

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.¹ 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.²

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>
Total Revenue	\$ 258.1	\$ 258.0
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
Total Expense	\$ 262.5	\$ 258.7
Annual deficit	\$ (4.4)	\$ (0.7)
Accumulated surplus		\$ 58.0

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

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

² *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*.³

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

³ See our website at 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.⁴

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.

⁴ 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 (21 August 2020)

