

## 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.