry's policy or *The Correctional Service Regulations, 2013* and may lead to inmates' health declining.

***We recommended the Ministry of Corrections and Policing analyze complaints about medical care from adult inmates in its secure-custody correctional centres for trends and take corrective action as needed.***

(2018 Report – Volume 1, p. 37, Recommendation 7; Public Accounts Committee agreement September 28, 2019)

**Status**—Partially Implemented

The Ministry of Corrections and Policing is working with correctional centres to receive consistent analysis and reporting about inmate medical care complaints and actions.

The Ministry assigned responsibility for periodic analysis of complaints to the correctional centres. The policy requires correctional centres to analyze complaints to identify trends and report to the Ministry quarterly.

We found correctional centres complete quarterly reports and provide them to the Ministry.

We found that while the quarterly reports analyze the complaints received and summarize the data; not all correctional centres are consistently identifying and documenting corrective action taken for trends identified. The Ministry is working with the correctional centres to ensure consistent analysis and reporting across the adult secure-custody correctional centres.

By not consistently assessing trends in complaints to identify systemic or recurring issues in the delivery of medical care, staff may miss opportunities to adjust processes or take timely corrective action.

### 3.6 Measures Needed to Evaluate Provision of Inmate Medical Care

***We recommended the Ministry of Corrections and Policing, working with the adult secure-custody correctional centres, develop measures for evaluating the provision of medical care to inmates.***

(2018 Report – Volume 1, p. 38, Recommendation 8; Public Accounts Committee agreement September 28, 2019)

**Status**—Not Implemented



***We recommended the Ministry of Corrections and Policing receive regular reports from adult secure-custody correctional centres on the provision of medical care to inmates.*** (2018 Report – Volume 1, p. 38, Recommendation 9; Public Accounts Committee agreement September 28, 2019)

**Status**—Not Implemented

The Ministry of Corrections and Policing is developing a review process to ensure the medical care provided identifies and addresses the needs of inmates. The first reviews will occur in October 2020.

The Ministry has drafted a template that will facilitate analysis of issues identified during the review process. The Ministry plans to collect information in October 2020 to serve as baseline data, and use that data to inform targets for the next reporting period.

The Ministry also plans to use the complaint summaries discussed in **Section 3.5** above to assess potential areas for improvement.

Without measures implemented to evaluate the provision of medical care, the Ministry does not know whether inmates receive care consistent with its policy (i.e., medical care similar to that experienced by those in the community). Also without measures, the medical units in correctional centres cannot identify areas of medical care they could improve.

## Chapter 28

# eHealth Saskatchewan—Securing Patient Data in the Saskatchewan Laboratory Results Repository

### 1.0 MAIN POINTS

By July 2020, eHealth Saskatchewan fully addressed the remaining three recommendations made in our 2015 audit related to securing confidential patient information in the Saskatchewan Lab Results Repository (SLRR).<sup>1</sup>

eHealth is updating its SLRR system for critical vulnerabilities, resetting passwords annually, and periodically confirming user access remains appropriate. This reduces the risk of unauthorized access to eHealth's systems and data.

### 2.0 INTRODUCTION

eHealth provides authorized health care providers the ability to access patient information electronically and is responsible for protecting patient information in SLRR. SLRR is one of several key data repositories that form part of Saskatchewan's electronic health records. It contains confidential patient data.

Our *2015 Report – Volume 1*, Chapter 10 concluded, for the 12-month period ended March 31, 2015, eHealth had effective processes to secure patient information in SLRR other than in the areas reflected in five recommendations. Our *2017 Report – Volume 2*, Chapter 30 reported eHealth had implemented two of the five recommendations to secure patient information in SLRR. This chapter describes our follow-up audit of management's actions on the three outstanding recommendations.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate eHealth's progress toward meeting our recommendations, we used the relevant criteria from the original audit. eHealth agreed with the criteria in the original audit.

We reviewed and assessed related reports, plans, policies and IT system settings with management from eHealth.

### 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2020, and eHealth's actions up to that date.

<sup>1</sup> SLRR is an IT system, including patient lab information that is a key portion of Saskatchewan's electronic health records.



### 3.1 Periodically Confirming Appropriate User Access

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***We recommended eHealth Saskatchewan implement a policy to confirm periodically with healthcare organizations that existing users have appropriate access to the Saskatchewan Lab Results Repository through the eHR Viewer.*** (2015 Report – Volume 1, p. 99, Recommendation 4, Public Accounts

Committee agreement January 13, 2016)

**Status—Implemented**

eHealth established a policy in July 2020 to confirm monthly with key healthcare organizations (e.g., the Saskatchewan Health Authority) whether access to the eHR Viewer for certain users remains appropriate.<sup>2</sup>

eHealth sent the first report to key healthcare organizations outlining users from their organization who have not accessed the eHR Viewer in 11 months or greater in July 2020. eHealth expects the organizations to confirm, within one month, whether the access of users listed continues to be appropriate. We found eHealth removes access of users who no longer needed it.

Having a systematic process to remove inappropriate user access reduces the risk of someone gaining access to confidential patient information.

### 3.2 Passwords Reset Intermittently

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***We recommended eHealth Saskatchewan follow its password expiry policy for privileged user accounts that access the Saskatchewan Lab Results Repository.*** (2015 Report – Volume 1, p. 99, Recommendation 5, Public Accounts Committee

agreement January 13, 2016)

**Status—Implemented**

In June 2020, eHealth created and implemented a password reset work standard for its key applications such as SLRR. The work standard requires passwords in each key application, set to never expire, to be changed at a prescribed interval.

We found, as of July 2020, eHealth last reset passwords for SLRR in March 2020 consistent with its work standard (finalized in June 2020).

Changing passwords periodically reduces the risk a password may be compromised and/or a system breached.

### 3.3 SLRR System Kept Up-to-date

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***We recommended eHealth Saskatchewan properly configure and update, on a timely basis, its Saskatchewan Lab Results Repository systems for critical vulnerabilities.*** (2015 Report – Volume 1, p. 98, Recommendation 2, Public Accounts Committee

agreement January 13, 2016)

**Status—Implemented**

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<sup>2</sup> eHealth makes lab results in SLRR electronically available through the eHR Viewer.

eHealth updates the SLRR system within a reasonable timeframe.

We found, other than one component of the SLRR system, eHealth kept the system up-to-date (i.e., appropriately configured) and supported. It applied security patches to servers supporting SLRR within a reasonable period.<sup>3</sup> At July 2020, eHealth had a plan to update the one component by December 2020.<sup>4</sup>

Always keeping the SLRR system up-to-date reduces the risk of unauthorized access to eHealth's systems and data.

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<sup>3</sup> Security patches address known vulnerabilities and remain available when systems are up-to-date (i.e., supported). Patches should be applied based on the risk and at minimum annually.

<sup>4</sup> Components of the SLRR system include the database, application, middleware, and operating system.

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## Chapter 29

# Environment—Preventing the Entry and Spread of Aquatic Invasive Species in Saskatchewan

### 1.0 MAIN POINTS

By August 2020, the Ministry of Environment implemented two of the four remaining recommendations made in our 2016 audit of its processes to prevent the entry and spread of aquatic invasive species (other than aquatic invasive plants) in Saskatchewan.

Since June 2018 (the timing of our last follow-up audit), the Ministry developed risk-based strategies for both watercraft inspections and waterbody sampling. These strategies help the Ministry focus its resources in areas of higher risk (e.g., water bodies or corridors where boats cross into Saskatchewan from neighbouring jurisdictions).

The Ministry assesses the effectiveness of its public education and awareness campaigns by reviewing comments on and views of social media posts and analyzing trends in watercraft owner's compliance (e.g., assesses the number of individuals not in compliance when inspected). In fall 2020, the Ministry plans to issue a targeted survey asking detailed questions about past advertising campaigns. It plans to use survey results to assess if its campaigns improved the public's knowledge and awareness of aquatic invasive species.

In addition, the Ministry has plans to test in fall 2020 its draft rapid response plan prior to its finalization and approval. Testing the plan helps confirm it operates as expected. Timely and appropriate responses are key to minimizing the impact of and spread of aquatic invasive species.

### 2.0 INTRODUCTION

The Ministry of Environment is responsible for preventing the introduction or spread of aquatic invasive species in Saskatchewan.

Aquatic invasive species are non-native animals (e.g., zebra and quagga mussels) or plants that usually spread through the water, and from one waterbody to another, by attaching to watercrafts, trailers, and related aquatic equipment. They pose a serious threat to lakes and waterways in Canada and can cause serious damage.

Once aquatic invasive species are established, they can cause significant economic impacts (i.e., direct costs to manage the particular invasive species). For example, Alberta estimated a cost of \$75 million if invasive mussels infest the province and Ontario spends \$75 to \$91 million annually. These include costs associated with impacts to power generation, drinking water systems, recreational fishing and water management structures.<sup>1</sup>

<sup>1</sup> *Saskatchewan Aquatic Invasive Species Strategy*, p.4. [pubsaskdev.blob.core.windows.net/pubsask-prod/115827/Aquatic%252BInvasive%252BSpecies%252BStrategy.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/115827/Aquatic%252BInvasive%252BSpecies%252BStrategy.pdf) (01 October 2020).



## 2.1 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on the recommendations we first made in 2016 on preventing the entry and spread of aquatic invasive species in Saskatchewan.

Our *2016 Report – Volume 1*, Chapter 7, concluded the Ministry of Environment had, other than matters reflected in our five recommendations, effective processes to prevent the entry and spread of aquatic invasive species in Saskatchewan (other than aquatic invasive plants). As of June 2018, the Ministry had implemented one of five recommendations.<sup>2</sup>

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Management agreed with the criteria in the original audit.

In this follow-up audit, we interviewed Ministry staff responsible for aquatic invasive species prevention and detection programs. We reviewed various documents including watercraft inspection strategies, waterbody sampling strategies, and metrics of communications to educate the public about aquatic invasive species.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status at August 31, 2020 of the recommendation, and the Ministry of Environment's actions up to that date.

### 3.1 Formal Watercraft Inspection and Waterbody Sampling Strategies Implemented

#### Watercraft Inspections

***We recommended the Ministry of Environment formalize a risk-based watercraft inspection strategy related to aquatic invasive species.*** (*2016 Report*

– *Volume 1*, p. 65, Recommendation 3; Public Accounts Committee agreement September 15, 2016)

**Status**—Implemented

As of August 2020, the Ministry of Environment developed and follows a documented, risk-based watercraft inspection strategy. It focuses on intercepting high-risk watercrafts (i.e., watercrafts travelling from locations known to have aquatic invasive species) at inspection stations. It sets up inspections stations throughout the province at locations where aquatic invasive mussels have a high probability of survival. See **Figure 1** for the location of the Ministry's inspection stations in 2020.

**Figure 1—2020 Inspection Station Locations**

➤ Estevan on Highway 39	➤ Near Moosomin on Highway 1
➤ Hudson Bay on Highway 3	➤ Near Churchbridge on Highway 16

Source: Ministry of Environment records.

<sup>2</sup> We reported this work in our *2018 Report – Volume 2* (Chapter 31, pp. 225-230).

In May and June 2020, it intercepted two watercraft with invasive mussels visibly attached.

The Ministry's strategy will help it make informed decisions about where and when to focus its watercraft inspection activities and determine the resources needed. In addition, the risk-based inspection strategy helps the Ministry determine higher-risk geographical areas, and prioritize its placement of inspection resources.

### Waterbody Sampling

***We recommended the Ministry of Environment establish a risk-based strategy for sampling Saskatchewan waters for aquatic invasive species.***

(2016 Report – Volume 1, p. 66, Recommendation 4; Public Accounts Committee agreement September 15, 2016)

#### Status—Implemented

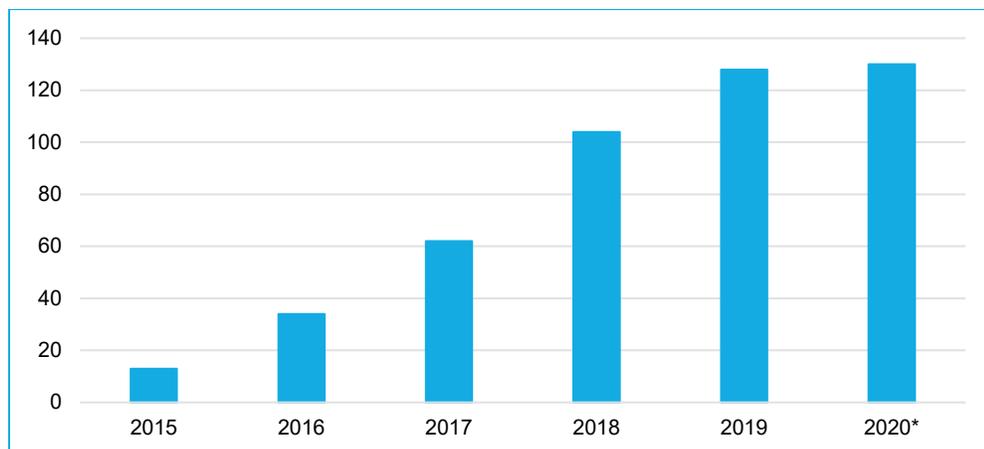
The Ministry established and follows a strategy for sampling Saskatchewan waters for the presence of aquatic invasive species. It prioritizes waterbodies for testing based on the likelihood of the survival of invasive species. The strategy involves working with other organizations, which draw test samples from Saskatchewan water bodies (e.g., Saskatchewan Association of Watersheds, SaskPower).

While the Ministry does not have a pre-determined listing of all sampling locations for the year, it aims to sample as many waterbodies as possible based on available funding and support from collaborating agencies. The Ministry has a list of the waterbodies that it assesses as high risk and where monitoring will occur.

As of August 2020, the Ministry sampled 100 waterbodies and plans to sample an additional 30 waterbodies by the end of 2020. The Ministry assessed 46 of the province's waterbodies to be high risk of contracting aquatic invasive species. During its 2020 sampling, the Ministry sampled 36 of the 46 (78 percent) high risk water bodies.

**Figure 2** shows the number of waterbodies the Ministry samples continues to increase annually.

**Figure 2—Number of Waterbodies Ministry of Environment sampled from 2015 to 2020**



Source: Ministry of Environment records.

\* Ministry staff have sampled 100 waters as of August 2020, expecting to sample 130 by the end of 2020.



Using a risk-based approach to determine which water bodies to sample, and increasing the extent of waterbody testing allows greater monitoring and prevention of aquatic invasive species within our province.

### 3.2 Evaluation of Education and Awareness Activities Occurring

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***We recommended the Ministry of Environment measure the effectiveness of its aquatic invasive species public education and awareness campaign regularly.*** (2016 Report – Volume 1, p. 64, Recommendation 2; Public Accounts Committee agreement September 15, 2016)

**Status**—Partially Implemented

The Ministry of Environment established an adequate aquatic invasive species communications strategy. The strategy outlines goals and objectives, approach, timelines, budget (i.e., approximately \$70,000 for 2019), and measurement and evaluation.

The Ministry's measures to evaluate the success of its education and awareness campaign include:

- Tracking individuals who viewed, commented or shared aquatic invasive species posts on social media.
- Comparing media calls, reports of aquatic invasive species through the Turn in Poachers and Polluters line, views on the Aquatic Invasive Species webpage, public inquires for the current year to prior years.
- Assessing compliance of watercraft users with legislation during watercraft inspections. For example, the Ministry uses inspections to assess if watercraft users remove boat plugs (as required by law). Its 2020 inspections showed a lack of compliance with the boat plug requirement. The Ministry is considering adding signage to highways to advertise this requirement to increase awareness of this requirement and in turn, compliance.

In fall 2020, the Ministry is collaborating with a company and using targeted surveys to better understand how knowledgeable the public is about aquatic invasive species. The Ministry plans to use this information to identify where knowledge gaps exist and improve its advertising campaigns.

Having adequate processes for measuring results would help the Ministry evaluate if its education and awareness efforts related to aquatic invasive species are successful, and whether it targeted resources on worthwhile activities.

### 3.3 Testing of Draft Rapid Response Plan In Progress

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***We recommended the Ministry of Environment complete and test a formal rapid response plan to mitigate the spread of aquatic invasive species in Saskatchewan waters.*** (2016 Report – Volume 1, p. 67, Recommendation 5; Public Accounts Committee agreement September 15, 2016)

**Status**—Partially Implemented

As of August 2020, the Ministry of Environment has a draft rapid response plan to address the immediate threat of the spread of aquatic invasive species in the province.

The draft plan includes the point of contact, response roles and responsibilities, and the process to activate a response management plan (e.g., incident classification, response steps).

The Ministry plans to begin testing the rapid response plan in fall 2020 and complete additional testing in 2021. This testing stage appropriately involves a collaborative test with the Department of Fisheries and Oceans Canada and other Western Canadian provinces. The Ministry plans to test the draft plan to confirm it operates as expected and is sufficiently comprehensive.

A finalized and tested rapid response plan aids in responding to the detection of aquatic invasive species in a formal and timely manner (i.e., before species become established). Timely and appropriate response is key to minimizing the impact of and spread of aquatic invasive species.

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## Chapter 30

### Finance—Internal Audit in Ministries

#### 1.0 MAIN POINTS

By July 2020, the Ministry of Finance implemented the outstanding recommendation from our 2012 audit on the effectiveness of internal audit activities of government ministries.<sup>1</sup> Finance communicated requirements for internal audit quality assurance programs and provided training and implementation resources to ministries with an internal audit function. It also used a working group of internal audit staff to share techniques and tools, and monitor practice.

#### 2.0 INTRODUCTION

This chapter describes our third follow-up audit of management's actions on the outstanding recommendation we made in 2012 about effective quality assurance programs for internal audit.

Internal audit is an important component of sound governance for public sector organizations. Internal audit provides value to governing bodies and senior management by providing an objective source of independent advice. Internal audit function refers to personnel within an organization who perform the roles and responsibilities of an internal auditor.

A quality assurance program is typically designed to enable evaluating whether activities of the internal audit function conform to internal auditing standards and accepted practice. It also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.<sup>2</sup>

Ministries in the Provincial Government use a decentralized internal audit model (i.e., they have their own internal audit functions as opposed to sharing a centralized internal audit function). The Ministry of Finance provides leadership to and helps co-ordinate certain activities (e.g., sharing of best practices) of ministries with internal audit functions. **Figure 1** lists the ministries with an internal audit function at July 2020.

**Figure 1—Ministries with an Internal Audit Function at July 2020**

<ul style="list-style-type: none"> <li>➤ Advanced Education</li> <li>➤ Central Services</li> <li>➤ Finance (including Public Employees Benefits Agency—a division of the Ministry)<sup>A</sup></li> </ul>	<ul style="list-style-type: none"> <li>➤ Health</li> <li>➤ Highways and Infrastructure</li> <li>➤ Immigration and Career Training<sup>B</sup></li> <li>➤ Integrated Justice Services<sup>C</sup></li> </ul>
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<sup>A</sup> The Public Employees Benefits Agency has an internal audit function separate from the Ministry of Finance's.

<sup>B</sup> Immigration and Career Training also provides internal audit services to the Ministries of Energy and Resources and Trade and Export Development.

<sup>C</sup> Integrated Justice Services provides administrative services including internal audit services to the Ministries of Justice and Attorney General and Corrections and Policing.

<sup>1</sup> For the purposes of this audit, government ministries included the Public Employees Benefits Agency that is a division of the Ministry of Finance.

<sup>2</sup> [na.theiia.org/services/quality/Pages/Quality-Assurance.aspx](http://na.theiia.org/services/quality/Pages/Quality-Assurance.aspx) (18 September 2020).



## 2.1 Focus of Follow-Up Audit

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Our *2012 Report – Volume 2*, Chapter 30, concluded internal audit functions in ministries were not following best practices and made seven recommendations for improvements to the Ministry of Finance, given its role as the lead ministry. By December 2017, Finance had implemented six of the seven recommendations to improve effectiveness of internal audit activities of government ministries.

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance (CSAE 3001)*. To evaluate Finance's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Finance's management agreed with the criteria in the original audit.

To carry out the audit, we interviewed Finance staff, reviewed key documents such as guidance provided to ministry internal auditors, and surveyed officials responsible for the internal audit function of the ministries.

## 3.0 STATUS OF RECOMMENDATION

This section sets out the recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2020, and Finance's actions up to that date.

### 3.1 Quality Assurance Requirements for Internal Audit In Place

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***We recommended the Ministry of Finance implement effective quality assurance programs for internal audit.*** (*2012 Report – Volume 2*, p. 236, Recommendation 7; Public Accounts Committee agreement June 17, 2015)

**Status—Intent of Recommendation Implemented**

By July 2020, the Ministry of Finance set clear and written requirements for quality assurance programs for internal audit functions in ministries. These are being implemented.

Finance set out quality assurance requirements for ministry internal audit functions in the Financial Administration Manual. It also included in the Manual a sample template to support ministries in planning and monitoring their quality assurance programs. We found the quality assurance requirements align with professional standards set by the Canadian Institute of Internal Auditors.

In addition, Finance provided ministry internal audit staff with support to help them implement the requirements. For example, from 2018 to 2020, it provided ministry internal audit staff with training about the requirements. It gave them a list of related resources (such as guides and templates from the Canadian Institute of Internal Auditors). In addition, Finance shared its experience in completing a self-assessment of its internal audit function.

Furthermore, in 2020, Finance created a committee made up of ministry internal auditors to share practices and tools to improve quality assurance programs. Participating in this committee also allows Finance to monitor compliance with its requirements. We reviewed meeting summaries of the committee.

Our survey of the internal audit functions of ministries found relevant ministry officials were aware of the quality assurance requirements. Three ministries (Advanced Education, Health, and Highways and Infrastructure) noted their internal audit function was not fully functioning at July 2020 because of organizational changes or the audit function was newly created. Each of the other ministries indicated they were at various stages of implementing the requirements with some quality assurance processes in place and plans to implement the additional processes necessary to fully meet the requirements.

Strong internal audit quality assurance programs help ministry internal audit functions be effective, continuously improve, and comply with relevant professional standards.

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## Chapter 31

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

### 1.0 MAIN POINTS

By June 2020, the Ministry of Finance, through its division called the Public Employees Benefits Agency, improved its process to keep members of the Municipal Employees' Pension Plan sufficiently informed.

The Agency implemented a recommendation we first made in 2019 by providing retiring and terminating members of the Municipal Employees' Pension Plan information within 90 days as legally required.

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

### 2.0 INTRODUCTION

#### 2.1 Background

The Ministry of Finance operates and provides administration services to various government pension and benefit plans for employees of the Government of Saskatchewan and certain employees of municipal governments through its division called the Public Employees Benefits Agency.<sup>1</sup>

The Agency, in its administration role under an agreement with the Municipal Employees' Pension Commission, must inform the approximately 16,000 active pension plan members about key information relating to the Plan (e.g., contributions, years of service, investment options and related risks, amendments, entitlements, and obligations).<sup>2,3</sup>

Failure to provide information required by law, or failure to provide certain information timely to members may lead to potential litigation. This can also limit the members' ability to make effective decisions. Effective and timely communication processes improve members' understanding of the pension plan and assist in facilitating informed decision-making.

#### 2.2 Focus of Follow-Up Audit

This chapter describes our follow-up audit of management's actions on the recommendation we made in 2019.

In 2019, we assessed the Ministry of Finance—Public Employees Benefits Agency's processes to effectively inform members of certain pension plans. Our *2019 Report* –

<sup>1</sup> The Agency has agreements with Boards of each of the pension plans to operate, administer, and manage the plan. Each of these agreements include specific services relating to communications with members and participating employers.

<sup>2</sup> *Government of Saskatchewan Public Accounts 2019-20*, p.54.

<sup>3</sup> *The Pension Benefits Act, 1992*, s.13(1).



*Volume 1*, Chapter 5, concluded for the 12-month period ending December 31, 2018, the Agency had, other than the recommendation, effective processes to keep members of the Municipal Employees' Pension Plan and the Public Employees Pension Plan sufficiently informed.

We recommended the Agency give retiring and terminating members of the Municipal Employee's Pension Plan all required information within 90 days as required by law.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Agency's progress toward meeting our recommendation, we used the relevant criteria from the original audit. The Agency's management agreed with the criteria in the original audit.

To carry out our follow-up audit, we discussed actions taken with management and reviewed key documents provided by management.

## 3.0 STATUS OF RECOMMENDATION

This section sets out the recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at June 30, 2020, and the Agency's actions up to that date.

### 3.1 Retirement and Termination Information Issued Timely

***We recommended the Ministry of Finance—Public Employees Benefits Agency provide Municipal Employees' Pension Plan terminating and retiring members with all legally required information within timeframes required by law.*** (2019 Report – Volume 1, p. 69, Recommendation 1; Public Accounts Committee agreement February 26, 2020)

**Status**—Implemented

The Agency consistently gave terminating and retiring members legally required information within 90 days of its receipt of retirement and termination notifications as Sections 14 and 15 of the *Pension Benefits Regulations, 1993* require.

For each of the 15 retirements we tested, members received the expected pension benefit information (i.e., amount of contributions, years of service, investment options, pension calculations, death and survivor benefits, entitlements and obligations) within 90 days of the Agency's receipt of the member application.

For 13 of 15 terminations we tested, members received relevant information on account balances and options available (e.g., transfer money to another pension plan, transfer some amount to a Registered Retirement Savings Plan, or withdraw money) within the regulated timeframe of 90 days of the Agency's receipt of the member termination notice. For the other two members, additional information was not required as each member communicated with the Agency at the time of termination.

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

## Chapter 32 Health—Preventing Diabetes-Related Health Complications

### 1.0 MAIN POINTS

Preventative measures and better disease management can reduce the prevalence of diabetes-related complications, the impact of the disease on quality of life and lead to lower health costs.

Statistics on the prevalence of diabetes show Saskatchewan's overall diabetes prevalence rate is slightly higher than the national rate of 7.3%. Provincial statistics show the overall diabetes prevalence rate varies significantly in different parts of the province. It ranges from a high of 11% for one health network in the North East area to a low of 5.6% for one health network in Saskatoon (see **Figure 1**).

Since our 2017 follow-up, the Ministry of Health has made some progress on implementing outstanding recommendations from our 2012 audit, but more work is needed to help prevent diabetes-related health complications in people living with diabetes.

The Ministry continues to use its IT system, the Chronic Disease Management—Quality Improvement Program (CDM-QIP). However, it has made limited progress in increasing physicians' use of CDM-QIP to track patient care. We found only 37% of diabetics have their patient care tracked in CDM-QIP. The CDM-QIP enables the use of best practices when providing care to patients living with chronic diseases. The CDM-QIP collects data from participating physicians about key healthcare services provided to people living with diabetes.

Overall, the Ministry still needs to:

- Take steps to obtain complete data from physicians about healthcare services provided to patients with chronic diseases like diabetes—it needs complete data to do meaningful analysis about the effectiveness of those healthcare services.
- Analyze the data on the effectiveness of programs and services delivered by the Saskatchewan Health Authority to people living with diabetes (e.g., extent of key diabetes-related complications such as amputations).

Meaningful analysis of health services provided to patients living with diabetes would help the Ministry determine if such patients receive appropriate health care services to help prevent complications, and have appropriate access to those services.

### 2.0 INTRODUCTION

The Ministry of Health is responsible for ensuring people with chronic diseases, such as diabetes, receive appropriate care. It directly compensates the majority of physicians for health care services (e.g., annual physical exams) provided to Saskatchewan residents, including those with diabetes.



This chapter describes the results of our third follow-up audit. Our *2012 Report – Volume 2*, Chapter 32, concluded that the Ministry did not have effective strategies for preventing diabetes-related health complications. We made 12 recommendations. Our 2017 follow-up audit showed the Ministry implemented seven recommendations.<sup>1</sup>

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Ministry's management agreed with the criteria in the original audit.

We interviewed Ministry staff, reviewed quality improvement plans, and examined information the Ministry used to analyze and report on diabetes program performance.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at August 31, 2020, and the Ministry's actions up to that date.

### 3.1 Some Services Tracked but Analysis Not Done

***We recommended the Ministry of Health collect and analyze information to assess whether services delivered by physicians and care providers are effective and if they provide needed services to people with diabetes to prevent diabetes-related health complications.*** (*2012 Report – Volume 2*; p. 269, Recommendation 10; Public Accounts Committee agreement September 9, 2014)

**Status**—Partially Implemented

***We recommended the Ministry of Health establish processes to monitor that people with diabetes receive appropriate services to reduce their risk of developing diabetes-related health complications.*** (*2012 Report – Volume 2*; p. 265, Recommendation 3; Public Accounts Committee agreement September 9, 2014)

**Status**—No longer relevant in that this recommendation is a subset of Recommendations 10 (above) and 11 (see **Section 3.2**), and implementation of Recommendations 10 and 11 would encompass establishing processes set out in this recommendation

***We recommended the Ministry of Health establish processes to monitor that people with diabetes have access to appropriate services in the province.*** (*2012 Report – Volume 2*; p. 265, Recommendation 4; Public Accounts Committee agreement September 9, 2014)

**Status**—No longer relevant in that this recommendation is a subset of the Recommendations 10 (above) and 11 (see **Section 3.2**), and implementation of the Recommendations 10 and 11 would encompass establishing processes set out in this recommendation

<sup>1</sup>[auditor.sk.ca/pub/publications/public\\_reports/2017/Volume\\_2/CH%2033\\_Health\\_Diabetes.pdf](http://auditor.sk.ca/pub/publications/public_reports/2017/Volume_2/CH%2033_Health_Diabetes.pdf)

Since our 2017 follow-up, the Ministry of Health continues to collect key healthcare services data for certain patients living with chronic health conditions, like diabetes from physicians using Chronic Disease Management—Quality Improvement Program (CDM-QIP). It has not been successful in collecting data from physicians on a greater percentage of diabetic patients than in our 2017 follow-up audit.<sup>2</sup> The Ministry established a working group intended to support CDM-QIP data analysis and increase physician uptake of CDM-QIP in the future.

The Ministry primarily collects data about individuals with chronic health conditions from physicians through an IT system—CDM-QIP.<sup>3</sup> The CDM-QIP was developed as a quality improvement incentive program for physicians to use when caring for patients living with chronic illnesses.<sup>4</sup> CDM-QIP tracks key healthcare services (e.g., whether A1C blood levels are tested twice a year) provided to people who are living with chronic conditions such as diabetes. While the use of CDM-QIP is voluntary, having physicians use CDM-QIP shows they are following best practice guidelines. The CDM-QIP covers best practices in diabetes care.<sup>5</sup> The majority of physicians expected to use CDM-QIP are family physicians who operate their own independent clinics.

CDM-QIP enables physicians who actively use it to monitor the services they provide and identify improvements in patient outcomes. Physicians can also use this information to help ensure they deliver consistent service across their practice. Early detection and appropriate management of potential issues reduces the risk of developing serious health complications from a chronic disease.

The Ministry has not been successful in obtaining more information about all individuals living with chronic health conditions because the use of CDM-QIP has not increased. We found:

- About 37% of people living with diabetes (35,153 out of 96,000 patients living with diabetes) were included in CDM-QIP at March 31, 2020.<sup>6</sup> The Ministry did not achieve its goal—by 2020, 50% of patients receive care according to best practice guidelines for managing diabetes.
- Ministry records show 791 physicians and nurse practitioners were using CDM-QIP flow sheets at July 31, 2020 as compared to 799 physicians and nurse practitioners at March 2017.

Not having sufficient information on the condition and care received decreases the Ministry's ability to carry out meaningful analysis of services people with diabetes receive.

As of August 2020, the Ministry did not yet analyze whether patients living with diabetes were sufficiently monitored by their physicians or if they received best practice interventions to reduce their risk of developing diabetes-related health complications. The Ministry also

<sup>2</sup> [auditor.sk.ca/pub/publications/public\\_reports/2017/Volume\\_2/CH%2033\\_Health\\_Diabetes.pdf](https://auditor.sk.ca/pub/publications/public_reports/2017/Volume_2/CH%2033_Health_Diabetes.pdf)

<sup>3</sup> eHealth Saskatchewan maintains CDM-QIP.

<sup>4</sup> The program was negotiated with the Saskatchewan Medical Association (SMA) and the Ministry, with joint leadership by the two organizations in 2013.

<sup>5</sup> [auditor.sk.ca/pub/publications/public\\_reports/2015/Volume\\_1/23\\_Health-Diabetes.pdf](https://auditor.sk.ca/pub/publications/public_reports/2015/Volume_1/23_Health-Diabetes.pdf)

<sup>6</sup> The 2017-18 statistics (the latest available from the Ministry of Health) indicate approximately 96,000 people live with diabetes in Saskatchewan.



had not analyzed whether people with diabetes received a similar level of service from physicians across the province.

Since our 2017 follow-up, the Ministry established a working group for CDM-QIP. Its role is to support CDM-QIP data analysis, assist in increasing uptake (i.e., the number of physicians using the program and the number of patients for whom best practice flow sheets are being used) and improve program evaluation. The Ministry indicated that the working group has met only sporadically and has deferred this work due to other pressures. The Ministry is re-engaging the working group in fall 2020 to review the healthcare service data submitted to CDM-QIP for appropriateness of care to patients and discuss means of improving uptake. The Ministry needs to find collaborative ways to work with the Saskatchewan Medical Association, the Saskatchewan Health Authority, and physicians to increase the use of CDM-QIP.

In addition, at August 2020, the Ministry had not yet developed key diabetes-related metrics to assess whether services delivered prevented diabetes-related complications (e.g., number of amputations). We also found the Ministry had not analyzed whether patients with avoidable hospital admissions are in CDM-QIP. The Ministry reported 1,046 avoidable hospital admissions for diabetic-related complications in 2019-20.

Enhanced information collection and analysis would potentially enable a better quality of life for people with diabetes and long-term cost avoidance through effective diabetes management.

## 3.2 Analysis to Assess Resource Allocations and Programs Needed

***We recommended the Ministry of Health work with regional health authorities to ensure resources on a regional basis are effectively deployed to manage diabetes and diabetes-related health complications.*** (2012 Report – Volume 2; p. 267, Recommendation 7; Public Accounts Committee agreement September 9, 2014)

**Status**—Partially Implemented

***We recommended the Ministry of Health collect and analyze information to assess the effectiveness of regional health authorities' programs to manage diabetes and the prevention of diabetes-related health complications.*** (2012 Report – Volume 2; p. 270, Recommendation 11; Public Accounts Committee agreement September 9, 2014)

**Status**—Partially Implemented

By August 31, 2020, the Ministry of Health and the Saskatchewan Health Authority have collected the prevalence rate of diabetes by health network. The Ministry had not determined whether the Authority delivered programs effectively to manage diabetes and diabetes-related health complications.<sup>7</sup>

<sup>7</sup> Since our 2017 follow-up, the former regional health authorities were combined into a single organization, the Saskatchewan Health Authority.

The Ministry has given the Authority the ability to decide how much resources to allocate to the services it provides, including primary healthcare and chronic disease management services. The allocation of resources is guided by the Ministry's annual accountability document with the Authority, which outlines the goals for the health system and the Authority specific targets and key actions.

The Authority approved the geographies of its 38 health networks in July 2019. The Authority plans to use its health networks to help it: enhance identification of local health needs and coordinate necessary, fully integrated services; and align both its financial and human resources to areas of greatest need including where citizens with diabetes live and work, and where their on-going care can be supported and monitored. A map of the health networks is provided in **Section 4.0**. The Ministry is developing and plans to provide the Authority relevant data, regarding variation in health needs and services among health networks, to inform priorities for service improvement.

We found by August 2020, the Authority has already made program changes to redeploy resources. For example, the Authority reviewed its Metabolic, Endocrinology and Diabetes Education Centre (MEDEC) program at the Regina General Hospital. The MEDEC program provides good diabetes education to patients. The Authority has redeployed MEDEC staff among the four Regina health networks to improve citizen access to diabetes education in the community.

At August 2020, the Ministry had not developed key diabetes-related metrics to assess whether services delivered prevented diabetes-related complications. Analysis of information, such as key evidence-based metrics associated with diabetes-related complications (e.g., amputations, screening and services for retinopathy and nephropathy), would aid in improving services.<sup>8,9</sup> Such metrics would also allow the Ministry to assess if the Authority is effectively managing its diabetes programs.

In 2019, the Ministry, the Authority, and the Health Quality Council collected data through various means, and used this information to generate area health networks profile reports. We found the area health network profile reports include demographics, social determinants of health, and chronic disease statistics (e.g., prevalence of diabetes).

As shown in **Figure 1**, we note the profile reports by health network show 2017-18 overall diabetes prevalence rate ranges from a high of 11% for one health network in the North East area to a low of 5.6% for one health network in Saskatoon. In general, health networks in the larger urban areas of Regina and Saskatoon had lower rates than the rest of the province in 2017-18. Saskatchewan's 2017-18 overall diabetes prevalence rate was 8%. By comparison, Statistics Canada reports the rate across Canada as 7.3% in 2017.<sup>10</sup>

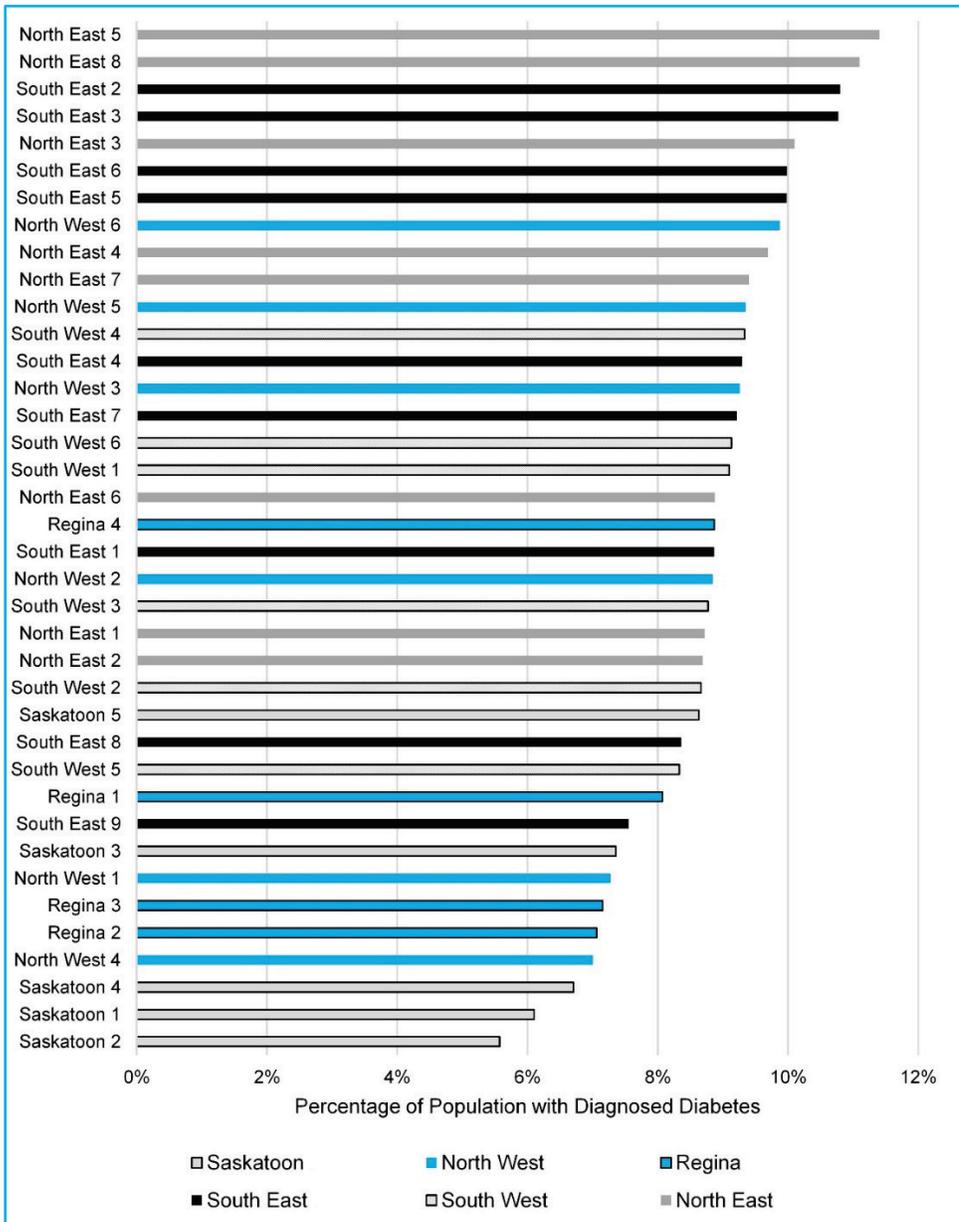
<sup>8</sup> Retinopathy often refers to retinal vascular disease, or damage to the retina caused by abnormal blood flow. Best practice for Type 1 diabetes: screen five years after diagnosis, then rescreen annually. For Type 2 diabetes: screen at diagnosis, then every 1–2 years if no retinopathy present.

<sup>9</sup> Nephropathy means kidney disease or damage. Best practice for Type 1 diabetes: screen five years after diagnosis, then rescreen annually. For Type 2 diabetes: screen at diagnosis, then annually.

<sup>10</sup> [www150.statcan.gc.ca/n1/pub/82-625-x/2018001/article/54982-eng.htm](http://www150.statcan.gc.ca/n1/pub/82-625-x/2018001/article/54982-eng.htm) (23 September 2020).



Figure 1—Diabetes Crude Prevalence Rate by Health Network 2017-18



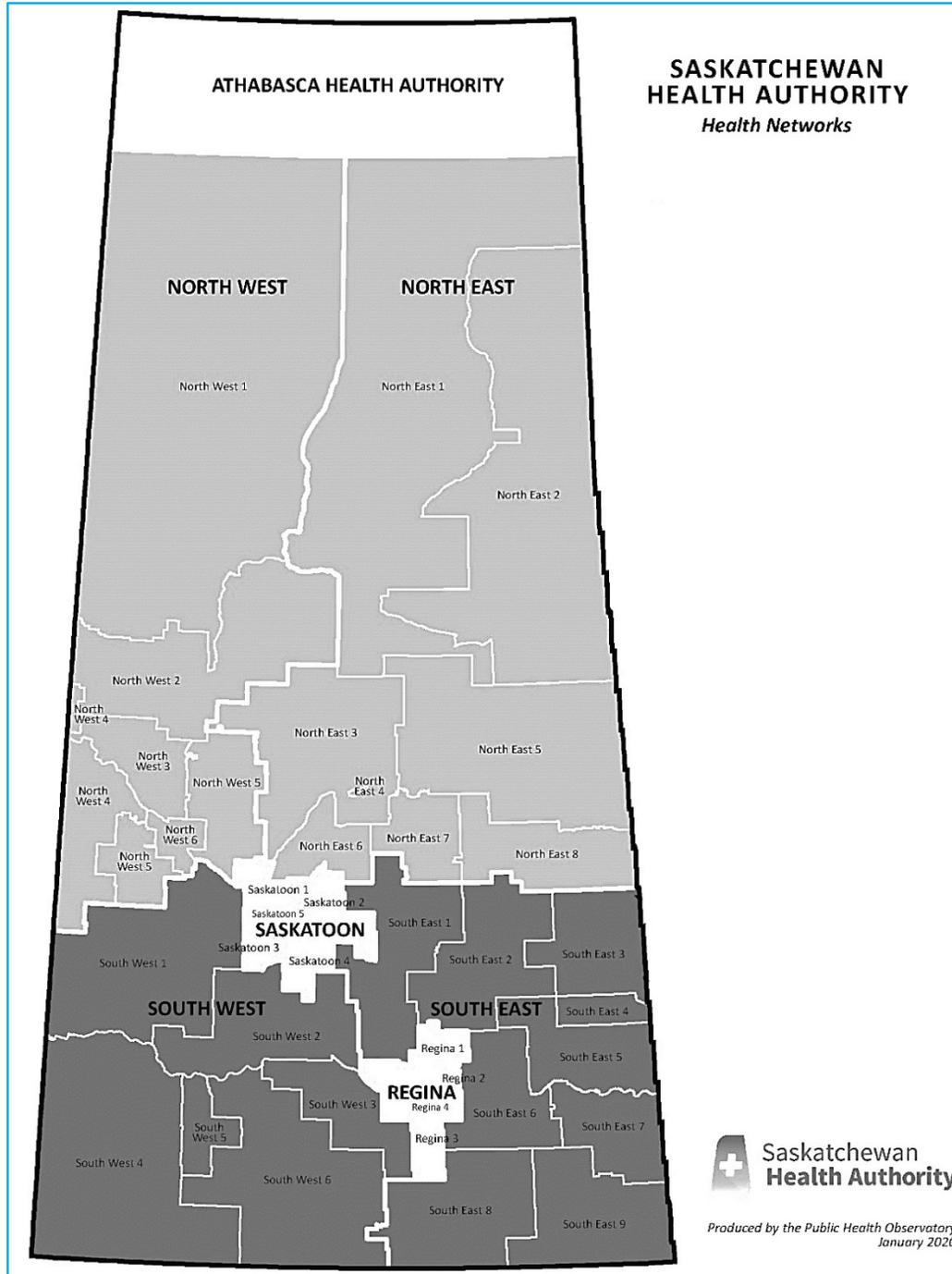
Source: Health Network profiles reports – Table 13. Crude prevalence rate is the total number of people who have diabetes divided by the population at risk of having diabetes. It is commonly referred to as the diabetes prevalence rate.

We found, by August 2020, the Ministry had not used the information in the network profile reports to assess whether the Authority used resources in areas with greatest need and if programs successfully helped people living with diabetes.

In its 2020-21 accountability document with the Authority, the Ministry has set a strategic priority for the Authority to improve team-based care in the community by establishing a plan to adopt and implement a diabetes pathway across the province. A diabetes pathway is intended to provide more intensive diabetes care and support in a primary care setting.

Having complete program information from the Saskatchewan Health Authority would help the Ministry assess if programs to manage complications are effective and are suitably available across the province. Treating health complications from diabetes is a significant cost to the health system.

## 4.0 MAP OF HEALTH NETWORKS



Source: Ministry of Health Information. ([www.saskhealthauthority.ca/Services-Locations/Health-Networks-Team-Based-Care/Documents/MapAreaswNetworkNumbers.pdf#search=Health%20networks%20map](http://www.saskhealthauthority.ca/Services-Locations/Health-Networks-Team-Based-Care/Documents/MapAreaswNetworkNumbers.pdf#search=Health%20networks%20map))

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## Chapter 33

# Justice and Attorney General—Supporting Provincial Court of Saskatchewan to Manage Court Workloads

### 1.0 MAIN POINTS

By June 2020, the Ministry of Justice and Attorney General had implemented three of the five remaining recommendations we made in our 2014 audit of its processes to support the Provincial Court of Saskatchewan (Provincial Court) to manage court workloads. The Ministry:

- Developed performance measures and set related targets
- Made public its key action plans to address operating pressures related to supporting the management of court workloads
- Implemented a human resources plan that includes up-to-date procedure manuals

The Ministry still needs to develop and implement a complete forecasting model to support the management of court workloads and improve its collection, analysis, monitoring and public reporting of information related to supporting the management of court workloads.

Having a complete forecasting plan to support the management of court workloads can help reduce unnecessary overtime costs and delays in the Provincial Court. Improving collection, analysis, and monitoring of information related to supporting the management of court workloads will help the Ministry improve its understanding of key factors that influence workloads. Public reporting on key factors will help keep the public aware of the Ministry's actions.

Effective support to manage Provincial Court's workloads can help ensure timely scheduling of the Court's hearings. This, in turn, can help to avoid delayed delivery of justice, and additional costs that may result from delays (e.g., costs to hold accused in detention centres).

The Ministry of Justice must support the Provincial Court to effectively manage work pressures and wait times, so delays do not exceed the 18-month ceiling and cases are completed in a reasonable period.

In criminal cases, timely delivery of justice is crucial. *The Canadian Charter of Rights and Freedom* states that a person charged with a criminal offence has a right to be tried within a reasonable timeframe. The Supreme Court of Canada gives a guideline of eight to ten months (i.e., 240 to 300 days) as a reasonable length of time for institutional delays in provincial courts.<sup>A</sup> The Supreme Court of Canada Jordan decision has set a new framework as of July 2016 in which the ceiling for cases to be tried in the provincial court is 18 months. If this ceiling is exceeded, the timeframe for trial is unreasonable.<sup>B</sup>

Source: [scc-csc.lexum.com/scc-csc/scc-csc/en/item/16057/index.do](http://scc-csc.lexum.com/scc-csc/scc-csc/en/item/16057/index.do) (26 August 2020).

<sup>A</sup> Supreme Court of Canada, R.V. Morin, 1992 defines institutional delay as time that "runs from the time the parties are ready for trial and continues until the system can accommodate the proceedings".

<sup>B</sup> Supreme Court of Canada, R.V. Jordan, 2016 states the "presumptive ceiling is 18 months tried in the provincial court" and the institutional delay refers to R.V. Morin with "eight to ten months before the provincial court".



## 2.0 INTRODUCTION

The Ministry of Justice and Attorney General, through its Court Services Branch, supports the Provincial Court of Saskatchewan in managing court workloads.<sup>1</sup>

A Chief Judge is responsible for the schedule of the Provincial Court and is the administrative liaison with the Ministry while preserving judicial independence. The Supreme Court of Canada has identified the key aspects of independence necessary to maintain a separation between the judiciary and other branches of government (e.g., executive, legislature).

This chapter describes our second follow-up audit of management's actions on the five remaining recommendations we first made in our *2014 Report – Volume 1*, Chapter 10.<sup>2</sup> We concluded for the twelve-month period ended December 31, 2013, the Ministry had effective processes to support the Provincial Court in managing court workloads except in the areas of our six recommendations. In our 2017 follow-up, the Ministry had implemented one recommendation, and had partially implemented the remaining five.<sup>3</sup> It had developed standardized administrative policies and procedures for all court locations to use.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Ministry management agreed with the criteria in the original audit.

To carry out our follow-up audit, we interviewed Ministry staff and reviewed relevant documents (e.g., strategic and operational plans).

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at June 25, 2020, and the Ministry's actions up to that date.

### 3.1 Performance Measures and Targets Developed and Related Key Actions Publicly Reported

***We recommended the Ministry of Justice [and Attorney General] define clear and appropriate performance measures and targets for supporting the management of Provincial Court of Saskatchewan workloads. (2014 Report – Volume 1, p. 73, Recommendation 1; Public Accounts Committee agreement February 13, 2015)***

**Status—Implemented**

<sup>1</sup> Court Services is a Branch within the Ministry that provides administrative support for the Provincial Court.

<sup>2</sup> *2014 Report – Volume 1*, Chapter 10, p.67-77 (1 October 2020).

<sup>3</sup> *2017 Report – Volume 2*, Chapter 40, p. 277-282 (1 October 2020).

The Ministry of Justice and Attorney General has clear and appropriate performance measures and targets related to supporting the management of Provincial Court workloads.

The Ministry's *Court Services Strategic Plan 2020-2024* sets goals, strategies, key actions, and performance measures outlining how the Ministry plans to achieve its goals. As shown in **Figure 1**, the Strategic Plan includes five performance measures that directly contribute to supporting the Provincial Court in managing court workloads. We found the Ministry also has targets and benchmarks to help it assess the success of each measure.<sup>4</sup>

**Figure 1—Performance Measures Related to Supporting the Provincial Court in Managing Court Workloads**

By March 31, 2024, the Ministry plans to:	
➤	Work with the Chief Judge to: <ul style="list-style-type: none"> <li>- Reduce time to case resolution in adult criminal court</li> <li>- Improve access to justice by increasing the percentage of appearances heard by video-conferencing</li> <li>- Improve access to justice by reducing the average number of court adjournments</li> </ul>
➤	Increase effective people management and employee responsiveness by increasing employee engagement
➤	Increase effective people management and responsiveness by maintaining a minimum employee retention rate

Source: Adapted from Ministry of Justice and Attorney General, *Court Services Strategic Plan 2020-2024*, pp. 68-70.

Performance measures and targets provide a benchmark to assess progress. Having measures and targets in place to support management of Provincial Court workloads can help management determine work effort needed to achieve desired goals, and to track and evaluate progress towards meeting those goals.

***We recommended the Ministry of Justice [and Attorney General] make public its key action plans to address operating pressures related to supporting the management of Provincial Court of Saskatchewan workloads.*** (2014 Report – Volume 1, p. 76, Recommendation 6; Public Accounts Committee agreement February 13, 2015)

**Status—Implemented**

The Ministry of Justice and Attorney General is using its publicly available Annual Report and Annual Plan to make public key actions it is using to address operating pressures related to supporting management of Provincial Court workloads.

We found its key action plans included in its last annual report and plan published as of June 2020 (see **Figure 2**) support the strategic goals of its Court Services Branch and align with the Ministry's goals and strategies. The Ministry expects these key actions to result in effective support for management of Provincial Court's workloads and reduction of court wait times.

<sup>4</sup> These measures are currently used for internal purposes. We assessed the targets and benchmarks and found they were appropriate to help the Ministry assess its work related to supporting the management of Provincial Court of Saskatchewan workloads.



**Figure 2—Published Key Actions Related to Supporting the Provincial Court in Managing Court Workloads**

**2018-19 progress related to key actions<sup>A</sup>**

- Video-conferencing equipment was expanded to more locations and for more users within the court system to reduce the amount of offender transport and improve timelier resolution of charges:
  - Video court locations were expanded to increase use of video conferencing, resulting in 20 additional locations.
  - The growth in the number of charges heard through video conferencing was consistent with the overall growth in charges heard in court.
  - Work continued with officials at correctional centres, defence counsel and in court locations to increase capacity, including providing multiple units and replacing older units.
- Developing data analytics to better understand the workload of the courts and utilizing this knowledge to inform the 10-year capital planning for court houses including client service, capacity, technology and security needs.

**2019-20 planned key actions<sup>B</sup>**

- Completing a facility review of all court locations to develop a capital plan to meet capacity, client, and technology needs.
- Improving practices to reduce time to trial and sentencing for those on remand.

<sup>A</sup> Adapted from Ministry of Corrections and Policing, Ministry of Justice and Attorney General, *Annual Report for 2018-19*, p. 16  
<sup>B</sup> Adapted from Ministry of Justice and Attorney General and Ministry of Corrections and Policing, *Plan for 2019-20*, pp. 5 and 6.

Regularly publishing key actions and progress made helps keep Legislators and the public aware of the Ministry's plans to address operating pressures the Provincial Court faces.

## 3.2 Implementation of Forecasting Process Needed

***We recommended the Ministry of Justice [and Attorney General] develop and implement a complete forecasting process that identifies administrative and financial resources (e.g., staff, facilities, and equipment) needed to support the management of court workloads. (2014 Report – Volume 1, p. 74, Recommendation 2; Public Accounts Committee agreement February 13, 2015)***

**Status**—Partially Implemented

The Ministry of Justice and Attorney General has developed a model to forecast administrative and financial resources necessary to support the management of court workloads. It plans to put this model into use by the end of 2021-22 fiscal year.

Ministry staff supporting the Provincial Court continue to routinely incur overtime. The growth in overtime has slowed to less than 1% in 2018-19. In 2018-19, overtime hours were 6,940 compared to 6,887 in 2017-18.<sup>5</sup> Improved forecasting processes would help the Ministry manage overtime.

Our review of the forecasting model found it is appropriately designed to collect and facilitate analysis of key information impacting the management of court workloads. This includes offender and offence counts, employee counts and related vacancies, overtime costs, training and equipment costs, and other operational costs.

Having a complete forecasting process to support the management of court workloads can help the Ministry better determine administrative and financial resources necessary to

<sup>5</sup> Based on information from the Multi-Informational Database Applications system (MIDAS – Ministry's financial and human resource IT system), provided by the Ministry.

support the management of the Provincial Court. This in turn will help it avoid incurring unnecessary overtime costs and causing delays in the Provincial Court, and any additional costs that may result from these delays (e.g., costs to hold accused in detention centres).

### 3.3 Processes to Manage Court Workloads Consistent

***We recommended the Ministry of Justice [and Attorney General] implement a complete human resources plan that includes standardized training processes for staff who support the management of Provincial Court of Saskatchewan workloads.*** (2014 Report – Volume 1, p. 75, Recommendation 5; Public Accounts Committee agreement February 13, 2015)

#### **Status—Implemented**

The Ministry of Justice and Attorney General uses its Judicial Officer Training and Procedures Manual to provide staff with key information about processes to support the management of the Provincial Court in addition to information included in its human resources plan.

As at June 2020, there are about 156 full-time equivalent Ministry staff supporting the management of the Provincial Court of Saskatchewan’s workloads. These staff are located throughout the province.

The Ministry updated the Judicial Officer Training and Procedure Manual in December 2017, and continues to make minor updates. We found this manual provides comprehensive guidance on the procedures for administering the Provincial Court’s business, orders and dispositions.<sup>6</sup>

In 2019, the Ministry created a staff position whose responsibilities include updating policies and procedures related to supporting court workloads. On an annual basis, this position is responsible for developing a work plan listing activities to be updated in the upcoming year.

Our review of this position’s 2019-20 work plan found it included updating policies and procedures and establishing timeframes for review and implementation of policies. We found the Ministry communicates its updates to the Judicial Officer Training and Procedure Manual to staff via email.

Our review of the Ministry’s human resource plan in place in June 2020 found it includes the following:

- Human Resource and Operational Plan for 2019-20
- Succession planning templates (last fully updated in 2017 with plans to update in 2020)
- Orientation manual for new employees
- Checklist for supervisors to use during training
- Standardized training materials

<sup>6</sup> Court orders and dispositions are the courts final determination of a lawsuit or criminal charge.



Using up-to-date manuals reduces the risk of staff using outdated and irrelevant information on processes and procedures and helps to ensure consistency in training for staff who support the management of Provincial Court workloads.

### 3.4 Improvement in Analysis, Monitoring and Reporting Needed

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***We recommended the Ministry of Justice [and Attorney General] improve its collection, analysis, monitoring and public reporting of information related to supporting the management of Provincial Court of Saskatchewan workloads.*** (2014 Report – Volume 1, p. 75, Recommendation 5; Public Accounts Committee agreement February 13, 2015)

**Status**—Partially Implemented

Since 2018, the Ministry of Justice and Attorney General improved its processes to collect key information about supporting the management of Provincial Court workloads.

We found the Ministry collects information related to each of its five key performance measures related to supporting management of Provincial Court workloads (See **Figure 1**). However, at June 2020, the Ministry was not analyzing, monitoring or reporting on them. Rather, its periodic analysis was limited to one measure (employee engagement). In addition, the Ministry had not yet determined how often it will conduct analysis, or who will receive the results of this analysis (e.g., internally to various branches, the Chief Judge).

The Ministry obtains data from employee engagement surveys and the Ministry's financial and human resource IT system, the Multi-Informational Database Applications system (MIDAS). In addition, the Ministry's full implementation of its IT database, Criminal Justice Information Management System (CJMIS), in August 2018 has allowed it to collect key information related to supporting the management of court workloads. This system also gives the Ministry ability to more easily report on information collected.

We found the Ministry's Strategic Systems and Innovation Branch appropriately used information in the IT database about the length of time to case resolution to establish a baseline of 259 days (based on 2018-19 data), and that the Court Services Branch used the information appropriately to develop a target for the time to case resolution performance measure.<sup>7</sup> The Ministry plans to use this baseline and target to measure its success in reducing time to case resolution for adults, and to use future annual reports to report progress.

As of June 2020, the Ministry senior management does not yet receive data or analysis on four of five performance measures related to its management of Provincial Court of Saskatchewan workloads (see **Figure 1**). Rather they receive and review quarterly reports including current and historical information on court appearances, video conferencing usage, ticket numbers, and new and concluded charges. The Ministry notes that it plans to continue to enhance its analysis of court services data, and reporting thereon. It plans to provide Ministry senior management with analysis on the other four measures by September 30, 2021.

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<sup>7</sup> The mandate of the Strategic and Systems Branch includes in-house data analytics including coordinating all aspects of Court Services' data collection, research, and analysis to increase business intelligence.



Improving collection, analysis, and monitoring of key information related to supporting management of court workloads will help the Ministry improve its understanding of key factors influencing workloads. Understanding key factors will help it make evidence-based decisions. Also, public reporting on progress in achieving its key performance measures and plans to address key factors will help Legislators and the public understand the operating pressures affecting court workloads and the Ministry's actions to address them.

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## Chapter 34

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

### 1.0 MAIN POINTS

Living Sky School Division No. 202 improved its processes to engage Grade 7 to 12 students. By June 2020, the Division established targets related to the *OurSCHOOL* survey, and its schools analyzed the year-over-year survey results.

Having targets increases the ability of the Division to assess the impact of its initiatives to engage students in learning. Analysis of survey results at a school-level helps schools focus their resources on initiatives that engage students and reduce the potential for initiative overload.

### 2.0 INTRODUCTION

#### 2.1 Background

Student engagement is the extent to which students identify with and value schooling outcomes, have a sense of belonging at school, participate in academic and non-academic activities, strive to meet formal requirements of schooling, and make a serious personal investment in learning.<sup>1</sup>

*The Education Act, 1995* gives boards of education (school boards) the responsibility for administration and management of schools, with oversight from the Ministry of Education.<sup>2</sup> It makes school boards responsible for exercising general supervision and control over the schools in their school division. In addition, it establishes the duties of students relating to student engagement, such as attending school regularly and being diligent in their studies.<sup>3</sup>

To help school divisions monitor student engagement, the Ministry makes available and expects school divisions to administer annually the *OurSCHOOL* survey. The survey is designed to collect information such as measures of students' inclusion (e.g., sense of belonging, positive relationships) and engagement (i.e., interest and effort).<sup>4</sup> An external consultant contracted by the Ministry developed the survey and facilitates its use.

School divisions separately administer this survey to students in Grades 4 to 6 (elementary) and in Grades 7 to 12 (middle/secondary).

Living Sky School Division is a primarily rural school division located in northwest Saskatchewan. The Division has approximately 5,500 students, and operates 28 schools in 18 communities.<sup>5</sup> It includes the communities of North Battleford, Unity, Spiritwood, and surrounding areas.

<sup>1</sup> Willms, J. D., Friesen, S. & Milton, P., *What did you do in school today? Transforming classrooms through social, academic, and intellectual engagement*, (2009), p. 7.

<sup>2</sup> *The Education Act, 1995*, s. 85(1).

<sup>3</sup> *Ibid.*, s. 150.

<sup>4</sup> *Ministry of Education Annual Report for 2019-20*, p. 32.

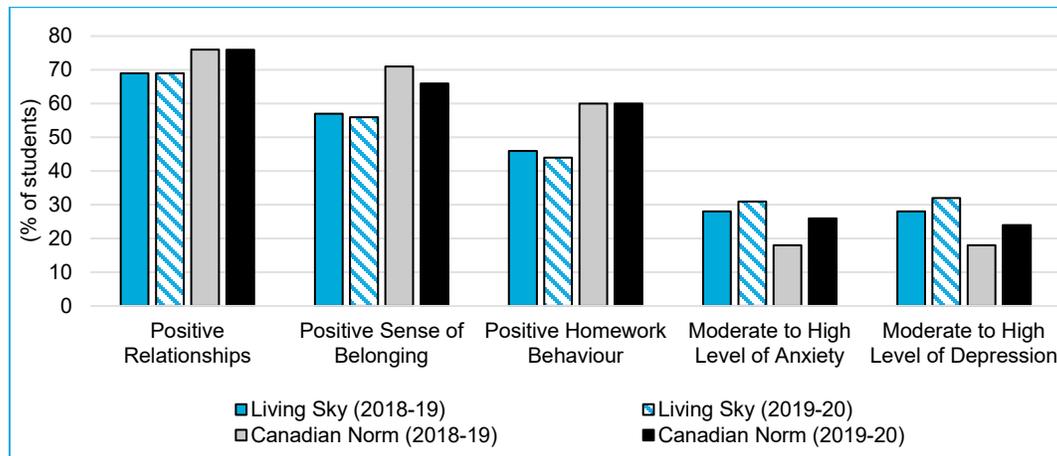
<sup>5</sup> *Living Sky School Division No. 202 Annual Report 2018-19*, p. 7.



**Figure 1** sets out the Division's Grades 7 to 12 survey results (i.e., positive sense of belonging, positive relationships, positive homework behaviour, level of anxiety, level of depression) from 2018-19 and 2019-20. Results were worse than the Canadian norm for all indicators.

When comparing the Division's survey results year over year, the percentage of students reporting positive relationships remained stable. While the Division's other student engagement indicators worsened, the trends were consistent with the national trends.

**Figure 1—Living Sky School Division's 2018-19 and 2019-20 *OurSCHOOL* Engagement Indicators for Grades 7 to 12**



Source: Adapted from Living Sky School Division's *OurSCHOOL* survey results.

Disengaged students are at a higher risk of falling behind, may drop out of school and not graduate.<sup>6</sup> This may negatively impact future employment opportunities for these students.

At September 30, 2019, almost one-third of the Division's students had self-identified as First Nations, Métis, or Inuit/Inuk.<sup>7</sup> Students living in poverty, students with disabilities, and students from ethnic minorities and First Nations, Métis, or Inuit/Inuk communities disproportionately experience disengagement from school. Disengagement has also been linked to school violence and social exclusion.<sup>8</sup>

## 2.2 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of Living Sky School Division's actions on the four recommendations we made in our *2017 Report – Volume 1*, Chapter 8 on processes to engage Grades 7 to 12 students for the 12-month period ended January 31, 2017.

The Division had, other than in the areas reflected in our four recommendations, effective processes to engage Grades 7 to 12 students. By February 2019, the Division had implemented two of the four recommendations.<sup>9</sup>

<sup>6</sup> [blogs.edweek.org/edweek/inside-school-research/2013/07/pittsburgh--a-student-who-show.html](https://blogs.edweek.org/edweek/inside-school-research/2013/07/pittsburgh--a-student-who-show.html) (30 July 2020).

<sup>7</sup> *Living Sky School Division No. 202 Annual Report 2018-19*, p. 36.

<sup>8</sup> Willms, J. D., Friesen, S. & Milton, P., *What did you do in school today? Transforming classrooms through social, academic, and intellectual engagement*, (2009), p. 7.

<sup>9</sup> See *2019 Report – Volume 1*, Chapter 32 for the results of the previous follow-up audit.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Division's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Division agreed with the criteria in the original audit.

In performing this follow-up audit, we examined excerpts of the Division's strategic plan, a sample of school survey action plans, as well as agendas from relevant meetings (e.g., Board, Administrators' Council). We also interviewed relevant Division staff.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at June 26, 2020, and the Division's actions up to that date.

### 3.1 Targets Established and Year-Over-Year Results Analyzed

***We recommended Living Sky School Division No. 202 and its schools establish interim targets related to the OurSCHOOL survey.*** (2017 Report – Volume 1, p. 107, Recommendation 2; Public Accounts Committee agreement June 12, 2018)

**Status**—Intent of Recommendation Implemented

***We recommended Living Sky School Division No. 202 and its schools analyze the year-over-year OurSCHOOL survey results to inform survey action plans.*** (2017 Report – Volume 1, p. 107, Recommendation 3; Public Accounts Committee agreement June 12, 2018)

**Status**—Implemented

Living Sky School Division and its schools established targets related to the *OurSCHOOL* survey and analyzed the year-over-year survey results. Its targets are as follows:

- By June 2020, schools will achieve parity between First Nation, Métis and Inuit/Inuk students (FNMI) [self-identified] and non-FNMI students on the *OurSCHOOL* engagement measures.
- By June 2020, 80 per cent of students will identify that they have positive relationships, including with teachers, and feel a sense of belonging.

We found the Division established targets related to the *OurSCHOOL* survey for the 2019-20 school year within its strategic plan, and communicated the targets to Board members and staff on its intranet.

In addition, the Division required its schools to establish targets for increasing student engagement within their school learning improvement plans. It provided its schools with a template form requiring staff to reflect on their school's year-over-year survey results.<sup>10</sup>

<sup>10</sup> Our 2019 follow-up found the Division analyzed the year-over-year *OurSCHOOL* survey results at a division-level, but its schools did not perform a similar analysis.



The Division required all of its schools to submit completed forms to the Division office following completion of the *OurSCHOOL* survey in fall 2019.

We found the Division had sufficient processes in place for its schools to assess progress towards their targets (e.g., revisiting achievements in their school learning improvement plans, conducting a division-led survey each spring). Each of the two schools we tested set targets related to the *OurSCHOOL* survey in fall 2019, and completed a year-over-year analysis of their survey results (e.g., 2018 versus 2019).

As a result of the declaration of the COVID-19 pandemic and the transition to remote learning in the spring of 2020, we found that the two schools we tested did not get an opportunity to assess achievement of their established student engagement targets in 2019-20. We understand that the schools plan to assess achievement of their targets in the upcoming year barring further unforeseen circumstances.

Establishment of survey targets helps the Division assess the impact of its initiatives to engage students in learning. Analysis of survey results at a school-level helps schools focus their resources on initiatives that can engage students, and help reduce the potential for initiative overload.



## Chapter 35

# Regina Roman Catholic Separate School Division No. 81— English as an Additional Language Programming

### 1.0 MAIN POINTS

By June 2020, the Regina Catholic Separate School Division No. 81 had fully implemented one and partially implemented the second of two recommendations outstanding from our 2016 audit of its processes to provide English as an additional language (EAL) programming.

The Division developed a process to analyze the results of its Kindergarten to Grade 8 EAL programming. It periodically collected data about students participating in the program from schools for analysis. However, the Division could not complete its analysis because of errors in the data collected. It recognized meaningful analysis needs consistent and comparable data. It plans to take steps to confirm the accuracy and consistency of the data.

Starting with the 2019-20 school year, the Division gives its Board of Education a report each year on the Kindergarten to Grade 8 EAL program. It plans to incorporate the results of its analysis into future annual reports.

Periodic analysis of, and reporting on the results of the EAL program would help the Division evaluate the program (e.g., if expectations were met, and whether students receive the support they need to improve English language skills).

### 2.0 INTRODUCTION

Regina Roman Catholic Separate School Division operates 32 schools located in Regina. It is responsible for educating about 12,000 students including about 3,725 EAL students.<sup>1</sup> The Division employs 15.1 full time equivalent EAL teachers at June 2020.<sup>2</sup>

The Division offers EAL programs at each of its 25 elementary schools. Providing EAL programs at each elementary school enables students to learn English and the curriculum at their neighbourhood school and in their local community.<sup>3</sup>

English language proficiency of immigrants and refugees is a key factor in not only attaining Saskatchewan educational goals but also in enabling them to contribute positively to Saskatchewan.<sup>4</sup> Students new to Canada may struggle with language barriers that can hinder their academic success.

#### 2.1 Focus of Follow-Up Audit

This chapter reports the results of our second follow-up of two recommendations we first made in our 2016 audit of the Regina Roman Catholic Separate School Division's processes to provide EAL programming.

<sup>1</sup> Regina Roman Catholic Separate School Division No. 81, *Annual Report 2018-19*, p. 6.

<sup>2</sup> Adapted from information provided by Regina Roman Catholic Separate School Division No. 81.

<sup>3</sup> Regina Roman Catholic Separate School Division No. 81, *English as an Additional Language Brochure*.

<sup>4</sup> *The Ministry of Education Action Plan—English as an Additional Language and Immigration*, (2011), p. 3.



Our *2016 Report – Volume 2*, Chapter 29, concluded that the Division had, except in the areas of our four recommendations, effective processes to provide EAL programming to support the academic success of Kindergarten to Grade 8 students who are immigrants or refugees needing additional support to learn English.<sup>5</sup> As reported in our 2018 follow-up audit, the Division implemented two of the four recommendations.<sup>6</sup>

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Division's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Division agreed with the criteria in the original audit.

To perform our follow-up audit, we discussed actions taken with the Division management, and reviewed the guidance and documentation related to EAL programming. In addition, we tested a sample of the Division's schools for EAL student enrolment data and made comparisons with the division-wide data used for division-wide analysis.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at June 30, 2020, and Regina Catholic School Division's actions up to that date. We found that Division implemented one recommendation and partially implemented the other recommendation.

### 3.1 Improved Accuracy of English as an Additional Language Program Analysis Needed

***We recommended Regina Roman Catholic Separate School Division No. 81 periodically analyze the results of the Kindergarten to Grade 8 English as an Additional Language program.*** (2016 Report – Volume 2, p. 203, Recommendation 3;

Public Accounts Committee agreement September 21, 2017)

**Status—Partially Implemented**

The Division developed a process to periodically analyze the results of its EAL program, but did not complete its analysis because of discrepancies in student data collected.

The Division implemented a 2018-19 division-wide goal for the EAL program (i.e., by June 2019, 70% of Grade 1 to 12 EAL students with global Common Framework of Reference (CFR) levels of A1.1 to A2.2 who have been receiving EAL support for at least a year will increase one global CFR level).<sup>7</sup> The Division maintained the same goal for the 2019-20 school year.

<sup>5</sup> *2016 Report – Volume 2*, Chapter 29, p. 189-204. (4 September 2020).

<sup>6</sup> *2018 Report – Volume 2*, Chapter 37, p. 253-257. (4 September 2020).

<sup>7</sup> The Common Framework of Reference (CFR) is a criterion-referenced performance scale that supports educators work with EAL students. The scale is six levels of proficiency from basic A.1 to proficient C.2. There are two steps in each level of the scale. A1 and A2 are the two levels in the basic category of language growth.

In June 2019, the Division created a comprehensive spreadsheet to collect data from each of its schools about the progress of students in the EAL program (i.e., in January, and June of each year). EAL teachers received professional development training regarding the spreadsheet and collection of data.

We found the Division entered student data into the spreadsheet in January 2020, and March 2020. It used March 2020 data for the 2019-20 school year instead of June 2020. It used March data because the COVID-19 pandemic resulted in the Government of Saskatchewan ordering the indefinite suspension of all classes in pre K-12 schools effective March 20, 2020 as a safety measure.<sup>8</sup>

We also found the Division started to analyze CFR results for students' progress year-over-year and total time spent in the EAL program, but was unable to complete its analysis due to identified problems with the accuracy and consistency of the data. It identified discrepancies between students that meet the requirement for inclusion in the EAL program and those analyzed at the school level. In addition, it noted other discrepancies in the data from the schools when it was trying to summarize the data. It plans to implement a review process for data entry in the future to confirm the consistency and accuracy of the data.

Periodic analysis helps the Division assess the success of its EAL program (e.g., percentage of students progressing, struggling, or achieving desired CFR level), and make sure students receive the support they need to improve English language skills.

### 3.2 Board Receives Updates on English as an Additional Language Program Successes

***We recommended Regina Roman Catholic Separate School Division No. 81 provide its Board of Education with periodic reports on the success of the Kindergarten to Grade 8 English as an Additional Language program.***

*(2016 Report – Volume 2, p. 203, Recommendation 4; Public Accounts Committee agreement September 21, 2017)*

**Status**—Implemented

The Division gave an update to its Board of Directors on the success of the EAL program. The Division plans to give its Board updates annually.

The Superintendent of Education Services first presented an update to the Board in June 2020. We found the update included discussions on staffing the EAL program, methodology used in measuring performance of students receiving programming (e.g., CFR for EAL, discussions on achievement of the division-wide goal for the EAL program, and professional development for EAL teachers). The Division expects future updates will include the results of its analysis of EAL student data.

Periodic reporting to the Board helps the Board evaluate the delivery of the EAL program (e.g., if expectations were met), and identify whether program changes are needed.

<sup>8</sup> [www.saskatchewan.ca/government/news-and-media/2020/march/16/class-suspensions](http://www.saskatchewan.ca/government/news-and-media/2020/march/16/class-suspensions) (22 September 2020).

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## Chapter 36

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

### 1.0 MAIN POINTS

By August 2020, the Saskatchewan Apprenticeship and Trade Certification Commission implemented our remaining recommendation by conducting and documenting timely industry inspections of employers as required.

The Commission requires and conducts inspections of employers with staff in compulsory trades (e.g., construction electrician, plumber) every two years and non-compulsory trades (e.g., carpenter) every three years.<sup>1</sup>

Conducting timely inspections decreases the risk of apprentices not receiving appropriate supervision and on-the-job training.

### 2.0 INTRODUCTION

#### 2.1 Background

The Saskatchewan Apprenticeship and Trade Certification Commission is responsible for developing and executing a relevant, accessible, and responsive apprenticeship training and certification program in Saskatchewan.<sup>2</sup>

Skilled workers are important to the Saskatchewan economy. Saskatchewan has over 60 designated trades and sub-trades in four sectors—agriculture; tourism and service construction; motive repair; and production and maintenance.

New apprentices entering the various trades assist in the growth and sustainability of the trades, and support economic activity. Apprenticeship is an agreement between a person who wants to learn a trade (i.e., an apprentice) and an employer who needs a skilled worker. It typically takes an apprentice between four and six years to complete a program and achieve certification.

Compulsory trades include construction electrician, plumber, sheet metal worker, sprinkler fitter, and refrigeration and air conditioning mechanic.<sup>3</sup> Other non-compulsory trades include 44 various trades including carpenter, hairstylist, welder and parts technician. At August 31, 2020, the Commission had about 613 registered carpenter apprentices, 1,005 registered construction electrician apprentices, and 464 registered plumber apprentices. In addition, it has about 890 employers in compulsory and non-compulsory trades.

<sup>1</sup> Compulsory trades are those trades where registration as an apprentice is mandatory. Non-compulsory trades do not require candidates to be an apprentice and they can challenge the certification directly.

<sup>2</sup> *The Apprenticeship and Trade Certification Act, 2019.*

<sup>3</sup> *The Apprenticeship and Trade Certification Regulations, 2003, s. 26.*



## 2.2 Audit Focus

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This chapter describes our third follow-up audit of management's actions on a recommendation we first made in our 2014 audit about the Saskatchewan Apprenticeship and Trade Certification Commission's processes to enable apprentices to achieve Interprovincial Red Seal certification.<sup>4</sup>

Our *2014 Report – Volume 1*, Chapter 11, concluded the Commission had effective processes to enable apprentices to achieve Interprovincial Standards Red Seal certification to meet market demand, except for areas related to the eight recommendations we made.<sup>5,6</sup>

By March 2019, the Commission had implemented seven recommendations, but was not fully inspecting employers in accordance with its policy.<sup>7</sup>

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Commission's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Commission's management agreed with the criteria in the original audit.

To perform our follow-up audit, we discussed actions taken with management, reviewed relevant documentation, and tested a sample of inspections.

## 3.0 STATUS OF RECOMMENDATION

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at August 31, 2020, and the Commission's actions up to that date.

### 3.1 Industry Inspections Completed as Required

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***We recommended the Saskatchewan Apprenticeship and Trade Certification Commission verify and document that employers receive an industry inspection as required.*** (2014 Report – Volume 1, p. 89, Recommendation 5;

Public Accounts Committee agreement December 3, 2014)

**Status—Implemented**

The Commission is inspecting employers in compulsory and non-compulsory trades as often as its policy requires, and consistently documents the results of its inspections.

The Commission uses inspections to monitor employer's compliance with *The Apprenticeship and Trade Certification Act, 2019* and *The Apprenticeship and Trade Certification Regulations, 2020*. These set out requirements to ensure the appropriate

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<sup>4</sup> Interprovincial Red Seal certification is a standard of excellence for skilled trades. A Red Seal certified tradesperson is able to work throughout Canada.

<sup>5</sup> The audit focused on the processes for the construction electrician, carpenter and plumber trades.

<sup>6</sup> Market demand is defined as the employer training demand.

<sup>7</sup> 2016 Report – Volume 1, Chapter 30, and 2019 Report – Volume 1, Chapter 34.

apprentice-to-journeyperson ratios and that only registered apprentices are working for these employers. It plans to inspect employers in compulsory trades (e.g., construction electrician, plumber) every two years and non-compulsory trades (e.g., carpenter) every three years consistent with its policy.

As of August 2020, the Commission consistently documented its assessment of employers training apprentices in compulsory and non-compulsory trades.

We tested 30 employers—20 in compulsory trades (e.g., plumber, construction electrician), and 10 in non-compulsory trades (e.g., carpenter). Inspection files showed the Commission completed the inspections within the expected timeframes.

Conducting and documenting the results of inspections as required decreases the risk of the Commission not detecting employers who are not following requirements. In addition, it decreases the risk apprentices are not be receiving appropriate supervision and on-the-job training.

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## Chapter 37

# Saskatchewan Cancer Agency—Delivering the Screening Program for Breast Cancer

### 1.0 MAIN POINTS

By July 2020, the Saskatchewan Cancer Agency implemented two and made progress on the other outstanding recommendation we first reported in 2016 about the screening for breast cancer.

The Agency consistently evaluates its promotional activities to determine if they help promote awareness of the screening programs. Regular screening via mammograms helps detect changes in the breast. Early detection allows for more treatment options and better outcomes.

In addition, the Agency periodically tracks, analyzes and reports on six key quality indicators designed to help measure the success of its breast cancer screening program.

By July 2020, the Agency analyzed and reported on all but one key measure—the interval cancer rate—within a reasonable timeframe. Timely analysis and reporting of all key measures would provide the Agency with relevant information for decision-making.

### 2.0 INTRODUCTION

The Saskatchewan Cancer Agency, under *The Cancer Agency Act*, is responsible for the planning, organization, delivery, and evaluation of cancer care services throughout Saskatchewan. This includes providing a systematic population-based screening program for breast cancer. The Agency informs women when they are due for their next mammogram, and suggests women over 50 years of age have a mammogram every two years.

This chapter describes our follow-up of management's actions on three recommendations we made in 2016 about the Agency's processes to deliver its systematic population-based screening program for breast cancer.<sup>1</sup> By August 2018, the Agency had implemented two of the five recommendations.<sup>2</sup>

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001). To evaluate the Agency's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Agency's management agreed with the criteria in the original audit.

<sup>1</sup> 2016 Report – Volume 1 Chapter 14, p.163-180.

[auditor.sk.ca/pub/publications/public\\_reports/2016/Volume\\_1/14\\_SaskCancer\\_Breast%20Cancer%20Screening.pdf](https://auditor.sk.ca/pub/publications/public_reports/2016/Volume_1/14_SaskCancer_Breast%20Cancer%20Screening.pdf).

<sup>2</sup> 2018 Report – Volume 2, Chapter 38, p. 259-264.

[auditor.sk.ca/pub/publications/public\\_reports/2018/Volume\\_2/CH%2038%20-%20Saskatchewan%20Cancer%20Agency—Delivering%20the%20Screening%20Program%20for%20Breast%20Cancer.pdf](https://auditor.sk.ca/pub/publications/public_reports/2018/Volume_2/CH%2038%20-%20Saskatchewan%20Cancer%20Agency—Delivering%20the%20Screening%20Program%20for%20Breast%20Cancer.pdf).



Our audit included interviewing staff responsible to understand relevant key processes and controls, testing the operating effectiveness of the processes and controls relevant to post-event evaluation forms, and collecting and reporting on data related to evaluating the screening program's performance.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2020, and the Agency's actions up to that date.

### 3.1 Promotional Activities Evaluated

***We recommended the Saskatchewan Cancer Agency evaluate the success of its screening program for breast cancer promotional activities against expectations.*** (2016 Report – Volume 1, p. 170, Recommendation 1; Public Accounts Committee agreement February 26, 2019)

**Status**—Implemented

The Saskatchewan Cancer Agency consistently evaluates its promotional activities.

The Agency employs three Early Detection Coordinators who attend between 20 and 25 promotional events (e.g., community health fairs, Open Door Society events, wellness expos, tradeshows) each year to promote awareness and understanding of the Agency's breast cancer screening program. These events are held in locations throughout the province.

Our testing of five of 36 promotional activities the Agency attended from January 2019 through July 2020 found staff properly completed post-event evaluation forms for all events tested.

The Agency had developed the post-event evaluation form in 2016 to encourage consistent evaluation of its promotional activities, help assess the event, and note opportunities to improve. It expects coordinators to complete the evaluation. The form asks questions about:

- How many participants attended?
- Was the targeted audience reached?
- What needs to be changed?
- Did organizers want the Agency to return to future events?
- Would the Agency attend again?

We also found the Agency verifies the completeness of the evaluations through management review and discussions in monthly meetings.

Using a consistent process to evaluate promotional activities helps the Agency determine if its promotional activities are successful in promoting awareness and understanding of the breast cancer screening program. Regular screening via mammograms helps detect changes in the breast. Early detection allows for more treatment options and better outcomes.

## 3.2 Key Quality Indicators Expanded

***We recommended the Saskatchewan Cancer Agency broaden the use of key quality indicators relevant to Saskatchewan to regularly analyze the performance of its screening program for breast cancer.*** (2016 Report – Volume 1, p. 177, Recommendation 4; Public Accounts Committee agreement February 26, 2019)

**Status**—Implemented

The Saskatchewan Cancer Agency broadened the use of its key quality indicators.

As set out in **Figure 1**, the Agency collects data and reports on six key quality indicators to evaluate the success of its breast screening program. The frequency these indicators are analyzed and reported on varies (see **Section 3.3**).

During our 2016 audit, the Agency used four indicators. Since our last follow-up audit in 2018, the Agency began reporting on two additional key quality indicators—retention rate and interval cancer rate. The retention rate estimates the number of women who return for ongoing screening, and the interval cancer rate allows the Agency to determine whether breast cancer is correctly identified during the screening test.

See **Figure 1** for the list of six key quality indicators now used to evaluate the screening program's success.

**Figure 1—Key Quality Indicators for Breast Cancer Screening Program**

<ul style="list-style-type: none"> <li>➤ Participation rate</li> <li>➤ Number of screening tests done</li> <li>➤ Service volumes per centre</li> </ul>	<ul style="list-style-type: none"> <li>➤ Radiologist performance</li> <li>➤ Retention rate<sup>A</sup></li> <li>➤ Interval cancer rate<sup>B</sup></li> </ul>
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Source: Saskatchewan Cancer Agency.

<sup>A</sup> Retention rate is the estimated percentage of women aged 50 to 67 years who returned for screening within 30 months of their initial screen.

<sup>B</sup> Interval cancer rate is the number of invasive breast cancers found after a normal or benign mammography screening episode within 0 to <12 months and 12 to 24 months of the screen date.

Analyzing relevant, key quality indicators allows the Agency to monitor whether its screening program is effective.

## 3.3 Timely Analysis and Reporting on All Key Quality Indicators Needed

***We recommended the Saskatchewan Cancer Agency periodically report to senior management, the Board, and the public on key performance information for the screening program for breast cancer.*** (2016 Report – Volume 1, p. 178; Recommendation 5; Public Accounts Committee agreement February 26, 2019)

**Status**—Partially Implemented

The Saskatchewan Cancer Agency is not tracking, analyzing, and reporting the interval cancer rate in a timely manner.



At July 2020, the Agency is in the process of replacing the IT system for its screening programs to allow for more efficient reporting, and plans to have a new IT system implemented by 2022.

Since our follow-up audit in 2018, the Agency reported to its senior management on:

- Participation rate—quarterly.
- Radiologist performance—annually.
- Retention rate—2016 rate reported June 2020.<sup>3</sup> Management plans to report the 2017 retention rate data in September 2020 and annually thereafter.

The Agency reported to the Board on the participation rate quarterly and retention rate annually.

In addition, the Agency's Annual Report publicly reports on:

- Number of screening tests done and service volumes per centre (number of screening mammograms on the mobile bus, in the Regina centre, Saskatoon centre, and the satellite centres)
- Participation rates

The interval cancer rate is not analyzed and reported to senior management timely.

The Agency reports on interval cancer rate as part of its submissions to the Canadian Partnership Against Cancer (CPAC).<sup>4</sup> Senior management reviews the Agency's data before it is submitted. Senior management reviewed 2014 and 2015 interval cancer rates in May 2019 as part of its CPAC submission.<sup>5</sup>

We expected senior management should have received 2016 interval cancer rates in May 2019 and 2017 interval rates in May 2020. At the time of our audit (July 2020), senior management had not received any reporting on interval cancer rates for 2016 or 2017. Analysis of interval cancer rates is a key measure of the quality of the screening program.

Timely analysis and reporting of all key quality indicators will allow the Agency to have relevant information for decision-making.

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<sup>3</sup> There is a 30 month lag in reporting retention rate due to the nature of the measure (i.e., the estimated percentage of women aged 50 to 67 years who returned for screening within 30 months of their initial screen). As a result, reporting expectation for 2016 retention rate data is June 2019 and June 2020 for 2017 data.

<sup>4</sup> The Partnership works to reduce the burden of cancer on Canadians. Its partner network includes cancer agencies, health system leaders and experts, and people affected by cancer. [www.partnershipagainstcancer.ca](http://www.partnershipagainstcancer.ca) (17 August 2020).

<sup>5</sup> The Agency's 2019 submission only included interval cancer rate for 0<12 months after 2015.



## Chapter 38

# Saskatchewan Impaired Driver Treatment Centre— Delivering the Impaired Driver Treatment Program

## 1.0 MAIN POINTS

Saskatchewan Government Insurance (SGI) reported alcohol involvement as a leading contributing factor in fatal collisions in 2018 causing 43 deaths and 359 injuries.<sup>1</sup> The Saskatchewan Impaired Driver Treatment Centre provides a residential treatment alternative to incarceration for adults convicted of a second or subsequent impaired driving offence. The Centre admits about 430 clients and provides approximately 9,000 days of care each year.

Since 2018, the Centre has improved many of its processes for delivering the impaired driver treatment program to reduce recidivism (i.e., driving impaired again). By August 2020, the Centre has fully implemented nine and partially implemented one of the ten recommendations we first made in 2018.

The Centre updated its program objectives setting measurable expectations for two of three new objectives, and refreshed its treatment program. It decided to review and update its treatment program and program objectives annually.

In addition, the Centre developed a file checklist to help staff consistently include key information in client files, and document key activities (e.g., one-on-one sessions with clients, information about post-program support). It also required files to include all previous identification numbers for repeat clients to help staff readily identify repeat clients, and in turn, more easily review prior treatment files, and adjust treatment accordingly.

The Centre plans to finish developing the remaining program success measure and targets in September 2020 and give its Board, in October 2020, a comparison of its recidivism rates to provincial and federal rates. Assessing the recidivism rate for the Centre's clients will allow the Centre to determine if the treatment program is reducing impaired driving for its clients and take action to address areas where the treatment program fall short of expectations.

An effective impaired driver treatment program can reduce the rate of recidivism and, in turn, can increase public safety.

## 2.0 INTRODUCTION

### 2.1 Background

The Centre is responsible for delivering the impaired driver treatment program to reduce recidivism. The Centre is located in Prince Albert and can accommodate up to 28 co-ed clients. It runs a three-week treatment program with nine to ten new clients beginning every

<sup>1</sup> SGI, *2018 Saskatchewan Traffic Collisions Report*, p. 72.



Friday. The majority of clients are adult offenders referred to the Centre as part of their court sentence for an impaired driving related charge.

During 2019-20 fiscal year, 430 clients received treatment through 9,030 days of care.

A cabinet-appointed Board of Governors oversees the Centre. It is a designated correctional facility under *The Correctional Services Act* and the Ministry of Justice and Attorney General has a designated seat on the Board. The Centre's vision is to provide a professional and effective response to the community by contributing to public safety and healthy attitudes toward substance use. The Centre remains operational through the COVID-19 pandemic at half capacity.

## 2.2 Focus of Follow-Up Audit

This chapter describes our first follow-up audit of management's actions on ten recommendations we made in 2018 about the Centre's processes for delivering the impaired driver treatment program to reduce recidivism.<sup>2</sup>

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Centre's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Centre's management agreed with the criteria in the original audit.

To complete this follow-up audit, we interviewed key staff, reviewed the Centre's objectives, policies and procedures, and examined other relevant documents. In addition, we tested a sample of client files.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation, the status of the recommendation at August 31, 2020, and the Saskatchewan Impaired Driver Treatment Program's actions up to that date.

### 3.1 Program Objectives Reviewed Regularly

***We recommended the Saskatchewan Impaired Driver Treatment Centre regularly review its program objectives.*** (2018 Report – Volume 1, p. 131, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

The Centre has updated its program objectives and set a future date to review and update those objectives.

In April 2020, the Board of Directors developed and approved three new objectives for the Centre set out in **Figure 1**. The Board of Directors next plans to review its three objectives in April 2022.

<sup>2</sup> Original audit reported in *2018 Report – Volume 1*, Chapter 9.

**Figure 1—Objectives of Saskatchewan Impaired Driver Treatment Program**

Objective	Description
1	To assist in developing skills and increasing motivation to change problematic substance use by providing psycho-educational workshops, therapeutic group opportunities and one-to-one support.
2	To provide home community service options to clients for post-treatment community support and assist in coordination of follow-up when requested.
3	To partner with the Ministry of Health, the Ministry of Corrections and Public Safety, and other agencies to maintain positive public relations and health services for clients struggling with problematic substance use.

Source: Adapted from Saskatchewan Driver Treatment Centre information.

Reviewing the program objectives regularly reduces the risk of them not aligning with good practice and the goals of the Centre's program.

### 3.2 Expectations to Evaluate Treatment Program Success Under Development

***We recommended the Saskatchewan Impaired Driver Treatment Centre set measurable expectations to use in evaluating and reporting on the success of its treatment program to reduce impaired driving.*** (2018 Report – Volume 1, p. 131, Recommendation 2; Public Accounts Committee

has not yet considered this recommendation as of November 2, 2020)

**Status**—Partially Implemented

The Centre has developed measures for two of its three new objectives (See **Figure 2**), and plans to develop the remaining measure and targets in October 2020. In addition, the Centre established a process to track instances of recidivism of its clients that occur one year after a client completes its program.

**Figure 2—Saskatchewan Impaired Driver Treatment Program Success Measures**

Measure	Target	Reporting	
Objective 1 Develop skills and increase motivation	Number of pre and post-tests for clients as a measure of motivation level and skills (i.e., problem solving, social skills, stage of change, self-efficacy, decision balance). Tests are used to measure skills upon entry and at completion of the program.	Not yet set	Summarized results shared with the Board and Ministry of Justice and Attorney General quarterly
Objective 2 Provide home community service options	Types of community supports (e.g., probation, addictions services, Alcoholics Anonymous, non-structured support such as friends, family, cultural traditions) clients choose to access after completing the treatment program	100% of clients aware of supports in their communities Provide all clients with information on post-program support	Summary results shared with the Board and Ministry of Justice and Attorney General quarterly
Objective 3 Work with partner agencies to maintain health services and positive public relations	No measure developed	Not yet set	Summary results shared with the Board and Ministry of Justice and Attorney General quarterly

Source: Adapted from Saskatchewan Driver Treatment Centre information. Shaded areas highlight where measures are not yet set.



The Centre measures client recidivism rates by following up on additional charges clients may have one year after completion of the program. It plans to provide its Board with a comparison of its client recidivism rates to both provincial and federal recidivism rates at its October 2020 meeting.

Having clear and well-defined measures would enable tracking and monitoring of progress towards achieving program objectives. Setting targets helps determine and convey how fast the Centre plans to achieve its objectives, and determine the extent of resources necessary. Reporting results against measures and targets allows the Centre to determine if the treatment program is reducing impaired driving recidivism, and identify adjustments necessary.

### 3.3 Program Refresh Completed and Regular Interval Set

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***We recommended the Saskatchewan Impaired Driver Treatment Centre regularly refresh its treatment program to incorporate relevant good practices to help reduce clients from driving impaired again.*** (2018 Report – Volume 1, p. 133, Recommendation 3; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

The Centre has updated the treatment program, and has set a regular interval (annually) to review and update the program. It expects the Director and Manager to meet with all of the counsellors to review and update the program content and handouts each December.

We noted, in December 2019, the Centre updated the content of sessions delivered as part of its program removing outdated and no longer relevant videos/exercises.

The Centre reconfirmed its use of good practice by using a cognitive behavioral approach to change behaviour. The Centre decided it was more cost-efficient to focus use of individual treatment plans for each client and one-on-one sessions to address variations in client needs as opposed to implementing program modules for specific sub-groups.

Having relevant good practices in its program decreases the risk of the program not doing enough to effectively support clients in permanently changing behaviour (e.g., controlling problematic substance use). This allows the Centre to help its clients make and sustain changes that are key to reducing the risk of them driving impaired again.

### 3.4 Client Intake Policy In Place and Information for Treatment Obtained

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***We recommended the Saskatchewan Impaired Driver Treatment Centre work with the Ministry of Justice to develop guidance for who to take into the program and information needed to inform treatment.*** (2018 Report – Volume 1, p. 134, Recommendation 4; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

The Centre developed a Client Admittance Policy to guide who to admit into the treatment program. The Centre utilizes client placement reports to guide information needed about clients to inform treatment.

The Centre consulted with the Ministry of Justice and Attorney General when developing its Admittance Policy outlining specific criteria for admitting adult offenders into the treatment program. The Admittance Policy came into effect on April 25, 2019; its next policy review date is 2023.

We found the Admittance Policy sufficiently outlines the Centre's admittance criteria. The Centre admits clients based on priority: first priority are court-ordered clients, second are client referrals from correctional centres with impaired driving related charges; and third are client referrals from correctional centres with substance-related charges. Client referrals are admitted on a first come, first serve basis.

In 2019-20, 219 (51%) clients were court ordered and 211 (49%) clients were referred from correctional facilities. In 2018-19, 284 (64%) clients were court ordered and 158 (36%) clients were referred from correctional facilities.

The Centre also receives specific background information about clients to inform treatment. Probation officers and corrections centres complete client placement reports. These reports include specific background information about clients to inform treatment. The Centre staff noted while these reports are often inconsistently completed, it uses its access to the Ministry of Corrections and Policing's corrections system to supplement the information needed (e.g., prior treatment, prior impaired history).

All 30 clients tested met the criteria set out in the Admittance Policy and placement reports included information needed to inform treatment.

Having a policy outlining criteria for admitting clients helps the Centre and the Ministry of Justice and Attorney General have a clear and common understanding of prioritization and types of clients to accept into the program. This in turn enables communication to relevant stakeholders (e.g., court system). Having placement forms, augmented with information the Ministry of Corrections and Policing tracks, which includes key background information, assists the Centre in designing effective treatment for clients.

### 3.5 Previous Identification Numbers Included in Files for Repeat Clients

***We recommended the Saskatchewan Impaired Driver Treatment Centre assign the same identification numbers to repeat clients.*** (2018 Report – Volume 1, p. 135, Recommendation 5; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Intent of Recommendation Implemented

The Centre includes all previous identification numbers and previous treatment information in each new file for repeat clients.<sup>3</sup>

<sup>3</sup> A repeat client is one who attends a treatment program more than once.



Upon admission, the Centre assigns a unique identification number to each client. It manually maintains information about clients using these numbers. Starting April 2018, it assigns returning clients a new identification number each time they return, and includes previous identification numbers and previous treatment information in the new file.

Clients' previous identification numbers were included in each of the 16 repeat client files we tested.

This practice of including all previous identification numbers in each new file allows staff to identify repeat clients, easily review prior treatment files and adjust current treatment accordingly.

### 3.6 Client Assessment Information Consistently Completed

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***We recommended the Saskatchewan Impaired Driver Treatment Centre consistently complete client assessment information to support treatment.*** (2018 Report – Volume 1, p. 135, Recommendation 6; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

The Centre consistently completes client assessments prior to treatment.

Upon admission to the Centre for treatment, the Centre expects staff to assess new clients (e.g., a client's level of substance abuse and readiness for change). The Centre also recognizes clients may take the program multiple times (repeat clients), and the counsellors who work with a client may change.

In April 2018, the Centre implemented a checklist to guide and document a client's assessment. The checklist documents a client's treatment plan, the objectives of the client, and other assessment information required. The counsellor signs off the checklist and the manager reviews it. The Centre expects staff to include the completed and approved checklist in each file.

In the 30 files we tested, counsellors completed and signed off the checklist. We found the 16 repeat client files we tested appropriately included prior treatment information.

Maintaining complete client assessment information on files enables counsellors to have sufficient information to select the appropriate intervention and treatment for clients.

### 3.7 Evidence of Client One-on-One Sessions Documented

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***We recommended the Saskatchewan Impaired Driver Treatment Centre require its staff to document the results of one-on-one counselling sessions with clients.*** (2018 Report – Volume 1, p. 136, Recommendation 7; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

The Centre consistently documents the date, and time, and makes notes (e.g., drinking and substance use history, goals, concerns, triggers) of discussions in the one-on-one counselling sessions with clients.

Since January 2018, the program provides a minimum of three structured one-on-one sessions to each client and optional daily one-on-one sessions. One-on-one sessions assess the client's progress and unique needs, help develop their treatment plan, provide the client with information on post-program support and help prepare relapse prevention plans.

In each of the 30 client files we tested, the files included documentation of one-on-one sessions.

Documenting the results of one-on-one sessions increases the ability of the counsellor to provide the appropriate treatment specific to the client. It also allows the Centre to monitor the delivery of the treatment to its clients. Having this information on file makes it available to counsellors when making treatment decisions for repeat clients.

### 3.8 Treatment Plans Customized for Individual Clients

***We recommended the Saskatchewan Impaired Driver Treatment Centre customize its treatment program to focus on the specific unique needs of individual clients or groups of clients in the program.***

*(2018 Report – Volume 1, p. 137, Recommendation 8; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)*

**Status—Implemented**

The Centre has implemented two unique groups to help its clients (i.e., Elder Program and Female groups) along with unique treatment plans for each client during the one-on-one sessions.

In August 2018, the Centre increased its Elder Program from twice a month to once a week. In July 2018, it added a specific female group, once per month as intake allows. In addition, the counsellors continue to determine a specific focus (e.g., separate drinking and driving, abstain from drinking) and objectives (e.g., reconnect with Alcoholics Anonymous) and use this information to build the relapse prevention plan unique to each client.

In each of the 30 files we tested, the file checklist documented the client's specific treatment plan focus and objectives.

Maintaining a documented treatment plan that focuses on the specific unique needs of each client in the program helps shows the Centre provides treatment designed to reduce the risk of a client driving impaired again after leaving the Centre.



### 3.9 Client Relapse Plans Consistently Completed

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***We recommended the Saskatchewan Impaired Driver Treatment Centre have clients consistently complete relapse prevention plans before leaving the Centre.*** (2018 Report – Volume 1, p. 137, Recommendation 9; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

Clients consistently complete relapse prevention plans.

The Centre requires clients to develop written relapse prevention plans during their time in the program. Developing these plans helps clients identify their personal goals, situations, triggers that could increase their risk of relapse, ways to cope, and where to go for support to respond positively to a relapse.

Management indicated that since our 2018 audit the Centre has reinforced with counsellors its requirement for them to review relapse prevention plans with the client at the end of the program. It also documents completion of the plans in its file completion checklist and in its final report (i.e., discharge report). This helps confirm clients complete a plan prior to leaving the program.

For each of the 30 files we tested, the file contained the client's completed relapse prevention plan, and the final report (i.e., discharge report) noted the counsellor's review of the relapse prevention plan with the client.

Relapse prevention plans are key documents clients take with them when they complete treatment to help them reduce the risk of driving impaired again. Developing such plans is consistent with good practice.

### 3.10 Post-Treatment Information Provided

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***We recommended the Saskatchewan Impaired Driver Treatment Centre actively connect clients with specific support upon completion of the treatment program.*** (2018 Report – Volume 1, p. 139, Recommendation 10; Public Accounts Committee has not yet considered this recommendation as of November 2, 2020)

**Status**—Implemented

Procedures exist to guide Centre staff in encouraging clients to seek post-treatment support.

Since April 2018, counsellors discuss with clients, prior to them leaving the treatment program, supports (e.g., alcoholics anonymous, counselling) the client thinks may be of benefit after release from the program. The counsellor and client locate contact information for the appropriate community supports. The counsellors document the community supports the client plans to access upon completion of the program in the final report (i.e., discharge report).

For each of 30 files we tested, documentation of post-treatment support information provided to the client and client intentions were included.

Good practice suggests one key to sustaining a change in behaviour is the ability to access support (e.g., support meetings, mental health, addictions or general counselling) after the completion of a formal treatment program. Successfully connecting clients to post-treatment support decreases the risk of client relapse and repeated impaired driving.

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## Chapter 39

# Saskatchewan Liquor and Gaming Authority—Managing Projects with Significant IT Components

### 1.0 MAIN POINTS

At July 2020, Saskatchewan Liquor and Gaming Authority improved its processes for managing projects with significant IT components. Since our follow-up in 2018, the Authority has implemented the four remaining recommendations first made in 2015.

The Authority revised templates to help staff determine skills required for projects, and gave staff additional guidance to help them set and control the quality of a project. Staff are using the templates and additional guidance as expected.

The Authority also revised its reporting templates to enable more consistent and robust reporting on projects. It set clear reporting expectations such as monthly presentation and approval of the project status reports. It also reports monthly to senior management, quarterly (or as needed) to executive members, and semi-annually to the Board.

Effective processes over planning, monitoring, and reporting on significant projects increases the likelihood of the Authority achieving the expected benefits from projects with significant IT components. It also enables identifying and addressing issues earlier, thereby, increasing the likelihood of completing these projects on time and on budget.

### 2.0 INTRODUCTION

The Saskatchewan Liquor and Gaming Authority is responsible for distributing liquor and gaming products, and regulating liquor, gaming and cannabis in Saskatchewan.<sup>1</sup> The Authority uses IT extensively in carrying out its business. For example, it uses IT systems to manage purchases, inventories, sales and prices of liquor. In addition, it uses IT systems to manage its regulation of liquor (e.g., permitting) and of gaming (e.g., registering gaming employees, suppliers, and activities) and to manage its financial affairs.

The Authority has various projects to implement and update IT systems in these areas. The projects vary significantly in scope, complexity, and cost. At July 31, 2020, the Authority had two IT projects in progress with a total budget of over \$4.0 million.

This chapter describes our second follow-up audit of management's actions on four recommendations we first made in 2015. Our *2015 Report – Volume 2*, Chapter 37, concluded the Authority had effective project management processes for its projects with significant IT components, with the exception of the five recommendations made. By August 2018 as reported in our *2018 Report – Volume 2*, Chapter 42, the Authority had implemented one recommendation.

<sup>1</sup> Saskatchewan Liquor and Gaming Authority, *Saskatchewan Liquor and Gaming Authority – Plan for 2019-20*, (2019).



To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Authority's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Authority's management agreed with the criteria in the original audit.

To carry out our follow-up audit, we discussed actions taken with management and reviewed key documents provided by management (e.g., meeting minutes, project status reports, project business cases).

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2020, and the Authority's actions up to that date.

### 3.1 Guidance for Detailed Planning of Projects

***We recommended Saskatchewan Liquor and Gaming Authority give staff guidance on determining required skills for projects with significant IT components.*** (2015 Report – Volume 2, p. 243, Recommendation 1; Public Accounts Committee agreement September 15, 2016)

**Status**—Implemented

***We recommended Saskatchewan Liquor and Gaming Authority give staff guidance on setting quality control requirements for projects with significant IT components.*** (2015 Report – Volume 2, p. 244, Recommendation 2; Public Accounts Committee agreement September 15, 2016)

**Status**—Implemented

The Authority provided adequate guidance for the determination of required skills for projects, and the quality control requirements for projects with significant IT components.

Since August 2018, the Authority gave project teams sufficient guidance to help them determine and document required skills needed, and set quality control requirements for projects with significant IT components.

The Authority revised its templates January 2019 to provide project managers additional guidance in determining and documenting key resource decisions (e.g., skills level required).

The Authority also provided guidance about quality control to project managers prior to a project commencing to help them consider and set the quality control testing required throughout the project. It expects project managers to use quality control requirements (e.g., tests at each stage of the project). It makes project managers responsible for project delivery. Project managers are to make decisions about project approach, timing and resources.

We found the communication with its five different business units about required skills sufficient to help them determine competency levels and skills required for a project, and whether adequate internal resources exist or if external resources are necessary. This is reasonable as all templates include guidance for determining the skills required for a project.

We found Authority staff are using the guidance. For the two project plans with significant IT components we tested:

- Both set out how the project team determined the required skills (e.g., specialized application knowledge) with the rationale to support its decisions (e.g., complex project required specific external expertise, availability of relevant skills sets within the Authority).
- Both adequately identified required resources, setting out clear objectives, resource time and cost assumptions.
- Both set out the quality criteria (i.e., test criteria) for projects.

Communicating quality control requirements to project managers reduces the risk of a project not achieving its intended results. In addition, the revised templates about determining resources required reduces the risk of not sufficiently considering or documenting the key resource decisions and skills required, and securing adequate resources to complete the project.

## 3.2 Approval of Project Status Reports

***We recommended Saskatchewan Liquor and Gaming Authority require formal review and approval of project status reports for projects with significant IT components.*** (2015 Report – Volume 2, p. 247, Recommendation 4; Public Accounts Committee agreement September 15, 2016)

**Status**—Implemented

The Authority requires and documents the review and approval of project status reports within the Steering Committee meeting minutes.

The Authority requires assigned project managers to present project status reports at the monthly Steering Committee meetings. Steering Committee executive members and the business sponsor are responsible for overseeing the project, and presenting the results (e.g., financials, timing) at quarterly meetings with executive members of the Authority.<sup>2,3,4</sup> The Steering Committee is also responsible for approving project status reports.

During monthly Steering Committee meetings, staff can ask questions about the project status reports to ensure the accuracy and completeness of the information.

<sup>2</sup> The Steering Committee is comprised of management (e.g. Vice-Presidents, Directors) of the Authority.

<sup>3</sup> The business sponsor are members of senior management responsible for overseeing projects and delivering results (e.g. budget, timing and objectives achieved).

<sup>4</sup> The Executive members include Chief Executive Officer and President of the Authority, VP of Corporate Services, VP of Liquor Wholesale and Distribution, Vice President of Regulatory Services Division, Acting VP of SLGA Retail Inc., Director, Audit Services Branch, Senior Executive Administrative Assistant, President's Office.



For two projects with significant IT components, we reviewed the related Steering Committee meeting minutes to confirm if the committee receives and discusses project status reports as expected. We found these meetings are occurring and project managers are presenting project status reports.

Reviewing, discussing and approving status reports regularly reduces the risk of the Authority making inappropriate decisions about projects. It helps the Authority achieve the intended results and monitor both project timeline and budget.

### 3.3 Report on Achievement of Objectives

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***We recommended Saskatchewan Liquor and Gaming Authority monitor whether its projects with significant IT components achieved objectives set out in approved business cases and periodically report to its Board and senior management.*** (2015 Report – Volume 2, p. 248, Recommendation 5; Public Accounts Committee agreement September 15, 2016)

#### **Status—Implemented**

The Authority monitors the achievement of objectives of projects with significant IT components at committee meetings monthly and quarterly, and at board meetings on a semi-annual basis.

In December 2018, the Authority updated its report template for reporting on projects with significant IT components. The revised report template includes the project objective, anticipated outcome, baseline measurement, how often the objective is measured, whether it is on track, and when it is to be achieved.

The Authority expects the project manager to report on the achievement of planned objectives throughout various stages of a project (e.g., approval of project charter, monthly project status report, and close-out report).<sup>5</sup>

Four of the five status reports of projects with significant IT components we tested included:

- An update on the objectives
- Whether the objective was on track, and the achievement date of the objective (e.g., when the actual benefit is realized, when it will be measured)

The status report of the fifth project we tested did not include an update on the project objectives as the report template was in the process of revisions. Instead, for this project, the project managers provided weekly status updates to the Project Business Sponsor and Steering Committee members.

The Authority reports on the status of projects to senior management monthly, executive members quarterly or as needed, and the Board semi-annually.

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<sup>5</sup> The purpose of the project charter is to give the direction and scope of the project and forms the contract between the Project Manager and the Business Unit. The project status reports presented monthly at the Steering Committee meetings outline the current status of the project and determine the status of the objectives. The close-out report outlines the review of the project, and project outcome.

Our review of the Business Projects/IT Update Report provided to the Board found the report included project outcomes and benefits achieved for each of the five projects we tested.

Effective processes for monitoring and reporting on the achievement of objectives increases the likelihood of identifying and addressing issues earlier. It also increases the likelihood of achieving the intended results which includes completing projects on time and on budget.

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## Chapter 40

# Saskatchewan Public Safety Agency—Coordinating Provincial Emergency Preparedness

### 1.0 MAIN POINTS

By July 2020, the Saskatchewan Public Safety Agency improved its processes to coordinate preparedness for provincial emergencies. It implemented two recommendations and has partially implemented the third of the three recommendations we first made in 2015.

The Agency gave key stakeholders sufficient guidance to help them determine infrastructure critical to the province. It also works with key stakeholders annually to formally update the province-wide risk assessment, and confirm stakeholder emergency preparedness plans align with the Provincial Emergency Management Plan. As of July 2020, it was in the process of updating the Provincial Emergency Management Plan.

Having effective processes to coordinate emergency preparedness helps the Provincial Government respond to emergencies in the province in a timely, efficient, and coordinated manner. This can help reduce the human and financial impact of emergencies and support the recovery process.

### 2.0 INTRODUCTION

The Saskatchewan Public Safety Agency is a Treasury Board Crown corporation created in November 2017 to streamline public safety services in Saskatchewan. The Agency operates under *The Saskatchewan Public Safety Agency Act, 2019*, which came into effect on July 7, 2019.<sup>1</sup>

The Agency is responsible for province-wide emergency plans and co-ordinating preparedness for provincial emergencies.<sup>2</sup> In accordance with legislation, the Agency maintains the Provincial Emergency Management Plan intended to direct cross-government emergency planning, response, and recovery.<sup>3</sup> The Minister of Government Relations was responsible for these matters until March 2020.<sup>4</sup>

#### 2.1 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on three recommendations we first made in 2015 about the processes to coordinate emergency

<sup>1</sup> *Saskatchewan Public Safety Agency Annual Report for 2019-20*, p. 5.

<sup>2</sup> Emergencies in the province can include those that are widespread (i.e., affect multiple communities), cause significant disruption or delay in services, have a definite and potential widespread threat to life, or cause significant damage to infrastructure. Examples include floods, forest fires, health epidemics, infrastructure failure, or transportation incidents. These emergencies may require support from the provincial government. (i.e., one or more of its agencies).

<sup>3</sup> *The Emergency Planning Act*, S.5(a).

<sup>4</sup> On March 18, 2020, the responsibilities of *The Emergency Planning Act* transferred from the Minister of Government Relations to the President of the Executive Council. (Order in Council 101/2020)



preparedness for provincial emergencies.<sup>5</sup> As reported in our *2018 Report – Volume 1*, Chapter 21, the Ministry of Government Relations implemented one recommendation.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Agency's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Ministry of Government Relations agreed with the criteria in the original audit.

To carry out our follow-up audit, we discussed actions taken with Agency management and reviewed key documents provided by management (e.g., plans, meeting minutes, reports).

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2020, and the Agency's actions up to that date.

### 3.1 Risk Assessments Updated Annually

***We recommended the Saskatchewan Public Safety Agency (formerly responsibility of Ministry of Government Relations) follow its established process to work with key stakeholders on identifying and updating, each year, assessments of risk of emergencies requiring provincial assistance.***

*(2015 Report – Volume 1; p. 129, Recommendation 2 Public Accounts Committee agreement September 15, 2016)*

**Status—Implemented**

Since January 2018, the Agency meets with key stakeholders each spring to identify and update assessments of risks of emergencies requiring provincial assistance.

The April 2018 and 2019 meetings included key stakeholders (e.g., Environment Canada, Water Security Agency, SaskPower, SaskEnergy, Saskatchewan Health Authority), and resulted in updates to the province-wide risk assessment.<sup>6</sup> The Ministry expects to hold these meetings annually.

In addition, since 2019, the Agency communicates bi-weekly risk outlooks including weather, wildfire, drinking water, highway, and infrastructure risks to key stakeholders.

Systematically keeping its risk assessment up-to-date helps the Agency be aware of all emerging risks or significant changes in risk exposure that are then communicated to key stakeholders as they arise.

<sup>5</sup> *2015 Report – Volume 1*, Chapter 12. At the time of the audit, the Ministry of Government Relations was responsible for processes to coordinate emergency preparedness for provincial emergencies. We made four recommendations.

<sup>6</sup> Representatives from approximately 20 different key stakeholders attended these meetings.

## 3.2 Guidance for Identifying Critical Infrastructure Provided

***We recommended the Saskatchewan Public Safety Agency (formerly responsibility of Ministry of Government Relations) provide key stakeholders responsible for key infrastructure in Saskatchewan with guidance to help them determine which infrastructure is critical to emergency preparedness for the province overall. (2015 Report – Volume 1; p. 131, Recommendation 3, Public Accounts Committee agreement September 15, 2016)***

### **Status—Intent of Recommendation Met**

The Agency routinely educates key stakeholders to help them determine infrastructure critical to emergency preparedness for the province as a whole. Critical infrastructure refers to the processes, systems, facilities, technologies, networks, assets and services essential to the health, safety, security or economic well-being of citizens and the effective functioning of society.<sup>7</sup>

We found the Agency continues to utilize the Critical Infrastructure Advisory Network.<sup>8</sup> The Agency co-chairs the Network with Public Safety Canada. The Network enables stakeholders and industry partners to be aware of their responsibility for critical infrastructure and have plans in place to address any issues.

In May 2019, the Agency hosted tabletop exercises with key stakeholders. It plans to host tabletop exercises annually. These exercises allowed key stakeholders to evaluate mock scenarios (i.e., emergencies), and discuss what they would do based on their existing emergency plans. The exercises focus on identifying potential gaps in existing emergency plans, and giving key stakeholders tools to determine their own critical infrastructure.

We noted all key stakeholders from different sectors later re-addressed the scenario as a group. This allowed them to share lessons learned and provide key information as to how their existing plans and critical infrastructure tie into the overall provincial emergency plan.

Providing ongoing educational opportunities to stakeholders helps the Agency and stakeholders better understand the infrastructure which is critical to the province as a whole. Furthermore, if a provincial emergency occurs, the Agency and stakeholders can use this knowledge to utilize resources in an effective and efficient manner.

## 3.3 Alignment of Stakeholder Plans with Provincial Plan Not Yet Confirmed

***We recommended the Saskatchewan Public Safety Agency (formerly responsibility of Ministry of Government Relations) periodically and formally confirm that emergency plans of all key stakeholders align with the Provincial Emergency Management Plan. (2015 Report – Volume 1; p. 132, Recommendation 4, Public Accounts Committee agreement September 15, 2016)***

### **Status—Partially Implemented**

<sup>7</sup> *Critical Infrastructure Advisory Network Strategic Plan 2019-2023.*

<sup>8</sup> The Saskatchewan network is administered by the Government of Saskatchewan, Ministry of Government Relations, Emergency and Fire Safety Branch, Public Safety Canada, and the RCMP F Division (Saskatchewan Headquarters) (*Critical Infrastructure Advisory Network Strategic Plan 2019-2023*).



Since our 2018 follow-up, the Agency updated the Provincial Emergency Management Plan. At July 2020, the Plan was not finalized.

The draft Provincial Emergency Management Plan requires that the emergency plans of each key stakeholder:

- Align with the Provincial Emergency Management Plan to help ensure consistency in the Government's overall approach to emergency management and response
- Outline the manner and means by which the stakeholder will minimize the impact of an emergency or disaster on provision of its essential services

We found the Agency reviewed the 2019 emergency plans of key stakeholders. It utilized the May 2019 tabletop exercises with stakeholders as a mechanism to evaluate stakeholder plans and assess whether they aligned with the provincial plan.

The Deputy Ministers' Committee on Emergency Management is responsible for reviewing the Provincial Emergency Management Plan, and recommending it for approval by the Minister responsible. By July 2020, the Agency has submitted the updated Plan to the Deputy Ministers' Committee on Emergency Management. It expects the updated Plan to be approved in late 2020-21.

Periodically and formally confirming key stakeholder emergency plans align with the Provincial Emergency Management Plan provides some assurance there will be a consistent overall approach. It also affirms key stakeholders are prepared to deliver on the roles which they have been assigned in the event of a provincial emergency.

## Chapter 41

# Saskatoon School Division No. 13—Procuring Goods and Services

### 1.0 MAIN POINTS

By July 2020, Saskatoon School Division No. 13 improved its procurement processes by implementing the final outstanding recommendation first made in our 2014 audit. Saskatoon Public introduced and consistently followed processes to assess and document the validity of new suppliers.

Following its updated processes to validate and approve new suppliers reduces the risk of making payments to inappropriate and potentially fraudulent suppliers.

### 2.0 INTRODUCTION

Saskatoon Public is the largest school division in the province, educating over 26,000 students annually.<sup>1</sup> School divisions use public resources to acquire goods and services as part of their mandate to provide education to students. School divisions must manage the acquisition of goods and services so that processes are both transparent and display fairness. Saskatoon Public's reputation could be at risk if it does not have effective processes for procuring goods and securing services.

In its audited consolidated financial statements for the year ended August 30, 2019, Saskatoon Public reported spending \$42.3 million on goods and services (2017-18: \$41.6 million).<sup>2,3</sup>

#### 2.1 Focus of Follow-Up Audit

This chapter describes our third follow-up audit of Saskatoon Public's actions on the recommendations we first made in 2014. Our *2014 Report – Volume 2*, Chapter 38, identified areas where Saskatoon Public could improve its procurement processes. We made 11 recommendations. By August 2018, Saskatoon Public had implemented all but one recommendation.<sup>4</sup>

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate Saskatoon Public's progress toward meeting our recommendation, we used the relevant criteria from the original audit. Saskatoon Public's management agreed with the criteria in the original audit.

<sup>1</sup> *Saskatoon Public Schools 2018-19 Annual Report*, p. 6.

<sup>2</sup> *Ibid.*, p. 78.

<sup>3</sup> *Saskatoon Public Schools 2017-18 Annual Report*, p. 71.

<sup>4</sup> *2018 Report – Volume 2*, Chapter 44



In this follow-up audit, we examined Saskatoon Public's policies and procedures for assessing the validity of its suppliers. We interviewed staff responsible for these policies and procedures. We tested a sample of new suppliers to determine whether Saskatoon Public followed its processes.

## 3.0 STATUS OF RECOMMENDATION

This section sets out the remaining recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2020, and the School Division's actions up to that date.

### 3.1 New Supplier Validity Consistently Assessed

***We recommended Saskatoon School Division No. 13 follow its established procedures for assessing the validity (e.g., existence, ownership) of suppliers.*** (2014 Report – Volume 2, p. 299; Recommendation 9; Public Accounts Committee agreement January 13, 2016)

**Status**—Implemented

By July 2020, Saskatoon Public updated its processes to require new suppliers to complete a Supplier Certification Application Form. Saskatoon Public then assesses the validity of new suppliers using a due-diligence checklist. The Procurement Manager approves all due-diligence checklists.

For all 30 new suppliers tested, we found Saskatoon Public followed its processes. Suppliers completed the application form. Staff used the due-diligence checklist to confirm their validity, and the Procurement Manager approved the checklist.

Following established procedures related to confirming the validity of new suppliers decreases the risk of paying inappropriate or potentially fraudulent suppliers.



## Chapter 42

# Social Services—Investigating Allegations of Child Abuse and Neglect

### 1.0 MAIN POINTS

The Ministry of Social Services receives about 15,400 reports of suspected child abuse and neglect each year.<sup>1</sup> Ministry caseworkers are responsible for screening all reports and deciding whether to investigate.

While the Ministry has, since our 2018 audit, made some improvements in its processes to investigate allegations of child abuse and neglect, it has more work to do to.

By June 2020, the Ministry independently reviewed and approved screening decisions within two working days when it decided not to investigate child abuse and neglect allegations.

The Ministry also adequately documented reasons where the decision to investigate was changed (e.g., change from investigate to not investigate or vice versa). However, it does not have a process to monitor the appropriateness of its changes to screening decisions about child abuse and neglect allegations. Having timely, independent reviews of changes to screening decisions confirms the Ministry has made appropriate decisions and reduces the risk of not adequately protecting children.

The Ministry has clear policies and procedures, including timeframes, for investigating allegations of child abuse and neglect, however they are not always followed. Our testing found it did not, within the timeframes required, always attempt face-to-face contact with the child and family under investigation, complete family risk assessments, or finalize investigations. Consistently taking actions within prescribed timeframes reduces the risk a child remains in an unsafe environment or a family in need does not receive ongoing child protection services timely.

### 2.0 INTRODUCTION

This chapter describes our first follow-up audit of management's actions on the recommendations we made in 2018 about the Ministry's processes to investigate allegations of child abuse and neglect.

Child abuse and neglect refers to circumstances that may be harmful to a child's physical, emotional, or psychological health (e.g., physical abuse, sexual abuse). Neglect is also failing to provide a child with enough food, proper clothing, shelter, health care, or supervision.

<sup>1</sup> Information provided by Ministry management.



## 2.1 Background

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Under *The Child and Family Services Act*, the Minister of Social Services is responsible for providing child protection services. The Act provides the mandate for the Ministry to investigate suspected (i.e., alleged) abuse and neglect of children by their parents, guardians, or other adults in the household who provide day-to-day care and supervision of the child. It must determine whether a child is in need of protection, and provide such services where the results of an investigation determine a child needs protection.

The primary responsibility for ensuring the safety and well-being of children lies with each child's parents/guardians. The Ministry only becomes involved when parents/guardians are unable or unwilling to fulfill their parental responsibilities.

From January 1, 2019 to April 30, 2020, the Ministry received about 22,000 reports of alleged child abuse and neglect. Over 11,000 of these reports resulted in investigations.<sup>2</sup> Timely investigation of allegations of child abuse and neglect is critical to protect the safety of children.

## 2.2 Focus of Follow-Up Audit

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This audit follows up on five recommendations made in our *2018 Report – Volume 2*, Chapter 26, about the Ministry's processes to investigate, within a reasonable timeframe, allegations of child abuse and neglect. We concluded for the 12-month period ended June 30, 2018, the Ministry of Social Services had, other than areas identified in our five recommendations, effective processes.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Ministry's management agreed with the criteria in the original audit.

To complete this follow-up audit, we interviewed key staff, reviewed the Ministry's policies and procedures, and examined other documents and the Ministry's IT case management system relevant to screening and investigating allegations of child abuse and neglect. In addition, we tested a sample of intake and investigation reports.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at June 30, 2020, and the Ministry's actions up to that date.

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<sup>2</sup> Information provided by Ministry management.

### 3.1 Screening Decisions Reviewed and Approved Timely

***We recommended the Ministry of Social Services have independent review and approval of screening decisions within two working days when the Ministry decides not to investigate a child abuse and neglect allegation.***

*(2018 Report – Volume 2, p. 199, Recommendation 1; Public Accounts Committee agreement September 26, 2019)*

**Status**—Implemented

The Ministry independently reviews and approves screening decisions within two working days when it decides not to investigate a child abuse and neglect allegation.

When the Ministry receives a reported allegation of child abuse or neglect, staff are required to complete an intake assessment to determine if the Ministry should investigate.

When the Ministry decides not to investigate an allegation of child abuse and neglect, it is a screened out decision. The Ministry's Child Protection Services Manual does not specify the timeframe in which a supervisor must review and approve a screened out decision. However, management expects screened out decisions to be reviewed and approved within two working days of receiving a report of an allegation of abuse or neglect.

For each of the 15 reports we tested where the Ministry decided not to investigate, the decision was reviewed and approved by a supervisor within two working days.

Independently reviewing and approving intake assessments within a short timeframe after their completion confirms the Ministry is making appropriate and objective decisions related to reported child abuse and neglect allegations.

### 3.2 Reasons for Changed Screening Decisions Documented but Not Reviewed

***We recommended the Ministry of Social Services promptly monitor the appropriateness of changed screening decisions related to child abuse and neglect allegations.*** *(2018 Report – Volume 2, p. 199, Recommendation 2; Public Accounts Committee agreement September 26, 2019)*

**Status**—Partially Implemented

The Ministry adequately documents reasons for changed decisions about whether to investigate. However, the Ministry does not have a process to monitor the appropriateness of changed screening decisions related to child abuse and neglect allegations.

The Ministry allows supervisors to override (e.g., change from investigate to not investigate or vice versa) their staff's intake screening decisions. In these situations, the Ministry expects the supervisor to document, in its IT case management system, the reason for the change.



From January 1, 2019 to April 30, 2020, there were 1,188 instances with changed screening decisions.

For each of the ten instances we tested with a changed screening decision, the supervisor appropriately documented reasons for changing the screening decision (e.g., lack of evidence to substantiate allegation, not an allegation of child abuse, already an ongoing file).

Of the 1,188 instances, we found 1,159 where supervisors changed the screening decision from investigate to not investigate. The Ministry did not have a process to independently review or monitor these changes for appropriateness.

For the nine changed screening decisions we tested where the supervisor changed the decision from investigate to not investigate, we found:

- In five instances, the Ministry received other reports of alleged child abuse after it decided not to investigate; the Ministry investigated each of the other alleged reports.
- In four instances, the Ministry had ongoing contact with the children and families (e.g., ongoing file, other Ministry program areas are supporting).

Without an independent review to monitor the appropriateness of changed screening decisions, there is an increased risk of incorrect decisions about investigating reports of alleged child abuse and neglect. In addition, children may remain in unsafe environments where they are at risk of abuse and neglect.

### 3.3 Face-to-Face Contact Not Occurring Within Required Timeframes

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***We recommended the Ministry of Social Services attempt to make face-to-face contact with the child and family involved in a reported child abuse and neglect allegation within required timeframes to assess the child's safety.***

*(2018 Report – Volume 2, p. 201, Recommendation 3; Public Accounts Committee agreement September 26, 2019)*

**Status—Not Implemented**

The Ministry did not always attempt to make face-to-face contact with the child and family within required timeframes during investigations of alleged child abuse and neglect.

The Ministry requires caseworkers to attempt first contact with the child who is the subject of the report and their family the same day or within five calendar days of starting the investigation.<sup>3</sup> This contact, along with a safety assessment, helps caseworkers to determine the safety of children (i.e., safe, safe with services, or unsafe) who are the subject of alleged abuse or neglect.

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<sup>3</sup> Staff are required to complete a response priority decision tree for each maltreatment criteria type selected (e.g., physical abuse, emotional abuse). Response priority levels are either immediate response (i.e., same working day) or non-immediate response (within five calendar days).

We tested 15 investigations and found the following:

- For one of 15 investigations classified as requiring immediate response, the Ministry caseworker did not attempt to make face-to-face contact the same day as required—contact was made 20 days after the reported allegation.<sup>4</sup>
- For two of 15 investigations classified as non-immediate response, the Ministry caseworkers did not attempt to make face-to-face contact within five days as required—contact was made four days late in one instance and 19 days late in the other.<sup>5</sup>

In each of the three instances where we found contact was later than required, the Ministry's IT case management system did not include reasons for the delays. In each of these three instances, caseworkers completed the safety assessments at the time of face-to-face contact, and determined children were safe (i.e., no immediate safety threats identified).

The Ministry sets timeframes for face-to-face contact to keep children in these situations safe. Not making contact with a child within the prescribed timeframes increases the risk the child remains in an unsafe environment.

### 3.4 Family Risk Assessments Not Completed Within Required Timeframes

***We recommended the Ministry of Social Services complete family risk assessments for child abuse and neglect investigations within required timeframes.*** (2018 Report – Volume 2, p. 202, Recommendation 4; Public Accounts Committee agreement September 26, 2019)

**Status**—Not Implemented

The Ministry does not always complete family risk assessments within required timeframes.

The Ministry requires caseworkers to complete a family risk assessment within 30 days of being assigned an investigation. A family risk assessment estimates the likelihood of a family abusing or neglecting a child in the future (e.g., in the next 12–18 months). The assessment influences the decision on whether to provide ongoing Ministry services to the child and/or family. Therefore, the Ministry requires a caseworker to complete the assessment before concluding an investigation of alleged child abuse and neglect.

For eight of 15 investigations we tested, caseworkers did not complete the family risk assessments within 30 days as required.<sup>6</sup>

<sup>4</sup> For the twelve-month period ending June 30, 2018, the time of our original audit, caseworkers attempted face-to-face contact the same day as required for all 15 investigations we tested classified as immediate response.

<sup>5</sup> For the twelve-month period ending June 30, 2018, the time of our original audit, caseworkers did not attempt face-to-face contact within five days as required for two of 15 investigations we tested classified as non-immediate response.

<sup>6</sup> For the twelve-month period ending June 30, 2018, the time of our original audit, for four of 30 investigations we tested, caseworkers completed family risk assessments late or not at all.



- For three of these eight investigations, staff appropriately documented the reasons for the delays in the IT case management system as follows:
  - For two investigations, the caseworkers could not locate the parents after multiple attempts.

In one of these investigations, the supervisor directed it be closed after six months. Police had determined the child was safe when the initial report was made and no other reports were made on the child in the following six months.

In the other investigation, the caseworker completed the family risk assessment and investigation once the parents were contacted.
  - For one investigation, the caseworker noted delays in obtaining additional information from third parties.
- For the remaining five investigations, the family risk assessments were completed between 50 and 246 days late and staff did not document the reasons for delays in the IT case management system.

Delays in completing family risk assessments means delays in finalizing investigations. This may result in families not receiving needed child protection services timely when there may be a high likelihood the child will be maltreated in the future.

In addition, not consistently documenting reasons for the delays in completing family risk assessments reduces the ability of the Ministry to identify causes and take steps to avoid or minimize them.

### 3.5 Investigations Not Finalized Within Required Timeframes

***We recommended the Ministry of Social Services finalize investigations of reported suspected child abuse and neglect within required timeframes, to allow timely supervisor review.*** (2018 Report – Volume 2, p. 203, Recommendation 5; Public Accounts Committee agreement September 26, 2019)

**Status**—Not Implemented

The Ministry did not always finalize investigations within 45 days as expected. Supervisor reviews of submitted investigations were not always timely.

Caseworkers are to complete assigned investigations of alleged child abuse and neglect within 45 days of initiation. The Ministry's investigation process requires caseworkers to:

- Complete investigative findings (i.e., conclude whether the child is in need of protection or the family requires ongoing services) within 30 calendar days of being assigned an investigation
- Close (i.e., conclude the child and/or family does not need ongoing services from the Ministry) or transfer the case to ongoing protection services within 15 calendar days following the investigative finding

Supervisors must review and approve the investigative decision and document their review in the IT case management system.

For eight of 15 investigations we tested, caseworkers did not finalize the investigation within required timeframes.<sup>7</sup> For only three of the eight investigations, caseworkers appropriately documented in the IT case management system the reasons why completion of the investigation was delayed (e.g., could not locate parents after multiple attempts, obtaining additional information from third parties). The five investigations without documented reasons for delays were finalized between 51 and 231 days late.

In addition, for five of eight late investigations we tested, supervisors approved the investigations late—between 11 and 67 days after it was submitted by the caseworker. Supervisors also did not document reasons for the delays approving investigations in the IT case management system.

Not finalizing investigations within required timeframes and having late supervisor approval may result in delayed ongoing child protection services to families with children who may be at risk of neglect and abuse.

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<sup>7</sup> For the twelve-month period ending June 30, 2018, the time of our original audit, for nine of 30 investigations we tested, caseworkers did not finalize the investigation within required timeframes.

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## Chapter 43

### Social Services—Minimizing Absenteeism

#### 1.0 MAIN POINTS

By July 2020, the Ministry of Social Services had implemented two and partially implemented two of four recommendations originally made in our 2015 audit related to minimizing employee absenteeism.

The Ministry provided supervisors with quarterly reports identifying employees with higher-than-average sick leave. The Ministry also worked with the Public Service Commission to implement multiple strategies to address employee absenteeism. For example, the Ministry implemented the “Be at Work” program, and mental health training and programs.<sup>1</sup>

While the Ministry continued to make supervisors aware of online attendance management training available, it did not actively monitor who had taken the training. At July 2020, one-third of Ministry supervisors had not taken the online attendance management training. Training promotes understanding of attendance management expectations, and provides guidance on addressing absenteeism issues.

Furthermore, Ministry senior management did not receive any reports on key causes of employee absenteeism, or strategies undertaken to reduce absenteeism or address the key causes. Rather, Ministry senior management continued to receive reports on average sick leave usage annually. Senior management receiving regular reports on attendance management strategies would help them understand causes for employee absenteeism, and whether strategies are effectively reducing absenteeism.

The Ministry’s average sick leave usage has remained relatively unchanged over the past three years at 10.42 sick days per full time equivalent for 2019-20. It has over 1,800 employees (including non-permanent staff).<sup>2</sup>

#### 2.0 INTRODUCTION

The Ministry of Social Services delivers various programs in the areas of income support, child and family services, supports for persons with disabilities, and affordable housing. Annually, the Ministry spends over \$120 million on salaries.

Our *2015 Report – Volume 2*, Chapter 39 concluded that the Ministry of Social Services had effective processes to minimize employee absenteeism, other than matters reflected in our four recommendations. This report describes our second follow-up of management’s actions on those four recommendations.<sup>3</sup>

<sup>1</sup> The “Be at Work” program is an integrated case management IT system the Ministry and the Public Service Commission use to manage (e.g., accommodate) employees off work for more than five consecutive days due to illness or injury.

<sup>2</sup> Workforce Indicators information provided by the Ministry of Social Services.

<sup>3</sup> Our first follow-up audit can be found in our *2018 Report – Volume 1*, Chapter 31, pp. 299 – 302.



To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001). To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry's management agreed with the criteria in the original audit.

We reviewed the Ministry's approved policies and procedures, and examined absenteeism documentation to assess their actions to minimize absenteeism. We also interviewed Ministry staff.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2020, and the Ministry's actions up to that date.

### 3.1 Further Training on Attendance Management Needed

***We recommended the Ministry of Social Services actively encourage supervisors to take available attendance management training and monitor participation.*** (2015 Report – Volume 2, p. 273, Recommendation 1; Public Accounts Committee agreement March 14, 2017)

**Status**—Partially Implemented

The Ministry of Social Services continues to make attendance management training available to supervisors, but does not have a mechanism to monitor who has taken the training. At July 2020, over one-third of Ministry supervisors had not taken the available attendance management training.

The Ministry expects supervisors, including managers to monitor levels of sick leave usage by employee and take appropriate and timely action to correct absenteeism issues. The Ministry has identified attendance management as a key performance initiative for managers. Expected actions include building awareness of attendance management and developing targeted plans for employees with above average sick leave utilization.

The Public Service Commission continues to offer on-line training for Ministry supervisors, including attendance management training.<sup>4</sup> The Commission also provides a presentation to new supervisors on health and wellness, including information on several different programs offered (e.g., “Be at Work” program, Employee and Family Assistance Program).

The Public Service Commission does not provide the Ministry with periodic reports that summarize participation of its staff in attendance management training. At our request, the Commission generated a report that showed 64 percent of the Ministry's supervisors (222 out of 348) took the attendance management training between 2015 and April 2020.<sup>5</sup>

<sup>4</sup> The Public Service Commission, as the central human resource agency for ministries, provides ministries with guidance on managing absenteeism.

<sup>5</sup> At January 2018, over 30 percent of Ministry supervisors had taken attendance management training online.

Training promotes awareness of attendance management expectations, and provides guidance to supervisors to address absenteeism issues. Actively monitoring participation in training would enable the Ministry to focus its promotion efforts on supervisors who have not received the training.

### 3.2 Quarterly Sick Leave Reports Provided to Supervisors

***We recommended the Ministry of Social Services give all supervisors quarterly reports that identify employees with higher-than-average sick leave to help them determine the reasons for such absences.*** (2015 Report – Volume 2, p.274, Recommendation 2; Public Accounts Committee agreement March 14, 2017)

**Status**—Implemented

During 2019-20, the Ministry of Social Services provided quarterly reports to supervisors identifying employees with higher than average sick leave.

Each quarter, the Ministry emails sick leave data to Ministry division heads (e.g., Executive Directors).<sup>6</sup> The emails highlight employees with higher than average sick leave (more than eight days of sick time). At December 31, 2019, the Ministry had 544 employees (about 30 percent) with more than eight days of sick time.

We found the division heads share the sick leave emails with directors and managers (supervisors). In the emails, division heads encourage supervisors to develop targeted plans to address excessive absenteeism, and, if needed, to seek support from their Public Service Commission HR Business Partner as well as the Ministry Disability Management Consultant.

Giving supervisors regular information on employees with higher-than-average sick leave increases the opportunity for supervisors to take timely action to reduce future absences.

### 3.3 Strategies Used to Manage Employee Absenteeism

***We recommended the Ministry of Social Services, working with the Public Service Commission, develop targeted strategies to manage employee absenteeism based on an analysis of the causes for absenteeism.*** (2015 Report – Volume 2, p. 274, Recommendation 3; Public Accounts Committee agreement March 14, 2017)

**Status**—Implemented

The Ministry of Social Services, along with the Public Service Commission, uses multiple strategies to address employee absenteeism.

The Ministry's Disability Management Consultant, hired as an employee in 2015, continues to provide day-to-day disability consulting, and oversees cases involving disability case management.<sup>7</sup> Consequently, the Ministry continues to see improvement in reducing the number of definite leaves of absence. As at March 31, 2020, the Ministry had 44 employees on definite leave (June 2016: 60 employees on definite leave).<sup>8</sup>

<sup>6</sup> The Ministry receives sick leave data on quarterly basis from the Public Service Commission.

<sup>7</sup> Disability case management, including accommodating employees back to work, does not focus on absenteeism where the leave is attributed to a known extended illness or situation (e.g., surgery).

<sup>8</sup> The 2016 figure comes from 2018 Report – Volume 1, Chapter 31.



Since 2018, the Ministry also implemented the “Be at Work” program to help manage employee absenteeism.<sup>9</sup> Ministry management received training on the program in 2019. We found, in July 2020, the Ministry was using the program to manage over 40 active cases.

The Ministry continues to offer the Employee and Family Assistance Program—a confidential and voluntary program offered through the Public Service Commission.

The Ministry’s analysis of Employee and Family Assistance Program statistics determined mental health and personal relationships are prevalent issues its employees and their family members face; it is aware these issues contribute to employee absenteeism.

As a result, the Ministry and the Public Service Commission implemented the “Not Myself Today” program to build knowledge, understanding, and start conversations about mental health. In addition, the Ministry undertakes an ongoing healthy workplace initiative to promote awareness on how to recognize psychological health and safety concerns among employees.

Developing multiple strategies to address the causes of employee absenteeism, in turn, assists in encouraging actions to reduce employee absences from work.

### 3.4 Reports on Effectiveness of Attendance Management Strategies Needed

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***We recommended the Ministry of Social Services give senior management periodic reports on the effectiveness of its attendance management strategies, including detailed analysis of the results.*** (2015 Report – Volume 2, p.276, Recommendation 4; Public Accounts Committee agreement March 14, 2017)

**Status**—Partially Implemented

While senior management of the Ministry of Social Services continued to receive reports on sick leave usage, they did not receive periodic reports about whether its strategies reduce absenteeism.

Each year, Ministry senior management receive reports on average sick leave usage. Over the past three years, the Ministry’s average sick leave usage rate per full-time employee has remained relatively unchanged (2017-18—9.98 days; 2018-19—10.08 days; 2019-20—10.42 days).

The Ministry continues to assess its actual sick leave rates against the ministry-wide target of seven days of sick leave per full time equivalent. This target is unchanged from our 2015 audit. The reports senior management receive did not give reasons for differences between actual sick leave usage and the target, nor include any assessment on strategies undertaken to reduce employee absenteeism.

Senior management receiving regular progress reports on attendance management strategies would help them understand causes for employee absenteeism, and whether the Ministry’s actions are successfully reducing absenteeism.

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<sup>9</sup>The “Be at Work” program is designed to coordinate workplace injuries, medical accommodations, and health-related absences between the Ministry and the Public Service Commission.

## Chapter 44 Social Services—Protecting Children in Care

### 1.0 MAIN POINTS

By August 2020, the Ministry of Social Services implemented our last outstanding recommendation about its processes to protect children in its care. The Ministry knows how many children are the Minister's responsibility, who they are, and where they live. This allows the Ministry to properly monitor the care of children receiving child protection services.

### 2.0 INTRODUCTION

#### 2.1 Background

Under *The Child and Family Services Act*, the Minister of Social Services can intervene on a child's behalf if the child is in need of protection due to physical, sexual, or emotional abuse, neglect or exposure to interpersonal or domestic violence. The Ministry has services designed to protect children from abuse or neglect and provides care for children requiring protection and out-of-home care (e.g., foster care, group homes).

Children placed in out-of-home care can be either wards or non-wards. For children who are wards of the Minister, the Ministry assumes legal responsibility and acts as a parent with the rights and obligations of a parent. For children who are wards of the Minister and reside on reserves, the Ministry has delegated authority to 18 First Nations Child and Family Services agencies (First Nations agencies) to care for them.<sup>1</sup>

Non-wards are those children the Minister helps to support without having legal custody of the child. Also, non-wards are children that the courts may place in the custody of a person of sufficient interest, rather than with the Minister.<sup>2</sup>

#### 2.2 Focus of Follow-Up Audit

This audit follows up on a recommendation about the Ministry's processes to protect children in care we first made in our *2008 Report – Volume 3*.<sup>3</sup>

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Ministry's progress toward meeting our recommendation, we examined agreements with First Nations Child and Family Services agencies and other relevant documents. We also tested a sample of monthly reports and interviewed Ministry staff as necessary.

<sup>1</sup> At March 31, 2020, there were 17 First Nations agencies. The Ministry signed an agreement with a new agency on April 1, 2020.

<sup>2</sup> A person of sufficient interest is a person who is not a parent of the child but who, in the opinion of the court, has a close connection to the child.

<sup>3</sup> Our *2013 Report – Volume 2*, Chapter 24 reported the Ministry implemented two of seven recommendations about its controls to protect children in care. Our *2018 Report – Volume 2*, Chapter 46 reported, by August 2018, the Ministry had implemented four of the five outstanding recommendations.



## 3.0 STATUS OF RECOMMENDATION

This section sets out the recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at August 31, 2020, and the Ministry's actions up to that date.

### 3.1 System in Place to Track Children in Care

***We recommended the Ministry of Social Services implement a system to know how many children are the Minister's responsibility, who they are, and where they live.*** (2008 Report – Volume 3; p. 318, Recommendation 4; Public Accounts Committee agreement December 9, 2008)

**Status—Implemented**

The Ministry knows how many children are the Minister's responsibility, who they are, and where they live. The Ministry uses its case-management IT system to track children in care, which includes who they are and where they live.

At March 31, 2020, the Ministry reported it had 5,442 children in out-of-home care. Of those, 3,362 children were wards of the Minister and 2,080 children were non-wards. Of those children who were wards of the Minister, the Ministry's staff (caseworkers) cared for 95.5 percent of the children and First Nations agencies cared for 4.5 percent of the children.<sup>4,5</sup>

Each First Nations agency, through agreements with the Ministry, agrees to give the Ministry monthly reports of all children taken into care. The Ministry expects the First Nations agencies to submit monthly reports within six weeks after the end of the reporting month.

For the 17 monthly reports tested, we found all First Nations agencies submitted a list of children taken into care. Eight of the 17 First Nations agencies we tested submitted their monthly reports late. Lateness ranged between eight and 112 days. We found the Ministry adequately followed up (e.g., emails with the First Nations agencies) on the missing reports until the reports were received.

Having a system to know how many children are the Minister's responsibility, who they are, and where they live allows the Ministry to properly monitor the care of children receiving child protection services.

<sup>4</sup> Information provided by Ministry management.

<sup>5</sup> First Nations agencies also care for children who are under the responsibility of Indigenous Services Canada, at December 31, 2019, First Nations agencies were also responsible for the care of 1,217 children.

## Chapter 45

# Western Development Museum—Permanently Removing Historical Artifacts

### 1.0 MAIN POINTS

By March 2020, the Western Development Museum had improved its processes to permanently remove historical artifacts by fully implementing three and partially implementing the fourth of four outstanding recommendations made in our 2016 audit.

The Museum updated its operational Collection Management Policies on deaccessions, acquisitions, and disposals to provide staff with the following: <sup>1</sup>

- Clear written guidance on systematically identifying artifacts for removal from its collections
- When to obtain independent appraisals of artifacts identified for removal, and disposal of artifacts

The Museum continues to work on developing its Collections Development Plan for systematic review of planned deaccession projects. An unsystematic review process could lead to many duplicate or deteriorated artifacts in its collection, and potentially increase storage costs of housing artifacts that should be disposed. Management expects approval of the Collections Development Plan in December 2020. In addition, it expects to update the plan every five years.

### 2.0 INTRODUCTION

#### 2.1 Background

The Western Development Museum is the keeper of Saskatchewan's collective heritage. The Museum shares the province's unique sense of place with people—recognizing that the legacy of the past is the foundation for a sustainable future.<sup>2</sup> A Cabinet-appointed Board of Directors manages the Museum.

The Museum is responsible for collecting, preserving, restoring, and exhibiting objects of historical value and importance to Saskatchewan and for their disposal under *The Western Development Museum Act*.<sup>3</sup> It has a collection of over 75,000 artifacts ranging from pins to locomotives in four locations in the province (Saskatoon, Moose Jaw, North Battleford, and Yorkton). Its Corporate Office located in Saskatoon is for administrative and curatorial functions as well as collections storage.<sup>4</sup>

<sup>1</sup> Deaccession – to officially remove an artifact from listed holdings of a library.

<sup>2</sup> Western Development Museum, 2019-2020 Annual Report, (2020), p.4.

<sup>3</sup> *The Western Development Museum Act*. S. 12, 17

<sup>4</sup> [www.wdm.ca/about-wdm/](http://www.wdm.ca/about-wdm/) (18 June 2020)



## 2.2 Audit Focus

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This chapter describes our second follow-up of management's actions on the recommendations we made in our 2016 audit about the Western Development Museum's processes to permanently remove historical artifacts from its collections. By August 31, 2018, the Museum had implemented four of the eight recommendations made in our 2016 audit. It had not fully implemented four recommendations.<sup>5</sup>

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Museum's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Museum management agreed with the criteria in the original audit.

Our follow-up audit included interviewing Museum staff to discuss key actions management has taken since our 2016 audit to implement the outstanding recommendations, and reviewing supporting documentation, communications, and policies to obtain an understanding of these actions. It also included testing a sample of 30 artifact disposals during the audit period.

## 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at March 31, 2020, and the Western Development Museum's actions up to that date.

### 3.1 Guidance and Expectations for Staff Involvement in Artifact Removal Followed

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***We recommended the Western Development Museum Collections Management Policy clarify its expectations of staff to actively assist in identifying artifacts for removal.*** (2016 Report – Volume 2, p. 213, Recommendation 4; Public Accounts Committee agreement March 21, 2017)

**Status—Implemented**

***We recommended the Western Development Museum provide its staff with written guidance on:***

- ***Systematically identifying artifacts for removal from its collections***
- ***Reporting aggregate artifact deaccessioning and disposal activities to the Board***
- ***When to obtain independent appraisals of artifacts***

(2016 Report – Volume 2, p. 211, Recommendation 2; Public Accounts Committee agreement March 21, 2017)

**Status—Implemented**

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<sup>5</sup> The follow-up audit report can be found at [auditor.sk.ca/publications/public-reports](http://auditor.sk.ca/publications/public-reports). 2018 Report– Volume 2 (Chapter 48, pp.313-318). Our 2016 Report – Volume 2, Chapter 30 (pp. 205-216) concluded that, for the period from January 1, 2014 to August 15, 2016, the Museum had, except reflected in the eight recommendations made, effective processes to permanently remove historical artifacts from its collections.

As of March 2020, the updated Operational Collection Management Policies on deaccessions and disposals provide staff with sufficient written guidance to systematically identify artifacts for removal from its collections, and when to obtain independent appraisals. The Museum expects staff to report to the Board on deaccessioning and disposal activities.

We found the deaccessions policy clarified which deaccession principles and criteria staff must follow in the deaccessioning process including process for obtaining management, curator and Board of Director approval. It guides staff to identify artifacts through day-to-day activities and/or through a specific collection or project-based review. In addition, the disposal policy guides staff to obtain an independent appraisal for deaccessioned artifacts or library materials offered for trade or sale with an estimated value greater than \$5,000. The Museum requires completion of these steps by using a worksheet.

For each of 30 artifacts for deaccessioning we tested:

- The collections manager and curator followed the expected process, and obtained the Museum's Board of Directors approval
- Staff used the worksheet as expected

Because the 30 items we tested had little or no monetary value (e.g., display forms, model toys, photograph collection), staff did not obtain an independent appraiser to assign values.

We also found the Museum management, at least quarterly, gave the Board relevant details about the deaccessioning artifact activities (e.g., types of artifacts like dress forms, photograph collections, display forms) and the reasons why it is requesting deaccessioning of an artifact (e.g., poor condition, duplicate, no longer relevant). Also as part of its annual budget proposal submission, management reported on materials deaccessioned and disposed of during the year. We found the report included sufficient information to monitor the removal of artifacts from the collection. Furthermore, the annual report to the Ministry included a comparison of the number of artifacts disposed over the past three years.

Systematic and consistent processes to identify and report artifacts for removal from museums collections helps manage space pressures and control costs. Clear direction for when to obtain independent appraisals helps ensure appropriate assessment of the artifacts occurs. Knowing when to obtain independent appraisals ensures fair value is received for items of significant value.

### 3.2 Analysis to Identify Potential Artifacts for Removal Not Finalized

***We recommended the Western Development Museum systematically review its collections to identify potential artifacts for removal.*** (2016 Report – Volume 2, p. 212, Recommendation 3; Public Accounts Committee agreement March 21, 2017)

**Status**—Partially Implemented

As at March 2020, the Museum had not yet completed its Collections Development Plan to guide staff on project-based reviews of its collections.



The Museum plans to use the Collections Development Plan to support its Operational Collections Management Policies, in particular to guide project-based reviews of specific collections (e.g., car collections, pump organs). It expects the plan to align future accession and deaccession decisions with the Museum's Strategic Plan using a five-tier significance assessment tool for each artifact. The Museum expects to complete the Collections Development Plan by the end of 2020 and update it every five years.

Absence of an approved Plan to guide project-based reviews of the Museum's collections may result in increased costs and storage space being used to house artifacts that should be disposed.

### 3.3 Expectations for Timely Disposals Followed

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***We recommended the Western Development Museum dispose of deaccessioned artifacts within an established timeframe.*** (2016 Report – Volume 2, p. 215, Recommendation 7; Public Accounts Committee agreement March 21, 2017)

#### **Status—Implemented**

The Museum consistently disposed of deaccessioned artifacts within established timeframes.

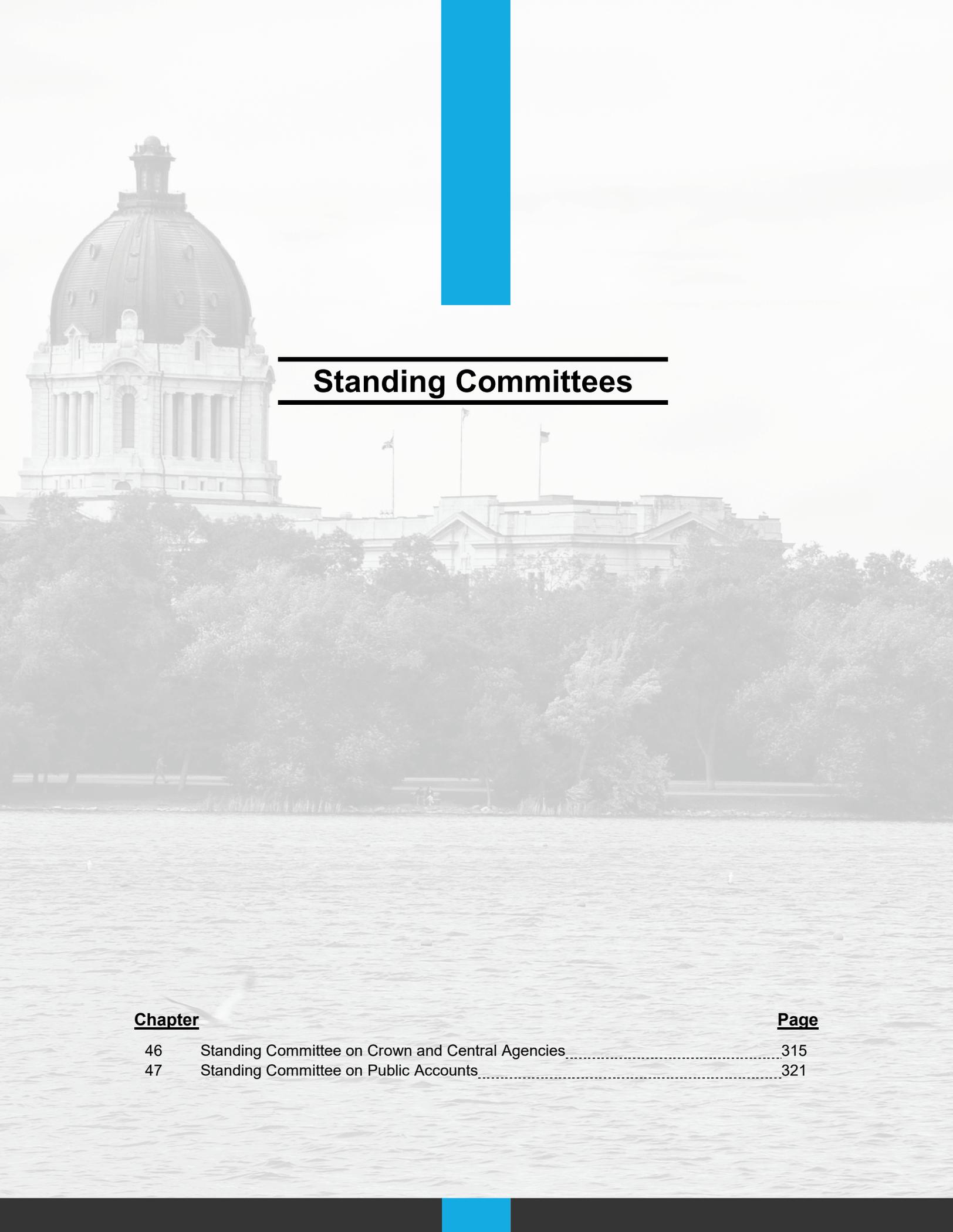
The Operational Collection Management Policy defines a timely disposal (i.e., expectation for timeframe between deaccessioning and disposal) as follows:

- Artifacts and materials hazardous to the collection are to be disposed of within one year of deaccessioning.
- Artifacts and materials in poor physical condition are to be disposed of within six months of deaccessioning.
- Artifacts and materials to be transferred to other institutions or sold at auction are generally to be disposed of within two years of deaccessioning.

During 2019-20, the Museum disposed of 51 artifacts through public auctions and transfers. These artifacts consisted of deaccessioned items from 2019.

For each of the 30 disposals of artifacts we tested, the Museum consistently documented the rationale and disposed of each item within the timeframes set in the policy.

Timely disposal of deaccessioned artifacts mitigates the risk of space pressures for artifacts within the Museum's collections (i.e., freeing space for other artifacts and reducing space for artifacts no longer part of the collections).



## **Standing Committees**

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## Chapter 46

# Standing Committee on Crown and Central Agencies

### 1.0 MAIN POINTS

Through its work and recommendations, the Standing Committee on Crown and Central Agencies helps the Legislative Assembly of Saskatchewan hold the Government accountable for its management of the Crown Investments Corporation of Saskatchewan (CIC) and its subsidiary corporations. The Committee does this, in part, by reviewing chapters in our Reports, and the annual reports, including related financial statements, of agencies within its subject area.

From October 1, 2019 to September 29, 2020, the Committee did not consider any chapters from our Reports. During this period, the Committee's activities included reviewing annual reports. It reviewed the majority of the 2018-19 annual reports of CIC and its subsidiaries; and had not started the review of the 2019-20 annual reports.

As at September 2020, the Committee is relatively up-to-date on its review of chapters in our Reports related to CIC and its subsidiary corporations with eight chapters to review.

CIC and its subsidiary corporations' implementation of the Committee's recommendations related to our audit work remains strong. As of September 2020, the Government fully implemented 89% of the Committee's recommendations, and partially implemented 33% of the remaining recommendations.

### 2.0 INTRODUCTION

This chapter gives an overview of the role and responsibilities of the Standing Committee on Crown and Central Agencies focusing on those responsibilities related to our Office's work. It also describes the overall status of the Committee's recommendations resulting from our Office's work and the status of the Committee's review of annual reports of CIC and its subsidiary corporations. In addition, it highlights the Committee's activities related to our Office's work since September 2019.

#### 2.1 Role and Responsibilities of the Standing Committee on Crown and Central Agencies

The Standing Committee on Crown and Central Agencies is one of the Legislative Assembly's four policy field committees. The Committee's assigned subject area encompasses CIC and its subsidiary corporations, supply and services (e.g., Ministry of Central Services), central government agencies (e.g., Ministry of Finance), liquor, gaming, and all other revenue-related agencies and entities. See **Figure 1** for a brief description of the responsibilities of a policy field committee.

**Figure 1—Responsibilities of Policy Field Committees**

The Legislative Assembly makes policy field committees responsible for examining certain documents within their assigned subject area. These documents include bills and regulations (proposed laws), estimates, and annual reports. During their reviews, these committees can consider issues of current concern, future objectives, and past performance.

Policy field committees can also conduct inquiries into matters within their mandated subject area. They provide the Assembly with reports on their activities and can make recommendations to the Assembly for its consideration.

The Standing Committee on House Services determines the membership of each policy field committee. Policy field committee meetings are open to the public. The Assembly's website contains information about the composition of each committee and records of their meetings (i.e., meeting notices, Hansard verbatim, minutes, videos, and reports).

Each committee establishes a steering committee composed of the Chair and Deputy Chair. The steering committee determines how it will plan and organize its business and makes recommendations related to the committee's meeting agenda, the calling of witnesses, and times of sittings. Their meetings are conducted in-camera and, unless otherwise authorized, decisions made by the steering committee must be ratified by the full committee.

Source: [www.legassembly.sk.ca/media/1303/committeesoverview.pdf](http://www.legassembly.sk.ca/media/1303/committeesoverview.pdf) (22 September 2020).

The Assembly gave the Committee the following responsibilities in addition to those typically given to a policy field committee:

- The Assembly, through *The Provincial Auditor Act* and under its *Rules and Procedures of the Legislative Assembly of Saskatchewan*, refers portions of our Reports (chapters) related to CIC and its subsidiaries to the Committee.<sup>1</sup> When the Committee considers chapters from our Reports, our Office and the Corporation's appointed auditor, if any, attend to assist in its review.
- The Assembly requires the Minister responsible for CIC to notify the Committee, in writing, about significant transactions of CIC and any of its subsidiaries within 90 days of the transaction.<sup>2</sup> The notification must outline the objectives of the transaction, the financial implications, a statement of any changed liabilities, and the authority under which the transaction was made.<sup>3</sup>
- The Assembly periodically refers regulations and bylaws of professional associations (e.g., CPA Saskatchewan) to the Committee for its review.

**Figure 2** sets out the membership of the Standing Committee on Crown and Central Agencies at September 29, 2020.

**Figure 2—Standing Committee on Crown and Central Agencies Members at September 29, 2020<sup>4</sup>**

Member Name	
Fred Bradshaw, Chair Warren McCall, Deputy Chair Steven Bonk David Forbes	Nancy Heppner Lisa Lambert Hugh Nerlien

Source: [www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/](http://www.legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/) (29 September 2020).

<sup>1</sup> Section 14.1(8) of *The Provincial Auditor Act* and rule 143(3) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

<sup>2</sup> The Committee defines significant transactions as those that are material in amount and outside the ordinary course of business, or are judged to be sensitive and likely of interest to legislators and the public.

<sup>3</sup> Rule 143(4) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

<sup>4</sup> On September 29, 2020, at the request of the Premier of Saskatchewan, the Lieutenant Governor dissolved the Legislative Assembly of Saskatchewan resulting in dissolving the committees of the Assembly.

## 2.2 Frequency and Purpose of Committee Meetings

For the period from October 1, 2019 to September 29, 2020, the Standing Committee on Crown and Central Agencies met seven times. The purpose of most of these meetings was to review bills (proposed laws), annual reports, and the 2020–21 Estimates related to agencies within its subject area.

During this period, the Committee made two reports to the Assembly:

- On June 26, 2020, the Committee presented the *Eighth Report of the Twenty-Eighth Legislature*. This report outlined the 2020-21 Estimates and 2019-20 Supplementary Estimates considered, and the resolutions adopted by the Committee.
- On June 30, 2020, the Committee presented the *Ninth Report of the Twenty-Eighth Legislature*. The report detailed the work of the Committee for the period from September 11, 2018 to June 29, 2020.

In November 2019, the Committee received two significant transaction reports regarding the divestiture of CIC Asset Management Inc.'s investments in Terra Grain Fuels Inc. and SaskPower's acquisition of ATCO's 50% interest in the Cory Cogeneration Station.

## 3.0 STATUS OF COMMITTEE WORK

### 3.1 Committee Work Related to our Audits Relatively Current

Even though the Standing Committee on Crown and Central Agencies did not consider any chapters from our Reports from October 1, 2019 to September 29, 2020, it is relatively up-to-date on its review of our Report chapters. It only reviews chapters related to audits of CIC and/or its subsidiaries.

As shown in **Figure 3**, as at September 29, 2020, the Committee had not yet considered eight chapters from our Reports.

**Figure 3—Chapters the Committee Had Not Yet Considered as of September 29, 2020**

Agency	Report	Chapter	# of New Recommendations to be Considered
Gradworks Inc.	2018 – Volume 2	34	-
Saskatchewan Government Insurance	2019 – Volume 1	11	4
	2020 – Volume 1	23	-
Sask Gaming Corporation	2019 – Volume 2	38	-
SaskPower	2019 – Volume 2	45	-
Standing Committee on Crown & Central Agencies	2019 – Volume 2	48	-
SaskEnergy	2020 – Volume 1	11	3
Saskatchewan Water Corporation	2020 – Volume 1	31	-



The Committee last reported to the Assembly about its review of our chapters on June 30, 2020 (i.e., *Ninth Report to the Twenty-Eighth Legislature*). This report contained 14 recommendations resulting from its review of relevant chapters for the period from September 11, 2018 to June 29, 2020.<sup>5</sup>

## 3.2 Implementation of the Committee's Audit-Related Recommendations Remains Strong

CIC and its subsidiaries' implementation of the Committee's recommendations related to our audit work remains strong. By September 29, 2020, they fully implemented 89% of the Committee's recommendations, and partially implemented 33% of the remaining recommendations.<sup>6</sup>

**Figure 4** sets out the 12 outstanding recommendations agreed to by the Committee and their status at September 29, 2020.

**Figure 4—Status of Committee Recommendations Not Fully Implemented at September 29, 2020**

Outstanding Recommendation by Corporation <sup>A</sup>	Status
<b>Saskatchewan Government Insurance—Only Qualified Drivers Remain Licensed</b> (2016 Report – Volume 1)	
15-1 Establish written guidance outlining expected timeframes for entry of driver information into the computer system used to administer driver's licenses.	Partially Implemented (as of November 30, 2019)
<b>Saskatchewan Water Corporation—Purchasing Goods and Services</b> (2018 Report – Volume 1)	
10-2 Require staff to include documented rationale for selecting non-competitive procurement methods for purchases over \$25,000 on purchase orders submitted for approval.	Partially Implemented (as of December 31, 2019)
10-3 Require staff to report regularly on purchases using sole sourcing to senior management and the Board.	Partially Implemented (as of December 31, 2019)
10-6 Follow established procurement policies when approving the purchase of goods and services.	Partially Implemented (as of December 31, 2019)
10-7 Track performance problems with suppliers in a way that this information is available to staff making purchasing decisions.	Not Implemented (as of December 31, 2019)
<b>Saskatchewan Power Corporation—Maintaining Above-Ground Distribution Assets</b> (2018 Report – Volume 2)	
25-1 Formally assess the risks associated with its inspection and preventative maintenance strategies for above-ground assets used to distribute electricity.	Not Implemented (as of April 30, 2018)
25-2 For above-ground assets used to distribute electricity that Saskatchewan Power Corporation plans to maintain, it determine the condition to which it expects to maintain each type of those assets.	Not Implemented (as of April 30, 2018)
25-3 Consistently maintain in its IT systems key information about its above-ground assets used to distribute electricity to support evidence-based decision-making.	Not Implemented (as of April 30, 2018)

<sup>5</sup> The Committee's previous report to the Assembly resulting from its review of our Reports was *The Sixth Report to the 28th Legislature* tabled on November 21, 2018.

<sup>6</sup> The Committee asked our Office to assess and report on the status of the recommendations the Committee makes and reports to the Assembly resulting from our audit work. We assess the status of financial-related recommendations each year as part of annual integrated audits. As part of audit follow-ups, we assess other recommendations either two or three years after the original audit and, subsequently every two or three years, until the recommendations are either implemented or no longer relevant.

Outstanding Recommendation by Corporation <sup>A</sup>	Status
25-4 Maintain up-to-date information about the condition of its above-ground assets used to distribute electricity to support risk-informed asset planning.	Not Implemented (as of April 30, 2018)
25-5 Formally prioritize its maintenance of above-ground assets used to distribute electricity to support risk-informed allocation of resources over the longer term.	Not Implemented (as of April 30, 2018)
25-6 Where Saskatchewan Power Corporation does not follow its plan for maintaining above-ground assets used to distribute electricity, it formally assess the consequences of not completing such maintenance.	Not Implemented (as of April 30, 2018)
25-7 Regularly report to its senior management on the status of its maintenance activities and, if applicable, the consequences of not completing planned maintenance for above-ground assets used to distribute electricity.	Not Implemented (as of April 30, 2018)

<sup>A</sup>The number preceding the outstanding recommendation reflects the chapter and recommendation number of our related report.

### 3.3 Committee Review of CIC Sector Annual Reports Current

Annual reports are key accountability documents. As previously mentioned, as a policy field committee, the Committee is responsible for examining annual reports including related financial statements of agencies within its subject area (e.g., CIC and its subsidiary corporations).<sup>7</sup>

As of September 29, 2020, the Committee has reviewed all of the 2018–19 annual reports except one (Saskatchewan Opportunities Corporation).<sup>8</sup> The Committee had not yet started its review of the 2019–20 annual reports of CIC and its subsidiary corporations.

<sup>7</sup> Each year, CIC and its subsidiary corporations prepare annual reports and financial statements for tabling in the Assembly. CIC and almost all of its subsidiaries have a March 31 fiscal year-end. Each summer, they table their annual reports in the Assembly, which then become available for the Committee's review.

<sup>8</sup> Committee's Branch, Legislative Assembly Service, Standing Committee on Crown and Central Agencies, *Business Referred to Committee*.

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## Chapter 47

# Standing Committee on Public Accounts

### 1.0 MAIN POINTS

The work of the Standing Committee on Public Accounts is crucial for a well-managed parliamentary system of government. It provides a vital link in the accountability chain of public resources and contributes to supporting the public's confidence in the Government.

The Committee's discussions and recommendations to the Legislative Assembly promote a more open and accountable government, as well as better management of government operations. By reviewing chapters in our Reports, questioning government officials, requesting information, and making recommendations in its reports to the Assembly, the Committee acts as an agent of change for the management practices of government.

The implementation of the Committee's recommendations by the Government and its agencies remains strong. As of September 2020, the Government fully implemented 82% of Committee recommendations made during the previous five years, and it partially implemented 53% of the remaining recommendations.

In addition, during the period from October 1, 2019 to September 29, 2020, the Committee met once to review our Reports' chapters, completing its review of our *2017 Report – Volume 2*. However, the Committee's review is not as timely as in the previous two years. At September 29, 2020, the Committee has not yet reviewed 114 chapters as compared to 69 chapters at September 30, 2019, and 56 chapters at October 15, 2018.

Timely review of chapters in our Reports shows the Committee is undertaking appropriate scrutiny and holding agencies accountable.

### 2.0 INTRODUCTION

This chapter provides an overview and brief description of the Committee's composition, role, and responsibilities, as well as how it reports to the Legislative Assembly. It highlights the Committee's activities since our last chapter to the Assembly about the Committee in September 2019.

It also sets out the extent to which the Government implemented the Committee's recommendations, and the status of the Committee's review of our Reports.

### 3.0 ROLE AND RESPONSIBILITIES' OVERVIEW

#### 3.1 Committee Composition

At the beginning of each Legislature, the Legislative Assembly appoints members to the Committee comprised of a member of the Opposition as Committee Chair and a Government member as Deputy Chair.



On March 4, 2013, *The Rules and Procedures of the Legislative Assembly of Saskatchewan* changed to expand the Committee from seven members and a membership based on the ratio of party standings in the Assembly to eight members, including two members of the Official Opposition for the duration of the 27th Legislature.<sup>1</sup> This practice continued into the current 28th Legislature. **Figure 1** sets out the Committee's members as of September 29, 2020.<sup>2</sup>

**Figure 1—Members of the Standing Committee on Public Accounts at September 29, 2020**

Members Name	
Trent Wotherspoon, Chair	Herb Cox
Don McMorris, Deputy Chair	Lisa Lambert
Greg Brkich	Vicki Mowat
David Buckingham	Randy Weekes

Source: Information provided by Procedural Services, Legislative Assembly.

## 3.2 Responsibilities Include Review of Public Accounts and Our Reports

Because of the Committee's role to scrutinize the Government's management of public resources and review our Reports, we view it as the audit committee for the Assembly and thus, for the public.

The Committee acts as a non-partisan oversight body that helps the Assembly hold the Government accountable for its management of public resources. *The Rules and Procedures of the Legislative Assembly of Saskatchewan* require the Committee to review and report to the Assembly on the results of its review of Public Accounts and Provincial Auditor's Reports.

The Assembly refers the Public Accounts and the Reports of our Office to the Committee.<sup>3</sup> The following provides a brief description of each:

- The Public Accounts consist of two volumes. The first volume contains the Summary Financial Statements of the Government and a Financial Statement Discussion and Analysis section. The second volume contains details on revenues and expenditures of the General Revenue Fund. This volume includes comparisons of appropriations to expenditures by vote and by program, and details of expenses (e.g., payees who received \$50,000 or more for salaries and benefits, transfers, or goods and services). It also includes other information, including key financial information of some pension plans and trust funds administered by the Government, on remission of taxes and fees, and on road-use fuel tax accountability.<sup>4</sup>
- The Reports of the Provincial Auditor contain the results of our examinations of the Government and its various agencies. Chapters within our Reports identify whether the Committee agreed with our recommendations, or made its own recommendations.

<sup>1</sup> [www.legassembly.sk.ca/media/1008/current\\_rules.pdf](http://www.legassembly.sk.ca/media/1008/current_rules.pdf) (1 October 2020).

<sup>2</sup> On September 29, 2020, at the request of the Premier of Saskatchewan, the Lieutenant Governor dissolved the Legislative Assembly of Saskatchewan resulting in dissolving the committees of the Assembly.

<sup>3</sup> By law, chapters related to Crown Investments Corporation of Saskatchewan and its related agencies (e.g., Saskatchewan Power Corporation, Saskatchewan Telecommunications) within our Reports are referred to the Standing Committee on Crown and Central Agencies.

<sup>4</sup> [www.saskatchewan.ca/government/government-structure/ministries/finance#programs-and-services](http://www.saskatchewan.ca/government/government-structure/ministries/finance#programs-and-services) (1 October 2020).

The Committee asked us to monitor compliance with its recommendations and report on their status. Chapters within our Reports provide an update on the status of recommendations implementation.

The Committee's meetings are televised and open to the public. In its deliberations, the Committee is not fundamentally concerned with matters of policy; rather, it questions the economy and effectiveness of the administration of government programs. The Committee reviews the activities, performance, and reports of government ministries, agencies, and certain Crown corporations (agencies). During its review, the Committee may inquire about past performance, current concerns, and future objectives. The Committee's discussions include broader issues such as strategic plans, key risks to achieving goals and objectives, and performance measurements.

Government officials attend Committee meetings to answer questions about their agencies' administration. In advance of the meetings, agencies provide the Committee with status updates that set out actions taken or planned to address recommendations.<sup>5</sup> Our Office attends the meetings to help the Committee in its reviews. The Committee discusses and recommends actions on issues raised by Committee members and our Office.

### 3.3 Reports of the Committee

Typically, the Committee reports to the Assembly at the end of each legislative session. Its reports include its findings and recommendations resulting from the Committee's review of our Reports. Its reports, once tabled in the Assembly, are publicly available on the Committee's website.<sup>6</sup>

The Committee requires the Government to respond in writing to its reports. Their response is also publicly available on the Committee's website.

The Committee's website also provides information on its composition, as well as Committee meeting records (i.e., Hansard verbatim, minutes, videos, reports).

During the period from October 1, 2019 to September 29, 2020, the Committee made two reports to the Assembly:

- On October 22, 2019, the Committee presented the *Third Report of the Twenty-Eighth Legislature*. The report detailed the work of the Committee for the period from June 14, 2018 to October 22, 2019.
- On June 29, 2020, the Committee presented the *Fourth Report of the Twenty-Eighth Legislature*. The report detailed the work of the Committee for the period from October 23, 2019 to June 29, 2020.

<sup>5</sup> Status updates are tabled with the Committee and are available at [www.legassembly.sk.ca/legislative-business/legislative-committees/public-accounts/](http://www.legassembly.sk.ca/legislative-business/legislative-committees/public-accounts/) (1 October 2020).

<sup>6</sup> [www.legassembly.sk.ca/legislative-business/legislative-committees/public-accounts/](http://www.legassembly.sk.ca/legislative-business/legislative-committees/public-accounts/) (1 October 2020).



## 4.0 STATUS OF COMMITTEE'S REVIEW OF OUR REPORTS

Between September 2019 and September 2020, the Assembly referred five of our Reports to the Committee for its review.<sup>7</sup> These reports include the results of our examinations of the Government and its agencies, including recommendations for improvement.

For the period from October 1, 2019 to September 29, 2020, the Committee met four times. It reviewed our Reports at one of its meetings. It completed its review of our *2017 Report – Volume 2*. At another meeting, the Committee considered our *Annual Report on Operations* for the Year Ended March 31, 2019 and our *Business and Financial Plan* for the Year Ended March 31, 2021.<sup>8</sup>

As of September 29, 2020, the Committee had not yet completed its review of chapters from our following Reports:

- Four of 30 chapters from our *2018 Report – Volume 1*
- Twenty-two of 46 chapters from our *2018 Report – Volume 2*
- Twenty-three of 42 chapters from our *2019 Report – Volume 1*
- Thirty-six of 46 chapters from our *2019 Report – Volume 2*
- Twenty-nine chapters from our *2020 Report – Volume 1*

The Committee has not yet reviewed a larger number of chapters as compared to the prior two years. At September 29, 2020, it has not yet reviewed 114 chapters (September 30, 2019: 69 chapters; October 15, 2018: 56 chapters).<sup>9</sup>

Timely review of chapters and recommendations in our Reports shows the Committee undertakes appropriate scrutiny and holds agencies accountable.

## 5.0 IMPLEMENTATION OF COMMITTEE'S RECOMMENDATIONS

### 5.1 Overall Implementation Rate of Committee Recommendations

Consistent with prior years, the implementation of the Committee's recommendations by the Government and its agencies remains strong. As of September 2020, the Government fully implemented 82% (September 2019: 84%) of the Committee's recommendations. The Government partially implemented 53% (September 2019: 73%) of the remaining recommendations.

<sup>7</sup> The Committee reviewed the following reports: 2017 Volume 2, 2018 (Volumes 1 and 2), and 2019 (Volumes 1 and 2).

<sup>8</sup> The Committee considered the Fourth Report of the Standing Committee on Public Accounts and a Special Warrant for the Provincial Auditor's Office at its other two meetings.

<sup>9</sup> *2019 Report – Volume 2*, Chapter 48 and *2018 Report – Volume 2*, Chapter 50. Our reports are available at [auditor.sk.ca/publications/public-reports](http://auditor.sk.ca/publications/public-reports).

## 5.2 Status of Previous Committee Recommendations

The following table sets out, by agency, the number of Committee recommendations not yet implemented and not included elsewhere in this Report, and the last Report in which our Office gave an update on the status of recommendations.

Our Office follows up on the status of these recommendations until they are implemented or no longer relevant.

Agency	Chapter Title (Initial PAS Report) <sup>A</sup>	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
<b>Government of Saskatchewan:</b>			
	Modernizing Government Budgeting and Financial Reporting (2013 Special Report)	2019 Report – Volume 1, Chapter 45	3
<b>Ministries:</b>			
Advanced Education	Working with the Advanced Education Sector (2015 Report – Volume 1, Chapter 7)	2020 Report – Volume 1, Chapter 15	1
Central Services	Web Application Security Requirements (2016 Report – Volume 1, Chapter 6)	2018 Report – Volume 2, Chapter 28	2
	Securing the Data Centre (2006 Report – Volume 3, Chapter 6)	2019 Report – Volume 1, Chapter 14	1
Corrections and Policing	Adult Inmate Rehabilitation (2008 Report – Volume 1, Chapter 2)	2018 Report – Volume 2, Chapter 30	3
Economy	Working Towards Establishing Outcomes—Based Contracts (2017 Report – Volume 1, Chapter 3)	2019 Report – Volume 1, Chapter 31	2
Education	Monitoring School Instruction Time (2009 Report – Volume 3, Chapter 4)	2019 Report – Volume 1, Chapter 19	2
	Increasing Grade 12 Graduation Rates (2012 Report – Volume 1, Chapter 2)	2019 Report – Volume 1, Chapter 18	1
	Capital Asset Planning for Schools (2013 Report – Volume 1, Chapter 8)	2019 Report – Volume 1, Chapter 17	1
	Monitoring Kindergarten Students' Readiness to Learn in the Primary Grades (2017 Report – Volume 2, Chapter 22)	2019 Report – Volume 2, Chapter 31	2
Energy and Resources	Managing Oil and Gas Wells (2012 Report – Volume 2, Chapter 31)	2018 Report – Volume 1, Chapter 17	2
	Regulating Oil, Gas, and Pipeline Industry Incidents (2018 Report – Volume 1, Chapter 4)	2018 Report – Volume 1, Chapter 4	3
Environment	Regulating Landfills (2013 Report – Volume 2, Chapter 29)	2020 Report – Volume 1, Chapter 16	2
	Detecting Wildfires (2017 Report – Volume 2, Chapter 23)	2019 Report – Volume 2, Chapter 32	1
Finance	Monitoring the Fuel Tax Exemption Program (2016 Report – Volume 1, Chapter 8)	2019 Report – Volume 1, Chapter 24	4
	Implementing the Revenue Administration Modernization Project (2017 Report – Volume 1, Chapter 5)	2019 Report – Volume 2, Chapter 34	1



Agency	Chapter Title (Initial PAS Report) <sup>A</sup>	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
Government Relations	Safe Drinking Water in Northern Settlements (2012 Report – Volume 1, Chapter 12)	2019 Report – Volume 1, Chapter 25	4
	Alerting the Public About Imminently Dangerous Events (2019 Report – Volume 1, Chapter 6)	2019 Report – Volume 1, Chapter 6	4
	Proposing Education Property Tax Mill Rates (2017 Report – Volume 2, Chapter 24)	2019 Report – Volume 2, Chapter 35	2
	Recommending Infrastructure Projects for Funding (2018 Report – Volume 1, Chapter 5)	2018 Report – Volume 1, Chapter 5	4
Health	Special Needs Equipment for Persons with Disabilities (2016 Report – Volume 2, Chapter 27)	2019 Report – Volume 1, Chapter 27	6
	Co-ordinating the Use of Lean (2014 Report – Volume 2, Chapter 24)	2019 Report – Volume 1, Chapter 26	1
	Detecting Inappropriate Physician Payments (2017 Report – Volume 1, Chapter 6)	2020 Report – Volume 1, Chapter 17	2
Highways and Infrastructure	Enforcing Vehicle Weight and Dimension Requirements (2017 Report – Volume 1, Chapter 7)	2019 Report – Volume 1, Chapter 28	1
Immigration and Career Training	Co-ordinating English-Language Programs (2015 Report – Volume 1, Chapter 8)	2019 Report – Volume 1, Chapter 29	2
Justice and Attorney General	Leading the Building Partnerships to Reduce Crime Initiative (2016 Report – Volume 1, Chapter 10)	2019 Report – Volume 1, Chapter 16	2
Social Services	Supervising Community-Based Organizations Delivering Programs to Intellectually Disabled People (2012 Report – Volume 1, Chapter 22)	2019 Report – Volume 2, Chapter 46	3
	Placing Minister’s Wards in Permanent Homes (2013 Report – Volume 1, Chapter 14)	2019 Report – Volume 1, Chapter 39	1
	Protecting Children-in-Care Information in the Linkin System (2016 Report – Volume 1, Chapter 17)	2018 Report – Volume 2, Chapter 47	1
<b>Crown Agencies—Saskatchewan Health Authority</b>			
Saskatchewan Health Authority	Triaging Emergency Department Patients in Saskatoon (2013 Report – Volume 2, Chapter 30)	2018 Report – Volume 2, Chapter 40	3
	Medication Management in Long-term Care in Kindersley and Surrounding Area (2014 Report – Volume 2, Chapter 35)	2020 Report – Volume 1, Chapter 27	2
	Safe and Timely Discharge of Patients from Regina Hospitals (2015 Report – Volume 1, Chapter 14)	2019 Report – Volume 2, Chapter 41	2
	Delivering Accessible and Responsive Ground Ambulance Services in Southwest Saskatchewan (2016 Report – Volume 2, Chapter 25)	2019 Report – Volume 2, Chapter 39	6
	Delivering Provincially Funded Childhood Immunizations in La Ronge and Surrounding Area (2017 Report – Volume 1, Chapter 9)	2019 Report – Volume 2, Chapter 40	3
	Efficient Use of MRIs in Regina (2017 Report – Volume 1, Chapter 10)	2020 Report – Volume 1, Chapter 25	4

Agency	Chapter Title (Initial PAS Report) <sup>A</sup>	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
	Overseeing Contracted Special-care Homes in Saskatoon and Surrounding Area (2017 Report – Volume 1, Chapter 12)	2020 Report – Volume 1, Chapter 29	5
	Minimizing Employee Absenteeism (2017 Report – Volume 2, Chapter 25)	2020 Report – Volume 1, Chapter 28	4
	Providing Timely Access to Mental Health and Addictions Services in Prince Albert and Surrounding Area (2018 Report – Volume 1, Chapter 8)	2018 Report – Volume 1, Chapter 8	10
<b>Crown Agencies—School Divisions:</b>			
North East School Division No. 200	Increasing Grade 3 Students' Reading at Grade Level (2016 Report – Volume 1, Chapter 11)	2020 Report – Volume 1, Chapter 20	1
Prairie Spirit School Division No. 206	Maintaining Facilities (2016 Report – Volume 1, Chapter 12)	2019 Report – Volume 1, Chapter 33	6
Saskatoon School Division No. 13	Supporting Students with Intensive Needs (2018 Report – Volume 1, Chapter 11)	2018 Report – Volume 1, Chapter 11	11
St. Paul's School Roman Catholic Separate Division No. 20	Promoting Good Student Health and Physical Fitness (2015 Report – Volume 2, Chapter 40)	2019 Report – Volume 1, Chapter 40	1
Sun West School Division No. 207	Annual Integrated Audit (2017 Report – Volume 2, Chapter 2)	2020 Report – Volume 1, Chapter 5	1
<b>Crown Agencies: Various</b>			
Saskatchewan Arts Board	Awarding Grants Impartially and Transparently (2018 Report – Volume 2, Chapter 22)	2018 Report – Volume 2, Chapter 22	6
Saskatchewan Housing Corporation	Providing Social Housing to Eligible Clients (2017 Report – Volume 2, Chapter 27)	2017 Report – Volume 2, Chapter 27	4
Saskatchewan Legal Aid Commission	Providing Legal Aid Services (2016 Report – Volume 1, Chapter 16)	2018 Report – Volume 2, Chapter 41	4
Saskatchewan Liquor and Gaming Authority	Regulating Commercial Permittees' On-table Sale of Liquor (2017 Report – Volume 1, Chapter 11)	2019 Report – Volume 1, Chapter 36	3
Saskatchewan Workers' Compensation Board	Co-ordinating Injured Workers' Return to Work (2016 Report – Volume 2, Chapter 31)	2019 Report – Volume 2, Chapter 43	6
Technical Safety Authority of Saskatchewan	Inspecting Elevating Devices (2017 Report – Volume 1, Chapter 14)	2019 Report – Volume 1, Chapter 41	4
Water Security Agency	Dam Safety (2005 Report – Volume 1, Chapter 3)	2019 Report – Volume 1, Chapter 44	2
	Regulating Drainage (2018 Report – Volume 1, Chapter 12)	2018 Report – Volume 1, Chapter 12	11

Source: Provincial Auditor Saskatchewan (October 2020).

<sup>A</sup> PAS – Provincial Auditor Saskatchewan

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## Appendix 1

### Agencies Subject to Examination under *The Provincial Auditor Act* and Status of Audits

The Office of the Provincial Auditor's goal is to give the Legislative Assembly timely reports on the results of its examinations. It does not delay its reports to accommodate incomplete audits, but rather includes the results in a future report. It aims to report the results of its annual integrated audits of agencies with December fiscal year-ends in the spring (i.e., *Report – Volume 1*) and agencies with March fiscal year-ends in the fall (i.e., *Report – Volume 2*). Also, it reports the results of its follow-ups and performance audits in the report following their completion.

The table below lists the agencies subject to examination under *The Provincial Auditor Act* at July 31, 2020 along with their fiscal year-end. Agencies subject to our examination include ministries, Crown agencies, Crown-controlled corporations, special purpose and trust funds, other agencies that administer public money, and offices of the Legislative Assembly.

For each of these agencies, the table sets out the status of our annual integrated audits at November 2, 2020. It also indicates whether we are reporting, or have reported, matters for the Assembly's attention within the last 12 months, and if so, it identifies the relevant Report.

Agency	Fiscal Year-End <sup>A</sup>	Status on November 2, 2020 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
Government of Saskatchewan – Summary Financial Statements	March 31	Complete	No
<b>Ministries:</b>			
Ministry of Advanced Education	March 31	Complete	Yes/2020 V1 & 2020 V2
Ministry of Agriculture	March 31	Complete	Yes/2020 V2
Ministry of Central Services	March 31	Complete	No
Ministry of Corrections and Policing	March 31	Complete	Yes/2020 V2
Ministry of Education	March 31	Complete	No
Ministry of Energy and Resources	March 31	Complete	No
Ministry of Environment	March 31	Complete	Yes/2020 V1 & 2020 V2
Ministry of Finance	March 31	Complete	Yes/2020 V2
Ministry of Government Relations	March 31	Complete	Yes/2020 V2
Ministry of Health	March 31	Complete	Yes/2020 V1 & 2020 V2
Ministry of Highways and Infrastructure	March 31	Complete	Yes/2020 V1 & 2020 V2
Ministry of Immigration and Career Training	March 31	Complete	No
Ministry of Justice and Attorney General	March 31	Complete	Yes/2020 V2
Ministry of Labour Relations and Workplace Safety	March 31	Complete	Yes/2020 V1
Ministry of Parks, Culture and Sport	March 31	Complete	No
Ministry of Social Services	March 31	Complete	Yes/2020 V1 & 2020 V2
Ministry of Trade and Export Development	March 31	Complete	No
Executive Council	March 31	Complete	Yes/2020 V2
Public Service Commission	March 31	Complete	Yes/2020 V1



Agency	Fiscal Year-End <sup>A</sup>	Status on November 2, 2020 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
<b>Crown Agencies:</b>			
Agricultural Credit Corporation of Saskatchewan	March 31	Complete	No
All Nations' Healing Hospital Inc.	March 31	Note 4	Yes/2020 V2
Bethany Pioneer Village Inc.	March 31	Note 4	No
Border-Line Housing Company (1975) Inc.	March 31	Note 4	No
Carlton Trail College	June 30	Complete	Yes/2020 V2
Century Plaza Condominium Corporation	March 31	Complete	No
Chinook School Division No. 211	August 31	Complete	No
Christ the Teacher Roman Catholic Separate School Division No. 212	August 31	Complete	No
Circle Drive Special Care Home Inc.	March 31	Note 4	No
Community Initiatives Fund	March 31	Complete	No
Conseil des Écoles Fransaskoises No. 310	August 31	Complete	No
Creative Saskatchewan	March 31	Complete	No
Creighton School Division No. 111	August 31	Complete	No
Cumberland College	June 30	Complete	No
Cupar and District Nursing Home Inc.	March 31	Note 4	No
Duck Lake and District Nursing Home Inc.	March 31	Note 4	No
eHealth Saskatchewan	March 31	Complete	Yes/2020 V1 & 2020 V2
Financial and Consumer Affairs Authority of Saskatchewan	March 31	Complete	Yes/2020 V1
Foyer St. Joseph Nursing Home Inc.	March 31	Note 4	No
Global Transportation Hub Authority, The	March 31	Complete	No
Good Spirit School Division No. 204	August 31	Complete	No
Government House Foundation, The	March 31	Complete	No
Great Plains College	June 30	Complete	No
Health Quality Council	March 31	Complete	No
Health Shared Services Saskatchewan (3sHealth)	March 31	Complete	Yes/2020 V1
Holy Family Roman Catholic Separate School Division No. 140	August 31	Complete	No
Holy Trinity Roman Catholic Separate School Division No. 22	August 31	Complete	No
Horizon School Division No. 205	August 31	Complete	Yes/2020 V1
Île-à-la Crosse School Division No. 112	August 31	Complete	No
Innovation Saskatchewan	March 31	Complete	No
Jubilee Residences Inc.	March 31	Note 4	No
Lakeview Pioneer Lodge Inc.	March 31	Note 4	No
Law Reform Commission of Saskatchewan	March 31	Complete	No
Light of Christ Roman Catholic Separate School Division No. 16	August 31	Complete	No
Living Sky School Division No. 202	August 31	Complete	Yes/2020 V2
Lloydminster Public School Division No. 99	August 31	Complete	Yes/2020 V1
Lloydminster Roman Catholic Separate School Division No. 89	August 31	Complete	No
Lumsden & District Heritage Home Inc.	March 31	Note 4	No

Agency	Fiscal Year-End <sup>A</sup>	Status on November 2, 2020 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
Lutheran Sunset Home of Saskatoon	March 31	Note 4	No
Mennonite Nursing Homes Incorporated	March 31	Note 4	No
Métis Development Fund	December 31	Complete	No
Mont St. Joseph Home Inc.	March 31	Note 4	No
Municipal Financing Corporation of Saskatchewan	December 31	Complete	No
Municipal Potash Tax Sharing Administration Board	December 31	Complete	No
North East School Division No. 200	August 31	Complete	Yes/2020 V1
North West College	June 30	Complete	No
Northern Lights School Division No. 113	August 31	Complete	Yes/2020 V1
Northlands College	June 30	Complete	Yes/2020 V2
Northwest School Division No. 203	August 31	Complete	Yes/2020 V1
Oliver Lodge	March 31	Note 4	No
Operator Certification Board	March 31	Complete	No
Parkland College	June 30	Complete	No
Prairie Agricultural Machinery Institute	March 31	Complete	No
Prairie South School Division No. 210	August 31	Complete	No
Prairie Spirit School Division No. 206	August 31	Complete	No
Prairie Valley School Division No. 208	August 31	Complete	Yes/2020 V1
Prince Albert Roman Catholic Separate School Division No. 6	August 31	Complete	No
Providence Place for Holistic Health Inc.	March 31	Note 4	No
Provincial Archives of Saskatchewan	March 31	Complete	No
Provincial Capital Commission	March 31	Complete	Yes/2020 V2
Qu'Appelle Diocesan Housing Company	March 31	Note 4	No
Radville Marian Health Centre Inc.	March 31	Note 4	No
Raymore Community Health and Social Centre	March 31	Note 4	Yes/2020 V2
Regina Lutheran Housing Corporation	March 31	Note 4	No
Regina Roman Catholic Separate School Division No. 81	August 31	Complete	Yes/2020 V2
Regina School Division No. 4	August 31	Complete	Yes/2020 V1
Santa Maria Senior Citizens Home Inc.	March 31	Note 4	No
Saskatchewan Apprenticeship and Trade Certification Commission	June 30	Complete	Yes/2020 V2
Saskatchewan Arts Board, The	March 31	Complete	No
Saskatchewan Association of Health Organizations Inc.	March 31	Complete	No
Saskatchewan Cancer Agency	March 31	Complete	Yes/2020 V2
Saskatchewan Centre of the Arts	March 31	Complete	No
Saskatchewan Crop Insurance Corporation	March 31	Complete	No
Saskatchewan Health Authority	March 31	Complete	Yes/2020 V1 & 2020 V2
Saskatchewan Health Research Foundation	March 31	Complete	No
Saskatchewan Heritage Foundation	March 31	Complete	No
Saskatchewan Housing Corporation	December 31	Complete	Yes/2020 V1
Saskatchewan Impaired Driver Treatment Centre Board of Governors	March 31	Complete	Yes/2020 V2



Agency	Fiscal Year-End <sup>A</sup>	Status on November 2, 2020 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
Saskatchewan Indian Gaming Authority Inc.	March 31	Complete	Yes/2020 V2
Saskatchewan Legal Aid Commission	March 31	Complete	No
Saskatchewan Liquor and Gaming Authority	March 31	Complete	Yes/2020 V2
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	March 31	Complete	No
Saskatchewan Polytechnic	June 30	Complete	Yes/2020 V2
Saskatchewan Public Safety Agency	March 31	Complete	Yes/2020 V2
Saskatchewan Research Council	March 31	Complete	Yes/2020 V1
Saskatchewan Rivers School Division No. 119	August 31	Complete	No
Saskatoon Convalescent Home	March 31	Note 4	No
Saskatoon School Division No. 13	August 31	Complete	Yes/2020 V2
SaskBuilds Corporation	March 31	Complete	No
Sherbrooke Community Society Inc.	March 31	Note 4	No
SLGA Holding Inc.	March 31	Complete	No
SLGA Retail Inc.	March 31	Complete	No
Societe Joseph Breton Inc.	March 31	Note 4	No
South East Cornerstone School Division No. 209	August 31	Complete	No
Southeast College	June 30	Complete	No
Spruce Manor Special Care Home Inc.	March 31	Note 4	No
St. Ann's Senior Citizens Village Corporation	March 31	Note 4	No
St. Anthony's Hospital	March 31	Note 4	No
St. Joseph's Home for the Aged	March 31	Note 4	No
St. Joseph's Hospital (Grey Nuns) Gravelbourg	March 31	Note 4	No
St. Joseph's Hospital of Estevan	March 31	Note 4	No
St. Joseph's Integrated Health Centre Macklin	March 31	Note 4	No
St. Paul Lutheran Home of Melville	March 31	Note 4	No
St. Paul's Roman Catholic Separate School Division No. 20	August 31	Complete	No
St. Paul's (Grey Nuns) of Saskatoon	March 31	Note 1	
St. Peter's Hospital	March 31	Note 4	No
Strasbourg and District Health Centre	March 31	Note 4	No
Sun West School Division No. 207	August 31	Complete	Yes/2020 V1
Sunnyside Adventist Care Centre	March 31	Note 4	No
TecMark International Commercialization Inc.	March 31	Note 1	
The Salvation Army—William Booth Special Care Home	March 31	Note 4	No
Tourism Saskatchewan	March 31	Complete	Yes/2020 V1
Warman Mennonite Special Care Home Inc.	March 31	Note 4	No
Water Appeal Board	March 31	Complete	No
Water Security Agency	March 31	Complete	Yes/2020 V1 & 2020 V2
Western Development Museum	March 31	Complete	Yes/2020 V2
Workers' Compensation Board	December 31	Complete	Yes/2020 V1

Agency	Fiscal Year-End <sup>A</sup>	Status on November 2, 2020 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
<b>CIC Crown Corporations and related agencies:</b>			
101069101 Saskatchewan Ltd.	March 31	Note 1	
Avonlea Holding, Inc.	March 31	Note 1	
Battleford International, Inc.	March 31	Note 1	
Bayhurst Energy Services Corporation	March 31	Note 1	
Bayhurst Gas Limited	March 31	Note 1	
BG Storage Inc.	March 31	Note 1	
Bruno Holdings Inc.	March 31	Note 1	
CIC Asset Management Inc.	March 31	Complete	No
CIC Economic Holdco Ltd.	March 31	Note 1	
Coachman Insurance Company	December 31	Complete	No
Crown Investments Corporation of Saskatchewan	March 31	Complete	No
DirectWest Canada Inc.	March 31	Note 1	
DirectWest Corporation	March 31	Complete	No
First Nations and Métis Fund Inc.	March 31	Complete	No
Manalta Investment Company Ltd.	March 31	Note 1	
Many Islands Pipe Lines (Canada) Limited	March 31	Note 1	
Nokomis Holding, Inc.	March 31	Note 1	
Northpoint Energy Solutions Inc.	March 31	Complete	No
Qu'Appelle Holding, Inc.	March 31	Note 1	
Saskatchewan Auto Fund	March 31	Complete	No
Saskatchewan First Call Corporation	March 31	Note 1	
Saskatchewan Gaming Corporation	March 31	Complete	No
Saskatchewan Government Insurance	March 31	Complete	Yes/2020 V1
Saskatchewan Immigrant Investor Fund Inc.	March 31	Complete	No
Saskatchewan Opportunities Corporation	March 31	Complete	No
Saskatchewan Power Corporation	March 31	Complete	Yes/2020 V2
Saskatchewan Telecommunications	March 31	Complete	No
Saskatchewan Telecommunications Holding Corporation	March 31	Complete	No
Saskatchewan Telecommunications International, Inc.	March 31	Complete	No
Saskatchewan Telecommunications International (Tanzania) Ltd.	March 31	Note 1	
Saskatchewan Water Corporation	March 31	Complete	Yes/2020 V1
SaskEnergy Incorporated	March 31	Complete	Yes/2020 V1
SaskPower International, Inc.	March 31	Note 1	
SaskTel International Consulting, Inc.	March 31	Note 1	
SaskTel Investments, Inc.	March 31	Note 1	
SecurTek Monitoring Solutions, Inc.	March 31	Complete	No
SGC Holdings, Inc.	March 31	Complete	No
SGI CANADA Insurance Services Ltd.	December 31	Complete	No
Shellbrook Holding, Inc.	March 31	Note 1	
TransGas Limited	March 31	Note 1	



Agency	Fiscal Year-End <sup>A</sup>	Status on November 2, 2020 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
<b>Special purpose and trust funds including pension and benefit plans:</b>			
Capital Pension Plan	March 31	Complete	No
Commercial Revolving Fund	March 31	Complete	No
Correctional Facilities Industries Revolving Fund	March 31	Complete	No
Criminal Property Forfeiture Fund	March 31	Complete	No
Crop Reinsurance Fund of Saskatchewan	March 31	Complete	No
Doukhobors of Canada C.C.U.B. Trust Fund	May 31	Complete	No
Extended Health Care Plan	December 31	Complete	No
Extended Health Care Plan for Certain Other Employees	December 31	Complete	No
Extended Health Care Plan for Certain Other Retired Employees	December 31	Complete	No
Extended Health Care Plan for Retired Employees	December 31	Complete	No
Fish and Wildlife Development Fund	March 31	Complete	No
General Revenue Fund	March 31	Note 2	
Health Shared Services Saskatchewan Core Dental Plan	December 31	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – CUPE	December 31	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – SEIU	December 31	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – General	December 31	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – SUN	December 31	Complete	No
Health Shared Services Saskatchewan Group Life Insurance Plan	December 31	Complete	No
Health Shared Services Saskatchewan In-Scope Extended Health/Enhanced Dental Plan	December 31	Complete	No
Health Shared Services Saskatchewan Out-of-Scope Extended Health/Enhanced Dental Plan	December 31	Complete	No
Health Shared Services Saskatchewan Out-of-Scope Flexible Health/Spending Plan	December 31	Complete	
Impacted Sites Fund	March 31	Complete	No
Institutional Control Monitoring and Maintenance Fund	March 31	Complete	No
Institutional Control Unforeseen Events Fund	March 31	Complete	No
Judges of the Provincial Court Superannuation Plan	March 31	Complete	No
Liquor Board Superannuation Plan	December 31	Complete	No
Livestock Services Revolving Fund	March 31	Note 3	
Municipal Employees' Pension Commission	December 31	Complete	No
Northern Municipal Trust Account	December 31	Complete	Yes/2020 V1 & 2020 V2
Oil and Gas Orphan Fund	March 31	Complete	No
Pastures Revolving Fund	March 31	Complete	No
Pension Plan for Employees of the Saskatchewan Workers' Compensation Board	December 31	Complete	No
Pension Plan for the Non-Teaching Employees of the Saskatoon School Division No. 13	December 31	Complete	Yes/2020 V2
Power Corporation Superannuation Plan	December 31	Complete	No

Agency	Fiscal Year-End <sup>A</sup>	Status on November 2, 2020 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
Provincial Mediation Board Trust Accounts	March 31	Complete	No
Public Employees Benefits Agency Revolving Fund	March 31	Complete	No
Public Employees Deferred Salary Leave Fund	December 31	Complete	No
Public Employees Dental Fund	December 31	Complete	No
Public Employees Disability Income Fund	December 31	Complete	No
Public Employees Group Life Insurance Fund	December 31	Complete	No
Public Employees Pension Plan	March 31	Complete	No
Public Guardian and Trustee of Saskatchewan	March 31	Complete	Yes/2020 V1
Public Service Superannuation Plan	March 31	Complete	No
Queen's Printer Revolving Fund	March 31	Complete	No
Residential Tenancies, Office of – Director's Trust Account	March 31	Complete	No
Sask 911 Account	March 31	Complete	No
Saskatchewan Agricultural Stabilization Fund	March 31	Complete	No
Saskatchewan Government Insurance Service Recognition Plan	December 31	Complete	No
Saskatchewan Government Insurance Superannuation Plan	December 31	Complete	No
Saskatchewan Pension Annuity Fund	March 31	Complete	No
Saskatchewan Pension Plan	December 31	Complete	No
Saskatchewan Power Corporation Designated Employee Benefit Plan	December 31	Complete	No
Saskatchewan Power Corporation Severance Pay Credits Plan	December 31	Complete	No
Saskatchewan Power Corporation Supplementary Superannuation Plan	December 31	Complete	No
Saskatchewan Professional Teachers Regulatory Board	August 31	Complete	No
Saskatchewan Research Council Employees' Pension Plan	December 31	Complete	No
Saskatchewan Snowmobile Fund	March 31	Complete	No
Saskatchewan Student Aid Fund	March 31	Complete	No
Saskatchewan Technology Fund	March 31	Note 5	
Saskatchewan Telecommunications Pension Plan	March 31	Complete	No
Saskatchewan Water Corporation Retirement Allowance Plan	December 31	Complete	No
SaskEnergy Retiring Allowance Plan	December 31	Complete	No
School Division Tax Loss Compensation Fund	March 31	Complete	No
Social Services Central Trust Account	March 31	Complete	No
Social Services Valley View Centre Grants and Donations Trust Account and Institutional Collective Benefit Fund	March 31	Complete	No
Social Services Valley View Centre Residents' Trust Account	March 31	Complete	No
Staff Pension Plan for Employees of the Saskatchewan Legal Aid Commission	December 31	Complete	No
Teachers' Dental Plan	December 31	Complete	Yes/2020 V2
Teachers' Disability Plan	June 30	Complete	No
Teachers' Group Life Plan	August 31	Complete	No
Teachers' Superannuation Plan	June 30	Complete	No
Training Completions Fund	March 31	Complete	No



Agency	Fiscal Year-End <sup>A</sup>	Status on November 2, 2020 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
Transportation Partnerships Fund	March 31	Complete	No
Victims' Fund	March 31	Complete	Yes/2020 V2
Water Security Agency Retirement Allowance Plan	March 31	Complete	No
<b>Offices of the Legislative Assembly:</b>			
Advocate for Children and Youth, Office of the	March 31	Complete	No
Board of Internal Economy/Legislative Assembly Service/Office of the Speaker	March 31	Complete	No
Chief Electoral Officer, Office of the	March 31	Complete	No
Conflict of Interest Commissioner, Office of the	March 31	Complete	No
Information and Privacy Commissioner, Office of the	March 31	Complete	No
Ombudsman and Public Interest Disclosure Commissioner, Office of the	March 31	Complete	No
<b>Other Agencies:</b>			
Pension Plan for the Academic and Administrative Employees of the University of Regina	December 31	Complete	No
Pension Plan for the Eligible Employees at the University of Saskatchewan	December 31	Complete	No
Technical Safety Authority of Saskatchewan	June 30	Complete	No
University of Regina	April 30	Complete	No
University of Regina Non-Academic Pension Plan	December 31	Complete	No
University of Saskatchewan	April 30	Complete	No
University of Saskatchewan 1999 Academic Pension Plan	December 31	Complete	No
University of Saskatchewan 2000 Academic Money Purchase Pension Plan	December 31	Complete	No
University of Saskatchewan Academic Employees' Pension Plan	December 31	Complete	No
University of Saskatchewan and Federated Colleges Non-Academic Pension Plan	December 31	Complete	No

Note 1: These entities are wholly- or partially-owned subsidiary corporations that are included in the consolidated financial statements of a parent Crown agency.

Note 2: The Ministry of Finance does not prepare financial statements for this Fund.

Note 3: This entity had no active operations.

Note 4: Healthcare Affiliates—the first period-end of involvement by our Office was March 31, 2020.

Note 5: This Entity will begin active operations in 2020-21.

<sup>A</sup> Fiscal Year-end	Year of last completed integrated audit
August 31	2019
September 30	2019
December 31	2019
March 31	2020
April 30	2020
May 31	2020
June 30	2020

<sup>B</sup> "Complete" – the audit was complete.  
 "Delayed" – the audit was delayed.

<sup>C</sup> "No" - no significant issues were reported.

"Yes/2020 V1" – significant issues are reported in our *2020 Report – Volume 1*.

"Yes/2020 V2" – significant issues are reported in our *2020 Report – Volume 2*

## Appendix 2

# Report on the Financial Statements of Agencies Audited by Appointed Auditors

### 1.0 PURPOSE

This Appendix summarizes the Office of the Provincial Auditor's views on the financial statements of agencies audited by appointed auditors. It lists audits in which the Office participated for fiscal periods ending between January 1, 2020 and July 31, 2020.

### 2.0 BACKGROUND

Under *The Provincial Auditor Act*, the Provincial Auditor retains its overall responsibility for audits of all Crown agencies and Crown corporations regardless of who does the audit. The Legislative Assembly allows the Government to appoint auditors to annually audit certain Crown agencies and Crown corporations. **Figure 1** sets out the objectives of the annual audits—we refer to them as annual integrated audits.

The Office, Crown agencies, Crown corporations, and the appointed auditors use the recommendations of the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors* to serve the Assembly's needs efficiently and effectively.<sup>1,2</sup> The Office includes the results of annual integrated audits done by appointed auditors in its reports to the Assembly. As the Task Force Report expects, the Office provides the Assembly with its views and participation in the audits of agencies' financial statements with an appointed auditor.

**Figure 1—Objective of Annual Integrated Audits**

The objectives of each annual integrated audit are to form the following opinions and to report the results to the Assembly:

- An opinion on the financial-related rules and procedures used by the agency to safeguard public resources.
- An opinion on the agency's compliance with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.
- An opinion on the reliability of the agency's financial statements. The appointed auditors' reports on the reliability of each Crown agency and each Crown corporation's financial statements accompany the respective financial statements.

The Government's Summary Financial Statements include the financial results of all agencies controlled by the Government. *Public Accounts 2019-20 – Volume 1* includes the Office's independent auditor's report on the Government's Summary Financial Statements for the year ended March 31, 2020.

<sup>1</sup> For a copy of this report, see our website at [www.auditor.sk.ca](http://www.auditor.sk.ca). The Task Force recommended that the Office give the Assembly a report listing the agencies whose annual integrated audits it participated in.

<sup>2</sup> In June 1994, the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors* recommended how the audit system for Crown Investments Corporation of Saskatchewan and its subsidiary Crown corporations could function more efficiently and effectively. In April 1995, Treasury Board decided that all Crown corporations and agencies should comply with these recommendations.



### 3.0 THE OFFICE'S VIEWS ON FINANCIAL STATEMENTS AUDITED BY APPOINTED AUDITORS

The table below provides the Office's views and participation on each financial statement audit completed by an appointed auditor for fiscal years ending between January 1, 2020 and July 31, 2020. As noted below, sometimes the Office varies the extent of its participation.

The table groups agencies and corporations by: health care affiliates; regional colleges; other Crown agencies, special purpose and trust funds; other agencies; and CIC, its subsidiary Crown corporations, and other related entities. It lists each Crown agency or corporation whose financial statements are audited by an appointed auditor, the appointed auditor's name, the agency's year-end date, whether the Office participated in the audit, and whether the agency's financial statements are reliable.

#### Listing of the Office's Involvement in Financial Statement Audits of Agencies with an Appointed Auditor

Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
<b>Healthcare Affiliates</b>				
All Nations' Healing Hospital Inc.	Virtus Group LLP	March 31, 2020	See <sup>A</sup>	
Bethany Pioneer Village Inc. <sup>D</sup>	Jensen and Stromberg, Chartered Professional Accountants	March 31, 2020	See <sup>A</sup>	
Border-Line Housing Company (1975) Inc.	MNP LLP	March 31, 2020	See <sup>A</sup>	
Circle Drive Special Care Home Inc.	KPMG LLP	March 31, 2020	See <sup>A</sup>	
Cupar and District Nursing Home Inc.	MWC Chartered Professional Accountants LLP	March 31, 2020	See <sup>A</sup>	
Duck Lake and District Nursing Home Inc.	Heagy LLP	March 31, 2020	See <sup>A</sup>	
Foyer St. Joseph Nursing Home Inc.	MNP LLP	March 31, 2020	See <sup>A</sup>	
Jubilee Residences Inc. (Stensrud Lodge and Porteous Lodge) <sup>D</sup>	Deloitte LLP	March 31, 2020	See <sup>A</sup>	
Lakeview Pioneer Lodge Inc.	Heagy LLP	March 31, 2020	See <sup>A</sup>	
Lumsden & District Heritage Home Inc.	MWC Chartered Professional Accountants LLP	March 31, 2020	See <sup>A</sup>	
Luther Care Communities (Lutheran Sunset Home) <sup>D</sup>	PriceWaterhouseCoopers	March 31, 2020	See <sup>A</sup>	
Mennonite Nursing Homes Incorporated	Heagy LLP	March 31, 2020	See <sup>A</sup>	
Mont St. Joseph Home Inc.	Deloitte LLP	March 31, 2020	See <sup>A</sup>	
Oliver Lodge <sup>D</sup>	Virtus Group LLP	March 31, 2020	See <sup>A</sup>	
Providence Place for Holistic Health Inc.	Virtus Group LLP	March 31, 2020	See <sup>A</sup>	
Radville Marian Health Centre Inc.	Virtus Group LLP	March 31, 2020	See <sup>A</sup>	
Raymore Community Health and Social Centre	SENSUS Chartered Professional Accountants Ltd.	March 31, 2020	See <sup>A</sup>	
Regina Lutheran Housing Corporation	MWC Chartered Professional Accountants LLP	March 31, 2020	See <sup>A</sup>	
Santa Maria Senior Citizens Home Inc.	Virtus Group LLP	March 31, 2020	See <sup>A</sup>	

Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
Saskatoon Convalescent Home	Baker Tilly SK LLP	March 31, 2020	See <sup>A</sup>	
Sherbrooke Community Society Inc. (Central Haven Special Care Home and Sherbrooke Community Centre)	KPMG LLP	March 31, 2020	See <sup>A</sup>	
Societe Joseph Breton Inc.	Vantage Chartered Professional Accountants	March 31, 2020	See <sup>A</sup>	
Spruce Manor Special Care Home Inc. <sup>D</sup>	Jensen and Stromberg, Chartered Professional Accountants	March 31, 2020	See <sup>A</sup>	
St. Ann's Senior Citizens Village Corporation <sup>D</sup>	Baker Tilly SK LLP	March 31, 2020	See <sup>A</sup>	
St. Anthony's Hospital	Miller, Moar, Grodecki, Kreklewich & Chorney	March 31, 2020	See <sup>A</sup>	
St. Joseph's Home for the Aged	Ernst & Young LLP	March 31, 2020	See <sup>A</sup>	
St. Joseph's Hospital (Grey Nuns) Gravelbourg	Virtus Group LLP	March 31, 2020	See <sup>A</sup>	
St. Joseph's Hospital of Estevan	Virtus Group LLP	March 31, 2020	See <sup>A</sup>	
St. Joseph's Integrated Health Centre Macklin Inc.	KPMG LLP	March 31, 2020	See <sup>A</sup>	
St. Paul Lutheran Home of Melville	Miller, Moar, Grodecki, Kreklewich & Chorney	March 31, 2020	See <sup>A</sup>	
St. Peter's Hospital	Miller, Moar, Grodecki, Kreklewich & Chorney	March 31, 2020	See <sup>A</sup>	
Strasbourg and District Health Centre	MNP LLP	March 31, 2020	See <sup>A</sup>	
Sunnyside Adventist Care Centre	KPMG LLP	March 31, 2020	See <sup>A</sup>	
The Qu'Appelle Diocesan Housing Company	Deloitte LLP	March 31, 2020	See <sup>A</sup>	
The Salvation Army - William Booth Special Care Home	KPMG LLP	March 31, 2020	See <sup>A</sup>	
Warman Mennonite Special Care Home Inc. <sup>D</sup>	MNP LLP	March 31, 2020	See <sup>A</sup>	
<b>Regional Colleges</b>				
Carlton Trail College	Grant Thornton LLP	June 30, 2020	Yes	Yes
Cumberland College	NeuPath Group, PC Inc.	June 30, 2020	See <sup>A</sup>	Yes
Great Plains College	Stark & Marsh CPA LLP	June 30, 2020	See <sup>A</sup>	Yes
Northlands College	MNP LLP	June 30, 2020	Yes	Yes
North West College	Vantage Chartered Professional Accountants	June 30, 2020	Yes	Yes
Parkland College	Miller Moar Grodecki Kreklewich & Chorney	June 30, 2020	See <sup>A</sup>	Yes
Southeast College	Grant Thornton LLP	June 30, 2020	See <sup>A</sup>	Yes
<b>Other Crown Agencies, Special Purpose and Trust Funds</b>				
Agricultural Credit Corporation of Saskatchewan	MNP LLP	March 31, 2020	Yes	Yes
Century Plaza Condominium Corporation	Deloitte LLP	March 31, 2020	Yes	Yes
Community Initiatives Fund	Virtus Group LLP	March 31, 2020	Yes	Yes



Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
Crop Reinsurance Fund of Saskatchewan	KPMG LLP	March 31, 2020	Yes	Yes
Operator Certification Board	MWC Chartered Professional Accountants LLP	March 31, 2020	See <sup>A</sup>	Yes
Public Employees' Pension Plan	KPMG LLP	March 31, 2020	Yes	Yes
Saskatchewan Agricultural Stabilization Fund	KPMG LLP	March 31, 2020	See <sup>A</sup>	Yes
Saskatchewan Crop Insurance Corporation	KPMG LLP	March 31, 2020	Yes	Yes
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	Virtus Group LLP	March 31, 2020	Yes	Yes
Saskatchewan Research Council	Deloitte LLP	March 31, 2020	Yes	Yes
Saskatchewan Trade and Export Partnership Inc.	KPMG LLP	March 31, 2020	No	See <sup>C</sup>
Water Security Agency	MNP LLP	March 31, 2020	Yes	Yes
Tourism Saskatchewan	MNP LLP	March 31, 2020	Yes	Yes
<b>A. Other Agencies</b>				
Technical Safety Authority of Saskatchewan, The	KPMG LLP	June 30, 2020	Yes	Yes
<b>CIC, its Subsidiary Crown Corporations &amp; Other Related Entities</b>				
Capital Pension Plan	KPMG LLP	March 31, 2020	See <sup>A</sup>	Yes
Crown Investments Corporation of Saskatchewan (CIC)	KPMG LLP	March 31, 2020	Yes	Yes
CIC Economic Holdco Ltd.	See <sup>B</sup>			
First Nations and Métis Fund Inc.	KPMG LLP	March 31, 2020	See <sup>A</sup>	Yes
Saskatchewan Immigrant Investor Fund Inc.	Ernst & Young LLP	March 31, 2020	Yes	Yes
CIC Asset Management Inc.	KPMG LLP	March 31, 2020	Yes	Yes
101069101 Saskatchewan Ltd.	See <sup>B</sup>			
SaskEnergy Incorporated	Deloitte LLP	March 31, 2020	Yes	Yes
Bayhurst Gas Limited	Deloitte LLP	March 31, 2020	Yes	Yes
BG Storage Inc.	See <sup>B</sup>			
Many Islands Pipe Lines (Canada) Limited	Deloitte LLP	March 31, 2020	Yes	Yes
Saskatchewan First Call Corporation	See <sup>B</sup>			
TransGas Limited	Deloitte LLP	March 31, 2020	Yes	Yes
Saskatchewan Gaming Corporation	KPMG LLP	March 31, 2020	Yes	Yes
SGC Holdings Inc.	KPMG LLP	March 31, 2020	Yes	Yes
Saskatchewan Government Insurance	KPMG LLP	March 31, 2020	Yes	Yes
Saskatchewan Auto Fund	KPMG LLP	March 31, 2020	Yes	Yes
Saskatchewan Opportunities Corporation	MNP LLP	March 31, 2020	Yes	Yes
Saskatchewan Power Corporation	Deloitte LLP	March 31, 2020	Yes	Yes
SaskPower International Inc.	See <sup>B</sup>			
Northpoint Energy Solutions Inc.	Deloitte LLP	March 31, 2020	Yes	Yes

Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
Saskatchewan Telecommunications Holding Corporation	KPMG LLP	March 31, 2020	Yes	Yes
Saskatchewan Telecommunications	KPMG LLP	March 31, 2020	Yes	Yes
Saskatchewan Telecommunications International, Inc.	KPMG LLP	March 31, 2020	Yes	Yes
SaskTel International Consulting, Inc.	See <sup>B</sup>			
Saskatchewan Telecommunications International (Tanzania) Ltd.	See <sup>B</sup>			
Battleford International, Inc.	See <sup>B</sup>			
Avonlea Holding, Inc.	See <sup>B</sup>			
Manalta Investment Company Ltd.	See <sup>B</sup>			
Qu'Appelle Holding, Inc.	See <sup>B</sup>			
Nokomis Holding, Inc.	See <sup>B</sup>			
SecurTek Monitoring Solutions Inc.	KPMG LLP	March 31, 2020	Yes	Yes
Shellbrook Holding, Inc.	See <sup>B</sup>			
SaskTel Investments Inc.	See <sup>B</sup>			
DirectWest Corporation	KPMG LLP	March 31, 2020	Yes	Yes
Qu'Appelle Holding, Inc.	See <sup>B</sup>			
DirectWest Canada Inc.	See <sup>B</sup>			
Bruno Holdings Inc.	See <sup>B</sup>			
Saskatchewan Telecommunications Pension Plan	KPMG LLP	March 31, 2020	Yes	Yes
Saskatchewan Water Corporation	Deloitte LLP	March 31, 2020	Yes	Yes

\* PAS—Provincial Auditor of Saskatchewan

A The Office reviewed the opinions of the appointed auditor on the reliability of financial statements, effectiveness of processes to safeguard public resources, and compliance with authorities. It also reviewed the appointed auditor's audit findings (including summary of errors) reported to the boards of the agencies. Where necessary, it followed up with the appointed auditor to clarify issues reported. For Healthcare Affiliates—the first period-end review by our Office was March 31, 2020.

B Agency does not prepare financial statements for audit.

C Consistent with prior years, the Office examines the supervisory work carried out by the funding agency over Saskatchewan Trade and Export Partnership Inc. as part of its annual audit of the funding agency (i.e., Ministry of Trade and Export Development).

D Only the Affiliate's operation of special-care homes, hospitals, and health centres designated pursuant to *The Facility Designation Regulations* were subject to audit participation.

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## Appendix 3

# Samples of Opinions Formed in Annual Audits of Ministries, Crown Agencies, and Crown-Controlled Corporations

The scope of the Office of the Provincial Auditor's audit work includes the Government as a whole, sectors or programs of the Government, and individual government agencies (see **Appendix 1**). *The Provincial Auditor Act* requires the Office to use generally accepted assurance standards published by CPA Canada to carry out its audits (e.g., integrated, performance, follow-up).

Individual government agencies are subject to annual integrated audits. In general, annual integrated audits examine the effectiveness of financial-related controls, compliance with financial-related authorities, and the reliability of financial statements (for agencies who prepare them).

The following are samples of audit opinions formed as part of the annual integrated audits.

### 1. Effectiveness of Internal Controls (Financial-Related)

We have undertaken a reasonable assurance engagement of [Agency]'s operating effectiveness of internal controls as of [Year End] to express an opinion as to the effectiveness of its internal controls related to the following objectives:

- To safeguard public resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- To prepare reliable financial statements.
- To conduct its activities following laws, regulations, and policies related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

CPA Canada defines control as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

[Agency]'s management is responsible for effective internal controls related to the objectives described above. Our responsibility is to express an opinion on the effectiveness of internal controls based on our audit.

We used the control framework included in COSO's *Internal Control—Integrated Framework* to make our judgments about the effectiveness of [Agency]'s internal controls.<sup>1</sup> We did not audit certain aspects of internal controls concerning the effectiveness, economy, and efficiency of certain management decision-making processes.

We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3001, *Direct Engagements*. This standard requires that we plan and perform this engagement to obtain reasonable assurance as to the effectiveness of [Agency]'s internal controls related to the objectives stated above. The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the effectiveness of internal controls. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks, and examining, on a test basis, evidence relating to control.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists.

Our audit on the effectiveness of [Agency]'s internal controls related to the above objectives does not constitute an audit of internal control over financial reporting performed in conjunction with an audit of financial statements in *CPA Canada Handbook—Assurance Section 5925 An Audit of Internal Control over Financial Reporting that is Integrated with an Audit of Financial Statements*.

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgment in decision-making, human error, collusion to circumvent control activities, and management overriding control. Cost/benefit decisions are made when designing control in organizations.

<sup>1</sup> The Committee of Sponsoring Organizations of the Treadway Commission. *Internal Control—Integrated Framework*. ([www.aicpastore.com/content/media/producer\\_content/generic\\_template\\_content/Illustrative\\_Tools.jsp](http://www.aicpastore.com/content/media/producer_content/generic_template_content/Illustrative_Tools.jsp)) (17 October 2019).



Because control can be expected to provide only reasonable assurance and not absolute assurance, the objectives referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, subject to the limitations noted above, [Agency]'s internal controls were operating effectively, in all material respects, to meet the objectives stated above as of [Year End] based on COSO's *Internal Control–Integrated Framework*.

*[If control is not effective in all material respects, describe the risk or significant deficiency, and indicate which objective is affected. The report should state whether the deficiency resulted from the absence of control procedures or the degree of compliance with them.]*

This report is provided solely for the purpose of assisting the Provincial Auditor in discharging their responsibilities and for preparing their annual report to the Legislative Assembly of Saskatchewan and is not to be referred to or distributed to any person who is not a member of management or the Board of [Agency], its supervising agencies or the Office of the Provincial Auditor and should not be used for any other purpose. Any use that a third party makes of information contained in this report, or any reliance or decisions based on such information, is the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on information contained in this report.

We have complied with the ethical requirements of the Chartered Professional Accountants of Saskatchewan—*Rules of Professional Conduct* founded on fundamental principles of integrity, objectivity, professional competency and due care, confidentiality, and professional behaviour.

We apply the *Canadian Standard on Quality Control 1* issued by CPA Canada and, accordingly, maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## 2. Compliance with Legislative Authorities

We have undertaken a reasonable assurance engagement of [Agency]'s compliance with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding of assets, spending, revenue raising, borrowing, and investment activities during the year ended [Year End]:

*(List all legislative and related authorities covered by this report. This list must include all governing authorities).*

Compliance with the provisions of the stated legislative and related authorities is the responsibility of management of [Agency]. Management is also responsible for such internal control as management determines necessary to enable the [Agency]'s compliance with the specified requirements.

Our responsibility is to express a reasonable assurance opinion on [Agency]'s compliance based on the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3531 *Direct Engagements to Report on Compliance*. This standard requires that we plan and perform this engagement to obtain reasonable assurance whether [Agency] complied with the criteria established by the legislation and related authorities referred to above, in all significant respects. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about the entity's compliance with the specified requirements. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, for the year ended [Year End], [Agency] has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities.

We do not provide a legal opinion on the [Agency]'s compliance with the aforementioned legislative and related authorities.

*(The report should provide adequate explanation with respect to any reservation contained in the opinion together with, if relevant and practicable, the monetary effect.)*

This report is provided solely for the purpose of assisting the Provincial Auditor in discharging their responsibilities and for preparing their annual report to the Legislative Assembly of Saskatchewan and is not to be referred to or distributed to any person who is not a member of management or the Board of [Agency], its supervising agencies or the Office of the Provincial Auditor and should not be used for any other purpose. Any use that a third party makes of information contained in this report, or any reliance or decisions based on such information, is the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on information contained in this report.

We have complied with the ethical requirements of the Chartered Professional Accountants of Saskatchewan—*Rules of Professional Conduct*, founded on fundamental principles of integrity, objectivity, professional competency and due care, confidentiality, and professional behaviour.

We apply the *Canadian Standard on Quality Control 1* issued by CPA Canada and, accordingly, maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### 3. Reliability of Financial Statements

This opinion is formed for government agencies preparing financial statements. Ministries do not prepare financial statements.

#### Opinion

We have audited the financial statements of [Agency], which comprise [the statement of financial position] as at [Year End[s]], and the [statement of operations and accumulated surplus], [statement of remeasurement gains and losses], [statement of changes in net financial assets] and [statement of cash flows] for the year[s] then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of [Agency] as at [Year End[s]], and [insert appropriate wording to describe financial results] for the year[s] then ended in accordance with [insert name of the acceptable financial reporting framework].

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of [Agency] in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*[Insert the following paragraphs if you expect to receive all or some of the other information (i.e., annual report that includes financial statements) prior to the date of the auditor's report and the auditor does not expect to identify a material misstatement of the other information. If you do not expect to receive other information prior to the date of the auditor's report, then there are no reporting requirements. The Other Information section can be removed from the auditor's report.]*

#### Other Information

Management is responsible for the other information. The other information comprises the information included in [X report], but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or any knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with [insert the name of the acceptable financial reporting framework] for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing [Agency's] ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the [Agency] or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the [Agency's] financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted



auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the [Agency's] internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the [Agency's] ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the [Agency] to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.





