



PROVINCIAL AUDITOR  
*of Saskatchewan*

## **2021 Report – Volume 1**

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Report of the Provincial Auditor to the  
Legislative Assembly of Saskatchewan

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PROVINCIAL AUDITOR  
*of Saskatchewan*

June 8, 2021

The Honourable R. Weekes  
Speaker of the Legislative Assembly  
of Saskatchewan  
Room 129, Legislative Building  
Regina, Saskatchewan S4S 0B3

Dear Honourable R. Weekes:

I have the honour of submitting my *2021 Report – Volume 1*, 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 cursive script that reads "Judy Ferguson".

Judy Ferguson, FCPA, FCA  
Provincial Auditor

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# 2021 Report – Volume 1

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## Overview by Provincial Auditor

### 1.0 PREAMBLE

This is the third Report on results of audits since the declaration of the COVID-19 pandemic in March 2020, and my last Report on results of audits to the Legislative Assembly. In February 2021, I announced my plans to retire at the end of June 2021.

Like elsewhere, the COVID-19 pandemic continues to impact us. It affects how our Office audits, and our priorities. For example, ongoing health and safety restrictions have resulted in us completing our audits primarily via remote means and, in many cases, taking longer to complete them.

We are working hard to balance the needs of legislators and the public for information about government programs and services, while being respectful of the additional pressures some government agencies face because of the pandemic. We know legislators and the public need timely and reliable information so that they can do their job to hold the Government to account. We also know some agencies are fully deployed in providing services during the pandemic (such as the Saskatchewan Health Authority and the Saskatchewan Public Safety Agency).

In setting our priorities, we have recognized some officials are not readily available or have limited availability to participate in audits during the pandemic. As such, we worked closely with them in determining which audits to proceed with (e.g., audit work on critical incident reporting in the health sector and the status of recommendations related to mental health), and which to defer or delay (e.g., follow-up audits of hospital-acquired infections and health laboratory services). We sincerely thank them for their co-operation in this work.

Furthermore, we have shifted some audit resources to our annual integrated audits. These audits will include examining government spending on the additional pandemic-response and stimulus programs, and use of related federal funding. We expect to report the results of this work in our *2021 Report – Volume 2*.

### 1.1 Preface

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

It includes the results of examinations completed by April 27, 2021 with details on annual integrated, performance, and follow-up audits of 25 different agencies.

**Section 2** of this Overview defines annual integrated, performance and follow-up audits, and highlights key findings of each section.



## 2.0 HIGHLIGHTS OF EACH SECTION

### 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 our *2020 Report – Volume 2*, our Office along with appointed auditors (if in place) completed annual integrated audits of 66 different agencies with fiscal year-ends between July and December 2020. These include integrated audits of 27 school divisions, 29 pension and employee benefit plans, and various crown corporations and agencies.

This Section includes a few concerns with controls at only three different agencies. This means nearly all of the agencies audited had effective financial-related controls, complied with financial- and governance-related authorities, and prepared reliable financial statements. Having effective financial-related controls helps agencies have confidence in reported financial results, and helps protect an agency's assets.

For Regina School Division No. 4, our concern relates to its need to follow its purchasing policy when making facility management purchases. This would help ensure it buys the goods and services it needs.

For the other two of the three agencies with reported concerns, our concerns are about properly controlling IT. For example, the Saskatchewan Workers Compensation Board needs to manage better access of users to its IT systems and data; and the Sun West School Division No. 208 needs a tested disaster recovery plan.

Ongoing attention to IT controls is needed, given the government's pervasive use and dependence on IT systems to operate and deliver programs and services. Risks to IT systems and data are ever-changing.

### 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 eight non-financial audits completed since our last Report (*2020 Report – Volume 2*).

Three audits looked at how well the Government carried out its oversight or regulatory responsibilities (i.e., critical health incident reporting, adjudicating tenancy disputes, and regulating recreational cannabis). Four audits looked at how well the government delivered a key program or initiative (i.e., the Provincial Disaster Assistance Program, the Early Learning Intensive Support Program, strategies to reduce short-term remand, and readying kindergarten students to learn). One audit looked at the government’s management of a key functional area—contracting for roadworks.

The following sets out (for each audit) what we examined, why, and what we found.

## Chapter 4: Corrections, Policing and Public Safety—Providing Provincial Disaster Assistance

**What the Office examined:** The Ministry of Corrections, Policing and Public Safety’s processes (for the period ended January 31, 2021) to provide timely financial assistance under the Provincial Disaster Assistance Program, and to seek amounts reimbursable under the Federal Disaster Financial Assistance Arrangements.

**Why the Office examined this area:** The number of extreme weather events (such as flooding and plow winds) is increasing and such events can cause significant and costly damage to property and infrastructure (e.g., farmland, homes, buildings and businesses). Generally, home and business insurance policies do not cover damage caused by these events. As a result, local authorities (municipalities, First Nations, and parks), businesses, and individuals count on receiving government financial assistance programs to be able to recover and rebuild.

**What the Office found:** The Ministry makes key information about its Program publicly available, uses competent personnel to assess and pay claims within a reasonable time, and tracks data about its Program activities.

The Ministry needs to:

- Establish the expected length of time to assess disaster area designation requests. Designating a disaster area is the first step to determining whether those within that area are eligible for assistance. Delays in designating eligible areas leads to delays in local authorities, businesses, and individuals applying for and, if eligible, receiving financial assistance for a disaster.

Our testing found the Ministry did not always complete assessments of Requests for Designation within one week of their receipt, or document the reasons for delays.

- Formalize its expected frequency for determining the status of restoration work for local-authority claimants. The frequency expectation is currently undocumented. Formalizing the expected frequency would help ensure staff are aware of the

- Disaster assistance claims fluctuate significantly—from over \$112 million in 2011-12 to less than \$4 million in 2019-20
- Local authorities (like municipalities and First Nations) typically have the larger and more complex claims, and may take several years to finalize claims
- The federal government owed Saskatchewan about \$220 million at December 2020 for claims outstanding for claim years from 2007, 2011-2017 inclusive, and 2019; it reimburses provincial governments when their eligible expenditures exceed a threshold based on provincial population, and makes final payment once a province finalizes all claims for a claim year



expectation, especially during periods when the Ministry hires additional temporary staff to deal with high claim volumes. Determining the status of restoration work helps the Ministry have up-to-date information about expected claim costs.

Our testing found that staff were not always following up on the status of local-authority claims as often as management expected.

- Periodically report to senior management about how well it delivers the Program (service delivery). Receiving reports about service delivery would allow senior management to identify potential areas of concern and adjust the Program as necessary.

Our testing found while senior management receives detailed statistics (e.g., number of designated disaster areas, and of active and closed claims, and claims paid), it does not receive data about whether it is processing Requests for Designation, and claims consistent with its expectations.

## Chapter 5: Education—Evaluating the Early Learning Intensive Support Program

**What the Office examined:** The Ministry of Education’s processes (for the period ended December 31, 2020) to evaluate whether the Early Learning Intensive Support Program helps preschool-aged children requiring intensive supports receive a good start on early learning and development.

**Why the Office examined this area:** Research shows quality education early in life leads to better health, education, and employment outcomes later in life, especially for children from disadvantaged backgrounds.

The Early Learning Intensive Support Program provides opportunities for preschool-aged children requiring intensive supports to engage in inclusive learning, together with other children of the same age. The Program includes children diagnosed with autism, cognitive delays, physical challenges, auditory issues, and/or significant behavioral issues.

- The **Early Learning Intensive Support Program** started in 2018 (as a pilot)
- Just over \$4 million of annual federal funding for early years committed towards addressing the inclusivity of preschool-aged children experiencing disabilities
- 23 of the 27 school divisions received funding for 242 spaces for preschool-aged children in the Program for the 2020-21 school year

Evaluations of the Program would determine whether it helps preschool-aged children requiring intensive supports obtain a good start on their learning and development. Systematic and ongoing evaluation also enables early identification of adjustments key to improving the Program, such as availability of training materials or funding for educational assistants.

**What the Office found:** The Ministry has established a good foundation for future evaluations of the delivery of the Program. It clearly defined the Program’s objectives and expectations, shared the results of a well-designed review, and asked participating school divisions to help address challenges identified.

The Ministry needs to:

- Collect key data (e.g., data about a participating child’s progress and transition into kindergarten) to help the Ministry determine whether children in the Program receive sufficient supports to enable them to learn and develop.

Our testing found the Ministry collected other key data, but not data about key plans, that participating school divisions are to develop for each child involved in the Program. These key plans (i.e., the Inclusion and Intervention Plans) are to identify a child’s individual goals, required interventions and supports, and transition plans. Nor did the Ministry collect data about the actual learning and development progress of individual children participating in the Program.

- Regularly collect information about school divisions’ actions to address identified challenges (e.g., availability of specialized professional supports). The Ministry did not collect information related to challenges identified in its 2019 review of the Program’s operations. Obtaining and using this information provides for early Program adjustments to better support the early learning and development needs of participating children.

## Chapter 6: Health—Using Critical Incident Reporting to Improve Patient Safety

**What the Office examined:** The Ministry of Health’s processes (in 2020) for using critical incident reporting to improve patient safety.

**Why the Office examined this area:** Critical incident reporting is a recognized tool in improving patient safety in the healthcare sector. Research suggests about one-third of incidents are preventable.

The Ministry is responsible for overseeing critical incident reporting, evaluating whether steps that healthcare organizations identify are likely to prevent recurrence of similar future incidents, and help in addressing system-wide concerns affecting patient safety.

Effective use of critical incident reporting should reduce, over time, the degree of injury and the types of critical incidents that occur in Saskatchewan healthcare facilities.

**What the Office found:** The Ministry needs to better utilize critical incident reporting as a tool to improve patient safety.

The Ministry needs to:

- Determine whether it is notified of all critical incidents. Our analysis of adverse events reported suggests it is not.

- A **critical incident** is a serious adverse health event that did or could have resulted in serious harm or death of a patient.
- Saskatchewan healthcare organizations (like the Saskatchewan Health Authority and Saskatchewan Cancer Agency) must, **by law**, report critical incidents to the Ministry of Health, and take steps to address their causes
- The overall number and types of critical incidents reported in Saskatchewan are not trending downwards
- The Authority reported over 200 critical incidents in 2018-19 and 2019-20
- **Patient safety alerts** are to communicate urgent patient safety information to healthcare providers for the benefit of the broader healthcare system
- 10 patient safety alerts issued by the Ministry between April 2017 and December 2020.



- Follow up when receipt of notifications of critical incidents are late. Our analysis found the Ministry receives over 30 percent of notifications of critical incidents later than the three days required by law.
- Monitor whether the Saskatchewan Health Authority sufficiently addresses the causes of reported critical incidents and improves patient safety. Not knowing increases the likelihood of the reoccurrence of similar incidents resulting in patient harm or death.

The Ministry does not know whether the Authority takes sufficient actions to reduce reoccurrence of similar incidents. We found for just over two-thirds of planned corrective actions included in the critical incident reports we tested, the Authority had reported them as not implemented.

- Do analysis to identify whether system-wide improvements are needed to keep patients safe and those improvements occurred.

Our testing found the Ministry does limited analysis. We also found the content of its patient safety alerts are not consistent with good practice, and it does not determine whether its alerts improved patient safety.

## Chapter 7: Highways—Selecting Contractors for Roadworks

**What the Office examined:** The Ministry of Highways' processes (for the period ended January 31, 2021) to fairly select contractors for roadworks costing over \$100 thousand.

**Why the Office examined this area:** A considerable portion of Saskatchewan's provincial highway system is mature.

The Ministry routinely engages contractors to carry out roadworks. It signs approximately 200 contracts for roadworks each year, and is expected to spend \$585 million on roadworks in 2020-21. Roadworks can take considerable time and money, with individual contracts up to \$50 million.

**What the Office found:** The Ministry has good processes to fairly select contractors for roadworks costing over \$100 thousand. It makes standard specifications for roadworks readily available, and followed the procurement processes of the central agency responsible for procurement—SaskBuilds Corporation—throughout its procurement process.

- **Roadworks** include services like road construction, bituminous mixing, culverts, grading, rubber asphalt crack sealing, micro-surfacing, seal coating, surfacing, etc.
- Contractors design and determine specifications for roadworks, and rehabilitate, preserve, or expand the provincial highway system

## Chapter 8: Justice and Attorney General and Corrections, Policing and Public Safety—Implementing Strategies to Reduce Short-Term Remand in Saskatoon and the Surrounding Area

**What the Office examined:** The Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety's processes (for the 12-month period ended September 30, 2020) to implement strategies for reducing short-term remand in Saskatoon and the surrounding area.

**Why the Office examined this area:** Short-term remand is the primary reason for ongoing year-over-year increases in the average annual count of adults in custody in Saskatchewan, and presents challenges for the provincial correctional system.

Individuals held on remand represent almost two-thirds of individuals admitted into custody, and over 40 percent of the annual average daily counts of individuals in custody in Saskatchewan. In 2020, individuals on short-term remand represented an overwhelming majority of total remand admissions to the Saskatoon Correctional Centre.

The process for decreasing the remand population is complex, requiring changes in policing and justice services. Change requires a long-term commitment. Meaningful progress requires ongoing coordination and careful balancing of two competing principles—respecting the liberty rights of the accused, and ensuring public safety.

- **Short-term remand** refers to individuals held in correctional centres for 31 days or less
- Typically, time on remand is uncertain and frequently short in duration
- Since 2017, three strategies used to reduce the short-term remand population in Saskatoon and the surrounding area—Early Case Resolution, Rapid Remand Response, and Community Alternatives to Remand
- The average daily count of individuals on remand for 2018-19 was 983, representing 51 percent of the total number of inmates in custody

**What the Office found:** The Ministries appropriately use committees to strategically engage and coordinate policing and justice services in the remand-reduction strategies.

The Ministries need to:

- Determine the specific information needs of remand committees. Not defining expectations for information sharing increases the risk of not sufficiently engaging or informing committee members, from policing and justice services, to foster decisions that contribute to reducing the number of individuals on remand.
- Decide by how much, and by when, they expect the various remand strategies to contribute to reducing the number of individuals on remand; and measure and report on how quickly and to what extent the remand strategies reduce the number of individuals in short-term remand.

Having set measurable targets, and collecting and analyzing key information from key external partners (e.g., policing services) would help them determine whether their strategies contribute to reducing the remand population, and make timely adjustments to the strategies, where warranted.

## Chapter 9: Office of the Residential Tenancies—Adjudicating Tenancy Disputes

**What the Office examined:** The Office of Residential Tenancies’ processes to provide timely adjudication of disputes to eligible landlords and tenants.



**Why the Office examined this area:** The Office of Residential Tenancies is responsible for adjudicating disputes between landlords and tenants.

An effective adjudication process helps ensure landlords and tenants have their disputes handled fairly and impartially. It also reduces the risk that tenants remain in unsafe living conditions, or landlords endure undue financial burden for long periods. Also, an impartial and fair adjudication process is key to the credibility of the Office of the Residential Tenancies.

- Over 2,500 applications received between April to December 2020 (2019-20: 6,076)
- Over 2,000 hearings held between April to December 2020
- Most applications are for urgent situations like eviction, unpaid rent or rent in arrears, and improperly maintained property (e.g., mice or bug infestations)

**What the Office found:** The Office of Residential Tenancies had generally effective processes to provide timely adjudication of disputes to eligible landlords and tenants, with improvements needed in only two areas.

It needs to:

- Set out clear guidance about what constitutes a conflict of interest for hearing officers. Such guidance would help ensure hearing officers take a consistent approach to identifying and declaring conflicts, and reduce the risk of them not declaring them. It also reduces the risk of bias, either real or perceived, in hearing decisions issued.

Our testing found the Office does not have written guidance about conflicts of interest. It contracts over 20 lawyers to act as hearing officers and issue hearing decisions.

- Promptly follow up when hearing officers have not submitted decisions within two days after the hearing, and document reasons for significant delays in issuing decisions. This would help ensure tenancy disputes are resolved within reasonable timeframes, and avoid causing undue hardships for tenants and landlords waiting for a decision.

Our analysis found the Office issued 17 percent of the 2,488 hearing decisions in 2020 later than its new target of two days. In one instance, it issued a decision 353 business days after the hearing was held.

## Chapter 10: Saskatchewan Liquor and Gaming Authority—Regulating Recreational Cannabis

**What the Office examined:** The Saskatchewan Liquor and Gaming Authority processes (in 2020) to regulate the distribution and sale of recreational cannabis in Saskatchewan.

**Why the Office examined this area:** The Authority became responsible for regulating Saskatchewan’s recreational cannabis retail and wholesale businesses, in conjunction with the legalization of recreational cannabis, in Canada in October 2018.

Effective regulatory processes help prevent the sale of legal recreational cannabis to youth, keep profits from cannabis sales

- **Recreational cannabis** refers to cannabis products (e.g., flowers, edibles) used for non-medical purposes.
- The legalized recreational cannabis industry began operating in October 2018.
- 54 retail and four wholesale active permits issued in Saskatchewan as of December 2020
- About 470 inspections of Saskatchewan cannabis permittees completed during 2020

in the regulated market (i.e., away from criminals), and protect public health and safety by allowing adults to access legal cannabis.

**What the Office found:** The Authority was in its start-up phase of regulating recreational cannabis. It set cannabis permit requirements consistent with legislation, adequately confirmed applicants met requirements, used suitably qualified inspectors to inspect permittees, and verified the accuracy of permittee reporting to the Federal Government. To promote a culture of compliance, it focused its efforts on educating permittees about operating requirements.

Moving past the start-up phase is essential for effective regulation. The Authority needs to:

- Decide when to shift its focus to taking enforcement actions (e.g., fines) on identified non-compliance. To act fairly and transparently, it must advise permittees of the expected timing of this shift in writing.
- Develop a risk-informed inspection plan and actively monitor whether it completes permittee inspections as planned. Taking a risk-informed approach will help it focus the use of its resources.

Our analysis of inspection records found the Authority did not always complete monthly inspections of permittees as expected. Management did not have a process to monitor the completion of these inspections.

- Finalize guidelines for actions key to enforcing identified non-compliance with permit requirements consistently, and actively monitor whether permittees sufficiently address identified non-compliance.

We found the Authority's draft enforcement guidance was sufficient other than it does not set out expected timeframes to review and approve recommended sanctions (e.g., within one week of drafting). Our testing found the Authority is not always finalizing and issuing recommended sanctions for identified non-compliance within a reasonable time. For example, we noted it has not yet issued recommended sanctions drafted in September and October 2020 as of January 2021.

- Maintain information about its key regulatory activities so that it can show it carried out these activities as and when expected.

Our testing found the Authority did not consistently keep documentation of due diligence processes (e.g., social media search) used to confirm applicants meet requirements.

- Give senior management periodic reports on the nature and extent of identified non-compliance, and related enforcement actions. Such information would help management to determine whether its regulatory model and approach works as intended, and adjustments are necessary.



## Chapter 11: Saskatoon School Division No. 13—Monitoring Success in Readyng Students for Learning in the Primary Grades When Exiting Kindergarten

**What the Office examined:** The Saskatoon Public School Division No. 13’s processes (for the 18-month period ended June 2020) to monitor its success in readyng students for learning in the primary grades when exiting kindergarten.

**Why the Office examined this area:** The Saskatchewan education sector recognizes success in readyng kindergarten students for learning prepares them for future academic success.

The percentage of students exiting kindergarten being ready for learning in primary grades remains well below the provincial goal of 90 percent.

Saskatoon School Division No. 13 is one of three divisions with more than 1,500 kindergarten students each year. The percentage of the readiness of its kindergarten students to learn is similar to the provincial average (i.e., 79 percent).

- Provincial goal is for 90 percent of kindergarten students being ready for learning in the primary grades
- 77 percent of kindergarten students assessed as being ready in 2018-19 in Saskatoon’s 48 schools with kindergarten programs
- 59 percent of self-declared First Nations, Métis, and Inuit kindergarten students assessed as being ready for the same period in those schools

**What the Office found:** While it has taken many positive steps and actions, Saskatoon Public needs to do more to monitor its success in readyng students for learning in the primary grades when exiting kindergarten.

Saskatoon Public needs to:

- Have written expectations about the minimum frequency of assessing kindergarten students in all key areas of learning and development, and confirm the suitability of alternate assessment tools in use. Frequent standard assessments give essential data about a student’s progress to enable teachers to identify and make instructional and other changes to help a student succeed.

Our testing found kindergarten teachers did not always assess students at least twice a year as expected, or use suitable assessment tools. Also, the Division could not explain why some kindergarten students did not participate in required reassessments.

- Give kindergarten teachers additional support for using key instructional practices. These are used in addition to normal classroom instruction to improve student readiness in a focused way, particularly for those students identified as having problems in learning the subject matter.

Our testing found teachers did not consistently use key instructional practices as expected.

- Better analyze kindergarten assessment data to identify trends and common areas of struggle across all schools in the Division. Robust data analysis helps identify root causes at certain schools or division-wide gaps. We found present data analysis is limited.

## 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 20 follow-up audits.

The COVID-19 pandemic has contributed to agencies implementing fewer recommendations on an overall basis (50 percent) as compared to our prior two reports (2020 Volume 2: 63 percent, 2020 Volume 1: 63 percent). We found more recommendations remain partially implemented (at 44 percent) as compared to the prior two reports (2020 Volume 2: 28 percent, 2020 Volume 1: 28 percent). The percentage of recommendations not implemented (at 6 percent) remains similar to past reports.

As evident from the table below, a few agencies were successful in making substantive improvements in a relatively short period. eHealth Saskatchewan implemented all six remaining recommendations about its policies and processes to mitigate vendor influence and related conflicts of interest. The Ministry of Energy and Resources implemented all three recommendations about regulating oil, gas, and pipeline incidents. And, the Ministry of Government Relations implemented all four recommendations related to recommending infrastructure projects for federal-provincial funding.

However, progress for a few was slower than we expected. For example, while the Water Security Agency made some progress towards addressing 11 recommendations made in our 2018 audit of its processes to regulate drainage of agricultural lands, it has significant work to do. Leaving unapproved drainage works in high-risk areas increases the risk of flooding of neighbouring farmland and of the receiving water body, of water quality issues in the receiving water body, and of the loss of wetlands. Also, not taking timely, effective enforcement action against unapproved drainage works increases the risk of further damage to neighbouring farmland and downstream impacts.

The following table summarizes the results of the 20 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>	Status of Recommendations				
		Number of Recommendations	Implemented	Partially Implemented	Not Implemented	No Longer Relevant
<b>Initial Follow-Ups</b>						
eHealth Saskatchewan—Mitigating Vendor Influence and Related Conflicts of Interest	2019 V1	6	6	0	0	0
Energy and Resources—Regulating Oil, Gas and Pipeline Incidents	2018 V1	3	3	0	0	0
Government Relations—Recommending Infrastructure Projects for Funding	2018 V1	4	4	0	0	0
Northlands College—Purchasing Goods and Services	2019 V1	11	2	9	0	0
Saskatchewan Health Authority—Providing Timely Access to Mental Health and Addictions Services in Prince Albert and Surrounding Areas	2018 V1	10	5	2	3	0
Saskatchewan Housing Corporation—Providing Adequate Social Housing to Eligible Clients	2017 V2	4	4	0	0	0
SaskBuilds and Procurement—Securing the Data Centre	2019 V1	1	0	1	0	0
Water Security Agency—Regulating Drainage	2018 V1	11	2	8	1	0
<b>Initial Follow-Ups Subtotal</b>		<b>50</b>	<b>26</b>	<b>20</b>	<b>4</b>	<b>0</b>
<b>% of Initial Follow-Ups Subtotal</b>		<b>100%</b>	<b>52%</b>	<b>40%</b>	<b>8%</b>	<b>0%</b>
<b>Subsequent Follow-Up Audits<sup>c</sup></b>						
Education—Capital Asset Planning for Schools	2013 V1 2015 V1 2017 V1 2019 V1	1	0	1	0	0
Government Relations—Providing Safe Drinking Water in Northern Settlements	2012 V1 2016 V1 2019 V1	4	0	4	0	0
Health—Providing Special Needs Equipment for Persons with Disabilities	2016 V2 2019 V1	6	4	2	0	0
Highways—Enforcing Vehicle Weight and Dimension Requirements	2017 V1 2019 V1	2	2	0	0	0
Immigration and Career Training—Coordinating English-Language Programs	2015 V1 2017 V1 2019 V1	2	0	2	0	0
Justice and Attorney General and Corrections, Policing and Public Safety—Leading the Community Safety and Well-Being Initiative	2016 V1 2019 V1	2	0	1	1	0
Saskatchewan Health Authority—Triaging Emergency Department Patients in Saskatoon Hospitals	2013 V2 2016 V1 2018 V2	3	2	1	0	0
Saskatchewan Liquor and Gaming Authority—Regulating Commercial Permittees' On-Table Sale of Liquor	2017 V1 2019 V1	3	1	2	0	0
SaskBuilds and Procurement—Web Application Security Requirements	2016 V1 2018 V2	2	2	0	0	0
Social Services—Placing Minister's Wards in Permanent Homes	2013 V1 2015 V1 2017 V1 2019 V1	1	1	0	0	0

Chapter Name	Related Report <sup>A,B</sup>	Status of Recommendations				
		Number of Recommendations	Implemented	Partially Implemented	Not Implemented	No Longer Relevant
Social Services—Protecting Children-in-Care Information in the Linkin System	2016 V1 2018 V2	1	1	0	0	0
St. Paul's Roman Catholic Separate School Division No. 20—Promoting Good Student Health and Physical Fitness	2015 V1 2019 V1	1	0	1	0	0
<b>Subsequent Follow-Ups Subtotal</b>		<b>28</b>	<b>13</b>	<b>14</b>	<b>1</b>	<b>0</b>
<b>% of Subsequent Follow-Ups Subtotal</b>		<b>100%</b>	<b>46%</b>	<b>50%</b>	<b>4%</b>	<b>0%</b>
<b>Overall Total</b>		<b>78</b>	<b>39</b>	<b>34</b>	<b>5</b>	<b>0</b>
<b>% of Overall Total</b>		<b>100%</b>	<b>50%</b>	<b>44%</b>	<b>6%</b>	<b>0%</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 always 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. Our appreciation has increased given the additional pressures many of them face either professionally or personally during the current COVID-19 pandemic.

The Office also appreciates the ongoing support of the Standing Committees on Public Accounts, and on Crown and Central Agencies. We fully recognize the importance of their roles to help hold the government to account.

In addition, as Provincial Auditor, I am honoured to lead the Office, and its team of professionals. I am truly proud of their diligence, commitment, and professionalism, particularly during this period where most were working remotely from home. Their unwavering professionalism 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.

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Stephanie Russell	Tahirih Elliott	Tara Clemett
Tea Anaka	Trevor St. John	Victor Schwab
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## 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 almost 270 agencies.

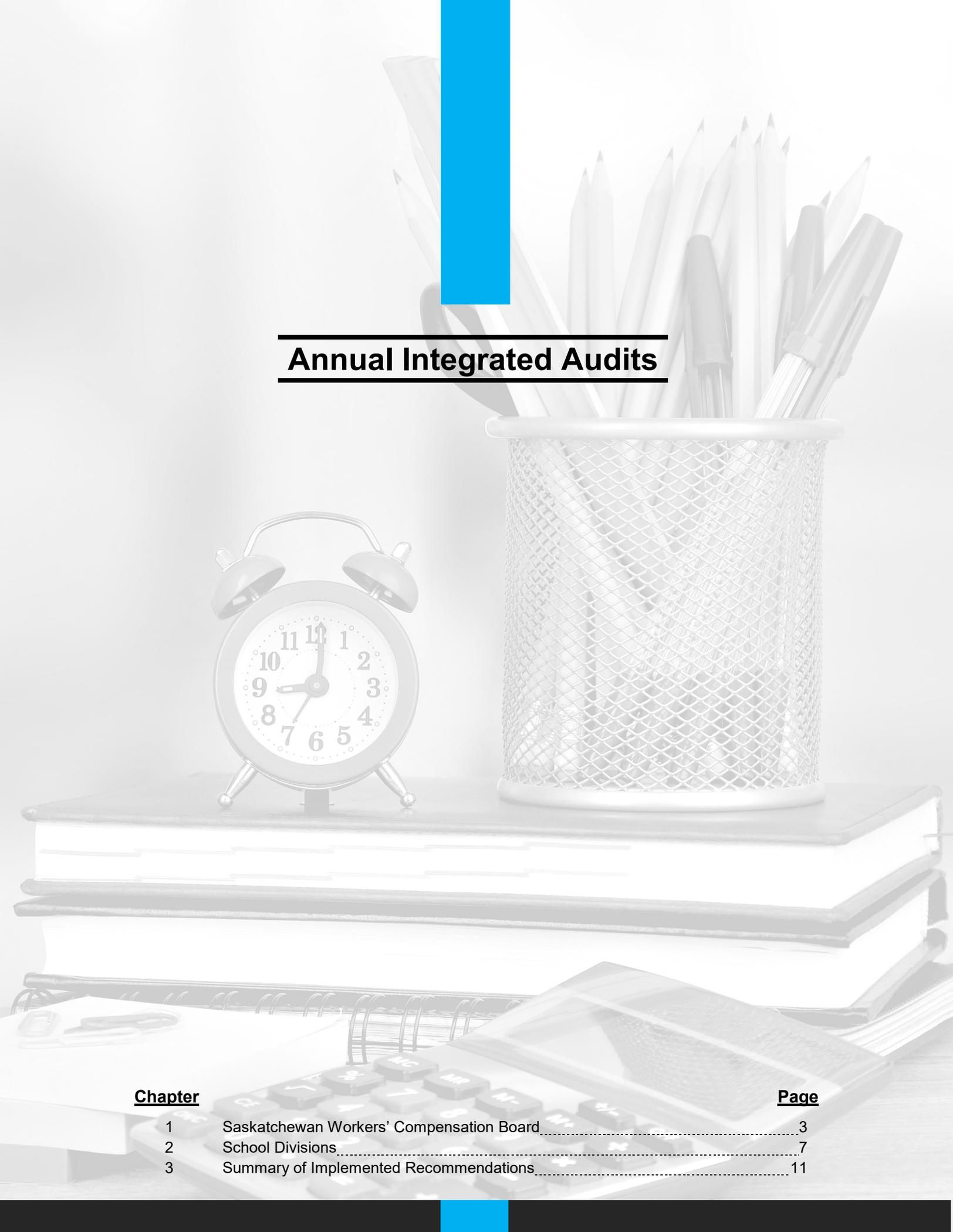
The Office promotes accountability and better management through its audit work and public reports along with its involvement with legislative committees charged with reviewing its Reports. The Office routinely looks at the Government's administration of its programs and services.

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.

Our Office strives to complete audits of value to legislators and the public. This means selecting audit topics of importance and with higher risk, and sharing the results (whether they be positive or negative) within a reasonable time. We aim to complete larger and more complex audits within a year of their initiation.

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).



# Annual Integrated Audits

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# Chapter 1

## Saskatchewan Workers' Compensation Board

### 1.0 MAIN POINTS

Other than the need to better manage user access to its IT systems and data, the Saskatchewan Workers' Compensation Board (WCB) had effective rules and procedures to safeguard public resources as of December 2020.

WCB's 2020 financial statements were reliable and it complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

### 2.0 INTRODUCTION

The Board of WCB operates under the authority of *The Workers' Compensation Act, 2013*.

WCB protects registered employers from lawsuits when a workplace injury happens. It provides guaranteed benefits and programs to injured workers in industries covered (e.g., health care, first responders, transportation) by the Act.

WCB uses premiums paid by employers in covered industries to fund the costs of the workers' compensation benefits and programs. Premiums are based on a combination of the risk of incurring claims costs and the value of what is insured (employer payrolls).<sup>1</sup>

At December 31, 2020, WCB held total assets of \$2.21 billion (2019: \$2.19 billion), which included investments of \$2.18 billion (2019: \$2.15 billion). It had liabilities of \$1.69 billion (2019: \$1.58 billion), including workers' compensation benefits liability of \$1.42 billion (2019: \$1.33 billion).

During 2020, WCB generated comprehensive loss of \$83 million (2019: comprehensive income of \$170 million), comprised of revenue of \$334 million (2019: \$545 million), and expenses of \$417 million (2019: \$375 million).<sup>2</sup>

At December 2020, WCB had staff in about 480 full-time equivalent positions.

### 3.0 AUDIT CONCLUSIONS

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

<sup>1</sup> Saskatchewan Workers' Compensation Board *2019 Annual Report*, p.10.

<sup>2</sup> Saskatchewan Workers' Compensation Board December 31, 2020 audited financial statements.

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



In our opinion, for the year ended December 31, 2020:

- **The Saskatchewan Workers' Compensation Board had effective rules and procedures to safeguard public resources except for the matter reported about user IT access**
- **The Saskatchewan Workers' Compensation Board complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

*The Workers' Compensation Act, 2013*  
*The Workers' Compensation Board Pension Implementation Act*  
*The Financial Administration Act, 1993*  
*The Occupational Health and Safety Act, 1993*  
*The Crown Employment Contracts Act*  
*The Executive Government Administration Act*  
*The Pension Benefits Act, 1992*  
*The Members' Conflict of Interest Act*  
*The Income Tax Act (Canada)*  
Regulations and Orders in Council pursuant to the above Legislation

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

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audit. We used the control framework included in COSO's *Internal Control—Integrated Framework* to make our judgments about the effectiveness of WCB's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

## 4.0 KEY FINDING AND RECOMMENDATION

### 4.1 Better Management of User Access Needed

***We recommended the Saskatchewan Workers' Compensation Board follow its documented procedures for managing user access to its IT systems and data.*** (2020 Report – Volume 1, p. 40, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

**Status**—Partially Implemented

In 2020, WCB made limited progress on following its procedures to manage user access to its IT systems and data.

WCB makes significant use of its IT systems to manage operations including recording premium revenues, paying claims, and preparing financial statements.

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

- Consistently remove access for terminated users on a timely basis, as access was removed up to three weeks after termination
- Perform its periodic IT user access review to assess validity of user accounts, as specified in its policy

During 2020, WCB did improve its management of user access by properly managing settings of user accounts (e.g., strengthening controls over user account settings).

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





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## Chapter 2

### School Divisions

#### 1.0 MAIN POINTS

This chapter summarizes the results of the 2019–20 annual audits of the 27 school divisions. The 2019–20 financial statements of each of these school divisions are reliable, and each complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

Twenty-five of the 27 school divisions had effective rules and procedures to safeguard public resources. Regina Public needs to follow its purchasing policy and publicly tender purchases, obtain prior approval to single-source purchases, and obtain appropriate approval for the purchases. Sun West needs to test its IT disaster recovery plan.

Also, in 2019–20, Northern Lights and Northwest each improved their financial-related controls by implementing previous recommendations.

#### 2.0 INTRODUCTION

Over 184,000 students attend more than 770 provincially funded schools each day.<sup>1</sup> *The Education Act, 1995* and related regulations set out the roles and responsibilities of the Ministry of Education and Saskatchewan's 27 school divisions.

Elected boards of education (school boards), including the Conseil des Écoles Fransaskoises No. 310 (French language schools), are responsible for administering and managing provincially funded schools (i.e., public, separate, or French language). **Figure 1** provides the combined financial results of the 27 school divisions for 2018–19 and 2019–20.

**Figure 1—School Divisions' Combined Financial Results**

	2019–20	2018–19
	(in billions)	
<b>Net Financial Assets<sup>A</sup></b>	<u>\$ 0.3</u>	<u>\$ 0.2</u>
<b>Non-financial Assets<sup>B</sup></b>	<u>\$ 2.3</u>	<u>\$ 2.4</u>
Grants from the Ministry of Education	\$ 1.9	\$ 1.9
Other Revenue (e.g., property taxes, school generated funds)	<u>0.3</u>	<u>0.2</u>
<b>Total Revenue</b>	<u>\$ 2.2</u>	<u>\$ 2.1</u>
<b>Total Expense</b>	<u>\$ 2.2</u>	<u>\$ 2.2</u>
<b>Annual Surplus (Deficit)</b>	<u>\$ 0.0</u>	<u>\$ (0.1)</u>

Source: Audited school division financial statements years ending August 31.

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

<sup>B</sup> Non-financial assets includes capital assets such as schools and busses.

<sup>1</sup> [www.publications.saskatchewan.ca/#/products/83292](http://www.publications.saskatchewan.ca/#/products/83292) (8 March 2021); provincially funded schools do not include schools under the responsibility of First Nations or private schools.



## 3.0 AUDIT CONCLUSIONS

Our Office worked with appointed auditors to carry out the annual integrated audits of the school divisions. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*. See **Appendix 2** for the name of each school division and its appointed auditor.

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

- **Each school division had effective rules and procedures to safeguard public resources except for the matters related to Regina Public and Sun West school divisions**
- **Each school division complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

*The Education Act, 1995*  
*The Education Regulations, 2019*  
*The School Division Administration Regulations*  
*The Education Property Tax Act*  
*The Financial Administration Act, 1993* (section 38)  
*The Pension Benefits Act, 1992* (section 44)  
*The Pension Benefits Regulations, 1993* (section 38)  
*Pension Benefit Standards Regulations, 1985* (Canada) (sections 9[1], 11[1])

- **The financial statements of each school division 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 each school division'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 school divisions' 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. Also, as each school division uses IT systems to operate, audits included examining school divisions' processes to safeguard financial-related IT systems and data.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS BY SCHOOL DIVISION

### 4.1 Regina School Division No. 4—Purchasing Policy Not Followed for Facilities Department Contracts

Regina School Division No. 4 did not follow its purchasing policy and publicly tender purchases, obtain prior approval to single-source purchases, or obtain appropriate approval for certain Facilities Department purchases.

Regina Public's Facilities Department enters into about 30 contracts each year (e.g., lighting, painting). During 2019-20, the audit identified that Regina Public did not follow its purchasing policy.

Regina Public's purchasing policy require staff to follow appropriate purchasing processes and obtain the required approvals for purchases. For example, staff must publicly tender purchases of goods or services greater than \$75,000. Audit testing identified three facilities management contracts that did not follow purchasing processes. Regina Public did not:

- Publicly tender the contracts or authorize the use of single-source purchasing<sup>2</sup>
- Obtain the required signing authority approval for the purchases

Following its competitive procurement method policies for buying goods and services helps ensure staff treat suppliers equitably and fairly, and helps Regina Public buy goods and services at a fair price. Contracts entered into without the proper authority increase the risk of fraudulent transactions, or contracting for items Regina Public does not need.

1. **We recommend Regina School Division No. 4 follow its purchasing policy for its Facilities Department contracts.**

## 4.2 Sun West School Division No. 207—Disaster Recovery Plan Not Complete

***We recommended Sun West School Division No. 207 formally document its IT disaster recovery plan.*** (2017 Report – Volume 1, p. 22, Recommendation 2; Public Accounts Committee agreement June 12, 2018)

**Status**—Partially Implemented

In January 2019, Sun West School Division No. 207 finalized and approved a disaster recovery plan. As of August 2020, Sun West had not yet tested its disaster recovery plan.

Without an up-to-date and tested disaster recovery plan, Sun West does not know if it could continue to deliver its programs and services if disruption or damage occurred to its key IT systems (e.g., accounting system, student data system). Regular testing of its disaster recovery plan would confirm the plan's effectiveness, relevance, and identify necessary updates.

## 5.0 IMPLEMENTED RECOMMENDATIONS BY SCHOOL DIVISION

**Figure 2** sets out, by school division, each past recommendation and key actions taken during 2019–20 to implement it.

<sup>2</sup> Single sourcing goods and services is purposely choosing a single supplier even though others are available. [www.cips.org/knowledge/procurement-topics-and-skills/strategy-policy/models-sc-sourcing--procurement-costs/single-sourcing-vs-sole-sourcing/](http://www.cips.org/knowledge/procurement-topics-and-skills/strategy-policy/models-sc-sourcing--procurement-costs/single-sourcing-vs-sole-sourcing/) (26 March 2021).

**Figure 2—Implemented Recommendations by School Division**

Past Recommendation (Initial PAS Report, Date of Agreement of PAC) <sup>A</sup>	Key Actions Taken During 2019–20 to Implement Recommendations
<b>Northern Lights School Division No. 113</b>	
We recommended Northern Lights School Division No. 113 prepare and review monthly bank reconciliations and financial reports for school-generated funds. ( <i>2020 Report – Volume 1</i> , p. 43, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)	During 2019–20, Northern Lights prepared and reviewed monthly bank reconciliations and financial reports for school generated funds.
<b>Northwest School Division No. 203</b>	
We recommended Northwest School Division No. 203 independently review and approve monthly bank reconciliations. ( <i>2020 Report – Volume 1</i> , p. 43, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)	During 2019–20, Northwest independently reviewed and approved monthly bank reconciliations.
We recommended Northwest School Division No. 203 independently review and approve journal entries. ( <i>2020 Report – Volume 1</i> , p. 43, Recommendation 3; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)	During 2019–20, Northwest independently reviewed and approved journal entries.

<sup>A</sup> PAS – Provincial Auditor Saskatchewan      PAC – Standing Committee on Public Accounts

## Chapter 3

### Summary of Implemented Recommendations

#### 1.0 MAIN POINTS

This chapter lists agencies that implemented recommendations from previous annual integrated audits or IT audit work with no other significant findings included as a chapter in this Report.<sup>1</sup>

#### 2.0 SUMMARY OF IMPLEMENTED RECOMMENDATIONS

The table below sets out, by agency, the recommendations as well as highlights key actions taken by the agency to implement its recommendations.

Past Recommendation (Initial PAS Report, Date of Agreement of PAC) <sup>A</sup>	Key Actions Taken During 2020–21 to Implement Recommendation
<b>Public Service Commission—MIDAS HR/Payroll</b>	
We recommended the Public Service Commission agree in writing on a deadline with its service provider for receiving the annual audit report on security controls at the data centre hosting PSC Client. ( <i>2019 Report – Volume 2</i> , p. 77, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)	During 2020, the Commission signed a new agreement with the service provider that operates the data centre hosting its IT system called PSC Client. The agreement includes provisions for the Commission to receive semi-annual audit reports on security controls about two months following each audit period. The Commission received its first report in December 2020 for the period April 1, 2020 to September 30, 2020.

<sup>A</sup> PAS: Provincial Auditor of Saskatchewan PAC: Standing Committee on Public Accounts

<sup>1</sup> IT audit work consists of specified audit procedures about controls central agencies used to manage and secure key IT systems and data upon which other government ministries and agencies rely. Key IT audit work covers the IT data centre housing ministry IT applications and data, and MIDAS-Financials used to record the financial activities of ministries, and MIDAS-HR/PAYROLL used to record personnel and payroll activities of staff within the scope of the Public Service Commission. We do this work annually to support our integrated audits of government ministries and agencies using these key IT systems.



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## Performance Audits

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## Chapter 4 Corrections, Policing and Public Safety—Providing Provincial Disaster Assistance

### 1.0 MAIN POINTS

The Provincial Disaster Assistance Program is designed to provide financial assistance to eligible claimants located in a municipality, First Nation or park designated by the Ministry of Corrections, Policing and Public Safety as an eligible disaster area. Over the last ten years, disaster assistance amounts paid to claimants have fluctuated significantly. Financial assistance is for uninsurable, essential losses caused by specific natural disasters.

The Ministry claims and receives Government of Canada disaster financial assistance under the Federal *Disaster Financial Assistance Arrangements*.

At January 2021, the Ministry had effective processes, other than in the following areas, to provide timely financial disaster assistance under the Provincial Disaster Assistance Program, and to seek amounts reimbursable under the Federal *Disaster Financial Assistance Arrangements*. The Ministry needs to:

- Establish a service standard about the expected length of time to assess disaster area designation requests.

Having no established service standard can result in delays in designating disaster areas. This may lead to delays in individuals and businesses applying for and receiving financial assistance, which could have an adverse impact on the economy and safety of individuals. We found that the Ministry did not always assess disaster area designation requests in a timely manner.

- Formalize the expected frequency of determining the status of claimant's restoration work for local authority claims.

The Ministry has an undocumented expectation regarding the frequency in which staff should review the status of claimant's restoration work for local authority claims. Not formalizing its service standard could result in certain staff being unaware of the expectation, especially during periods when the Ministry hires additional temporary staff to deal with high claim volumes. Our testing found that staff were not consistently following up on the status of local authority claims as often as management expected.

- Analyze key information (such as service standards) and periodically report to senior management as to whether or not these service standards were being met. In cases where expectations are not being met, document rationale as to why.

Analyzing key information about the Program allows the Ministry to determine whether or not the Program is being successful in delivering financial assistance to applicants. Reporting this information to senior management allows senior management to identify potential areas of concern and make Program changes as necessary based on actual results.



## 2.0 INTRODUCTION

This chapter reports the results of our audit of the Ministry of Corrections, Policing and Public Safety's processes to provide timely financial disaster assistance under the Provincial Disaster Assistance Program, and seek amounts reimbursable under the Federal *Disaster Financial Assistance Arrangements*.

The Ministry is responsible for improving public safety in the province and responding to emergencies.<sup>1</sup> *The Emergency Planning Act* gives the Ministry authority to set up and operate its Provincial Disaster Assistance Program, including:

- Setting maximum amounts of assistance for various categories
- Designating eligible disaster areas
- Setting procedures to review applications
- Authorizing payments
- Entering into agreements for disaster assistance funding with the Government of Canada<sup>2,3</sup>

### 2.1 Provincial Disaster Assistance Program

The Provincial Disaster Assistance Program provides financial assistance to eligible claimants located in a municipality, First Nations or park designated by the Ministry as an eligible disaster area. Financial assistance is for substantial losses or damage to uninsurable, essential property caused by specific natural disasters in these locations.

Assistance may be provided to restore property to pre-disaster condition only. The Program does not provide assistance for insurable losses including drought, frost damage, and most fire losses or fire-related costs.<sup>4</sup> The four main disasters eligible under the Program are flooding, heavy rain, plow wind, and tornados.

Seven general categories of claimants may apply for disaster assistance:

- Municipalities
- First Nations
- Park authorities
- Healthcare facilities

<sup>1</sup> *The Ministry of Corrections, Policing and Public Safety Regulations*, s.3.

<sup>2</sup> The Ministry of Corrections, Policing and Public Safety became responsible for the Saskatchewan's Provincial Disaster Assistance Program effective November 9, 2020. Prior to then, the Ministry of Government Relations was responsible for the Program. In conjunction with this change in responsibility, the Government transferred staff of the Ministry of Government Relations responsible for the Program to the Ministry of Corrections, Policing and Public Safety.

<sup>3</sup> *The Emergency Planning Act*, s.24.

<sup>4</sup> *Provincial Disaster Assistance Program 2020 General Claim Guidelines*, p. 1. [pubsaskdev.blob.core.windows.net/pubsask-prod/106696/106696\\_PDAP-Claim-Guidelines.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/106696/106696_PDAP-Claim-Guidelines.pdf). The Program is not intended to compete with private insurers or to provide full compensation to those who incur a substantial loss or damage to property.

- Educational institutions
- Government ministries
- Private claimants, including homeowners, renters, First Nations residents, agricultural operation owners, small business owners and non-profit organizations.<sup>5</sup>

To be eligible for assistance, the local authority (city, town, village, resort village, provincial or regional park, rural municipality or First Nation) must request assistance from the Program through an approved council resolution. If the Ministry approves the request, it designates the local authority area as eligible for disaster assistance.

## 2.2 Importance of Disaster Relief in Saskatchewan

In 2019, Environment and Climate Change Canada issued a report stating Canada is warming twice as fast as the global average.<sup>6</sup> A warmer climate intensifies weather extremes, leading to increased drought risk, as well as risk of flooding due to more intense rainfalls.

It is difficult to precisely predict when natural disaster events will occur, and how much damage they may cause. The location and timing of events vary from year to year. The growing number of extreme weather events is increasing the amount of damage to property and infrastructure. Damage can result in significant costs for infrastructure repair, such as roads and the property of those living and working in the disaster area (e.g., farmland, homes, buildings and businesses).

Generally, home and business insurance policies do not cover damage caused by natural disasters, such as earthquakes, landslides, and flooding. Some insurance companies may offer optional coverage, usually for premiums at a higher rate, for risks like natural disasters not generally insured.<sup>7</sup> Residential overland flood insurance was introduced in 2016, and is available to some Saskatchewan homeowners through private insurers. However, as of January 2021, the Ministry does not consider this insurance to be readily available to the general public.

Consequently, government financial assistance programs can become a key resource for natural disaster recovery. Financial disaster assistance provides Saskatchewan residents with the ability to recover and rebuild after a significant natural disaster event.

## 2.3 Financial Impact of Disasters in Saskatchewan

Over the last ten years, the amount of disaster assistance paid to claimants in Saskatchewan has fluctuated significantly from a low of less than \$4 million in the 2019–20 fiscal year to a high of over \$112 million in the 2011–12 fiscal year (see **Figure 1**).

<sup>5</sup> *Provincial Disaster Assistance Program 2020 General Claim Guidelines*, p. 1. [publications.saskatchewan.ca/api/v1/products/89849/formats/106696/download](https://publications.saskatchewan.ca/api/v1/products/89849/formats/106696/download) (20 Apr 2021)

<sup>6</sup> Environment and Climate Change Canada, *Canada's Changing Climate Report*, (2019), pp. 116-119.

<sup>7</sup> [www.canada.ca/en/financial-consumer-agency/services/insurance/unexpected-events-disasters.html](https://www.canada.ca/en/financial-consumer-agency/services/insurance/unexpected-events-disasters.html) (1 April 2021).



The number of claims and who receives financial support can also fluctuate significantly. For example:

- For the 292 claims in the 2014–15 fiscal year, local authorities received about 75 percent of the financial assistance, with private claimants receiving almost 22 percent (comprised of 15 percent to principal residences and 7 percent to primary agricultural enterprises).
- For the 37 claims in the 2019–20 fiscal year, local authorities received about 95 percent of the financial assistance.

**Figure 1—Provincial Disaster Assistance Claims Paid from 2010–11 to 2019–20**

Fiscal Year	Total Amount Paid to Claimants	Non-Claim Related Program Expenditures (e.g. Salary and Administration Costs)	Claim-Related Program Expenditures (e.g., Adjuster, Engineering Services)
	(in millions)		
2010–11	\$ 15.08	\$ 1.36	\$ 3.47
<b>2011–12</b>	<b>112.65</b>	7.35	7.00
2012–13	63.64	5.56	3.98
2013–14	39.05	4.90	2.36
2014–15	61.76	5.17	5.91
2015–16	50.56	4.60	3.91
2016–17	29.73	3.98	1.88
2017–18	12.45	3.71	0.70
2018–19	9.78	3.17	0.44
<b>2019–20</b>	<b>3.93</b>	2.82	0.20

Source: Derived from Ministry records.

**Bold font** shows the year of the lowest and highest total amount paid over the 10-year period.

The Provincial Disaster Assistance Program claims and receives Government of Canada disaster financial assistance under the *Federal Disaster Financial Assistance Arrangements*. Under this Arrangement, the Government of Canada reimburses provincial governments when the provincial eligible expenditures exceed an established initial threshold (threshold established based on provincial population). Provincial governments must complete all provincial restoration activities before submitting a final claim for federal reimbursement. The Ministry can seek advances of reimbursements from the Government of Canada.

**Figure 2** shows the amount of federal funding the Ministry received over the last ten years for expenditures submitted under the *Disaster Financial Assistance Arrangements*. In this 10-year period, the amounts recovered vary considerably from as low as \$0 million in 2010, 2011, 2012, 2019 and 2020, to as high as \$166 million in 2013.<sup>8</sup>

<sup>8</sup> Amounts received from the Federal Government will not necessarily align with the fiscal year in which the disaster took place. For example, funds received in 2013 from the Federal Government could have been for outstanding claims (e.g., 2007, 2010, and 2012) up to and including the 2013 year.

**Figure 2—Eligible Provincial Expenses Recovered Under the Federal Disaster Financial Assistance Arrangements from 2010 to 2020**

Calendar Year	Eligible Provincial Expenses Recovered Under the Federal Disaster Financial Assistance Arrangements
	(in millions)
2010	\$ 0.00
2011	0.00
2012	0.00
2013	<b>166.00</b>
2014	<b>165.00</b>
2015	<b>29.70</b>
2016	<b>50.30</b>
2017	<b>43.31</b>
2018	6.89
2019	0.00
2020	0.00

Source: Derived from Ministry records.

**Bold font** shows the year of the highest total amount paid over the 10-year period.

### 3.0 AUDIT CONCLUSION

The Ministry of Corrections, Policing and Public Safety had, other than the following areas, effective processes to provide timely financial disaster assistance under the Provincial Disaster Assistance Program, and to seek amounts reimbursable under the Federal *Disaster Financial Assistance Arrangements* for the period ending January 31, 2021.

The Ministry needs to:

- Establish an expected length of time to assess disaster area designation requests and formalize the expected frequency of how often staff should determine the status of the completion of disaster assistance restoration work
- Analyze where it does not meet service standards and make adjustments, as necessary
- Periodically report to senior management about whether it is meeting key service standards

**Figure 3—Audit Objective, Criteria, and Approach**

**Audit Objective:**

Assess whether the Ministry of Corrections, Policing and Public Safety had effective processes, for the period ending January 31, 2021, to provide timely financial disaster assistance under the Provincial Disaster Assistance Program, and seek amounts reimbursable under the Federal *Disaster Financial Assistance Arrangements*.

**Audit Criteria:**

Processes to:

**1. Plan for provision of provincial disaster assistance**

- Set program objectives and requirements consistent with legislation
- Set clear policies and procedures for providing disaster assistance (e.g., designating a disaster event, eligibility criteria, required supporting documentation, claim application, claim approval)
- Set benchmarks for processing claims (e.g., timeliness)



- Identify range of resources required to operate the program (e.g., staff, facilities)
  - Set clear policies and procedures for claiming federal reimbursement of eligible expenses (e.g., timeliness, follow up on provincial restoration costs and activities)
- 2. Provide provincial disaster assistance**
    - Make potential claimants aware of availability of and processes to access financial assistance (e.g., how to apply for being a designated area or claiming assistance, eligibility criteria)
    - Adapt (dependent upon nature and extent of claims received and anticipated) ministry resources to support and process claims
    - Use qualified staff to assess eligibility (e.g., on-site adjusters)
    - Assess disaster assistance applications against eligibility criteria (e.g., disaster area designation, amount of damage) within benchmark timeframes
    - Actively follow-up on completion of work related to claims for financial assistance
    - Pay assistance payments to eligible claimants within benchmark timeframes
  - 3. Claim reimbursement of eligible provincial costs from the federal government**
    - Encourage timely completion of outstanding potentially eligible provincial restoration activities
    - Track eligible provincial costs consistent with federal requirements (accurately and completely)
    - Maintain sufficient documentation to support the submission of provincial costs claimed
    - Submit federal cost reimbursement claims for eligible expenses within established timeliness expectations
  - 4. Monitor provision of disaster assistance and recovery of eligible provincial costs**
    - Assess actual results against established benchmarks or expectations
    - Report summary of results (e.g., wait times, complaints) and recommended corrective actions to senior management

**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. Ministry management agreed with the above criteria.

We examined Ministry's policies, procedures, IT system, reports and other records relating to providing timely and accessible disaster assistance to eligible applicants. We interviewed key staff responsible for the disaster assistance program. We tested samples of claims submitted to the Ministry and claims submitted by the Ministry to the Federal Government for reimbursement. In addition, we completed data analytics on the data in the Ministry's disaster assistance IT system.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Clear Program Objectives Established

The Ministry of Corrections, Policing and Public Safety established clear Program objectives for providing disaster assistance to Saskatchewan residents. These objectives align with legislation.

The Ministry has established clear and written objectives for the Disaster Assistance Program. The objectives include helping residents, small businesses, agricultural operations, First Nations, non-profit organizations and communities recover from natural disasters, including flooding, tornadoes, plow winds and other disasters caused by severe weather. It reviews the Program objectives annually and makes these accessible to all staff via its intranet.

We found the objectives align with governing legislation (i.e., *The Emergency Planning Act*) and other good practice (e.g., Government of Alberta – *Alberta Public Sector Disaster Assistance Guidelines*).

Saskatchewan is also part of an interprovincial working group for disaster assistance. Members from the different jurisdictions across Canada are involved with the working

group. The working group shares insights regarding program objectives, eligibility, processes, new or emerging disasters, and other pertinent information.

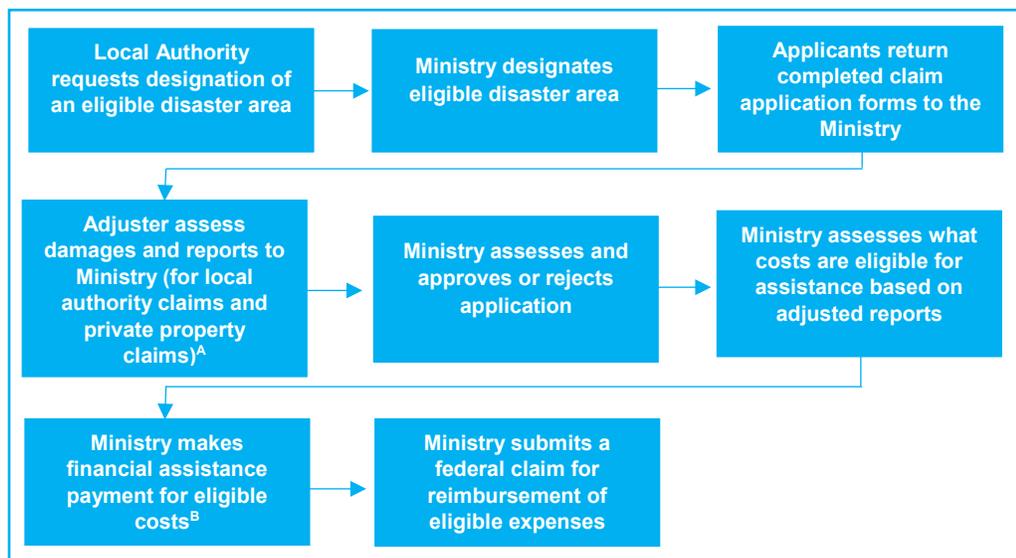
Establishing clear Program objectives that align with good practice and legislation helps both staff and the general public understand why the Program was established. Clear objectives also help define the Program's purpose which is providing relief to Saskatchewan residents after a natural disaster occurs. It also aids management in determining whether or not the Program is achieving what it is intended to do.

## 4.2 Public Are Provided Key Information Relating to Disaster Assistance Program

The Ministry of Corrections, Policing and Public Safety sufficiently educates the public about the Provincial Disaster Assistance Program (e.g., program objectives, eligibility, key steps in the process) by maintaining a website, a toll-free phone number, and frequent communication with local authorities (e.g., municipalities).

The Ministry provides the public with sufficient guidance (e.g., check your insurance coverage, keep detailed records) about the Program on its website. The information on the website sufficiently outlines who is eligible to apply for disaster assistance and the types of disasters eligible.<sup>9</sup> It also outlines key steps in the process (see **Figure 4**) and provides instructions on how to apply for support. The website also included the Ministry's toll-free phone number. Potential applicants can call using this number to ask questions or express concerns.

**Figure 4—Saskatchewan's Provincial Disaster Assistance Program Process**



Source: Adapted from Ministry records

<sup>A</sup> An adjuster may visit the site of the damage listed in applications of local authorities and of private property multiple times to assess damages depending on nature and extent of the damage. These visits can occur before and after the Ministry approves the application.

<sup>B</sup> The Ministry may provide local authority claimants with an advance payment for eligible costs based on the results of adjuster reports. In instances where an advance payment is made, the final payment will be the total eligible amount less the amount already advanced to a claimant.

<sup>9</sup> [Access Funding Through Saskatchewan's Provincial Disaster Assistance Program | Saskatchewan Environment, Public Health and Safety | Government of Saskatchewan](#) (26 March 2021).



The Ministry uses various means to educate local authorities about the Program, and their role in helping potential claimants in their area (e.g., individuals, businesses) access disaster assistance. For example, each year, Ministry staff attend the annual Saskatchewan Association of Rural Municipalities and Municipalities of Saskatchewan (formerly Saskatchewan Association of Urban Municipalities) conventions to make presentations, have information booths, and interact with municipal officials. Ministry staff have frequent phone calls and e-mail communications with key contacts at individual municipalities.

In addition, when the Ministry designates a local authority as being eligible for disaster assistance, it provides the local authority with a formal notification package. The package includes key information such as:

- Next steps
- Key dates to remember
- Application forms for residents
- Various application and assessment forms to aid in claim submission

Educating the public about disaster assistance decreases the risk of the public not being sufficiently aware of the Program or its requirements. This in turn, increases the likelihood of the public accessing the Program when eligible for assistance.

### **4.3 Competent Personnel Administer Disaster Assistance Program**

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The Ministry of Corrections, Policing and Public Safety employs staff and contract adjusters with appropriate knowledge and qualifications to administer the Provincial Disaster Assistance Program.

The Ministry makes staffing decisions based on its annual assessment of the potential for new or emerging disaster risks, and expected claim volume. Management assesses risks each year in conjunction with the Ministry's overall environmental scan. Its risk assessment identifies new or emerging disaster risks along with potential strategies (e.g., hiring additional temporary staff) to address these risks. As part of this annual analysis, the Ministry assesses the sufficiency of its budget and availability of staff resources to process and pay claims and prepare quarterly expense forecasts.

The Ministry assigns responsibility for the administration of the Program to its Provincial Disaster Assistance Program Branch. The Branch employs Program staff in approximately 15 full-time and 15 term staff positions. The Ministry hires additional temporary staff as necessary to administer the disaster assistance Program based on forecasted claim volume in a given year.

The Ministry makes robust policy and procedure manuals to aid both existing and new staff. New staff members shadow more experienced staff to obtain on-the-job experience during their first few months of employment.

Our testing found Program staff (e.g., program advisors, verification officers) had sufficient knowledge about the Program and their role. In addition, we found those staff had appropriate qualifications (e.g., financial background or relevant work experience in similar field).

The Ministry also hires contract adjusters (e.g., engineers to inspect on-site damage) to assess damages and report on such to the Ministry (see **Figure 4**).

Our testing of five adjusters with contracts found processes used to identify and select contract adjusters were appropriate and aligned with good practice. Each of the five adjusters we tested had appropriate qualifications (e.g., professional engineer) and the related signed contracts clearly outlined their roles and responsibilities (e.g., 45-day timeline for the contractors to complete their assessment of damages and provide an adjuster report back to the Ministry).

Determining staffing levels needed to administer the Program, and hiring competent personnel to fulfill these roles, is essential in providing quality and timely services to potential claimants.

#### 4.4 Designation of Disaster Area Not Always Timely

The Ministry of Corrections, Policing and Public Safety has not set a service standard for how long it expects it to take to assess a disaster area designation request. The Ministry did not always designate disaster areas within a reasonable period.

As **Figure 4** shows, once a disaster takes place, local authorities (e.g., municipality, First Nation) are to submit a completed Provincial Disaster Assistance Program - Request for Designation form along with an Approved Resolution of Council. The Resolution is to state that the local authority wants to designate an area for disaster assistance.

Ministry staff (program advisors) confirm evidence of the disaster by looking through news articles, weather reports from Environment Canada, and photos of damage incurred. Program advisors also consult directly with officials from Environment Canada and the Water Security Agency about the severity of weather events, and, where necessary, to compare water heights and flow rates against historical averages. Program advisors determine whether the disaster area on the request meets eligibility criteria (e.g., significant damage over minimum threshold incurred, damage done by an eligible disaster event in an eligible disaster area). If so, the Executive Director signs a designation authorization letter which is sent to the municipal administrator. Designation is the first key step in the Program claim process. It allows individuals, and businesses in the area to apply for disaster assistance.

During the 13-month period ending January 31, 2021, the Ministry received 80 Requests for Designation. Ministry staff designated the requests to be eligible or determined the requests to be ineligible for disaster assistance. Municipalities also withdrew requests after discussions with Ministry staff determined they were not eligible for disaster assistance.

We found the Ministry has not established a service standard for how long it should take to assess a disaster area designation. As such, it did not track the date on which it received disaster Requests for Designation from local authorities.



Service standards set out, in writing, a measureable level of performance of a service (e.g., the timeliness of processing of requests or applications) expected.

Our testing found the Ministry did not always complete its assessment of the Requests for Designation within one week of its receipt.<sup>10</sup> For 4 of 14 Requests for Designation tested the Ministry completed its assessment between 9 and 48 days after its receipt of the Request. The Ministry did not document reasons for delays in completing the assessment.

Not having an established service standard for reviewing Requests for Designation increases the risk that the Ministry will not complete its review promptly. Not making its decision about eligibility as a disaster area promptly results in uncertainty for individuals and businesses within the related local authority about whether the Program is a potential source of funding to help them recover from the disaster event. Delays in designating disaster areas results in delays for individuals and businesses in applying for financial assistance, and making plans to recover and rebuild after a significant natural disaster event. This in turn may have adverse economic and safety impacts for the area in which the disaster occurred.

- 1. We recommend the Ministry of Corrections, Policing and Public Safety set a service standard for how long it expects to take to assess requests for designation as disaster areas made under the Provincial Disaster Assistance Program.**

## 4.5 All Claim Applications Generally Assessed Within Reasonable Timeframe

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The Ministry of Corrections, Policing and Public Safety completed its assessments of all claim applications consistent with policies and within a reasonable period, or had reasonable rationale for delays.

We found the Ministry's policy and procedure manuals sufficiently outline steps staff need to take to assess individual disaster assistance applications, verify that claims are for eligible costs, and approve claims and payments. The Ministry makes these manuals (e.g., *Verification Officer Responsibilities*, *Program Advisor Responsibilities*) available to staff.

During the 13-month period ending January 31, 2021, the Ministry processed 208 applications.

Our testing of 30 claims found staff consistently followed the Ministry's established guidance to assess individual disaster assistance applications. For all 30 claims tested, the Ministry had designated the area as a disaster area prior to processing the application. For 27 of the 30 claim applications tested, the Ministry completed its assessment and communicated results to claimants within two weeks. For the remaining three applications, the Ministry documented appropriate rationale for delays in assessing these applications (e.g., additional information was required from claimant).

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<sup>10</sup> We used a benchmark of one week after receipt of the Provincial Disaster Assistance Program - Request for Designation form to assess if the Ministry designated disaster areas timely. This benchmark was determined after discussions with Program staff and observing the designation process to establish an understanding of how long the designation process normally takes.

Our analysis of 208 applications (i.e., 195 private property and 13 local authority claims) found adjusters submitted reports assessing the damages incurred by the claimant as a result of the disaster event to the Ministry as expected (i.e., within 45 days) – see **Figure 4**.

Completing timely assessments of claim applications allows the Ministry to inform claimants whether or not their applications have been accepted. It also ensures that only eligible claimant expenses will receive financial support from the Program.

## 4.6 Local Authority Claims Assessed and Paid within Reasonable Period

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The Ministry of Corrections, Policing and Public Safety assessed and processed payments for eligible costs for local authority claims consistent with policies and within a reasonable period, or had reasonable rationale for delays. Local authority claims include claims from cities, towns, villages, resort villages, First Nations, provincial or regional parks, educational institutions, and rural municipalities.

The Ministry has not established service standards for assessing, and processing payments for local authority claims, which is consistent with good practice. This is because the nature of those claims are often more complex and dynamic than claims for personal property. Typically, the amount of restoration work (e.g., repairing or replacing damage done to a building) required on local authority claims can vary substantially from one claim to the next (e.g., certain basic restoration work may be completed in weeks or months, while other more complex work may take years to complete).

During the 13-month period ending January 2021, the Ministry made 67 payments for local authority claims for a total of almost \$4.8 million dollars.

For 13 payments to local authorities we tested, staff verified claims were for eligible costs, and approved payments consistent with Ministry guidance. For these 13 payments tested, the Ministry made payments between 19 and 92 days of receiving the final completed application. We considered these durations to be reasonable and appropriate given the nature and complexity of the claims.

Providing timely and accurate payments to claimants for local authority claims is essential in providing disaster assistance to Saskatchewan residents. The quicker a payment can be approved and processed, the faster a claimant can receive the money and return to normal operations.

## 4.7 Timeliness Expectations for Paying Private Property Claims Established and Informally Communicated

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The Ministry of Corrections, Policing and Public Safety assessed and processed payments for private property claims consistent with policies and within a reasonable period, or had reasonable rationale for delays. It formalized its service standard about how long it should take to make final payment to private property claimants and communicated this expectation verbally to staff responsible for processing claims. Private property claims refers to claims for damage to private residences, small businesses, rental properties, and agricultural operations.



During the 13-month period ending January 2021, the Ministry made 113 payments for private property claims for a total of almost \$840 thousand dollars.

For 17 payments related to private property claims we tested, staff verified claims were for eligible costs, and approved payments consistent with Ministry guidance.

The Ministry has a documented expectation for staff to assess private property claims and make payments within 90 days from date of its receipt of a completed private property application. It includes this written expectation in a quarterly report provided to senior management. Management informally communicates (i.e., verbally) this expectation to program staff.

We interviewed four Ministry staff members responsible for processing claims, and found they were each generally aware of the 90-day expectation and work towards meeting this expectation. Formally communicating its 90-day expectation to staff would help ensure staff are aware of this processing service standard. Formal communication becomes more important in years when the Ministry hires additional temporary staff to deal with increases in disaster event claims.

Our analysis of the 93 private property claim payments made in 2020 found the Ministry met its 90-day target in all but one payment (i.e., paid in 99 days). For that one payment, we found it had a reasonable explanation for the delay (i.e., delay was due to verifying the status of insurance coverage for the claimant).

Having a service standard helps staff appropriately prioritize their processing of claims and reduces the risk of delays in paying claimants.

## 4.8 Monitoring of Disaster Restoration Work Not Occurring as Often As Expected

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The Ministry of Corrections, Policing and Public Safety management has not formalized its expectations about how often the Provincial Disaster Assistance Program staff should determine the completion status of disaster restoration work (i.e., repair of damage caused by a disaster back to original condition) of local authority claimants.<sup>11</sup> Program staff were not following up with local authority claimants as often as management expected.

Some local authorities take several years to finalise claims for disaster assistance. For example, at January 2021, the Ministry has not yet finalised claims for the following disaster years: 2007, 2011 to 2017 inclusive, 2019, and 2020. At January 2021, the Ministry reported 51 local authority claims for which restoration work was not yet complete.

The Ministry monitors the completion of restoration work for local authority claims as required under legislation. Management indicated they expect program advisors to contact local authority claimants once per year at minimum to complete a claimant's extension letter.<sup>12</sup> In addition, management expects staff to follow up with local authority claimants

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<sup>11</sup> The Ministry does not require program staff to monitor the completion of restoration work for private property claims as under legislation the claimant is entitled to the disaster assistance once damages are confirmed (a private property claimant may choose not to rebuild or repair back to original condition).

<sup>12</sup> Under section 7 (3) of *The Provincial Disaster Assistance Program Regulations, 2011*, a local authority has one year from the date of the disaster to complete restoration work. If the claimant requires more than a year to complete the restoration work, the Program issues a letter granting the claimant an extension.

every two months when disaster restoration work is taking place to follow up on the progress of work being done. It has not formally documented or communicated this expectation to staff.

Timely follow-up can help ensure the Ministry is aware of any potential issues that could delay finalizing a claim, and to expedite the receipt of any outstanding documentation the Ministry has not yet received.

Our testing of eight active local authority claim files found Ministry staff followed up with these claimants at least annually and documented their follow up. However, for six out of the eight claim files tested, staff did not follow up every two months as management expected.

Without formalizing management's expectation regarding how often staff are to follow up with local authority claimants regarding outstanding claims, staff may be unaware of this expectation. If staff are not following up as frequently as expected, local authority claims may not be finalized timely resulting in delays in payments to those claimants. Furthermore, delays in finalizing claims will also delay the Ministry's claim for reimbursement to the Federal Government (see **Figure 4**) as the Ministry cannot submit its final claim to the Federal Government for reimbursement until all eligible restoration work has been completed.

2. **We recommend the Ministry of Corrections, Policing and Public Safety formalize its expectation about how often staff should determine the status of the completion of disaster assistance restoration work for claims made under the Provincial Disaster Assistance Program.**

## 4.9 Clear Process for Complaints and Appeals in Place

The Ministry of Corrections, Policing and Public Safety followed an established process to handle any complaints or appeals received relating to the Provincial Disaster Assistance Program.

The Ministry tracks any complaints received regarding the Program in individual claimants' contact logs. The contact log tracks the nature of the complaint along with how it gets resolved.

The Ministry has developed a robust policy and procedures to guide staff in dealing with claimant complaints. The Ministry expects program advisors to address complaints from claimants. If the program advisor cannot resolve the complaint, it is escalated to the Executive Director to try and resolve the complaint. If the complaint cannot be resolved by the Executive Director, a formal appeal can then be made by the claimant to the Assistant Deputy Minister.

Our testing of eight control logs found that the Ministry was consistently documenting any complaints received (e.g., disputing whether or not costs were eligible for reimbursement). The Ministry also documented in these control logs how the complaint was rectified. During our 13-month audit period, our testing found that there were no formal appeals made. Ministry staff were able to rectify any complaints from claimants prior to a formal appeal needing to be made.



Having an established process to deal with any complaints received allows the Ministry to address any potential issues arising from claimants quickly and effectively. Following established processes aids in making sure that the Program runs effectively and efficiently.

## 4.10 Key Activity Information About Disaster Assistance Claims Tracked

The Ministry of Corrections, Policing and Public Safety consistently and accurately tracks key information and statistics about applications approved under the Provincial Disaster Assistance Program and payments for eligible costs.

The Ministry uses its disaster assistance IT system to track actual results (e.g., number of claims, dollar value of claims, claimant name, status of claim) for the Program. Staff enter key data received from claimants and adjusters as outlined in **Figure 5** into the IT system. The IT system calculates key metrics such as the length of time it takes to make payments for private property claims.

**Figure 5—Key Claim Information Tracked in Ministry’s Disaster Assistance IT System**

- Date contract adjuster assigned
- Date contract adjusters provide applicable reporting to the Ministry
- Date payments are made to approved claimants
- Date when claims are received
- Claim status (e.g., adjuster to be assigned, team lead engineer report review pending)
- Total amount paid by claim
- Total estimated claim value
- Date an application for disaster assistance was approved
- Designated date of a disaster area
- Designated status of a disaster area (e.g., approved, pending)
- Information on appeals (e.g., appeal type, appeal completion date, appeal notes)

Source: Adapted from Ministry of Corrections, Policing and Public Safety’s disaster assistance IT system.

Our testing of 30 claims found the information in the Disaster Assistance IT system for each claim was complete and agreed to supporting documents (i.e., information was accurate).

Our assessment of the robustness of the information tracked found the Ministry tracks sufficient key information to enable the Ministry to assess its processing of claims of applications approved under the Program.

Tracking key information regarding the disaster assistance Program is necessary for the Ministry to monitor whether the Program is meeting expectations and adapt the Program where required.

## 4.11 Reimbursement of Eligible Provincial Costs from the Federal Government Consistently Claimed

The Ministry of Corrections, Policing and Public Safety claims reimbursement of eligible disaster assistance costs from the Federal Government (Public Service Canada) in accordance with *Guidelines for the Disaster Financial Assistance Arrangements*.

The Ministry follows the *Guidelines for the Disaster Financial Assistance Arrangements* established by the Federal Government, and briefly described in **Figure 6**.

**Figure 6—Brief Description of Federal Government *Guidelines for the Disaster Financial Assistance Arrangements***

For each disaster event, the Ministry submits an application to the Federal Government (Public Service Canada). The application describes the disaster event that occurred and includes pertinent evidence of the disaster event (e.g., weather reports, pictures of damage).

The Federal Government issues an Order in Council to approve the disaster event as being eligible for federal assistance.

The Ministry must request federal disaster assistance within six months of a disaster event, and make final claims submissions to the Federal Government within five years of the Order in Council date. Extensions to both of these deadlines are available if the Ministry can provide reasonable justification for delays.

The Ministry must provide the Federal Government with semi-annual cost submissions using a standard template included in the Guidelines. These submissions include total estimated eligible federal guideline costs, date of the next request for payment, and an estimate of the amount of the next request for payment.

The Ministry can request advance payments from the Federal Government.

The Federal Government will not make final payments until the Ministry submits a final claim and a federal auditor has reviewed it.

Source: Adapted from [Guidelines for the Disaster Financial Assistance Arrangements \(publicsafety.gc.ca\)](https://publicsafety.gc.ca)

Once the Ministry approves a disaster area designation and the cumulative costs related to that disaster event exceed a deductible determined by the Federal Government, the Ministry begins the process of applying for federal disaster reimbursement.<sup>13,14</sup>

Ministry staff track information about federal order in council dates, final federal claim submission dates, or any approved extensions to federal deadlines in an excel spreadsheet. We found this reasonable as the number of federal disaster events occurring in Saskatchewan in a given year is minimal, that is typically no more than one or two disaster events in a year.

The Ministry submits a semi-annual report to Public Safety Canada, with updates on eligible costs of the previously approved disaster events. The report includes, for each disaster year with outstanding claims, an updated total estimated eligible costs and amounts recovered from the Federal Government to date.

The Ministry can make partial recoveries of eligible costs based on the formula set out in the Federal *Disaster Financial Assistance Arrangements*. At December 31, 2020, the Ministry estimated the federal government owed \$220 million for reimbursement of estimated eligible expenses under the Federal *Disaster Financial Assistance Arrangements*. The \$220 million relates to outstanding submitted claims where it has not yet recovered any eligible expenditures for the 2012, 2016 and 2019 disaster years, and to claims not yet finalized (closed) where it has received partial recoveries for the 2007, 2011, 2013, 2014, 2015 and 2017 disaster years.

As shown in **Figure 7**, for the 2013 Spring Flood Federal Claim, as of March 2020, the Ministry has recovered 31 percent of its estimated eligible costs.

<sup>13</sup> A disaster year refers to the calendar year in which the disaster event took place.

<sup>14</sup> The federal claim submission includes for each disaster year, the accumulated total of all eligible costs. This includes all eligible costs from individuals, municipalities, as well as any Provincial Government ministries and agencies (e.g., Ministry of Highways – damage to provincial road infrastructure).



**Figure 7—Example of a Federal Claim Submission Made in March 2020 for the 2013 Spring Flood Federal Claim Under the Federal Disaster Financial Assistance Arrangements**

Total Estimated Eligible Costs (in millions)	Estimated Provincial Expenses Recovered (Advance Payments) (in millions)	Percentage of Estimated Eligible Costs Recovered to Date
\$65.51	\$20.00	31%

Source: Adapted from Ministry records.

Our testing of the two semi-annual federal cost submissions made during 2020 found each were prepared and submitted consistent with the *Guidelines for the Disaster Financial Assistance Arrangements*. We found:

- The Ministry appropriately included updated information from each of the disaster years where it has not submitted a final claim (i.e., nine different disaster years)
- When eligible, the Ministry requested advance payments from the Federal Government for claim years that were not yet finalised
- The Ministry had asked, each quarter, other Provincial Government ministries and agencies (e.g., Water Security Agency, Ministry of Highways) who incurred costs related to each federally-eligible disaster event to provide it with updated estimates of eligible costs for each disaster year with an outstanding claim
- The Ministry had asked, at least on an annual basis, local authorities whose claims are eligible for federal assistance to provide it with updated information on costs incurred and estimated costs for each disaster year with an outstanding claim (See **Section 4.8**)
- The Ministry included the updated estimates of eligible costs (and costs incurred) in the federal submission (i.e., sum of all eligible costs relating to each disaster year)

Our testing included two provincial requests for federal disaster assistance for the spring flooding events in 2013 and 2014 where claims were still active in 2020. We found that the Ministry requested federal approval of disaster assistance for these two events within six months of the date of the event as required under the *Disaster Financial Assistance Arrangements*. For each submission tested, the Ministry maintained sufficient documentation to support eligible provincial costs claimed. For each federal claim submission tested, the Ministry requested, and was granted, a two-year extension in 2018 to finalize its claim for each disaster year, and then an additional four-year extension in 2020 as certain restoration work from these disaster events was not yet completed.

The Ministry made one federal claim submission for an eligible disaster event that occurred during 2020 (i.e., spring 2020 flood). Our testing of this submission found that the Ministry maintained adequate information to support eligible provincial costs being claimed for federal assistance. In addition, it requested, through a letter from a Provincial Minister to a Federal Minister, the federal assistance within the required period—within six months of the disaster.

Making prompt claims for federal assistance for disaster events, and providing the Federal Government with regular updates of eligible provincial costs increases the likelihood of obtaining federal assistance for disasters sooner. This, in turn, allows the Provincial Government to use these funds in other important areas.

## 4.12 Regular Reporting Provided to Senior Management but Missing Key Analysis

While the Ministry of Corrections, Policing and Public Safety management receive regular reports about the extent of key program activities, they do not receive reports about how well it is delivering the Provincial Disaster Assistance Program.

The Ministry staff, at minimum, give monthly reporting to senior management about the Provincial Disaster Assistance Program. They appropriately adapt the frequency of their reporting depending on the volume of activity for the Program. For example, during periods with high volumes of applications and claim payments, staff report to management weekly. During periods with lower volumes, staff report monthly.

The monthly reports include information on key program activities such as:

- Number of disaster area designations during the calendar year to date
- All disaster years with outstanding disaster claims
- Number of active and closed claims during the calendar year to date
- Total number of claims and active claims by type (e.g., principal residence, First Nations, municipal)
- Total value of payments per month by claimant categories (e.g., private property claims, local authority claims)
- Staffing levels during the year to date

We tested two monthly reports provided to senior management during 2020 and found the reports contained the information noted above. Staff gave management these reports within two weeks of month end.

Ministry staff also provide quarterly reporting to senior management regarding the status of outstanding federal disaster assistance claims. The reports include the status of each claim along with any changes made from the prior report (e.g., payments received from Public Service Canada, additional amounts claimed).

We tested two quarterly reports provided to senior management during the audit period and found the reports contained expected information and were provided to senior management timely (i.e., within two weeks of quarter end).

However, the Ministry does not currently assess actual results for the Program against management's expectations for key service standards (e.g., 90-days for assessing and paying private property claims, 45-days for contracted adjusters to complete their



assessment of damages and report back to the Ministry). As a result, management does not know if staff or contracted adjusters are consistently meeting these expectations or following up where actual results did not meet expectations.

Our analysis of claim information included in the Ministry's Disaster Assistance IT system found a few examples where it did not complete key steps as quickly as expected. For example:

- For two of a total of 117 claims, contracted adjusters completed their assessment of damages later than the 45-day benchmark set out in their contract. They completed their assessments within 51 to 71 days.
- For one of the 93 private property claim payments made in the 2020 calendar year, the Ministry paid the claimant later than the 90-day timeframe (i.e., 99 days).

The Ministry had not identified these exceptions, nor analyzed reasons for them to identify potential causes and actions needed to address them.

Analyzing actual results compared to expectations helps management determine whether staff and contractors are meeting its expectations for timely assessment and payment of claims and whether it needs to take action.

**3. We recommend the Ministry of Corrections, Policing and Public Safety analyze actual results compared to expectations for key service standards for the Provincial Disaster Assistance Program and determine whether changes to the Program are needed.**

Because the Ministry does not analyze how well it delivers the Program, management does not receive information on how well it processes designation requests, applications and claims, nor information on the existence or status of any outstanding complaints or appeals.

Without regular reporting on the status of any complaints or appeals, and whether the Program is meeting service standards for key activities, senior management may not be aware of potential issues within the Program. As a result, the Ministry may not take timely action (e.g., hire additional temporary staff, adjust guidance provided to staff) to address these issues.

**4. We recommend the Ministry of Corrections, Policing and Public Safety periodically report to senior management actual results against service standards (e.g., 90 days for final payment for private property claims) for key activities of the Provincial Disaster Assistance Program and the status of any complaints or appeals.**

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## Chapter 5

# Education—Evaluating the Early Learning Intensive Support Program

### 1.0 MAIN POINTS

The Ministry of Education commits about a third of its \$13 million in annual federal funding for early years towards addressing the inclusivity of preschool-aged children experiencing disabilities. The Ministry addresses inclusivity through various pilot programs—one key program is its Early Learning Intensive Support Program. Since 2018, the Ministry has made this Program available in existing prekindergarten programs within selected school divisions. This Program is designed to help preschool-aged children requiring intensive supports to receive a good start on early learning and development.

While the Ministry has established a good foundation for future evaluations of its delivery of the Program, it needs to make a number of improvements in order to know whether the Program sufficiently supports the children. It needs to:

- Collect key data for determining whether children in the Program receive sufficient supports to enable them to learn and develop.

The collection of key information, such as data about a participating child's progress and transition into kindergarten, can assist the Ministry in determining whether the Program provides children with sufficient support in their early learning and development.

- Regularly collect information about school divisions' actions to address the challenges identified in reviews of whether the Program was operating as expected.

By ensuring school divisions appropriately address identified challenges (e.g., availability of specialized professional supports), the Ministry can improve the Program's ability to meet the early learning and development needs of children participating in the Program. Doing so can help improve the children's ability to be successful in school and life.

Effective processes to evaluate the Early Learning Intensive Support Program assists the Ministry in determining whether the Program helps preschool-aged children requiring intensive supports obtain a good start on their learning and development. Systematic and ongoing evaluation also enables the Ministry to identify early adjustments key to improving the Program, such as availability of training materials or funding for educational assistants.

### 2.0 INTRODUCTION

This chapter reports the results of our audit of the processes the Ministry of Education used to evaluate whether the Early Learning Intensive Support Program helps children requiring intensive supports receive a good start on early learning and development.



## 2.1 Legislative Responsibility for Early Learning

*The Education Act, 1995* assigns responsibility for all matters relating to early learning, elementary, and secondary education to the Ministry of Education—this includes prekindergarten.<sup>1</sup> Prekindergarten is an early childhood education program (non-mandatory) available in some schools for children that are three and four years old.

The Ministry provides leadership and direction to the prekindergarten to grade 12 education sectors. It supports the sectors through funding, governance and accountability, with a focus on improving student achievement.<sup>2</sup>

The Act makes the Ministry responsible for overseeing school divisions. To fulfill this responsibility, the Ministry works with elected boards of education and appointed directors of education, and approves school divisions' budgets annually.<sup>3</sup>

The Act also assigns responsibility for providing educational services for students with disabilities (students with intensive needs) to the school divisions.<sup>4</sup>

## 2.2 Canada–Saskatchewan Early Learning and Child Care Agreement

In March 2018, the Ministry of Education entered into the *Canada–Saskatchewan Early Learning and Child Care Agreement* (in effect from April 1, 2017 to March 31, 2020) with the Federal Government. In June 2020, the Ministry signed a one-year extension of the Agreement to March 31, 2021.<sup>5</sup>

As shown in **Figure 1**, under the Agreement, the Federal Government agrees to provide Saskatchewan with funding of up to about \$13 million per year over the term of the Agreement. The Ministry agrees to use this funding to further build its early learning and child care system by addressing local, regional, and system priorities with an impact on families more in need. It plans to achieve this by increasing the quality, accessibility, flexibility, and inclusivity in early learning and child care.<sup>6</sup>

**Figure 1—Financial Provisions of Canada–Saskatchewan Early Learning and Child Care Agreement**

Fiscal Year	Amount Allocated to Saskatchewan (in millions)
2017–18	\$ 13.85
2018–19	\$ 13.84
2019–20	\$ 13.84
2020–21	\$ 13.58

Source: Adapted from information provided by the Ministry of Education and set out within the *Canada–Saskatchewan Early Learning Child Care Agreement*, p. 5.

<sup>1</sup> *The Education Act, 1995*, s. 3(1) and 3(1.1).

<sup>2</sup> *Ministry of Education Plan for 2020–21*, p.3.

<sup>3</sup> *The Education Act, 1995*, s. 280.

<sup>4</sup> *Ibid.*, s. 178.

<sup>5</sup> Under section 3.2.1 of the Agreement, the Federal Government commits to providing funding no less than the annual funding allocation of the existing Agreement, until 2027–28. The Federal Government will provide the funding for future years upon renewal of the Agreement.

<sup>6</sup> *Canada–Saskatchewan Early Learning and Child Care Agreement*, p. 2.

Also, under the Agreement, the Ministry agrees to commit about a third of the federal funding towards addressing the inclusivity of children experiencing disabilities. It expects to achieve this through various pilot programs for preschool-aged children experiencing disabilities.<sup>7,8</sup>

## 2.3 Early Learning Intensive Support Program

In 2018, the Ministry of Education established, and has since been piloting, its Early Learning Intensive Support Program at selected school divisions. It established this Program using funding from the *Canada–Saskatchewan Early Learning and Child Care Agreement*.

The Early Learning Intensive Support Program is Saskatchewan’s largest pilot program for preschool-aged children experiencing disabilities.<sup>9</sup>

The Ministry makes the Program available to children with intensive needs who require a significant level of support to participate in an early learning program in selected school divisions. The Program is for children experiencing significant delays in development and may include children diagnosed with autism, cognitive delays, physical challenges, auditory issues, or significant behavioral issues.<sup>10</sup> The Program provides opportunities for children to engage in inclusive learning with other children of the same age.<sup>11</sup>

Under the Program, these children attend an existing prekindergarten program that receives additional supports (e.g., educational assistants, speech-language pathologists, occupational therapists) to help meet their needs.<sup>12,13</sup>

As illustrated in **Figure 2**, since the Program’s inception in 2018, the Ministry has gradually expanded the number of school divisions (and in turn, number of child spaces available) that access funding for this Program from 4 to 23 of the 27 divisions, and from 120 to 242 spaces.<sup>14</sup>

**Figure 2—Saskatchewan Ministry Spending on Early Learning Intensive Needs Program from 2017–18 to 2020–21**

Fiscal Year	Amount (in millions)	# of School Divisions with Access to Program Funding	Cumulative Number of Spaces in Existing Prekindergarten Programs Designated for Children Requiring Intensive Supports
2017–18	\$ 0.70	4	120
2018–19	\$ 1.94	13	166

<sup>7</sup> *Canada–Saskatchewan Early Learning and Child Care Agreement*, p. 25.

<sup>8</sup> The Ministry’s four priority areas of investment under the Agreement are: increased access to programs for families, inclusivity of children experiencing disabilities, quality focused initiatives, and Francophone minority language inclusion.

<sup>9</sup> According to the *Canada–Saskatchewan Early Learning and Child Care Agreement 2019–20 Report*, the Ministry also established two other pilot programs to address the inclusivity of children experiencing disabilities. The Children Communicating, Connecting and in the Community Pilot provides access to early learning intervention for children who are deaf and hard of hearing. The Rural and Northern Inclusive Early Learning Pilot offers four-year old children experiencing disability and who live in communities with limited group-based early learning opportunities, access to part-time early learning in a licensed preschool child care space.

<sup>10</sup> *Canada–Saskatchewan Early Learning and Child Care Agreement*, p. 36.

<sup>11</sup> *Early Learning Intensive Support Pilot—Information for Families Brochure* ([pubsaskdev.blob.core.windows.net/pubsask-prod/106058/106058-ELIS\\_Family\\_Brochure.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/106058/106058-ELIS_Family_Brochure.pdf)) (28 October 2020).

<sup>12</sup> Prekindergarten in Saskatchewan is an early childhood education program targeting vulnerable three- and four-year old children. Prekindergarten focuses on fostering social development, nurturing educational growth, and promoting language development.

<sup>13</sup> *Canada–Saskatchewan Early Learning and Child Care Agreement 2019–20 Report*, p. 11.

<sup>14</sup> [www.saskatchewan.ca/government/news-and-media/2019/october/31/early-learning-support-program](https://www.saskatchewan.ca/government/news-and-media/2019/october/31/early-learning-support-program) (06 November 2020).



Fiscal Year	Amount (in millions)	# of School Divisions with Access to Program Funding	Cumulative Number of Spaces in Existing Prekindergarten Programs Designated for Children Requiring Intensive Supports
2019–20	\$ 3.03	23	242
2020–21	\$ 3.03	23	242

Source: Adapted from Ministry of Education records, Orders in Council, and the *Canada–Saskatchewan Early Learning and Child Care Agreement 2019–20 Report*, p. 11.

The Ministry more than achieved its inclusivity target by adding 343 preschool aged spaces for children experiencing disability by March 31, 2020 through the Early Learning Intensive Support Program (242 spaces in school divisions) and two other programs (101 spaces in licensed child care or non-profit organizations).<sup>15,16,17,18</sup>

The Ministry assigns responsibility for the Early Learning Intensive Support Program to its Early Learning Unit within the Early Years Branch. This Unit is comprised of seven full-time equivalent positions. It works with selected school divisions on the delivery of the Program.

## 2.4 Importance of Early Learning

Effective processes to evaluate the Early Learning Intensive Support Program can assist the Ministry in determining whether the Program helps children requiring intensive supports obtain a good start on their learning and development.

There is much research highlighting the importance of early learning on children’s growth:

- A child’s early years, from the prenatal stage to age eight, has the potential to define their future.<sup>19</sup> Quality education early in life leads to better health, education, and employment outcomes later in life, especially for children from disadvantaged backgrounds.<sup>20</sup>
- Promoting inclusion of children with disabilities allows typical children to become more understanding of, and develop positive attitudes toward, children with diverse abilities.<sup>21</sup> Including children in the existing classroom environment fosters gains that are visible during preschool and benefit the child through their lives. Exposure to inclusion from a young age can positively influence all children’s behaviour and skills.<sup>22</sup>
- A strong start to education with the necessary supports provides students with the opportunity to develop skills needed to be successful in school and life. As learning is a cumulative process, difficulties early on can have a lasting effect throughout a student’s education.<sup>23</sup> Providing early learning opportunities to children experiencing disabilities helps them to achieve academic success and develop skills that will help them as

<sup>15</sup> *Canada–Saskatchewan Early Learning and Child Care Agreement 2019–20 Report*, p. 14.

<sup>16</sup> The spaces at March 31, 2020 reflect all inclusivity programs the Ministry implemented in response to the *Canada–Saskatchewan Early Learning and Child Care Agreement*.

<sup>17</sup> *Ministry of Education Annual Report 2019–20*, p. 12.

<sup>18</sup> The Ministry established the inclusivity target of serving at least 280 preschool-aged children experiencing disability annually by March 2021 as part of the Agreement signed in June 2020. *Canada–Saskatchewan Early Learning and Child Care Agreement*, p. 28.

<sup>19</sup> *Saskatchewan’s Early Years Plan 2016–2020*, p. 3. [www.pubsaskdev.blob.core.windows.net/pubsask-prod/89572/89572-Early-Years-Plan-Final-2016-2020.pdf](http://www.pubsaskdev.blob.core.windows.net/pubsask-prod/89572/89572-Early-Years-Plan-Final-2016-2020.pdf) (14 April 2021).

<sup>20</sup> Auditor General New South Wales, *Early Childhood Education: Department of Education*, (2016), p. 6.

<sup>21</sup> William R. Henninger, IV and Sarika S. Gupta, *How Do Children Benefit from Inclusion?* (2014), p. 51.

<sup>22</sup> *Ibid.*, p. 35.

<sup>23</sup> [www.sac-oac.ca/sac-work/early-identification-intervention](http://www.sac-oac.ca/sac-work/early-identification-intervention) (15 March 2021).

adults—doing so will assist them in achieving their goals, reaching their potential, and living the lives they choose.<sup>24</sup>

*The Saskatchewan Disability Strategy* highlights that there are approximately 1,300 children aged zero to four with disabilities.<sup>25</sup> Early intervention can improve educational outcomes for students experiencing disability.<sup>26</sup> Research indicates the academic achievement of the majority of students with a disability can be the same as their peers, when given access to the same content with specially-designed instruction, supports, and accommodations.<sup>27</sup>

Given education's importance to society, the Ministry's spending on programs is often subject to scrutiny from legislators and the public. Effective program evaluation can help the Ministry demonstrate whether the funding it provides for the Early Learning Intensive Support Program is delivering its intended results. Program evaluation also enables the Ministry to identify adjustments to improve the Program, such as further supports to assist school divisions in delivery of the Program.

### 3.0 AUDIT CONCLUSION

**We concluded that the Ministry of Education had effective processes, except in the following areas, for the period ended December 31, 2020, to evaluate whether the Early Learning Intensive Support Program helps preschool-aged children requiring intensive supports receive a good start on early learning and development. The Ministry has established a good foundation for future evaluations of its delivery of the Program. However, the Ministry needs to:**

- **Collect sufficient data (e.g., about children's progress and transition into kindergarten) to enable determination of whether children in the Program receive sufficient supports to enable them to learn and develop**
- **Regularly collect information about school divisions' actions to address the challenges identified in reviews of the Program to help ensure children participating in the Program receive a good start on their early learning and development**

**Figure 3—Audit Objective, Criteria, and Approach**

**Audit Objective:** The objective of this audit is to assess the effectiveness of the processes the Ministry of Education used, for the period ended December 31, 2020, to evaluate whether the Early Learning Intensive Support Program helps children requiring intensive supports receive a good start on early learning and development.

**Audit Criteria:**

Processes to:

**1. Plan for Evaluation**

- Set measurable and attainable desired outcomes for the program

<sup>24</sup> *The Saskatchewan Disability Strategy—People Before Systems: Transforming the Experience of Disability in Saskatchewan* (June 2015), p. 33. [www.pubsaskdev.blob.core.windows.net/pubsask-prod/82320/82320-People-Before-Systems-Disability-Strategy.pdf](http://www.pubsaskdev.blob.core.windows.net/pubsask-prod/82320/82320-People-Before-Systems-Disability-Strategy.pdf) (14 April 2021).

<sup>25</sup> *Ibid.*, p. 53.

<sup>26</sup> [www.cdc.gov/ncbddd/actearly/whyActEarly.html](http://www.cdc.gov/ncbddd/actearly/whyActEarly.html) (15 March 2021).

<sup>27</sup> [www.nceo.umn.edu/docs/OnlinePubs/Martha\\_Thurlow-Meeting\\_the\\_Needs\\_of\\_Special\\_Education\\_Students.pdf](http://www.nceo.umn.edu/docs/OnlinePubs/Martha_Thurlow-Meeting_the_Needs_of_Special_Education_Students.pdf) (15 March 2021).



- Decide what key information to collect (types, extent, frequency, sources) to enable informed decisions
  - Select methods to collect required information (e.g., surveys, interviews, analysis of existing data)
  - Determine resources (skills, tools) necessary to collect and analyze information
- 2. Collect reliable and valid information**
- Collect information as planned
  - Adjust plan as necessary
- 3. Report results of analysis of information to key stakeholders**
- Use information to evaluate achievement of desired outcomes
  - Identify risks associated with implementation of program (where the program is not having the intend impact and consider the risks/root cause)
  - Recommend adjustments in response to evaluation results
  - Communicate evaluation results to stakeholders (e.g., senior management, Federal Government, school divisions, parents)

**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 of Education'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, policies, agreements, and procedures relating to evaluating the Early Learning Intensive Needs Program. We interviewed Ministry staff responsible for the evaluation process. We reviewed the evaluations for a sample of school divisions and the Ministry's processes to develop associated action plans. 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 Program Objectives and Expectations Clearly Defined

The Ministry of Education clearly defined the objectives of the Early Learning Intensive Support Program, along with its expectations of participating school divisions.

To administer the Program, the Ministry enters into service agreements with each of the participating school divisions each school year.<sup>28</sup> For example, for the 2020–21 school year it has signed service agreements with each of the 23 school divisions that receive program funding.

We found the Program service agreements follow a sufficiently robust standard template. The template clearly sets out the objectives of the Program (see **Figure 4**), the expectations of the participating school division (see **Figure 4**), and the Ministry's contributions toward the school division's program. The number of Program spaces may vary between each school division. For example, for the 2019–20 school year, Regina School Division No. 4 agreed to provide program spaces for 36 children, while Prairie Valley School Division No. 208 agreed to provide spaces for 8 children.<sup>29</sup>

Our review of objectives and expectations in the service agreements found they:

- Were clear, practical, and attainable
- Aligned with the Ministry's commitments, described in **Section 2.2**, set out in the early learning Agreement with Federal Government

<sup>28</sup> A school year runs from September to June each year.

<sup>29</sup> School divisions may offer program spaces at differing child to support staff ratios (i.e., one, two or three children to one support staff). School divisions that offer a lower child to support staff ratio will not achieve the full number of program spaces allocated in their service agreements with the Ministry.

- Appropriately described the intended impact of the Program
- Provided participating school divisions with an understanding of the Program and their associated responsibilities

**Figure 4—Objectives and Expectations within Early Learning Intensive Support Service Agreements Between the Ministry of Education and Participating School Divisions**

**Objectives of the Early Learning Intensive Support Program:**

1. Provide access to early learning opportunities for preschool-aged children requiring intensive supports
2. Maintain the integrity of the prekindergarten program (i.e., for all children)
3. Help young children receive a good start on their learning and development

**Expectations of School Divisions Participating in the Program:**

1. Provide a specified number of children (unique for each school division) access to attend an existing prekindergarten program
2. Provide an average of two additional spaces in the identified prekindergarten programs (though number may range from one to three based on a number of factors, such as the unique needs and circumstances of the children, the class, and the facility)
3. Provide an additional staff member (Educational Assistant) in the prekindergarten classroom as support
4. Provide an inclusive high-quality learning experience for three- and four-year old children consistent with Saskatchewan's prekindergarten expectations and guidelines (four-year-old children are to be prioritized)<sup>A</sup>
5. Monitor and assess the children's development using appropriate tools and practices
6. Facilitate the creation of a collaborative team to identify each child's strengths and needs, develop plans, coordinate and implement interventions and supports, and to provide each other with support—the team may include family members, educators, supporting professionals, educational assistants, human service agencies and community organizations
7. Develop an Inclusion and Intervention Plan (IIP) with the collaborative team for each child in the Program that identifies individual goals, required interventions and supports and transition plans—families are expected to participate and be engaged in the development of their child's IIP<sup>B</sup>
8. Develop a transition plan, within the IIP, to support the process of transitioning children into kindergarten
9. Ensure the safety, wellbeing, holistic development and learning of all children in the program—additional safety measures and instruction may be required based on a child's individual needs and should be identified in the IIP
10. Ensure the availability for professional support for consultation to the kindergarten team on behalf of the needs of the children—professional support is not intended to replace individual therapy that children can access outside of the educational environment
11. Provide support to educators to build capacity and confidence in providing inclusive early learning opportunities
12. Discuss, collaborate and report required information to the Ministry to ensure the Program meets expectations regarding reporting requirements, quality and mandate—this may include visits to the Program
13. Participate in an evaluation and review with the Ministry to examine the pilot, make recommendations, and distribute Program surveys (i.e., teachers, professional support staff, and parents) as needed

Source: Adapted from the Ministry's Early Learning Intensive Support service agreements with participating school divisions.

<sup>A</sup> The Ministry sets out its expectations and guidelines for prekindergarten in its *Play and Exploration: Early Learning Program Guide* available at [pubsaskdev.blob.core.windows.net/pubsask-prod/82946/82946-ELPG\\_Complete\\_document.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/82946/82946-ELPG_Complete_document.pdf) (15 March 2021).

<sup>B</sup> An Inclusion and Intervention Plan is a document developed and implemented by a collaborative team (e.g., teachers, professional support staff, and parents) that sets out student outcomes, focusing on the key areas of development that will have the most impact on student success during the current school year.

Establishing service agreements for each school year provides the Ministry with flexibility to consider and adjust how it allocates funding related to the Program. As shown in **Figure 2**, since the inception of the pilot in 2018, it has increased the number of school divisions with access to program funding and the number of spaces available.



Establishing clear program expectations increases the likelihood of the Ministry and participating school divisions helping children requiring intensive supports obtain a good start on their learning and development.

## 4.2 Clear Review Plan Established But Missed Collecting Key Information

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The Ministry of Education had a clear and well designed plan to review and evaluate the Early Learning Intensive Support Program, but it did not plan to collect sufficient data in two key areas.

In May 2019, the Ministry's Early Years Branch established a plan (i.e., the Program Review Project Plan) to guide the Ministry's collection and analysis of information about whether the Program is operating as intended, and to collect baseline data for use in future evaluations. Collecting baseline data early in a program is consistent with good practice.

We found the Ministry has a staff member with expertise in program evaluation within the Branch's Sector Planning and Evaluation Unit. This staff member assisted the Branch's Early Learning Unit with the design of the review plan, as well as collection and analysis of information.

In our review of the 2019 Program Review Project Plan, we found the Ministry:

- Clearly established the purpose of the review—to examine the program implementation process, as well as outcomes measured through program implementation (e.g., impact on participating children/families, provision of specialized professional supports and related training delivered, parent engagement) to make decisions about possible mid-course adjustments and further program expansion.
- Identified the key stakeholders for the review (i.e., Ministry, school divisions, parents).
- Set out four outcomes for the Program, including:
  - **Individual child progress** (e.g., Program supports are beneficial to children, children are supported to develop friendships and play with other children)
  - **Impact on the classroom** (e.g., integrity of the general prekindergarten class is maintained through implementation of the Program, early learning teams are able to balance the needs of all children in the prekindergarten classroom)
  - **Parent/guardian engagement** (e.g., parents are involved in the development of their child's Inclusion and Intervention Plan)
  - **Fluid transitions to school** (e.g., sufficient planning and effort go into supporting a smooth transition for children from prekindergarten to kindergarten).<sup>30</sup>

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<sup>30</sup> We found the four outcomes within the evaluation plan aligned with objectives two and three of the Program (i.e., maintaining the integrity of the prekindergarten program, helping young children receive a good start), as set out in the school division service agreements (see **Figure 4**). The first objective of the Program set out in the service agreements (i.e., access early learning opportunities for preschool-aged children requiring intensive supports) is addressed by the Ministry's access target set out in the Agreement with the Federal Government. This target is described in **Section 2.3**.

- Appropriately developed a logic model to help inform its review plan.<sup>31</sup> The Ministry based the logic model on good practice research. The model sets out strategies and activities (e.g., school division provision of specialized professional supports, such as speech-language pathologists or occupational therapists, to participating prekindergarten classrooms) designed to help with achieving Program objectives.
- Established the frequency and format of information collection, including
  - Annual surveys of key stakeholders which included parents, prekindergarten teachers/associates/educational assistants, and Program-specific educational assistants,
  - Annual interviews with participating school division officials (e.g., superintendents of education, special education co-ordinators)
  - Receipt of biannual reports from school divisions (fall and spring) providing information related to the expectations of school divisions as set out in their service agreements
- Included a review matrix that set out questions to ask, and possible indicators of success (e.g., levels of specialized professional support made available to classrooms, perceptions of prekindergarten teachers about the levels of support) for the strategies and actions the Ministry established in the logic model.

While the questions were relevant for assessing the Program's implementation in relation to the Program outcomes, they were not designed to collect sufficient information about two of the four outcomes—individual child progress and fluid transitions to school.

- **Individual child progress**—the questions collected limited information about individual children's progress and the questions collected information primarily from the perspective of parents.

Good practice suggests information from the perspective of the child, and the relationships they build (e.g., with other children, teachers, educational assistants) are important to consider when evaluating children's progress.

- **Fluid transitions to school**—the survey included only one question about the children's transitions to kindergarten.

Good practice suggests obtaining the perspective of kindergarten teachers, who may be able to provide valuable insight about transition to kindergarten for children participating in the Program.

We observed information contained within Inclusion and Intervention Plans are relevant to the two outcomes above. As noted in **Figure 4** (expectations #7 and #8), as part of the service agreement, the Ministry expects participating school divisions to develop an Inclusion and Intervention Plan (which includes development of a transition plan) for each child involved in the Program.<sup>32</sup>

<sup>31</sup> A logic model is a graphic depiction presenting the shared relationships among the resources, activities, outputs, outcomes, and impact for a program. It depicts the relationship between a program's activities and its intended effects.

<sup>32</sup> A transition plan supports the process of transitioning children into kindergarten. A child's Inclusion and Intervention Plan should include a transition plan.



Inclusion and Intervention Plans are critical to a child's success and their transition to kindergarten. Collaborative teams use these plans to establish outcomes for key areas of development that have the most impact on a child's success and set out the plan for a child's smooth transition to kindergarten.

We considered analyzing data associated with participating children's Inclusion and Intervention Plans; this was not possible due to limitations with the Ministry's IT system and the nature of the plans (e.g., some are paper-based). As such, the Ministry is unable to conduct similar analysis. Ministry officials indicated they are considering how to improve the IT system to enable analysis of data for children in the Program.

Without collecting sufficient information the Ministry is unable to determine whether children with intensive needs participating in the Program receive sufficient support to learn and develop.

- 1. We recommend the Ministry of Education periodically collect sufficient data to enable future assessments of all expected outcomes relating to the Early Learning Intensive Support Program.**

The Ministry indicated it plans to carry out reviews annually. It plans to use a similar approach as the 2019 Program Review; that is, focus on whether the Program is operating as intended. It also expects future reviews will include comparing results to baseline data collected in the 2019 Program Review. See **Section 4.3** for the pandemic's impact on the Ministry's Program review.

The Ministry could adapt these future reviews to identify areas of focus (e.g., improving perceptions of leadership support, training, and availability of professional supports such as speech-language pathologists) based on previous survey results.

The Ministry used its service agreements with participating school divisions to clearly communicate its intentions to review the Early Learning Intensive Support Program. We also observed agendas and meeting notes from conference calls between the Ministry and school division officials in May 2019 showing discussions about the Ministry's plans for the evaluation.

### 4.3 Other than Inclusion and Intervention Plans, Information Generally Collected as Planned

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The Ministry of Education collected information about the Early Learning Intensive Support Program as planned until onset of the COVID-19 pandemic in March 2020. The COVID-19 pandemic disrupted its collection of key information about children participating in the Program.

In response to COVID-19, the Ministry deferred its next review of the Program (initially planned for spring 2020).<sup>33</sup> It did not want to over-burden schools and teachers with information requests while they were conducting remote learning during the pandemic. Instead, the Ministry requested school divisions to report on their use of 2019–20 Program funding, and gave them guidance about prioritization of unused funding (e.g., prioritization

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<sup>33</sup> The Ministry plans to use an approach similar to its 2019 evaluation (i.e., surveys and associated interviews), and focus on whether the Program is operating as intended.

of speech-language pathology and occupational therapy services for children). Ministry officials explained they plan to undertake the next Program review in May 2021, and began meeting to discuss their plans in March 2021.

In addition, because of the impact of the COVID-19 pandemic on school closures, the Ministry did not request sufficient information about the completion of Inclusion and Intervention Plans for children participating in the Program after the onset of the COVID-19 pandemic.

In 2019, consistent with its Program Review Plan, the Early Years Branch administered the Ministry's first survey for the four school divisions included in the Program pilot.<sup>34</sup> The Ministry used an online survey tool to collect information from parents, prekindergarten teachers, associates, and educational assistants. It augmented the survey by interviewing officials (e.g., superintendents, Program supervisors) from participating divisions.

We found the results of the survey and associated interviews gave the Ministry sufficient information such as the promotion of inclusive practices within the schools, the level of professional supports (e.g., use of speech-language pathologist, occupational therapist and educational assistants) in classrooms, and the availability of relevant training opportunities for educators. For example, the survey results highlighted educators' dissatisfaction with the availability of specialized professional supports to classroom staff. The survey results also highlighted educators' concerns about the ability to attend training about inclusive education.<sup>35</sup> We found the survey results along with the interviews give the Ministry sufficient baseline data on two of the four outcomes set out in the 2019 Program Review.

In addition, starting in 2019, the Ministry began collecting biannual reports (fall and spring) from participating school divisions. It asks each division to submit these reports using its template. The template requests information related to the expectations of school divisions as set out in the service agreements (see **Figure 4**). For example, it collects high-level and summary information about the number of children enrolled in the Program, the types and number of professional supports made available to children in the Program, and whether they had completed Inclusion and Intervention Plans for the children participating in their programs.

For the two divisions we tested that participated in 2019, the Ministry administered the 2019 survey and associated interviews with school division officials consistent with its 2019 Program Review Project Plan.<sup>36</sup> For each of four school divisions tested, the Ministry appropriately received biannual reports from these four school divisions when and as expected.

Our review of the interview notes and biannual reports for the school divisions tested found the Ministry collected sufficient information about the divisions' fulfillment of the expectations set out in the service agreements, in all but one area.

<sup>34</sup> The four school divisions included in the Program pilot were Regina School Division No. 4, Regina Roman Catholic Separate School Division No. 81, Saskatoon School Division No. 13, and St. Paul's Roman Catholic Separate School Division No. 20.

<sup>35</sup> Inclusive education is about ensuring access to quality education for all students by effectively meeting their diverse needs in a way that is responsive, accepting, respectful and supportive. Students participate in the education program in a common learning environment with support to diminish and remove barriers and obstacles that may lead to exclusion. [inclusiveeducation.ca/about/what-is-ie/](https://inclusiveeducation.ca/about/what-is-ie/) (23 March 2021).

<sup>36</sup> The other two school divisions we tested joined the Early Learning Intensive Support Program after 2019.



We found following the March 2020 onset of the COVID-19 pandemic, the Ministry did not specifically request information about the completion and implementation of a critical document—Inclusion and Intervention Plans for children in the Program. As we describe in **Section 4.2**, these Plans are critical to a child’s success and their transition to kindergarten.

We found the Ministry collected some information about participating school divisions’ use of Inclusion and Intervention Plans, for children participating in the Program, from school divisions’ biannual Program reports. However, the Ministry did not collect information specific to the school divisions’ implementation of the plans (e.g., whether the plans are working as intended, whether the plans are useful, effectiveness of collaborative teams).<sup>37</sup>

Because the Ministry did not collect specific information about the Inclusion and Intervention Plans, it does not know whether the plans are working as intended, and are useful. Having an appropriate Inclusion and Intervention Plan for each child was especially important in 2020 because of the government’s closure of schools in response to the pandemic in March 2020.

If children did not have appropriate plans in place, there is an increased risk that four-year-olds from the program may not have experienced a successful transition to kindergarten in fall 2020. The Program resumed when schools opened in the fall of 2020. See **Recommendation 1** about collecting sufficient data to determine whether children in the Program are sufficiently supported to progress in learning and development.

#### 4.4 Analysis of Results of 2019 Review Shared and Responsibilities to Address Challenges Assigned

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The Ministry appropriately communicated the results of its 2019 Early Learning Intensive Support Program Review, and clearly assigned responsibilities to address identified challenges.

The Ministry summarized the results of the 2019 Program Review on an overall basis, and for each of the four school divisions participating at the time of the Review.

We found to analyze the results of the 2019 Early Learning Intensive Supports Survey, the Ministry:

- Established reasonable thresholds (i.e., little/no concern, some concern, high concern) to assist in evaluating the survey results.
- Appropriately considered survey response rates and the associated impact on the survey results (i.e., margin of error).<sup>38</sup>

Its analysis identified eight challenges associated with the Program. These included areas such as a lack of school division support for inclusive education, lack of support for teachers

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<sup>37</sup> The Ministry requested participating school divisions to indicate in their biannual Program reports whether they had completed Inclusion and Intervention Plans for the children participating in their programs.

<sup>38</sup> A higher response rate for a survey reduces the margin of error associated with survey responses. Good practice indicates an acceptable margin of error falls between four percent and eight percent. For the 2019 Program survey, the margin of error for prekindergarten teachers/associates/education assistants was within this range (i.e., between five and eight percent). The Ministry acknowledged the margin of error for Program-specific educational assistants (i.e., 11 percent) and parents (i.e., 13 percent) were outside of the acceptable margin of error.

to attend training to enhance related skills, and lack of specialized professional supports available to classroom staff for a sufficient amount of time.

The Ministry shared the results of its analysis with school divisions within a reasonable period. It gave each of the four school divisions that were part of the Program the results of its analysis of the survey and interviews in fall 2019.

For two divisions we tested that participated in the 2019 Program Review, we observed emails from staff within the Early Years Branch communicating the survey results to relevant school division staff (e.g., supervisor of intensive needs, coordinator of special education program). We found the content of these emails to be appropriate for the needs of the school divisions (i.e., survey results specific to their division, guidance about interpreting their survey results).

In addition, we observed emails illustrating the Ministry's internal communication of the survey results between senior management within the Early Years Branch and the Assistant Deputy Minister responsible for early years. We found the content of these communications to be appropriate for senior management's purposes (i.e., overall survey results, action plans to address challenges identified).

In fall 2019, the Ministry individually met with officials (i.e., superintendents, staff with knowledge of the divisions' Program) from the four participating school divisions to discuss their results. The Ministry explained that during these meetings, staff from the Early Years Branch and the school division officials considered root causes associated with the eight challenges identified in the survey results, along with relevant actions to address the associated challenges.

In October 2019, following its meetings with school divisions, we found the Ministry documented these actions within an overall survey results report. The actions included items such as improved coordination of specialized professional supports, and basic skill requirements for educational assistants. For example, one school division expressed its plans to implement basic qualifications for educational assistants and a Program orientation to help support the training of Program-specific educational assistants.

Our review of the actions found:

- The school divisions were primarily responsible for carrying out the identified actions. We found this to be reasonable, as the school divisions are directly involved in the operation of the Program.
- The Ministry was responsible for developing a training plan to support the early learning sector regarding inclusionary practices and supporting children with intensive needs. We found this to be reasonable, as it provides consistent training opportunities for all educators.
- Two of the four school divisions did not identify actions in the 2019–20 school year for two of the challenges identified—in relation to maintaining the integrity of prekindergarten (i.e., minimizing the Program's impact on the class as a whole), and the level of relevant training for Program-specific educational assistants.

Appropriate assignment of responsibility for actions helps the Ministry and school divisions ensure actions are carried out and children participating in the program receive the



supports they need. See **Recommendation 2** about the need for the Ministry to regularly collect information about school divisions' actions to address the challenges identified in Program reviews.

## 4.5 Actions Taken to Support Inclusion in Early Learning Sector

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Since fall 2019, the Ministry has taken various actions in relation to the development of inclusion training for the education sector.

We found the Ministry:

- Developed, in 2019, instructional videos for prekindergarten teachers about incorporating inclusive practices in the classroom (e.g., using a problem-solving approach, focusing on children's strengths rather than their challenges or deficits). The Ministry makes the instructional videos available online.<sup>39</sup>
- Provided classrooms with inclusive reading materials (e.g., books promoting inclusion of all children).
- Held an inclusion conference in June 2019 for staff directly supporting children in the early years sector. Conference participants included staff from schools along with individuals from licenced child care centres and licensed family child care homes—such as directors, supervisors, early childhood educators, assistants, and enhanced accessibility workers. The conference included topics such as the evolution and benefits of inclusion in the early years, and the exploration of strategies for fostering relationship-based inclusion.
- Gave participating school divisions references to online resources (e.g., tools for educators working with children with intensive needs) about inclusive education.

In addition, Ministry staff explained they planned to create additional instructional materials (e.g., how to set up a classroom for autistic children) by fall 2021.

The Ministry's development of inclusion training for the education sector helps educators develop relevant skills and build their confidence in addressing the needs of children in the Program.

## 4.6 No Information Collected on Division-related Actions to Address Challenges to Providing Early Learning Support

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The Ministry of Education does not formally collect information about actions that participating school divisions plan to take to address challenges with the Early Learning Intensive Support Program identified in 2019.

As described in **Section 4.4**, the Ministry identified eight challenges associated with the Program and met with school division officials in fall 2019 to identify actions to address these challenges.

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<sup>39</sup> [www.edonline.sk.ca/webapps/blackboard/content/listContent.jsp?course\\_id= 3934\\_1&content\\_id= 386159\\_1](http://www.edonline.sk.ca/webapps/blackboard/content/listContent.jsp?course_id= 3934_1&content_id= 386159_1) (23 March 2021).

We found the Ministry does not monitor whether the four school divisions identified specific actions for each of the challenges relevant to their specific division, and carried out those actions. In addition, the Ministry did not require them to clearly establish timelines for their actions.

As a result, the Ministry does not know whether school divisions are taking actions to address the challenges identified in the 2019 Program Review. As previously noted, as of December 2020, the Ministry continues to pilot the Program.

Not addressing challenges identified in program reviews increases the risk of the Program not meeting the learning and development needs of children with intensive needs. This in turn may result in the pilot Program not being successful in increasing children's success in school and life.

2. **We recommend the Ministry of Education regularly collect information about school divisions' actions to address the challenges identified in reviews of the Early Learning Intensive Support Program.**

## 4.7 Appropriate Information Considered when Increasing Program Participation

The Ministry of Education evaluates relevant factors when considering whether to increase the number of school divisions and selecting divisions to participate in the Early Learning Intensive Support Program.

In December 2019, the Ministry completed an evaluation of Program spaces to inform its decisions about expanding the Program in 2020 to additional school divisions. The Ministry considered relevant factors (i.e., the number of Program spaces as a percentage of kindergarten enrolments, *Early Years Evaluation* scores).<sup>40</sup> In addition, the Ministry asked all school divisions with Ministry-funded prekindergarten programs to submit requests for additional program spaces, using a standard form.<sup>41</sup> This form requested data to support their requests (e.g., the results from standardized developmental assessments like *Development Domains*, the *Early Years Evaluation*, or *Ages & Stages Questionnaires*).<sup>42,43</sup>

We found the data collected reasonable and relevant to informing decisions about expanding the Program to more school divisions.

Our review found the Ministry's 2020 decision to increase program participation consistent with information collected. For example, school divisions with more kindergarten students whose 2019–20 *Early Years Evaluation* (EYE) scores were less than the overall provincial EYE scores appropriately had a higher ratio of Program spaces to kindergarten

<sup>40</sup> The *Early Years Evaluation* is a skill-based assessment tool the Ministry adopted for use in Saskatchewan. Industry designed this tool to help teachers assess the skills of young children in five domains related to readiness to learn at school and to read. Students scoring in the appropriate EYE range mean they are ready to learn and should experience success in subsequent grades

<sup>41</sup> Except for Conseil des Écoles Fransaskoises No. 310, all Saskatchewan school divisions have Ministry-funded Prekindergarten programs.

<sup>42</sup> *Development Domains* is an assessment involving review of the 4 domains of learning: Social Emotional; Physical; Intellectual; and Spiritual. Children's essential learning experiences in one domain influence their development in each of the other domains.

<sup>43</sup> *Ages & Stages Questionnaires* (ASQ) provide reliable, accurate developmental and social-emotional screening for children between birth and age six. Drawing on parents' expert knowledge, ASQ has been specifically designed to pinpoint developmental progress and catch delays in young children—paving the way for meaningful next steps in learning, intervention, or monitoring.



enrolments. Conversely, school divisions with kindergarten students whose EYE scores were proportionately higher than the overall provincial average had, on average, fewer spaces. Overall, the Ministry allocated about half of the Program spaces to the four school divisions in Regina and Saskatoon—this allocation is in alignment with these divisions' proportion of provincial kindergarten enrolments (i.e., about 46 percent).

By considering relevant information when making Program expansion decisions, the Ministry increases the likelihood of providing access to the Program where it is most needed.

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## Chapter 6

# Health—Using Critical Incident Reporting to Improve Patient Safety

### 1.0 MAIN POINTS

In healthcare, a critical incident is a serious adverse health event that did or could have resulted in serious harm or death of a patient. Critical incidents can cause emotional strain and stresses on both patients and healthcare providers, and significant costs on the overall health system (e.g., longer stays in hospitals). Critical incident reporting is a recognized tool in improving patient safety in the healthcare sector.

Since 2004, Saskatchewan healthcare organizations must, by law, report critical incidents to the Ministry of Health, and take steps to address their causes. The Ministry is responsible for overseeing critical incident reporting, evaluating whether steps that healthcare organizations identify are likely to prevent recurrence of similar future incidents, and help address system-wide concerns affecting patient safety.

As of December 2020, the Ministry needs to better utilize critical incident reporting as a tool to improve patient safety.

The overall number and types of critical incidents reported in Saskatchewan are not trending downwards. In recent years, the Saskatchewan Health Authority has reported the majority of critical incidents (884 critical incidents between April 2017 and March 2021). In 91 of the 290 incidents reported in 2019–20, a patient died.

The Ministry does not determine whether it is notified of all critical incidents. Our analysis of adverse events reported suggests it is not. For example, between December 2019 and September 2020, the Authority reported 17 medical device critical incidents to the Ministry as compared to 24 incidents related to medical device failures it reported to Health Canada for the same period. Some of these failures may meet the definition of a critical incident—the most serious subset of adverse events—and should have been reported to the Ministry.

The Ministry does not monitor whether the Authority sufficiently addressed causes of reported critical incidents, and improved patient safety. For example, 68 percent of planned corrective actions included in the critical incident reports we tested were reported as not implemented. Not knowing whether timely corrective actions are taken increases the likelihood of the reoccurrence of similar incidents resulting in patient harm or death.

In addition, the Ministry does not do enough analysis to identify system-wide improvements needed to keep patients safe, or determine if those improvements occur. Patient safety alerts are to communicate urgent patient safety information to healthcare providers for the benefit of the broader healthcare system. Between April 2017 and September 2020, the Ministry issued 10 patient alerts. However, the content of its alerts are not consistent with good practice, and the Ministry does not determine whether they improved patient safety.

Through effective use of critical incident reporting, the degree of injury and the types of critical incidents that occur in Saskatchewan healthcare facilities should reduce over time.



## 2.0 INTRODUCTION

This chapter reports the results of our audit of the Ministry of Health's processes for using critical incident reporting to improve patient safety.

Critical incident reporting refers to reports healthcare organizations must, by law, make to the Ministry of Health about a serious adverse health event, including, but not limited to, the actual or potential loss of life, limb, or function related to a health service provided by the organization.<sup>1,2</sup>

### 2.1 Most Serious Adverse Events are Critical Incidents

The concept of medical harm has existed since antiquity. The term adverse event comes about when medical harm has come to a patient as a consequence of healthcare management. An adverse event can be defined as unintended physical injury resulting from, or contributed to, by medical care (including the absence of medical treatment). Adverse events may be preventable or non-preventable.<sup>3</sup>

Thousands of adverse events occur in the Saskatchewan health sector each year. According to *The Canadian Adverse Events Study* in 2004, 7.5 percent of all hospital patients experience an adverse event, where an unintended injury or complication arising from healthcare management lead to a longer hospital stay, disability, or death. Of these injuries, the study deemed 37 percent to be preventable.<sup>4</sup> Applying this study's parameters to Saskatchewan's population results in an estimate of 5,800 adverse events would occur in Saskatchewan hospitals on an annual basis—a percentage of these events would be critical incidents.<sup>5</sup>

A critical incident is defined as the most serious subset of adverse events.

### 2.2 Critical Incident Reporting in Saskatchewan

Reporting of critical incidents is a recognized tool in improving patient safety.<sup>6</sup> The role of critical incident reporting is to capture the most serious adverse events or potential adverse events.

In Canada, eight of 13 provincial and territorial jurisdictions have legislation pertaining to mandatory patient safety incident reporting, including Saskatchewan.<sup>7</sup>

<sup>1</sup> Ministry of Health, *Saskatchewan Critical Incident Reporting Guideline*, 2004.

<sup>2</sup> Healthcare organizations include the Saskatchewan Health Authority, healthcare affiliates (e.g., long-term care operators) contracted by the Saskatchewan Health Authority, the Saskatchewan Cancer Agency, eHealth Saskatchewan, and Health Shared Services (3sHealth).

<sup>3</sup> [www.psnet.ahrq.gov/primer/adverse-events-near-misses-and-errors](http://www.psnet.ahrq.gov/primer/adverse-events-near-misses-and-errors) (02 March 2021).

<sup>4</sup> Baker, Norton et. al, *The Canadian Adverse Events Study: the incidence of adverse events among hospital patients in Canada*, (2004).

<sup>5</sup> Population as of January 1, 2021, per the Saskatchewan Bureau of Statistics: Saskatchewan 1,178,832 divided by Canada 38,048,738 times 2,500,000 Canadian hospital admissions times 7.5 percent of adverse events equals about 5,800 for Saskatchewan.

<sup>6</sup> *Patient Safety and Incident Management Toolkit*, Canadian Patient Safety Institute, ([www.patientsafetyinstitute.ca/en/toolsResources/PatientSafetyIncidentManagementToolkit/Pages/default.aspx](http://www.patientsafetyinstitute.ca/en/toolsResources/PatientSafetyIncidentManagementToolkit/Pages/default.aspx)) (05 November 2020).

<sup>7</sup> *Mandatory reporting legislation in Canada: improving systems for patient safety?* Health Economics, Policy and Law, (2021). The other seven jurisdictions with mandatory reporting legislation include British Columbia, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland and Labrador, and Northwest Territories.

Saskatchewan was one of the first provinces to mandate in law the reporting of critical incidents in the health system in 2004. It requires the Saskatchewan Health Authority (with over 40,000 employees and physicians), the Saskatchewan Cancer Agency (about 800 employees), eHealth Saskatchewan, 3sHealth, and other health service providers (e.g., long-term care homes) to report critical incidents, and the results of their investigation of reported incidents to the Minister of Health.<sup>8,9</sup> We refer to these entities collectively as healthcare organizations. Given other health service providers have contracts with the Saskatchewan Health Authority to provide health services, the Authority is responsible for reporting critical incidents that occur in these facilities to the Ministry of Health.

The Ministry of Health is responsible for:

- Overseeing and evaluating the comprehensiveness and completeness of the investigation of a reported critical incident
- Evaluating the adequacy and appropriateness of the steps identified for improvement, that is, whether they are likely to prevent recurrence of similar future incidents
- Preparing patient safety alerts to address system-wide concerns

The Ministry considers it important to maintain a trusting relationship with the reporting healthcare organizations and makes great effort to foster the relationship. The Ministry has assigned responsibility for overseeing and evaluating critical incident reporting to three provincial quality of care coordinators within its Quality and Safety Unit.

During the 2019–20 fiscal year, healthcare organizations reported 290 critical incidents to the Ministry of Health. In 91 of these 290 reported critical incidents, a patient died.

In addition to the emotional strain and stresses harmful incidents cause on patients and healthcare providers, harmful incidents have a significant cost on the overall health system. A 2016 Canadian patient safety report estimates patients who experienced harm spent more than half-a-million additional days in hospital beds in 2014–2015.<sup>10</sup> This equates to an estimated additional \$685 million of costs.<sup>11</sup>

Critical incident reporting and investigations of such incidents is one method of promoting patient safety. Identifying incidents that have resulted or could have resulted in patient harm, and recommending and implementing actions to improve systems makes healthcare safer.

## 3.0 AUDIT CONCLUSION

**We concluded that for the 12-month period ended December 31, 2020, the Ministry of Health had effective processes, except in the following areas, for using critical incident reporting to improve patient safety.**

<sup>8</sup> Healthcare organizations (also called healthcare system partners) are to generate a report setting out the results of their investigation, and including recommendations for improvement/corrective actions. They are then responsible for implementing these recommendations.

<sup>9</sup> Health service providers have contracts with and are funded by the Saskatchewan Health Authority to provide health services.

<sup>10</sup> B. Chan, D. Cochrane, *Measuring Patient Harm in Canadian Hospitals. What can be done to improve patient safety?* (2016), pp. 28–29.

<sup>11</sup> *Ibid.*

**The Ministry needs to:**

- **Reassess what adverse events it wants reported as critical incidents and assess whether all critical incidents are reported as expected**
- **Consider root causes of critical incidents and use criteria to determine whether corrective actions will improve patient safety**
- **Monitor whether critical incident corrective actions are implemented in a timely manner**
- **Analyze critical incidents reported for system-wide concerns that put patient safety at risk**
- **Issue appropriate patient safety alerts and monitor their effectiveness and continued relevance**
- **Follow up when critical incident reports are not submitted by established deadlines**

**Figure 1—Audit Objective, Criteria, and Approach**

**Audit Objective:** to assess whether the Ministry of Health, for the period ending December 31, 2020, had effective processes for using critical incident reporting to improve patient safety.

**Audit Criteria:**

Processes to:

- 1. Maintain a framework for reporting and investigating critical incidents**
  - Work with healthcare system partners to promote a patient safety culture
  - Communicate clear requirements for reporting and investigating critical incidents (e.g., expected timing and content of critical incident reports)
  - Centrally record critical incidents in a timely manner
  - Periodically evaluate the effectiveness of reporting system to identify improvements
- 2. Analyze critical incidents to prevent reoccurrence**
  - Assess critical incident reports for adequacy
  - Monitor implementation of improvements recommended in a critical incident report
  - Compare consistency of the nature and types of critical incidents reporting to other data sources (e.g., hospital system adverse events)
  - Determine trends (e.g., system-wide, by facility, by organization) in critical incidents to identify systemic patient safety improvements needed
  - Coordinate systemic patient safety improvements needed with key internal and external parties
- 3. Analyze critical incidents to prevent reoccurrence**
  - Monitor implementation of systemic patient safety improvements
  - Communicate to key internal and external parties lessons learned and improvements made as a result of reporting

**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 of Health's processes, we used the above criteria based on our related work, reviews of literature, and consultations with management and external advisors. Ministry management agreed with the above criteria.

We examined Ministry of Health's guidelines, procedures, IT system, and reports relating to critical incident reporting. We consulted with an independent consultant with subject matter expertise in the area. The consultant helped us identify good practice. We examined patient safety alerts, and tested a sample of critical incident reports received and reviewed by the Ministry.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Legislation in Place for Confidential Reporting of Critical Incidents

The assignment of responsibilities in law for healthcare organizations (e.g., Saskatchewan Health Authority) to report and investigate critical incidents, and the Ministry of Health to oversee this reporting are clear.

Saskatchewan introduced mandatory critical incident reporting legislation in 2004. *The Provincial Health Authority Act* along with *The Critical Incident Regulations, 2016* outline requirements for reporting and investigating critical incidents. The Regulations refer to the Ministry's *Saskatchewan Critical Incident Reporting Guideline, 2004*.<sup>12</sup> The Regulations and Guideline detail how to report a critical incident, what to report, who makes the report, and to whom and by when.

The law explicitly prohibits recording the name of the patient or the names of the healthcare providers that were involved in the patient's care leading up to the event. The information gathered in the course of investigating a critical incident is privileged and protected by legislation. This is consistent with the six other Canadian provinces that have mandatory patient safety incident reporting in law. The purpose of reporting of critical incidents is not to lay blame on individuals. Rather, critical incident reporting is used to look at what can be done differently and what improvements can be made to the way health care providers work.

**Responsibilities of healthcare organizations:** The law makes healthcare organizations, like the Saskatchewan Health Authority, responsible for reporting to the Ministry the occurrence of all critical incidents that arise as a result of health services provided or not provided.<sup>13</sup> The laws and Guideline also make a health organization responsible for investigating each reported incident, identifying corrective actions for improvement, and reporting the results including corrective actions to the Ministry. The laws make a healthcare organization responsible for implementing those corrective actions.

The Guideline defines critical incidents as a serious adverse health event including, but not limited to, the actual or potential loss of life, limb or function related to a health service provided by, or a program operated by, a health care organization. We found this definition of a critical incident aligns with international best practice.<sup>14</sup>

**Responsibilities of the Ministry:** The law makes the Ministry responsible for overseeing and evaluating the comprehensiveness and completeness of a healthcare organization's investigation of a reported critical incident, and the adequacy and appropriateness of the actions the organization has identified for improvement. Hence, the Ministry's role is providing oversight in the healthcare sector to achieve patient safety by preventing the reoccurrence of critical incidents.

<sup>12</sup>When a patient is harmed or where there is a potential for harm, professionals (e.g., nursing staff or physicians) in the health system are to notify (excluding the identity of the patient) the provincial quality of care coordinators in the Ministry of Health of the incident. Harmful events can occur in both primary care (e.g., hospitals, long-term care) and secondary care settings (e.g., home care) in the health care system.

<sup>13</sup> Section 8.2 of *The Provincial Authority Act*.

<sup>14</sup>The World Health Organization defines a patient safety incident as an event or circumstance that resulted, or could have resulted, in unnecessary harm to a patient.



The Ministry primarily oversees, for the purposes of critical incident reporting, the Saskatchewan Cancer Agency and the Saskatchewan Health Authority—since the 2017 amalgamation of the 12 former regional health authorities into the Authority. These two provincial government agencies directly deliver health services to patients. The mandatory reporting process makes the Authority responsible for reporting occurrences of critical incidents occurring at any provider with a contract with the Saskatchewan Health Authority (e.g., affiliate—long-term care home operator).

In general, Saskatchewan's mandatory critical incident reporting process is intended to help identify those cases that are the most serious subset of adverse events and allow those events to receive an in-depth review. It is also intended to help identify any necessary system-wide improvements to keep patients safe. Having a process for reporting in confidence fosters reporting of incidents which otherwise might not be reported through fear of blame or punishment.

## **4.2 Opportunity to Centrally Track and Learn from Critical Incidents**

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There are multiple adverse health event tracking IT systems in place across the health sector that create recording inefficiencies and do not support information sharing and learning.

The Ministry has an IT system for tracking and compiling critical incidents reported to it. The Ministry receives critical incident information from the healthcare organizations through a standardized reporting form (see **Section 4.4**). One of the three Ministry provincial quality of care coordinators then manually enters the reported information in the Ministry's critical incident tracking IT system.

Even though the Saskatchewan Health Authority amalgamated its operations, it continues to have 12 separate IT systems for tracking all adverse events, including critical incidents. In 2020, the Authority created another IT system for recording adverse events classified as critical incidents (critical incident system). The Authority manually enters critical incident information from its 12 separate IT systems into its critical incident system to support central compilation, and recommendation monitoring made on critical incidents. This means both the Ministry and the Authority duplicate critical incident data entry in multiple IT systems.

The Saskatchewan Cancer Agency also has a separate IT tracking and learning system for adverse health events.

Establishing a single, central knowledge base for tracking adverse events, including critical incidents, could support organization learning and enhance safer patient care delivery. One IT system could also support improved investigations of reported incidents, sharing of information, learning across the provincial health system, and strengthening a culture of patient safety.

### 4.3 Types of Critical Incidents Not Fully in Line with Good Practice

The types of critical incident events outlined in the *Saskatchewan Critical Incident Reporting Guideline, 2004* do not fully align with good practice, as defined by the Canadian Patient Safety Institute and Canadian Institute for Health Information.<sup>15,16</sup>

The Guideline outlines the types of events that would normally be a critical incident and therefore reported to the Ministry (see **Figure 2**). The Ministry last revisited and updated the critical incident Guideline in 2004.

**Figure 2—List of Adverse Health Events to be Reported to the Ministry of Health**

The Guideline defines the types of adverse health events to report to the Ministry, and characterizes these events into six categories and 40 subcategories:

- **Surgical** (e.g., surgery performed on the wrong body part or the wrong patient)
- **Product or device** (e.g., use of contaminated drugs or devices)
- **Patient protection** (e.g., patient suicide or attempted suicide, death or disability associated with patient disappearance)
- **Care management** (e.g., medication errors, acquired pressure ulcers, error in diagnosis)
- **Environmental** (e.g., patient falls, transportation occurrences, burns)
- **Criminal** (e.g., sexual or physical assault)

Source: Ministry of Health, *Saskatchewan Critical Incident Reporting Guideline, 2004*.

The Guideline defines 40 subcategories (i.e., types) of adverse health events within six categories. **Figure 2** lists the categories and gives examples of subcategories (i.e., types of critical incidents that may occur in the health sector). The Ministry included a summary of critical incidents in its 2019–20 Annual Report.<sup>17</sup>

We found, unlike good practice, the Guideline does not consider some of the 15 never events, that the Canadian Patient Safety Institute notes as adverse health events, to report as critical incidents.<sup>18</sup> Our comparison of the Guideline against the Canadian Patient Safety Institute’s never events found the Guideline does not include reporting of two types of never events:

- Patient death or serious harm due to uncontrolled movement of a ferromagnetic object in an MRI area (e.g., moving metal projectiles such as a pair of scissors)
- Patient death or serious harm as a result of transport of a frail patient or patient with dementia, where protocols were not followed to ensure the patient was left in a safe environment

<sup>15</sup> The Canadian Patient Safety Institute is a not-for-profit organization funded by Health Canada. Established in 2003, the Canadian Patient Safety Institute works with governments, health organizations, leaders, patients and healthcare providers to inspire extraordinary improvement in patient safety and quality.

<sup>16</sup> CIHI is an independent, not-for-profit organization that provides essential information on Canada’s health system and the health of Canadians.

<sup>17</sup> [www.pubsaskdev.blob.core.windows.net/pubsask-prod/119946/2019-20HealthAnnualReport.pdf](http://www.pubsaskdev.blob.core.windows.net/pubsask-prod/119946/2019-20HealthAnnualReport.pdf) (04 March 2021).

<sup>18</sup> Never events are patient safety incidents that result in serious patient harm or death, and are preventable using organizational checks and balances. *The Never Events for Hospital Care in Canada* was created by the Canadian Patient Safety Institute, last updated in September 2015. ([www.patientsafetyinstitute.ca/en/toolsResources/NeverEvents/Documents/Never%20Events%20for%20Hospital%20Care%20in%20Canada.pdf](http://www.patientsafetyinstitute.ca/en/toolsResources/NeverEvents/Documents/Never%20Events%20for%20Hospital%20Care%20in%20Canada.pdf)) (19 March 2021).



In addition, our comparison found the Guideline does not consider serious health-care associated infections as critical incidents. The Canadian Patient Safety Institute includes these as hospital harm events.<sup>19</sup> Certain health-care associated infections, such as pneumonia, post-procedural infections, sepsis, infection of *Clostridium difficile*, MRSA (Methicillin-resistant staphylococcus aureus) or VRE (vancomycin-resistant enterococcus) can cause death or disability. Some subsets of these infections would be preventable and considered critical incidents. We found Ontario's critical incident reporting guideline includes healthcare associated infections as an incident type.

Without requiring incident reporting of the above two types of never events and potentially the above types of infections, the Ministry does not know the root causes or contributing factors of these types of critical incidents occurring in the Saskatchewan healthcare sector. In turn, it does not know whether Saskatchewan healthcare organizations are doing enough to keep patients safe from the occurrence of these types of events.

1. **We recommend the Ministry of Health reassess the types of adverse health events it requires healthcare organizations to report as critical incidents.**

#### 4.4 Standardized Incident Reporting Form Could Be Improved

A standardized critical incident reporting form has been developed for reporting incident information to the Ministry of Health. However, it does not include sufficient information requirements to enable the Ministry to understand the root causes of a reported incident.

The Ministry developed the standard critical incident reporting form in consultation with the Saskatchewan Health Authority. Healthcare organizations have designated staff responsible for patient safety to report critical incident information to the provincial quality of care coordinators in the Ministry using this form in two stages—the notification stage, and completion of investigation stage.<sup>20</sup> The notification stage is when a healthcare organization first informs the Ministry of a critical incident. The completion of investigation stage is once a healthcare organization has investigated an incident and determined actions for improvement.

As **Figure 3** shows, the form includes requirements set out in *The Critical Incident Regulations, 2016*. It contains specific information requirements a reporting healthcare organization must give the Ministry for each stage.

**Figure 3—Information Requirements of Standard Critical Incident Reporting Form**

The reporting form requires the following information:

➤ **Upon first notification:**

- Patient information (age and gender but not patient name, health status prior to incident)
- Patient outcome (current status of patient)
- Location where the incident occurred (e.g., hospital versus long-term care and area of the province but not specific facility – see **Section 4.11**)
- Event category (one of the six event categories in the Ministry's Guideline)
- Date of the incident
- Date the incident was classified as a critical incident (region aware date)
- Summary of the incident

<sup>19</sup> CIHI and CPSI issued a joint publication in 2016 *Measuring Patient Harm in Canadian Hospitals*. ([secure.cihi.ca/free\\_products/cihi\\_cpsi\\_hospital\\_harm\\_en.pdf](https://secure.cihi.ca/free_products/cihi_cpsi_hospital_harm_en.pdf)) (19 March 2021).

<sup>20</sup> At December 2020, the Saskatchewan Health Authority had about 50 staff located throughout the province responsible for patient safety, including critical incident reporting.

- **Upon completion of investigation:**
  - Contributing factors
  - Recommendations for improvement (corrective actions)

Source: Ministry of Health Critical Incident Summary Report.

However, we found the critical incident reporting form does not require a healthcare organization to provide the root causes behind the reported critical incident even though it expects reporting of the contributing factors.

The Guideline expects recommended actions for improvement to address the contributing factors and root causes identified—this is key to prevent further similar incidents from happening.

As **Figure 4** shows, good practice draws a distinction between contributing factors and root causes.

#### **Figure 4—Identifying Contributing Factors and Root Causes**

**Contributing Factor:** Conditions or actions that, if removed, would likely prevent the incident or hazard from happening, or reduce the severity of its consequences.

EXAMPLE: AN EMPLOYEE MISTAKENLY SKIPPED A STEP IN THE SAFE WORK PROCEDURE, WHICH LED TO AN INCIDENT.

**Root Cause:** The underlying weaknesses ultimately leading to an incident or the existence of a hazard.

EXAMPLE: THE EMPLOYEE HAS NOT RECEIVED FORMAL TRAINING ON THE PROCEDURE BECAUSE THE PROCEDURE WAS NOT ADDED TO THE TRAINING CURRICULUM.

Source: [SMCX\\_OnePager\\_Determining\\_Contributing\\_Factors\\_and\\_Root\\_Causes\\_Mar2019.pdf](#) (smcscx.org) (21 March 2021).

An effective incident analysis process needs to identify both contributing factors and root causes to determine what led to the incident and recommend appropriate solutions. The root causes of a critical incident are often multifactorial and inter-related. Not asking healthcare organizations to report information on root causes limits the Ministry's ability to effectively oversee whether the healthcare sector does enough to prevent the reoccurrence of similar critical incidents.

2. **We recommend the Ministry of Health ask healthcare organizations to include root causes of the incident when reporting critical incidents.**

## **4.5 Incident Reporting Form Not Always Complete**

The Ministry of Health does not always confirm the critical incident reporting form is properly completed, or obtain missing information from the reporting healthcare organization.

The Ministry has assigned responsibility for overseeing and evaluating critical incident reporting to three provincial quality of care coordinators within its Quality and Safety Unit. Provincial quality of care coordinators are to assess the critical incident reports as they are sent in at each stage (i.e., at the notification stage, and at the completion of the investigation stage) to ensure they contain the required information.

Upon receipt of critical incident notification reports from healthcare organizations (often via email), the Ministry assigns the incident a unique critical incident report number, and shares the number with the Authority for ongoing reference.



Our testing of critical incidents found the Ministry does not always confirm the completeness of the critical incident reports. We found:

- For three of the 25 critical incident reports tested, the location field was blank. We further investigated and found that for critical incidents reported from April 2019 to September 2020, 58 or 12 percent of reports submitted did not have the location field filled out.

The lack of location information about where the incident occurred (e.g., hospital, long-term care) reduces the usefulness of data when looking for trends and problems in specific healthcare locations (see **Section 4.11** – facility location needed to identify and address systemic issues).

- For two of 30 critical incidents tested, contrary to the regulatory requirements, the patient outcome section was blank. *The Critical Incident Regulations, 2016* requires the critical incident notification to the Ministry to indicate the health status of the patient after the critical incident. These patients outcome information was included in the final reports received upon completion of the investigation stage.
- For nine of 30 critical incidents tested, the date the Authority classified the event as a critical incident (region aware date) was blank. We further investigated all critical incidents reported from April 2019 to September 2020 and found that 107 of them or 26 percent did not have this region aware date filled out.

Without having all dates required in the reporting forms, the Ministry cannot monitor if it is receiving the incident notification from the healthcare organization within three business days as required by law (see **Section 4.6** – incident notifications need monitoring for timeliness).

Missing data impacts the ability of the Ministry to do reliable analysis and draw valid conclusions about whether systemic issues exist that may impact patient safety, and whether planned actions are sufficient and put into place within a reasonable time to reduce the risk of similar incidents from occurring.

**3. We recommend the Ministry of Health obtain missing critical incident information from reporting healthcare organizations.**

## **4.6 Ministry Notified of Critical Incidents Later than Required**

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The Ministry of Health is not monitoring or enforcing compliance with reporting deadline dates set in *The Critical Incidents Regulations, 2016*. It frequently receives critical incident reports from healthcare organizations later than the timeframes required by law.

The Ministry's IT system tracks the status of each critical incident reported (e.g., investigation underway, final report received, incident closed). The Ministry can generate queries from the IT system to determine the status of critical incidents at various points in time and to determine how long it is taking healthcare organizations to submit incident reports.

*The Critical Incident Regulations, 2016* set out timeframes by which a healthcare organization is required to notify and report the results of its investigation to the Ministry (see **Figure 5**).

**Figure 5—Regulatory Timeframes for Reporting Critical Incident Reports to the Ministry**

**Notification:** healthcare organizations must give notice to the Ministry of Health **within three days** of becoming aware of a critical incident (region aware date).

**Final Report:** healthcare organizations must conduct an investigation on each critical incident and submit final report on the investigation (including recommendations for improvement/corrective actions) **within 60 days** of becoming aware of the critical incident. The Ministry **may allow extensions** for submitting final reports (up to 180 days of the healthcare organization becoming aware of the critical incident).

Source: Adapted from *The Critical Incident Regulations, 2016*.

Our analysis of reported critical incidents over the last four years found the majority of critical incidents reported to the Ministry have come from the Saskatchewan Health Authority.<sup>21</sup>

Our analysis of initial notifications of critical incidents, as shown in **Figure 6**, found the Ministry often receives around 30 percent of them later than the three business days required by law.

**Figure 6—Critical Incident Notifications Later Than Required by Law from 2017-18 to 2020-21**

Year	Number of Critical Incident Notifications	Number of Notifications Later than Three Business Days	% of Notifications Received Late
2017–18	187	55	29%
2018–19	213	52	24%
2019–20	231	101	44%
2020–21 (first two quarters only)	37	11	30%

Source: Critical incident report data provided by the Ministry of Health.

<sup>A</sup> As noted in **Section 4.5**, not all critical incidents reports had the date the Authority became aware of the incident so those incident notifications are not included in the above numbers.

Our analysis of reports of completed investigations (i.e., final reports), as shown in **Figure 7**, found the Ministry often receives over 30 percent of them later than the 60 business days required by law. On average, the Authority takes over 100 days to provide the Ministry with these reports. The Ministry may have authorized reporting extensions (up to 180 days) for these final reports as allowed by law. However, we note the percentage of reports of completed investigations received after 180 days increased from 2017–18 to 2019–20. Untimely receipt of final reports means the Ministry is not able to undertake timely assessments of corrective actions and analyze for system-wide issues.

<sup>21</sup> During those same four years, the Saskatchewan Cancer Agency reported three critical incidents, the Athabasca Authority reported one incident, and other healthcare organizations such as eHealth and 3sHealth reported six critical incidents to the Ministry.

**Figure 7—Critical Incident Final Reports Received Later Than Required by Law**

Year	Total Number of Final Incident Reports Received	Final Reports Received Later than 60 days but Less than 180 Days			Final Reports Received Later than 180 Days		
		Number of Final Reports	% of Final Reports Received	Average Days to Submit Final Reports	Number of Final Reports	% of Final Reports Received	Average Days to Submit Final Reports
2017–18	188	61	32%	126	16	9%	215
2018–19	221	95	43%	115	26	12%	331
2019–20	290	129	44%	107	85	29%	314
2020–21 (first two quarters only)	Not available <sup>A</sup>	65		104	13		195

Source: Critical incident report data provided by the Ministry of Health.

<sup>A</sup> Shaded are indicates the total number not available as year not complete.

We also note that as of October 31, 2020, the Ministry had not received 107 final reports for an average of 221 days since the critical incident occurred. The Ministry noted delays have occurred in receiving final critical incident reports from the Authority in 2020 because of the COVID-19 pandemic.

The Ministry indicated it does not follow-up with the Authority to determine why it takes longer than the required deadline of three business days to notify it of a critical incident. In addition, we found that the Ministry does not follow up on final critical incident reports not received within 60 days of the notification of the incident.

While the Ministry grants extensions to the deadlines (as the law permits), we found it does not record the reasons for extensions granted, even though the law requires reasons for requesting an extension to be provided.

One of the main purposes of critical incident reporting notifications is to inform senior and executive management within the Ministry about serious harm or death that has come to a patient in care. Delays in receipt of initial notifications of critical incidents causes delay in Ministry becoming aware of the most serious events of harm to patients in the health sector.<sup>22</sup>

As noted earlier, critical incident reports include results of investigating the incidents (including contributing factors and planned corrective actions to reduce the likelihood of serious harm or death occurring to another patient in the healthcare system). Delays in receiving results of investigations means the Ministry does not undertake timely assessment of planned actions for improvement. This increases the risk that factors contributing to a critical incident continue to exist in the healthcare system, and similar patient harm events reoccur.

#### 4. We recommend the Ministry of Health follow up when receipt of critical incidents reports are beyond established reporting deadlines.

<sup>22</sup> When the provincial quality of care coordinators receive notification of a new critical incident, they prepare and distribute a notification email to certain individuals in the Ministry (e.g., Deputy Minister, Associate and Assistant Deputy Ministers). The provincial quality of care coordinators typically send these emails the same day or next day following initial notification.

## 4.7 Insufficient Analysis of Extent of Underreporting of Critical Incidents

The Ministry of Health has no mechanism to determine if it receives reports of all critical incidents expected.

Healthcare organizations, by law and through policies, track and report on a number of different types of adverse events. For example each year, they report the number of deaths resulting from falls, medication errors, and self-harm incidents occurring in hospitals to the Canadian Institute of Health Information.<sup>23</sup> In addition, since December 2019, federal law requires reporting of medical device events to Health Canada.<sup>24</sup> Both the Canadian Institute of Health Information and Health Canada publish this information. In addition, the Saskatchewan Health Authority tracks various types of incidents occurring in its facilities.<sup>25</sup>

We found the Ministry does not use available data about reported adverse events to determine if it is receiving the expected reports of critical incidents.

Our analysis suggests underreporting of critical incidents to the Ministry. As shown in **Figure 8**, we found significant differences between the number of adverse events tracked and reported, and critical incidents reported to the Ministry.

For example, as **Figure 8** shows, the Authority reported 24 medical device failures to Health Canada but only reported 17 medical device critical incidents to the Ministry, during the same timeframe.

**Figure 8—Analysis Results of Sources of Health Data about Adverse Events Compared to Critical Incidents Reported**

Category Analyzed (Source of Data for Adverse Events)	Number or Percentage of Adverse Events (Related period)	Number of Related Reported Critical Incidents <sup>A</sup> (Related period)
Deaths as a result of falls in Saskatchewan hospitals (Canadian Institute of Health Information)	20 (2019–20)	7 (2019–20)
Number of self-harm incidents while in care in Saskatchewan hospitals (Canadian Institute of Health Information)	11 (2018–19) 14 (2019–20)	7 (2018–19) 8 (2019–20)
Medical devices events reported under Vanessa's Law <sup>B</sup> (Saskatchewan Health Authority)	24 (Between December 2019 and September 2020)	17 (Between December 2019 and September 2020)
Level 4 incidents in Saskatoon and Regina and surrounding area reported to the Ministry <sup>C</sup> (Saskatchewan Health Authority)	101 <sup>D</sup> (2019–20)	35 (2019–20)

<sup>23</sup> Canadian Institute of Health Information is an independent, not-for-profit organization that provides essential information on Canada's health system and the health of Canadians.

<sup>24</sup> As of December 2019, *The Protecting Canadians from Unsafe Drugs Act (Canada)* (known as Vanessa's law) requires the Saskatchewan Health Authority to report certain incidents to Health Canada. The Ministry does not receive reports under Vanessa's law. The Authority is required to report any incident related to a failure or misuse of a medical device under the federal Act.

<sup>25</sup> The Saskatchewan Health Authority has its own rating scale for incidents.



Category Analyzed (Source of Data for Adverse Events)	Number or Percentage of Adverse Events (Related period)	Number of Related Reported Critical Incidents <sup>A</sup> (Related period)
Medication or fluid errors in Saskatchewan hospitals (Canadian Institute of Health Information)	65% of 695 errors occurring in Regina and Saskatoon hospitals (2019–20)	49% of 35 critical incidents occurring in Regina and Saskatoon hospitals (2019–20)

Source: Analysis done by Provincial Auditor of Saskatchewan on various adverse health event data.

<sup>A</sup> Critical incident report data provided by the Ministry of Health.

<sup>B</sup> *The Protecting Canadians from Unsafe Drugs Act* (Canada) is known as Vanessa's law and requires reporting on medical device events to Health Canada.

<sup>C</sup> The Saskatchewan Health Authority records adverse events in its own system. It considers Level 4 incidents to be the most severe and include unanticipated death or potential loss of function or major injury.

<sup>D</sup> In 2019–20, the Authority recorded 51 Level 4 incidents in Saskatoon in its adverse events recording system and reported 22 of them to the Ministry as critical incidents. In 2019–20, the Authority recorded 50 Level 4 incidents in Regina and reported 13 to the Ministry as critical incidents.

Our assessment of critical incidents due to medication errors occurring in hospitals between 2017 and 2020 suggest underreporting of critical incidents occurring in Regina and Saskatoon hospitals. We found 80 percent of medication errors in this period occurred in hospitals. Regina and Saskatoon area hospitals reported 26 percent of these critical incidents yet they provide at least 50 percent of hospital care in Saskatchewan.

Underreporting of critical incidents could be reflective of several elements including the culture of safety within the reporting healthcare organizations, insufficient awareness of or understanding of the legislative requirement to identify and report critical incidents (training), and the inability to identify and report critical incidents as they occur within the healthcare system.

The Authority completed its first patient safety culture survey of Authority staff in December 2020. The Authority plans to use these results as a benchmark to evaluate future survey results. The survey indicated that 53 percent of respondents see the culture in their work setting makes it easy to learn from errors of others and 50 percent feel it is difficult to discuss errors. A culture of safety reflects the underlying beliefs and values of an organization as they relate to safety as a priority. Lack of feedback and fear of personal consequences to staff are often common barriers to incident reporting.<sup>26</sup>

Lack of complete critical incident data compromises the validity of the Ministry's analysis of critical incidents and limits its ability to determine patient safety improvements needed.

Not receiving reports about all critical incidents means the Ministry does not have sufficient or complete information to identify whether systemic issues exist that may affect patient safety. As such, the Ministry cannot not assess if healthcare organizations are doing enough to keep patients safe.

**5. We recommend the Ministry of Health analyze the nature and types of critical incidents reported as compared to other health data sources.**

## 4.8 Critical Incident Training in Conjunction with Authority Planned

At February 2021, the Ministry of Health planned to participate in the delivery of online training for certain Authority staff—the key healthcare organization reporting critical incidents. However, due to the COVID-19 pandemic the timing of this training is uncertain.

<sup>26</sup> [www.ncbi.nlm.nih.gov/pmc/articles/PMC4675258/](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4675258/) (27 October 2020).

At December 2020, the Saskatchewan Health Authority had about 50 staff located throughout the province responsible for patient safety, including critical incident reporting. They determine whether adverse events reported by front line workers meet the definition of a critical incident, and require reporting to the Ministry.

As noted in **Section 4.7**, the Ministry frequently receives initial notification of a critical incident long after it first happened. This may suggest a lack of understanding of what constitutes a critical incident by healthcare organization staff. During the audit, we observed instances where the provincial quality of care coordinators did assist Authority staff in determining whether serious adverse events met the definition of a critical incident.

Since 2017, the Ministry has not undertaken any critical incident training with healthcare organizations (e.g., the Saskatchewan Health Authority). We note the Authority formed in December 2017, and the Ministry indicated it was waiting for the Authority to set its structure.

The Ministry plans to co-facilitate patient safety fundamentals online training for Authority staff responsible for critical incident reporting (i.e., patient safety staff). It expects this training to occur in 2021. The training was delayed as of February 2021, due to COVID-19 pandemic priorities at the Authority.

Providing training regularly would improve awareness and understanding of critical incident analysis and reporting requirements for patient safety staff of healthcare organizations.

## 4.9 Not Documenting the Use of Defined Criteria When Assessing Incident Corrective Actions

The Ministry of Health's assessment of planned corrective actions included in individual critical incident reports adds limited value to improving patient safety.

The Ministry has established a medical review committee (referred to as the Critical Incident Review Committee) to review planned corrective actions in critical incident reports. The Committee is comprised of individuals from various disciplines (e.g., physician, nurse and pharmacist). The Committee is governed by a terms of reference that was last updated in 2016. The provincial quality of care coordinators provide the Committee with support.

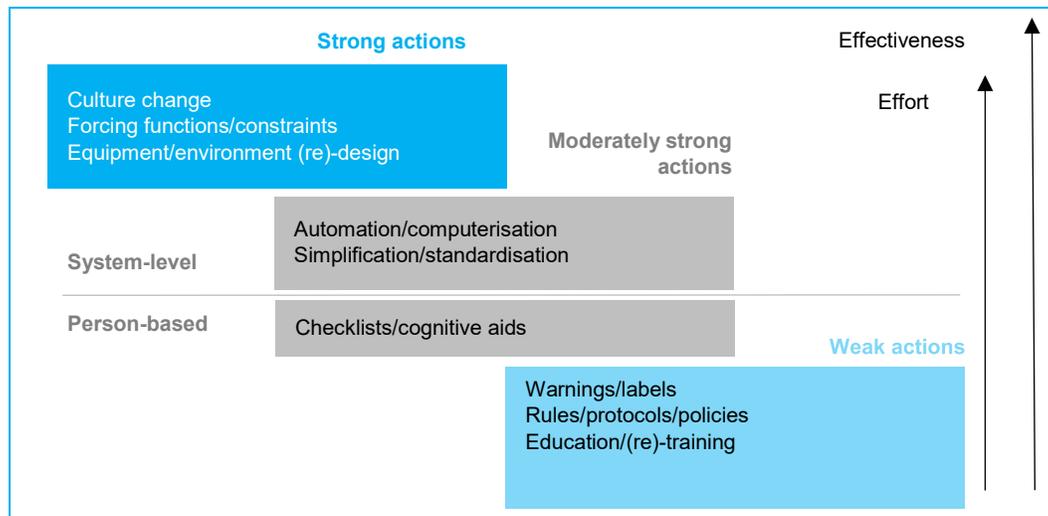
Through written terms of reference, the Ministry has made the Committee responsible for evaluating whether a healthcare organization's planned corrective actions included in a critical incident report effectively address the underlying causes of the incident or warrant additional corrective actions to the healthcare organization for its consideration. The Committee is also responsible for establishing whether there is value in distribution of critical incident corrective actions on a system-wide level via a patient safety alert (an official notice with advice or instructions to healthcare providers about preventing specific types of incidents).

The Committee meets once a week to review critical incident reports and their applicable contributing factors and planned corrective actions for improvement. The Committee may have further questions of the Saskatchewan Health Authority after review of the report, and prior to closing the critical incident case. The Ministry typically sends these questions via email to the Authority.



We found the Committee does not follow good practice in that it does not have written guidance to aid its review of whether corrective actions effectively address the underlying causes of the incident or warrant additional corrective actions. Good practice, recommended by the Canadian Patient Safety Institute, includes using the hierarchy of effectiveness (see **Figure 9**) to aid in determining if a corrective action will be strong enough to modify behaviour and improve patient safety. The Institute also recommends using ‘SMART’ criteria to write (and therefore assess) corrective actions. The criteria expects corrective actions should be Specific, Measurable, Attainable, Relevant and Time-based.<sup>27</sup>

**Figure 9—Hierarchy of Effectiveness**



Source: Modified from graphics produced by the Institute of Safe Medication Practices and the US National Patient Safety Agency.

We found the Committee tries to take a persuasive but informal approach to assessing the adequacy of planned corrective actions in the reports. The Committee does not formally document its analysis of critical incident reports. The Ministry often seeks clarification or suggests improvements to corrective actions in critical incident reports (e.g., through emails to reporting healthcare organizations). However, the Ministry does not always require the reporting healthcare organizations to change the corrective actions in the final critical incident reports to align with the Ministry’s suggestions.

Also, the Ministry does not require the Authority to summarize good practice used to devise corrective actions. It would be valuable for the Ministry to know if the Authority has looked for what actions are known to be effective in other locations. For example, a search of ISMP Canada safety bulletins would often provide relevant strategies for addressing critical incidents related to medication incidents.<sup>28</sup>

<sup>27</sup> **Specific** – Tackle a clearly defined issue and have a clear scope, **Measurable** – can demonstrate impact on process and outcomes, **Attainable** – can be achieved with available resources, **Realistic** – do a reality check to predict if it will be accepted, implemented, and **Timely** – have a timeframe for implementation. Doran GT. There’s a S.M.A.R.T. way to write management objectives. *Management Review*. 1981; 71 (11, AMA Forum); 35–36.

<sup>28</sup> ISMP Canada – the Institute for Safe Medication Practices Canada is a national, independent, and not-for-profit organization committed to the advancement of medication safety in all healthcare settings.

Our assessment of planned corrective actions of 21 critical incident reports found the planned corrective actions included in eight reports did not sufficiently address all of the contributing factors noted in the report. In each of these eight reports, the Ministry did not ask the Authority to add any corrective actions. For example, we found:

- For one report tested, the planned corrective action was to develop a plan for safety-related tasks for an instance where a resident fell while being transferred with a mechanical lift while being bathed.

Using the hierarchy of effectiveness set out in **Figure 9**, we found this planned action weak in that it does not promote implementing the plan, result in staff training and/or confirm staff adherence to the plan or new policies.

- For another report tested, the report listed several planned corrective actions but did not include one about redesigning a mental health unit even though the report noted that one of the root causes of the incident is the design of the mental health unit that did not allow for adequate monitoring and visual control of patients' whereabouts.<sup>29</sup> In this incident, a patient without pass privileges left the mental health unit undetected which may have put the patient at risk of self-harm.

The Ministry indicated that it does not expect or propose corrective actions with significant cost implications. We recognize budgetary constraints exist. However, not making corrective actions about the need for redesigning spaces to reduce the occurrence of further similar incidents may reduce the likelihood of the Authority considering such needs in future capital budget proposals. Furthermore, it may not sufficiently prevent another similar critical incident happening again.

- We did not see evidence of the Committee asking for information about the root causes of incidents where this information was not evident in the report. See **Recommendation 2** about asking healthcare organizations to include information about root causes in incident reports.

Using formal criteria to assess corrective actions would aid in determining their adequacy. It would also help determine whether planned corrective actions sufficiently address the contributing factors and root causes, and whether there is a need for further actions. Having robust and documented analysis of the adequacy of planned corrective actions is consistent with the aim of critical incident reporting systems to improve patient safety.

With the 2017 creation of the Authority, there may be an opportunity to reassign the Ministry's role of evaluating the comprehensiveness and completeness of a healthcare organization's investigation of a reported critical incident. As noted in **Section 4.6**, since 2017, the vast majority of reported critical incidents have come from the Authority. As such, sharing such criteria with the Authority would help it identify planned corrective actions that address contributing factors and root causes of critical incidents.

## 6. We recommend the Ministry of Health (or responsible healthcare organization) apply consistent criteria to assess whether planned corrective actions effectively address causes of critical incidents.

<sup>29</sup> Corrective actions in the report included: discontinue using the Nursing Station Prox [security pass] to open the doors, requiring either a unit staff or security to use their Prox [security pass] to allow each patient/visitor in and off the unit individually; and station laptops at desks by each unit entrance door to assist security in monitoring those entering/exiting the units.



## 4.10 Implementation of Critical Incident Corrective Actions Not Monitored

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The Ministry of Health does not know whether planned corrective actions that healthcare organizations include in critical incidents reports are implemented and improve patient safety.

Typically, the Saskatchewan Health Authority indicates in each critical incident report whether it has implemented the actions for improvement noted in the report at the time of its reporting.

Sixty-eight percent of planned corrective actions for improvement included in the 21 critical incident reports we tested were reported as not implemented. Some of these unimplemented planned actions have clear potential to reduce the risk of further similar critical incidents. For example, in one critical incident report about an attempted suicide, the Authority notes it planned to retrofit all patient room doors in a particular unit of a facility so patients cannot tie objects around them as a ligature point.

Our further investigation found the Authority could not provide us with a summary of critical incident corrective actions not implemented (e.g., at March 31, 2020). The Authority mentioned it was developing a new IT system to record and track the status of planned corrective actions related to critical incidents.

The Ministry views health care organizations as being solely responsible for implementing planned corrective actions and monitoring their implementation. As such, the Ministry does not record the planned corrective actions and their status in its critical incident IT system. Also, it does not require the Authority to routinely report back on status of implementation of corrective actions. As a result, the Ministry does not know the extent of critical incident corrective actions not implemented at any point.

We agree healthcare organizations are responsible for implementing planned corrective actions related to reported critical incidents.

However, we think the Ministry needs information about the implementation status of planned actions to fulfill its present role. That is, its role to oversee and evaluate the comprehensiveness and completeness of a healthcare organization's investigation (e.g., Saskatchewan Health Authority) of a reported critical incident, and the adequacy and appropriateness of the actions the organization has identified for improvement.

Not following up and monitoring the status of implementation of planned corrective actions may lead to the same critical incident occurring again. Identifying delays in implementing planned corrective actions would provide the Ministry with important information to help it determine whether it needs to support healthcare organizations in preventing specific types of incidents.

**7. We recommend the Ministry of Health monitor the status of implementation of corrective actions set out in critical incident reports.**

## 4.11 Analysis to Identify and Address Systemic Issues Limited

The Ministry of Health does limited analysis to identify whether systemic issues are causing reported critical incidents and to support its issuance of patient alerts—an official notice with instructions to healthcare providers.

As noted in **Section 4.9**, the Ministry’s Critical Incident Review Committee is responsible for evaluating the corrective actions resulting from critical incident investigations to establish whether there is value in further dissemination of the corrective actions on a broader system level. Where it thinks there is value, the Ministry uses patient safety alerts to disseminate this information to necessary areas of the health sector (see **Figure 10**). The Ministry also makes its patient safety alerts available to the public through a government website.<sup>30</sup>

**Consistent with good practice, Ministry limits number of patient alerts issued:** The Ministry tries to limit the number of patient safety alerts it issues in a given year. The Ministry notes it is important to balance the need for further guidance against the number of alerts issued, as too many alerts may overwhelm healthcare providers and can lead to healthcare providers not using them. We find this view reasonable.

See **Figure 10** for a list of the patient safety alerts issued by the Ministry in the past four years.

**Figure 10—List of Patient Safety Alerts Issued by the Ministry of Health between 2017 and 2020**

Alert Number	Alert Topic
<b>2017–18</b>	
2017-18-01	Correct Patient Identification Prior to Any Care Interaction
2017-18-02	Hydromorphone-Related Administration Errors
2017-18-03	Preventing Pressure Ulcers in Acute Care
2017-18-04	Safe Use of Four-Wheeled Walkers
2017-18-05	Patient Referrals to Saskatchewan Cancer Agency
<b>2018–19</b>	
2018-19-01	Ensuring Automated External Defibrillators (AEDs) are Operational
2018-19-02	Pre-Operative Pregnancy Testing
2018-19-03	Ensuring Fetal Wellbeing While Providing Unrelated Medical Care
<b>2019–20</b>	
2019-20-01	Bed Entrapment Prevention
2019-20-02	Decanting and Labelling Guidelines (for hazardous products)
<b>2020–21</b>	
	No Patient Safety Alerts Issued to Date (as of December 30, 2020)

Source: Ministry of Health. [www.ehealthsask.ca/services/resources/Pages/Patient-Safety.aspx](http://www.ehealthsask.ca/services/resources/Pages/Patient-Safety.aspx) (23 March 2021)

<sup>30</sup> [www.ehealthsask.ca/services/resources/Pages/Patient-Safety.aspx](http://www.ehealthsask.ca/services/resources/Pages/Patient-Safety.aspx) (04 March 2021).



The Ministry's provincial quality of care coordinators support the Committee in preparing patient safety alerts.

**Content of patient safety alerts inconsistent with good practice:** Our testing of four patient safety alerts issued between 2017 and 2020 found the alerts did not provide healthcare providers with specific guidance for reducing the risk to patients. Instead, they required the Authority to develop the guidance (e.g., create procedures or policies) to address the risk identified in the alert.

For example, in the Bed Entrapment Prevention patient safety alert, the Ministry recommended the Authority and health care organizations have policies and/or work standards in place in to ensure bed safety plans are communicated, implemented, and reviewed. The patient safety alert did not outline guidance to include in the bed safety plan. For example, the Ministry could have directed clinical guidelines at caregivers to help assess whether bed rails are appropriate or dimensional guidelines to help caregivers identify the dangerous zones within the bed system where entrapment may occur. Instead, the Ministry's alert expected the Authority to formulate this guidance.

Good practice expects a patient safety alert to be an official notice of advice or instructions to healthcare providers on how to prevent specific incidents known to occur and cause serious harm or death. Some jurisdictions (e.g., Alberta Health Services) use "safer practice guidance" as a reminder of safer and improved patient care practices not being followed but that should be.

**Unlike good practice, no written guidance to guide decisions about patient safety alerts:** The Ministry does not have written guidance to aid in deciding when incidents of harm to patients warrant the creation of a patient safety alert and the content of the alert.

Good practice suggest the use of written guidance to guide key decisions foster sufficient analysis to warrant an alert, and promotes consistent practice (see **Figure 11**).

**Limited analysis as to whether the patient safety issue is under-recognized:** We found that the Ministry, before issuing alerts, did not determine whether the Authority had already taken action to reduce the risk of patient harm. Nor did it have a process for identifying and tracking other patient safety alerts issued to healthcare providers from other sources such as medical device manufacturers and drug companies.

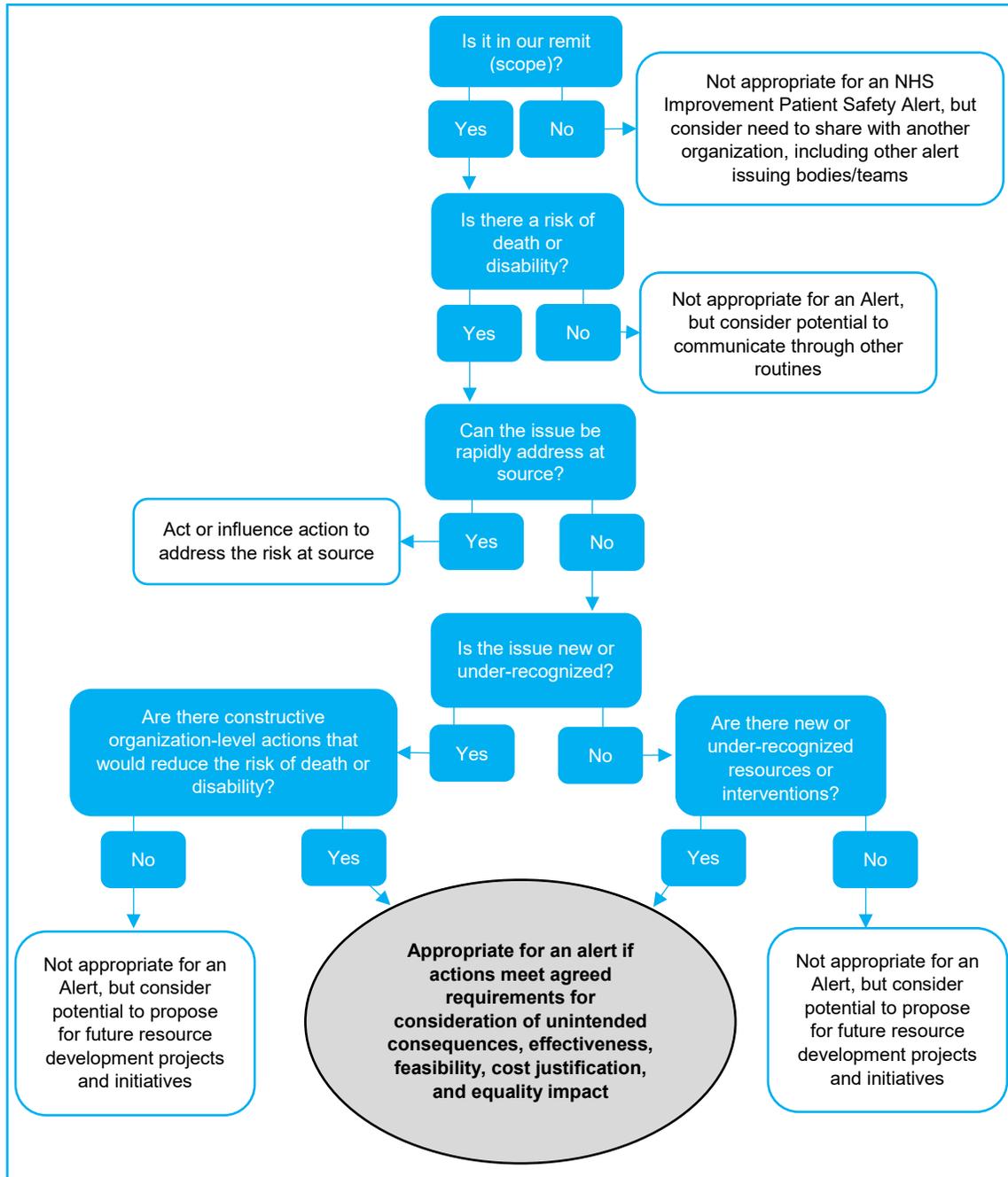
The Saskatchewan Health Authority has its own process to create and issue patient safety alerts. The Ministry is not part of the Authority's process, and does not track patient safety alerts issued by the Authority. The Ministry vets its patient safety alerts with the Authority before issuing them. As noted in **Figure 11**, good practice for issuing patient safety alerts includes considering whether the patient safety issue is new or under-recognized. Being aware of whether other parties have issued alerts helps determine if the issue is already recognized within the health sector.

A coordinated approach to reviewing alerts from all sources and centrally issuing only those alerts meeting defined criteria would reduce the risk of contradictory alerts and aid in reducing the number of alerts issued, to limit overwhelming healthcare providers.

Not using standard criteria to determine when a patient safety alert is warranted, increases the risk that an alert is made for a minor or localized issue, or that an alert is not made for a systemic issue and incidents continue to reoccur. Patient safety alerts must effectively communicate urgent patient safety information to healthcare providers.

**8. We recommend the Ministry of Health (and/or responsible healthcare organization) utilize criteria to determine when to issue patient safety alerts.**

**Figure 11—Patient Safety Alert Decision Tree, UK National Health Service**



Source: Figure modified from graphics produced by the Institute of Safe Medication Practices and the UK National Patient Safety Agency.



**Trends and analysis of critical incidents limited:** Our analysis also found the Ministry does not issue patient safety alerts in areas where a significant number of critical incidents continue to occur on a consistent basis.

We looked at the four highest subcategories of reported critical incidents in 2019–20 (stage 3–4 pressure ulcers, falls causing death, suicides while in care, and medication errors) and found that very few patient safety alerts issued by the Ministry related to these subcategories over the last three years (see **Figure 10**).<sup>31</sup>

In addition, while it does analyze some trends, the Ministry does not assess trends by facility location (e.g., specific long-term care home) to determine if a localized problem exists that warrants further investigation. We found the critical incident reporting form does not include where the patient died or was harmed (the specific location of the facility like Royal University Hospital). This information would allow the Ministry to determine if a facility is having a higher number of critical incidents and facing challenges in providing adequate patient care.

The Ministry's IT system allows the Ministry to generate critical incident summary information including the number of critical incident by outcome and by category. As **Figure 12** shows, the number of critical incidents occurring overall and in the various categories are not trending downwards over the last five years. While it is not expected that the rate of reported critical incidents will ever be zero, the degree of injury and the kinds of critical incidents that occur in specific facilities should reduce over time if sufficient actions are taken to improve patient safety.

**Figure 12—Critical Incidents Reported to Ministry of Health Between 2015 and 2020**

Category (including brief description)	2019–20	2018–19	2017–18	2016–17	2015–16
<b>Surgical Events</b> (e.g., retention of a foreign object in a patient after surgery)	14	9	7	8	19
<b>Product and Device Events</b> (e.g., use or function of a device in patient care in which the device is used or functions other than as intended)	15	8	11	6	8
<b>Patient Protection Events</b> (e.g., patient disappearance, patient suicide or attempted suicide)	42	47	29	15	48
<b>Care Management Events</b> (e.g., medication or fluid error, error in diagnosis, Stage 3 or 4 pressure ulcers acquired after admission to a facility)	182	105	106	101	126
<b>Environmental Events</b> (e.g., patient death from a fall, delay or failure to reach a patient for emergent or scheduled services)	35	44	31	49	44
<b>Criminal Events</b> (e.g., sexual or physical assault of a patient)	2	8	4	7	4
<b>Total Critical Incidents Reported</b>	<b>290</b>	<b>221</b>	<b>188</b>	<b>186</b>	<b>249</b>

Source: Ministry of Health, *2019–20 Annual Report*, p. 28.

<sup>31</sup> The patient safety alerts related to the four highest reported subcategories included 2017-18-02 - PSA – Hydromorphone-Related Administration Errors, 2017-18-03 – PSA - Preventing Pressure Ulcers in Acute Care, 2017-18-04 – PSA - Safe Use of Four-Wheeled Walkers.

Our analysis of the incidents reported over the last five years found the trends in various categories and subcategories are not moving downward. For example, as indicated in **Figure 13**, the number of reported critical incidents for suicides and attempted suicides (within Patient Protection Events category) has not improved over the past five years.<sup>32, 33</sup>

**Figure 13—Reported Critical Incident Suicides and Attempted Suicides While in Care from 2015 to 2020**

2019–20	2018–19	2017–18	2016–17	2015–16
28	33	25	10	24

Source: Ministry of Health 2019–20 Annual Report, p. 28.

Furthermore, as noted in **Section 4.10**, the Ministry does not monitor the status of implementation of planned corrective actions, or consider where unimplemented actions contribute to recurrence of similar critical incidents. For example, the Authority had a planned action to create a standard operating procedure document for checking the quality of future laboratory software downloads because of a critical incident at one laboratory facility. The planned corrective action did not include sharing this information across the health sector, which increases the risk such an incident could occur at another laboratory facility. We found the Ministry did not issue a patient safety alert on this incident. The Ministry indicated that this information was shared provincially across the Authority and Saskatchewan Cancer Agency but did not have documented evidence of the communication.

Without documented analysis of incidents, the Ministry staff must rely on their recall of whether similar critical incidents and/or planned corrective actions have occurred.

Not sufficiently analyzing reported critical incidents and corrective actions limits the ability to identify systemic issues in the healthcare system. It also increases the risk of the critical incident reporting system not contributing to patient safety and being more administrative in nature.

### 9. We recommend the Ministry of Health analyze critical incidents for systemic issues.

**Unlike good practice, no follow-up of ministry patient safety alerts:** The Ministry does not follow up patient safety alerts to determine if they are effective in improving patient safety. For example, the Ministry does not complete an assessment several years after the patient safety alert was issued (to allow time for impact) to see whether reported critical incidents in the area improved (e.g., did the number of bed entrapments reduce).

Good practice, from Alberta Health Services, requires a review of patient safety alerts every three years to confirm recommended practice in the alerts aligns with best practice. Otherwise, patient safety alerts are reissued. The review may also determine if the patient safety alert is no longer applicable as the issue has been resolved.

Without following up on the patient safety alerts, the Ministry cannot determine if they are implemented and successful.

<sup>32</sup> This subcategory excludes deaths resulting from self-inflicted injuries that were the reason for admission to a hospital.

<sup>33</sup> This subcategory represents about 9 percent of all reported critical incidents in 2019-20.



## 10. We recommend the Ministry of Health work with the Saskatchewan Health Authority to monitor the effectiveness of patient safety alerts.

### 4.12 Critical Incidents Reported Internally and to the Public

The Ministry of Health shares key information about critical incidents internally with its branches and the Saskatchewan Health Authority. It also publishes the detailed results of critical incidents reported to it in its annual report.<sup>34</sup>

See **Figure 12** for summary of published critical incident information. As **Figure 12** shows, almost half of the critical incidents reported fall into the category of care management events that include medication errors and pressure ulcers.

Our review of the Ministry's planning documents show it is focusing its strategic priorities on key areas of weakness in patient care. For example, the Ministry has set, in its 2019–20 accountability document with the Saskatchewan Health Authority, a key action for establishing strategies to improve two high critical incident areas: patient falls and medication safety.

Also, our analysis of total critical incidents reported over the past few years found the acute care sector and the long term care sector continue to report the most critical incidents, accounting for 88 to 91 percent of the critical incidents reported. Higher rates of critical incident reporting in these sectors is expected as the complexity of care and interaction with patients is significantly increased in both of these sectors.

We also found the Ministry prepares, each quarter, critical incident trend analysis. It shares this trend analysis with other branches of the Ministry (see **Figure 14**). This analysis generally outlines the extent and types of critical incidents occurring (see **Recommendation 9** about need for better analysis of critical incidents to identify systemic issues).

We also identified instances where the Ministry prepared specific critical incident statistics at the request of other branches (e.g., specifics on suicides and attempted suicides) and the Authority.

In addition, each quarter, the Ministry gives the Authority the number of reported critical incidents and the top five reported subcategories.

#### Figure 14—Quarterly Critical Incident Trend Analysis Prepared by Ministry

- Total critical incidents reported by fiscal year for past 15 years
- For the past five years:
  - # of incidents reported by month
  - # of incidents reported per year by organization (e.g., former health region area, Saskatchewan Cancer Agency)
  - # of incidents reported by outcome (death, disability/harm, close call, unknown)
  - # of incidents and percent reported by category (surgical event, product or device event, patient protection)

<sup>34</sup> [www.saskatchewan.ca/government/government-structure/ministries/health#:~:text=The%20Ministry%20of%20Health%27s%202019-20%20Annual%20Report%20presents,made%20and%20other%20key%20accomplishments%20of%20the%20ministry.](http://www.saskatchewan.ca/government/government-structure/ministries/health#:~:text=The%20Ministry%20of%20Health%27s%202019-20%20Annual%20Report%20presents,made%20and%20other%20key%20accomplishments%20of%20the%20ministry.) (04 March 2021).

event, care management event, environmental event, criminal event) and subcategory (e.g., medication or fluid error, patient suicide or attempted suicide, patient death associated with a fall, error in diagnosis, stage 3–4 pressure ulcer)

- # of top five reported subcategories
- Status of all critical incidents reports received (e.g., investigated, report incomplete, issue alert pending, closed)

Source: Adapted from Ministry of Health reports.

Periodic reporting internally, to the Authority, as well as the public, increases the transparency of critical incidents occurring in the healthcare system.

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## Chapter 7 Highways—Selecting Contractors for Roadworks

### 1.0 MAIN POINTS

A considerable portion of Saskatchewan’s provincial highway system is mature. Each year, the Ministry of Highways pays contractors over \$500 million to design and determine specifications for building and repairing roads, and to rehabilitate, preserve, or expand them.

The Ministry refers to building and repairing roads as roadworks. Roadworks can take considerable time and money, with individual contracts up to \$50 million.

As of January 2021, the Ministry had effective processes to fairly select contractors for roadworks costing over \$100 thousand, including:

- Setting clear specifications for the required roadworks
- Using procurement methods consistent with the policies of the central agency responsible for overseeing public procurement (SaskBuilds Corporation)
- Selecting and approving winning bidders based on pre-established criteria

Undertaking fair procurement of roadworks services increases the likelihood of the Ministry selecting the most suitable bidder, achieving the intended results, and not paying more than intended or necessary.

### 2.0 INTRODUCTION

This chapter reports the results of our audit of the Ministry of Highways’ processes to fairly select contractors for roadworks costing over \$100 thousand.<sup>1</sup> For purposes of our audit, roadworks include the following types of services on highways, thin-membrane surface highways, twinning and passing lanes, rural roads, and bridges:<sup>2</sup>

- |                     |                                |
|---------------------|--------------------------------|
| ➤ Bituminous mixing | ➤ Rubber asphalt crack sealing |
| ➤ Culverts          | ➤ Seal coating                 |
| ➤ Grading           | ➤ Stockpiling                  |
| ➤ Micro-surfacing   | ➤ Surface mixing               |
| ➤ Road construction | ➤ Surfacing                    |

Roadworks do not include services on airplane runways.

<sup>1</sup> The audit did not include Ministry spending on municipal roads. The Ministry has an agreement with the Saskatchewan Association of Rural Municipalities (SARM) to administer the Municipal Roads for the Economy Program. SARM provides grants for rural municipality roads.

<sup>2</sup> [www.sasktenders.ca/content/public/Search.aspx](http://www.sasktenders.ca/content/public/Search.aspx) (5 November 2020).



## 2.1 Ministry Responsibility for Contracting for Roadworks

The Ministry of Highways is responsible for managing the provincial transportation network, including design, construction, and maintenance of roads as described in *The Highways and Transportation Act, 1997*.<sup>3</sup> The network consists of 26,335 km of highways. It operates and maintains 709 bridges, more than 62,000 culverts, 16 northern airports, 12 ferries, and one barge.<sup>4</sup>

The Ministry routinely engages consultants to design and determine specifications for roadworks, and contractors to rehabilitate, preserve, or expand them. The Ministry signs approximately 200 contracts for roadworks each year.

**Figure 1** shows the Ministry expects to spend \$585 million on roadworks in 2020–21.<sup>5,6,7</sup> It spent \$512.9 million on roadworks in 2019–20.

**Figure 1—Ministry Spending on Roadworks for 2019–20 and 2020–21**

	Actual 2019–20	Estimated 2020–21
	(in millions)	
Preservation of transportation system	\$ 113.2	\$ 116.9
Infrastructure and equipment capital	399.7	468.1
Total	\$ 512.9	\$ 585.0

Source: Ministry of Highways and Infrastructure, *Annual Report for 2019–20*, p. 27, Government of Saskatchewan, *2020–21 Estimates June*, p. 79, and [www.saskatchewan.ca/government/news-and-media/2020/may/06/capital-funding](http://www.saskatchewan.ca/government/news-and-media/2020/may/06/capital-funding) (05 March 2021), Province of Saskatchewan Order in Council 68/2021.

## 2.2 Impact of Roadworks on Saskatchewan’s Economy

Saskatchewan’s economy relies on the provincial highway network to transport its goods and services. A considerable portion of Saskatchewan’s provincial highway system is mature requiring significant spending on roadworks each year. Roadworks can take considerable time and money, with individual contracts up to \$50 million.

Similar to other Canadian provinces, Saskatchewan has a relatively compressed season in which to complete roadworks in the spring and summer (prior to freezing). Having a compressed work season affects the number of contractors potentially available to carry out the work.

Unforeseen delays due to weather and underground conditions (e.g., sandy or rocky areas) may occur. Not having effective processes to amend contracts may result in spending public money without proper approval.

Using open, transparent, and unbiased processes minimizes the risk of the Ministry not treating potential bidders fairly. Fairness depends on:

- Clearly communicating needs

<sup>3</sup> *The Highways and Transportation Act, 1997*, ss. 3, 4, and 9.

<sup>4</sup> Ministry of Highways and Infrastructure, *Annual Report for 2019–20*, p. 3.

<sup>5</sup> [www.saskatchewan.ca/government/news-and-media/2020/may/13/highways-stimulus-package](http://www.saskatchewan.ca/government/news-and-media/2020/may/13/highways-stimulus-package) (05 March 2021).

<sup>6</sup> The Ministry has estimated stimulus spending of \$68.7 million in 2020–21 and \$231.9 million in 2021–22 on roadworks.

<sup>7</sup> Government of Saskatchewan, *2020–21 Estimates June*, p. 79.

- Involving the appropriate staff (e.g., engineer, consultant) in the process
- Clearly articulating evaluation criteria
- Giving potential bidders appropriate access to respond to proposals (e.g., public competition, follow trade agreements)
- Using unbiased processes for awarding contracts<sup>8</sup>

Not clearly identifying its business need for roadworks before choosing a bidder increases the risk of bidders not having a clear or sufficient understanding of needs. Not undertaking fair procurement of services increases the risk of not selecting the most suitable bidder, not achieving the intended results, paying more than intended or necessary, and not receiving the best value. This in turn increases the risk of incurring additional resources (time and dollars). In addition, sub-standard or incomplete work may affect the safety of the roads or pose safety hazards. Furthermore, unfair procurements, perceived or real, could damage the reputation of the Government.

### 3.0 AUDIT CONCLUSION

**We concluded that the Ministry of Highways had effective processes to fairly select contractors for roadworks costing over \$100 thousand for the period ended January 31, 2021.**

**Figure 2—Audit Objective, Criteria, and Approach**

**Audit Objective:** The objective of this audit to assess whether the Ministry of Highways has effective processes for the period ending January 31, 2021, to fairly select contractors for roadworks costing over \$100 thousand.

**Audit Criteria:**

Processes to:

- 1. Define the need and specifications for required services**
  - Define, in sufficient detail, the need for services
  - Define procurement specifications to encourage open and fair competition
  - Select an appropriate procurement approach based on cost, size, and complexity of the services required and relevant trade agreements (e.g., pre-qualified bidders, open bid)
  - Fairly communicate specifications of the services required and evaluation criteria
- 2. Choose contractors fairly**
  - Evaluate potential interested contractors (bidders) using pre-established criteria
  - Document rationalized decision for contractor selection
  - Obtain appropriate approval to engage the selected contractor
  - Communicate selection decision to bidders
- 3. Sign appropriate agreement with the selected contractor within reasonable timeframe**
  - Confirm contract provisions (e.g., services, period, compensation, termination) align with services required
  - Minimize use of extensions, follow-up contracts, or changes to the agreement
  - Finalize contract within reasonable timeframe of selecting contractor
  - Obtain appropriate approval of agreement and subsequent changes

**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 of Highways' 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.

<sup>8</sup> Government of Saskatchewan, *Procurement Guide* (July 2020).



We examined the Ministry's plans, policies, and procedures relating to fairly selecting contractors for roadworks. We interviewed Ministry and SaskBuilds staff responsible for selecting contractors and consultants. We tested samples of contractor procurements that the Ministry procured in 2019–20 and 2020–21, and bid requests, bid evaluations, approvals, and contracts. 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

### 4.1 Works with Central Agency Responsible for Procurement

The Ministry of Highways works with the central agency responsible for ministry procurement when contracting for roadworks.<sup>9</sup>

SaskBuilds Corporation is a central agency responsible for overseeing public procurement. It advises on, and recommends to ministries and other provincial agencies the appropriate methods for public procurement.<sup>10</sup>

As a Ministry, Highways must follow SaskBuilds' policies and requirements. In addition, it must follow provincial legislation related to procurement (e.g., *The Best Value in Procurement Act, 2015*; *The Purchasing Act, 2004*; *The Public Works and Services Act*).<sup>11</sup>

We found the Ministry has a clear understanding of its roles and responsibilities in contracting for roadworks vis-à-vis those of SaskBuilds, and of SaskBuilds' procurement requirements. See **Figure 3** for brief summary of the Ministry of Highways' and SaskBuilds' roles in contracting for roadworks.

**Figure 3—Brief Summary of Roles in Contracting for Roadworks Procurements**

Process	Ministry's Role	SaskBuilds' Role
Procurement Requirements	<p>Determines procurement method after consideration of trade agreements and SaskBuilds requirements (e.g., open tender, pre-qualified tender)<sup>A</sup></p> <p>Determines procurement requirements including scope, budget, design, specifications, and planned schedules</p> <p>May hire consultants to determine the project design and specifications</p> <p>Determines criteria to evaluate bids (evaluation criteria)</p> <p>Documents key information in the bid request</p>	<p>Not directly involved</p> <p>May give advice on appropriate procurement method</p>

<sup>9</sup> SaskBuilds is responsible for integrating, coordinating, and prioritizing infrastructure planning and delivery for most of the Provincial Government.

<sup>10</sup> SaskBuilds, *Annual Report for 2019–20*, p. 4.

<sup>11</sup> For example, *The Purchasing Act, 2004* requires procurement of supplies by obtaining competitive bids for the supplies; combining the requirements of public agencies for common or similar supplies; obtaining the best value; considering price, quality, delivery, service, warranty, or other factors; and acquiring supplies at rates and on terms and conditions conducive to the economic and environmental well-being of Saskatchewan (section 4(1)). *The Public Works and Services Act* requires the Minister to call for tenders by public advertisement or other public notice for the construction or alteration of all public works to be contracted by the Minister (section 9(1)). The Minister does not have to do this if there is urgency in the work (section 9(2)).

Process	Ministry's Role	SaskBuilds' Role
Procurement Process	<p>Approves specifications and procurement method (e.g., tender)</p> <p>Approves subsequent changes to bid request (e.g., addendums to bid specifications)</p> <p>Provides SaskBuilds with responses to bidder questions</p>	<p>Advertises public competition on SaskTenders<sup>B</sup></p> <p>Sends the bid request to interested potential bidders</p> <p>Communicates with interested bidders subsequent changes to bid request, if any</p> <p>Provides bidders with Ministry's responses to questions</p> <p>Receives bid responses</p>
Bid Evaluation	Maintains database of information and provides to SaskBuilds	<p>Evaluates bid responses based on previously established and communicated evaluation criteria</p> <p>Consults with the Ministry as needed</p> <p>Recommends the winning bidder to the Ministry</p>
Contract Award	<p>Approves SaskBuilds to engage selected bidder</p> <p>Approves contract</p>	<p>Communicates winning bidder to successful and unsuccessful bidders</p> <p>Gives successful and unsuccessful bidders an opportunity to debrief</p>

Source: Adapted from information provided by the Ministry of Highways and SaskBuilds (05 March 2021).

<sup>A</sup> The Ministry, in conjunction with SaskBuilds, issues a tender bid request to the prequalified contractors in specific categories (e.g., asphalt concrete paving, roadway improvements). We refer to these as pre-qualified tenders.

<sup>B</sup> SaskTenders is the primary gateway for public sector tender notices for Saskatchewan ([www.sasktenders.ca](http://www.sasktenders.ca)) (24 March 2021).

Working with the central agency responsible for procurement reduces the risk of the Ministry using a procurement method that does not align with trade agreements, or missing standard communication to bidders.

## 4.2 Standard Specifications for Roadwork Services Available

The Ministry of Highways maintains up-to-date and documented standard specifications for its various types of roadworks (e.g., pavements, thin membrane).

Standard specifications are technical requirements for roadworks (e.g., bridge widths, pavement requirements, and standard quality tests).

The Ministry uses either its engineering staff or hires consultants to design and determine standard specifications for planned roadworks.

The Ministry actively consults with industry to keep its specification and procurement processes current. It regularly participates in various sub-committees such as:

- Tri-Party Technical Roadway Sub-Committee – This sub-committee discusses changes to roadworks specifications as they arise. It meets two to four times a year. It includes representation from the Ministry, the Association of Consulting Engineering Companies – Saskatchewan, and the Saskatchewan Heavy Construction Association.
- Tri-Party Best Value Procurement Sub-Committee – This sub-committee discusses best value procurement, including tendering and bidding. It meets every few months. It includes representation from the Ministry, the Association of Consulting Engineering



Companies – Saskatchewan, SaskBuilds, and the Saskatchewan Heavy Construction Association.

From our review of sub-committee minutes and terms of reference, we found each sub-committee's purpose, recommended membership, and frequency of meetings are clear. We also found the Ministry primarily uses the Tri-Party Technical Roadway Sub-Committee to communicate information to the industry regarding updates to specifications. For example, in 2020, the sub-committee discussed specifications around third party testing for asphalt/emulsions, asphalt concrete, and traffic accommodation.

The Ministry makes its numerous roadworks manuals available publicly online on its website to encourage open and fair competition.<sup>12</sup> These include:

- Twenty-seven Ministry manuals many of which are relevant in whole or in part to roadworks activities (e.g., design manuals, construction manuals functional standards for rural highways, standard test procedures manual). The Ministry last updated its Standard Specifications Manual in January 2021. This Manual sets out specifications such as the scope of a contract, dispute resolution, and site occupancy.
- Guidance and templates specific for contractors and consultants on various subjects. They include specifications for manufactured materials (last updated February 2008), bonds, contract administration, bridge design and construction, information on bidding on Ministry projects, standard practice bulletins providing specific direction on technical matters (e.g., applying prime coats to roadways) or standard contract provisions or practices (e.g., process for final payment).
- A schematic setting out its project management process.<sup>13</sup>

To help potential and existing contractors and consultants be aware of updates to manuals and templates, the Ministry maintains and publishes a *Doing Business with the Ministry Change Log*.<sup>14</sup> We found the log provides an easily understandable summary of changes the Ministry makes to published information. It sets out the effective date of change, manual impacted, and nature of the change.

We found the specification manuals cover the complete roadbuilding process and areas of guidance align with good practice (e.g., includes standard quality testing procedures for asphalt, details such as type and quality of required construction materials).

Having well-established processes helps the Ministry make sure its specifications to contract for roadworks align with good practice.

### 4.3 Strategic Capital Plan Defines Need for Roadworks

The Ministry of Highways had adequate processes to identify required roadworks and set standard specifications.

<sup>12</sup> [www.highways.gov.sk.ca/business](http://www.highways.gov.sk.ca/business) (15 March 2021).

<sup>13</sup> [www.highways.gov.sk.ca/Doing%20Business%20with%20MHI/Project%20Management/Enterprise%20Work%20Breakdown%20Structure%20\(May%202015\).pdf](http://www.highways.gov.sk.ca/Doing%20Business%20with%20MHI/Project%20Management/Enterprise%20Work%20Breakdown%20Structure%20(May%202015).pdf) (15 March 2021).

<sup>14</sup> [www.highways.gov.sk.ca/business](http://www.highways.gov.sk.ca/business) (15 March 2021).

The Ministry uses its approved strategic capital plan to set out its need for required roadworks. It updates this plan annually. In addition, twice a year, the Ministry makes public a list of roadworks projects it plans to tender in the next few months.<sup>15</sup> It calls these bi-annual lists public tender releases.

We found the strategic capital plan set out contract descriptions, capital program, and capital plan year. We found the published list of planned roadwork projects sets out the project description, type of work (e.g., safety improvement, culvert replacement), location, planned advertisement and tender close dates, and estimated quantities required.

For 34 tenders for procurement of roadworks tested, we found the Ministry:

- Identified and documented the need for 32 roadworks projects within its strategic capital plan. Each project included a detailed contract description (e.g., control section to rehabilitate, preserve, or expand the highway network) and planned construction year.

For the two projects not included in the strategic capital plan, we determined this to be reasonable as they were expense related (e.g., purchase of aggregate).

- Documented 28 projects on public tender releases.

We found it reasonable that the other six projects were not included on public tender releases as they related to other situations (e.g., projects using stimulus funding announced after the 2020–21 spring public tender releases, or for emergency items like designing culvert replacements).<sup>16</sup>

Having well-established processes to identify upcoming roadworks projects and being transparent about them helps keep potential bidders informed. Publishing this information helps the Ministry treat all potential bidders fairly. Regularly published information about upcoming roadwork projects helps potential bidders decide if they will be interested in them and allow them to be ready to respond to open tenders.

## 4.4 Applicable Procurement Methods Used

The Ministry of Highways uses procurement methods for roadworks consistent with SaskBuilds' requirements and trade agreements. That is, for roadworks procurements over \$100 thousand, the Ministry uses either a pre-qualified tender or open tender.

For each roadwork tender falling within the eight categories set out in **Figure 4**, the Ministry, in conjunction with SaskBuilds, issues a tender bid request to the pre-qualified contractors. We refer to these as pre-qualified tenders.

<sup>15</sup> Government of Saskatchewan. [www.saskatchewan.ca/government/news-and-media/2020/september/01/highways-fall-tender](http://www.saskatchewan.ca/government/news-and-media/2020/september/01/highways-fall-tender). (1 September 2020).

<sup>16</sup> The Government of Saskatchewan uses stimulus funding to cause activity to support economic growth.

**Figure 4—Pre-Qualified Contractors and Eligible Roadwork Categories**

The Ministry annually pre-qualified contractors to help expedite its roadwork procurement. Each year, the Ministry, in conjunction with SaskBuilds, issues a request for supplier qualifications to invite prospective respondents to be eligible to provide the Ministry with services for upcoming roadwork projects in the following eight categories:

- Asphalt concrete paving
- Granular surfacing
- Earthwork and open cut culvert installation
- Culvert boring, tunnelling, or ramming
- Aggregate processing (both small and large scale)
- Hauling
- Supply of equipment and labour, or miscellaneous works
- Roadway improvements

Source: Adapted from information provided by the Ministry of Highways and SaskBuilds (05 March 2021).

From January to June 2020, the Ministry limited eligibility of pre-qualified contractors to bid on contracts that are a maximum of \$1.5 million. After June 2020, the Ministry removed this threshold. We found not having a threshold is consistent with some other Canadian jurisdictions (e.g., British Columbia).

In June 2020, the Ministry issued a request for supplier qualifications with the intent to prequalify contractors for the 2020–21 roadwork season. We found it followed SaskBuilds processes to select the contractors for the 2020–21 roadwork season.

The Ministry uses open tenders. Open tenders offer an equal opportunity as they allow anyone to submit a tender to supply the goods or services required (e.g., construct a highway).

The Ministry considers trade agreement thresholds in selecting appropriate procurement methods (see **Figure 5**), and knows which sections are applicable to roadworks.

**Figure 5—Relevant Trade Agreements in Effect During 2020–21**

- Agreement between the Government of Canada and the Government of the United States of America
- Agreement on Internal Trade (Canadian Free Trade Agreement)
- Canada – European Union Comprehensive Economic and Trade Agreement
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership
- New West Partnership Trade Agreement
- World Trade Organization Agreement on Government Procurement

Source: Adapted from information provided by the Ministry of Highways and SaskBuilds (05 March 2021).

The Ministry has an adequate method to determine posting time for tender bid submissions. It varies the length of posting timing depending on the complexity of the bid request, and whether the Ministry included the project in a public tender release. For pre-qualified tenders, SaskBuilds emails bid requests to the relevant pre-qualified contractors. Whereas for open tenders, through SaskBuilds, it posts its tenders exclusively on the SaskTenders website.<sup>17</sup>

<sup>17</sup> [www.sasktenders.ca](http://www.sasktenders.ca) (15 March 2021).

For 34 tenders for roadworks tested, we found the Ministry:

- Used a tender method that aligned with relevant authorities (e.g., trade agreements), and SaskBuilds requirements (e.g., advertise on SaskTenders website, sends bid requests to potential bidders).
- Approved the tender method consistent with the Ministry's delegation of authority policy in effect.

The Ministry's delegation of authority policy outlines approval of all tender types (e.g., open tender, pre-qualified tender). We found the Ministry uses its contract management IT system to obtain approval of the tender method.

Selecting an appropriate method to tender required roadwork services allows the Ministry to treat interested contractors equitably and fairly, and obtain the best value when spending its resources.

## 4.5 Roadworks Tender Specifications Clear and Approved

The Ministry of Highways sets clear requirements for individual roadworks that it plans to issue an open tender. Requirements include scope, budget, design, specifications, and planned schedules.

The Ministry uses its standard specifications for roadworks to guide its determination of the design and technical specifications for a specific project. It may also hire consultants to assist in this process.

The Ministry developed evaluation criteria consistent with SaskBuilds' expectations (include consideration of past performance scores, safety, relevant experience, local knowledge community benefits, and financial costs). As part of the development of evaluation criteria, the Ministry uses the Tri-Party Best Value Procurement Sub-Committee to gain the input of industry on general evaluation criteria for roadworks tenders with Saskatchewan Heavy Construction Association and the Association of Consulting Engineering Companies–Saskatchewan. We found the sub-committee discussed changes to the Ministry's roadworks evaluation criteria during meetings in 2020 (e.g., using a three-year average performance evaluation score for contractors).

The Ministry uses a checklist to verify it attaches all necessary documents to the tender bid request package (including all required provisions, specifications) and to check whether they align with SaskBuilds' requirements.

Consistent with SaskBuilds' requirements, the Ministry includes its requirements along with criteria to evaluate the procurement in its tender bid request package. For 34 tenders for roadworks tested, we found:

- For each, the Ministry approved specifications before initiating the procurement process, which is consistent with its delegation of authority policy.
- For each, the tender bid request package included expected contents such as approved specifications and evaluation criteria.



- For each, the specifications included were not overly restrictive (e.g., allowed multiple bidders to respond).
- For each, SaskBuilds gave all potential suppliers the same information, including the specifications, at the same time.
- For 33 of 34 tenders, the tender bid request package included sufficiently detailed and comprehensive specifications. For one of the 34 tenders, the Ministry inadvertently missed including a requirement for maintaining appropriate insurance coverage in the specifications included in the bid request. For this procurement, we found the Ministry approved a change to the specifications of the contract after it had selected the successful bidder.

Our analysis of the 75 contract changes we tested found the reasons for the change to be reasonable based on our review of contract documentation and discussions with management. Of these 75 changes:

- Fifty-one related to material or scope changes.<sup>18</sup> For example, changes due to unanticipated soil conditions, more required materials, additional work (e.g., culvert).
- Seventeen included other changes such as changed testing procedures, project schedules, or insurance coverage.
- Seven changes related to COVID-19 protocols the Ministry expected the contractor to follow.

We found, of these 75 changes, 27 items did not change the contract value, 4 decreased the contract value with the remaining 44 increasing the contract value between less than 1 percent and 75 percent, with an average increase of 7 percent. For 38 of the 44 contracts with an increase in contract value, the increase was less than 10 percent of the original contract value.

Having clearly defined specifications and complete tender bid request packages increases the likelihood of the Ministry obtaining complete competitive bids in order to select winning bidders to achieve best value.

## 4.6 Selection of Bidders based on Pre-established Criteria

The Ministry of Highways selects bidders based on the results of SaskBuilds' evaluation of proposals from bidders to its tenders and bid requests for roadworks procurements.

SaskBuilds has a well-defined process for evaluating bidders' proposals in response to competitions posted on SaskTenders and bid requests sent to pre-qualified vendors, and recommending a winning bidder. It makes its policies and guides readily available to potential suppliers on the SaskTenders website.<sup>19</sup> We found the Ministry was aware of the SaskBuilds' policies and guidance related to evaluating proposals.

<sup>18</sup> Scope change refers to a change in a project after contract signing due to changing requirements of the project for items such as changing the size of the project, the requirements of the project or the specifications of the project.

<sup>19</sup> [www.sasktenders.ca/Content/Public/KnowledgeCentre.aspx](http://www.sasktenders.ca/Content/Public/KnowledgeCentre.aspx) (15 March 2021).

For each competition, SaskBuilds provides interested bidders for roadworks with the same tender bid request package (e.g., bid request, evaluation criteria, answers to clarification questions, addendums to bid requests). For open tender competitions, it posts the package on SaskTenders. For pre-qualified tenders, it emails the package to applicable pre-qualified contractors.

For each competition, SaskBuilds uses a selection committee to evaluate proposals against the pre-established evaluation criteria, and recommend the winning bidder based on best value. It requires participants on a committee to consider and declare any possible conflicts of interest. Each selection committee consists of at least two SaskBuilds' staff.

For each of the 34 tenders for roadworks tested (nine pre-qualified tenders, 25 open tenders), we found SaskBuilds:

- Used the evaluation criteria set out in the bid request package to evaluate bids
- Used a selection committee with expected composition, and left evidence of the committee considering potential conflicts of interest, and appropriately addressing declared conflicts, if any
- Used consistent and reasonable calculations and formulas in its evaluation spreadsheet for the purpose of quantifying the results of the evaluation of bidders, and selecting the winning bidder
- Recommended a winning bidder to the Ministry based on the bidders who scored the highest using the evaluation criteria
- Maintains sufficient documentation on decisions for bidder selection (i.e., evaluation spreadsheets, recommendation of award memos)

For the 34 tenders for roadworks tested, we found the Ministry selected:

- Thirty-three of 34 tenders based on SaskBuilds' recommendation of the winning bidder. For one procurement, the Ministry selected the bidder with the second highest score. In this instance, the highest scoring bidder and the Ministry agreed that the highest scoring bidder did not have the capacity to deliver the contract on time because the bidder won two other Ministry contracts with similar deadlines.
- Each winning bidder within a reasonable time—between one and 29 business days after the bid closed. We found these timeframes reasonable given the nature, and complexity of the procurement, and the extent of subcontracting.

To identify the risk of potential preferential treatment of bidders, we looked for any correlation between the number of times the Ministry selected a particular bidder compared to the total contract dollars awarded. Our analysis of the Ministry's winning bidders did not find any correlation. The Ministry selected the bidder with the highest evaluation score (i.e., best value).



Having clearly defined evaluation processes helps the Ministry fairly select interested contractors and consultants for roadworks at the best value. Adequately documenting the evaluation of bid responses minimizes the risk of disputes with bidders.

## 4.7 Appropriate Approval of Winning Bidders

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The Ministry of Highways appropriately approved winning bidders for roadworks consistent with its delegation of authority policy.

The Ministry's delegation of authority sets out who can approve winning bidders and contracts, and the size of contracts they can approve. In general, the larger the dollar value of a contract, the higher level of approval is required. For example, the Deputy Minister must approve contracts for contractors for roadworks where the contract is over \$1 million and the winning bidder is \$500 thousand different from the Ministry's estimate.

The Ministry uses its contract management IT system to obtain approval to hire the winning bidder. The IT system automatically advises the individual with the authority to review and approve the winning bidder. The individual documents the review and approval directly in the IT system.

For each of the 34 tenders for roadworks tested, we found the contract management IT system showed the Ministry approved the winning bidder before advising SaskBuilds to communicate the results to all bidders, and followed its delegation of authority policy.

We also found, for each of the 34 tenders for roadworks tested (nine pre-qualified tenders, 25 open tenders), SaskBuilds announced the contract award notices promptly through SaskTenders or email to pre-qualified bidders. It provided to both successful and unsuccessful bidders with a consistent message, and gave all bidders an opportunity to debrief (e.g., discuss why the bid was unsuccessful/successful). For these procurements tested, no bidders threatened or pursued litigation against the Ministry.

Appropriate approval to enter into a contract with the winning bidder allows management to confirm specifications of the roadwork, along with timing and accountability.

## 4.8 Suitable Contracts for Roadworks in Place

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The Ministry of Highways consistently uses standard contract templates when drafting and finalizing contracts for roadworks with consultants. For roadworks with contractors, it uses the signed bid submission of the selected bidder.

The Ministry has developed standard contract templates for the different types of services (e.g., consulting services) that include key provisions (e.g., required services, schedule, compensation for delays, and process for contract changes). For contractors, the Ministry uses the signed bid submission of the selected bidder as the contract. For consultants, it uses a professional services agreement.

We found the signed bid submission indicates the bidder's recognition and acceptance of the provisions included in the bid request package. We also found the Ministry's

professional services agreement template included all of the key provisions (e.g., required services, schedule, and processes for contract changes).

The Ministry documented its signing authority for approval of changes to contracts, including when the design does and does not change.

The Ministry has an adequate process and policies to approve contracts and subsequent changes to these contracts consistent with its policy (i.e., before commencement of work).

For each of the 34 tenders for roadworks tested, we found:

- The Ministry properly approved the contract prior to commencement of the work and within a reasonable period (i.e., between the same day as notifying the winning bidder and 35 days later). SaskBuilds advised the winning bidder that the Ministry awarded it the contract and noted the remaining documents to provide (e.g., bond forms and insurance forms). SaskBuilds also communicated the timeframe to finalize the contract.
- The Ministry and winning bidders appropriately approved the contract and subsequent changes, if any. All of the contracts included required provisions (e.g. required services, schedule of quantities, specifications around extra work). The Ministry approved the contracts in accordance with its delegation of authority policy.

The Ministry made changes to 23 of the tendered contracts we tested. For these 23 contracts with subsequent changes, we found:

- For each, the changes were approved consistent with the Ministry's delegation of authority policy
- For 22 of the 23, the reasons for the changes seemed reasonable (e.g., adding requirement for a COVID-19 onsite officer). For one contract, as noted in **Section 4.5**, the Ministry made a change for a provision it inadvertently missed in the original bid request

Following its policies for contracts helps the Ministry procure the services it needs to design, construct, and maintain roads.

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## Chapter 8

# Justice and Attorney General and Corrections, Policing and Public Safety—Implementing Strategies to Reduce Short-Term Remand in Saskatoon and the Surrounding Area

### 1.0 MAIN POINTS

Short-term remand is the primary reason for ongoing year-over-year increases in the average annual count of adults in custody in Saskatchewan, and presents challenges for the provincial correctional system. Short-term remand refers to individuals held in correctional centres for 31 days or less; typically time on remand is uncertain and frequently short in duration.

Individuals held on remand represent almost two-thirds of individuals admitted into custody, and over 40% of the annual average daily counts of individuals in custody in Saskatchewan. In 2020, individuals on short-term remand represented an overwhelming majority of total remand admissions to the Saskatoon Correctional Centre.

Since 2015, the Ministries of Justice and Attorney General and of Corrections, Policing and Public Safety have recognized the need to reduce the total remand population. In 2017, the Ministries applied three strategies to reduce the short-term remand population in Saskatoon and the surrounding area—Early Case Resolution, Rapid Remand Response, and Community Alternatives to Remand—by fall 2020, the Ministries were approximately five years into their commitment, and have expanded these strategies to other areas of the province.

The Ministries appropriately use committees to strategically engage and coordinate policing and justice services in their remand-reduction strategies. However, the Ministries need to determine the specific information needs of these committees. Not defining expectations for information-sharing increases the risk of committee members not being sufficiently engaged or informed to make effective decisions that contribute towards reducing the number of individuals on remand.

Also, by September 2020, the Ministries have not decided by how much and by when they expect their various remand strategies to contribute to reducing the number of individuals on remand. In addition, they are not yet measuring and reporting on how quickly, and to what extent their strategies are reducing the number of individuals in short-term remand. They need to set measurable targets, and collect key information from key external partners (e.g., police), and regularly analyze that information. This would help them determine whether their strategies contribute to reducing the remand population, and make timely adjustments to the strategies, where warranted.

The process for decreasing the remand population is complex, requiring changes in policing and justice services. Change requires a long-term commitment. Meaningful progress requires ongoing coordination and careful balancing of two competing principles—respecting the liberty rights of the accused, and ensuring public safety.



## 2.0 INTRODUCTION

This chapter presents the results of our audit of the Ministry of Justice and Attorney General's and the Ministry of Corrections, Policing and Public Safety's processes to implement their strategies for reducing short-term remand in Saskatoon and the surrounding area for the 12-month period ending September 30, 2020.

Remand, also known as pre-trial detention, refers to the temporary detention of accused persons prior to trial or a finding of guilt.<sup>1</sup> Short-term remand refers to those held and subsequently discharged from provincial custody within 31 days or less. This audit does not include examining processes used by the Ministries to rehabilitate inmates or offenders or questioning the appropriateness of related decisions made by police, prosecution, legal aid, or judges.<sup>2</sup>

### 2.1 Legislative Responsibilities Related to Remand

The Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety have legislative responsibilities to remand people appropriately. While the Ministries have a duty to ensure appropriate use of remand, the choices of the accused (e.g., significance of their actions that bring them before the courts) also impact remand decisions.

- The Minister of Justice and Attorney General is responsible for administration of public affairs in accordance with the law and providing superintendence of all matters connected with the administration of justice in Saskatchewan.<sup>3</sup> This includes ensuring people on remand are treated in accordance with *The Canadian Charter of Rights and Freedoms* and *The Criminal Code* (Canada) (Figure 1).
- The Minister of Corrections, Policing and Public Safety is responsible for providing assistance to the courts in pre-trial or pre-sentence decision making and providing correctional services and programs (including assessing, supervising, control and custody of offenders).<sup>4</sup>

**Figure 1—Excerpts Related to Remand from *The Canadian Charter of Rights and Freedoms* and from *The Criminal Code* (Canada)**

#### Excerpts from *The Canadian Charter of Rights and Freedoms* related to remand

- Sections 8 through 14 of the Charter specify the circumstances under which the deprivation of life, liberty and security of the person violate the principles of fundamental justice and in turn are in violation of the Charter.
- With respect to remand, the Charter specifies that everyone has the right not to be arbitrarily detained or imprisoned and the right on arrest or detention to have the validity of the detention determined in a reasonable time within the circumstances and to be released if the detention is not lawful.
- Further, any person charged with an offence has the right to be presumed innocent until proven guilty and to not be denied reasonable bail without just cause.

<sup>1</sup> [www150.statcan.gc.ca/n1/pub/85-002-x/2017001/article/14691-eng.htm](http://www150.statcan.gc.ca/n1/pub/85-002-x/2017001/article/14691-eng.htm) (3 March 2021).

<sup>2</sup> We examined the former Ministry of Corrections, Public Safety and Policing's processes to rehabilitate inmates in correctional facilities in our *2008 Report – Volume 1*, Chapter 2, and its processes to rehabilitate adult offenders in communities in our *2011 Report – Volume 1*, Chapter 3. People on remand do not typically receive rehabilitative services.

<sup>3</sup> *The Justice and Attorney General Act*, section 9(1).

<sup>4</sup> *The Correctional Services Act*, section 4(1).

**Excerpts from *The Criminal Code (Canada)* related to remand**

- The Code provides guidance with respect to the circumstances and procedures surrounding the arrest of a person and the decisions relating to judicial interim release and remand to custody.<sup>A</sup> The Code stipulates that unless released by the police, an arrested person detained in custody must be brought before a justice of the peace without unreasonable delay, when one is available, within a period of 24 hours. Where a justice of the peace is not available within 24 hours, the person is to be taken before the justice of the peace as soon as possible.
- The Code provides the reasons for which custodial remand is justified. It stipulates that, except in reverse onus situations, the prosecutor must show cause, in respect of the offence, why the detention of the accused in custody is justified.<sup>B</sup> The detention of an accused is justified on the following grounds:
  - To ensure his or her attendance in court
  - For the protection or the safety of the public
  - On any other just cause being shown and where the detention is necessary in order to maintain confidence in the administration of justice

Source: Adapted from *The Canadian Charter of Rights and Freedoms*, sections 9, 10(c) and 11(e). [www.laws-lois.justice.gc.ca/eng/const/page-15.html](http://www.laws-lois.justice.gc.ca/eng/const/page-15.html) and from *The Criminal Code (Canada)*, sections 503(1) and 515(10). [www.laws-lois.justice.gc.ca/eng/acts/c-46/](http://www.laws-lois.justice.gc.ca/eng/acts/c-46/) (8 March 2021).

<sup>A</sup> Judicial interim release is a term used in *The Criminal Code (Canada)* to refer to the more commonly known process of pre-trial release of a person accused of a crime (i.e., bail).

<sup>B</sup> Reverse onus is a provision within *The Criminal Code (Canada)* (Section 515(6)) that requires an accused person to prove or disprove something, such as an element of an offence or a defence.

## 2.2 Remand in Saskatchewan

Between 1998 and 2018, the average annual count of adults in custody in Saskatchewan increased by 48 percent. A continued increase in the count of adults on remand was the primary reason (i.e., 99 percent) for this increase.<sup>5</sup>

As shown in **Figures 2** and **3** below, for five years from 2014 to 2019, people on remand (short-term and long-term) consistently represent a significant proportion of custodial admissions and counts in Saskatchewan.

**Figure 2—Remand (Overall) as a Percentage of Total Custodial Admissions in Saskatchewan Correctional Facilities, 2014–15 to 2018–19**

	2014–15	2015–16	2016–17	2017–18	2018–19
Total custodial admissions <sup>A</sup>	12,193	13,186	13,392	13,304	13,160
Remand <sup>B</sup>	<b>7,476</b>	<b>8,274</b>	<b>8,547</b>	<b>8,374</b>	<b>8,369</b>
% on remand	61.3%	62.7%	63.8%	62.9%	63.6%

Source: [www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510001401](http://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510001401) (10 March 2021). The figure above includes the most current statistics available from Statistics Canada as of March 2021.

<sup>A</sup> Total custodial admissions are totals of sentenced (including intermittent sentences), remand and other custodial status admissions.

<sup>B</sup> Remand is the detention of a person in custody while awaiting a further court appearance. These persons have not been sentenced and can be held for a number of reasons (e.g., risk that they will not appear for their court date, danger to themselves and/or others, risk to re-offend). Remand is the responsibility of provincial/territorial correctional services.

**Figure 3—Remand (Overall) as a Percentage of Annual Average Daily Counts in Saskatchewan Correctional Facilities, 2014–15 to 2018–19**

	2014–15	2015–16	2016–17	2017–18	2018–19
Annual average daily count <sup>A</sup>	1,702	1,812	1,900	1,884	1,923
Remand	<b>664</b>	<b>769</b>	<b>885</b>	<b>917</b>	<b>983</b>
% on remand	39.0%	42.4%	46.6%	48.7%	51.1%

Source: [www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510015401](http://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510015401) (30 March 2021). The figure above includes the most current statistics available from Statistics Canada as of March 2021.

<sup>A</sup> The annual average daily count is the yearly average total of persons held in custody under sentence, remand or who are otherwise legally required to be in custody at the time of the counts.

<sup>5</sup> Adapted from Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety: *Provincial Remand Initiative: Overview and Project Descriptions* (25 November 2019), p. 3.



The Ministry of Corrections, Policing and Public Safety operates several correctional facilities that hold people on remand. Starting in 2017, the Ministries initially applied their strategies to reduce short-term remand in Saskatoon and the surrounding area (including the Saskatoon Correctional Centre) in the hopes it would serve as the model for other regions of the province.<sup>6</sup> The Ministries have since rolled out strategies in Prince Albert and Regina.

During 2020, individuals on short-term remand made up approximately 82% of the total adults on remand in the Saskatoon Correctional Centre. As illustrated in **Figure 4**, individuals on short-term remand typically comprised about three-quarters of all people on remand at the Centre.

**Figure 4—Saskatoon Correctional Centre Annual Short-Term Remand Admissions**

Year <sup>B, C</sup>	Total Remand Admissions	Short-Term Remand <sup>A</sup>	
		# of Admissions	% of Total Remand
2014	2,463	1,957	79%
2015	2,698	2,101	78%
2016	2,772	2,090	75%
2017	2,574	1,940	75%
2018	2,565	1,966	77%
2019	2,417	1,821	75%
2020	2,122	1,740	82%

Source: Adapted from information provided by the Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety.

<sup>A</sup> Short-term remand refers to those held on remand for 31 days or less.

<sup>B</sup> For the period January 1 to December 31 annually.

<sup>C</sup> Starting in 2017, the Ministries initially applied their strategies to reduce short-term remand in Saskatoon, as represented by the shaded cells in **Figure 4**.

The increased use of short-term remand in Saskatchewan over the past decade poses additional case management and operational challenges for the provincial correctional system. These include the following:

- Secure custody bed space is expensive to build and maintain, and its availability is limited. According to Statistics Canada, in 2018–19, the Ministries paid, on average, \$178 per day, per person in custody (e.g., \$64 thousand per year, per person in custody) to operate its correctional facilities.<sup>7</sup>
- Persons on remand awaiting trial may require transportation to and from court—increasing costs and the opportunity to bring contraband into correctional institutions, which may pose a safety risk for the entire population in custody.
- Persons on remand (particularly those on short-term remand) typically do not participate in rehabilitation programming. This is due to the presumption of innocence (i.e., case management is not offered until a finding of guilt). In addition, structured programming (e.g., substance abuse treatment, anger management) usually requires a minimum time commitment, whereas time on remand is uncertain for the accused and frequently short in duration.

<sup>6</sup> Police services may also hold individuals on remand until an individual's first court appearance.

<sup>7</sup> [www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510001301](http://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510001301) (10 March 2021).

Strategies the Ministries use to reduce short-term remand in Saskatoon and the surrounding area include:

- **Early Case Resolution (Early Resolution)** – this strategy began operating on weekends in Saskatoon during 2017. It involves a prosecutor and Legal Aid duty counsel meeting on Sundays to review weekend arrest files to identify and prepare cases that could be concluded or advanced on Mondays.<sup>8</sup>
- **Rapid Remand Response (Rapid Response)** – this strategy began operating on weekdays (Monday through Thursday) in Saskatoon during 2018. It consists of a dedicated prosecutor who identifies new arrest cases daily for possible rapid resolution (i.e., cases are held over until the afternoon court docket to give counsel time to discuss case resolution prior to a hearing).
- **Community Alternatives to Remand (Community Alternatives)** – this program began operating in Saskatoon during 2017. It is intended to assist identified accused who may be detained on remand but could voluntarily remain in the community with appropriate supports (e.g., case management services, provision of short-term residential beds for accused without a stable residence). In February 2021, the Ministries announced their decision to discontinue the Community Alternatives program, effective March 31, 2021.

Taking effective measures to reduce the number of people on short-term remand is complex. It involves the long-term commitment, coordination and engagement of policing and justice services. It requires balancing the competing principles of respecting the liberty rights of the accused, and ensuring public safety. Furthermore, it requires operating within public-sector financial constraints; recognizing societal and government views on law and order issues, and tolerance for risk; and the links between the criminal justice system and other social issues, such as poverty and substance abuse.<sup>9</sup>

### 3.0 AUDIT CONCLUSION

**The Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety had, other than the following areas, effective processes to implement their strategies for reducing short-term remand in Saskatoon and the surrounding area for the 12-month period ending September 30, 2020.**

**The Ministries need to:**

- **Establish target(s) conducive to measuring whether they are reducing short-term remand**
- **Focus on collecting data for key measures, and routinely analyze data, associated with the remand strategies**

<sup>8</sup> Duty counsel refers to a lawyer, paid by a provincial legal aid agency, who provides representation to an accused, remanded individual at their first court appearance. Adapted from: [www.legalaid.sk.ca/about/legal\\_services.php](http://www.legalaid.sk.ca/about/legal_services.php) and [www.legalaid.sk.ca/legal\\_help/nature\\_of\\_problem/criminal.php](http://www.legalaid.sk.ca/legal_help/nature_of_problem/criminal.php) (09 March 2021).

<sup>9</sup> Adapted from Office of the Auditor General – Manitoba. (2014). *Annual Report to the Legislature, Chapter 6: Managing the Province's Adult Offenders*. Winnipeg: Author.



- **Collect and analyze key information from external partners when evaluating the remand strategies**
- **Include context, data limitations, and key assumptions relevant to making informed decisions within evaluations of the remand strategies**
- **Determine the information needs of the remand committees used to support the remand initiative**

**Figure 5—Audit Objective, Criteria and Approach**

<p><b>Audit Objective:</b></p> <p>The objective of this audit is to assess whether the Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety have effective processes to implement their strategies for reducing short-term remand in Saskatoon and the surrounding area for the 12-month period ending September 30, 2020.</p> <p><b>Audit Criteria:</b></p> <p>Processes to:</p> <ol style="list-style-type: none"><li>1. <b>Support implementation of planned strategies to reduce short-term remand</b><ul style="list-style-type: none"><li>• Determine key success factors of strategies (e.g., indicators, measures, impact of unexpected events)</li><li>• Coordinate resources (internal, external) for strategies (e.g., assign responsibility, engage third parties, obtain personnel with certain skills or in certain locations, facility space, technology, data)</li><li>• Deliver strategies as planned</li><li>• Mitigate risks (e.g., internal or external resource availability, COVID-19) to strategy implementation</li></ul></li><li>2. <b>Determine if strategies reduce short-term remand</b><ul style="list-style-type: none"><li>• Measure progress regularly</li><li>• Adjust strategies as required</li><li>• Keep key stakeholders informed of progress</li></ul></li></ol> <p><b>Audit Approach:</b></p> <p>To conduct this audit, we followed the standards for assurance engagements published in the <i>CPA Canada Handbook—Assurance</i> (CSAE 3001). To evaluate the Ministries' processes, we used the above criteria based on reviews of literature including reports of other auditors, and consultations with management. Ministries' management agreed with the above criteria.</p> <p>We examined the Ministries' procedures relating to strategies for reducing short-term remand in Saskatoon and surrounding area. We interviewed staff responsible for strategies to reduce short-term remand and examined relevant documentation (e.g., agreements, reports, committee minutes). We assessed the Ministries' draft evaluation plan for the remand strategies and reviewed associated evaluations prepared by the Ministries. For a sample of months, we tested whether the Ministries' key branches appropriately monitored their budgets and expenditure forecasts, and whether the Ministries received required reporting from community-based organizations. We also tested the accuracy of spreadsheets the Ministries used to record cases processed through the Early Resolution and Rapid Response strategies, and evaluated users' access to the relevant IT system (i.e., Criminal Justice Information Management System). In addition, we used an independent consultant with subject matter expertise in the area to help us identify good practice and assess the Ministries' processes.</p>
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## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Responsibility Established, Required Resources Identified

The Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety established responsibility for the remand initiative and appropriately identified the necessary internal and external resources required to support strategies related to reducing the remand population. Though, improved collection and analysis of data from all external partners may assist the Ministries with co-ordinating resources for the remand strategies.

The Ministries established the provincial remand initiative in 2015 to help address the growth in remand in Saskatchewan.<sup>10</sup> Along with the provincial remand initiative, the Ministries created the Provincial Steering Committee, a multi-sector group responsible for providing strategic direction, support and oversight of the remand initiative—including the remand strategies (i.e., Early Resolution, Rapid Response, and Community Alternatives program).<sup>11</sup> Senior staff from Public Prosecutions and the Research and Implementation Branch co-chaired this Committee.<sup>12</sup>

We found the Committee met approximately every two months during our audit period.

Effective November 2020, the Ministries replaced the Provincial Steering Committee with two new committees—the Custody Population Consultation Committee and the Remand Initiative Committee.

The Ministries clearly established the roles and responsibilities of these new committees as illustrated in **Figure 6**—with decision-making authority associated with the remand initiative clearly resting with the Ministries.

**Figure 6—Responsibility for Oversight of Remand Initiative Effective November 2020**

	Custody Population Consultation Committee	Remand Initiative Committee
<b>Purpose</b>	Information sharing and discussion forum as it relates to the Saskatchewan provincial custody population (e.g., sentenced and remanded inmates) among key justice system partners	High-level strategy, oversight and recommendations for the remand initiative—including oversight of pilot programs, remand initiative funding, strategic approaches to improving use of remand, approval of new program and program evaluations, communication approaches, and promotion of a one-team approach to remand
<b>Membership</b>	<p><b>Executive Sponsors:</b></p> <ul style="list-style-type: none"> <li>➤ Deputy Minister, Ministry of Justice and Attorney General</li> <li>➤ Deputy Minister, Ministry of Corrections, Policing and Public Safety</li> </ul> <p><b>Internal Ministry Members:</b></p> <ul style="list-style-type: none"> <li>➤ Research and Implementation Branch</li> <li>➤ Policing and Community Safety Services</li> <li>➤ Community Safety and Well-being</li> <li>➤ Custody, Supervision, and Reintegration Services</li> <li>➤ Public Prosecutions</li> </ul> <p><b>External:</b></p> <ul style="list-style-type: none"> <li>➤ Legal Aid Saskatchewan</li> <li>➤ Police Services (Regina, Saskatoon, Weyburn, Moose Jaw, Prince Albert)</li> <li>➤ Royal Canadian Mounted Police</li> </ul>	<p><b>Internal Ministry Members Only:</b></p> <ul style="list-style-type: none"> <li>➤ Community Engagement</li> <li>➤ Custody, Supervision, and Reintegration Services</li> <li>➤ Public Prosecutions</li> <li>➤ Policing and Community Safety Services</li> <li>➤ Research and Implementation Branch</li> </ul>

Source: Adapted from information provided by the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety.

<sup>10</sup> The provincial remand initiative does not specifically differentiate between short-term remand (i.e., less than 31 days) and long-term remand (i.e., greater than 31 days). The Ministries' remand strategies (i.e., Early Resolution, Rapid Response, and Community Alternatives) are designed to address short-term remand in the province.

<sup>11</sup> The Provincial Steering Committee is comprised of officials from the Ministry of Justice and Attorney General, Ministry of Corrections, Policing and Public Safety, Royal Canadian Mounted Police, municipal police services, and Legal Aid Saskatchewan.

<sup>12</sup> The Research and Implementation Branch is located within Integrated Justice Services and is a part of both the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety. Integrated Justice Services' purpose is to enable the strategic integration of the justice system through the provision of joint services, processes and functions to the Ministries. Functionally, this Division is the joint responsibility of both Deputy Ministers.



Branches within the Ministries (i.e., Research Implementation Branch, Public Prosecutions and Community Corrections), and relevant external partners (i.e., Legal Aid Saskatchewan, police and community based organizations), are responsible for providing and monitoring the resources they each provide to support the remand strategies. We found:

- The Ministries appropriately identified the internal resources necessary to support the remand strategies—these are largely human resources, such as the time of prosecutors, administrative staff, probation officers, court house staff, and research staff. Other resource requirements include physical space to review case files and communicate with the accused and their counsel, along with communication tools (e.g., phone, email).

The Ministries' human resources associated with the remand strategies reside within Public Prosecutions, Community Corrections, and the Research and Implementation Branch.

We found the branches did not separately budget for the internal resources associated with the remand strategies—this is reasonable as the required resources are largely an extension of staff's regular duties. For two months tested, we found these branches appropriately monitored their budgets and prepared expenditure forecasts.

- The Ministries' assignment of responsibility for the remand strategies aligned with relevant legislation that ensures that people are remanded appropriately.<sup>13</sup>
- The Ministries contracted with two community based organizations (CBOs) in Saskatoon to provide short-term residential and case management services (e.g., mental health and substance use supports) to accused awaiting trial through the Community Alternatives program.<sup>14</sup> The CBOs provide the Ministries with monthly reports regarding delivery of the Community Alternatives program (e.g., number of program participants, services provided to participants).

For two months tested, we found the two CBOs in Saskatoon provided the Ministries with reports as set out in their agreements.

- The Ministries contracted with the University of Regina (five-year agreement starting in 2018) and the University of Saskatchewan (five-year agreement starting in 2020) to perform research and analysis (e.g., data analytics, economic analysis) on requested areas, including the remand strategies. In the 12-month period ending September 2020 (our audit period), the Ministries renewed the research agreement with the University of Saskatchewan.

We found the Ministries appropriately approved the new agreement and associated payment to the University of Saskatchewan.

Management explained to us that the Provincial Steering Committee meetings were a key aspect for the Ministries' coordination of external resources associated with the remand strategies. We found that senior management from within the Ministries participated in the Committee meetings during our audit period. In addition, our review of Committee minutes found evidence of members appropriately discussing the resourcing needs of external

<sup>13</sup> *The Justice and Attorney General Act*, section 9(1). *The Correctional Services Act*, section 4(2).

<sup>14</sup> The Ministry of Corrections, Policing and Public Safety entered into contracts with the Elizabeth Fry Society of Saskatchewan and the Salvation Army Saskatoon.

partners (e.g., Legal Aid Saskatchewan expressed challenges in staffing for the Rapid Response strategy).

Coordinating resources (internal and external) results in key stakeholders being sufficiently engaged with, or providing enough resources and commitment to, activities related to reducing remand.

However, as described in **Section 4.4**, the Ministries did not collect or analyze data from all external partners as planned—the analysis of such information may provide the Ministries with valuable information to assist with co-ordinating future resources for the remand strategies. See **Recommendation 3** about collecting and analyzing information from key external partners.

## 4.2 A Focus on Key Measures for Remand Strategies Necessary

The Ministry of Justice and Attorney General's and Ministry of Corrections, Policing and Public Safety's draft evaluation plan for the remand initiative did not set out key measures that provide sufficient information about the impacts the remand strategies have on remand populations.

In January 2019, the Ministries established a draft evaluation plan setting out three types of measures (i.e., baseline, process, and outcome) for evaluating the remand initiative. Within these types of measures, the Ministries identified 48 measures across several categories—policing, courts, corrections, prosecutions, Legal Aid, supervised bail, community-based organizations, and individual (i.e., accused persons).

Our review of the draft evaluation plan found the following:

- The draft evaluation plan remained in draft form (two years after its initial creation). While the Provincial Steering Committee was responsible for providing strategic direction, support and oversight of the remand initiative, we found it was not clear whether the draft evaluation plan for the remand initiative has been approved.
- The broad scope of and large number of measures in the draft evaluation plan may reduce the Ministries' ability to appropriately evaluate the strategies in a timely manner. While the draft evaluation plan included numerous measures, we found they provide limited insight into areas that may impede the success of the remand initiative. For example, they do not consider courtroom unavailability, frequency of cases not proceeding through the Early Resolution or Rapid Response strategies because the prosecution and duty counsel could not agree on how to proceed, frequency that the Early Response and Rapid Response strategies were operational—such as the average number of cases reviewed, or weekends or weeks not operational.
- The Ministries did not establish data definitions for the measures set out in its draft evaluation plan. Data definitions explicitly describe and explain, in writing, the meaning of each measure and the context in which the measure is used. They should include the source of information (e.g., which IT system), and how frequently the data is collected (e.g., quarterly, annually).



- The draft evaluation plan did not formally establish the timing of the Ministries' periodic program evaluations. Not documenting decisions about when program reviews are required could result in inefficiencies, or processes not operating as intended (e.g., information not collected when required), if the Ministries experience turnover in positions that are directly involved with managing the strategies. See **Section 4.6** for our findings associated with the timing of the Ministries' evaluation of its remand strategies.

Data collection takes time and effort. Not focusing on collecting data on key measures increases the risk of ineffective use of resources, and disengaging partners who may be asked to provide data that is either not used or used sparingly. When selecting key measures, not incorporating measures about the operation of the remand strategies reduces the Ministries' ability to understand whether it is the remand strategies, versus other factors (e.g., police behaviour), that are impacting their target to maintain zero growth in remand.

In addition, not clearly establishing data definitions associated with key measures can increase the risk of users not sufficiently understanding, using and interpreting the data—this can be especially important in the event of turnover among staff responsible for collecting and analyzing data. Furthermore, having data definitions could help the Ministries decide if data collected for a measure is meaningful to measuring the progress of the short-term remand initiative—whether it is a key measure and worthwhile collecting.

- 1. We recommend the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety focus on collecting data for key measures, and establishing associated data definitions, for evaluating the strategies to reduce short-term remand.**

### 4.3 Targets for Reduction of Remand Not Established

While the Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety have established a target to maintain zero growth of overall remand, this target is not conducive to achievement of the outcomes the Ministries established for the remand initiative.

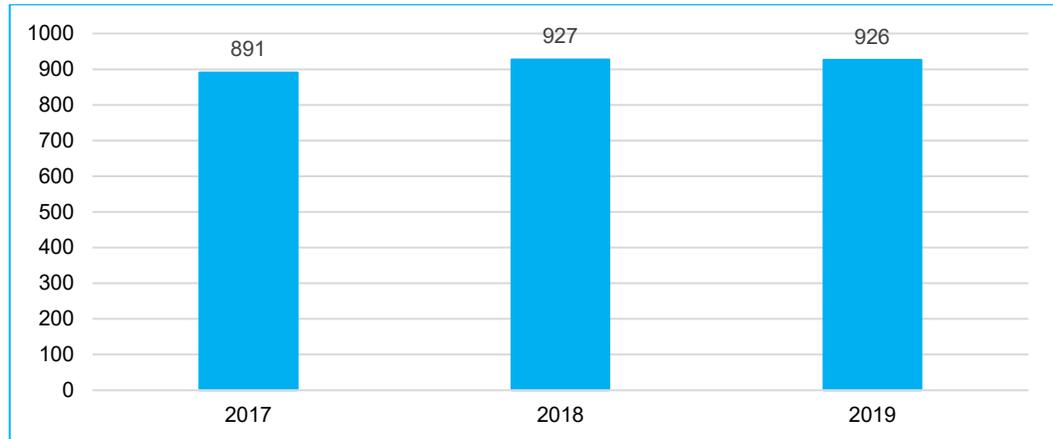
In 2015, the Ministries approved the following outcomes for the remand initiative:

- Reduce unnecessary time related to police detention and court processes
- Reduce unnecessary time on remand
- Develop effective community alternatives to police detention (e.g., alternative housing), court reviews and short-term remand
- Work to reduce the rate of new charges and breaches while accused are awaiting trial in the community<sup>15</sup>

<sup>15</sup> Adapted from Ministry of Justice and Attorney General Ministry of Corrections, Policing and Public Safety: *Provincial Remand Initiative: Overview and Project Descriptions* (25 November 2019), p. 2.

As part of the initiative, the Ministries jointly established a target to maintain zero growth in overall remand, within a range of five percent over or under that target. As set out in **Figure 7**, there was an average of 891 accused persons on remand when the Ministries first started the remand strategies in 2017. The Ministries achieved their target, as remand grew to an average of 926 accused persons on remand in 2019—an increase of 3.9 percent.

**Figure 7—Average Number of Accused on Remand between 2017 and 2019**



Source: Adapted from information provided by the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety.

While the Ministries established a target in relation to remand, the target is not conducive to achieving the remand initiative's outcomes. That is, it does not measure whether the remand initiative helps reduce unnecessary time involving police detention and court processes and reduce unnecessary time involving remand.<sup>16</sup> As the outcomes for the remand initiative reflect, these areas are essential to sustainable reduction in short-term remand.

Targets set out how quickly, and to what extent, an organization expects to make progress. Not having targets that provide insight into measuring these outcomes makes it difficult for the Ministries to know whether the remand initiative is making sufficient progress.

2. **We recommend the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety establish target(s) conducive to measuring whether they are reducing short-term remand.**

#### 4.4 Need to Collect and Analyze Key Data From External Partners

The Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety collected and validated data for some measures in their draft evaluation plan but did not collect key data from two of their external partners as planned.

For the measures in its draft evaluation plan, we found the Ministries collected associated data for 33 of its 48 measures—from internal sources (e.g., Ministries' IT system, Public

<sup>16</sup> We found that other jurisdictions have not publicly stated a remand reduction target, but the Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety have done so as recently as 2017-18 (i.e., targeting a fifty percent reduction in the overall remand population).



Prosecutions) and community-based organizations that deliver the Community Alternatives program. For example, it collected custody counts, court data, and demographic data about Community Alternatives' participants. We found the Ministries used reasonable processes to validate data they obtained—including processes to compare data to other sources, recalculate data, and search for duplicate records.

However, we found the Ministries did not collect key data from police (e.g., number of arrests per day) or Legal Aid Saskatchewan (e.g., number of cases reviewed or accepted). The draft evaluation plan lists these as measures.

Collection of key data from external partners would give the Ministries information about the partners' operations allowing for assessment of possible impacts on the remand strategies. For example, obtaining information from police about arrests or undertakings can assist the Ministries in assessing whether changes in remand are a result of police behaviour changes (e.g., use of more discretion), versus the operation of the remand strategies themselves.<sup>17</sup> Such information may be particularly important when the Ministries assess the impact of COVID-19 on remand populations.

Without appropriate key data from external partners, the Ministries cannot appropriately analyze progress for the remand initiative's outcomes (i.e., reducing unnecessary time involving policy detention and court processes). Lack of key data may also impact the Ministries' ability to determine whether key external partners are committed and sufficiently engaged in reducing short-term remand. Not gathering relevant information may result in the Ministries not effectively analyzing or forming timely conclusions about program impacts.

**3. We recommend the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety collect and analyze key information from external partners when evaluating strategies to reduce short-term remand.**

## 4.5 Criteria Used For Selecting Accused Suitable for Remand Strategies

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The Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety established suitable criteria for selecting accused for their remand strategies.

For the **Early Resolution** and **Rapid Response** strategies, senior crown prosecutors use their knowledge and experience (i.e., prosecutorial discretion) to determine which cases to admit through the strategies. They select those accused persons' cases, where in their judgment, the cases could be concluded during an accused's first court appearance and avoid unnecessary remand. Prosecutors discuss identified cases with duty counsel in order to come to an understanding as to how a case will proceed at first appearance.

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<sup>17</sup> An undertaking is a document created by either a court or the police that places the person being charged with an offence under certain conditions (e.g., promise to appear back in court, abstaining from drugs or alcohol). Adapted from [www.tomrees.ca/what-is-an-undertaking/](http://www.tomrees.ca/what-is-an-undertaking/) (09 March 2021).

Public Prosecutions uses spreadsheets to record cases that have gone through the Early Resolution and Rapid Response strategies.<sup>18</sup> For the 12-months ending September 30, 2020, 142 accused persons' cases went through the Early Resolution strategy in Saskatoon. For the same period, 417 accused persons' cases went through the Rapid Response strategy in Saskatoon.

For 30 accused persons tested, tracked in these spreadsheets, we found Public Prosecutions accurately and completely maintained information about the accused's court appearances (i.e., the information agreed to data maintained within the Ministries' IT system).

For the **Community Alternatives** program, the Ministries make this program available to two types of accused—those that can meet the eligibility criteria set out in **Figure 8** and:

- Can safely reside in the community and be supervised through Community Corrections, while awaiting resolution of their legal situation (also known as bail supervision)<sup>19</sup>
- Are already under bail supervision but at risk for breaching bail conditions (e.g., failing to report to their probation officer).

**Figure 8—Eligibility Criteria for Community Alternatives to Remand Program**

- Both types of accused must also meet the following eligibility criteria established by the Ministries:
- The offence must involve a stand-alone bail undertaking<sup>A</sup>
  - The accused must have had an arrest and/or conviction for administration of justice within the past 12 months<sup>B</sup>
  - The accused must not have any pending violence charges if the current arrest charge(s) includes violence

Source: Community Alternatives to Remand Referral Form.

<sup>A</sup> An undertaking is a document created by either a court or the police that places the person being charged with an offence under certain conditions (e.g., promise to appear back in court, abstaining from drugs or alcohol). A stand-alone bail undertaking is when an accused is released on bail. Adapted from [www.tomrees.ca/what-is-an-undertaking/](http://www.tomrees.ca/what-is-an-undertaking/) (09 March 2021).

<sup>B</sup> Administration of justice charges are a specific type of violation of the law, mostly committed when pre-trial conditions or sentences from a previous conviction are disobeyed. This includes failures such as not complying with conditions of release, not appearing in court, and disobeying a court order. Adapted from [www.victimfirst.gc.ca/res/pub/GFO-ORE/AJO.html](http://www.victimfirst.gc.ca/res/pub/GFO-ORE/AJO.html) (09 March 2021).

For the 12-month period ended September 30, 2020, 74 accused persons participated in the Community Alternatives program in Saskatoon. We found the Ministries considered the eligibility criteria associated with the Community Alternatives program as part of their evaluation of the program in 2020—as further noted in **Section 4.6**.

Establishment of admission requirements for the remand strategies helps the Ministries to admit the accused to the programs in a consistent manner.

## 4.6 Lack of Formal Data Analysis on a Routine Basis

The Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety used various processes to monitor and evaluate the remand strategies, but they did not formally analyze data on a routine basis.

<sup>18</sup> Public Prosecutions resides within the Ministry of Justice and Attorney General. The Division represents the interests of the general public in the criminal justice system. It provides legal advice to government and law enforcement agencies. Prosecutors assess investigation results provided by law enforcement agencies and determine whether the available evidence meets the standard for prosecution. The Division also plays a large role in training law enforcement officials.

<sup>19</sup> Community Corrections resides within the Ministry of Corrections, Policing and Public Safety's Custody, Supervision and Rehabilitation Services Division. This Division provides varying levels of offender care, control and supervision, and designs and provides programs aimed at reducing reoffending and improving the ability of offenders to reintegrate into their communities.



The Research and Implementation Branch primarily leads the Ministries' monitoring and evaluation of the remand strategies, along with the assistance of Public Prosecutions. These branches used both formal and informal processes to monitor and evaluate the three remand strategies (see **Section 2.2** for a description of each strategy).

### Periodic Program Evaluations

The Ministries' key method of evaluating the remand strategies is through periodic program evaluations.

By February 2021 and since the start of the remand strategies in 2017, the Ministries had evaluated one of the three strategies—the Community Alternatives program.

The Research and Implementation Branch completed an evaluation for the Community Alternatives program in fall 2020—approximately three years after implementation of the program. The Branch assessed whether the Community Alternatives program was operating as intended. The Branch plans to complete similar evaluations for the Early Resolution and Rapid Response strategies in fall 2021.

Our review of the fall 2020 Community Alternatives evaluation found:

- The Research and Implementation Branch appropriately communicated the evaluation results to senior management (i.e., Assistant Deputy Ministers, Assistant Deputy Attorney General)
- The evaluation included data collection and analysis associated with:
  - Client program participation (e.g., analysis of bed utilization, client demographics)
  - Estimation of the costs associated with the program (e.g., for Saskatoon—total cost of \$321,930 and a daily cost per accused of \$147)<sup>20</sup>
  - Evaluation of the extent the Ministries and their partners implemented the Community Alternatives program as intended
  - Four options associated with the future of the Community Alternatives program (e.g., eliminate the program, continue the program with varying levels of modification)
- The evaluation included eight of 10 possible measures as set out in the draft evaluation plan—the evaluation did not assess two measures, as the Ministries had not yet collected data for those measures. See **Recommendation 1** about focusing on collecting data for key measures.

Management explained that the lack of collection of data for all measures was partly due to time constraints associated with the Community Alternatives evaluation, along with the Ministries making cost-benefit decisions associated with the extent of analysis to perform. We found the evaluation report did not clearly explain these limitations.

<sup>20</sup> According to Statistics Canada, in 2018–19, the Ministries paid, on average, \$178 per day, per person in custody to operate its correctional facilities.

- The evaluation report did not clearly set out the context of the evaluation (e.g., time constraints, extent of analysis) or acknowledge data limitations (e.g., lack of a control group in the analysis and rationale for not including a control group).<sup>21</sup>

Management indicated they discussed the context of the evaluation and data limitations with the evaluation team during fall 2020.

- The economic analysis within the evaluation report did not clearly set out key assumptions made in the analysis. For example, we found the report did not include the Research and Implementation Branch's assumption that clients primarily benefited from the Community Alternatives program if they remained in the program for at least one week.

Without robust and clear documentation of data limitations (e.g., unavailability of data) and analysis to support the Ministries' program evaluations, key decision makers may not have sufficient information to make informed decisions.

**4. We recommend the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety include context, data limitations, and key assumptions relevant to making informed decisions within evaluations of the strategies to reduce short-term remand.**

The Ministries shared the results of the Community Alternatives evaluation with senior management and the Provincial Steering Committee in fall 2020. In February 2021, the Ministries announced their decision to discontinue the Community Alternatives program based on the results of the evaluation, effective March 31, 2021.<sup>22</sup>

While the Ministries regularly collected information about the Community Alternatives program from community-based organizations (e.g., number of intakes, time in program), we found the Ministries did not take a proactive approach to evaluate this information on a routine basis. Such evaluation may have enabled the Ministries to identify necessary program adjustments that could have contributed to the success of the program.

Although the Ministries had been receiving information about the program's utilization from CBOs since the beginning of the program, they did not formally evaluate the information and consider possible root causes for low program utilization until the 2020 evaluation (e.g., program criteria may have been too restrictive). The Community Alternatives evaluation highlighted that accused persons underutilized the program (i.e., bed utilization of 58% in Saskatoon).

Routine analysis (i.e., periodically throughout the year) of whether remand strategies operate as intended can assist the Ministries in being more proactive in their response to making informed decisions about necessary changes to the strategies.

**5. We recommend the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety routinely analyze data for key measures associated with the strategies to reduce short-term remand.**

<sup>21</sup> The Ministries required the Community Alternatives evaluation results to help inform the future of the Community Alternatives program, as their agreements with the related community-based organizations expired at the end of fiscal 2020-21.

<sup>22</sup> [thestarphoenix.com/news/local-news/remand-diversion-program-set-to-end-next-month](https://thestarphoenix.com/news/local-news/remand-diversion-program-set-to-end-next-month) (09 March 2021).



## Other Monitoring Activities

In addition to the periodic program evaluations, we found the Ministries also used the following processes to monitor the implementation of the remand strategies:

- The Research and Implementation Branch provided senior management with updates about the remand growth rate at quarterly strategic update meetings. Due to COVID-19, the Ministries suspended these quarterly updates in March 2020. Instead the Research and Implementation Branch began providing senior management with daily statistics about custody populations in provincial correctional facilities.

We reviewed the presentations for the two quarterly updates during the 12-month period ending September 30, 2020 and found the Research and Implementation Branch included high-level information about the remand strategies (e.g., actions taken to support the strategies) and progress to date on the Ministries' remand growth rate target.

Our review of daily communication from the Research and Implementation Branch to senior management about custody populations found it provided trends in populations (including remanded versus sentenced individuals) since the beginning of the pandemic. It showed the total number of individuals on remand in the province decreased at the onset of the pandemic in spring 2020 and was back to near previous levels by October 2020.

- The Research and Implementation Branch prepares biannual reports for senior management about the status of the remand initiative. During the 12-month period ending September 2020 (our audit period), the Branch prepared one report—in the fall 2019 and distributed it to senior management.

Our review of the fall 2019 report found the report included available information about the remand initiative to date (e.g., overall remand growth rate, case counts for the Early Resolution and Rapid Response strategies, client intakes for the Community Alternatives program, successes and barriers to implementation of the remand strategies). However, information reported does not indicate whether the strategies help reduce short-term remand—see **Recommendation 5** about routinely analyzing data for key measures.

The Branch indicated it only prepared one report due to other priorities (e.g., COVID-19 response).

- Discussions between senior management of the Ministries and external partner agencies (e.g., police, Legal Aid Saskatchewan) at Provincial Steering Committee meetings between October 2019 and September 2020. During this period, the Committee met four times.

We found the Ministries used these Committee meetings to identify risks to the remand strategies. Our review of the Committee minutes found examples of external partners highlighting challenges they encountered with implementation of the remand strategies—most of the challenges were in relation to staffing issues associated with the strategies.

During our audit period, we found the Ministries made one ad hoc adjustment to the remand strategies in response to a risk identified at Committee meetings. In spring 2020, a Saskatoon CBO involved in the Community Alternatives program communicated challenges it was having with staffing its psychiatric nursing position. In response to this identified risk, we found the Research and Implementation Branch took steps to amend the Ministries' contract with the CBO in an attempt to address the risk of turnover issues (i.e., amended the contract to replace the nursing position with a half-time addictions counselor position).

We also found the Research and Implementation Branch periodically presented the Committee with statistics about the remand strategies (e.g., average number of cases processed through the Early Resolution and Rapid Resolution strategies, utilization of the Community Alternatives program).

- Consideration of possible risks to the remand strategies presented by the COVID-19 pandemic, including staff resource constraints and physical distancing challenges.

In response to the pandemic, the Ministries suspended the Saskatoon Early Resolution and Rapid Response strategies in March 2020 and adapted their practices to enable a greater use of technology (e.g., use of telephone, video, electronic file transfers between police services and prosecutors) to continue the administration of justice. The Ministries resumed the Saskatoon Early Resolution and Rapid Response strategies in November 2020 and September 2020, respectively.

The Ministries provided a COVID-19 Impact Report to senior management in July 2020 to communicate the above changes and adaptations the Ministries made in response to the pandemic between March and May 2020. Management explained that they plan to prepare additional reports analyzing significant actions taken by the Ministries during the pandemic, with a final report planned for summer 2021.

The Ministries reviewed daily statistics about custody populations in response to COVID-19 to help inform coordination across the justice system—such as discussions between staff responsible for corrections and prosecutions regarding the capacity of correctional facilities.

- Informal discussions between ministry staff. For example, we observed evidence of the Assistant Deputy Attorney General and the Saskatoon Regional Crown Prosecutor discussing issues surrounding the Early Response and Rapid Response strategies in Saskatoon (e.g., resumption of strategies following their suspension during the COVID-19 pandemic).

Regular monitoring of the remand strategies helps the Ministries identify areas where they may need to take action and address operational issues. If the Ministries do not take action to mitigate identified key risks associated with the remand strategies, there is increased risk of the strategies not being successful in reducing short-term remand.



## 4.7 Ministries Need to Establish Information Requirements For Remand Committees

The Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety communicated with senior management and the Provincial Steering Committee about the evaluation of remand strategies completed to date, but need to determine the information needs of the remand committees that support the remand initiative.

We found the Ministries appropriately assigned responsibility for communicating the progress of the remand strategies based on the roles of the parties involved. The Research and Implementation Branch and Public Prosecutions share responsibility for communicating progress associated with the Early Resolution and Rapid Response strategies, with the Research and Implementation Branch being solely responsible communicating progress associated with the Community Alternatives program.

As previously described in **Section 4.6**, these branches used various methods to communicate with senior management about the remand strategies—including results of periodic program evaluations, quarterly strategic update meetings, and biannual reports for senior management.

In our review of the Provincial Steering Committee minutes during the audit period, we found the Ministries provided the Committee with the results of the Community Alternatives evaluation and periodic statistics about the remand strategies but did not formally report to the Committee on its only target related to remand—to maintain a zero growth rate in remand.

Not regularly providing committee participants with key information about how well the remand strategies are progressing increases the risk of not engaging committee participants and not keeping them sufficiently informed. Not setting out expectations for information-sharing, including frequency, increases the risk that this will not occur.

- 6. We recommend the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety determine the information needs of the remand committees used to support the remand initiative.**

We also found the Ministries published broad information about remand strategies (e.g., existence of the Provincial Steering Committee and its purpose, intention to develop improved outcome measures for remand) in their annual plans and annual reports. We found the content of these communications was appropriate given the Ministries' broad breadth of activities and the current state of the remand initiative.

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## Chapter 9

# Office of Residential Tenancies—Adjudicating Tenancy Disputes

### 1.0 MAIN POINTS

The Office of Residential Tenancies (ORT) is responsible for adjudicating disputes between landlords and tenants. When parties are unable to reach their own solution, either party can apply to the ORT to make rulings and settle the dispute. When asked, the ORT often adjudicates the dispute by holding hearings.

For the nine months ending December 2020, the ORT received over 2,500 applications (2019–20: 6,076) and held over 2,000 hearings. Typically, the majority of the applications are for urgent situations such as those involving eviction, where tenants have not paid rent or rent is in arrears, and where rental property is not properly repaired/maintained (e.g., mice or bug infestations).

At December 2020, the ORT had generally effective processes to provide timely adjudication of disputes to eligible landlords and tenants with improvements needed in the following two areas. The ORT needs to:

- Set out clear guidance (including examples) about what constitutes a conflict of interest for hearing officers. The ORT contracts over 20 lawyers to act as hearing officers and issue hearing decisions.

Clear guidance on conflict of interest will help hearing officers take a consistent approach to identifying and declaring conflicts, and reduce the risk of hearing officers not declaring conflicts of interest. It also reduces the risk of bias, either real or perceived, in hearing decisions issued.

- Promptly follow up when hearing officers have not submitted decisions within two days after the hearing, and document reasons for significant delays in issuing decisions. The ORT issued 17 percent of the 2,488 hearing decisions in 2020 later than its new target of two days. In one instance, it issued a decision 353 business days after the hearing was held.

Following up promptly, and documenting reasons for delays in issuing hearing decisions will help ensure tenancy disputes do not remain unresolved for long periods. Having tenants and landlords wait for a decision can potentially cause undue hardship for extensive periods of time.

Having an effective adjudication process helps ensure landlords and tenants have their disputes handled fairly and impartially. It also reduces the risk that tenants remain in unsafe living conditions or landlords enduring undue financial burden for long periods.



## 2.0 INTRODUCTION

This chapter reports the results of our audit of the Office of the Residential Tenancies' processes to provide timely adjudication of disputes to eligible landlords and tenants.

### 2.1 Background—Office of the Residential Tenancies

The Office of Residential Tenancies resides within the Ministry of Justice and Attorney General. Under *The Residential Tenancies Act, 2006*, it is responsible for administering the Act including:<sup>1</sup>

- Providing information to landlords and tenants about their rights and obligations.
- Encouraging landlords and tenants to use information about their rights and responsibilities to resolve problems directly.
- Adjudicating disputes between landlords and tenants when they are unable to find their own solutions.<sup>2</sup> Eligible disputes may relate to issues such as eviction, unpaid rent, security deposit, and damage. Adjudicating disputes is similar to court proceedings but provides landlords and tenants with a faster, less formal, and less expensive dispute resolution process than seeking a solution through the courts.

The ORT has locations in both Regina and Saskatoon with staff in 18 full-time equivalent positions. Staff includes one Director, three Deputy Directors, and 10 dispute resolution facilitators.<sup>3</sup> In addition, the ORT contracts over 20 lawyers to act as hearing officers. The Director is responsible for leading the ORT in delivering adjudication processes.

In 2019-20, the Ministry spent \$1.74 million on the combined operations of the ORT and Provincial Mediation Board (comprised of \$1.27 million of salaries and benefits, and \$0.47 million for goods and services) and plans to spend \$1.67 million in 2020-21.<sup>4,5,6</sup>

Both landlords and tenants have the right to ask the ORT (e.g., through an application) to make rulings and settle the dispute.<sup>7</sup> When asked, the ORT adjudicates the disputes by holding hearings.

As **Figure 1** shows, starting 2019-20, the ORT receives significantly fewer applications than previously. In 2019-20, the ORT adjusted its processes to focus more on educating and offering landlord and tenants alternate dispute resolution processes. These adjustments give landlords and tenants ways to resolve their problems directly, and reduce their need to ask the ORT to adjudicate their dispute by holding a hearing.<sup>8</sup>

<sup>1</sup> Ministry of Corrections and Policing, Ministry of Justice and Attorney General, *Annual Report for 2019-20*, p.32.

<sup>2</sup> Adjudicating is the process to resolve disputes. The Office of the Residential Tenancies refers to the adjudication process as a hearing.

<sup>3</sup> Other positions include a quality control analyst, legal research analyst, financial analyst, and a financial assistant.

<sup>4</sup> The Ministry combines the costs of the Provincial Mediation Board and the Office of the Residential Tenancies. The Provincial Mediation Board works with taxpayers with the goal of resolving disputes over tax arrears and avoiding court proceedings. (*Government of Saskatchewan Public Accounts, Volume 2*, p. 164.)

<sup>5</sup> Government of Saskatchewan, *Public Accounts, Volume 2*, p. 165.

<sup>6</sup> Government of Saskatchewan, *2020-21 Budget Estimates June*, p. 97.

<sup>7</sup> Each party presents the facts of the dispute to an assigned hearing officer. Hearing officers issue written rulings (decisions) under *The Residential Tenancies Act, 2006*.

<sup>8</sup> Ministry of Corrections and Policing, Ministry of Justice and Attorney General, *Annual Report for 2019-20*, p.33.

**Figure 1—Number of Applications for Adjudication Hearings Received by ORT by Fiscal Year<sup>A</sup>**

	2015–16	2016–17	2017–18	2018–19	2019–20	April 1, 2020 to December 31, 2020 <sup>B</sup>
From Landlords	6,813	6,876	6,800	6,995	5,240	2,301
From Tenants	1,662	1,460	1,613	1,361	836	351
<b>Total</b>	<b>8,475</b>	<b>8,336</b>	<b>8,413</b>	<b>8,356</b>	<b>6,076</b>	<b>2,652</b>

Source: Adapted from the Ministry of Corrections and Policing, Ministry of Justice and Attorney General, *Annual Report for 2019-20*, p.33.

<sup>A</sup> This includes applications for rulings under *The Condominium Property Act, 1993* and *The Co-operative Act, 1996*.

<sup>B</sup> From March 26, 2020 to August 4, 2020, due to the COVID-19 pandemic, the ORT did not accept applications for non-urgent claims due to direction from the Ministry of Justice and Attorney General.

Since the ORT started tracking the number of hearings in April 2020, approximately 75 percent of applications result in hearings.

## 2.2 Risks Associated With Unfair Adjudication Processes

During adjudications, landlords and tenants expect a fair process, fair treatment, and a fair outcome.

Situations where either party breaches the terms of a tenancy agreement, and landlords and tenants are unable to reach their own solution supports the need for an impartial, transparent, and effective adjudication process.<sup>9</sup>

Without an impartial adjudication process, the ORT may not be seen as credible or as handling disputes fairly.

Inefficiencies in the dispute resolution process may prolong decisions. Delays in resolving urgent disputes may compromise the health and safety of tenants. For example, tenants could remain in unsafe living conditions (e.g., bed bugs).

Moreover, without an effective adjudication process, landlords may endure undue financial burden (e.g., unpaid rent, damages to property).

## 3.0 AUDIT CONCLUSION

**We concluded, for the 12-month period ended December 31, 2020, the Office of Residential Tenancies had, other than in the following areas, effective processes to provide timely adjudication of disputes to eligible landlords and tenants.**

**The Office of Residential Tenancies needs to:**

- **Promptly and consistently follow up when hearing officers have not submitted decisions within two days after the hearing**

<sup>9</sup> *The Residential Tenancies Act, 2006* (s.19 (1) (a)), and *The Residential Tenancies Regulations, 2007* set out standard conditions of any tenancy agreement in Saskatchewan.



- Document reasons for significant delays in issuing decisions from hearings to landlords and tenants
- Set out clear guidance (including examples) about what constitutes a conflict of interest for hearing officers

Figure 2—Audit Objective, Criteria, and Approach

**Audit Objective:** To assess the effectiveness of the Office of Residential Tenancies' processes, for the 12-month period ending December 31, 2020 to provide timely adjudication of disputes to eligible landlords and tenants.

**Audit Criteria:**

Processes to:

1. **Set adjudication framework**
  - Set policies and procedures for delivering appropriate adjudications that align with good practice and legislation
  - Provide ready access to information in clear language on adjudications (e.g., who qualifies, how to apply, standard forms, hearing process, appeal process)
  - Use qualified staff to handle applications
2. **Conduct impartial hearings**
  - Confirm completeness of applications
  - Prioritize the timing of hearings for complete applications (i.e., urgent, non-urgent)
  - Assign applications to unbiased hearing officers
  - Schedule appropriate hearings format (e.g., written, oral) based on priority
  - Provide notice of hearing to all relevant parties
  - Carry out hearings
  - Issue timely and comprehensive decisions (rulings)
3. **Monitor performance of the adjudication process**
  - Manage non-compliance with rulings
  - Respond to complaints
  - Analyze key performance information (e.g., timeliness of hearings, satisfaction with process, number of appeals)
  - Periodically report key performance information 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 ORT's processes, we used the above criteria based on related work, reviews of literature, and consultations with management. The ORT agreed with the above criteria.

We examined the ORT's policies, procedures, IT system, reports, and other records relating to providing timely adjudication of disputes to eligible landlords and tenants. We interviewed key ORT staff responsible for adjudicating disputes. We tested a sample of applications received by the ORT, decisions issued by the ORT, appeals of decisions, and complaints. We also observed a hearing. In addition, we conducted data analytics on the data in the ORT's IT system. Our primary source of good practice was Ombudsman Saskatchewan, *Practice Essentials for Administrative Tribunals*.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Well-Defined Rules and Procedures in Place

The ORT maintains up-to-date and clear written rules and procedures about handling applications and adjudicating disputes between landlords and tenants.

We found the ORT's *Business Process Manual* describes procedures about the adjudication process clearly and in sufficient detail. For example, it includes guidance about reviewing an application, handling incorrect/outdated application forms, seeking missing information from applications, entering applications into its IT system, uploading evidence,

scheduling hearings, and issuing hearing decisions. It makes this Manual readily accessible to staff involved in reviewing applications and scheduling hearings.

The ORT website makes the *ORT Rules of Procedure* available to staff and the public.<sup>10,11</sup> We found this document describes procedures for resolving disputes between landlords and tenants in a clear and understandable manner. For example, it includes rules for filing an application, scheduling a hearing, serving a hearing notice and receiving evidence, conducting a hearing, issuing decisions following a hearing, appealing decisions, clarifying and enforcing decisions, and publishing hearing decisions.

The ORT keeps these rules and procedure documents up to date. We found both documents were updated within the last year.

We also found the rules and procedure documents consistent with legislation (i.e., *The Residential Tenancies Act, 2006* and regulations) and good practice.<sup>12</sup>

To remain aware of national practices, the ORT staff attend quarterly meetings with other provinces. We found it uses these meetings to share experiences and processes on adjudicating disputes (e.g., effectiveness of telephone hearings, impact of the COVID-19 pandemic eviction moratoriums).

In July 2020, the ORT compared its legislation and key adjudication processes to those of other provinces and territories. Its comparison included legislated timelines, front counter processes (e.g., accepting applications), decision issuance timelines, and timelines for accepting appeals.

We found the ORT's processes for adjudicating disputes between landlords and tenants are in line with other provinces. In addition, the ORT's target timelines (e.g., timelines for issuing decisions and accepting appeals on decisions) are in line with, or better than other provinces (see **Figure 13** in **Section 4.15**).

Having clearly written and up-to-date rules and procedures documents helps ensure the ORT staff responsible for handling applications and adjudicating disputes between landlords and tenants have a clear understanding of expected processes for providing fair adjudication.

## 4.2 Ready Access to Adjudication Information Provided

The ORT provides the public (e.g., tenants and landlords) with ready access to information on the adjudication process that is clear and easy to understand.

Good practice indicates accessibility as one of the most important parts of governing tribunals. Accessibility increases understandability of the adjudication process and the roles, increasing an individual's confidence in the process.<sup>13</sup> Use of plain language also increases understandability.

<sup>10</sup> The ORT has 18 staff and contracts with 23 hearing officers.

<sup>11</sup> [www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/office-of-residential-tenancies/forms-and-publications](http://www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/office-of-residential-tenancies/forms-and-publications) (18 March 2021).

<sup>12</sup> Our primary source of good practice was Ombudsman Saskatchewan, *Practice Essentials for Administrative Tribunals*. One of the Ombudsman roles is to educate the public about administrative fairness.

<sup>13</sup> Ombudsman Saskatchewan, *Practice Essentials for Administrative Tribunals*, p. 20.



We found the ORT publishes key information about its adjudication process on its website. As shown in **Figure 3**, the ORT's website includes information to help individuals understand their rights and responsibilities, and the dispute process. We found the information clear, readily accessible, easily understandable, and contains sufficient information to understand the adjudication process.

**Figure 3—Information Included on the ORT's Website**

- Videos are available in 21 languages. Videos include an introduction to the ORT, information on security deposits, repairs and pests, landlords access to rental properties, landlord and tenant rights and responsibilities, preparing for a hearing, and how to settle disputes directly.
- Standard templates of forms to submit an application for the different types of claims (e.g., tenant application for return of security deposit, landlord application for possession of rental unit).
- *The Residential Tenancies Act, 2006* and annotated version of the act.
- Settling disputes and steps to a hearing (e.g., application process, serving documents to parties, gathering evidence).
- Preparing for a hearing (conduct of the hearing, presenting evidence, testifying in the hearing).
- Decisions following a hearing and enforcing a judgment.
- Dedicated topics to discuss rights and responsibilities regarding security deposits, tenancy agreements, rent increases and tenancy fees, requesting repairs, bed bugs, etc.

Source: Adapted from information provided on the Office of Residential Tenancies website ([www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/office-of-residential-tenancies](http://www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/office-of-residential-tenancies)).

The ORT also holds virtual residential tenancies clinics twice a month for anyone to attend.<sup>14</sup> Clinics inform the public of the rights and responsibilities of landlords and tenants. It also provides information on the adjudication process (e.g., preparing for a hearing, issuing decisions). There has been up to 26 people attending a clinic.

Providing the public with clear, accessible, and understandable information on the ORT helps all parties know their roles and responsibilities, and what to expect during the adjudication process. It may also increase the chance of landlords and tenants resolving disputes outside of the adjudication process, thereby reducing the cost of holding a hearing.

### 4.3 Qualified Personnel Work With Landlords and Tenants

The ORT has qualified personnel to handle applications and to adjudicate disputes between landlords and tenants.

The ORT uses job descriptions to set out qualifications and experience required for staff handling applications. The ORT requires its staff to hold bachelor's degrees (or masters) in any field. We found these job descriptions up-to-date and reflected key qualifications and experience suitable for the assigned responsibilities.

At October 2020, the ORT employed staff in 18 full-time equivalent positions. Of the 18 staff, the ORT employs 10 dispute resolution facilitators that evaluate applications for completeness and schedule hearings.<sup>15</sup> Dispute resolution facilitators also provide information on rights and responsibilities to inquiring landlords and tenants.

<sup>14</sup> Prior to April 2020, the ORT conducted the clinics in person. In August 2020, the ORT began holding the clinics virtually due to the COVID-19 pandemic.

<sup>15</sup> Other key ORT positions include the director, deputy directors, quality control analyst, legal research officer, and financial analyst.

For nine ORT staff we tested, each had a relevant degree (e.g., Bachelor's Degree in Human Justice, Juris Doctor Degree).

The ORT contracts with 23 hearing officers to adjudicate disputes and conduct hearings.<sup>16</sup> The ORT requires hearing officers to hold law degrees and have experience practicing law.

For the six hearing officers we tested, each held a law degree and had sufficient experience practicing law.

Upon hiring or contracting, the ORT provides staff and hearing officers with training materials (e.g., legislation, policies and procedures) augmented with on-the-job training. For example, hearing officers with experience with the ORT are assigned responsibility to mentor new hearing officers.

In addition, the ORT provides dispute resolution facilitators with training opportunities on resolving conflict constructively to better inform landlords and tenants on their rights and responsibilities before the application stage.

We found four current ORT staff participated in a Resolving Conflict Constructively workshop offered by the Government of Saskatchewan between 2017 and 2019. The course covers areas such as conflict resolution, communication, and an interest-based approach to problem solving. The ORT expects other staff to attend the workshop in 2021.

Having qualified staff handling applications and hearing officers adjudicating disputes helps ensure landlords and tenants receive a fair dispute resolution process.

## 4.4 Applications Accepted and Prioritized

The ORT accepts applications and appropriately prioritizes complete applications based on the urgency and nature of the claims made by the tenant or landlord.

The ORT has clearly assigned responsibilities and well-defined procedures for processing applications (see **Figure 4**). It has assigned these responsibilities to two dispute resolution facilitators.

**Figure 4—Brief Description of Procedures to Process Applications for Dispute Resolution**

- A tenant or landlord can submit an application in person at the ORT office, by mail, or electronically via email.<sup>A</sup>
- Dispute resolution facilitators are to review applications for completeness (e.g., confirm application includes the proper form, contact information, claim type, payment option, case evidence, rental information) within 24 to 48 hours of receipt of the application.
- ORT makes it the responsibility of an applicant to submit the missing information to the ORT. It does not process incomplete applications. Where dispute resolution facilitators find an application is incomplete, they follow up with the applicant on incomplete applications once (e.g., send email requesting missing information).
- The ORT uses a case management IT system to manage the complete applications.
- Dispute resolution facilitators enter all complete applications into the case management IT system, which prioritizes applications based on claim type.

Source: Adapted from Office of Residential Tenancies information.

<sup>A</sup> When an application is received via email, the ORT sends an automatic reply email stating the application has been received.

<sup>16</sup> Hearing officers are contracted and paid on a per diem basis (per hearing day).



The ORT uses a case management IT system to track applications and automatically classify the priority of the application based on information included within the application. As shown in **Figure 5**, the ORT classifies claims as either urgent or non-urgent with priority levels.

**Figure 5—Classification and Number of Claims Received by the Office of Residential Tenancies**

Claim Classification	Priority Level	Examples of Claim Types	Number of Claims Received from January 1, 2020 to December 31, 2020
Urgent	Priority 1	<ul style="list-style-type: none"> <li>➤ Eviction in serious circumstances</li> <li>➤ Tenant(s) have not paid rent</li> <li>➤ Utilities/Rent in arrears</li> <li>➤ Landlord preventing tenant from getting into rental unit (e.g., changed locks)</li> <li>➤ Failure to repair or maintain the rental property (e.g., mice or bug infestation)</li> <li>➤ Landlord seized or disposed of tenant's property</li> </ul>	3,050
	Priority 2	<ul style="list-style-type: none"> <li>➤ Tenant misconduct (e.g., mischief or destructive behaviour)</li> <li>➤ Notice for tenant to vacate for landlord to demolish/renovate/repair/convert a unit</li> <li>➤ Breach to right of quiet enjoyment of the premises</li> <li>➤ Unlawful entry by the landlord</li> <li>➤ New or increased charges/unlawful termination of a service of facility</li> <li>➤ Rent increase without proper notice</li> </ul>	196
	Priority 3	<ul style="list-style-type: none"> <li>➤ Monetary claim for damages/losses</li> <li>➤ Excessive security deposit paid</li> <li>➤ Return of a security deposit</li> <li>➤ Landlord breached terms of tenancy agreement (e.g., imposed unreasonable rules)</li> </ul>	862
<b>Total</b>			<b>4,108</b>

Source: Adapted from information within case management IT system. From March 26, 2020 to August 4, 2020, due to the COVID-19 pandemic, the ORT did not accept applications for non-urgent claims due to direction from the Ministry of Justice and Attorney General.

Each of the 31 applications we tested were complete and appropriately prioritized and recorded in the case management IT system.

Having complete applications prioritized based on the urgency and nature of the claims helps ensure the ORT responds and schedules hearings based on the needs of the landlords and tenants.

## 4.5 Case Management Conferences Used As Alternate Way to Resolve Disputes

Since October 2020, the ORT uses case management conferences as an alternate way to help settle some or all of the issues in the dispute before proceeding to a hearing. It uses this process for claims that include damages greater than \$20,000 and/or having a legal representative.

A case management conference is a meeting between all parties with an objective to resolve some or all of the issues in the dispute before proceeding to a hearing. The conference is not a hearing, and the parties cannot use the discussions as evidence at the hearing. ORT requires all parties (i.e., tenants and landlords) attend the conference. One of the ORT's deputy directors presides over a conference and acts as a mediator for the disputing parties.

From October to December 2020, ORT held nine case management conferences. We found one claim was settled at the conference and hence, not requiring a hearing; one claim was adjourned to a later date at the request of the tenant's legal counsel; and three claims were settled prior to the hearing due to the case management conferences (the hearing officer held a hearing to issue a joint-resolution). The remaining four claims discussed at conferences continued to require a hearing. Since this is a relatively new process, the ORT may consider assessing, in the future, the effectiveness of the conferences to determine if the process is having the intended impact (e.g., shorter hearings).

Eight of nine claims tested met the criteria of the claim being for damages greater than \$20,000; and one of the nine claims tested did not. In this case, the Director initially requested a conference due to a party having legal representation. Upon further review by the ORT, it reclassified the application as urgent and held an immediate hearing instead of a conference.

Holding case management conferences for certain claims helps the ORT manage hearings, as hearings may be shorter and simpler due to settlements reached during the conference. As a result, the ORT may be able to schedule more hearings.

## 4.6 Conflicts of Interest Guidance for Hearing Officers Needed

The ORT does not give hearing officers any guidance on what constitutes a conflict of interest even though it asks them to declare conflicts of interest when being assigned a hearing.

During training provided upon hiring, the ORT informs hearing officers about the requirement to declare any potential conflicts of interest. In advance of all hearings, hearing officers receive a schedule of assigned hearings with the names of parties involved. The ORT expects hearing officers to declare potential conflicts of interest when they receive the schedule.

During the audit, we saw evidence of hearing officers declaring conflicts of interest prior to a hearing. We did not identify any cases of conflicts of interest.

Unlike other jurisdictions, the ORT does not provide hearing officers with any written guidance about, or examples of what constitutes, a conflict of interest. For example, in Ontario, Tribunals Ontario has conflict of interest rules which include detailed examples of what it considers a conflict of interest (e.g., financial interest, personal relationship, professional relationship) for hearing officers.<sup>17</sup>

<sup>17</sup> [www.tribunalsontario.ca/documents/sjto/Conflict%20of%20Interest%20Rules.html](http://www.tribunalsontario.ca/documents/sjto/Conflict%20of%20Interest%20Rules.html) (23 February 2021).



Not having written guidance on what constitutes a conflict of interest increases the risk of hearing officers not declaring conflicts of interest, or taking a consistent approach to identifying and declaring conflicts. This in turn could impact the risk of bias, either real or perceived, in decisions issued.

1. We recommend the Office of Residential Tenancies provide clear written guidance (including examples) about what constitutes a conflict of interest to hearing officers.

## 4.7 Timely Hearings Scheduled and Held

Generally, the ORT consistently schedules and holds hearings within the targeted timeframes based on their urgency.

The ORT has clearly assigned responsibilities and well-defined procedures for scheduling hearings. It has assigned these responsibilities to two dispute resolution facilitators. They are to use the claim classification from the case management IT system to determine how fast and when to schedule a hearing.

As shown in **Figure 6**, each claim classification includes written target timeframes for scheduling hearings and setting hearing dates. In general, it places a higher priority on scheduling and booking urgent claims.

**Figure 6—Written Target Timeframes for Scheduling and Holding Hearings**

Action	Claim Classification	Target Timeframe
Hearing Scheduled	Urgent	Within one day of receiving complete application
	Non-Urgent	Within 30-45 days of receiving complete application
Hearing Date	Urgent	Within 30 days of receiving complete application
	Non-Urgent	No set timeline – hearings occur after urgent applications scheduled

Source: Adapted from Office of Residential Tenancies *Rules of Procedures Manual*.

Of the 4,108 claims received between January and December 2020, 74 percent were classified as urgent and 26 percent as non-urgent.

The ORT monitors the timeliness of its conducting of hearings. Between April and December 2020, the ORT held over 2,000 hearings.<sup>18</sup> In 2020, it held urgent hearings within expected timeframes; it generally held non-urgent hearings within three months. See **Figure 7** for comparison of target and actual timeframes.

**Figure 7—Comparison of Target and Actual Timeframe of Hearings Held between January 1, 2020 and December 31, 2020**

	Target Timeframe	Actual (average)
Time from Application Submission to Hearing Date – Urgent Claims	30 days	16 days
Time from Application Submission to Hearing Date – Non-Urgent Claims	None	82 days

Source: Adapted from information received from the ORT.

<sup>18</sup> The ORT began tracking hearings in April 2020.

For 31 applications tested, 21 were classified as urgent and 10 as non-urgent. Our testing of applications found the COVID-19 pandemic affected the timeliness of ORT scheduling and holding hearings for claims classified as non-urgent. From March 26, 2020 to August 4, 2020, ORT suspended scheduling non-urgent applications. We found other provinces had similar suspensions.<sup>19</sup>

For the 31 applications tested, the ORT scheduled 26 hearings within target timelines, and five later than expected target timelines. For those five applications, we found:

- Four urgent applications were scheduled slightly later than expected (three were only one day late, and one was scheduled five days late with a hearing date that was within 30 days of its receipt of the completed application)
- One non-urgent (priority 3) application was scheduled 101 days late as a result of the COVID-19 pandemic, which suspended scheduling non-urgent applications for hearings from March 26, 2020 to August 3, 2020

For each of the 21 applications classified as urgent tested, the ORT held hearings within the expected 30 days of its receipt of a complete application.

For the 10 applications classified as non-urgent tested, we found:

- For two applications, the ORT held hearings within an average of 30 days after its receipt of a complete application.
- For four applications, the ORT held hearings later than 30 days after its receipt of a complete application. It held hearings between 38 and 57 days after its receipt of a complete application.
- For one application, it held a hearing 201 days after its receipt of a complete application. This hearing was delayed because of ORT suspending the scheduling of hearing for non-urgent applications due to the COVID-19 pandemic.
- For two applications, the landlord or tenant requesting a rescheduled hearing date caused delays in hearings. It held hearings for these between 90 and 157 days of receipt of a complete application.
- For one application, it held a hearing 204 days after its receipt of a complete application. This hearing was delayed because the hearing officer adjourned the hearing (the hearing officer determined the tenant did not receive proper notice of hearing, therefore the hearing was adjourned to a later date so the tenant could attend).

The ORT gives hearing officers the authority to adjourn hearings based on their professional judgment. If they decide to adjourn a hearing, the ORT reschedules the hearing to a later date. Landlords or tenants can request to have a hearing rescheduled but must give the ORT evidence (e.g., travel itinerary, doctor appointment) showing their inability to attend a hearing on the scheduled date.

<sup>19</sup> We found other jurisdictions had similar processes on hold (e.g., Alberta implemented a ban on evictions, Manitoba stopped scheduling non-urgent eviction hearings) during the COVID-19 pandemic.



For the applications tested, we found:

- For four applications, the hearing officers adjourned the hearing and had adequate support about reasons for adjournment.
- For another four applications, either the landlord or tenant requested the hearing be rescheduled. The ORT granted three requests (adequate support provided) and denied the other.

Timely scheduling and conducting of hearings helps ensure tenancy issues are resolved efficiently. Scheduling the timing of hearings based on urgency helps reduce undue financial burden, and can hasten the resolution of poor or unsafe living conditions.

## 4.8 Relevant Information Provided to Carry Out Hearing

Landlords and tenants consistently receive relevant information about the hearing and hearing process sufficiently before the hearing.

The ORT has well-defined procedures about issuing notices about hearings, and receiving evidence. As **Figure 8** describes, it has clearly set out who is responsible for each step (e.g., individual who submitted the application [claimant] must serve notice of hearing to other party), and by when the responsible party must complete each step (e.g., claimant must serve notice within two calendar days prior to the hearing for claims classified as urgent). It requires steps to be carried out faster for urgent claims than for non-urgent (e.g., two calendar days for urgent claims and up to 10 days for non-urgent claims). In addition, if the steps are not carried out as and when it expects, the ORT can cancel the hearing.

**Figure 8—Brief Description of Hearing Notice and Receipt of Evidence Process**

- The ORT sends (via email or mail, if necessary) a hearing notice package to claimant (i.e., the individual who submitted the application). The package includes a hearing notice (specific to the type of claim), general information about the hearing process (e.g., how the hearing will proceed, how to present evidence), and a Certificate of Service form.
- The ORT makes the claimant responsible for serving the other party (respondent) the hearing notice within deadlines detailed on the hearing notice. The deadline for applications classified as urgent is two calendar days prior to the hearing; and 10 days claims classified prior for non-urgent.
- The ORT allows the claimant to serve the hearing notice to the respondent personally, electronically, or by mail.
- The ORT requires the claimant to submit the completed Certificate of Service form to the ORT within a prescribed timeframe before the hearing (i.e., at least one day for urgent claims, and nine days for non-urgent claims). Completion of the Certificate of Service form certifies that the claimant served the respondent the notice of hearing and any evidence, as well as how (e.g., personal, email, mail, fax) and when (date) it was done. If the claimant fails to submit the Certificate of Service by the deadline, the ORT may cancel the hearing.
- The ORT requires evidence be submitted with the initial application, as well as any subsequent evidence two days in advance of hearing date for urgent claims and ten days in advance for non-urgent claims.

Source: Adapted from Office of Residential Tenancies information.

We found the information included in the standard hearing notice package provided sufficient information about the hearing and the hearing process. We found the hearing notice and submission of evidence processes to be in-line with good practice.

For each of the 31 applications tested, we found:

- The ORT sent the hearing notice package to claimants sufficiently in advance of the hearing date.
  - For the 21 urgent claims tested, it provided the packages 11 days, on average, in advance of the hearing
  - For the 10 non-urgent claims tested, it provided packages 32 days, on average, in advance of the hearing
- The ORT appropriately handled a situation in which for one application a claimant failed to serve the hearing notice to the respondent or submit the completed Certificate of Service form to the ORT by the specified deadlines. In this situation, the claimant claimed to be unaware of these responsibilities, and as a result, the ORT clarified the process, and rescheduled the hearing. Subsequently, the claimant properly served the hearing notice and submitted a completed Certificate of Service by the related deadlines.
- All parties submitted evidence within required timeframes.

Sending hearing notice packages and receiving all the required information (e.g., Certificate of Service form, evidence) within set timeframes allows the ORT to conduct hearings as scheduled and allows for a fair hearing.

## 4.9 Hearings Conducted Appropriately

The ORT appropriately conducts hearings in a format (i.e., in person, via phone) to meet the needs of the parties involved, and based on the urgency of claim.

The ORT recognizes it is often easier to schedule over-the-phone hearings, and these are often more convenient for landlords and tenants. As such, it only conducts over-the-phone hearings for urgent claims that are immediate possession or involve infestation of pests (e.g., bed bugs). Normally, for hearings of other types of claims, the ORT allows the parties to choose how they wish to attend the hearings—that is either to attend in-person or participate over the phone. The parties are to notify the ORT how they choose to attend the hearing. However, beginning March 26, 2020, due to the COVID-19 pandemic, the ORT conducts all hearings over the phone.<sup>20</sup>

For the 31 hearings tested, we found all 20 hearings after March 26, 2020 were held over the phone as expected. For the other 11 hearings that the ORT held prior to March 26, 2020, we found all were conducted over the phone. These were comprised of:

- Four hearings for immediate possession claims required to be held over the phone
- Seven hearings conducted via phone as requested by the parties

Conducting hearings in formats that meet the needs of the parties involved increases the likelihood that parties will attend the hearing as scheduled and the ORT will not have to reschedule the hearings to a later date.

<sup>20</sup> From March 26, 2020 to August 4, 2020, due to the COVID-19 pandemic, the ORT did not accept applications for non-urgent claims.



## 4.10 Appropriate Handling of Attendance at Hearings

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Attendance of parties is appropriately handled at hearings in line with good practice.

At the time of the hearing, the hearing officer contacts both parties. If claimant does not attend the hearing, the hearing officer dismisses the claim. Whereas if the respondent does not attend, the hearing proceeds as scheduled with the evidence presented, and the hearing officer issuing a decision. We found proceeding without the respondent present to be in line with good practice.

If the party who does not attend is not satisfied with the order (i.e., dismissal or decision), the party can appeal the decision to the Court of Queen's Bench.<sup>21</sup> The Court of Queen's Bench may then direct the ORT to conduct another hearing on the disputed matter.

Parties are given sufficient notice of the hearing date and are expected to make arrangements to attend the hearings. The appeal process is available for parties who do not attend the hearing.

## 4.11 Hearing Decisions Not Always Meeting New Timelines and Delay Reasons Not Documented

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The ORT does not always make sure hearing officers issue written decisions within a reasonable time, nor document reasons as to why it issues some decisions significantly later than expected.

Once a hearing officer concludes the hearing, the ORT expects the hearing officer to draft a written decision on the claim. All written decisions are to include reasoning behind the decision.

Beginning January 2020, the ORT expects hearing officers to submit to the ORT their written decisions one day after the conclusion of the hearing. The ORT targets to issue a decision to the parties to the claim two days after a hearing is held (prior to January 2020, ORT had target timelines to issue decisions three to four months after the hearing date). To facilitate this quick turnaround, the ORT schedules hearings in the morning to give hearing officers time to write decisions in the afternoon.

We found the ORT target timeframes for issuing hearing decisions within two days after a hearing date is considerably faster than four other provinces and one territory—that average to 34 days.<sup>22</sup> The targets ranged between 10 days (Manitoba) and 90 days (Quebec).

Beginning in late March 2020, the ORT began tracking and following up on where it did not receive a decision from a hearing officer within the expected timeframe. Each Monday, the ORT asked, via email, each hearing officer that had not yet submitted decisions to advise it to when they expected to submit the decision, along with the reason why they needed extra time.

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<sup>21</sup> From April to October 2020, the ORT only had 31 out of 1,180 decisions appealed to Court of Queen's Bench. The Court assesses if it will allow or dismiss the appeal.

<sup>22</sup> The five jurisdictions include Alberta, Manitoba, Quebec, Nova Scotia, and Nunavut.

Our data analysis of the 2,488 decisions issued in the 2020 calendar year found the ORT most often issues decisions promptly. Only 17 percent (430 decisions) were issued later than its target of two days (see **Figure 9**).

**Figure 9—Summary of Decisions Issued from January 1 to December 31, 2020**

Business Days Between Hearing and Issuance (# of Days)	Number of Decisions	% of Total Decisions	% of Total Late Decisions
Within 1 day (target)	2,058	82.72 %	
1 day later	153	6.15%	35.58%
2 days later	59	2.37%	13.72%
3 days later	43	1.73%	10.00%
4 days later	33	1.33%	7.67%
5–8 days later	55	2.21%	12.79%
9–20 days later	38	1.53%	8.84%
21–28 days later	9	0.36%	2.09%
29–98 days later	22	0.88%	5.12%
99–198 days later	16	0.64%	3.72%
215 days later	1	0.04%	0.23%
351 days later	1	0.04%	0.23%
<b>Total</b>	<b>2,488</b>	<b>100%</b>	
<b>Total Later than Target</b>	<b>430</b>		<b>100%</b>

Source: Adapted from information received from ORT on decisions issued.

On average, hearing officers submitted decisions in 2020 to the ORT in 2.24 business days after the hearing; and the ORT issued decisions, on average, in 1.19 business days later, for a combined average of 3.40 business days after the hearing (**Figure 10**).

**Figure 10—Average Business Days to Issue Decisions in Calendar Year 2020<sup>A</sup>**

Action	Minimum Number of Business Days	Maximum Number of Business Days	Average Number of Business Days
Submit decision to the ORT	0	352	2.24
Issue decision to parties	0	129	1.19
Hearing to issuance	0	353	3.40

Source: Adapted from information received from ORT on decisions issued.

<sup>A</sup> Average business days is total days from the hearing to issuance, including the two day target. **Figure 9** shows lateness after two day target.

However as shown in **Figure 9**, one decision was issued 351 business days later than target timelines (i.e., 353 business days after the hearing was held). The ORT promptly issued this decision one day after receipt of the decision from the hearing officer. The hearing officer did not provide reasonable rationale for the delay in issuing this decision.

We found hearing officers did not always provide ORT with reasons for not submitting a written decision within the target time. For each of the nine decisions we tested that were submitted to the ORT 20 days later than its one-day target, the hearing officers did not give ORT reasons for the delay.



We also found the ORT did not always ask, within a reasonable time, hearing officers to submit late decisions and explain why they needed additional time. For four decisions we tested that were submitted more than 20 days later than its one-day target, the ORT took between 43 and 77 days after the hearing date to follow up with the hearing officers.

Not following up with hearing officers that have not submitted decisions, and documenting reasons for delays increases the risk of significant delays in issuing decisions (e.g., greater than 20 days). Significant delays in issuing decisions increases the risk of tenant and landlord dissatisfaction with the adjudication process and having disputes remain unresolved for long periods of time. It also increases the risk that decisions may no longer be relevant once issued. Having tenants and landlords wait for a decision can potentially cause undue hardship for extensive periods of time.

2. **We recommend the Office of Residential Tenancies document reasons for significant delays in issuing hearing decisions.**
3. **We recommend the Office of Residential Tenancies always follow up promptly with hearing officers when hearing decisions are not submitted when expected.**

## 4.12 Reported Non-Compliance With Decisions Tracked

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The ORT tracks reported non-compliance with hearing decisions issued, and reminds parties of non-compliance.

The ORT issued 2,488 decisions between January 1, 2020 and December 31, 2020.<sup>23</sup> At November 2020, the ORT had 95 landlords and 24 tenants on its non-compliance list.<sup>24</sup>

The ORT does not proactively enforce its orders or monitor compliance with the decision.<sup>25</sup> Rather, to enforce orders, the claimant can register the decision with the Ministry of Justice and Attorney General (i.e., Sheriff's Office). The Sheriff's Office will enforce the order (e.g., remove an evicted party, place liens on property) upon the claimant's request.

To monitor compliance, the ORT relies on the party making a claim with an order to advise it of a non-compliant party, and then requires the non-compliant party to give it evidence (e.g., copy of cheque, e-transfer notification) showing their compliance with the order. In part to induce landlords and tenants to comply, the ORT does not allow non-complying parties to submit additional applications until they show compliance with the order.

The ORT tracks the names of parties (landlords or tenants) reported as not complying with orders issued on its non-compliance list. Only when compliance is proven, the ORT removes the non-compliant party from the list, and notifies them of compliance. That is, the non-compliant party stays on the list until they have shown compliance with the order.

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<sup>23</sup> The ORT publishes issued decisions on Canadian Legal Information Institute (CanLII) to provide the public access to those decisions. [www.canlii.org](http://www.canlii.org) (14 April 2021).

<sup>24</sup> The non-compliance listing for landlords has non-compliance outstanding dating back to July 2013 and tenants have non-compliance dating back to June 2019.

<sup>25</sup> A party has 30 days after a decisions issuance to comply with a hearing decision. After which, the party that made the claim can notify the ORT if the other party has not complied with the decision. Upon receipt of such notification, the ORT reminds the non-complying party in writing and only once of the requirements of the order.

For each of six individuals on the non-compliant list tested, the related file sufficiently showed the party had not complied with the ORT order, and the ORT had properly notified the party of non-compliance.

For each of three individuals removed from the non-compliant list tested, the related file sufficiently showed the party's compliance with the order, and ORT had properly notified them of compliance.

Tracking reported non-compliance, keeping parties informed, and not allowing non-compliant parties to submit further applications helps increase compliance with the order.

### 4.13 Process to Track and Respond to Complaints Established

The ORT actively tracks and responds to complaints and inquiries about its processes and residential tenancy situations.

An individual wishing to lodge a complaint about an ORT process can contact the ORT via a general inquiries phone line or email, or lodge a complaint with the Ministry of Justice and Attorney General.

Since March 2020, the ORT tracks complaints and inquiries received either directly or by the Ministry of Justice and Attorney General.<sup>26</sup> For each complaint/inquiry, the ORT tracks the receipt date, name of individual submitting the complaint/inquiry, the nature, the outcome, and the response date.

To resolve complaints or inquiries, the ORT expects dispute resolution facilitators to contact individuals with complaints via phone or email. They discuss the details of the complaint and give related information to resolve the complaint. Dispute resolution facilitators are to escalate complaints to Deputy Directors and the Director (e.g., senior management), if necessary.

From March 15, 2020 to November 9, 2020 (the date of our testing), the ORT received 222 complaints and inquiries.

Our analysis of the complaints and inquiries found the ORT took, on average, two days to respond. Most complaints and inquiries related to specific residential tenancy situations (e.g., landlord not responding to property maintenance issues, tenants wanting security deposit back after eviction) and required explanation of tenant and landlord rights and responsibilities. Some were not relevant to the ORT, or within the ORT's jurisdiction (e.g., related to commercial properties, federal assistance programs and payments).

For 20 complaints tested, the ORT resolved 18 within four days (a reasonable timeframe). It resolved two of the 20 complaints tested within 11 and 13 days and had a reasonable rationale for the delay. For example, it had a backlog of complaints at the beginning of August 2020 when the Provincial Government lifted the eviction moratorium (i.e., suspension of eviction applications) causing slight delays in contacting individuals to resolve the complaint or inquiry.

<sup>26</sup> The Ministry of Justice and Attorney General forwards complaints and inquiries to the ORT. The ORT includes these complaints in its tracking document.



Tracking and resolving complaints and inquiries timely increases public confidence in the ORT, and helps show the ORT addresses queries from landlords and tenants quickly. It also helps the ORT identify common themes to take into consideration when adjusting adjudication processes.

## 4.14 Appeals Process in Place

The ORT has an appeal process available to tenants and landlords that are not satisfied with hearing decisions.

Similar to other jurisdictions, Saskatchewan's residential tenancy process includes the ability of parties to appeal to the courts any decision of the ORT. Also similar to other jurisdictions, the ORT gives parties 30 days to appeal decisions (see **Figure 11**).

The ORT tracks appeals on a monthly basis. It tracks the appeal number, claim number, type of claim, hearing officer, appeal hearing date, reason for appeal, and the outcome (i.e., allowed, dismissed, pending).

**Figure 11—Brief Description of Appeal Process**

- After the ORT issues a decision, parties have 30 days to make an appeal to the Court of Queen's Bench.
- The Court will notify the ORT that a party has appealed a decision.
- The ORT will send the Court all of the evidence from the original hearing.
- The Court will then assess if it will allow or dismiss the appeal. If the Court allows the appeal, the ORT must hold a new hearing.

Source: Adapted from Office of Residential Tenancies information.

Our data analysis found only a small percentage of the ORT decisions are appealed. For example, for the seven-month period ending October 31, 2020, approximately 1.7 percent of the ORT's decisions were appealed.<sup>27</sup> Of these 31 appeals, the Court of Queen's Bench allowed 6 appeals, dismissed 13, and had 12 pending (as of December 31, 2020).

Of the 30 decisions we tested, four were appealed—the Court of Queen's Bench allowed two appeals, dismissed one, and one was pending as of December 31, 2020. For each of the two appeals allowed, we found the parties and the ORT each followed the expected process. For example, parties appealed the decision within 30 days of the ORT issuing the decision; and the ORT scheduled new hearings as required, assigned different hearing officers, and issued new decisions.

Having an appeal process increases public confidence that individuals have access to a fair and robust process in tenancy disputes, and any errors in decisions will be rectified.

## 4.15 Key Trends Monitored

The ORT monitors trends in number of disputes settled outside of the adjudication process, and timeliness of key steps in the adjudicating disputes process.

On a monthly basis, the Director monitors the trend in the number of applications received by the ORT. As shown in **Figure 1**, the ORT received 2,280 fewer applications in 2019-20

<sup>27</sup> Approximately 1.6% and 2.9% of the ORT's decisions were appealed in the fiscal years 2018-19 and 2019-20 respectively.

compared to 2018–19. Management attributes the decrease in the number of applications received to the dispute resolution facilitators effectively explaining to potential applicants their rights and responsibilities, and suggesting alternate means to resolve disputes.

The Director also uses various reports to monitor the timeliness of issuing decisions after hearings, hearing adjournments, and appeals (see **Figure 12**). The Director looks for significant delays from target timelines and what may have contributed to the delays. The Director informally follows up with dispute resolution facilitators and hearing officers if there are significant delays.

**Figure 12—Information Monitored Monthly by Management**

Applications:
➤ Number of applications received
Hearing Decisions:
➤ Average business days from hearing to submitting decision broken down by hearing officer
➤ Average business days from submitting decision to issuing decision broken down by hearing officer
➤ Average business days from hearing to issuing decision broken down by hearing officer
➤ Number of hearings by hearing officer
➤ Summary of the above by claim type (e.g., immediate possession, monetary, breach of tenant rights)
➤ Average monetary amount sought and awarded
➤ Appearance data (how many landlords, tenants, and lawyers attended hearings)
Hearing Adjournments
➤ Hearing officer, location, and reason for adjournment
Appeals
➤ Appeal number, claim number, type of claim, hearing officer, appeal hearing date, reason for appeal, and the outcome (i.e., allowed, dismissed, pending)

Source: Adapted from information provided on the Office of Residential Tenancies.

Periodically to assess its timeliness, the ORT compares its processes for adjudicating disputes with other jurisdictions in Canada. For example, in July 2020, the ORT compared the target timelines and actual timelines with other jurisdictions. As shown in **Figures 13** and **14**, the ORT's target timelines and actual results of the adjudication process for the ORT are in line with, or better than other jurisdictions.

**Figure 13—Comparison of Target Timelines to Other Jurisdictions**

Adjudication step	ORT Target	Other Jurisdiction Target (Average)
Decision Issued by the ORT After Hearing	2 days	34 days
Appeal Time Limit	30 days from the decision issuance	18.6 days from decision issuance

Source: Adapted from jurisdictional comparison completed by the Office of Residential Tenancies in July 2020. Other jurisdictions include Alberta, Manitoba, Quebec, Nova Scotia, and Nunavut.

**Figure 14—Comparison of Actual Hearing Timelines to Other Jurisdictions**

Adjudication Step	ORT Actual (Average)	Other Jurisdiction Actual (Average)
Time from Application Submission to Hearing – Urgent Claims	16 days	20 days
Time from Application Submission to Hearing – Non-Urgent Claims	82 days	77.5 days
Time from Hearing to Issuing Decision	2.4 days	9.7 days

Source: Adapted from jurisdictional comparison completed by the Office of Residential Tenancies in July 2020 and ORT data for January 1, 2020 to December 31, 2020. Other jurisdictions include Alberta, British Columbia, Manitoba, Quebec, Prince Edward Island, Newfoundland and Labrador, Nova Scotia, Northwest Territories, and Yukon.



Monitoring trends and key steps in its disputes process helps ensure the ORT is meeting the needs of landlords and tenants. It also reduces the likelihood that landlords and tenants complain about the ORT's processes.

## 4.16 Sufficient Reporting to the Ministry of Justice and Attorney General and the Public

The ORT provides the Ministry of Justice and Attorney General, as well as the public, with sufficient information on the ORT's disputes processes.

The ORT periodically gives briefing notes to the Ministry of Justice and Attorney General on its operations. We found briefing notes included sufficient information on the results of key performance targets for issuing decisions, the number of applications received, the number of appeals, and the results of its jurisdictional comparison of processes.

In addition, to keep the public informed of its decisions, the ORT publishes issued decisions on the Canadian Legal Information Institute (CanLII) website.<sup>28</sup> CanLII gives the public access to those decisions. The ORT publishes decisions within 30 days of the issue date for the decision.

Periodic reporting to the Ministry of Justice and Attorney General, as well as the public, increases the transparency of the ORT's processes and decisions.

## 5.0 SELECTED REFERENCES

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<sup>28</sup> CanLII is a website that provides access to court judgements, tribunal decisions, statutes and regulations from all Canadian jurisdictions. [www.canlii.org](http://www.canlii.org) (14 April 2021).

## Chapter 10

# Saskatchewan Liquor and Gaming Authority—Regulating Recreational Cannabis

### 1.0 MAIN POINTS

Increased health risks, especially in minors (e.g., long-term brain impacts), associated with the use of cannabis makes the regulation of its sale and distribution important. The industry began operating in October 2018.

The Saskatchewan Liquor and Gaming Authority is responsible for regulating Saskatchewan’s recreational cannabis retail and wholesale businesses. Recreational cannabis refers to cannabis products (e.g., flowers, edibles) used for non-medical purposes.<sup>1</sup>

The Authority’s processes to regulate the recently established legal recreational cannabis market are relatively new and, as at December 2020, still evolving. As of December 2020, the Authority is focusing its efforts on educating retail and wholesale permittees about operating requirements and has not yet taken more strict enforcement actions (e.g., fines). Focusing on educating permittees during the early stage of regulating recreational cannabis helps foster a culture of compliance.

To effectively regulate the distribution and sale of recreational cannabis in Saskatchewan, past the initial start-up phase, the Authority needs to make improvements in the following areas. The Authority needs to:

- Decide when to shift its focus to taking enforcement actions (e.g., fines) on identified non-compliance, from its present focus on education. To act fairly and transparently, it must advise permittees of the expected timing of this shift in writing
- Develop a risk-informed inspection plan (e.g., based on assessed risk of identifying non-compliance) and actively monitor whether it completes permittee inspections as planned
- Finalize guidelines for actions key to enforcing identified non-compliance with permit requirements consistently, and actively monitor whether permittees sufficiently address identified non-compliance
- Consistently and centrally maintain information about its key activities used to regulate recreational cannabis (e.g. due diligence procedures when assessing new applicants seeking cannabis permits), so that it can show it carried out these activities as and when expected
- Give senior management periodic reports on the nature and extent of identified non-compliance, and related enforcement actions over retail and wholesale recreational permittees

Effective regulatory processes help prevent the sale of legal recreational cannabis to youth, keep profits from cannabis sales in the regulated market (i.e., away from criminals), and protect public health and safety by allowing adults to access legal cannabis.

<sup>1</sup> See **Section 6.0** for a glossary of key terms pertaining to cannabis products.



## 2.0 INTRODUCTION

This chapter reports the results of our audit of the Saskatchewan Liquor and Gaming Authority's processes to regulate the distribution and sale of recreational cannabis in Saskatchewan. Our audit did not examine the enforcement of laws related to illegal cannabis, as this is not under the Authority's responsibility.

### 2.1 Federal and Provincial Responsibility for Cannabis

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Since the legalization of cannabis in October 2018, Canadian federal, provincial and territorial governments share responsibility for overseeing the cannabis regulatory system.<sup>2</sup> **Section 5.0** provides a breakdown of the regulatory responsibilities for each level of government.

In general, the Federal Government is responsible for setting requirements for producers who grow and manufacture cannabis, and industry-wide rules and standards (e.g., types of cannabis products available for sale, packaging and labelling requirements, potency, production practices, tracking requirements, and restrictions on promotional activities).

Whereas, provinces and territories are responsible for developing, implementing, maintaining and enforcing systems to oversee the distribution and sale of cannabis within the requirements of the federal framework. They can add their own safety measures like increasing the minimum age, lowering the personal possession limit, and restricting where adults can consume cannabis, such as in public or in vehicles.

Also, federal requirements make retail and wholesale permittees responsible for monthly reporting data about cannabis inventory to the Federal Government. Data required includes the amount of product purchased from wholesale permittees or licensed producers, products sold to customers, and inventory on hand at month end.

### 2.2 Saskatchewan Liquor and Gaming Authority's Responsibilities for Cannabis

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*The Cannabis Control (Saskatchewan) Act* along with Order in Council 347/2018 gives the Authority responsibility for regulating recreational cannabis retail and wholesale businesses, and licensed producers.<sup>3,4</sup> The Authority modelled its cannabis regulatory processes similar to those used to regulate liquor, in which it has significant experience.

Saskatchewan has chosen to use a fully private distribution and sales model for cannabis. The Authority issues permits to privately owned and operated recreational cannabis retail and wholesale businesses. It also registers licensed producers allowing the sale of the producers' cannabis in Saskatchewan to retail and wholesale permittees (i.e., verifies the licensed producer has a federal permit and meets requirements to sell products to

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<sup>2</sup> In October 2018, cannabis became legal in Canada under *The Cannabis Act* (Canada).

<sup>3</sup> Order in Council 347/2018 dated July 12, 2018 designates the Saskatchewan Liquor and Gaming Authority as the Cannabis Authority contemplated under *The Cannabis Control (Saskatchewan) Act*.

<sup>4</sup> **Retail permittee** is a business that engages in the retail sale of cannabis for the public's consumption and use. **Wholesale permittee** is a business that wholesale purchases cannabis product from licensed producers and distributes the products to retail permittees. **Licensed producer** is a business, licensed by the Federal Government, which grows, packages, and sells finished cannabis products.

Saskatchewan). **Figure 1** briefly outlines specific responsibilities of the Authority in regards to regulating cannabis.

**Figure 1—Specific Provincial Regulatory Responsibilities of the Authority for Cannabis**

- Approving an application for a three-year permit to purchase, sell, transport or distribute cannabis subject to any terms and conditions that it considers appropriate (including determining the duration of the permit)
- Refusing any application for a permit or for renewal of a permit
- Designating cannabis enforcement officers to inspect retail and wholesale permittees
- Enforcing terms and conditions and legislation relating to permits
- Cancelling or suspending a permit

Source: *The Cannabis Control (Saskatchewan) Act*, s. 3-1(1).

As of December 31, 2020, the Authority had issued 54 retail and 4 wholesale active cannabis permits, and 97 active registrations for licensed producers to sell cannabis products to retail/wholesale permittees in Saskatchewan. The Authority issued its first permit in October 2018. The Authority's cannabis permits have a three-year term. The first cannabis permit renewal will occur in 2021.

The Authority considers federal responsibilities during its regulatory process (e.g., Authority cannabis inspectors inform the Federal Government of any identified potential federal violations, such as promotional emails to customers). In addition, under its private distribution and sales model, it has agreed to collect and provide to the Federal Government monthly data on behalf of the permitted and registered private businesses operating in the province.

In 2019-20, the Authority recorded revenues of \$226,000 for cannabis permit fees, and expenses of about \$3 million pertaining to cannabis regulation.<sup>5,6</sup>

## 2.3 Importance of Effective Regulation of Recreational Cannabis

Cannabis use increases health risks (e.g., long-term brain impacts from use especially for minors, mental health issues) and safety risks (e.g., driving impaired). This increases the need for effective regulatory processes to enforce requirements for sale and distribution of legal cannabis (types, potency, and quantity).<sup>7</sup>

Overall, effective regulatory processes helps prevent the sale of legal recreational cannabis to youth, keep profits from cannabis sales in the regulated market (i.e., away from criminals), and protect public health and safety by allowing adults access to legal cannabis.<sup>8</sup>

## 3.0 AUDIT CONCLUSION

At December 2020, the Saskatchewan Liquor and Gaming Authority had been responsible for regulating cannabis for two years. The regulatory environment evolved during this

<sup>5</sup> *Saskatchewan Liquor and Gaming Authority Annual Report for 2019-20*, p. 43.

<sup>6</sup> The Authority's only cannabis revenue source related to permit fees (initial application fee and annual fee). The Ministry of Finance collects revenue related to the cannabis excise tax charged on all sales of cannabis products.

<sup>7</sup> [www.saskatchewan.ca/government/cannabis-in-saskatchewan/cannabis-and-your-health](http://www.saskatchewan.ca/government/cannabis-in-saskatchewan/cannabis-and-your-health) (15 April 2021).

<sup>8</sup> [www.justice.gc.ca/eng/cj-jp/cannabis/](http://www.justice.gc.ca/eng/cj-jp/cannabis/) (04 March 2021).



period. As a result, the Authority appropriately focused its efforts on educating retail and wholesale permittees on the legislative requirements of operating instead of taking harsher, enforcement action on non-compliance found (e.g., monetary fines). Changes of this magnitude take time to implement.

**With this context in mind, we concluded that, for the 12-month period ended December 31, 2020, the Saskatchewan Liquor and Gaming Authority had, other than in the following areas, effective processes to regulate the distribution and sale of recreational cannabis in Saskatchewan.**

**The Authority needs to:**

- **Finalize key operational documents (e.g., a risk-informed inspection plan and guidelines for sanctions) to guide identification and handling when retail and wholesale permittees do not comply with permit requirements**
- **Communicate to permittees when it plans to start taking enforcement actions (e.g., fines) on identified non-compliance**
- **Establish guidance about consistently and centrally maintaining evidence about its key activities to regulate recreational cannabis (e.g., in its IT system)**
- **Actively monitor whether permittee inspections are done as planned and identified non-compliance with permittee requirements have been addressed**
- **Report to senior management on the nature and extent of non-compliance and related enforcement activities over retail and wholesale recreational permittees**

**Figure 2—Audit Objective, Criteria, and Approach**

<p><b>Audit Objective:</b></p> <p>The objective of this audit was to assess whether the Saskatchewan Liquor and Gaming Authority, for the 12-month period ended December 31, 2020, had effective processes to regulate the distribution and sale of recreational cannabis in Saskatchewan</p> <p><b>Audit Criteria:</b></p> <p>Processes to:</p> <ol style="list-style-type: none"><li>1. <b>Approve eligible retailers, wholesalers, and producers for the distribution and/or sale of recreational cannabis</b><ul style="list-style-type: none"><li>• Set requirements for eligible retailers, wholesalers and producers consistent with legislation</li><li>• Confirm applicants meet established requirements (e.g., use qualified staff, verify applicant information)</li><li>• Issue permits or registrations with appropriate requirements to successful applicants within a reasonable timeframe</li></ul></li><li>2. <b>Monitor compliance with permit requirements</b><ul style="list-style-type: none"><li>• Set guidance for monitoring compliance with permit requirements (e.g., checklists, inspection procedures, penalties, escalation processes for identified non-compliance, how to enforce corrective action)</li><li>• Set risk-based plans for inspecting permitted retailers and wholesalers</li><li>• Regularly assess compliance with requirements (e.g., use qualified staff, complete inspections in accordance with established process)</li><li>• Investigate complaints about permit holders within a reasonable time (expect guidance on timeframes based on potential impact of complaint)</li><li>• Analyze cannabis sales and purchase data reported to Federal Government (e.g., Department of Health Canada, Statistics Canada) to identify potential irregularities or issues</li></ul></li></ol>
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### 3. Address and report non-compliance

- Communicate action required for resolution of non-compliance within a reasonable time (e.g., timeframes vary based on severity of non-compliance)
- Require prompt action on non-compliance based on severity of non-compliance
- Escalate action on continued non-compliance (e.g., cancel or suspend permit, report non-compliance to appropriate authorities)
- Report information on non-compliance and related enforcement actions 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 Authority'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 Authority's management agreed with the above criteria.

We examined the Authority's procedures and policies relating to regulating the distribution and sale of recreational cannabis. We assessed the Authority's permit application templates and permit conditions for consistency with legislation and good practice. We tested samples of permit approvals, inspections, and actions taken on identified non-compliance with requirements to verify the Authority followed its established procedures. In addition, we analyzed data to assess if the Authority inspected retail permittees in accordance with its established frequency expectations.

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Cannabis Permit Requirements Consistent with Legislation

The Saskatchewan Liquor and Gaming Authority set requirements for retail and wholesale permittees consistent with legislation for recreational cannabis.

The Authority makes its Cannabis Licensing and Inspection Branch responsible for permitting, inspecting, and monitoring cannabis retail and wholesale permittees. The Branch is part of the Authority's Regulatory Services Division. The Division is also responsible for registering licensed cannabis producers.<sup>9</sup>

Prior to the existence of the Cannabis Licensing and Inspection Branch, Authority staff participated on a working group with other provincial government organizations.<sup>10</sup> The working group used the Federal Government's cannabis legislation (*The Cannabis Act* (Canada)) as a starting point when developing Saskatchewan's legislation.

Once Saskatchewan established its cannabis legislation in July 2018 (i.e., *The Cannabis Control (Saskatchewan) Act*), the Branch developed a detailed *Cannabis Regulatory Policy Manual*. The Authority created the Manual for both internal (i.e., staff) and external (i.e., public, applicant) use. The Manual is available to the public on the Authority's website.

We found the Manual is consistent with legislative requirements and good regulatory practice guidance (e.g., the Transform Drug Policy Foundation's *How to Regulate Cannabis: A Practical Guide*).<sup>11</sup> The Manual is sufficiently detailed and is easy to understand. It outlines the requirements for an applicant to apply for a retail or wholesale permit, or register as a licensed producer. The Manual also outlines retail and wholesale

<sup>9</sup> The Authority's permit requirements for licensed producers is limited compared to retail and wholesale permits, because the Federal Government is responsible for regulating and establishing operating requirements for licensed producers.

<sup>10</sup> This working group consisted of numerous Saskatchewan government agencies including the Ministry of Justice and Attorney General, Ministry of Health, and Saskatchewan Government Insurance.

<sup>11</sup> [www.unodc.org/documents/ungass2016/Contributions/Civil/Transform-Drug-Policy-Foundation/How-to-Regulate-Cannabis-Guide.pdf](http://www.unodc.org/documents/ungass2016/Contributions/Civil/Transform-Drug-Policy-Foundation/How-to-Regulate-Cannabis-Guide.pdf) (18 March 2021).



permittee operating requirements once a permit is obtained.<sup>12</sup> See **Figure 3** for a summary of the contents of the Manual.

**Figure 3—Content of Cannabis Regulatory Policy Manual at September 2020**

- **General Information:** how to use the manual; summary of federal, provincial and municipal responsibilities; summary of legislation
- **Process to Apply to Obtain a Retail or Wholesale Permit:** summary of the information required to apply for a permit to operate a cannabis retail or wholesale business in Saskatchewan; security requirements; inventory system and point-of-sale requirements; permit fees
- **Retail or Wholesale Permit Information:** cannabis permittee staff training requirements; verifying customer age requirements; hours of operation; product and pricing rules; rules about delivering to customers; record keeping requirements
- **Registration in Saskatchewan for Licensed Cannabis Producers:** application process; fees
- **Inspections:** overview of the Authority's regulatory processes to assess permittees comply with operating requirements
- **Disciplinary Action:** summarizes potential actions Authority may take to address and correct identified non-compliance with operating requirements

Source: Adapted from the Authority's *Cannabis Regulatory Policy Manual*.

In addition, the Authority keeps applicants informed of changes to operating requirements.

In March 2020, we noted the Authority emailed permittees about changes to operating requirements because of the COVID-19 pandemic (e.g., permittees could offer curbside pick up so customers did not have to enter the store). We found this communication timely and easily understandable.

Having consistent and understandable publicly available requirements enables the Authority to be transparent in its requirements. This increases the ability of those with permits to follow the Authority's requirements, as well as potential applicants to be able to understand what is needed to apply for a permit and requirements they will have to meet if they are successful in obtaining a permit.

## 4.2 Adequately Confirming Applicants Meet Requirements But Not Always Keeping Results of Due Diligence Procedures

Although the Saskatchewan Liquor and Gaming Authority effectively confirms applicants for recreational cannabis permits meet established requirements, it does not always maintain proper records of the results of its due diligence procedures—a key activity in the approval process.

As of December 2020, the Cannabis Licensing and Inspection Branch had clearly documented its flow of work (process maps). **Figure 4** provides a summary of the Authority's retail and wholesale permit and licensed producer registration approval process.

We found these process maps sufficiently detailed. They outline the key steps in the permit application review and approval process. For example, permit application review processes included checking that the community the applicant wishes to operate in has approved

<sup>12</sup> The Authority updated the *Cannabis Regulatory Policy Manual* twice in 2020 to incorporate regulatory changes in the year. The Authority issued the most recent version in September 2020. [www.slga.com/permits-and-licences/cannabis-permits/cannabis-retailing](http://www.slga.com/permits-and-licences/cannabis-permits/cannabis-retailing) (09 March 2021).

cannabis retail stores.<sup>13</sup> The process maps assign each process to an appropriate staff position.

**Figure 4—Retail and Wholesale Permit Approval Process and Licensed Producer Registration Approval Process**

#### Retail and Wholesale Permit Approval Process

- **Receipt of permit application:** Licensing Specialist reviews application for completeness to ensure all required documentation has been submitted by the applicant. Where an applicant fails to provide key information, staff follow up with applicant by phone or email
- **Review accuracy of information:** Licensing Specialist verifies the accuracy of information provided by applicants by comparing information disclosed. For example, corporate information in application package is verified to public corporate registry information (e.g., all shareholders listed in the corporation, verify business name and address)
- **Results of due diligence assessment procedures<sup>A</sup>**
  - **Review applicant financial position:** Licensing Specialist reviews financial information submitted by applicant and obtains credit check reports to verify financial viability of the applicant (i.e., applicant has sufficient financial resources to invest to be able to meet operating requirements)
  - **Review criminal record history:** Cannabis Inspector requests outside law enforcement agency run a criminal intelligence check on applicant(s) to verify applicant(s) have no criminal history<sup>A</sup>
  - **Review applicant publicly available information:** Cannabis Inspector searches social media and Authority internal regulatory records (e.g., if applicant has other Authority permits, such as alcohol permit) for any mention of the applicant's name<sup>A</sup>
  - **Interview applicant:** Cannabis Inspector interviews applicant asking pre-determined questions, and additional questions, from information disclosed in the application<sup>A</sup>
- **Site inspection before cannabis operations begin:** Cannabis Inspector performs pre-permit inspection of business location verifying facility set-up meets operating requirements (e.g., security cameras). Also verifies applicant has implemented appropriate inventory tracking and point-of-sale systems
- **Results of assessment procedures:** Management communicates whether applicant passed due diligence procedures and can begin to order inventory
- **Permit approved** in accordance with delegation of authority and issued to applicant

#### Licensed Producer Registration Process

- **Review of application:** Licensing Specialist reviews application package verifying all information provided by applicant (e.g., business name and location, holds active Federal Government cannabis production license)
- **Verify Federal status:** Licensing Specialist verifies the licensed producer has a federally approved permit
- **Registration approved:** Licensing Specialist communicates with licensed producer, informing applicant of approval to sell product in Saskatchewan

Source: Adapted from the Authority's process records.

<sup>A</sup> These due diligence processes are to assess whether the cannabis permit applicant is of suitable character to operate a cannabis business. *The Cannabis Control (Saskatchewan) Act* section 3-2 requires that the Authority not issue a cannabis permit to an applicant if the Authority has evidence that the applicant is not of good character, considering the applicant's reputation, past conduct, integrity, financial history, or competence.

In addition, the Authority established a reasonable service standard of issuing a permit/registration within six months of its receipt of an application. We found six months allows time for Branch staff to collect any missing application information from applicants.

For each of the three permit applications and two producer registration applications tested (that the Authority had received and assessed during 2020—the audit period), the Authority followed its review and permit/registration approval process in that it approved each within six months, included appropriate requirements in the issued permit (e.g., required compliance with *Cannabis Regulatory Policy Manual*), and approved each in accordance with the Authority's delegation of authority.<sup>14</sup>

<sup>13</sup> Municipalities have the authority to deny cannabis retail or wholesale operations within the community.

<sup>14</sup> We initially tested a sample of three approved permits (one wholesale, and two retail) for completion of due diligence procedures. Because the Authority could not provide us with evidence of completion of its due diligence procedures for all three permits, we tested an additional seven approved permits for a total sample of ten approved permits.



However as described below, for certain permit applications tested that it approved, the Authority did not sufficiently document its due diligence procedures. Branch staff completing the due diligence procedures do not keep or store records consistently. We found:

- For four of ten permit applications tested, the Authority could not provide evidence that it completed some of its due diligence processes (e.g., social media search). For these four permits, we noted the results from the documented due diligence processes did not find issues to suggest not approving these four applicants.
- For two of the ten permit applications tested, staff kept information about completed due diligence on a network drive in a separate location and did not refer to this work in the Authority's IT system used to manage cannabis permits.

We found the Cannabis Licencing and Inspection Branch does not have written guidance about documenting results of the retail and wholesale permit process including guidance on what information to keep and where.

Not having all information from an applicant stored in one central location increases the risk of staff not being supervised sufficiently, and of not having awareness of key documents when making application approval decisions.

In addition, not keeping key records centrally increases the risk that due diligence procedures are not performed sufficiently. By not completing required due diligence procedures, the Authority increases the risk of approving permittees with questionable backgrounds and character. As a result, this increases risk to public safety (e.g., illicit product making its way into the supply chain, or permittees selling product to ineligible customers such as minors).

- 1. We recommend the Saskatchewan Liquor and Gaming Authority develop guidance for centrally keeping results from its key regulatory activities of recreational cannabis (e.g., assessment of cannabis permit applications).**

### 4.3 Provincial Cannabis Inspectors Suitably Qualified

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The Saskatchewan Liquor and Gaming Authority staff responsible for assessing whether applicants meet permit conditions, and permittees follow cannabis retail and wholesale operating requirements (i.e., performed inspections) have the required and suitable training and experience.<sup>15</sup>

Its Cannabis Licensing and Inspection Branch had 11 full-time equivalent positions as at December 31, 2020. The positions included four cannabis inspectors, two licensing specialists, three managers, one director, and one data analyst. The Branch has located two inspectors in each Regina and Saskatoon.

The Authority appropriately uses job descriptions to set out expected educational and experience requirements for its staff. The Authority requires cannabis inspectors to have

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<sup>15</sup> The Federal Government is responsible for verifying licensed producers meet operating conditions.

at least five years of law enforcement background. Law enforcement experience gives them the skills to effectively:

- Interview and assess applicants applying to operate a cannabis retail or wholesale business (e.g., knowledge of criminal record/criminal intelligence checks and identified past convictions)
- Inspect whether permittees are complying with operating requirements
- Investigate complaints received

We found that all four cannabis inspectors had significantly more experience than the five years required.

Having suitably qualified staff to carry out inspections particularly during the Authority's early stage of regulating cannabis helps decrease the risk of inadequate inspections, and investigations.

#### 4.4 Implementation of Risk-Informed Inspection Plan Needed

As at December 2020, the Saskatchewan Liquor and Gaming Authority has drafted, but not finalized or implemented a risk-informed inspection plan.

A risk-informed inspection plan is typically based on an assessment of key risks of non-compliance. Such plans use risks to determine the nature and extent (frequency) of inspections. It is good practice to develop inspection plans based on risk.

The Authority uses periodic inspections of retail and wholesale permittees as its main way to monitor whether retail and wholesale permittees follow established operating requirements (i.e., legislation, requirements in its *Cannabis Regulatory Policy Manual*) on an ongoing basis. Since January 2019, the Authority's guidance expects cannabis inspectors to inspect retail and wholesale permittees at least once a month. It assigns inspectors to a list of permittees; they are not responsible to inspect other permittees.

The regulated sale and distribution of cannabis is still relatively new. Because of this, the Authority has focused its regulatory efforts on educating permittees about compliance with permit operating requirements, legislative requirements, and the *Cannabis Regulatory Policy Manual*, versus escalating enforcement action on identified non-compliance. Given the cannabis regulatory process is in its infancy, it is appropriate for the Authority to take an educational approach versus a hard-handed approach when dealing with non-compliance.<sup>16</sup>

We assessed the Authority's draft risk-based inspection plan and draft process to assess permittee risk and found the processes to be reasonable.

We further found a monthly inspection requirement for all permittees reasonable given the cannabis legalization and regulation is relatively new (i.e., provincial legislation in place since July 2018). We recognize it takes time to gather information on permittees to enable

<sup>16</sup> The Authority considers discussions with permittees about regulatory requirements during inspections, notice for improvement letters, and warning letters to be types of educational actions taken to address non-compliance (i.e., not a formal sanction such as issuing fines or suspending/cancelling a permit).



assigning an informed risk rating on the likelihood of non-compliance (e.g., based on regular inspections, complaints received against permittees).

The Authority noted it plans to have its draft risk-based plan finalized and implemented by September 30, 2021.

Having a written risk-informed inspection plan would help ensure the Authority treats cannabis permittees consistently and fairly. Areas of highest risk of non-compliance are related to factors such as:

- History of non-compliance
- Type of license (i.e., wholesale, stand-alone retail store, integrated retail)
- Character of the permit holder noted during the Authority's due diligence process

A risk-formed inspection plan would also help the Authority allocate its resources to the highest priority areas, which will become increasingly important as the number of permittees increases.

2. **We recommend the Saskatchewan Liquor and Gaming Authority implement a risk-informed plan for inspecting retail and wholesale permittees who sell or distribute recreational cannabis.**

## 4.5 Effective Inspections Conducted

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Since August 2020, the Saskatchewan Liquor and Gaming Authority completes effective inspections of recreational cannabis permittees. The Authority appropriately forwards matters of non-compliance that are outside its jurisdiction to the appropriate regulatory authority.

In August 2020, the Authority improved its minimum cannabis permittee inspection expectations. The Branch improved its inspection checklist templates that it expects cannabis inspectors to use during monthly permittee inspections. It made five inspection procedures mandatory for all inspections; they are:

- Assess permittee displays its approved cannabis permit at its business
- Assess a sample of cannabis inventory in the store matches the amount of inventory in the permittee's electronic inventory tracking system
- Assess cannabis inventory in the permittee's vault (e.g., check product containers that product is marked for sale in Saskatchewan)
- Assess security cameras operating in accordance with the *Cannabis Regulatory Policy Manual* requirements
- Assess permittee's staff are routinely checking customer photo identification to verify customer age<sup>17</sup>

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<sup>17</sup> The inspection checklist also lists numerous other optional inspection procedures.

Our testing of 15 inspections after August 2020 (out of about 150) noted that inspectors completed all mandatory inspection procedures. Based on written inspection reports, we determined inspections were completed as expected.

The Authority recognizes it is only responsible for regulating legal cannabis sold and distributed through permitted stores. See **Section 5.0** for provincial responsibilities in relation to cannabis regulation. It knows any instances of non-compliance such as black market (i.e., illicit) cannabis are the responsibility of law enforcement and the Ministry of Justice and Attorney General. We noted examples where the Authority forwarded matters to law enforcement around the suspected sale of cannabis to minors occurring outside of permittee stores (e.g., complaint forwarded to the RCMP).

We noted an example where the Authority appropriately cancelled a licensed producer registration during 2020—the audit period. Branch staff became aware that the Federal Government had cancelled the cannabis producer’s federal license to operate. The Branch contacted the licensed producer informing them of the cancellation of the registration to sell product in Saskatchewan until the Federal Government reinstated its license. We observed the Branch appropriately reinstated the licensed producer’s registration after confirmation the federal license was reinstated.

Effectively inspecting permittees enabled the Authority to monitor that permittees complied with its operating requirements. This decreases the risk to public safety.

## 4.6 Inspections Not Monitored for Timeliness

The Saskatchewan Liquor and Gaming Authority does not actively or effectively monitor whether it inspects retail and wholesale permittees consistent with its frequency expectations.

As at December 2020, the Authority relied on management’s review of individual inspection reports in its IT system as its only means of determining whether inspections occurred as expected (i.e., monthly).

Our analysis of all inspection records for 2020 (the audit period) found 40 instances out of about 470 inspections where an inspection was not completed in accordance with management’s monthly frequency expectation. For these 40 instances, we found there were between 51 and 196 days between inspections.<sup>18</sup>

- For 29 of these instances, although not documented, management provided us with reasonable explanations for the delay between inspections. Most of the reasons related to restrictions because of the COVID-19 pandemic (e.g., cannabis store was temporarily closed, Authority staff required to work from home, COVID-19 outbreak situations).
- For the remaining 11 instances (ranging between 51 and 98 days between inspections), management did not have an adequate explanation for the delay between inspections.

<sup>18</sup> Our audit used a threshold of 50 days when assessing if inspections occurred timely. This allowed for deviations that were the result of staff missing the deadline by a few days and potential delays due to the impacts of the COVID-19 pandemic.



- For two of these 11 instances, the cannabis inspector failed to update the IT system for inspections done. See **Recommendation 1** about needing guidance for sufficiently keeping results from its key regulatory activities of recreational cannabis (e.g., inspection activities).

The Authority noted not having its full staff compliment (e.g., leaves) of cannabis inspectors contributed to why inspections experienced delays.

We found the Branch did not re-assign cannabis inspectors when management became aware an inspector would be away for an extended period. Not having coverage when an inspector will be away for an extended period increases the risk of inspections not occurring as frequently as expected.

Tracking inspection frequency will become increasingly important as inspection frequency changes from monthly to differing frequencies based on the risk level assigned to a permittee. Not actively monitoring if, and how often, retail and wholesale permittees are inspected (e.g., at least monthly) increases the risk of the Authority not detecting significant non-compliance. Unidentified violations could lead to increased risk of public safety (e.g., retail permittees selling cannabis to minors).

Infrequent inspections may also reduce opportunities for the Authority to educate permittees on the importance of complying with Saskatchewan's cannabis laws and permit terms and conditions. This is especially important, as the Authority has been focusing on education versus enforcement on non-compliance.

- 3. We recommend the Saskatchewan Liquor and Gaming Authority actively monitor the frequency of inspections of retail and wholesale permittees that sell or distribute recreational cannabis, and obtain reasons for delayed inspections.**

## 4.7 Need to Finalize Guidance for Addressing Non-Compliance Identified and Decide When to Begin Taking Enforcement Actions

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Although the Saskatchewan Liquor and Gaming Authority has drafted guidance about addressing identified non-compliance (e.g., its internal draft Sanctions Guideline), it has not finalized its guidance nor decided when it plans to take enforcement actions other than educating recreational cannabis retail and wholesale permittees.

By December 2020, the Authority drafted a Cannabis Sanctioning Guideline for staff to follow when identifying non-compliance. However, the Authority has not finalized or implemented the Guideline as at December 2020.

We found the draft Guideline clearly and appropriately sets what the sanctions should be (e.g., warning letter, fine, permit cancellation) and how the sanction escalates if non-compliance continues. We found the Guideline was consistent with legislation. The Guideline provides staff with adequate guidance on how to escalate enforcement action based on the:

- Number of times the non-compliance occurred
- Section(s) of legislation the non-compliance violated. A minor infraction (e.g., failure to post a valid permit) results in a Notice for Improvement and Warning Letter before the Agency imposes a fine, or suspends or cancels a permit. A major infraction (e.g., sell cannabis without demanding proof of age) results in a fine for the first infraction. The fine amount increases when additional infractions are identified.

The draft Guideline expects permittees to resolve identified non-compliance immediately.

In 2020, consistent with provisions in the draft Guideline, the Branch developed and implemented a template for when staff draft a Notice for Improvement (i.e., educational guidance).<sup>19</sup> Use of this template helps ensure consistent communication with permittees on non-compliance found.

The Branch does not use a template for warning letters contemplated in the draft Guideline, rather, it gives only one person in management the authority to draft these letters based on the recommendations of the inspectors.<sup>20</sup> Having only one person drafting the letters enables consistency.

However, the draft Guideline does not set out expected timeframes to review and approve recommended sanctions (e.g., within one week of drafting).

**Figure 5** summarizes the number of and types of issues found during the Authority's approximately 470 inspections of cannabis permittees during 2020. This represents the best data available during the audit. See **Section 4.9** for improvements needed related to tracking non-compliance found in its IT system.

**Figure 5—Summary of Issues Found from the Authority's Inspections of Cannabis Permittees During 2020**

Results of Inspections When Potential Issues Found	Number of Items	Examples of Issues Found
Authority verbally provided education to permittee or Notice For Improvement Letter issued	12	Non-cannabis related products being sold in store; store trying to use promotional offers; no video camera test log established
Referred to others (Health Canada, RCMP)	4	Store trying to use promotional offers; received a complaint from customers about suspected sale of cannabis to minors occurring outside of permittee stores
Warning Letter issued	3	Not providing accurate monthly reports; possessing and selling cannabis product labelled for sale from another province
Potential Sanction identified but not yet finalized at January 31, 2021 (because issue was not finalized at time of audit, possible may result in education instead of sanction)	12	Retail permittee shipping cannabis to customer without requiring customer to show identification to courier to verify age; cannabis inspector observed retail staff not checking customer identification at time of purchase to verify age; a permittee with several instances of failure to provide accurate monthly reporting

Source: Adapted from the Authority's records.

<sup>19</sup> Notice for Improvement informs the permittee about a noted instance of non-compliance and informs the applicant what the section of legislation the non-compliance violates, the date the non-compliance occurred, and actions needed to address the non-compliance.

<sup>20</sup> Warning Letter is the last option the permittee has to address the non-compliance before the Authority may impose further enforcement action (e.g., fines).



Not having a complete and approved guideline increases the risk of staff not performing expected procedures or not performing them consistently (e.g., following up within five days in one instance, but waiting 15 days in another). In addition, it increases the risk of the Branch making decisions on how to deal with non-compliance that are not in line with senior management's expectations. Furthermore, not having approved enforcement policies available to all permittees reduces transparency.

**4. We recommend the Saskatchewan Liquor and Gaming Authority approve policies governing the escalation of regulatory enforcement actions to take to address identified non-compliance with cannabis permit operating requirements.**

The Authority noted it plans to finalize and approve the Guideline by August 31, 2021. However, as at December 2020, it had not set a date for when it will fully transition to escalating enforcement action on non-compliance.

Providing adequate education and guidance in the early stages of regulating recreational cannabis will likely serve the Authority better in the long run. Education may reduce the amount of non-compliance identified in the future (i.e., if permittees fully understand what they can and cannot do, this is expected to reduce future non-compliance).

A shift to enforcement from education will be needed after the initial start up phase. As a regulator, the Authority must be fair and transparent to cannabis retail and wholesale permittees as to when it expects to make this shift.

**5. We recommend the Saskatchewan Liquor and Gaming Authority advise permittees when the Authority expects to start taking regulatory enforcement actions (e.g., fines) to address identified non-compliance with cannabis permit operating requirements.**

## 4.8 Timely Review and Issuance of Sanctions and Warning Letters about Identified Non-Compliance Required

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The Saskatchewan Liquor and Gaming Authority is not always finalizing and issuing recommended sanctions for identified non-compliance within a reasonable period.

For two of six instances of inspector-identified non-compliance tested, the Authority had not reviewed or approved as of January 2021 sanctions drafted several months earlier. One was drafted in September 2020, and the other in October 2020. For one, the draft related to a permittee not asking customers for identification at the time of sale to verify age.

Our further review of all non-compliance identified by the Authority in the audit period, found up to 12 more instances where cannabis inspectors had identified non-compliance and drafted a sanction letter, and the Authority had either not issued a sanction at January 2021, nor finalized what enforcement action to take.

By not reviewing and approving sanctions timely (e.g., within 30 days of drafting), the Authority increases the risk of cannabis permittees continuing to not comply with the

Authority's operating requirements. This may increase risk to public safety (e.g., retail permittees selling cannabis to minors).

6. **We recommend the Saskatchewan Liquor and Gaming Authority promptly communicate to cannabis retail and wholesale permittees sanctions about addressing identified non-compliance.**

## 4.9 Better Monitoring of Non-Compliance and Enforcement Planned

The Saskatchewan Liquor and Gaming Authority plans to implement new technology in fiscal 2021-22 to enable it to electronically track identified non-compliance of recreational cannabis retail and wholesale permittees, and their actions to address non-compliance.

The IT system the Authority uses at December 2020 to regulate cannabis does not have the capability to report on the history of identified non-compliance, and actions taken to address non-compliance.

As noted earlier, at January 2021, the Authority has not transitioned from educating recreational cannabis retail and wholesale permittees to taking more punitive enforcement actions (e.g., issuing fines, closures, requiring specific training).

Staff will need effective monitoring capabilities prior to the Authority transitioning to taking enforcement actions to address non-compliance.

In order to track history of permittee non-compliance or assess if staff have taken timely action on identified non-compliance, management must be able to run reports on outstanding non-compliance. This would enable management to readily determine what sanction level is required for continued non-compliance or to monitor staff took appropriate action in accordance with guidelines.

7. **We recommend the Saskatchewan Liquor and Gaming Authority enable effective monitoring of the status of enforcement actions to address cannabis retail and wholesale permittee identified non-compliance from operating requirements.**

## 4.10 Robust Processes to Verify Accuracy of Permittee Monthly Reporting

The Saskatchewan Liquor and Gaming Authority performs a robust review of monthly sales and inventory data it receives from recreational retail and wholesale permittees, before compiling and sending it to the Federal Government.

Federal reporting requirements are detailed, and require permittees to report inventory levels by product type (e.g., topicals, dried cannabis, plants). As required in legislation, permittees must submit reporting on cannabis purchases, sales, and inventory levels for each month. The Authority has agreed to centrally receive this information, review it, compile all permittees into one central report for Saskatchewan, and provide the report to Health Canada.



As part of its review, staff analyze data to ensure permittees report inventory information appropriately. They note the most common issue identified is permittees not using the correct product weight (e.g., grams of dried cannabis) to report product (as cannabis packaging contains multiple weights on it).

Branch staff use computer formulas to verify information reported is accurate. This includes:

- Comparing the opening inventory of one month to the closing inventory of prior month (e.g., closing inventory of March should equal opening inventory of April)
- Identifying whether large numbers of lost or stolen items are reported
- Comparing expected product weights to current and historical information reported by permittees to identify anomalies in reported information

Based on our data analysis of reported information we viewed as risky, we found the Authority did a robust review. We viewed the following as risky: large amounts of items reported as lost or stolen, opening inventory of current month not agreeing to closing inventory of the prior month. We found the Authority had supporting documentation showing it had already identified these and was investigating or working with the related permittees on them:

- For 18 permittees reporting more than 30 packages of lost or stolen product in a month, email documentation with the permittee showed the Authority questioning why reported amount was so high.
- For 16 permittees with differences between closing inventory of the prior month and opening inventory of the current month documentation showed Branch staff had identified these issues and were working with these permittees to correct errors in reported information. Monthly reports for these permittees were not finalized as of December 2020.

In addition, the Authority accurately compiles monthly reports sent to Health Canada.

For 16 monthly reports submitted by permittees, we found the data was properly compiled into the consolidated monthly report provided to Health Canada. We found 11 of the 16 items where permittee reporting matched the consolidated report exactly. For five of the 16 items, the Authority had identified an issue with the original information provided by the permittee. In all five instances, we observed evidence that the Authority had worked with the permittee to revise the information, which was correctly included in the consolidated report.

Effective processes to review inventory and sales data reported by permittees enabled the Authority to compile accurate reports. The Authority providing reliable data allows Health Canada to monitor the legal cannabis market and report cannabis data to all Canadians.

## 4.11 Reporting about Non-Compliance to Senior Management and Board Needed

As at December 2020, the Saskatchewan Liquor and Gaming Authority does not give senior management sufficient information about permittees identified as not complying with operating requirements and related educational actions.

Monthly, senior management received a summary of cannabis sales information (e.g., retail sales of dried cannabis).

Senior management does not receive written reports about the nature and extent of permittees not complying with operating requirements (e.g., identified instances of cannabis retail permittees not asking for identification to verify customer age), or the implications of identified non-compliance (e.g., potential disregard for the Authority's regulatory role). Also, senior management does not receive information about enforcement strategies to achieve compliance.

By not reporting this information to senior management, the Authority increases the risk of senior management not being aware of the nature and extent of identified non-compliance, and implications thereof. It also may increase the risk of the Authority not taking sufficient or appropriate action to bring permittees into compliance for significant infractions.

Moreover, because the regulated sale and distribution of cannabis is still relatively new, senior management needs information about non-compliance to determine if its regulatory model and approach is working as intended, and to identify whether adjustments are necessary.

**8. We recommend the Saskatchewan Liquor and Gaming Authority periodically give senior management written reports on the nature and extent of non-compliance with cannabis retail and wholesale permit conditions, and related enforcement strategies and actions.**

## 4.12 Complaints Received Resolved Timely and Adequately

While the Saskatchewan Liquor and Gaming Authority did not have a process to centrally track all complaints it received relating to the recreational cannabis retail and wholesale permittees it regulated, cannabis inspectors quickly and adequately resolved complaints received.

The Authority expected staff to acknowledge receipt of a complaint within 24 hours. We found this timeframe reasonable. We noted the Authority did not set a formal expectation for how timely staff should resolve complaints received. Establishing this guidance could help ensure a consistent approach to resolution amongst all staff.

The Authority indicated it received less than 10 complaints during the 2020 calendar year.

For each of two complaints tested, staff sufficiently investigated the complaint or forwarded it on to the applicable regulatory authority. One complaint received was outside of the Authority's jurisdiction. We observed the Branch staff emailed Health Canada about the



promotional materials a permittee sent a customer. Staff resolved this complaint within six hours of receiving it. The other complaint related to a permittee delivering cannabis to customers without the appropriate approval. The cannabis inspector assigned to the complaint provided the permittee with appropriate educational guidance. This complaint was resolved within three days of receipt.

Adequately resolving complaints received about cannabis permittees enables the Authority to monitor and address situations that may identify permittees not complying with operating requirements reported by the public.

## 5.0 SUMMARY OF FEDERAL AND PROVINCIAL GOVERNMENT CANNABIS REGULATORY RESPONSIBILITY

Activity	Federal Responsibility?	Provincial Responsibility? <sup>A</sup>
Possession limits: maximum of 30 grams for adults	Yes	Yes
Trafficking	Yes	No
Advertising and packaging	Yes	No
Impaired driving	Yes	Yes
Medical cannabis	Yes	No
Tracking & reporting system	Yes	No
Production (cultivation and processing)	Yes	No
Age limit - The federal government's minimum age is 18 years and provinces can choose to go higher	Yes	Yes – set at 19 years
Public health (e.g., responsible use, addiction supports)	Yes	Yes
Public education	Yes	Yes
Taxation	Yes	Yes
Home cultivation (growing plants at home); maximum four plants	Yes	Yes
Distribution and wholesaling	No	Yes
Retail model	No	Yes
Retail locations and rules	No	Yes
Regulatory compliance	Yes	Yes
Public consumption	No	Yes
Land use and/or zoning	No	No (municipal)

Source: Saskatchewan's Cannabis Framework: Framework and Survey Results.

<sup>A</sup> The Authority is not responsible for all areas of provincial responsibility.

## 6.0 GLOSSARY

**Cannabis** – a cannabis plant and anything prescribed in *The Cannabis Control (Saskatchewan) Act* including:

- Any part of a cannabis plant, including the phytocannabinoids produced by, or found in, such a plant, regardless of whether that part has been processed or not, other than a part of the plant prescribed as not cannabis below<sup>21</sup>
- Any substance or mixture of substances that contains any part of a cannabis plant
- Any substance that is identical to any phytocannabinoid produced by, or found in, a cannabis plant, regardless of how the substance was obtained

Cannabis does not include hemp, or anything prescribed as not cannabis, in the Act, such as:

- A non-viable seed of a cannabis plant
- A mature stalk, without any leaf, flower, seed or branch of a cannabis plant
- Fibre derived from a mature stalk without any leaf, flower or seed
- The root of a cannabis plant

**Concentrates** – cannabis products made from the outgrowths surrounding the budding marijuana flower. When collected, the resulting products contain very high levels of THC. These products may be vaporized and inhaled using a vape pen or through a process called dabbing. Examples of products include: hash oil, wax, and shatter.

**Edibles** – cannabis that is taken, crushed, and cooked into products that can be ingested. Examples of edible products include: brownies, cookies, chocolates, mints and gummies.

**Infused beverage** – producers infuse a liquid such as sparkling/flat water, tea bags, etc. with cannabis concentrate and blend to create an infused beverage.

**Topicals** – products such as lotions and oils that have been infused with cannabis extracts and are meant to be applied to the to the external body surface including the hair, skin and nails.

## 7.0 SELECTED REFERENCES

Provincial Auditor of Saskatchewan. (2017). *2017 Report – Volume 1, Chapter 7 – Highways and Infrastructure – Enforcing Vehicle Weight and Dimension Requirements*. Regina: Author.

Provincial Auditor of Saskatchewan. (2017). *2017 Report – Volume 1, Chapter 11 – Saskatchewan Liquor and Gaming Authority – Commercial Permittee Sale of Liquor*. Regina: Author.

Provincial Auditor of Saskatchewan. (2018). *2018 Report – Volume 1, Chapter 4 – Energy and Resources – Regulating Oil, Gas, and Pipeline Industry Incidents*. Regina: Author.

<sup>21</sup> A phytocannabinoid is a chemical in a cannabis plant. For example THC is a common chemical in the cannabis plant that creates a euphoric high sensation.



Provincial Auditor of Saskatchewan. (2018). *2018 Report – Volume 1, Chapter 12 – Water Security Agency – Regulating Drainage*. Regina: Author.

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## Chapter 11

# Saskatoon School Division No. 13—Monitoring Success in Readyng Students for Learning in the Primary Grades When Exiting Kindergarten

### 1.0 MAIN POINTS

Since 2014, the Saskatchewan education sector established an early learning goal associated with kindergarten students' readiness to learn. The sector recognizes success in readyng kindergarten students for learning prepares them for future academic success.

In 2018–19, 79 percent of kindergarten students in Saskatchewan publicly funded schools were assessed as at an appropriate level of development; the attainment of self-declared First Nations, Métis, and Inuit kindergarten was significantly lower at 56 percent. This is below the provincial goal of 90 percent of students exiting kindergarten being ready for learning in the primary grades.

Saskatoon School Division No. 13 is one of three divisions with more than 1,500 kindergarten students each year. The percentage of the readiness of its kindergarten students to learn is similar to the provincial average. While it has taken many positive steps and actions, Saskatoon Public needs to do more to monitor its success in readyng students for learning in the primary grades when exiting kindergarten.

Saskatoon Public needs written expectations about the minimum frequency of assessing kindergarten students using standard assessment tools in all key areas of learning and development, and where teachers use alternate assessment tools, confirm their suitability.

Kindergarten teachers did not always assess students at least twice a year using standard assessment or suitable tools. In addition, the Division could not explain why some kindergarten students did not participate in required reassessments. Frequent standard assessments provide teachers with essential data about a student's progress—data that enables identifying and making instructional and other changes to help a student succeed.

Saskatoon Public needs to give kindergarten teachers additional support for using key instructional practices. Teachers did not consistently use key instructional practices as expected. For example, they did not always include students identified as having problems in learning in their Sprint cycles.<sup>1</sup> Key instructional practices (like Sprint cycles) are used to improve student readiness in a focused way, particularly for those students identified as having problems in learning the subject matter (like numeracy, or word sounds). These are used in addition to normal classroom instruction.

Saskatoon Public needs to routinely analyze kindergarten assessment data to identify trends and common areas of struggle across all schools in the Division. Present data analysis is limited. Robust data analysis helps identify root causes at certain schools or division-wide gaps.

<sup>1</sup> Sprint cycles are short intensive-focused and repeated instruction for a small group of students (approximately six students) on a specific area of focus. See **Figure 7** for further information.



## 2.0 INTRODUCTION

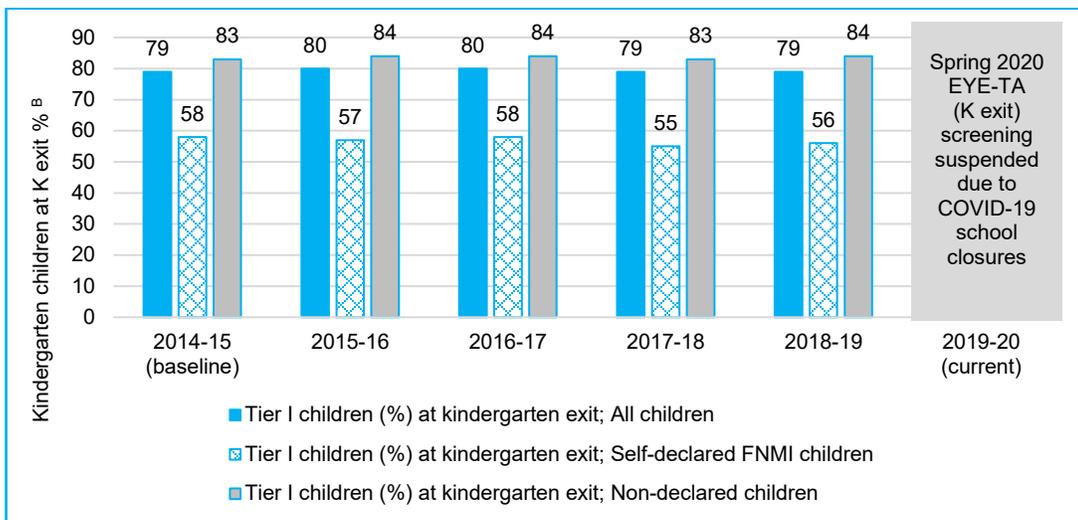
This chapter reports the results of our audit of Saskatoon Public’s processes to monitor its success in readying students for learning in the primary grades, when exiting kindergarten. Saskatoon Public is responsible for readying students for learning.<sup>2</sup>

In Saskatchewan, kindergarten programs are not mandatory. That is, the provincial government does not require school divisions to offer kindergarten programs, and where programs are offered, children are not required to attend. At January 2021, kindergarten is mandatory in three Canadian provinces.<sup>3</sup>

Since 2014, the Saskatchewan education sector has agreed to work towards achieving a desired outcome related to early learning readiness—by June 30, 2020, children up to six years old will be supported in their development to ensure that 90 percent of students exiting kindergarten are ready for learning in the primary grades (i.e., grades one to three).<sup>4,5</sup> At January 2021, the Ministry and school divisions continue to work towards this desired outcome.

As **Figure 1** shows, in 2018–19 for all Saskatchewan school divisions, 79 percent of kindergarten children were assessed as at an appropriate level of development (Tier I) with the percentage of the self-declared First Nations, Métis and Inuit (FNMI) kindergarten students at the appropriate level of development being significantly lower than the non-self declared kindergarten students at 56 percent.

**Figure 1—Saskatchewan (all divisions)—Early Years Evaluation from 2014 to 2020—Percent of Kindergarten Children Assessed at Appropriate Level of Development (Tier I)**



Source: The Ministry of Education, *Annual Report for 2019–20*, p. 30.

<sup>A</sup> Students who have voluntarily self-declared as First Nations, Non-Status Indian, Métis, Inuit (FNMI)

<sup>B</sup> K exit means at kindergarten exit

<sup>2</sup> *The Education Act, 1995*, s.85.

<sup>3</sup> Kindergarten is mandatory in British Columbia, New Brunswick, and Prince Edward Island.

([globalnews.ca/news/4056554/kindergarten-is-optional-depending-on-where-you-live/](http://globalnews.ca/news/4056554/kindergarten-is-optional-depending-on-where-you-live/)) (3 March 2021).

<sup>4</sup> Adapted from the Education Sector Strategic Plan, Cycle 4 (2019-20). *Ministry of Education, Plan for 2020–21*, p. 3.

<sup>5</sup> Since the fall of 2013, the Ministry and school divisions have agreed to use a common method to measure student development for the purposes of reporting on achievement of the Education Sector Strategic Plan. The method is the Early Years Evaluation Tool-Teachers Assessment (EYE-TA).

## 2.1 Saskatoon Public School Division No. 13

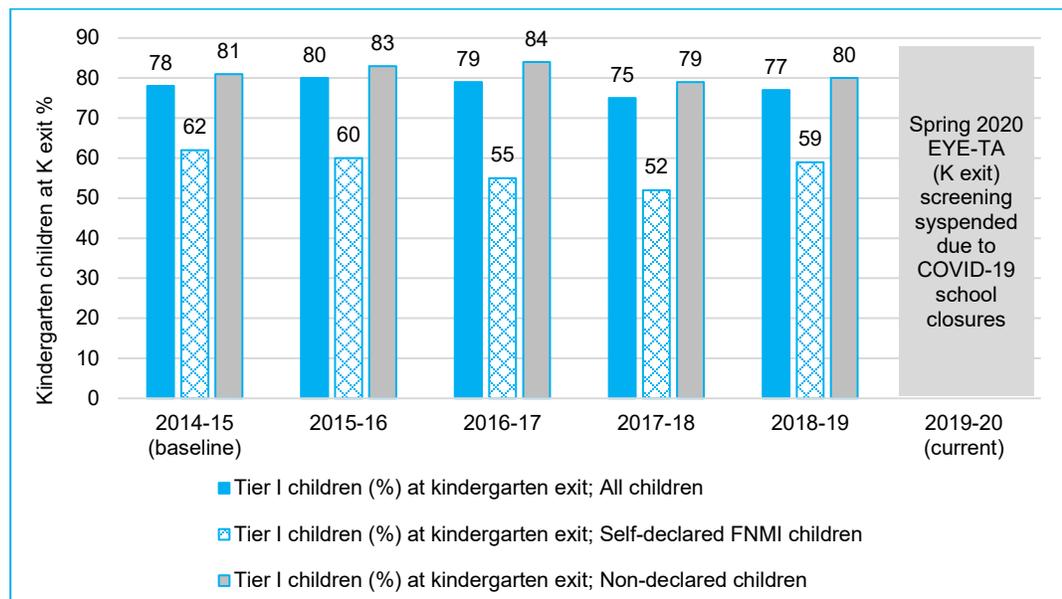
Saskatoon Public School Division No. 13 is one of 27 school divisions operating in Saskatchewan. It educates over 26,000 students in Saskatoon and the Whitecap Dakota First Nation.

Saskatoon Public is one of three school divisions with more than 1,500 kindergarten students each year.<sup>6</sup> It typically has about 1,900 kindergarten students.<sup>7</sup> Saskatoon Public oversees 49 schools with kindergarten programs.<sup>8,9</sup> It employs kindergarten teachers in 58.5 full-time equivalent (FTE) positions in these schools.<sup>10</sup>

**Figure 2** shows, in 2018–19, the percent of all kindergarten students in Saskatoon Public being ready for learning in the primary grades when exiting kindergarten (at 77 percent) was slightly below the provincial average for all Saskatchewan kindergarten students (at 79 percent in **Figure 1**).

In common with the provincial pattern (see **Figure 1**), the percentage of children in Saskatoon Public assessed as at an appropriate level of development (Tier I) among the self-declared FNMI kindergarten students is significantly lower than the non self-declared kindergarten students. Fourteen percent of its kindergarten students are self-declared as FNMI.

**Figure 2—Saskatoon Public—Early Years Evaluation from 2014 to 2020—Percent of Kindergarten Children Assessed at Appropriate Level of Development (Tier I)**



Source: Saskatoon Public School Division #13, *Annual Report 2019–2020*, p. 30.

<sup>A</sup> Students who have voluntarily self-declared as First Nations, Non-Status Indian, Métis, Inuit (FNMI).

<sup>B</sup> K exit means at kindergarten exit.

<sup>6</sup> The other two divisions are Regina Public School Division No. 4, and St. Paul's Roman Catholic Separate School Division No. 20. At September 30, 2019, almost 40% of the total number of kindergarten students in the province were enrolled in Saskatoon Public, Regina Public, and St. Paul's. ([pubsaskdev.blob.core.windows.net/pubsask-prod/114824/2019-20%252BPProvincial%252BK-12%252BEnrolment%252BSummary.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/114824/2019-20%252BPProvincial%252BK-12%252BEnrolment%252BSummary.pdf)) (25 February 2021).

<sup>7</sup> The Board of Education of the Saskatoon Public School Division #13 of Saskatchewan, *2019–2020 Annual Report*, p. 32.

<sup>8</sup> *Ibid.*, pp. 35, 36.

<sup>9</sup> Saskatoon Public also provides educational support programs to children before they enter kindergarten (e.g., early years and pre-kindergarten).

<sup>10</sup> Adapted from information provided by the Saskatoon Public School Division No. 13.



## 2.2 Early Years Learning Impact on Development

During the first six years of a child's life, a child develops the basic skills, knowledge, and abilities that they will build on throughout their lives.<sup>11</sup> Research shows that quality education early in life leads to better health, education, and employment outcomes later in life, especially for children from disadvantaged backgrounds.<sup>12</sup>

Children follow natural developmental progressions in learning. Curriculum research has revealed sequences of activities effective in guiding children through these levels of thinking. These sequences (developmental paths) are the basis for the learning trajectories.<sup>13</sup>

Learning trajectories can vary for different goal areas (e.g., literacy, numeracy, communication). Research shows when teachers understand how children develop, they are more effective in questioning, analyzing and providing activities that further children's development than teachers who are unaware of the development process. Consequently, effective teaching offers children a much richer and more successful learning experience in the primary grades.<sup>14</sup>

Assessing kindergarten students helps educators identify students who may be in need of professional services such as speech-language pathologists or additional school supports. Identifying issues early and intervening can help reduce the prevalence of academic challenges for children struggling in school. Also, using kindergarten student assessment information enables educators to take preventive approaches by allocating resources early and continuously, instead of waiting to respond after the student has experienced educational failure.<sup>15</sup>

Not having effective processes to monitor success in readying kindergarten students for learning in the primary grades places students at greater risk of not achieving their academic, financial, and social potential. Having effective processes to monitor success in readying kindergarten students for learning prepares them for future academic success.

## 3.0 AUDIT CONCLUSION

**We concluded, for the 18-month period ended June 30, 2020, Saskatoon Public School Division No. 13 had effective processes, other than in the following areas, to monitor its success in readying students for learning in the primary grades when exiting kindergarten.**

**Saskatoon Public needs to:**

- **Give schools and teachers written expectations about the minimum frequency of assessing kindergarten students using standard assessment tools in all key areas of learning and development**

<sup>11</sup> Ministry of Education, *Saskatchewan's Early Years Plan 2016–2020*, p. 3.

<sup>12</sup> Auditor General New South Wales, *Early Childhood Education: Department of Education*, (2016), p. 6.

<sup>13</sup> Learning and Teaching with Learning Trajectories, [learningtrajectories.org](http://learningtrajectories.org) (06 June 2020).

<sup>14</sup> Ibid.

<sup>15</sup> Saskatoon Public School Division No. #13, *Annual Report 2019–2020*, p. 29.

- **Confirm the suitability of alternative tools that teachers used to assess key areas of a kindergarten student's readiness to learn**
- **Understand why kindergarten students did not participate in required reassessments of student learning and development**
- **Provide kindergarten teachers with additional training and guidance on consistent application of the Division's key instructional practices used to increase student readiness (Sprint cycles)**
- **Routinely analyze kindergarten assessment data to identify trends and common areas of struggle across all schools in the Division**

**Figure 3—Audit Objective, Criteria, and Approach**

**Audit Objective:**

To assess whether Saskatoon School Division No. 13 has effective processes, for the 18-month period ending June 30, 2020, to monitor its success in readying students for learning in the primary grades when exiting kindergarten.

**Audit Criteria:**

Processes to:

1. **Collect relevant data on kindergarten student development and learning**
  - Identify relevant information (e.g., attendance, language and communication, numeracy, social and emotional development, parent/guardian/community engagement) necessary to understand student readiness to learn
  - Set frequency to collect relevant information
  - Collect information in a consistent and comparable way
2. **Analyze data to identify developmental and learning trajectories for kindergarten students**
  - Identify barriers (e.g., social, emotional, physical) for understanding developmental and learning trajectories (e.g., for students, schools, programs)
  - Evaluate the success of tools used for evaluation and reporting (e.g., for students, schools, programs)
3. **Measure progress towards increasing the proportion of kindergarten students ready for learning**
  - Identify relevant criteria and key processes to evaluate readiness of students for learning in the early years
  - Determine progress for improving students learning readiness (e.g., school, program and school division)
4. **Adjust response to developmental and learning trajectories for kindergarten students**
  - Evaluate mechanisms affecting students' learning trajectories
  - Adjust processes as required

**Audit Approach:**

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate Saskatoon Public's processes, we used the above criteria based on related work, review of literature, and consultations with management. Saskatoon Public management agreed with the above criteria.

We examined Saskatoon Public's policies, and procedures relating to collecting, analyzing, and monitoring success in readying students in kindergarten. We used an expert to identify and assess Saskatoon Public's processes against good practice. We interviewed staff responsible for kindergarten. We examined relevant documentation (e.g., standard assessment templates, guidance, minutes, student information). We tested a sample of teachers and principals for consistency with Division guidance and expectations (e.g., strategies were put in place for students identified as experiencing some or significant difficulty).



## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Assessment Tools Collect Sufficient Information on Kindergarten Student Development and Learning

Saskatoon Public gives appropriate standard assessment tools and guidance to help schools and kindergarten teachers collect key information about the development and learning of individual kindergarten students. It clearly communicates these expectations to schools and kindergarten teachers.

As mandated by the Ministry of Education, Saskatoon Public collects relevant information on the five domains outlined in a common readiness screening tool called the Early Years Evaluation—Teachers Assessment (EYE-TA) discussed in **Section 5.0**.<sup>16</sup>

Along with this Ministry mandated tool, Saskatoon Public developed three standard assessment tools to collect additional relevant student information (see **Figure 4**).<sup>17</sup> Saskatoon Public management used experts in the field of education to develop early learning assessment tools designed which collect key information on where a student is relative to curricular targets, so as to inform teaching staff where to adjust instruction.<sup>18</sup> Saskatoon Public used these tools for kindergarten students.

**Figure 4—Standard Assessment Tools to Assess Key Areas of Student Development and Learning**

Assessment Tool	Core Assessment Areas	Assessment Completion Dates
Early Years Evaluation Tool - Teacher Assessment (EYE-TA)	Awareness of: - Self and environment - Social skills and approaches to learning - Cognitive skills, language and communication - Physical development	Fall and Spring (Spring only for students that did not achieve mastery in the fall assessment)
Phonological Awareness Quick Screener (PAQS) New in 2019–20	A student's phonological awareness (e.g., identifying syllables, word sounds)	January and May
Alphabet Data	A student's ability to recognize letter names and sounds	October and May
Mathematics Quick Screener	A student's development in numeracy areas of the provincial curriculum	No deadline communicated (teacher determined)

Source: Adapted from Saskatoon Public Schools records.

Saskatoon Public collects information about kindergarten students in the following key areas:

- Personal information (e.g., age, gender, first language information, whether self-declared as FNMI, daily attendance)
- Emergent literacy assessment (e.g., comprehension, vocabulary, fluency, phonics, phonological awareness)

<sup>16</sup> Ministry of Education, *Plan for 2020–21*, p. 4.

<sup>17</sup> Ibid.

<sup>18</sup> Curricular targets are the desired knowledge and skills of students as set out in the curriculum. See Saskatchewan's kindergarten curriculum [www.edonline.sk.ca/webapps/moe-curriculum-BB5f208b6da4613/CurriculumDocument?id=405](http://www.edonline.sk.ca/webapps/moe-curriculum-BB5f208b6da4613/CurriculumDocument?id=405) (24 February 2021)

- Numeracy assessment (e.g., number recognition, counting, identifying patterns, subitizing)<sup>19</sup>
- Readiness to learn in five domains of early learning (i.e., awareness of self and environment, social skills and approaches to learning, cognitive skills, language and communication, and physical development)—see **Section 5.0** for further detail

In addition to information gathered through the assessment tools administered in a kindergarten classroom, Saskatoon Public leverages information from the involvement with students of speech-language pathologists, educational psychologists, and occupational therapists.

We found the assessment tools and the information they collect align with good practice. These tools collectively evaluate information about kindergarten students' core development areas (e.g., letters, sounds, numeracy, phonological awareness). They gather sufficient and relevant information in order to understand a student's readiness to learn.

Moreover, the use of the standard assessment tools to collect data on key developmental and learning areas of individual students provides Saskatoon Public with a solid basis to consistently determine the level of readiness of a student when exiting kindergarten.

## 4.2 Sufficient Guidance on Use of Standard Assessment Tools

Saskatoon Public provides schools with sufficient written guidance on how to use each standard assessment tool. In addition, it sets minimum expectations about teachers communicating student assessment results with parents.

Written guidance includes manuals, training, templates for the standard assessment tools, and an annual assessment calendar. In June each year, management provides schools with the assessment calendar for the upcoming year.

We found the guidance clearly sets out the Division's expectations on what assessment information to collect, and how to collect it.

We found the 2019–20 assessment calendar clearly sets out the expected frequency and timing of progress reports and parent-teacher-student conferences, and sharing of EYE-TA student results to parents. Typically, this occurs in November.

All five kindergarten teachers we interviewed showed awareness and a clear understanding of Saskatoon Public's expectations. Each of these teachers also noted that, in addition to the use of the standard assessment tools, they constantly collect student information through their daily interactions and observations.

Having clear and understandable guidance on the use of the standard assessment tools helps Saskatoon Public collect consistent and comparable information about students' learning and development across the Division.

<sup>19</sup> Subitizing is the ability to instantly recognize the number of items in a small set without counting – e.g., roll a dice and see four dots, and without counting, know it is a four.



### 4.3 Clear Guidance Given on Timing and Student Involvement in Almost All Standard Assessment Tools

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Saskatoon Public provides schools with clear guidance on timing, frequency and which students to involve in standard assessments through the assessment calendar.

Our review found the 2019–20 assessment calendar sets out the expected frequency for the use and timing of each tool (see **Figure 4**) other than for the Mathematics Quick Screener (numeracy). As explained in **Section 4.4**, the Division allows teachers to decide how often to assess the numeracy of their students.

The 2019–20 assessment calendar also sets out, by each assessment tool, which students to involve in assessment (e.g., all eligible students, only students who did not demonstrate mastery on previous assessment[s]).

Other than for assessing student numeracy, the 2019–20 calendar expects two assessment dates for each tool—one early in the school year to determine a student’s baseline and another later in the school year to measure the student’s progress. Having an assessment early in the school year and a second assessment later in the school year is consistent with good practice.

We also found kindergarten teachers complete assessments of their students as often as the school calendar requires. Each of the five kindergarten teachers we tested administered each of the required assessments in the 2019–20 school year, other than the second assessment of student phonological awareness and EYE-TA reassessment. These assessments were scheduled in May 2020 and April 2020, respectively. The teachers were unable to administer these second assessments because of school closures in March 2020. The Government directed school closures in response to the COVID-19 pandemic.

However, we found kindergarten teachers did not always document the date they administered numeracy, literacy, and phonological assessments. Three of the five teachers tested did not document the date on which they assessed kindergarten students for these three areas (six assessments in total). For two of those six undated assessments, the Division could not show us these assessments were done during the month set out in the calendar.

We noted that not all templates for the standard assessment tools (i.e., Alphabet Data—see **Figure 4**) have a place to document the assessment date; or teachers were not using the date placement as intended (e.g., teachers documented PAQS scores where the date was designed to be documented). A documented assessment date helps show teachers administer the assessment during the expected timeframe.

Having clear communication about the timing and frequency of required assessments helps ensure teachers collect sufficient information on individual student’s learning and development. Having sufficient and timely information helps teachers make timely adjustments to instruction and decisions for other strategies to improve student outcomes.



## 4.4 Formal Guidance on Expected Frequency of Use of Numeracy Assessment Tool Needed

Saskatoon Public does not clearly or formally communicate to schools and teachers the expected frequency for assessing the numeracy of kindergarten students.

Saskatoon Public gives teachers the authority to decide when and how often to assess students' numeracy. Saskatoon Public management noted it expects teachers to assess student numeracy at least twice a year—at the beginning of the school year to provide a baseline, and at least once again throughout the school year to assess student progress—consistent with good practice.

However, we found not all kindergarten teachers are aware of this expectation. Two of five kindergarten teachers tested assessed students numeracy only once during the 2019–20 school year instead of a minimum of twice.

We found Saskatoon Public had not communicated this expectation in writing.

Clear written communication helps reduce the risk of misunderstandings and ensures tasks are completed as and when expected. Clear communication on the timing and minimum frequency for assessments of students helps reduce the risk of teachers not collecting sufficient and complete information on student learning and development in key areas.

1. **We recommend Saskatoon School Division No. 13 give schools and teachers written expectations about the minimum frequency of assessing kindergarten students using standard assessment tools in all key areas of learning and development.**

## 4.5 Suitability Assessment of Alternative Assessment Tools Needed

Saskatoon Public does not determine whether alternative assessment tools collect sufficient and relevant information about a kindergarten student's learning and development in the area being assessed. It does not require teachers to vet the suitability of the alternative assessment tools they plan to use in assessing key areas of learning and development (e.g., literacy and numeracy).

To assess student literacy and numeracy, Saskatoon Public management gives teachers the option of using standard assessment tools (noted in **Figure 4**) or choosing alternative literacy and numeracy screening assessment tools. Teachers can develop these assessment tools, or select tools developed elsewhere.

We found some alternate assessment tools in use are not as robust in assessing kindergarten students as the Division's standard assessment tools (see **Figure 4**). For example, the alternative math assessment tools, used by two of the five kindergarten teachers we tested, were not as robust as the Division's standard math assessment tool (Mathematics Quick Screener). We found both alternate tools did not include several crucial curricular components (e.g., number recognition, identifying greater than/less than picture groups) and did not assess the full range of a students' numeracy.



Not confirming whether alternative assessment tools are sufficiently robust increases the risk of teachers not collecting sufficient information to identify all of a student's potential areas of struggle in the particular subject. Not having sufficiently robust information increases the risk teachers may not identify necessary adjustments to instruction, or pursue other strategies to improve student outcomes.

2. We recommend Saskatoon School Division No. 13 confirm alternative tools, used to assess key areas of a kindergarten student's readiness to learn, collect sufficient and relevant information.

## 4.6 Documentation of Why Students Miss Reassessments Needed

Saskatoon Public does not always know why kindergarten students miss participating in standard reassessments. It does not expect teachers to document reasons for students not participating in these reassessments.

Saskatoon Public management expects teachers to reassess all eligible students using standard assessment tools to measure the students' progress in key areas. Eligible students are those students who do not demonstrate mastery in a previous assessment. Reassessment of those students gives teachers sufficient and objective information about student progress and overall readiness to learn, and helps teachers identify continued potential barriers to learning and development.

Our analysis identified 47 kindergarten students that did not participate in EYE-TA Spring reassessment in the 2018–19 school year.

We found Saskatoon public management did not have reasonable explanations for not reassessing 11 of the 47 students.<sup>20</sup> Our analysis found these 11 students were in class with good attendance during the 2019 spring reassessment period. We determined seven of the 11 students moved between schools either before or after the spring reassessment period, and four of the 11 students withdrew from the school after the 2019 spring reassessment period.<sup>21</sup>

Saskatoon Public management was uncertain as to why these 11 students were not reassessed. They noted when students change schools their cumulative student files, containing the fall and spring EYE-TA assessments, go with them to the new school. Teachers are expected to assess new students, if the EYE-TA assessment is not in the students' file.

Not having a process to know why teachers did not complete required reassessments of students who did not demonstrate mastery in a previous assessment increases the risk of overlooking students. In addition, it increases the risk of teachers not getting sufficient data about a student's progress to enable identifying and making instructional changes to help the student succeed.

<sup>20</sup> Although not specifically documented in a student cumulative file, the reasons for not reassessing 36 of the 47 students were reasonable (e.g., left school before or during 15-day reassessment period, poor attendance during 15-day reassessment period).

<sup>21</sup> Four students switched schools before 2019 spring reassessment period, and three students switched schools after 2019 spring reassessment period.

3. We recommend Saskatoon School Division No. 13 understand reasons for kindergarten students who did not participate in required reassessments of student learning and development.

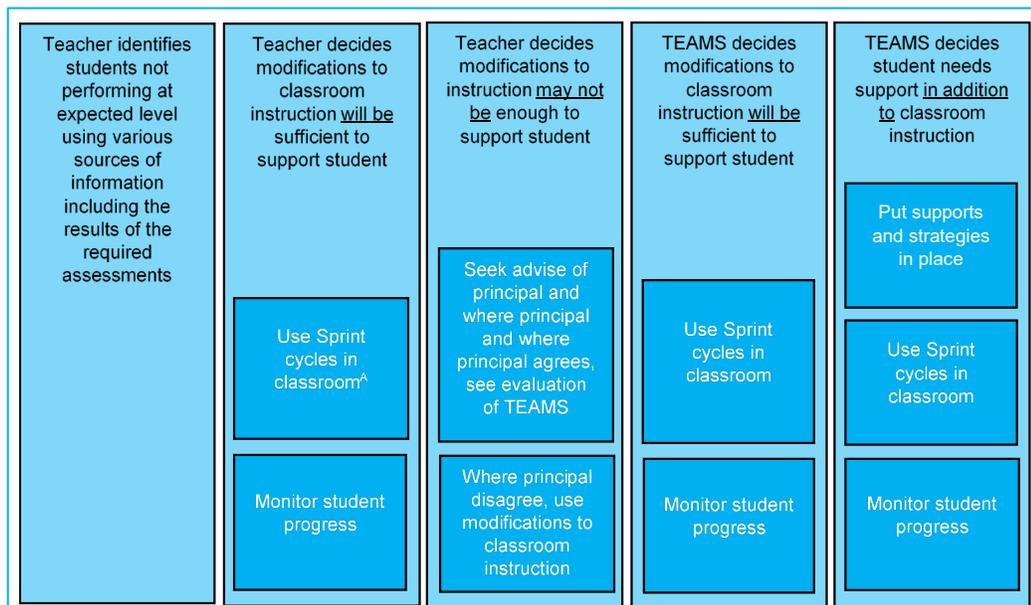
## 4.7 Consultation Process Used to Help Teachers Identify Students with Significant Learning Needs

Saskatoon Public consistently uses a consultative process to help teachers identify students with significant learning needs, and to identify strategies to help the student address those needs.

The identification of students with significant learning needs starts with the classroom teacher. Teachers rely on discussions with parents, student assessments, student observations and interactions in the classroom in this identification process.

As highlighted in **Figure 5**, Saskatoon Public has set up processes to assist teachers in this identification process. This includes consultation with the school principal, use of data teams, and the TEAMS approach.<sup>22</sup>

**Figure 5—A Brief Description of a Teacher’s Consultation Process to Identify Students with Significant Learning Needs**



Source: Adapted from Saskatoon Public Schools records.  
<sup>^</sup> See **Figure 7** for a brief description of Sprint cycles.

Saskatoon Public recognizes it does not have sufficient resources to provide additional supports to every student with learning needs.

As described in **Figure 6**, Saskatoon Public requires each school to use a multi-discipline school-based group to help teachers identify students with significant barriers to learning and

<sup>22</sup> See **Figure 6** for a brief description of TEAMS approach. School data teams are comprised of the principal, vice-principal, resource teacher, and other selected teachers from the school. The role of Data Teams is to support teachers in the analysis of data from student assessments.



development, and develop supports and strategies to help the student overcome those barriers. Saskatoon Public calls these groups TEAMS. It uses a TEAMS approach to provide a consistent approach to screening students identified as potentially having learning needs. The TEAMS approach also helps determine which students should receive additional supports (e.g., educational assistant (EA), speech-language pathologist, physical or occupational therapist). See **Figure 6** for brief description of the TEAMS approach.

**Figure 6—A Brief Description of TEAMS Approach**

Saskatoon Public requires each school to establish a TEAMS. It expects school TEAMS to work with teachers to evaluate the needs of individual students, and put supports and strategies in place to overcome identified barriers to learning and development. It requires each TEAMS to be comprised of the school principal, vice-principal, guidance counsellor, resource teacher, education psychologist, and speech-language pathologist. This composition provides for a multi-discipline approach and broader consideration of a student's needs.

When a teacher identifies a student potentially having a significant barrier(s) to learning and development, they accumulate the relevant evidence and data in the student's file (e.g., teacher's observational notes, speech-language pathologist screener, results of standards assessment tools (numeracy, literacy, phonological awareness)). Then, teachers must discuss their specific concerns with their school principal, before seeking the advice and direction from TEAMS. Where the school principal agrees with a teacher's concerns, the teacher and principal request a school TEAMS review and consideration of the student file.

School TEAMS are to review the student file to determine the nature and extent of a student's needs, and what supports are required. For example, the needs of the students can range from educational assistants (EA) to additional time with speech-language pathologists, educational psychologists and occupational therapists.

Division management assigns speech-language pathologists to each of its schools. For the 2019–20 school year, the Division employed speech-language pathologists in 14.8 full-time equivalent positions, 391 EAs, and 10 educational psychologists to work in its 49 schools with a kindergarten program.

Source: Adapted from Saskatoon Public schools records and information provided by Saskatoon Public management.

We found Saskatoon Public gives school TEAMS and teachers sufficient written guidance about the TEAMS approach. We found it clearly sets out the role of the teacher in identifying students with potentially significant barriers to learning, and the role of the principal and TEAMS in assisting in evaluating the level of support a student may require, and strategies to obtain that support. We also found it expects TEAMS to use Ministry of Education tools to help TEAMS objectively evaluate the level of support a student needs, and help identify potential strategies to help a student.<sup>23</sup>

We also found Saskatoon Public provides written guidance to its speech and language pathologists. Formal guidance includes a Speech and Language Service Delivery Model and standard checklist to guide individual student evaluations to assess what is 'significant' communication barriers, which helps to identify which students to focus on.

Each of the seven schools with kindergarten programs we visited had a TEAMS in place. We found the composition of each school's TEAMS consistent with the Division's requirements. In addition, for the three schools we tested, we found each school TEAMS met regularly.

Using a broad-based consultative process helps the teacher better identify, and the school to evaluate, students with significant learning needs. When significant learning needs are identified, the school can identify strategies to help the student address those needs.

<sup>23</sup> Ministry of Education tools include the *Inclusion and Intervention Plan* and *Elementary Student Impact Profile Rubric*. The Plan is designed for students whose needs require a significant level of support. The rubric is designed to evaluate a student and calculate a priority score. The priority score helps determine the level of support a student needs (e.g., full-time vs. part-time EA support).

## 4.8 Teachers Using TEAMS to Help Students with Significant Barriers to Learning and Development

Saskatoon Public schools with kindergarten programs are consistently using the TEAMS approach to identify and put supports and strategies in place to help students learn and develop.

Our analysis of 2019–20 EYE-TA assessment data from three schools with kindergarten programs identified 23 kindergarten students assessed as experiencing significant difficulty (Tier III) that were evaluated by, or part of, a school TEAMS approach. For these 23 kindergarten students tested, we found the related school TEAMS:

- Evaluated each of the 23 students, and put strategies in place to help the students achieve expected learning outcomes consistent with the TEAMS approach. For example, 14 of the 23 students received EA support during the 2019–20 school year. We found the related school TEAMS used, as expected, the Elementary Student Impact Profile Rubric to assess 12 of these 14 students to support the assignment of some support from an EA. We verified the two students without a completed Rubric received support of an EA through their full school day.
- Actively discussed, during school TEAM meetings, the progress of 21 of the 23 students throughout the 2019–20 school year, and adjusted student supports and strategies accordingly.
- For the two students not discussed during a TEAM meeting, the resource staff (e.g., EA, occupational therapist, physical therapist) assigned to work with the student monitored the progress.

Consistently evaluating needs of students with significant barriers to learning and development using a broad-based consultative process helps the teacher and the school to put strategies in place to work through these barriers and help the students' succeed.

## 4.9 Additional Guidance and Training Needed for Sprint Cycles

Kindergarten teachers are not always documenting their use of Sprint cycles—a key instructional practice used to increase the student readiness to the next level—consistent with Saskatoon Public's expectations.

**Sprint cycles** are short intensive-focused and repeated instruction for a small group of students (approximately six students) on a specific area of focus. See **Figure 7** for a brief description of a Sprint cycle.

**Figure 7—Three Key Phases of a Sprint Cycle**

A teaching Sprint consists of three phases:

1. **Plan:** use various sources of information about student's progress and achievement (including the results of student assessment data) to determine the area of focus (e.g., recognizing the letters in the student's name, counting backwards from 10), which students to include, and what topic to cover (e.g., literacy, numeracy, writing). Typically includes students who are close to achieving mastery for a curricular outcome.



2. **Sprint:** put selected students through short, manageable cycles of teaching in the classroom for the area of focus. Cycles usually occur over a three to five week period.
3. **Review:** analyze student results and progress, and repeat as necessary. Teachers typically complete Sprints three to five times during the school year.

Source: Adopted from Saskatoon Public materials.

As described in **Figure 7**, Saskatoon Public expects teachers to use Sprint cycles to adjust their normal classroom instruction on identified areas where students need improvement. It further expects teachers to document their planned and actual use of Sprint cycles. Teachers are to enter Sprint data into Saskatoon Public's IT system called ACADEMUS.<sup>24</sup> Sprint data includes the topic (area of focus), which students participated, student progress and lessons learned by the teacher.<sup>25</sup> At the end of the school year, the principals are to approve Sprint cycles each teacher has used.<sup>26</sup>

We found Saskatoon Public provided teachers with periodic training on the use of Sprint cycles. For example, during October 2019, a Saskatoon Public professional development session trained the school administrators (principal, vice-principal) and teacher leaders on the use of Sprint cycles.<sup>27</sup> We found the training sufficiently outlined how to plan, perform and review the Sprint phases through discussions with colleagues, and also states the importance of using class assessment results for these decisions.

For the five kindergarten teachers and two principals tested, each used Sprint cycles in the 2019–20 school year, as Saskatoon Public expected, other than in the following areas.<sup>28</sup> For the 15 Sprint cycles tested, we found:

- For ten cycles, teachers did not document rationale for the topic chosen (e.g., literacy vs. numeracy).

Documenting the rationale for the Sprint topic allows the principal and teacher to monitor provision of appropriate support for readying students for learning.

- For one cycle, the teacher did not enter the Sprint data into ACADEMUS nor maintain supporting materials for the Sprint (e.g., results, reflections, participation).

Documenting the Sprint in the ACADEMUS system would allow the principal and teacher to monitor provision of appropriate support for readying students for learning.

- For one cycle, the Sprint included only three students when the classroom had other students with similar assessment results that could have benefitted from participation in the Sprint. For four cycles, the entire class participated in the Sprint cycle whereas, the remaining 11 of the 15 Sprints tested clearly selected students based on data-driven assessment results.

Not selecting students based on data driven assessment results or including all students that could benefit can result in ineffective use of teacher's time and resources.

<sup>24</sup> ACADEMUS system is used to store Sprint cycle data, teacher professional learning plans and used to complete and store the Alphabet data assessment tool for individual students.

<sup>25</sup> Sprint cycle data stays at the school level.

<sup>26</sup> Principal approval is done as part of a teacher's professional learning plan.

<sup>27</sup> Teacher leaders are teachers who have taken on leadership roles and additional professional responsibilities. ([www.edglossary.org/teacher-leader/](http://www.edglossary.org/teacher-leader/)) (3 March 2021).

<sup>28</sup> For a sample of five teachers and two principals, we tested all Sprint cycles completed during the 2019–20 year. They completed 15 Sprint cycles in total. For each Sprint cycle, we assessed whether the teacher determined the area of focus, and the selection of students to participate aligned with curricular objectives and student assessment results. We also assessed if teachers monitored student progress during the Sprint cycle, and if the school principal approved the Sprint plan and results.

Furthermore, we found principals did not always approve teachers' use of Sprint cycles as expected. One of the three principals tested did not approve four of the 22 Sprints tested at the end of the school year.<sup>29</sup> Principal oversight of Sprints would potentially improve consistency of teacher application and provide teachers with additional support in readying students for learning.

Instead of training teachers directly on the use of Sprint cycles, Saskatoon Public expects trained principals and teacher leaders share their learnings and guide teachers' use of Sprint cycles. Teachers can also receive guidance during meetings with kindergarten teachers at other schools, coordinated by the Division's Early Learning Coordinator.

Sprint cycles are a key strategy to drive adjustments to instruction and improve student outcomes. Consistent use of Sprint cycles can help ensure this strategy effectively helps students that are close to achieving curricular outcomes. Inadequate training and guidance for Sprint cycles increases the risk that the Sprints are not directed in the most efficient and effective way for the students and teachers.

- 4. We recommend Saskatoon School Division No. 13 provide kindergarten teachers with additional training and guidance on application of key instructional practice(s) used to increase student readiness.**

## 4.10 Majority of Students Received Sufficient Classroom Supports

While Saskatoon Public teachers provided kindergarten students with additional classroom supports when appropriate, students identified as experiencing difficulty were not always included in a related Sprint cycle.

Our analysis of 2019-20 EYE-TA assessment data from three schools with kindergarten programs identified 14 kindergarten students assessed as experiencing significant difficulty (Tier III) that were not evaluated by or as part of a school TEAMS approach (**Section 4.8**). We found:

- Three of these 14 students were receiving additional supports either outside the classroom (speech-language pathologist) or in the classroom (Sprint cycles).
- Six students showed satisfactory progress during the year from regular in class support.
- Three student had poor attendance that would hinder the teacher's ability to provide additional supports, therefore we found it reasonable teachers provided no additional supports.
- For the remaining two, we observed these students likely should have been included in a Sprint cycle (see **Recommendation 4** about additional training and guidance needed for teachers on use of Sprint cycles).

In addition, we did a second analysis of the sufficiency of learning supports provided to students categorised as experiencing some or significant difficulty under the colour system.

<sup>29</sup> We expanded our testing to include an additional seven Sprint cycles reviewed by the three Principals tested.



Saskatoon Public grade school teachers use a colour system to categorise a student's level of learning and development, and to help them decide appropriate instructional strategies for their classroom. (See **Figure 8** for a brief description of the colour grouping.)

**Figure 8—Colour Category Scores for Kindergarten Student Development and Learning**

Teachers categorise students into one of three colour scores based on their assessment of a student's development and learning. Teachers use this categorization to determine instructional strategies needed for their class.

- **Green** – appropriate development – no additional support needed above regular classroom instruction
- **Yellow** – experiencing some difficulty – may need additional strategies (e.g., Sprint cycles)
- **Red** – experiencing significant difficulty – may need additional resources/support (considered for TEAMS and/or Sprint cycles)

Source: Adopted from Saskatoon Public materials.

Our analysis of 82 kindergarten students from three different classrooms found teachers based their colour classification of students on the student's EYE-TA assessment results. We found 27 were categorised as green, 28 as yellow, and 27 as red.

Our analysis of the 55 kindergarten students that scored as either yellow or red in the 2019-20 school year found:

- Almost two-thirds (i.e., 36 students) received some form of support in the area in which they were experiencing difficulty. For example, they participated in Sprint cycles within the classroom and/or received other support outside of the regular classroom. Examples of support outside of the classroom included time with an EA, or speech-language pathologist.
- One student (scored as red) had poor attendance that would hinder the teacher's ability to provide additional supports, therefore we found it reasonable teachers provided no additional supports.
- One-third (i.e., 18 students—17 classified as yellow, and one classified as red), were able to progress through regular classroom instruction as the primary means to support their progression in learning and development.
  - For 11 students, classified as yellow, we found it reasonable that the students only received regular classroom instruction as individual assessment scores were close to meeting expectations.
  - For the remaining seven students, six met expectations in all kindergarten curricula areas based on our analysis of their progress reports as of March 2020. One student met expectations in all but three curricular areas (math and dance/music [beginning to meet] and health education [not met]) as of March 2020. This student may have benefited from the completion of the school year. Due to the COVID-19 pandemic Saskatoon Public ended the school year in late March 2020, instead of the end of June 2020, as planned.

Categorizing students into colour group scores allows teachers to better identify students that need additional classroom strategies. Classroom strategies, like Sprint cycles, focus on specific ways to help students progress towards appropriate development.

## 4.11 School Administrators Actively Monitor Student Progress

Principals actively monitor the educational progress of kindergarten students, and share information with their peers at other schools in the Division.

Saskatoon Public stays informed on individual kindergarten student and class progress toward readiness for learning in the primary grades in a variety of ways.

For example, Saskatoon Public's early-learning coordinator (a staff member responsible for early learning, assessment, and technology) regularly meets with kindergarten and pre-kindergarten teachers across Saskatoon Public. The coordinator uses these meetings to support each teacher, and discuss instruction, tools, challenges, and lessons learned.

In addition, principals and teacher leaders from each school regularly attend leadership meetings to discuss feedback, training and other relevant topics noted in the schools.<sup>30</sup> Principals observe classrooms, approve Sprint cycles, and review teacher learning plans to assess teacher training gaps.<sup>31</sup>

Teachers and principals use information on student progress to identify potential instructional changes in the classroom or gaps in teacher training.

Each of the five kindergarten teachers we interviewed confirmed they regularly met with the early-learning coordinator and school administration periodically observe their classrooms during each school year.

Each of the three principals we interviewed from schools with kindergarten programs confirmed the Superintendent of Education visits their school on a regular basis, and discusses student/school progress with them. They also confirmed they attend and participate in the leadership meetings. In our review of the meeting agendas, three of the six leadership meetings held between September 2019 and March 2020 noted evidence of discussion of educational assistant allocations, supporting students with complex needs and help with analyzing school data. For example, leaders discussed how exploring the classroom environment, scheduling and relationships can support classrooms with complex needs.

Actively monitoring student progress and sharing information with peers, at the school administrator and teacher level, provides Saskatoon Public with better information to initiate appropriate changes. Changes to instruction and training needs further benefit students.

## 4.12 Division-Wide Analysis of Student Assessment Results Needed

While Saskatoon Public analyzes some student assessment data centrally, its assessment was not robust and did not consider key factors relevant to the learning and development of kindergarten students.

<sup>30</sup> Principal, vice principal, and consultant leaders (educational consultant, educational psychologist, occupational therapist) from each school attend regular leadership meetings to discuss leadership feedback, training and other relevant topics noted in the schools. Meeting agendas are maintained for these meetings.

<sup>31</sup> A learning plan is a teachers' comprehensive, customizable, multi-day plan for instruction and assessment.



During 2019–20, Saskatoon Public management analyzed student assessment results, however this analysis was limited to EYE-TA and attendance data. Their analysis of this data considered factors such as poor attendance, English as an additional language (EAL), and students with intensive needs.

However, the analysis did not consider other data that is available to Saskatoon Public (e.g., class sizes, participation in pre kindergarten, years of teacher experience, resource support allocations). These additional considerations would allow Saskatoon Public to complete a meaningful analysis of the root causes of low student assessment scores.

Without a robust analysis of student data, Saskatoon Public may not identify the root cause for issues at certain schools or Division-wide gaps. A thorough analysis of student data will also support decisions for how Saskatoon Public directs resources to its schools.

- 5. We recommend Saskatoon School Division No. 13 analyze kindergarten assessment data to identify trends and common areas of struggle across all schools in the Division.

## 5.0 MINISTRY-MANDATED COMMON READINESS SCREENING TOOL—EARLY YEARS EVALUATION-TEACHER ASSESSMENT

The Ministry and school divisions agreed to use a Ministry-supplied skills assessment IT tool—the Early Years Evaluation-Teachers Assessment at set minimum intervals starting the fall of 2013.<sup>A</sup>

Teachers are to assess kindergarten students in the fall, and reassess only those students experiencing some or significant difficulty (Tiers II and III) in the spring. Students assessed also includes children with intensive needs and children who are learning English as an additional language

This industry-designed tool helps teachers systematically assess the skills of young children in the following five domains of early learning associated with a child's readiness to learn at school.<sup>B</sup>

1. Awareness of self and environment
2. Social skills and approaches to learning
3. Cognitive skills
4. Language and communication
5. Physical development

The evaluation indicates each student's developmental level as either appropriate development (Tier I), experiencing some difficulty (Tier II), or experiencing significant difficulty (Tier III) for each of the above five domains. Results of the tool allow educators and school-based interdisciplinary teams to quickly identify students most likely to require extra support during the kindergarten year based on level of skill development in the five key domains. Using this evaluation tool at intervals allows teachers to evaluate students' readiness to learn in the primary grades over time.

<sup>A</sup> Ministry of Education, *Annual Report 2013–14*, p. 5.

<sup>B</sup> Community-University Partnership for the Study of Children, Youth, and Families (2011). *Review of the Early Years Evaluation – Teacher Assessment*, Edmonton, Alberta, Canada.

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## Follow-Up Audits

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## Chapter 12

# Education—Capital Asset Planning for Schools

### 1.0 MAIN POINTS

By April 2021, the Ministry of Education continues to work on implementing a recommendation first made in our 2013 audit of its capital asset planning processes for prekindergarten to grade 12 educational facilities. The Ministry needs to develop and implement measures and targets to monitor the success of its capital asset strategy across the provincial prekindergarten to grade 12 system.

While the Ministry has determined, and is using, two key measures to monitor the success of its capital asset strategies, it has not set any associated targets.

Use of targets (such as desired school utilization rate, or facility condition index) would help the Ministry to evaluate the success of its strategies, including determining whether the strategies reduce risks (e.g., poor maintenance of aging schools, student overcrowding) to the extent intended. Having suitable and properly maintained educational facilities is key to properly supporting the delivery of education in the provincial prekindergarten to grade 12 system.

### 2.0 INTRODUCTION

#### 2.1 Background

The Ministry of Education is responsible for overseeing capital asset projects for the entire provincial prekindergarten to grade 12 system. *The Education Act, 1995* requires the Ministry to approve all major capital projects, such as construction of new school buildings, additions to existing school buildings, or major renovations of school buildings. The Ministry is responsible for aligning available funding for capital projects with the educational needs of communities and the provincial prekindergarten to grade 12 system.

Each school division is responsible for identifying and analyzing its capital asset needs as compared to existing capacity.<sup>1</sup> Each division is also responsible for seeking Ministry approval for projects to meet identified needs.

The Ministry's capital asset strategies form part of the 2021–22 provincial budget and the Saskatchewan Capital Plan.<sup>2</sup> The Plan includes \$113.2 million for school capital in 2021–22 (2020–21 forecast: \$49.9 million) and \$76.7 million for maintenance capital (2020–21 forecast: \$79.3 million).<sup>3</sup> This includes funding for various projects (e.g., construction of new schools, renovation or consolidation of existing schools) and other capital strategies (e.g., preventative maintenance and renewal, relocatable classrooms).

<sup>1</sup> *The Education Act, 1995* gives the boards of education the responsibility for the administration and management of school facilities, with oversight from the Ministry.

<sup>2</sup> [pubsaskdev.blob.core.windows.net/pubsask-prod/126483/2021-22%252BCapital%252BPlan.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/126483/2021-22%252BCapital%252BPlan.pdf), p. 3 (12 April 2021).

<sup>3</sup> *Saskatchewan Provincial Budget 21–22—Saskatchewan Capital Plan*, pp. 3, 5, and 6 (12 April 2021).



Effective capital asset planning processes can reduce the risk of aging schools and infrastructure in the province. They help the Ministry to ensure the right-sized and properly equipped schools are in the right location, and reduce the risk of funding lower priority capital projects.

## 2.2 Focus of Follow-Up Audit

This chapter describes the results of our fourth follow-up of the Ministry of Education's actions on the eight recommendations we first made our *2013 Report – Volume 1*, Chapter 8.<sup>4</sup>

Our *2013 Report – Volume 1*, Chapter 8 concluded that, for the 12-month period ended December 31, 2012, the Ministry of Education did not have effective capital asset planning processes for facilities to house and support educational programs and instructional services for students in school divisions. We made eight recommendations. By January 31, 2019, the Ministry implemented seven of the 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 Ministry's progress towards 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 discussed actions taken with management. We reviewed documentation related to capital planning and how the Ministry monitors the success of its capital asset strategy such as statistics on school utilization rates and program evaluations.

## 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 April 9, 2021, and the Ministry's actions up to that date.

### 3.1 Targets to Monitor Success of its Capital Asset Strategy Not Yet Established

***We recommended the Ministry of Education develop and implement measures and targets to monitor the success of its capital asset strategy across the provincial prekindergarten to grade 12 system. (2013 Report – Volume 1, p. 85, Recommendation 8; Public Accounts Committee agreement January 14, 2015)***

**Status**—Partially Implemented

As of April 2021, while the Ministry of Education had determined measures to monitor the success of its capital asset strategies, it has not set associated targets. Targets set out at what point an agency (or sector) aims to be by a particular point in time.

<sup>4</sup> *2013 Report – Volume 1*, Chapter 8, pp. 71–89.

<sup>5</sup> *2019 Report – Volume 1*, Chapter 17, pp. 229–232.

The Ministry established the following two measures in relation to its capital asset strategies:

- **School Utilization Rate**—an indication of how full a school is based on the size of the facility and the enrolment
- **Facility Condition Index (FCI)**—a comparative indicator of the relative condition of facilities expressed as a percentage<sup>6,7</sup>

The Ministry has yet to establish targets (e.g., expected average school utilization) for these measures. It plans to establish targets by June 2022.

Since our 2019 follow-up audit, we found the Ministry completed the following analysis to monitor the implementation of its capital asset strategies:

- **For School Utilization:** It analyzed the 2017 new school builds in Regina and Saskatoon to help assess whether previous capital asset strategies built new schools in the right place at the right time. The Ministry found the new schools reduced the school utilization rates at pre-existing nearby schools.

In addition, it analyzed its Relocatable Classroom Program. It changed its prioritization method used when considering school divisions' requests for relocatable classrooms. It expects the changes to provide a greater distribution of relocatable classrooms across the province, improve the scrutiny of school enrolment projections, and encourage school divisions to consider alternatives to address capacity issues (e.g., improved use of schools with excess capacity).<sup>8</sup>

- **For FCI:** It annually reports FCI data and utilization rates for schools in its infrastructure funding requests to the Ministry of SaskBuilds and Procurement and Cabinet.<sup>9,10</sup>

To enable a better comparison of facilities across government sectors, the Ministry is working with the Ministry of SaskBuilds and Procurement (SaskBuilds and Procurement) to refresh the FCI data for schools across the province. SaskBuilds and Procurement has developed a model to assess the conditions of facilities, and calculate FCI consistently using a common methodology. The Ministry of Education is applying this methodology to facilities in the education sector (e.g., schools, head offices, bus garages).

The Ministry began these facility condition assessments in 2020–21 using the new model. As of April 2021, the Ministry had completed assessments at four school divisions, and expects to complete assessments of the remaining 23 school divisions over the next four years.

<sup>6</sup> *Ministry of Education Plan for 2020–21*, p. 9.

<sup>7</sup> The facility condition index (FCI) is the amount of deferred maintenance divided by the current replacement value. Deferred maintenance is the amount of maintenance postponed or phased for future action. The Ministry of Education classifies a good FCI as between 0–5 percent, fair between 5–10 percent, poor between 10–30 percent, and critical greater than 30 percent.

<sup>8</sup> The Relocatable Classroom Program is designed to address immediate needs for additional classroom space to accommodate increases in enrolments. School divisions can move or relocate these classrooms as enrolment fluctuates.

<sup>9</sup> Ministry of SaskBuilds and Procurement is responsible for providing a central focus within the provincial government to coordinate infrastructure planning and delivery, including the development of an integrated infrastructure plan that includes the Ministry and school divisions (adapted from [www.saskbuilds.ca/infrastructure-planning/](http://www.saskbuilds.ca/infrastructure-planning/) and *Government of Saskatchewan Integrated Capital Planning Manual* (9 April 2021)).

<sup>10</sup> The Ministry includes this information in its budget requests for decision makers (Cabinet) to consider.



Without targets to evaluate the success of its capital asset strategies, the Ministry cannot determine whether its capital asset strategies reduce risks (e.g., poor maintenance of aging schools, student overcrowding) associated with school facilities to the extent intended. By establishing targets, the Ministry can set out the expected impact (what and by when) of its capital asset planning processes on school facilities in the provincial prekindergarten to grade 12 system.



## Chapter 13

# eHealth Saskatchewan—Mitigating Vendor Influence and Related Conflicts of Interest

### 1.0 MAIN POINTS

Conflict of interest, whether potential or real, brings into question the integrity and fairness of decisions made by public servants. Sound policies assist in mitigating risks associated with conflicts of interest, and vendor influence. By January 2021, eHealth Saskatchewan implemented all six remaining recommendations about its policies and processes to mitigate vendor influence and related conflicts of interest.

eHealth updated its procurement policy, and required employees to declare conflicts of interest before participating in purchase decisions. It began following vendor-sponsored travel policies, and complied with requirements to obtain management approval in advance of vendor-sponsored events. eHealth also provided employees with ongoing training on related key policies.

### 2.0 INTRODUCTION

eHealth is mandated to lead IT services for the health sector. This includes IT services to the Saskatchewan Health Authority and all other Saskatchewan government healthcare organizations and their 40,000 health care workers. This consolidation of IT services includes a single approach to the procurement of IT hardware, software, and security for this sector.<sup>1</sup>

At January 2021, eHealth employed over 400 employees in full-time equivalent positions.

For the year ended March 31, 2020, eHealth had total expenses of \$145.2 million (including software and hardware maintenance expenses of \$34.9 million and payroll expense of \$30.5 million).<sup>2</sup> At March 31, 2020, eHealth had \$113.9 million in contractual obligations expected over the next five years, comprising of approximately 200 contracts with over 140 different vendors.<sup>3,4</sup>

As part of its vendor contracts (explicitly or implicitly), eHealth may accept vendor-paid training and development opportunities from vendors. Therefore, it is critical eHealth has clear policies about conflict of interest, code of conduct, and/or integrity. Effective policies outline expected behaviour of board members, management, staff, and vendors from which an organization purchases goods and services.

In addition, clear procurement policies and procedures assist in managing and mitigating risks associated with conflicts of interest, and vendor influence. Examples of conflicts of interest and vendor influence may include accepting hospitality or gifts during a

<sup>1</sup> In 2017, the Government mandated eHealth to consolidate IT services across the health system. eHealth Saskatchewan, *2017-18 Annual Report*, pp. 13 and 44.

<sup>2</sup> eHealth Saskatchewan, *2019-20 Annual Report*, pp. 55 and 63.

<sup>3</sup> eHealth Saskatchewan, *2019-20 Annual Report*, p. 61.

<sup>4</sup> Information provided by eHealth Saskatchewan management.



procurement exercise, or awarding contracts to suppliers in which the decision-maker has a personal or financial interest. If not properly addressed, conflicts of interest can increase the level of distrust toward government, and over time, impact the legitimacy and effectiveness of government actions.

## 2.1 Focus of Follow-Up Audit

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This chapter describes our first follow-up audit of management's actions on six recommendations we made in our *2019 Report – Volume 1*, Chapter 3. In that Report, we concluded eHealth did not have effective processes to mitigate vendor influence and related conflicts of interest and made ten recommendations. As our *2020 Report – Volume 2*, Chapter 3 reports, by June 29, 2020, eHealth implemented four of the ten recommendations with six recommendations outstanding.

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 interviewed eHealth staff, reviewed policies and training against good practice, examined conflict of interest declaration forms, and tested a sample of procurement decisions for compliance with policies.

## 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 January 31, 2021, and eHealth Saskatchewan's actions up to that date.

### 3.1 Comprehensive Procurement Policy in Place

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***We recommended eHealth Saskatchewan update its policies over buying goods and services to provide explicit guidance on:***

- ***Identifying and managing vendor conflicts of interest***
- ***Evaluating vendor proposals***
- ***Negotiating contracts with selected vendors***
- ***Standard tendering time***

(*2019 Report – Volume 1*, p. 32, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as at April 27, 2021)

**Status**—Implemented

In November 2019, eHealth updated its procurement policy to include guidance around:

- Identifying and managing vendor conflicts of interest
- Evaluating vendor proposals
- Negotiating contracts with selected vendors

- Providing vendors with a standard amount of time for submitting tenders

We found its updated policy aligns with good practice as set by SaskBuilds and the Ministry of Trade and Export Development.

eHealth's updated procurement policy appropriately:

- Requires individuals (i.e., employees) involved in each purchase decision to explicitly declare they do not have any actual, perceived or potential conflict of interest in the purchase transaction
- Gives its Designated Officer authority to conclude on whether a conflict declared is an actual conflict of interest<sup>5</sup>
- Does not allow individuals with a confirmed conflict of interest to participate in a purchase decision
- Requires vendors to disclose conflicts of interest
- Outlines the type of criteria (e.g., environmental impact of the goods and services; supplier experience, performance history and demonstrated ability to successfully perform the contract) a purchase evaluation team can use to evaluate purchase proposals
- Requires the purchase evaluation team to create evaluation criteria before receiving any purchase proposals<sup>6</sup>

For two purchases tested, we found signed declarations of individuals involved in the purchase decision and vendor on file, and confirmed the team used evaluation criteria to evaluate the purchase proposals.<sup>7</sup>

eHealth added guidance to its procurement policy about the types of contract negotiations permitted (e.g., consecutive vs. concurrent negotiations), and the steps for initiating and conducting such negotiations.<sup>8</sup> The policy requires eHealth to disclose the type of negotiation in the request for proposal.<sup>9</sup>

For two requests for proposal we tested, we confirmed the negotiation expectations were clearly disclosed.

Lastly, eHealth's updated policy requires a request for proposal be posted for a minimum of 25 days. It also requires eHealth to post a notice indicating who was selected within 72 days of awarding a contract. We confirmed these requirements were met for one request for proposal.

<sup>5</sup> A Designated Officer makes final decisions about whether an actual, perceived, or potential conflict of interest declared by an employee is an actual conflict of interest. A Designation Officer decides whether the employee should continue as a member of the procurement evaluation team.

<sup>6</sup> The purchase evaluation team establishes criteria for purchase decisions. It uses that criteria to conduct an unbiased evaluation of purchase proposals and selects a vendor to purchase from.

<sup>7</sup> eHealth conducted a total of seven procurements from October 1, 2019 to January 19, 2021.

<sup>8</sup> Consecutive means negotiating with one supplier at a time, starting with the top ranked supplier. Concurrent means negotiating with several shortlisted suppliers on a concurrent basis.

<sup>9</sup> A request for proposal is a binding competitive bid document used for the purchase of products, materials and services.



Having a comprehensive policy supports consistent and fair procurement. It aids staff in documenting procurement steps, which shows transparent and just process to make purchase decisions.

## 3.2 Vendor-sponsored Travel Policy Implemented

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***We recommended eHealth Saskatchewan develop an approved policy outlining permitted vendor-sponsored travel.*** (2019 Report – Volume 1, p. 34, Recommendation 3; Public Accounts Committee has not yet considered this recommendation as at April 27, 2021)

**Status**—Implemented

***We recommended eHealth Saskatchewan properly approve all vendor-sponsored travel and training in advance of the event.*** (2019 Report – Volume 1, p. 39, Recommendation 10; Public Accounts Committee has not yet considered this recommendation as at April 27, 2021)

**Status**—Implemented

eHealth implemented Treasury Board's *Vendor Sponsored Travel policy* (i.e., FAM 4407) when the policy came into effect in October 2019, and complied with the policy.<sup>10</sup>

The *Vendor Sponsored Travel policy* defines vendor-sponsored travel, and sets out when it is permitted (e.g., training, conferences, task forces). The policy also sets out guidance for approving vendor-sponsored travel. A permanent head (e.g., Chief Executive Officer) or delegate must approve vendor-sponsored travel in advance of the event.

Having a clear and robust policy promotes a consistent and fair approach across the organization in accepting vendor sponsored travel and improves compliance.

Since the policy came into effect in October 2019, eHealth had only one instance of vendor-sponsored training with travel. We confirmed eHealth complied with the policy, that is, appropriate eHealth management granted approval in advance of the event, and training provided at the vendor's cost, which aligned with the vendor service agreement.

Obtaining prior approvals for travel and training helps to ensure employees plan to attend business-related events at a reasonable cost.

## 3.3 Conflicts of Interest Forms Completed and Training Provided

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***We recommended eHealth Saskatchewan actively track employees with declared conflicts of interest, and the actions taken to manage them.*** (2019 Report – Volume 1, p. 35, Recommendation 4; Public Accounts Committee has not yet considered this recommendation as at April 27, 2021)

**Status**—Implemented

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<sup>10</sup> As a Treasury Board agency, eHealth must follow policies in the *Financial Administration Manual*. The Manual is publicly available at: [applications.saskatchewan.ca/fam/toc](http://applications.saskatchewan.ca/fam/toc) (03 March 2021).

***We recommended eHealth Saskatchewan provide each of its employees with ongoing training on its key policies. (such as code of conduct and conflict of interest policies).*** (2019 Report – Volume 1, p. 38, Recommendation 7; Public Accounts Committee has not yet considered this recommendation as at April 27, 2021)

**Status**—Implemented

Since November 2019, eHealth tracks employees' conflict of interest declarations, and training received on code of conduct and conflict of interest policies.

Annually, eHealth requires its employees to formally acknowledge its code of conduct and corporate policies, declare potential conflicts of interest, and complete code of conduct (including conflict of interest) training with a passing exam mark of at least 80 percent. eHealth uses a spreadsheet listing every employee to track completion.

For ten employees tested, we found each completed the:

- Acknowledgement of code of conduct and corporate policies form
- Conflict of interest declaration form
- Code of conduct training with a passing mark of 80 percent minimum

A systematic approach to tracking conflicts of interest allows eHealth to identify and manage individual conflicts. By providing ongoing training on its key policies, eHealth increases staff awareness of the policy obligations and expectations placed upon them. It also reinforces the importance of compliance.

### 3.4 Complying with Procurement Policy

***We recommended eHealth Saskatchewan follow its policy that requires all individuals involved in making vendor selection decisions complete a standardized conflict of interest form for each procurement.*** (2019 Report – Volume 1, p. 37, Recommendation 6; Public Accounts Committee has not yet considered this recommendation as at April 27, 2021)

**Status**—Implemented

Since November 2019, eHealth has put into practice the requirement that all individuals involved in making vendor selection decisions complete a Non-Disclosure and Confidentiality Agreement form that acknowledges any actual or potential conflicts of interest, or perceived conflicts of interest for each purchase decision.

For two procurements tested, we found each vendor selection committee member completed a Non-Disclosure and Confidentiality Agreement form and noted no conflicts to declare prior to partaking in the evaluation of the potential vendors.

Additionally, for one employee we tested who declared a potential conflict of interest, we found eHealth assessed the declared conflict and decided it was not an actual conflict. We agreed with eHealth's assessment.

By formally documenting declarations of conflict by staff involved in vendor selection, eHealth can show that it has treated potential vendors equitably.



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## Chapter 14

# Energy and Resources—Regulating Oil, Gas, and Pipeline Incidents

### 1.0 MAIN POINTS

Oil, gas, and pipeline incidents have the potential to contaminate the air, soil, or water. They can pose a threat or risk to human health, public safety, property, and the environment, as well as domestic and wild animals. Timely action and response to incidents helps protect people and the environment, and mitigate damage caused by the incidents.

For the twelve-month period ending November 2020, industry operators reported over 500 incidents to the Ministry of Energy and Resources.<sup>1</sup>

By November 2020, the Ministry implemented all three recommendations made in our 2018 audit.

Since 2018, the Ministry developed a sufficient process to consistently assess the risk level of reported incidents. The Ministry followed its process when it assessed the risk of each incident. In addition, staff followed recently developed guidance and consistently documented the results of inspections completed.

Furthermore, the Ministry improved its IT system to automatically notify industry operators about the results of its inspections. Keeping industry operators informed about the status of reported incidents helps ensure industry does not leave incidents unresolved longer than necessary.

### 2.0 INTRODUCTION

The Ministry of Energy and Resources is responsible for licensing and regulating the oil, gas, and pipeline industries in Saskatchewan. The Ministry regulates these areas under *The Oil & Gas Conservation Act* and *The Pipeline Act, 1998*.

The Ministry has four field offices located at Lloydminster, Kindersley, Swift Current, and Estevan, and a head office in Regina. Field offices are responsible for delivering programs and enforcing the requirements specified under the legislation and related directives, including those related to regulating reported oil, gas, and pipeline incidents.

Regulating reportable incidents is one part of the Ministry's overall regulatory structure for regulating oil and gas activities in Saskatchewan.<sup>2</sup> A reportable incident is an event that oil, gas, and pipeline industry operators must report by law. Reported incidents generally relate to the uncontrolled release of substances (e.g., spill, release of gas, leaks), fires, and damage to, or malfunction of, equipment.

<sup>1</sup> This magnitude of reported incidents is below the historical average, which is likely due to less activity during 2020 due to the COVID-19 pandemic.

<sup>2</sup> The Ministry's regulatory structure also includes:

- Licensing industry operators (e.g., drilling and operating wells, constructing and operating pipelines)
- Inspecting licensed operations
- Regulating that industry operators reclaim sites to original condition, once industry operations are finished



Oil, gas, and pipeline incidents have the potential to contaminate the air, soil, or water. They can pose a threat or risk to human health, public safety, property, the environment, and domestic and wild animals. Timely action and response to incidents helps protect people and the environment, and mitigate damage caused by the incidents.

Incidents of all risk levels that require reporting to the Ministry occur, on average, about once per day. The source, nature, location, frequency, and severity of incidents can vary. Historically, high-risk incidents in Saskatchewan that cause significant damage (e.g., to the environment) occur infrequently.

## 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 4, concluded that the Ministry of Energy and Resources had, other than the matters reflected in our three recommendations, effective processes to regulate that oil, gas, and pipeline industry operators resolve incidents to protect public safety and the environment.<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 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 regulating oil, gas, and pipeline incidents. We examined relevant documents including the Ministry's guidance to assess incident risk, guidance for staff responding to incidents, and directives and incident reporting expectations for industry operators. We tested a sample of reported incidents to assess whether Ministry staff appropriately assessed and responded to incidents in accordance with the Ministry's expectations.

## 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 November 30, 2020, and the Ministry's actions up to that date.

### 3.1 Guidance on Classifying Risks of Incidents Developed

***We recommended the Ministry of Energy and Resources document its classification of risk of reported incidents in relation to oil and gas wells, facilities, pipelines, and flowlines, and its expectations on the nature and timing of Ministry involvement.*** (2018 Report – Volume 1, p. 48, Recommendation 1; Public Accounts Committee agreement October 10, 2018)

**Status—Implemented**

<sup>3</sup> We reported this work in our *2018 Report – Volume 1* (Chapter 4, pp. 39–56).

During 2018, the Ministry of Energy and Resources developed a sufficient process and related guidance to enable consistently assessing the risk of reported incidents. We found the Ministry followed its guidance when it assessed the risk of incidents.

The Ministry's process to assess risk was consistent with other jurisdictions. As part of developing this process, the Ministry reviewed other provincial and regulatory agencies' risk assessment tools (risk matrix) for assessing incidents. The Ministry decided to make its risk matrix similar to Alberta's criteria for assessing the risk of incidents.<sup>4</sup>

We found the Ministry's guidance included sufficient detail, while maintaining the opportunity for Ministry staff to use their professional judgment when assessing and responding to reported incidents. **Figure 1** summarizes the Ministry's guidance to assess the risk of reported incidents (i.e., assess consequence and likelihood of incident escalating).

The Ministry classifies incidents (e.g., Alert, Level 1 emergency, Level 2 emergency, Level 3 emergency – see **Figure 1**) based on its assessment of the level of risk the incident presents. It established processes for each risk classification. For example, it expects staff to give senior management a written situational report for all incidents with an assessed risk level of 5 or higher. Furthermore, it expects staff to complete on-site inspections, based on assessed risk level.

**Figure 1—Summary of Guidance for Staff to Assess the Risk of Reported Incidents**

Consequence of Incident		Likelihood of Incident Escalating <sup>A</sup>	
Score	Category	Score	Descriptor
1	Minor	1	Unlikely
2	Moderate	2	Moderate
3	Major	3	Likely
4	Catastrophic	4	Almost Certain or Currently Occurring
Staff sum the consequence and likelihood of escalation score to establish the risk level and incident classification			
Incident Classification			
Assessed Risk Level		Classification	Proportion of Incidents in which to Complete On-site Visit Within Specified Time
Very Low	2–3	Alert	As operational capacity allows
Low	4–5	Level-1 emergency	Based on field office discretion
Medium	6	Level-2 emergency	80% within 1 to 2 business days
High	7–8	Level-3 emergency	100% within 1 to 2 business days

Source: Adapted from information provided by the Ministry.

<sup>A</sup> Assess the likelihood that the incident will escalate, resulting in an increased exposure to public health, safety, or the environment.

For all 19 incidents we tested, the Ministry reasonably assessed the incident consistent with its risk matrix guidance. During our audit period, there were no reported medium or high-risk incidents (i.e., Level 2 or 3 emergencies).

<sup>4</sup> Directive 071 Emergency Preparedness and Response Requirements for the Petroleum Industry. [static.aer.ca/prd/2020-07/Directive071\\_0.pdf](http://static.aer.ca/prd/2020-07/Directive071_0.pdf), p. 101. (09 February 2021).



For incidents we viewed to be potentially higher risk, we found the Ministry's incident classification scores reasonable.<sup>5</sup> This included 21 reported incidents comprised of 15 that seemed to involve hydrogen sulphide, and 6 that seemed to be at risk of liquids escaping from the producer's lease.<sup>6</sup>

Using a risk matrix helps staff identify and classify risks associated with reported incidents on a more consistent basis. Use of a risk matrix can aid staff with:

- Consistently considering the consequence(s) of an incident
- Assessing the likelihood that an incident will pose an increased risk to the environment, and public health and safety
- Taking the right action at the right time to reduce the risk that industry operators fail to resolve immediate safety risks to the public and/or environment

## 3.2 Expectations for Documentation of Key Regulatory Activities Developed

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***We recommended the Ministry of Energy and Resources set expectations for documenting key activities for regulating reported incidents of spills or other incidents relating to oil and gas wells, facilities, pipelines, and flowlines.*** (2018 Report – Volume 1, p. 51, Recommendation 2; Public Accounts Committee agreement October 10, 2018)

**Status**—Implemented

During 2018, the Ministry of Energy and Resources developed adequate guidance to help staff consistently document results of completed inspections on reported incidents. We also found that Ministry staff completed inspections in accordance with this guidance.

The guidance outlines expectations for documenting regulatory activities (e.g., inspections) with sufficient detail. The guidance expects staff to document the following:

- The status of the inspection (e.g., determine if the remediation work is satisfactory or unsatisfactory)
- The nature of the inspection (e.g., indicate whether staff conducted inspection as a result of a public landowner complaint)
- Additional information or materials staff find useful (e.g., photos of the site)

In addition, the Ministry developed appropriate resources to help staff track and respond to complaints from the public or landowners.

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<sup>5</sup> We based our view on review of reported incident data.

<sup>6</sup> Hydrogen sulphide, also known as sour gas, is poisonous to humans, animals, and the environment.

We found that the Ministry consistently used its IT system (IRIS) to document inspections on reported incidents in each regional office.

For 19 reported incidents we tested, Ministry staff consistently documented inspections in accordance with the Ministry's guidance. For example, staff included details of the incident, such as the status of the incident (i.e., whether outstanding reclamation work is required for operator). Staff will often include photos of the site in IRIS when completing on-site inspections.

Also, for 19 reported incidents we tested, Ministry staff consistently informed senior management, using the situational report based on the assessed level of risk of the incident, as expected.

Setting clear expectations about what key regulatory activities all field office staff are to document helps ensure the Ministry has sufficient and complete records. Recording information about key regulatory activities in a consistent way reduces the risk of lost information (e.g., corporate knowledge may be lost in the event of staff turnover) and not completing key regulatory activities (e.g., if staff need to follow up on outstanding work).

### 3.3 Improved Process to Notify Industry Operators when Satisfied with Incident Resolution

***We recommended the Ministry of Energy and Resources consistently inform industry operators that the Ministry is satisfied that industry operators have resolved reported incidents of spills, or other incidents, relating to oil and gas wells, facilities, pipelines, and flowlines. (2018 Report – Volume 1, p. 53, Recommendation 3; Public Accounts Committee agreement October 10, 2018)***

#### **Status—Implemented**

The Ministry of Energy and Resources considered how it communicates to operators its satisfaction with the resolution of incidents and inspections it completes.

During 2018, the Ministry implemented changes in IRIS, its IT system, to improve how it communicates the status of inspections and incident resolution. For example, it modified IRIS to automatically notify operators when Ministry staff enter new inspections, or modify the results of inspections about reported incidents along with any outstanding work.

The Ministry enquired with industry about whether they would find further communication about the Ministry's resolution of incidents beneficial. Industry operators were satisfied with the existing communications.

For 19 reported incidents we tested, the Ministry communicated with operators when it was satisfied with the resolution of incidents consistent with its guidance. For 8 of these 19 incidents, staff entered inspection results into IRIS, causing IRIS to automatically notify the operator responsible for the incident.



For the remaining 11 incidents (each assessed with an “alert” risk level), the Ministry appropriately did not enter inspection results because, at the time of our testing:

- There was outstanding remediation work ongoing, or
- The Ministry had not completed an on-site inspection, as an immediate inspection was not required due to the assessed risk level of “alert”

Also, Ministry staff held other informal communications about the status of incidents with operators (e.g., phone calls, email).

Formally informing industry operators as to whether they have resolved the incident to the Ministry’s satisfaction decreases the risk of unresolved incidents. Keeping industry operators informed of the status of the Ministry’s regulatory activities helps ensure they do not leave incidents unresolved longer than necessary.

## Chapter 15 Government Relations—Providing Safe Drinking Water in Northern Settlements

### 1.0 MAIN POINTS

Access to safe drinking water is essential to the health and well-being of northern settlements. Northern settlements are unincorporated communities in the Northern Saskatchewan Administration District that the Ministry of Government Relations administers.<sup>1,2</sup>

As of March 2021, the Ministry made some progress in improving its processes relating to providing safe drinking water to Saskatchewan's northern settlements, but it has more work to do.

The Ministry began implementing strategies to resolve significant drinking water quality issues for the northern settlements of Uranium City and Brabant Lake, outstanding since 2001 and 2018, respectively. At March 2021, the Ministry was in the process of securing \$1.7 million of funding for upgrades to the Uranium City water treatment plant. It was actively upgrading Brabant Lake's water treatment facility with further upgrades planned. It estimates the Brabant Lake upgrades to cost \$1.5 million.

The Federal Government, on behalf of the Lac La Ronge Indian Band, is upgrading the water system that supplies Stanley Mission, a northern settlement with trihalomethane levels exceeding maximum allowable limits.<sup>3</sup> The Ministry is providing funding of approximately \$1.1 million for this project. At March 2021, the construction of this upgrade was approximately 80 percent complete. The Ministry estimates the Stanley Mission upgrades to cost a total of \$13.8 million.

However, the Ministry continues not to consistently test drinking water samples as required by its water system permits. In addition, it does not always complete water system maintenance nor properly supervise whether water system operators complete maintenance activities as expected. Systematic testing of drinking water and ongoing maintenance are essential to reducing the risk of providing unsafe drinking water.

### 2.0 INTRODUCTION

#### 2.1 Providing Drinking Water to Northern Settlements

The Ministry of Government Relations is responsible for providing safe drinking water to Saskatchewan's northern settlements.

<sup>1</sup> The Ministry administers the northern settlements through the Northern Municipal Services branch of the Ministry.

<sup>2</sup> The Northern Saskatchewan Administration District is a geographical area in northern Saskatchewan, defined under *The Northern Municipalities Regulations*.

<sup>3</sup> Trihalomethanes are formed when chlorine, which is generally used for disinfections, reacts with naturally occurring organic compounds present in water. Consuming more than the maximum acceptable concentration for total Trihalomethanes increases the cancer risk, particularly of colorectal cancer in humans. [www.saskh20.ca/pdf/epb211b.pdf](http://www.saskh20.ca/pdf/epb211b.pdf) (24 March 2021).



The Ministry uses various water systems to provide drinking water to northern settlements. As shown in **Figure 1**, it owns and operates water systems for five settlements, and it obtains drinking water for two settlements through contracts with First Nations communities.<sup>4</sup>

**Figure 1—Drinking Water Systems for Northern Settlements at March 2021**

Northern Settlement	Dwellings Served	Type of Water Delivery System of Drinking Water to Dwellings (i.e., to residents)
<b>Ministry-owned Water Systems</b>		
Bear Creek	18	The Ministry transports drinking water from its water treatment plant at Bear Creek to residents' homes.
Brabant Lake	27	Residents contract with a private company to transport drinking water from the Ministry's water treatment plant at Brabant Lake to residents' homes.
Missinipe	56	Ministry pipeline distribution from the Ministry's water treatment plant at Missinipe to residents' homes.
Sled Lake	27	Ministry pipeline distribution from the Ministry's water treatment plant at Sled Lake to residents' homes.
Uranium City	74	Ministry pipeline distribution from the Ministry's water treatment plant at Uranium City to residents' homes.
<b>Ministry Contracts with First Nations Communities that Own Water Systems</b>		
Stanley Mission	28	Ministry pipeline distribution from nearby First Nations community's water treatment plant to off-reserve northern settlement residents' homes.
Wollaston Lake	26	Ministry pipeline distribution from nearby First Nations community's water treatment plant to off-reserve northern settlement residents' homes.

Source: Ministry of Government Relations' records.

The Minister of Government Relations functions as the municipal council for each of the northern settlements.<sup>5</sup> As the municipal council for each of the northern settlements, the Ministry must work within the legislative framework established for drinking water.

**Section 4.0** describes Provincial Government agencies with varied responsibilities for drinking water in Saskatchewan. For example, the Water Security Agency uses provincial water quality and water system standards under *The Environmental Management and Protection Act, 2010*. The Agency issues permits to the Ministry where the Ministry operates water systems to provide drinking water to northern settlements (see **Figure 1**).

## 2.2 Focus of Follow-Up Audit

This chapter describes our third follow-up audit of management's actions on the recommendations we made in 2012.<sup>6</sup>

<sup>4</sup> There are additional northern settlements, however, since they do not have water systems, they were outside the scope of our audit and follow-up.

<sup>5</sup> The Minister's responsibilities are set out in *The Northern Municipalities Act, 2010*.

<sup>6</sup> *2012 Report – Volume 1*, Chapter 12, pp. 111–125.

Our *2012 Report – Volume 1*, Chapter 12 concluded that the Ministry did not have effective processes to provide safe drinking water to seven northern settlements in the Northern Saskatchewan Administration District. By September 2018, the Ministry implemented six out of the ten original recommendations.<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 Ministry's progress towards meeting our recommendations, we used the relevant criteria from the 2012 audit. The Ministry agreed with the criteria in the 2012 audit.

In performing this follow-up audit, we examined management records relating to maintaining water systems used to provide drinking water, tested samples of water quality test results, examined related monitoring activities, and reviewed other supporting documentation. We also interviewed relevant Ministry staff and management responsible for the provision of drinking water to northern settlements.

## 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 5, 2021, and the Ministry's actions up to that date.

### 3.1 Solutions to Provide Quality Drinking Water Options to Northern Settlements Developed

***We recommended the Ministry of Government Relations take prompt action to address problems in providing safe drinking water to northern settlements.*** (2012 Report – Volume 1, p. 122, Recommendation 10; Public Accounts Committee agreement January 13, 2014)

**Status**—Partially Implemented

The Ministry of Government Relations, as part of its responsibility as the municipal council, developed strategies to supply quality drinking water to dwellings in the seven northern settlements listed in **Figure 1** and is in the process of implementing those strategies.

At March 2021, the following two northern settlements have long standing drinking water advisories:

- **Uranium City since May 2001:** The Water Security Agency issued a precautionary drinking water advisory for Uranium City in May 2001, and an emergency boil water advisory in February 2015; those advisories continue at March 2021.<sup>8,9</sup>

<sup>7</sup> 2019 Report – Volume 1, Chapter 25, pp. 263–271.

<sup>8</sup> Water Security Agency issues precautionary drinking water advisories where drinking water quality problems may exist but an immediate public health threat has not been identified. Under a precautionary drinking water advisory, water must be boiled before it is used for drinking purposes, or used for other activities where it could be consumed, such as brushing teeth, dishwashing, or washing fruits and vegetables. A listing of these orders and advisories are publicly available on the SaskH2O website at [www.saskh2o.ca/advisories.asp](http://www.saskh2o.ca/advisories.asp). (30 March 2021).

<sup>9</sup> The Saskatchewan Health Authority issues emergency boil water orders when a confirmed threat to public health exists (i.e., microbial contamination).



The advisories note the Uranium City water treatment plant lacks minimum water treatment processes, and there is inadequate disinfection residual in the distribution system with E.coli detected in the drinking water system.<sup>10,11,12</sup>

- **Brabant Lake since October 2018:** The Water Security Agency issued a precautionary drinking water advisory in October 2018 for Brabant Lake due to equipment failure or damage.<sup>13</sup>

Also, since 2017, one northern settlement (Stanley Mission) has, at times, trihalomethane levels that exceed maximum allowable limits.<sup>14</sup>

**With respect to Uranium City:** Since our 2018 follow-up audit, the Ministry determined its strategy to address the long-standing drinking water concerns in Uranium City. The Ministry's strategy has two stages.

- Its first stage was to upgrade Uranium City's water distribution and sewer systems to improve the systems' performance and reliability. The Ministry completed these upgrades in August 2017.
- Its second stage is to update Uranium City's water treatment plant to address the outstanding water advisories. In early 2020, the Ministry engaged an engineering firm to develop a scope of work for necessary water treatment plant upgrades. It estimates the upgrades will cost \$1.7 million.
- At March 2021, the Ministry is in the process of securing funding for these upgrades. It hopes to obtain federal-provincial funding under the Investing in Canada Infrastructure Program, and is also considering other funding options.<sup>15</sup>

**With respect to Brabant Lake:** Since our 2018 follow-up audit, the Ministry determined its strategy to address the drinking water concerns in Brabant Lake. The Ministry's strategy has three stages.

- Its first stage was to drill new ground wells to facilitate an upgraded water treatment system. In 2020, the Ministry drilled two new ground wells.
- Its second stage is to upgrade the control system in the water treatment facility.<sup>16</sup> In March 2021, the Ministry awarded a supplier contract for upgrading this system at an estimated cost of \$115 thousand. It expects this upgrade to be completed by June 2021.

<sup>10</sup> [www.saskh20.ca/reports/GOC/EnvActive.pdf](http://www.saskh20.ca/reports/GOC/EnvActive.pdf) (30 March 2021).

<sup>11</sup> The Ministry assumed responsibility for the water system in Uranium City in 1984. The system was initially built for a much larger population. Ministry records indicate there are 74 dwellings in Uranium City as at September 2018. The Ministry notes the system is expensive to maintain and operate.

<sup>12</sup> E. coli is a bacteria that can make people sick.

<sup>13</sup> [www.saskh20.ca/reports/GOC/EnvActive.pdf](http://www.saskh20.ca/reports/GOC/EnvActive.pdf) (30 March 2021).

<sup>14</sup> Trihalomethanes are formed when chlorine, which is generally used for disinfections, reacts with naturally occurring organic compounds present in water. [www.saskh20.ca/pdf/epb211b.pdf](http://www.saskh20.ca/pdf/epb211b.pdf) (24 March 2021).

<sup>15</sup> The Provincial Government enters into various federal-provincial infrastructure funding agreements. The Investing in Canada Infrastructure Program is one of these funding agreements that finances infrastructure projects expected to provide various benefits to the province, including improvements to drinking water.

<sup>16</sup> Control systems at water treatment facilities are automated systems used to control the flow of water through mechanical and chemical processes to prepare water for residential, commercial and industrial use.

- Its third stage is to further upgrade the water treatment facility at an estimated cost of \$1.0 million. At March 2021, the Ministry is in the detailed design stage, and expects to tender this project in April 2021, with completion expected in 2021–22.

**With respect to other northern settlements**, the Ministry systematically monitors the trihalomethane levels for each water system, and tracks when they are over the maximum allowable limits. Since 2017, Stanley Mission is the only northern settlement to exceed the maximum allowable limits. The Ministry, in coordination with the First Nation community responsible for the water system and the Federal Government, are in the process of upgrading the water system to address this issue. As of March 2021, the construction of the upgrade was approximately 80 percent complete.

Taking corrective action to resolve drinking water quality issues is essential to ensure the safety of drinking water being consumed by residents of northern settlements.

### 3.2 Not Consistently Completing All Required Drinking Water Tests

*We recommended the Ministry of Government Relations test drinking water samples and document the results as required by its water system permits issued by the Water Security Agency (previously issued by the Ministry of Environment).* (2012 Report – Volume 1, p. 120, Recommendation 7; Public Accounts Committee agreement January 13, 2014)

**Status**—Partially Implemented

The Ministry of Government Relations does not consistently test and document the results of testing drinking water samples as required issued drinking water system permits.

Drinking water permits issued by the Saskatchewan Water Security Agency require operators of these systems to regularly test the quality of the drinking water to ensure it is safe to drink. Permits set out both the frequency and types of water quality tests required—required water quality tests vary for each water treatment plant.

For 304 drinking water tests examined, we found all daily, bi-monthly, monthly and bi-annual water quality tests were completed in accordance with the related permit. This is an improvement from the results of our 2018 follow-up audit where 1.4 percent of daily and 25 percent of bi-monthly tests were not completed in accordance with related permits (no exceptions noted for monthly and bi-annual).

However, for 304 drinking water tests examined, and as shown in **Figure 2**, our testing noted various deficiencies in documenting or completing water quality tests. We found:

- Five percent of weekly water tests were not completed in accordance with the related permit (2018 follow-up audit: no exceptions noted).
- Fourteen percent of quarterly tests were not completed in accordance with the related permit (2018 follow-up audit - ten percent not completed in accordance with permit).

Management indicated these missed tests were due to human error and travel restrictions due to the COVID-19 pandemic.

**Figure 2—Provincial Auditor Review of Drinking Water Test Results January 1, 2020 to December 31, 2020<sup>A</sup>**

Required Water Quality Tests (per Permit)	Required Frequency of Tests (Per Permit)	Provincial Auditor Results of Testing of Sample of Permits for each Water System
Turbidity and Chlorine	Various (daily, weekly, every 2 weeks, monthly)	All tests we examined were completed as required
Bacteria	Various (weekly, every 2 weeks, monthly)	All tests we examined were completed as required except: <ul style="list-style-type: none"> <li>- 3 of 52 weekly tests were not completed at Stanley Mission (First Nations community operated)</li> </ul>
Chemical (general)	Every 2 years (either once or quarterly)	All tests we examined were completed as required
Chemical (health)	Once every 2 years	All tests we examined were completed as required
Trihalomethanes <sup>A</sup> (new permit requirement since December 2015) and Haloacetic Acid <sup>B</sup>	Quarterly	All tests we examined were completed as required except: <ul style="list-style-type: none"> <li>- 1 of 4 Haloacetic tests was not completed at Missinipe (ministry-owned and operated)</li> <li>- 2 of 4 of both Trihalomethanes and Haloacetic tests was not completed at Stanley Mission (First Nations community operated)</li> </ul>

Source: Individual water system operating permits and provincial auditor testing results.

Shaded rows highlight where not all required tests were done

<sup>A</sup>Trihalomethanes includes chloroform, bromodichloromethane, dibromochloromethane, and bromoform. Formed when chlorine (used to disinfect) reacts with naturally occurring organic compounds present in water.

<sup>B</sup> Haloacetic acids refer to the total of monochloroacetic acid, dichloroacetic acid, trichloroacetic acid, monobromoacetic acid and dibromoacetic acid. Formed when chlorine (used to disinfect) reacts with organic matter and small amounts of bromide present in water. [www.sask20.ca/PDF-WaterCommittee/HaloaceticAcids.pdf](http://www.sask20.ca/PDF-WaterCommittee/HaloaceticAcids.pdf) (1 April 2021).

The Water Security Agency monitors the Ministry's compliance with completing water testing and communicating abnormal test results, and reports its findings (such as significant concerns with operators' completion of water testing) to the public.

We found the results of testing noted in **Figure 2** were consistent with findings in the Agency's publicly available 2020 inspection reports. For example:

- The Agency's August 13, 2020 inspection report indicates that Wollaston Lake missed four of ten required bacteria tests since their last inspection on March 31, 2020. The Ministry indicated this was due to flight cancellations. The Agency also identified a number of days where chlorine levels for Wollaston Lake were below the range approved by the Agency.

In discussions with officials of the Agency, they informed us the combination of low chlorine levels and missed bacteria testing is a public safety concern as the Ministry may not identify water contaminated with bacteria (e.g., E.coli) in a timely manner.

- The Agency identified two northern settlements—one with ministry-owned and operated water systems (Uranium City) and one with a First Nations community

operated water system (Wollaston Lake)—where the Ministry did not always notify the Agency of abnormal test results (e.g., low chlorine levels).<sup>17</sup>

Completing all drinking water tests that permits require is essential to ensure the safety of drinking water being consumed by residents of northern settlements.

### 3.3 Maintenance and Maintenance Records Not Always Complete

***We recommended the Ministry of Government Relations consistently carry out all required maintenance for its water systems.*** (2012 Report – Volume 1, p. 117, Recommendation 4; Public Accounts Committee agreement January 13, 2014)

**Status**—Partially Implemented

***We recommended the Ministry of Government Relations document its monthly supervision of maintenance carried out on its water systems to evidence that all required maintenance is occurring.*** (2012 Report – Volume 1, p.118, Recommendation 5; Public Accounts Committee agreement January 13, 2014)

**Status**—Partially Implemented

The Ministry of Government Relations did not consistently complete maintenance nor document its completion and monitoring of maintenance carried out on each of its water systems.

The Ministry bases its maintenance expectations on the advice of an infrastructure management consulting company.<sup>18</sup> It provides operators of ministry-owned and operated water systems with maintenance logs to help them document maintenance completed.

The Ministry supervises the maintenance of water systems to know if the required maintenance is consistently carried out for its water systems. As described in **Figure 3**, the Ministry uses various processes to supervise maintenance of the five ministry-owned and operated water systems, and the two water systems operated by First Nations communities. Key aspects of its processes include receipt of bi-annual reports from consultants on the condition of each water system, monthly maintenance logs, and periodic inspection reports from its regulator—the Water Security Agency.

**Figure 3—Processes to Supervise Maintenance of Water Systems**

- For both types of water distribution systems, the Ministry engages an infrastructure management consultant to prepare bi-annual reports on the condition of each of the water systems. The Ministry is to review these along with periodic regulatory inspection reports of the Water Security Agency. These regulatory inspection reports occur annually or bi-annually and contain information on the condition of each of its distribution systems.<sup>A</sup>
- For First Nations owned and operated water distribution systems, the Ministry, through its contract with each First Nations community, makes the relevant First Nations communities responsible for all normal maintenance of these systems. The Ministry does not receive detailed maintenance records (logs) to show

<sup>17</sup> Inspection reports are available at [www.saskh2o.ca/mydrinkingwater.asp](http://www.saskh2o.ca/mydrinkingwater.asp) (30 March 2021) under view inspections.

<sup>18</sup> Since 2003, the Ministry uses an infrastructure management consulting company with expertise in water operations to help it determine the required maintenance for each water system. The consultant gave the Ministry information on each maintenance task to complete, and the required frequency of completion (e.g. daily, monthly). The consultant also helped the Ministry design maintenance logs to document completed maintenance. The Ministry uses those logs and periodic inspection reports to monitor maintenance completed on water systems.



whether maintenance is done on these systems. Instead, the Ministry staff review the aforementioned bi-annual consultant reports to monitor each community's completion of maintenance.

- For ministry-owned water systems, the Ministry requires water system operators in the northern settlements to submit monthly maintenance logs to the Ministry's Northern Municipal Services area. Northern Municipal Services staff are to review and initial water system maintenance logs at least monthly to help determine whether each operator completed proper maintenance.

Source: Provincial Auditor Saskatchewan based on information provided by the Ministry.

<sup>^</sup> Inspection reports are available at [www.saskh2o.ca/mydrinkingwater.asp](http://www.saskh2o.ca/mydrinkingwater.asp) (30 March 2021)

**For both types of water systems**, our testing found, consistent with our 2018 follow-up audit, the reports the Ministry received and reviewed during 2020 showed the maintenance was not always done as expected.

For 2020 reports for each of the five northern settlements and for the two contracted First Nation community-owned systems, we found:

- The consultant's 2020 reports for six of the seven settlements showed at least some findings continued from the first report of 2020 to the second report, which indicates the operators may not always complete maintenance on a timely basis as expected. The report also indicated significant outstanding maintenance at Stanley Mission (i.e., replace a light source to obtain accurate readings on water turbidity) and Uranium City (e.g., repair or replace valve to ensure continued water quality and supply).

Management indicated that in some cases they did not complete the maintenance recommended in the consultant's report as the maintenance applied to a piece of the water system the Ministry planned to take out of service (e.g. raw water pump house).

- The Water Security Agency 2020 regulatory inspection reports for other settlements cited minor maintenance issues (e.g., filter not operating appropriately, pipe requiring additional sealant, water quality meters not checked to appropriate standards on a monthly basis). In addition, the Agency's 2020 inspection reports on the Uranium City water system cites issues with completion of maintenance at the water treatment facility. For example, the September 2020 Water Security Agency inspection report indicated that the majority of the floor drains within the water system building did not work properly.

The Ministry noted it expected to address outstanding maintenance at Uranium City in conjunction with its strategy to address the long-standing drinking water concerns (see **Section 3.1**).

**For ministry-owned water systems**, we found the Ministry did not have complete records to show it completed maintenance for three of five of its water systems. We found:

- It was missing maintenance logs for one water system (Missinipe).
- It kept only partial records for two water systems (Bear Creek and Uranium City). Bear Creek ran out of the templates for maintenance logs after May 2020 and did not request additional logs to continue documenting maintenance. Uranium City had a new operator between May and November 2020; who was not properly trained to complete the logs as expected.

In addition, Ministry staff did not always document their review of maintenance logs. We found staff did not document their review of the Bear Creek logs that the Ministry received. While it kept expected maintenance logs for the other two settlements (i.e., Brabant Lake and Sled Lake), Ministry staff did not consistently document their review of them.

Not having consistent and timely maintenance increases the risk of water systems not working effectively and increases the risk of providing unsafe drinking water to residents of northern settlements. Not having consistent documentation of maintenance and supervisory activities makes it unclear whether the Ministry actively ensures maintenance is completed as expected.

## 4.0 OTHER PROVINCIAL GOVERNMENT AGENCIES INVOLVED WITH DRINKING WATER

Name of Agency	Responsibilities for Drinking Water
Water Security Agency	<p>The Agency is the regulator of municipal waterworks, privately owned (publicly accessible) waterworks that have a flow rate of 18,000 litres or more per day, certain pipeline systems, and municipal sewage works. The Agency also focuses on watershed management and source protection, and works to balance competing water and land uses that impact water quality.</p> <p>The Agency administers provincial water quality standards in <i>The Environmental Management and Protection Act, 2010</i>, and <i>The Waterworks and Sewage Works Regulations</i>. The Agency issues permits to municipalities, including the Northern Saskatchewan Administration District, to operate water systems. This includes reservoirs, tanks, buildings, pumps, and pipes.</p> <p>The Agency is responsible for periodically inspecting and enforcing compliance with permits it issues. The Agency does not regulate non-public water systems, nor is the Agency responsible for drinking water on First Nations reserves.</p>
Saskatchewan Water Corporation (SaskWater)	SaskWater owns and operates certain regional water systems throughout the province. It also provides system assessments and project management of water infrastructure projects.
Ministry of Health/Saskatchewan Health Authority	The Ministry of Health and the Saskatchewan Health Authority regulate certain non-municipal water systems with limited capacity that service locations such as tourist accommodations and campgrounds.
Ministry of Agriculture	The Ministry of Agriculture is responsible for the protection of surface and groundwater with respect to intensive livestock operations. The Ministry is also responsible for irrigation-related services.
Ministry of Environment	The Ministry of Environment is the regulator of industrial waterworks and sewage works.

Source: [www.saskh2o.ca/RolesAndResponsibilities.asp](http://www.saskh2o.ca/RolesAndResponsibilities.asp) (24 March 2021).



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## Chapter 16

# Government Relations—Recommending Infrastructure Projects for Funding

### 1.0 MAIN POINTS

By October 2020, the Ministry of Government Relations implemented the four outstanding recommendations related to recommending infrastructure projects for federal-provincial funding.

The Ministry published on its website key factors it considers when assessing project applicants' requests for funding. As part of evaluating applications, it required an independent review of project ratings. It consistently documented its rationale for key decisions in recommending projects for funding. It also informed unsuccessful applicants within a reasonable time of their unsuccessful application.

Publicizing the project evaluation and approval process, including the assessment criteria, independently reviewing ratings and documenting rationale for key funding recommendations helps the Ministry demonstrate that it treats all project applicants fairly and equitably.

However, during 2019, Cabinet approved 25 infrastructure projects using a different process than what was publicly communicated. These 25 projects represent a total of \$185.5 million in grant funding (including \$106.4 million in federal funding and \$79.1 million in provincial funding) which is approximately 30% of the total approved grant funding for the Investing in Canada Infrastructure Program as of October 31, 2020.

Clearly communicating changes to the process used to evaluate and approve projects for funding can help the Government demonstrate transparency and that it treated all project applications fairly and equitably.

### 2.0 INTRODUCTION

The Ministry of Government Relations is responsible for municipal relations; public safety; First Nations, Métis and northern affairs; and the Provincial Capital Commission. Its responsibilities include:

- Planning for and responding to opportunities and challenges of growth
- Providing leadership and direction so that integrated public services are available to communities and their residents
- Supporting responsible governments<sup>1,2</sup>

<sup>1</sup> *The Ministry of Government Relations Regulations* established under *The Executive Government Administration Act*.

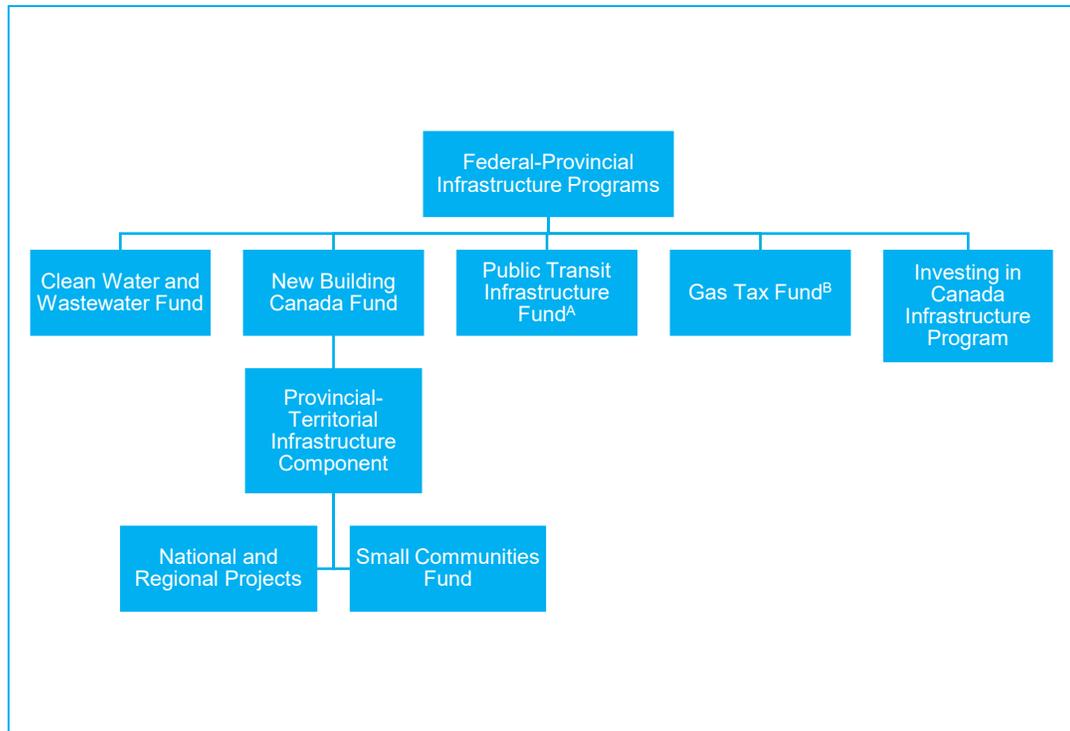
<sup>2</sup> *The Ministry of Government Relations Plan for 2020-21*, p. 5; and the *Government of Saskatchewan 20-21 Estimates*, p. 70.



The Ministry administers, on behalf of the Provincial Government, various federal-provincial infrastructure-funding agreements.<sup>3,4,5</sup>

At October 31, 2020, the Ministry was responsible to administer five major funding agreements with Canada, on behalf of the provincial government, including the Clean Water and Wastewater Fund, New Building Canada Fund, Public Transit Infrastructure Fund, Gas Tax Fund and Investing in Canada Infrastructure Program. See **Figure 1** below.

**Figure 1—Ministry of Government Relations 2020 Federal-Provincial Infrastructure Programs**



Source: Provincial Auditor of Saskatchewan based on infrastructure agreements and information from Ministry of Government Relations.

<sup>A</sup> There is no provincial funding under the Public Transit Infrastructure Fund. The Federal Government committed \$29 million. Decisions on the funding recipients for the Public Transit Infrastructure Fund were reached prior to February 2017. As a result, this program was not included within the scope of the original audit or this follow-up.

<sup>B</sup> The Gas Tax Fund is allocated by population, so does not require municipalities to apply for funding. As a result, it was not within the scope of the original audit or this follow-up.

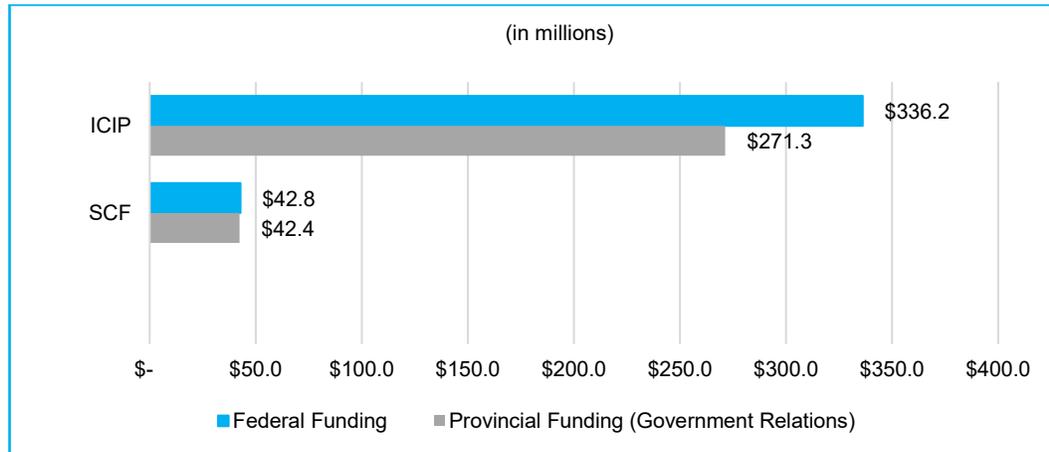
For the period February 1, 2018 to October 31, 2020 (i.e. the audit follow-up period), only the Small Communities Fund and Investing in Canada Infrastructure Program had projects approved for federal funding—250 different projects in total. As shown in **Figures 2** and **3**, for these programs, a total of \$692.7 million combined federal and provincial funding was approved.

<sup>3</sup> The Ministry can provide funding (via grants) to municipalities under *The Municipal Grants Regulations*, section 49 and enter into agreements with funding recipients under *The Executive Government Administration Act*, sections 18 and 21, and *The Government Relations Administration Act*, section 3.

<sup>4</sup> The Minister of Government Relations signs related federal-provincial agreements, as the representative of the Government of the Province of Saskatchewan.

<sup>5</sup> The Ministry of SaskBuilds and Procurement is a co-administrator for the Investing in Canada Infrastructure Program.

**Figure 2—Federal and Provincial Funding Approved through Certain Federal-Provincial Infrastructure Programs (ICIP and SCF) Administered by Ministry of Government Relations from Program Inception to October 31, 2020**



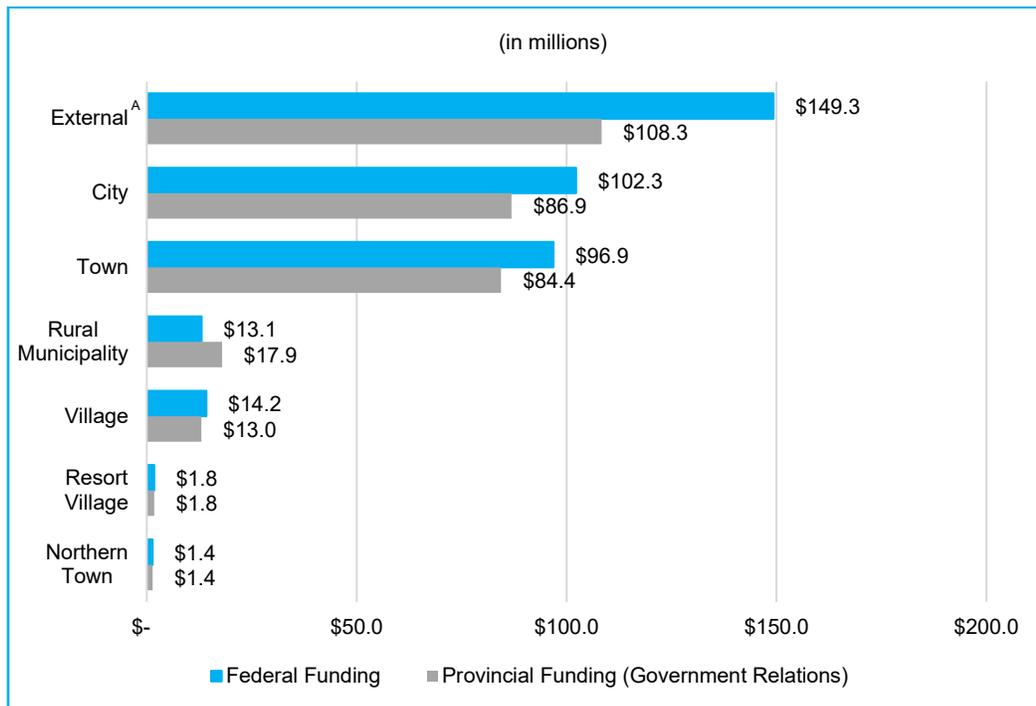
Source: Information from Ministry of Government Relations.

ICIP: Investing in Canada Infrastructure Program

SCF: Small Communities Fund

Note: Amounts shown are only those related to the aspects of the program that the Ministry of Government Relations administers. They do not include matching amounts that successful applicants must contribute.

**Figure 3—Federal and Provincial Funding Approved (ICIP and SCF) by Municipality Type from Program Inception to October 31, 2020**



Source: Information from Ministry of Government Relations.

ICIP: Investing in Canada Infrastructure Program

SCF: Small Communities Fund

Note: Amounts shown are only those related to the aspects of the program that the Ministry of Government Relations administers. They do not include matching amounts that successful applicants must contribute.

<sup>A</sup> External includes First Nations and Non-Profits.



The Small Communities Fund finances provincial and municipal governments' projects for infrastructure related to local needs (e.g. roads, disaster mitigation infrastructure, drinking water). The Investing in Canada Program finances infrastructure projects expected to provide the following benefits:

- Cleaner environment by reduction of soil and air pollutants
- Improvements for drinking water
- Reduced greenhouse gas emissions
- Sustainable water management
- Enhanced public parks, recreational facilities and other spaces that make communities great places to live<sup>6,7</sup>

## 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.<sup>8</sup>

In 2018, we reported the Ministry of Government Relations had effective processes to recommend eligible projects for funding under federal-provincial infrastructure agreements, other than those areas where we made four recommendations.

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 agreed with the criteria in the original audit.

In performing this follow-up audit, we interviewed Ministry management responsible for managing these programs. We assessed related documentation (e.g., Investing in Canada Infrastructure Program Guide), tested a sample of projects for decision rationale, and reviewed decisions and notifications sent to unsuccessful project applicants.

## 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 October 31, 2020 and the Ministry's actions up to that date.

<sup>6</sup>[www.saskatchewan.ca/government/municipal-administration/funding-finances-and-asset-management/funding/investing-in-canada-infrastructure-program](http://www.saskatchewan.ca/government/municipal-administration/funding-finances-and-asset-management/funding/investing-in-canada-infrastructure-program) (8 March 2021).

<sup>7</sup> Federal funding for Saskatchewan's eligible projects under ICIP is divided into four streams: green infrastructure; community, culture and recreation infrastructure; public transit infrastructure; and rural and northern communities' infrastructure.

<sup>8</sup> *2018 Report – Volume 1*, Chapter 5. [auditor.sk.ca/publications/public-reports](http://auditor.sk.ca/publications/public-reports).

### 3.1 Key Factors Used to Recommend Projects for Approval Made Public

***We recommended the Ministry of Government Relations make publicly available the factors it uses to determine which eligible projects to recommend for federal-provincial infrastructure funding. (2018 Report – Volume 1, p. 64, Recommendation 1; Public Accounts Committee agreement October 10, 2018)***

**Status**—Implemented

The Ministry makes public the key factors it uses to determine which projects to recommend for federal-provincial infrastructure funding.

We found the Ministry included the factors used in recommending projects for federal-provincial funding (as described in **Figure 4**) on its website. It includes these factors in *The Investing in Canada Infrastructure Program – Program Guide*.<sup>9</sup>

**Figure 4—Factors the Ministry Considered When Recommending Projects for Federal-Provincial Infrastructure Funding**

- Represent good value for money
- Contribute to community objectives and is based on community need for services
- Enhance and protect public health and/or environmental health
- Funding need
- Technical feasibility
- Project sustainability, efficient use of resources throughout the life of the assets
- Whether the applicant has multiple projects under consideration for funding (as typically, only one project receives funding per applicant)
- Financial stability of the applicant or ability to fund the project

Source: ICIP Program Guide, pg. 12, [pubsaskdev.blob.core.windows.net/pubsask-prod/115003/ICIP-Program\\_Guide.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/115003/ICIP-Program_Guide.pdf)

Publicly disclosing the factors it uses in recommending projects for funding increases transparency of the Ministry's project selection processes.

### 3.2 Project Rating Scores Independently Reviewed

***We recommended the Ministry of Government Relations require an independent review of project rating scores used to select projects to recommend for federal-provincial infrastructure funding. (2018 Report – Volume 1, p. 67, Recommendation 2; Public Accounts Committee agreement October 10, 2018)***

**Status**—Implemented

The Ministry requires independent review of projects before it recommends them for funding.

As described in **Figure 5**, the agency responsible for completing project ratings scores (using a standard rating sheet) differs from the agency responsible for reviewing the reasonableness of those scores. The responsible agency varies depending on the program.

<sup>9</sup> The Ministry assessed project applications under SCF using the same factors as ICIP projects. The Ministry did not update the program guidance for SCF because the program was nearing completion.

**Figure 5—Process for Rating Projects and Review of Project Rating Scores**

Program Name related to Projects	Agency Responsible for Completing Initial Rating of Projects	Agency Responsible for Reviewing Rating
<b>Investing in Canada Program</b>		
Green stream (e.g. landfill projects)	Ministry of Environment	Ministry of Government Relations
Drinking Water	Ministry of Government Relations	Water Security Agency
Community, Culture and Recreation Infrastructure	A Committee comprising representatives from the Ministries of Government Relations, SaskBuilds and Procurement, and Parks, Culture and Sport	Ministry of Government Relations
<b>Small Communities Fund</b>	Ministry of Government Relations	Water Security Agency

Source: Information provided by Ministry management

Our testing of 47 projects found evidence of independent review of each project tested. The Ministry used a standard rating sheet with 52 rating criteria (e.g., project readiness, regional co-operation, project need, long-term sustainability) to rate each of the projects (i.e., determine an overall project rating score). We saw evidence of the review of those ratings by parties independent of the party who determined the ratings.

An independent review of project ratings helps reduce the risk of errors occurring or ratings not being sufficiently supported. Independent review also helps promote consistency and impartiality in rating of projects.

### 3.3 Rationale for Key Decisions Documented

***We recommended the Ministry of Government Relations consistently document rationale for key decisions made when recommending infrastructure projects for federal-provincial infrastructure funding.***

*(2018 Report – Volume 1, p. 68, Recommendation 3; Public Accounts Committee agreement October 10, 2018)*

**Status—Implemented**

The Ministry consistently documented rationale for key decisions when recommending infrastructure projects for federal-provincial infrastructure funding.

The Ministry ranks the projects based on the project rating scores, from highest to lowest in a spreadsheet. This spreadsheet provides scoring instructions that explains what an applicant must achieve for a score (e.g. for growth percentage, less than 1% growth is 0 points, 1–2% growth is 1 point, 2–3% growth is 2 points and over 4% growth is 5 points). The Ministry then completes further analysis to determine if the highest-ranking scores are the best projects to recommend for funding, or if a lower rated score should receive funding (e.g., if a project is rated lower but has a public safety component, the Ministry might recommend the project for funding). The recommended projects include as many projects as possible based on the funding available.

Our testing of 47 projects found the Ministry sufficiently documented its rationale for selecting the recommended projects.

Documenting rationale for decisions made in recommending projects for funding can help the Ministry demonstrate it treated all project applications fairly and equitably.

### 3.4 Unsuccessful Applicants Notified

***We recommended the Ministry of Government Relations determine a written strategy for notifying, within a reasonable timeframe, applicants who are unsuccessful in obtaining funding under federal-provincial infrastructure programs.*** (2018 Report – Volume 1, p. 70, Recommendation 3; Public Accounts Committee agreement October 10, 2018)

#### **Status**—Intent of Recommendation Implemented

The Ministry provided ineligible and unsuccessful project applicants with timely notification.

There are two ways an applicant may not be successful. Either their project was not eligible under the program guidelines (**ineligible projects**) or their project was eligible but was not selected (**unsuccessful projects**).

**For ineligible projects**, the Ministry has a written process in place to inform the applicant their project was not eligible under program guidelines. Ministry guidance requires staff to communicate to the applicant that their project is ineligible once the staff confirm the ineligibility with a senior engineer.

The Ministry maintains a template to guide staff in communicating with unsuccessful applicants. The template requires staff to explain why the project was ineligible, provide guidance on alternative grant programs for which the project could potentially qualify, if any, and refer applicant to further information on the program.

For each of the five ineligible projects tested, the Ministry communicated with applicants as expected.

**For unsuccessful projects**, the Ministry has an informal (undocumented) strategy to inform applicants their projects were not successful.

For each the 33 unsuccessful projects tested, the Ministry informed applicants timely via email (i.e., within 22 days after Cabinet approved the Ministry's list of recommended projects).

Notifying applicants within a reasonable timeframe about their project's application status helps the applicants to make decisions about those projects and fosters positive relationships with applicants.



## 4.0 OTHER MATTER—DIFFERENT APPROVAL PROCESS NOT MADE PUBLIC

During our testing, we found Cabinet approved 25 projects using a different process than the Government communicated to the public in a news release and the Ministry of Government Relations communicated to the public in *The Investing in Canada Infrastructure Program – Program Guide*.

On March 13, 2019, the Provincial Government announced it was seeking projects for initial consideration for Investing in Canada Infrastructure Program funding. The intent of this expression of interest process was to provide the Provincial Government with a better understanding of infrastructure priorities and funding demands across Saskatchewan. The news release indicated this was step one in a two-step process and that applicants would have to complete detailed project applications later in the year.<sup>10</sup>

The Ministry received approximately 1,400 expressions of interest submissions between March 15 and April 30, 2019 in response to the Government's request. In May 2019, it gave Cabinet the listing of projects, including some high level project detail (e.g. project name, description, nature of the work, whether the project addresses any immediate human health or safety concerns, whether the project benefits more than one community) for its information.

In July 2019, prior to the Ministry starting its normal process to request the first intake of detailed project applications for the program, Cabinet approved 25 projects identified in the initial expression of interest for submission to the Federal Government.

We found Cabinet approved these projects prior to the Ministry completing their detailed assessment and ranking of the projects. This is not consistent with the process documented in *The Investing in Canada Infrastructure Program – Program Guide*.

The Ministry completed a high level assessment of the projects (e.g. assessed whether or not the projects were eligible for funding but did not complete a detailed assessment and ranking of the projects), prior to Cabinet's approval and submitting the 25 projects for the Federal Government review and approval.

The Government did not publicly communicate its plans or use of a different process to select these projects when it announced the approval of some of these projects to the public in September 2019.<sup>11</sup>

These 25 projects represent a total of \$185.5 million in grant funding (including \$106.4 million in federal funding and \$79.1 million in provincial funding) which is approximately 30% of the total grant funding approved for the Investing in Canada Infrastructure Program as of October 31, 2020.

Clearly communicating changes to the process used to evaluate and approve projects for funding can help the Government demonstrate transparency and that it treated all project applications fairly and equitably.

<sup>10</sup> Government of Saskatchewan *Submit Your Community's Priority Infrastructure Projects*, [www.saskatchewan.ca/government/news-and-media/2019/march/13/infrastructure-projects](http://www.saskatchewan.ca/government/news-and-media/2019/march/13/infrastructure-projects) (22 February 2021).

<sup>11</sup> Government of Saskatchewan *Saskatchewan Residents to Benefits from Green and Community Infrastructure Investments*, [www.saskatchewan.ca/government/news-and-media/2019/september/04/gordie-howe-sports-centre%20](http://www.saskatchewan.ca/government/news-and-media/2019/september/04/gordie-howe-sports-centre%20) (22 February 2021).

## Chapter 17 Health—Providing Special Needs Equipment for Persons with Disabilities

### 1.0 MAIN POINTS

The Ministry of Health, under an agreement with the Saskatchewan Abilities Council—a service provider, loans special needs equipment (e.g., wheelchairs, walkers, cushions) to persons with disabilities at no cost. It refers to this arrangement as the Special Needs Equipment Program.

By December 2020, the Ministry, in collaboration with its service provider, had made further improvements to the processes used to provide special needs equipment for persons with disabilities. But it has some further work to do.

Key improvements include changing responsibilities for purchasing equipment to help ensure clients receive special needs equipment within acceptable timeframes. In addition, clarifying expectations for when the service provider is to escalate complaints to the Ministry helps keep the Ministry informed of significant issues in service delivery, if any. Better tracking of the quality and timeliness of repairs of special needs equipment helps ensure clients use safe equipment. In addition, the development and use of an evaluation framework helps the Ministry measure the success of the Special Needs Equipment Program.

However, the Ministry needs to work with its service provider to make sure records for loaned equipment are up-to-date and accurate. This will help them identify and recover special needs equipment on loan that is no longer utilized, but still usable (not obsolete). In addition, consistently doing complete and appropriate preventative maintenance on loaned special needs equipment within a reasonable timeframe is needed to avoid safety risks to clients.

### 2.0 INTRODUCTION

As part of its responsibilities under *The Health Administration Act*, the Ministry of Health may provide programs for persons with residual physical disabilities due to accident, congenital defect, injury, diseases, or other illness. The Ministry established the Saskatchewan Aids to Independent Living (SAIL) program to help fulfill this responsibility. The Special Needs Equipment Program is one of SAIL's 14 sub-programs.

The intent of this Program is to loan and repair special needs equipment (e.g., wheelchairs, walkers, cushions) at no cost to eligible clients throughout the province. The total cost to operate the Program in 2019-20 was \$7 million.<sup>1</sup> The Ministry has engaged a service provider, the Saskatchewan Abilities Council, to directly deliver the Program.

<sup>1</sup> Information provided by Ministry management.



## 2.1 Focus of Follow-Up Audit

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This chapter describes our second follow-up audit of management's actions on the recommendations we made in 2016.

Our *2016 Report – Volume 2*, Chapter 27, concluded that the Ministry of Health had, other than matters reflected in our six recommendations, effective process to provide special needs equipment to persons with disabilities. By December 2018, the Ministry made some progress towards implementing the six recommendations we originally made.<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. The Ministry's management agreed with the criteria in the original audit.

To complete this follow-up audit, we interviewed Ministry staff and service provider staff responsible for providing special needs equipment to persons with disabilities. We examined quarterly and year-end reports, planning documents, policies and procedures, and other relevant documents. In addition, we tested a sample of equipment repair records and preventative maintenance records.

## 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 December 31, 2020, and the Ministry's actions up to that date.

### 3.1 Strategies and Action Plans in Place to Reduce Equipment Wait Times

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***We recommended the Ministry of Health implement further strategies and action plans so that clients receive special needs equipment within an acceptable timeframe.*** (2016 Report – Volume 2, p. 162, Recommendation 1; Public Accounts Committee agreement June 12, 2018)

**Status**—Implemented

The Ministry of Health, with its service provider, have implemented strategies and action plans to help reduce wait times of clients for special needs equipment. The service provider is keeping the Ministry informed of its progress in managing wait times for special needs equipment.

The Ministry made two key changes since December 2018 (the time of our last follow-up).

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<sup>2</sup> 2019 Report – Volume 1, Chapter 27, p. 277-283. This report can be found at [auditor.sk.ca/publications/public-reports](http://auditor.sk.ca/publications/public-reports).

First, in April 2019, the Ministry and the service provider implemented a two-year pilot project that gives eligible clients an option to either directly receive a grant to purchase ultralight wheelchairs or receive the equipment directly from the service provider. We found, in 2019-20, 26 clients chose the grant option. Management indicated that the Ministry and service provider plans to assess the pilot project and the effect it had on wait times for ultralight wheelchairs in 2021-22.

Second, starting in 2019-20, the Ministry made the service provider responsible for directly buying special needs equipment. Prior to 2019-20, the Ministry periodically purchased equipment in bulk based on the service provider's input. In 2019-20, the Ministry stopped buying equipment in bulk. Instead, the Ministry provides, as part of its agreement, the service provider with funding to enable the service provider to purchase equipment directly.

The Ministry provided the service provider with \$500,000 in both 2019-20 and 2020-21 for special needs equipment purchases (equipment budget).

In 2019-20, the service provider used the equipment budget to buy power wheelchairs and other equipment (e.g., walkers, commodes, cushions, transfer benches) to address wait times in these areas. The service provider allocated approximately 71 percent of its 2019-20 equipment budget to buying power wheelchairs and the remaining 29 percent to buy other equipment.

Our analysis found its purchases reduced wait times for these types of special needs equipment.

**Power wheelchairs:** As shown in **Figure 1**, its 2019-20 purchases decreased the number of clients waiting for power wheelchairs decreased to 25 at September 30, 2020. But the number of clients waiting increased in 2020-21 to 70 clients by December 31, 2020. At December 31, 2020, 18.6 percent of clients requesting a power wheelchair were waiting more than four months. The service provider considers four months as an acceptable length of time for eligible clients to wait for power wheelchairs.

The service provider reported to the Ministry the COVID-19 pandemic caused the longer wait times (e.g., delayed fitting appointments, delayed deliveries to long-term care facilities due to lockdown conditions). The service provider indicated that it is in the process of refitting previously loaned power wheelchairs to help reduce the number of clients waiting for such equipment. It has also done another bulk purchase of power wheelchairs in early 2021.

**Figure 1—Number of Clients Waiting for Power Wheelchairs**

Type of Equipment	2018-19	2019-20	Q2 2020-21	Q3 2020-21	% Waiting more than 4 Months at December 31, 2020
Power Wheelchairs	46	42	25	70	18.6%

Source: Special Needs Equipment Program Year End Reports for 2018-19 and 2019-20; and Special Needs Equipment Program September 30, 2020 and December 31, 2020 quarterly reports.



**Other equipment:** As shown in **Figure 2**, its 2019-20 purchases decreased wait times for other equipment and as of December 31, 2020 with no clients waiting more than four weeks. The service provider considers four weeks as an acceptable length of time for eligible clients to wait for other types of special needs equipment.

**Figure 2—Number of Clients Waiting for Other Special Needs Equipment**

Type of Equipment	2018-19	2019-20	Q3 2020-21	% waiting more than 4 weeks at December 31, 2020
Other Equipment	80	29	5	0%

Source: Special Needs Equipment Program Year End Reports for 2018-19 and 2019-20; and Special Needs Equipment Program Third Quarter Report – October 1, 2020 to December 31, 2020.

In 2020-21, the service provider planned to use its equipment budget to purchase hospital beds and manual wheelchairs to address wait times for these equipment.

**Hospital beds:** As shown in **Figure 3**, the wait times for hospital beds have increased significantly since 2018-19, and during 2020-21. At December 31, 2020, 70 percent of the clients requesting a hospital bed were waiting more than four weeks. The Council considers four weeks as an acceptable length of time for eligible clients to wait for a hospital bed.

The service provider recognizes the COVID-19 pandemic has resulted in an increase in wait times for hospital beds. To manage these wait times, the service provider almost doubled the amount of the 2020-21 equipment budget it has allocated to buying hospital beds to \$440,000. The service provider reported to the Ministry that it planned to do a bulk purchase of hospital beds in early 2021 to help reduce the number of clients waiting for hospital beds.

**Manual wheelchairs:** As shown in **Figure 3**, at December 31, 2020, 57 percent of the clients requesting manual wheelchairs (standard and ultralight) were waiting more than four weeks. The Council considers four weeks as an acceptable length of time for eligible clients to wait for a manual wheelchair.

The service provider recognized it was receiving more requests (requisitions) for manual wheelchairs than in the past. To manage the increasing demand, the service provider bought additional chairs in 2020-21. It reported to the Ministry that it did a bulk purchase of manual wheelchairs in late 2020.

The service provider also realizes its supply of chairs is not the sole reason for the wait times for manual wheelchairs. It noted it experienced staff challenges (e.g., significant vacation time taken in the second quarter of 2020-21, leaves of absences) resulting in reduced labour to process requests. The service provider indicates that as of March 2021 it has a pool of casual resources to support its full-time staff to help process requests for manual wheelchairs.

**Figure 3—Number of Clients Waiting for Hospital Beds and Manual Wheelchairs**

Type of Equipment	2018-19	2019-20	Q2 2020-21	Q3 2020-21	% waiting more than 4 weeks at December 31, 2020
Hospital Beds	3	36	51	50	70%
Manual Wheelchairs (standard and ultralight)	86	201	279	193	57%

Source: Special Needs Equipment Program Year End Reports for 2016-17 to 2019-20 and Special Needs Equipment Program September 30, 2020 and December 31, 2020 quarterly reports.

Having strategies and action plans to reduce wait times for special needs equipment allows clients to receive the equipment within an acceptable timeframe. This will help improve client's quality of life and their day-to-day functions, including their ability to live independently.

### 3.2 Updated Records Needed to Help Identify and Recover Equipment No Longer Utilized

***We recommended the Ministry of Health work with its service provider to identify special needs equipment on loan that is no longer utilized, and to recover this equipment within a reasonable timeframe.*** (2016 Report – Volume 2, p. 163, Recommendation 2; Public Accounts Committee agreement June 12, 2018)

#### **Status—Partially Implemented**

The Ministry of Health, with its service provider, employed several strategies to recover equipment no longer utilized. However, the efforts to recover equipment loaned brought minimal results. In addition, the efforts showed the service provider's records about loaned equipment were not up-to-date or accurate. This can hinder its efforts to identify and recover usable equipment no longer in need.

The Ministry and service provider takes various actions to promote the return of unused equipment.

We found the service provider attaches stickers to all loaned special needs equipment. The stickers indicate that equipment is property of the service provider and should be returned when no longer needed. In addition, it clearly states on its website, and information sheets (e.g., ultralight wheelchairs application) the responsibility of borrowers to return loaned equipment when no longer needed.<sup>3</sup>

The service provider works with the Ministry to remind staff within healthcare facilities (i.e., long-term care facilities, group homes, personal care homes) to return any unused special needs equipment to the service provider. This is because many of its clients using loaned special needs equipment reside in healthcare facilities. For example, the Ministry began periodically sending, via internet postings, information bulletins to all long-term care facilities, group homes, and personal care homes. The bulletins sent in November 2019 remind staff that any unused equipment loaned through the service provider must be returned. They also include guidance on what to return (e.g., equipment and all related components such as trays and cushions), how to identify equipment loaned through the

<sup>3</sup> [www.saskabilities.ca/programsservices/dailylivingrehabilitationsservices/specialneedsequipment/loan-program](http://www.saskabilities.ca/programsservices/dailylivingrehabilitationsservices/specialneedsequipment/loan-program) (18 March 2021).



Special Needs Equipment Program (e.g., specific stickers), and detailed information on where to return the equipment (e.g. depot addresses, phone numbers). The Ministry plans to send another reminder in spring 2021.

The Ministry and service provider found that two specific initiatives undertaken in 2019-20 (letter initiatives) were not successful in promoting the return of unused special needs equipment. It had loaned many of this equipment between 15 and 20 years ago.

In 2019-20, the Ministry and its service provider sent letters to two different groups of clients with loaned equipment to try to identify and recover unused equipment.<sup>4</sup> They found sending letters to be labour intensive and did not result in the identification or the return of much unused equipment. As shown in **Figure 4**, the letters resulted in the return of unused equipment from 6.3 percent of the active clients contacted, and 1.0 percent from the estates of deceased clients or clients no longer living in Saskatchewan.

**Figure 4—Results of Letter Initiatives to Identify and Recover Unused Equipment Loaned to Clients**

Results of Recovery initiative	Random audit (July 2019)	Deceased Clients or no Longer in Saskatchewan (January 2020)
Number of letters sent	48 active clients	369 <sup>A</sup>
% of respondents saying there was unused equipment to return	6.3%	1%
% of respondents equipment saying was left at a health-care facility (e.g., long-term care home, hospital)	Not applicable	10% <sup>B</sup>
% of respondents confirming continued need for loaned equipment	29%	Not applicable
% of respondents saying equipment previously returned <sup>C</sup>	12.7%	21%
% of letters with no response	52%	55%
% of letters with “return to sender”	Not applicable	12%

Source: Adapted from information provided by the Ministry.

<sup>A</sup> Sample based on listing from the Ministry. Listed names of clients with loaned equipment who were deceased or left the province.

<sup>B</sup> Respondent indicated equipment was left at a healthcare facility (e.g., long-term care home, group home).

<sup>C</sup> This shows the service provider’s records were not up-to-date and accurate.

The letter initiatives also showed the service provider’s records (i.e., IT system) for tracking loaned equipment were not always up-to-date or current. The results of the initiatives showed:

- The records did not always have the correct location of the equipment (e.g., did not have current address for clients with loaned equipment). For example, the service provider was unable to contact individuals who may be in possession of its equipment for almost two-thirds of clients it sampled with loaned equipment that the Ministry had identified as deceased or no longer living in Saskatchewan. In addition, just over one-half of active clients it sampled did not respond.

<sup>4</sup> In 2019-20, the service provider sent letters to samples of active clients (in July 2019), and deceased clients or clients who left the province (January 2020) that had loaned equipment. The July 2019 letters to active clients outlined the equipment on loan to the client, asked clients to confirm the information, and return the equipment if it was no longer needed. The January 2020 letters outlined the equipment on loan to the client and offered assistance (i.e., provided addresses and phone numbers of the service provider’s depots) in having the equipment returned.

- The records were not always updated for returned equipment. For 12.7 percent of active clients and 21 percent of the estates of the deceased clients indicated they had already returned the equipment to the service provider. After further analysis, the service provider found that approximately 50 percent of the respondents that noted the equipment was left at the healthcare facility and those that did not respond had actually returned the equipment. The service provider updated its records accordingly.

Furthermore, we found the records include loaned equipment that is outdated and obsolete, that is, no longer viable or safe to loan to another client. From December 2018 to September 2020, there were 13,560 pieces of loaned equipment to 6,248 clients that were deceased or left the province. Our data analytics found that approximately 25 percent of the loaned equipment would be considered obsolete (i.e., no longer used or working). For example, our analysis found that 37 percent of the 2,245 walkers were more than five years old. Ministry management indicated that it has asked its IT service provider to update the IT system used to track special needs equipment to enable better identification and tracking of obsolete equipment.

Regularly encouraging and reminding clients, as well as healthcare providers, to return special needs equipment no longer needed helps the Ministry provide this equipment to other clients in need. Having accurate and up-to-date records will help the Ministry and its service provider focus its efforts on recovering equipment that clients have not already returned and on equipment that is not obsolete.

### 3.3 Quality Repairs Done Timely

***We recommended the Ministry of Health work with its service provider to track the quality and timeliness of repairs of special needs equipment.***

*(2016 Report – Volume 2, p. 164, Recommendation 3; Public Accounts Committee agreement June 12, 2018)*

**Status—Implemented**

The Ministry of Health's service provider consistently tracks the quality and timeliness of repairs of special needs equipment.

Clients are to ask the service provider to repair special needs equipment on loan, as needed. They call the service provider to schedule an appointment with a technician. The technician schedules appointments based on the urgency of the repair (e.g., equipment stops working), and a client's needs and availability. In some cases, clients can bring their equipment in for repair without an appointment (i.e., walk-in).

The technicians use checklists to document work done to ensure equipment is in proper working condition prior to redeployment. For repairs to equipment not being redeployed to other clients in the near term, technicians document the work completed on a repair slip.

For each of the 30 repairs of equipment on loan tested, the technicians sufficiently documented (either on a checklist or repair slip) work done, when, and how long it took to repair. We found that each repair took a reasonable amount of time based on management expectations. The time for repairs ranged from 0.25 hours (e.g., seat belt assembly for a wheelchair) to 7.5 hours (e.g., setting up a new power wheelchair for a client).



Tracking the quality and timeliness of repairs decreases the risk that clients are without the required equipment for long periods. It also helps the service provider monitor the work of its technicians.

### 3.4 Timely Preventative Maintenance Needed

***We recommended the Ministry of Health assist its service provider in developing a process to complete appropriate preventative maintenance on special needs equipment on loan.*** (2016 Report – Volume 2, p. 165, Recommendation 4;

Public Accounts Committee agreement June 12, 2018)

**Status**—Partially Implemented

The Ministry of Health’s service provider does not always complete the preventative maintenance as required, or keep accurate records of equipment requiring such maintenance. In addition, it continues to encounter challenges with clients not returning equipment identified as requiring preventative maintenance to allow it to complete this maintenance.

The Ministry, through the agreement, has made the service provider responsible for maintaining all lift equipment (e.g., bathtub lifts) consistent with the manufacturers’ recommendations.

The service provider maintains a database of the required service dates for each piece of equipment requiring preventative maintenance. As noted in **Figure 5**, the service provider notifies clients at various intervals via letters and phone calls that preventative maintenance is due. However, over three quarters of clients with lift equipment on loan requiring preventative maintenance do not respond to the service provider’s requests to bring equipment for maintenance.

**Figure 5—Lift Equipment on Loan as of December 31, 2020 Requiring Preventative Maintenance**

	Method of Contact	Number of Pieces of Equipment	% of Total
Service not yet required	Not applicable	307	
Maintenance due in two months	First Letter	21	0.4%
Maintenance due	Second Letter	32	7.5%
Maintenance past due by at least three months	Telephone call	17	4.0%
Maintenance past due by at least six months	Final Letter	24	5.6%
Maintenance past due by at least six months and no response from client	None	330	77.8%
<b>Total Requiring Preventative Maintenance</b>		<b>424</b>	
<b>Total</b>		<b>731</b>	

Source: Adapted from Special Needs Equipment Program December 31, 2020 quarterly report.

The service provider also reported that the pieces of equipment with maintenance past due also includes obsolete equipment. As we note in **Section 3.2**, the service provider needs

to update its IT system for obsolete equipment. This would better reflect the actual numbers of equipment in need of service.

For the ten pieces of lift equipment tested that required preventative maintenance, we found:

- For three pieces of equipment, the service provider did not have any records of preventative maintenance done since 2012, 2017, and 2018. We further found for these three pieces of equipment, the service provider did not perform preventative maintenance on each piece of equipment before loaning it to new clients.

Failure to perform preventative maintenance on equipment on loan increases the risk of injury to clients. It may also expose the Ministry to liability risks if equipment has not been sufficiently maintained and causes injuries to clients.

### 3.5 Evaluation Framework Implemented to Measure Program Success

***We recommended the Ministry of Health set out how it plans to measure the success of the Special Needs Equipment Program.*** (2016 Report – Volume 2, p. 166, Recommendation 5; Public Accounts Committee agreement June 12, 2018)

**Status**—Implemented

The Ministry of Health established an evaluation framework to help it measure the success of the Special Needs Equipment Program.

In May 2020, the Ministry developed an evaluation framework that outlines outcomes the Ministry expects the Program to achieve. As shown in **Figure 6**, the Ministry has set three types of outcomes—immediate, intermediate, and ultimate.

**Figure 6—Outcomes Expected from the Special Needs Equipment Program**

- Immediate Outcomes
  - Clients are able to access Special Needs Equipment
  - Therapists have the information they need to access equipment for their clients
- Intermediate Outcomes
  - Clients feel that accessing the loaned equipment has helped to offset the cost of, and improve the affordability of mobility equipment
  - If equipment was required for discharge from hospital, this equipment assisted in this process
- Ultimate Outcomes
  - Clients are supported in their ability to return or remain in their home
  - SAIL has provided sufficient benefits that provide the basic level of coverage in a cost effective and timely manner
  - The equipment provided and appropriate and reasonable use of SAIL benefits

Source: Adapted from the Ministry of Health's evaluation framework.

To help the Ministry determine how successful the Program is in producing the desirable outcomes, the Ministry developed six evaluative questions as follows:

- Are clients able to access special needs equipment recommended by their therapists that will meet their basic needs?



- Are therapists equipped with the information they need to assist their clients in accessing special needs equipment?
- Does having access to loaned equipment help offset the cost of and improve the affordability of mobility equipment?
- Does the client feel they are supported in their ability to return or remain in their home?
- Does having loaned equipment assist in clients discharge from hospital?
- Is the equipment provided appropriate and reasonable use of SAIL benefits?

The Ministry also set out how it plans to measure the success of each question (e.g., biannual client satisfaction survey, feedback from medical professionals, formal complaints escalation process).

We found the Ministry developed improvement activities to meet the objectives of the Program (e.g., review of toileting and bathing equipment to be added to the Program to meet the needs of clients). Furthermore, the Ministry incorporated the identified activities into its unit work plan to ensure that evaluation of the Program is ongoing.

Ongoing evaluation of the Program helps the Ministry to know whether Program meets the Saskatchewan Aids to Independent Living program objectives and what areas of the Program need improvement and focused efforts.

### 3.6 Escalation Process for Complaints Documented and Followed

***We recommended the Ministry of Health set clear expectations for when its service provider should escalate complaints to the Ministry related to the Special Needs Equipment Program.*** (2016 Report – Volume 2, p. 167, Recommendation 6; Public Accounts Committee agreement June 12, 2018)

**Status**—Implemented

The Ministry of Health set clear documented expectations on the types of complaints the service provider is to escalate to the Ministry.

In spring 2019, the Ministry developed a work standard outlining the types of complaints the service provider is required to escalate to the Ministry. These include:

- Written appeals for equipment<sup>5</sup>
- Concerns related to the provision of special needs equipment or repairs that are not resolved by the service provider

The Ministry tracks complaints escalated by the service provider. From January 2019 to February 2021, the service provider escalated 38 complaints to the Ministry. All 38 complaints related to equipment (e.g., request for second wheelchair, communication

<sup>5</sup> If the service provider or an authorized health care professional denies a client's initial request for a piece of equipment, the client can appeal the decision.

device for wheelchair). Also, during this time frame, the Ministry received two appeals for equipment (e.g., client appealed the service provider's decision on ultralight wheelchair grant application).

Setting clear expectations for escalating complaints helps the Ministry identify issues with, and gain timely insight about, the service provider's delivery of the Program. This allows the Ministry to make informed decisions about improving service delivery to its clients.



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## Chapter 18

# Highways—Enforcing Vehicle Weight and Dimension Requirements

### 1.0 MAIN POINTS

Restricting vehicle weight and dimensions is one way the Ministry of Highways promotes public safety on provincial highways and protects the condition quality of highways.

By December 2020, the Ministry of Highways further improved its processes to enforce vehicle weight and dimension requirements on provincial highways.

The Ministry followed its established policy requiring highway officers to report the completed results of vehicle weight and dimension joint-enforcement activities. The implementation of a new records management IT system enabled the Ministry to sufficiently analyze commercial vehicle inspections and portable weigh scale activities.

Management actively monitored the completion of enforcement activities against planned by review of weekly reports. Such comparisons assist the Ministry in determining whether the Ministry's weight and dimension enforcement activities are sufficient and appropriate.

In addition, the Ministry consistently documented its response to inquiries received through its inquiry line related to vehicle weights and dimensions. Consistently documenting responses to inquiries helps show it handles inquiries sufficiently and appropriately, and considers whether adjustments to its activities are warranted.

### 2.0 INTRODUCTION

#### 2.1 Background

Under *The Highways and Transportation Act, 1997*, the Ministry of Highways is responsible for ensuring transport law is followed within Saskatchewan.<sup>1</sup> The Act gives the Ministry the authority to restrict the gross weight or dimension of vehicles travelling on provincial highways, or prohibit their operation.<sup>2</sup>

*The Vehicle Weight and Dimension Regulations, 2010*, issued under the Act, set the allowable weights and dimensions vehicles must follow when travelling on provincial highways. It bases allowable weights primarily on maximum gross vehicle weight.<sup>3</sup>

The Ministry varies the maximum allowable weights based on its classification of the provincial highway. Provincial highway classification reflects the type of the provincial highway (e.g., pavement, thin membrane) and degree of service it is designed to provide (e.g., primary, secondary).

<sup>1</sup> *The Highways and Transportation Act, 1997*, s. 3(2)(d).

<sup>2</sup> *The Highways and Transportation Act, 1997*, s. 35.1.

<sup>3</sup> Gross vehicle weight means the combined weight of a vehicle and the load carried on that vehicle, or the combined weight of two or more vehicles coupled together and the combined weight of the loads carried.



The Ministry has made its Saskatchewan Highway Patrol branch (Highway Patrol) responsible for the enforcement of commercial vehicle weight and dimension regulations on provincial highways.<sup>4</sup> The Highway Patrol has staff in about 34 full-time equivalent positions, including 26 officers and 8 head office staff. Enforcement officers are organized into two regions, each enforcing southern and northern Saskatchewan. Each region has a manager and a supervisor.

Effective enforcement of vehicle weight and dimension regulations reduces traffic safety risks and costly damage to the provincial highway system.

## 2.2 Focus of Follow-Up Audit

This chapter describes our second follow-up of management's actions on two outstanding recommendations. These recommendations are related to the Ministry of Highways' processes to enforce vehicle weight and dimension requirements on provincial highways. The first was one of five recommendations we made in our original 2017 audit, and the second was made in our 2019 follow-up audit.<sup>5,6</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. The Ministry agreed with the criteria in the original audit.

In this follow-up audit, we interviewed Ministry staff responsible for enforcing weight and dimension requirements. We examined supporting documentation and reviewed how the Highway Patrol uses its new IT system called PRISM to track and monitor its enforcement activities. We tested samples of weekly reports summarizing enforcement activities and inquiry line records related to vehicle weight and dimensions.

## 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 December 31, 2020, and the Ministry of Highway's actions up to that date.

### 3.1 Reporting on Joint Enforcement Activities Followed

***We recommended the Ministry of Highways follow its established policy requiring Highway Officers to report the results of completed vehicle weight and dimension joint-enforcement activities*** (2017 Report – Volume 1, p. 95, Recommendation 3; Public Accounts Committee agreement June 12, 2018)

**Status**—Implemented

<sup>4</sup> *The Highways and Transportation Act, 1997*, s. 2(p), defines a provincial highway as a public highway or a proposed public highway that is the subject of a departmental plan or is prescribed as a provincial highway, and includes a weighing and inspection facility.

<sup>5</sup> We reported the original audit work in *2017 Report – Volume 1*, Chapter 7, pp. 81–98.

[auditor.sk.ca/pub/publications/public\\_reports/2017/Volume\\_1/07\\_Highways\\_Vehicle\\_Dimension.pdf](http://auditor.sk.ca/pub/publications/public_reports/2017/Volume_1/07_Highways_Vehicle_Dimension.pdf).

<sup>6</sup> In *2019 Report – Volume 1*, Chapter 28, pp. 285–292. [auditor.sk.ca/pub/publications/public\\_reports/2019/Volume\\_1/28\\_Highways\\_and\\_Infrastructure\\_Enforcing\\_Vehicle\\_Weight\\_and\\_Dimension\\_Requirements.pdf](http://auditor.sk.ca/pub/publications/public_reports/2019/Volume_1/28_Highways_and_Infrastructure_Enforcing_Vehicle_Weight_and_Dimension_Requirements.pdf).

The Highway Patrol appropriately entered results of vehicle weight and dimension enforcement activities, including joint-enforcement activities with other policing services, into its IT system. It monitored completed enforcement activities by weekly summarizing and comparing them to its expectations.

The Ministry of Highways uses its annual planning process to set and communicate its expectations about the nature and extent of enforcement activities related to vehicle weight and dimension. We found its *Plan for 2020–21* includes performance measures and targets related to its enforcement activities. It aims to complete 7,000 commercial vehicle inspections and 1,000 portable scale usages in 2020–21.<sup>7</sup>

In April 2019, the Highway Patrol implemented a new Records Management System called PRISM. PRISM can track enforcement activities completed, including joint enforcement activities.

The Ministry required officers to enter into PRISM key information about enforcement activities (e.g., radar in a certain location, blitzes, vehicle inspections, weighing a vehicle, etc.) they complete, and joint enforcement activities they undertake with other policing services (e.g., the RCMP).<sup>8</sup> Supervisors review the officer's entries in PRISM (e.g., check officer entered sufficient documentation).

Each week, Highway Patrol management monitors completed enforcement activities by summarizing and comparing them to its expectations (i.e., performance targets).

For each of 30 joint enforcement records in PRISM that included considering vehicle weights and dimensions we tested, the record contained sufficient information on the enforcement activity completed (e.g., officers involved, date of activity, violations identified).

For each of the five weekly reports we tested, the Highway Patrol management appropriately prepared the report, and gave it to the Highway Patrol Deputy Chief. We found reports contained sufficient detail about enforcement activities completed, whether targets were achieved, and if not, why not. For example, one report we tested explained the weekly target was not achieved because of a snow storm reducing officers' ability to complete activities (e.g., weigh vehicles using portable weigh scale).

Compiling and analyzing completed enforcement activities provided management with insight on the sufficiency of the nature and extent of its weight and dimension enforcement activities.

### 3.2 Inquiries Logged with Consistent Documentation for Actions Taken

***We recommended the Ministry of Highways consistently document its response to calls received through its inquiry line and actions taken to address each call.*** (2019 Report – Volume 1, p. 292, Recommendation 1; Public Accounts Committee agreement February 8, 2021)

**Status—Implemented**

<sup>7</sup> [pubsaskdev.blob.core.windows.net/pubsask-prod/116293/HighwaysandInfrastructurePlan2021.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/116293/HighwaysandInfrastructurePlan2021.pdf) (16 February 2021).

<sup>8</sup> The Ministry participates in similar joint enforcement activities each year. From November 1, 2019 to December 31, 2020, none of them were specifically related to vehicle weight and dimensions, but vehicle weight and dimensions were assessed and enforced as necessary.



By December 2020, the Ministry of Highways consistently documented responses to calls about vehicle weight and dimension. It received these calls from the public through its inquiry line.

The Ministry maintains a log (spreadsheet) to record all inquiries received through its inquiry line—a public phone line staffed by the Ministry’s Transportation Policy and Programs branch. The log sufficiently documents the date of the call, caller details, and a description of the inquiry along with actions taken to address each call.

When possible, the inquiry line staff respond directly to inquiries and documents their response. If the response requires more information, the Transportation Policy and Programs branch forwards the inquiry to the appropriate division manager at the Ministry to address it. It may direct some calls about vehicle weight and dimension to the Highway Patrol.

Between November 1, 2019 and December 30, 2020, the Ministry received six inquiries related to vehicle weight and dimension. We found the Transportation Policy and Programs branch properly logged the inquiries and documented the responses.

The Transportation Policy and Programs branch forwarded one inquiry about a potentially overweight vehicle to the Highway Patrol. We found the Highway Patrol appropriately addressed and sufficiently documented its actions to respond to the inquiry. In this instance, the action the Highway Patrol took resulted in an enforcement file created in PRISM.

Consistent documentation and follow-up on responses enabled better monitoring of the work done by the Ministry to address inquiries from the public.



## Chapter 19

# Immigration and Career Training—Coordinating English-Language Programs

### 1.0 MAIN POINTS

By January 2021, the Ministry of Immigration and Career Training had made limited progress towards implementing the two outstanding recommendations on coordinating English-language programs made in our 2015 audit.

The Ministry is in the process of updating its contract management handbook to guide its fall 2021 procurement and contracting process for English-language programs. It expects this process to provide the Ministry with estimated English-language program demand information (i.e., number of anticipated program participants).

Six of Saskatchewan’s regional colleges deliver English-language programming on behalf of the Ministry. These include Carlton Trail, Southeast, Cumberland, Great Plains, North West, and Parkland.

The Ministry changed how it expects the six regional colleges to measure outcomes and report on their delivery of English-language programs. As of January 2021, the colleges are in the process of implementing these changes. The Ministry plans to assess whether colleges meet the Ministry’s program delivery expectations in summer 2021.

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

### 2.0 INTRODUCTION

#### 2.1 Background

The Ministry of Immigration and Career Training helps individuals prepare for, obtain, and maintain employment. The Ministry also leads activities to assist employers with the development, recruitment, and retention of workers. The Ministry’s key tasks involve delivering services and programs that address labour demand and undertaking activities to fully engage Saskatchewan’s labour supply.<sup>1</sup>

The ability to understand and speak English is integral for newcomers to become self-sufficient. It is important that the Ministry co-ordinates English-language programs so that newcomers can secure jobs and contribute to the province’s economy.

<sup>1</sup> Ministry of Immigration and Career Training 2019-2020 Annual Report. p 3.



Six regional colleges deliver English-language programming on behalf of the Ministry. The Ministry also contracts with thirteen service providers to offer English-language programming across Saskatchewan.

The overall goal of English-language programs is to help newcomers integrate into Saskatchewan life and secure employment. Both federally- and provincially-funded English-language programs for newcomers exist in Saskatchewan. These programs provide newcomers over the age of 18 the opportunity to gain, or improve, their English-language skills. The Ministry provides these programs to newcomers at no cost.

The Ministry spends about half-a-million dollars a year funding English-language programs at regional colleges. Approximately 7,400 newcomers moved to Saskatchewan in 2019-20.

## 2.2 Focus of Follow-Up Audit

This chapter describes our third follow-up audit of management's actions on the recommendations we made in 2015.<sup>2</sup>

Our *2015 Report – Volume 1*, Chapter 8, concluded that, for the 12-month period ended December 31, 2014, the Ministry of Immigration and Career Training, had, other than the areas of our five recommendations, effective processes for coordinating English-language programs to assist in employment and settlement of recent newcomers, over the age of 18 in Saskatchewan.<sup>3</sup> By February 2019, the Ministry had implemented three of five recommendations.<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 the Ministry of Immigration and Career Training'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.

Our follow-up audit included interviewing Ministry staff to discuss key actions management has taken to implement the outstanding recommendations and reviewing supporting documentation, communications and policies to obtain an understanding of these actions.

## 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 January 31, 2021, and the Ministry of Immigration and Career Training's actions up to that date.

<sup>2</sup> The original report regarding these recommendations can be found at [www.auditor.sk.ca/publications/public-reports](http://www.auditor.sk.ca/publications/public-reports). We reported the original audit work in *2015 Report – Volume 1* (Chapter 8, pp. 63-76).

<sup>3</sup> In April 2019, the Government restructured the Ministry of the Economy, and assigned its responsibilities for immigration and career training to a new ministry called Immigration and Career Training.

<sup>4</sup> *2019 Report – Volume 1*, Chapter 29, pp. 293–296.

### 3.1 Forecasting Demand for English-Language Programs Needed

***We recommended the Ministry of Immigration and Career Training (formerly the Ministry of the Economy) develop a formal methodology, including regional analysis, for assessing the demand for English-language program needs.*** (2015 Report – Volume 1, p. 70, Recommendation 1; Public Accounts Committee agreement September 15, 2016).

**Status**—Partially Implemented

As of January 2021, the Ministry of Immigration and Career Training is in the process of updating its handbook to guide its fall 2021 procurement and contracting process for English-language programs.

The Ministry is updating its Outcomes-Based Contract Management Handbook—it expects to complete this by September 2021. The Handbook guides its contract management process including negotiating contracts and managing/monitoring performance. The Ministry expects to begin its procurement and contracting process for English-language programming in the fall of 2021. The Ministry expects responses to request for proposals to provide it with estimated English-language demand information.

As of January 2021, the Ministry continues to work on creating a repeatable process to assess demand for English-language needs. The Ministry currently relies on the federal government's assessment of English-language demand. The federal government funds about 70 percent of English-language programs and the Ministry funds the remaining 30 percent. The federal government funds permanent residents while the Ministry funds temporary residents and Canadian citizens.

A lack of documented methodologies increases the risk of inconsistent analysis of needs for provincially-funded English-language programs.

### 3.2 Assessing Program Delivery Needed

***We recommended the Ministry of Immigration and Career Training (formerly the Ministry of the Economy) formally assess whether regional colleges that deliver English-language programs meet its expectations as set out in its Regional Colleges' Policy Manual.*** (2015 Report – Volume 1, p. 75, Recommendation 5; Public Accounts Committee agreement September 15, 2016).

**Status**—Partially Implemented

During 2020, the Ministry of Immigration and Career Training changed how it expects the six regional colleges to measure outcomes and report on their delivery of English-language programs. As of January 2021, the colleges are in the process of implementing these Ministry-requested changes; and the Ministry has not yet assessed whether they meet the Ministry's program delivery expectations.

Starting in 2020, the Ministry expects the six colleges to use their business plans to set out the expected outcomes (e.g., 45 percent of participants will achieve growth in a



one-language skill level, 90 percent of participants will identify language learning goals) and how they will measure outcomes. Previously, the *Regional Colleges' Policy Manual* included the expected outcomes.

We reviewed two 2020-21 regional college business plans. We found the plans identified outcomes and how they expect to measure outcomes. We also found the Ministry approved the business plans.

In June 2020, the Ministry also changed its reporting requirements for the six colleges delivering English-language programs. Starting with the 2020-21 school year, the Ministry expects the colleges to use its student information system to record key information about the English-language students and program outcomes. It also expects the colleges to use the Ministry-provided template to regularly report outcomes (i.e., in January and July).

The Ministry plans to assess whether regional colleges deliver English-language programs as expected in August 2021.

Not actively monitoring and assessing whether the regional colleges' English-language programs meet its expectation means the Ministry does not know if its funding for these programs is achieving the results it expects.

## Chapter 20

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

### 1.0 MAIN POINTS

As of January 31, 2021, the Ministries of Justice and Attorney General, together with Corrections, Policing and Public Safety, are taking steps to improve their processes for leading the Community Safety and Well-Being initiative since our 2016 audit.

The initiative was launched in 2012; its goal is to increase community safety by addressing the root causes of crime.

The Ministry of Corrections, Policing and Public Safety engaged the services of an external consultant to conduct an evaluation of the initiative. The evaluation is to include measuring whether the initiative is leading to better outcomes for the individuals involved. Also, the Ministries expect to use the evaluation results to inform the selection of success measures for the initiative. Full evaluation results are expected by June 2022.

Without effective processes to measure the success of the initiative, the Ministries do not know if the initiative is providing timely and valuable coordinated services. For example, it does not know if participation in the initiative leads to better outcomes for the individuals involved. (e.g., where student truancy was a risk factor, was the student going to school more, less or the same amount after connection with services). The Ministries are also unable to make appropriate adjustments to ensure the initiative addresses root causes of crime. Without measuring the success of the Community Safety and Well-Being Initiative, the Ministries cannot understand if it is making a difference.

### 2.0 INTRODUCTION

#### 2.1 Background

Historically, Saskatchewan has, and continues to have, one of the highest crime rates in Canada.<sup>1</sup> The province requires a focused approach to crime reduction, in addition to law enforcement. The Community Safety and Well-Being initiative (formerly called Building Partnerships to Reduce Crime) approach was launched in 2012 to address the urgent need for new approaches to crime in Saskatchewan as desired by police, the Government of Saskatchewan and the public.<sup>2</sup>

The overall goal of the initiative is to reduce crime by using a risk-driven, crime-reduction partnership approach. The approach combines the efforts, expertise, information, intelligence, and resources of the justice and human services systems. Together they contribute in deliberate and co-operative ways to address the full spectrum of crime

<sup>1</sup> [www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2018008-eng.htm#about](http://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2018008-eng.htm#about) (23 February 2021).

<sup>2</sup> [Building Partnerships to Reduce Crime \(Details\) \(publicsafety.gc.ca\)](http://publicsafety.gc.ca) (17 February 2021).



reduction. This approach includes crime prevention, intervention, and suppression. The overall focus is on reducing victimization and improving community safety outcomes.<sup>3</sup>

At January 2021, there were 14 Community Mobilization Hubs in Saskatchewan serving 14 communities across Saskatchewan.<sup>4</sup> A Hub is comprised of agencies chosen for their focus on needs specific to their community. Each agency agrees to participate. Examples of participating agencies include the Ministries of Social Services and Health, policing services, and school divisions.

The Hub's objective is to provide an integrated, proactive response to at-risk, marginalized, and vulnerable populations. Understanding of composite risk factors informs responses while improving community safety and well-being.

The Hub also identifies individuals or families with acutely elevated risk factors. A single agency is unable to address these risk factors. The Hubs mobilize human service agencies for a targeted and timely response specific to individual and/or family needs.<sup>5</sup> Each Hub has a chairperson and a steering committee.

The Centre of Responsibility, closed since 2019, focused on data collection, research, and quantitative analysis to identify systemic gaps and opportunities for improved community safety and wellness.<sup>6</sup>

## 2.2 Focus of Follow-Up Audit

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This chapter describes our second follow-up audit of management's actions on the recommendations we made in 2016.<sup>7</sup>

In 2016, we reported the Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety did not have effective processes for leading the Community Safety and Well-Being initiative. We made four recommendations. By January 2019, the Ministries implemented two recommendations, partially implemented one, and did not implement one recommendation.<sup>8</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 Ministries' progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Ministries' management agreed with the criteria in the original audit.

To perform our follow-up audit, we discussed actions taken with representatives of Ministries' management, and reviewed guidance and documentation provided by the Ministry of Corrections, Policing and Public Safety.

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<sup>3</sup> [www.publicsafety.gc.ca/cnt/cntrng-crm/plcng/cnmcs-plcng/ndx/dtls-en.aspx?n=154](http://www.publicsafety.gc.ca/cnt/cntrng-crm/plcng/cnmcs-plcng/ndx/dtls-en.aspx?n=154) (12 February 2021).

<sup>4</sup> The Community Mobilization Hubs are located in Weyburn/Estevan, LaRonge, Prince Albert, Nipawin, Melfort, Saskatoon, Moose Jaw, Swift Current, Yorkton, North Battleford, Lloydminster, Meadow Lake, Île-à-la-Crosse, and Regina.

<sup>5</sup> [results4america.org/wp-content/uploads/2017/07/LandscapeCS\\_Canada\\_4.pdf](https://results4america.org/wp-content/uploads/2017/07/LandscapeCS_Canada_4.pdf) (12 February 2021).

<sup>6</sup> [results4america.org/wp-content/uploads/2017/07/LandscapeCS\\_Canada\\_4.pdf](https://results4america.org/wp-content/uploads/2017/07/LandscapeCS_Canada_4.pdf) (12 February 2021).

<sup>7</sup> *2016 Report - Volume 1, Chapter 10, pp. 99-112.*

<sup>8</sup> *2019 Report - Volume 1, Chapter 16, pp. 223-227.*



## 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 January 31, 2021, and the Ministries' actions up to that date.

### 3.1 Identifying Success Measures In Progress

***We recommended the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety (formerly Ministry of Justice and Attorney General) identify how to measure the success of the Community Safety and Well-Being Initiative.*** (2016 Report – Volume 1, p. 108, Recommendation 2; Public Accounts Committee agreement January 11, 2017)

**Status**—Partially Implemented

***We recommended the Ministry of Justice and Attorney General and the Ministry of Corrections, Policing and Public Safety (formerly Ministry of Justice and Attorney General) in collaboration with the Centre of Responsibility and Community Mobilization Hubs analyze and report on the success of the Community Safety and Well-Being Initiative.***<sup>9</sup> (2016 Report – Volume 1, p. 111, Recommendation 4; Public Accounts Committee agreement January 11, 2017)

**Status**—Not Implemented

As of January 2021, the Ministry of Justice and Attorney General, and the Ministry of Corrections, Policing and Public Safety are in the process of identifying measures, but have not yet analyzed or reported on the success of the Community Safety and Well-Being initiative.

The Ministries have taken the initial steps to measure the success of its community mobilization hubs. In March 2020, they engaged the services of an external consultant to carry out an evaluation of the initiative. The evaluation will take a phased approach to achieve the following evaluation objectives:

- Measurement of if/how involvement with a Hub Table leads to better outcomes for the individuals involved<sup>10</sup>
- Cost/benefit analysis for participating Hub Table agencies
- Social return on investment
- Measurement of the impact on specific risk factors that were identified in each case one year post-involvement with the initiative

<sup>9</sup> The only Centre of Responsibility in the province, which was located in Prince Albert, discontinued operations effective June 28, 2019. As a result, the Ministry of Corrections, Policing and Public Safety assumed some of the Centre of Responsibility responsibilities, including tracking of risk information.

<sup>10</sup> A Hub Table is team of people from various government ministries and community agencies. They meet weekly to address specific situations involving individuals and/or families who have a significant probability of experiencing harm if they do not receive some type of intervention. The team works collaboratively to develop immediate, co-ordinated and integrated responses by mobilizing existing resources with the intent of reducing risk in a timely manner, usually within 24 to 48 hours.



The Ministry expects completion of the full evaluation by June 2022. Evaluation results will inform the determination of the Community Safety and Well-Being initiative success measures. The outcome of the consultant's evaluation will determine how the Ministries will analyze and report on the success of the Community Safety and Well-Being initiative.

Without effective processes to measure the success of the initiative, the Ministries do not know if the initiative is providing timely and valuable coordinated services. For example, it does not know if participation in the initiative leads to better outcomes for the individuals involved. (e.g., when student truancy was a risk factor, was the student going to school more, less or the same amount after connected with services). The Ministry is also unable to make appropriate adjustments to ensure the initiative addresses root causes of crime.

## Chapter 21

# Northlands College—Purchasing Goods and Services

### 1.0 MAIN POINTS

Northlands College improved some of its processes to purchase goods and services, but has more work to do. Of the 11 recommendations we first made in 2019, the College implemented two recommendations, and partially implemented nine recommendations by March 2021.

By March 2021, the College's Board reviewed and approved amendments to key purchasing policies. The College also consistently documented tender communications with potential suppliers. The College updated its purchasing policy to clarify its requirements for using single and sole source purchasing, establishing a standard tendering time, and segregating incompatible purchasing duties.

However, staff did not always follow this guidance. When not following requirements for single and sole source purchases, or providing suppliers with sufficient time to prepare for tender responses, the College is at risk of not facilitating fair and equitable treatment of suppliers. Not appropriately separating incompatible purchasing duties between different individuals increases the risk of fraud, and not detecting errors.

While the College established a process to maintain complete documentation of contracts, it did not always complete contracts timely, or obtain appropriate authorization. Further, the College is not utilizing robust contract templates, nor has it set out expectations on the use of contracts.

If suppliers provide goods or services to the College before finalizing a contract, suppliers may not fully understand their responsibilities to the College—potentially resulting in suppliers not meeting the College's needs. Not having robust contract templates that consider or include all clauses that may be necessary in a contract increases legal and financial risks to the College.

While the College set transaction limits for individual purchases made on its credit cards, it did not enforce these limits. Electronic limits on individual purchases prevents staff from making purchases outside of their authority level.

Since our last audit (in 2019), the College was updating the supplier listing in its financial system. However, the College does not document its due diligence procedures to validate suppliers before entering them into its financial system. Not following due diligence procedures to confirm the validity of suppliers increases the risk of making payments to fictitious suppliers.



## 2.0 INTRODUCTION

### 2.1 Background

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Northlands College is one of seven regional colleges operating in Saskatchewan. It provides education and training programs and services, enhances the social and economic condition, prepares northerners to participate in the labour market, and helps industry meet its labour force needs.<sup>1</sup>

Northland College operates in northern Saskatchewan, with campuses located in Buffalo Narrows, La Ronge, and Creighton. Its head office is in Air Ronge.<sup>2</sup> It has a staff of almost 100 full-time equivalent positions, and serves about 1,100 students each year. In 2019-20, the College bought over \$7 million of goods and services.<sup>3</sup>

*The Regional Colleges Act* (s. 12) gives boards of directors of regional colleges the responsibility for developing policies about administration, operations, and financial administration. The Ministry of Advanced Education oversees regional colleges, and may provide direction to regional colleges regarding their operations or programs.<sup>4</sup>

### 2.2 Focus of Follow-Up Audit

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This chapter describes our first follow-up audit of management's actions on the recommendations we made in 2019.

In 2019, we assessed the College's processes to purchase goods and services. Our *2019 Report – Volume 1*, Chapter 9, concluded Northlands College had, except in the areas reflected in our recommendations, effective processes to purchase goods and services. We made 11 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 College's progress toward meeting our recommendations, we used the relevant criteria from the original audit. College management agreed with the criteria in the original audit.

To perform our follow-up audit, we discussed actions taken with College management. We assessed the College's purchasing processes by examining purchasing documentation (e.g., policies, tender documents, purchase orders, contracts, invoices). We tested samples of purchases (tenders, single and sole source purchases, purchase cards, invoices) to assess the operating effectiveness of the College's processes.

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<sup>1</sup> [trainnorth.ca/about](http://trainnorth.ca/about) (8 April 2021).

<sup>2</sup> [trainnorth.ca/about/our-campuses/](http://trainnorth.ca/about/our-campuses/) (25 January 2021).

<sup>3</sup> *Northlands College 2019-20 Annual Report – Schedule 3* (Agency Contracts, Operating, Facilities, Equipment & Information Technology), [trainnorth.ca/wp-content/uploads/publications/AnnualReports/NorthlandsCollegeAnnualReport2019-2020.pdf](http://trainnorth.ca/wp-content/uploads/publications/AnnualReports/NorthlandsCollegeAnnualReport2019-2020.pdf) (10 February 2021).

<sup>4</sup> Section 13 of *The Regional Colleges Act*.

<sup>5</sup> *2019 Report – Volume 1*, Ch. 9, pp. 141-157.



## 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 2, 2021, and the College's actions up to that date.

### 3.1 More Comprehensive Purchasing Policy Required

***We recommended Northlands College update its purchasing requirements so that they align with applicable external trade agreements, establish requirements for staff involved with purchases to declare real or perceived conflicts of interest, and incorporate expectations for use of contracts.***

(2019 Report – Volume 1, p. 146, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

**Status**—Partially Implemented

Northlands College updated purchasing policy aligns with applicable external trade agreements. However, the College's policy does not require staff involved in purchases to declare real or perceived conflicts of interest, or set out when staff should use contracts.

In November 2019, Northlands updated its procurement policy to remind staff about the applicability of the *New West Partnership Trade Agreement* as well as the *Canadian Free Trade Agreement*. In addition, the College removed the local supplier preference from its policy as it was not consistent with the terms of these trade agreements.

Since November 2019, the College issued two public tenders. For both of these tenders, we found the College's tendering documents acknowledged trade agreements where applicable.

The College's procurement policy does not require staff involved in purchasing decisions to declare, in writing, whether any real or perceived conflicts of interest exist (e.g., staff ownership interest in a supplier). For the College's two tenders, the College told us that staff involved in purchasing decisions did not identify conflicts of interest.

Staff with real or perceived conflicts of interest may be biased in their decision-making, increasing the risk of the College not treating potential suppliers fairly and equitably.

Contrary to good purchasing practices, the College has not set out when it expects staff to obtain a written contract for certain types of purchases (e.g., large dollar, length of time).

For the 24 purchases we tested, we found two purchases where, based on the nature of the transaction (e.g., larger, higher-risk transaction), the College should have obtained a contract instead of a purchase order.<sup>6</sup> We also found one purchase where the College did not obtain a purchase order or contract.

<sup>6</sup> The value of these two purchases was approximately \$74,000 and \$89,000.



Not having clear expectations on the use of contracts increases the risk of staff not using an appropriate form of contract, possibly exposing the College to unwanted legal or financial risks.

## 3.2 Policy on Single and Sole Sourcing Purchasing Not Followed

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***We recommended Northlands College set out, in writing, its requirements for using single or sole source purchasing.*** (2019 Report – Volume 1, p. 147, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

**Status**—Partially Implemented

Northlands College has set out, in writing, its requirements for using single and sole source purchasing, however, staff did not always follow it.

The College updated its procurement policy to include requirements for single and sole source purchases, including expectations to document rationale for the method of procurement and to obtain approval from the Vice President of Finance and Operations or the President.

We tested 18 single and sole source purchases and found the following:

- For 13 purchases, the College did not document its consideration of alternate procurement methods.
- For 14 purchases, the College did not document its rationale for using single or sole source purchasing. The College subsequently provided us with reasonable rationale for its decision to single or sole source the purchases.
- For 16 purchases, the College did not approve the method of procurement.

When not following requirements for using single or sole source purchase methods, the College is at risk of not facilitating fair and equitable treatment of suppliers, and may not obtain best value when making purchasing decisions.

Good purchasing practices also require organizations to track the use of single and sole source purchases. Northlands has not yet implemented a process to do so.

## 3.3 Fleet Card Purchases Not Reconciled Prior to Making Payment

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***We recommended Northlands College agree purchases on monthly fleet card statements to supporting receipts prior to making payment.*** (2019 Report – Volume 1, p. 148, Recommendation 3; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

**Status**—Partially Implemented

Monthly, Northlands College agrees purchases on monthly fleet card statements to supporting receipts but it does not leave evidence that it does this step prior to making payments.

The College established a process to agree purchases on monthly fleet card statements to supporting receipts. For two months, we found College staff agreed receipts to monthly fleet card statements. Further, we found that all transactions appeared reasonable and in accordance with the College's fleet vehicle usage policy. However, the College does not leave evidence of when it completes this process (e.g., date). As a result, it cannot show whether it completes this step before it makes payments.

Not agreeing fleet card receipts to purchases on the monthly statements, prior to payment, increases the risk of the College paying for inappropriate purchases and not detecting misuse promptly. Not documenting the date of when it agrees purchases decreases the ability of the College to supervise whether staff completed the step as and when intended.

### 3.4 Transaction Limits on Credit Cards Not Enforced

***We recommended Northlands College establish transaction limits for individual purchases made on college-issued credit cards.*** (2019 Report – Volume 1, p. 149, Recommendation 4; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

#### **Status—Partially Implemented**

Northlands College set transaction limits in its updated procurement policy for individual purchases made on its credit cards, but it did not properly enforce electronic spending limits with its credit card supplier.

Effective November 1, 2019, the College updated its procurement and credit card policies to set transaction limits for individual purchases on college-issued credit cards at \$5,000.

During our testing, we found that the College did not have electronic spending limits set up with its credit card supplier. As a result, cardholders could have made purchases in excess of their approved limit.

Between November 1, 2019 and February 27, 2021, we identified seven transactions that were over the individual transaction limit of \$5,000. We found that for all seven transactions, the College properly approved them prior to payment.

Effective March 2, 2021, the College set up electronic spending limits with its credit card supplier.

Electronic limits on individual purchases prevents staff from making purchases outside of their individual authority level.



### 3.5 Key Purchasing Policies Board Approved

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***We recommended the Board of Directors of Northlands College approve the College's key policies related to the purchase of goods and services.*** (2019

*Report – Volume 1*, p. 150, Recommendation 5; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

**Status**—Implemented

Northlands College Board reviewed and approved the College's key purchasing policies, including policy amendments.

At its November 2019 meeting, the Board reviewed and approved changes to the following policies: delegation of authority, procurement, fleet vehicle usage and credit card policies.

Board review and approval of key policies ensures the Board's expectations for the operations of an organization are clear, which can reduce the financial, legal, and reputational risks to the organization.

### 3.6 Tender Communications Maintained

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***We recommended Northlands College maintain appropriate documentation of its tender communications with suppliers.*** (2019 *Report – Volume 1*, p. 152,

Recommendation 6; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

**Status**—Implemented

Northlands College maintains appropriate documentation of its tender communications with suppliers.

The College established a process to maintain appropriate documentation of its tender communications with suppliers. The College uses a centralized email account to maintain communication of tenders with potential suppliers, and to communicate tender award information.

For two tenders we tested, we found the College maintained appropriate documentation of its tender communications with suppliers (e.g., posting of tender, answering queries, posting of contract award notice on SaskTenders).<sup>7</sup>

Maintaining appropriate documentation of communications with suppliers supports that the College's purchasing process is fair and transparent.

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<sup>7</sup> SaskTenders is the primary gateway for public sector tender notices in Saskatchewan. The Ministry of SaskBuilds and Procurement administers the SaskTenders website ([www.sasktenders.ca](http://www.sasktenders.ca)).



### 3.7 Standard Tendering Time Established But Not Followed

***We recommended Northlands College establish a standard minimum amount of time to allow suppliers to respond to tenders.*** (2019 Report – Volume 1, p. 153, Recommendation 7; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

**Status**—Partially Implemented

Northlands College has set a minimum amount of time to allow suppliers to respond to tenders but it did not follow its policy.

Effective November 1, 2019, the College updated its procurement policy to set out a minimum of 30 days to allow suppliers to respond to tenders. Good practice suggests 25 to 35 days is sufficient time to allow suppliers to respond to tenders.<sup>8</sup> However, the College's policy does not provide guidance on the documentation and approvals necessary if a shorter timeframe is required.

For the two tenders we tested, the College had specified a shorter timeframe to allow suppliers to respond to the tenders (i.e., 11 and 12 days). For one tender, the College did not have sufficient rationale to support use of a shortened timeframe. Whereas, for the other tender, the College had rationale to support the shortened response time (e.g., expected product delivery date did not allow the tender to be open for responses for 30 days).

Not providing suppliers with sufficient time to prepare for tender responses increases the likelihood of suppliers choosing not to respond, and results in the College having fewer options to acquire the goods or services it needs. Providing a sufficient amount of time for suppliers to submit responses to tenders helps demonstrate that it treats suppliers fairly and equitably.

### 3.8 Contract Templates Not Sufficiently Robust

***We recommended Northlands College assess the robustness of the contract template it uses for purchasing goods and services.*** (2019 Report – Volume 1, p. 154, Recommendation 8; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

**Status**—Partially Implemented

Northlands College updated some of its contract templates but the templates do not include all clauses that may be necessary in a contract.

In November 2019, the College's Board approved changes to the College's standard service contract and training services agreement templates. The College appropriately updated its training services agreement to include clauses related to privacy and confidentiality of student information, as suppliers may have access to student data and records.

We found that the template for the standard services contract does not contain clauses related to amendments or performance. The College uses this template for services such

<sup>8</sup> Adapted from information provided by the Ministry of Trade and Export Development.



as facilities maintenance and renovations. Clauses related to performance are important to ensure the standard of work is completed as expected. We also found that its standard purchase order did not contain terms and conditions pertaining to delivery, liability, or authorization of changes to terms and conditions.

Not having robust contract templates increases legal and financial risks where signed contracts do not sufficiently address relevant contract terms.

### 3.9 Contract Documentation Not Always Timely or Properly Authorized

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***We recommended Northlands College maintain complete documentation of contracts with suppliers, and finalize them before receiving the related goods or services.*** (2019 Report – Volume 1, p. 154, Recommendation 9; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

**Status**—Partially Implemented

Northlands College established a process to maintain complete documentation of contracts, but did not always complete contracts timely, or obtain authorization in accordance with its delegation of authority.

The College's accounting staff centrally maintain copies of contracts. For 16 purchases with contracts tested, we found the College maintained complete contract documentation (e.g., contract signed by both the College and the supplier).

For 24 purchases we tested (made through tenders and single or sole source purchases), we found:

- Eight purchases where the College did not sign the contract before the work or program started, as good practice expects.
- Thirteen purchases where the College did not authorize the purchase order or contract in accordance with its delegation of authority.

If suppliers provide goods or services to the College before finalizing a contract, suppliers may not fully understand their responsibilities to the College—potentially resulting in suppliers not meeting the College's needs. Not following controls over contract authorization increases the risk of unknown financial liabilities or commitments, or misuse of College funds.

### 3.10 Documentation of Validity of Supplier Information Needed

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***We recommended Northlands College document its due diligence procedures carried out to validate suppliers before entering them into its financial system, and keep the supplier listing in its financial system up-to-date.*** (2019 Report – Volume 1, p. 156, Recommendation 10; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)

**Status**—Partially Implemented

Northlands College does not document due diligence procedures to validate suppliers prior to entering them into the financial system. The College has started to update its supplier listing in its financial system.

The College informally confirms the validity of suppliers before it enters them in its financial system. Management noted that staff may research the validity of a new supplier prior to making a purchase, but the College does not document steps taken or the results.

For each of the 16 new suppliers in the College's financial system we tested, we assessed the validity, through internet searches, and found each of them was valid.

Not following due diligence procedures to confirm the validity of suppliers before entering them into the financial system increases the risk of making payments to fictitious suppliers.

The College has started to review its listing of suppliers and remove suppliers that are no longer relevant. At February 2021, we found that the College updated its financial system to include active suppliers (i.e., those paid in the last nine years). The College told us that it plans to continue to remove vendors that it has not paid in the past six years or more.

Periodic maintenance of suppliers included in the financial system reduces the risk of duplicate or fraudulent payments and helps monitor the existence of fictitious suppliers.

### 3.11 Documentation Not Maintained to Support Segregation of Incompatible Purchasing Duties

***We recommended Northlands College separate incompatible purchasing duties (e.g., initiating purchases, receiving goods or services, approving invoices for payment, adding suppliers to the financial system), and closely monitor transactions where it is not feasible to do so. (2019 Report – Volume 1, p. 157, Recommendation 11; Public Accounts Committee has not yet considered this recommendation as of April 27, 2021)***

#### **Status—Partially Implemented**

While Northlands College updated its procurement policy and purchasing processes to separate incompatible purchasing duties, it does not always maintain support to show appropriate segregation.

The College updated its procurement policy with provisions to segregate the purchase and receipt of goods and services from payment approval. In addition, through the assignment of IT user access, the College has segregated the ability to add new suppliers to its financial system from payment approval.

We tested 33 purchases and found that the College did not always leave evidence to support that it appropriately segregated purchasing duties. We found:

- Three purchases where the College did not leave evidence of goods or services received
- Eight purchases where the College did not approve the payment in accordance with delegation of signing authority



- Four purchases where the College did not appropriately segregate receipt of goods or services from payment approval

Segregating incompatible purchasing duties between different individuals decreases the risk of fraud, and not detecting errors.



## Chapter 22

# Saskatchewan Health Authority—Providing Timely Access to Mental Health and Addictions Services in Prince Albert and Surrounding Areas

### 1.0 MAIN POINTS

The Saskatchewan Health Authority provides three types of mental health and addictions services in Prince Albert and surrounding areas: inpatient (in a hospital), outpatient (outside a hospital), and community rehabilitation and residential services. The Authority provides most of these services in the city of Prince Albert. –

While the Authority has, since our 2018 audit, made improvements in its processes to provide timely access to mental health and addiction services in Prince Albert and surrounding areas, it has some more work to do.

By January 2021, the Authority implemented a provincial integrated health record system and a level of care assessment tool for outpatient mental health and addiction services. The Authority put in processes to improve the proportion of clients showing up for scheduled appointments and documented discussions with addiction clients about the post-detox support available to them. The Authority also enhanced monitoring of wait times for access to outpatient mental health and addictions services.

Key areas where further work is needed include the following:

- Formally assessing whether mental health and addictions services are meeting client demand. Mental health patients continue to wait longer than expected for counselling and psychiatry services in Prince Albert and surrounding areas. Doing an assessment of client demand relative to mental health and addictions services available will support getting the right services at the right place at the right time.
- Develop a strategy to collect mental health and addictions client service information in its health record system from healthcare professionals outside of the Authority (e.g., psychiatrists). This will help ensure complete information is readily available for client care.
- Collaborate with the Ministry of Social Services for enhanced access to housing options for mental health and addictions clients as stable housing can lead to better outcomes for people living with complex mental health and addictions issues.

Mental health and addictions clients getting the right treatment at the right time is important to recovery.



## 2.0 INTRODUCTION

While not everyone affected with mental illness requires treatment from healthcare professionals, for those who do, timely access to quality services is important.<sup>1</sup>

This chapter describes our first follow-up audit of management's actions on the recommendations we made in 2018 about the Saskatchewan Health Authority's processes to provide timely access to mental health and addiction services in Prince Albert and surrounding areas.

### 2.1 Background

Under *The Mental Health Services Act*, the Minister of Health is responsible for the strategic direction of the mental health system in the province, and for establishing regions in which to organize and provide mental health services.

*The Provincial Health Authority Act* came into effect on December 4, 2017, amalgamating the existing health regions (including the former Prince Albert Parkland health region) into one, the Saskatchewan Health Authority. *The Provincial Health Authority Act* continues to make the Minister of Health responsible for the strategic direction of the provincial health care system, and makes the Authority responsible for planning, organizing, delivering, and evaluating healthcare services, including mental health and addictions services.

The Saskatchewan Health Authority established six integrated service areas within Saskatchewan for the delivery and management of health services as permitted by *The Provincial Health Authority Act*. The Northeast integrated service area includes the city of Prince Albert and surrounding areas.

### 2.2 Focus of Follow-Up Audit

This audit follows up on ten recommendations made in our *2018 Report – Volume 1*, Chapter 8 about the Saskatchewan Health Authority's processes to provide timely access to mental health and addiction services in Prince Albert and surrounding areas. We concluded for the 12-month period ended January 31, 2018, the Authority had, other than areas identified in our ten 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 Authority's progress toward meeting our recommendations, we used the relevant criteria from the original 2018 audit. The Authority's management agreed with the criteria in the original audit.

<sup>1</sup> Commissioner, Mental Health and Addictions Action Plan, *A 10 Year Mental Health and Addictions Action Plan for Saskatchewan*, (2014), p. 8.

To complete this follow-up audit, we interviewed key staff, reviewed the Authority's policies and procedures, and examined other documents. We observed the Authority's mental health and addictions information system and reviewed the level of care utilization system assessment tool used for screening patients.

### 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 January 31, 2021, and the Saskatchewan Health Authority's actions up to that date.

#### 3.1 Formal Assessment of Supply and Demand for Mental Health and Addictions Services Not Done

***We recommended the Saskatchewan Health Authority formally assess whether mental health and addictions services are meeting client demand and make adjustments where necessary in its Northeast integrated service area.*** (2018 Report – Volume 1, p. 113, Recommendation 1; Public Accounts Committee agreement February 26, 2019)

**Status**—Not Implemented

The Saskatchewan Health Authority has not formally assessed whether mental health and addictions services are meeting client demand in Prince Albert and surrounding areas (also referred to as the Northeast integrated service area). The Authority continues to struggle to provide mental health outpatient services in a timely manner. Long waits can lead to people's health condition getting worse, and in some cases, long waits can even contribute to death.

Mental health and addictions service capacity for Prince Albert and surrounding area has not changed a lot since our original audit in 2018. **Figure 1** shows that the number of beds remained the same. Since 2018, the occupancy rates for mental health inpatient beds has decreased for adults by about 10 percent and decreased for adolescents by about 30 percent. The social and detox beds occupancy rate remained high at 98 percent while the family treatment centre occupancy rate rose by almost 10 percent.

**Figure 1—Northeast Integrated Service Area Beds and Occupancy Rate for 2016–17 and 2019–20**

Facility	2016–17		2019–20	
	# of Beds	Occupancy Rate	# of Beds	Occupancy Rate
Victoria Hospital – Prince Albert Mental Health Centre Adult Unit – Prince Albert	29	86.5%	29	74.3%
Victoria Hospital – Prince Albert Mental Health Centre Adolescent Unit – Prince Albert	10	84.2%	10	64.4%
Social Detox – Prince Albert	6	98.0%	6	98.0%



Facility	2016–17		2019–20	
	# of Beds	Occupancy Rate	# of Beds	Occupancy Rate
Brief Detox – Prince Albert	8	98.0%	8	98.0%
Family Treatment Centre – Prince Albert	8	66.7%	8	75.6%
Approved Homes	43	Not available	43	Not available

Source: Ministry of Health 2016–17, 2017–18, and 2019–20 Mental Health Services and Addiction Service Program Data Reports.

The Authority tracks and reports to senior management on meeting the wait times for outpatient and psychiatry services in the Northeast integrated service area. **Figures 3, 4, and 5** show the statistics for 2019–20.

The Authority has developed triage guidelines for mental outpatient services (see **Figure 2**).<sup>2</sup> The guidelines set the suggested maximum length of client wait to first offered service (i.e., the first appointment the client gets with a counsellor or psychiatrist) based on seriousness of the presenting symptoms (acuity level). Clients assessed as having more medically urgent conditions are to be seen before those with less urgent conditions.

**Figure 2—Target Timeframes for Outpatient and Psychiatry Services**

Acuity	Service Response Target
T1 – Very Severe	Client seen within 24 hours
T2 – Severe	Seen within 5 days
T3 – Moderate	Seen within 20 business days
T4 – Mild	Seen within 30 days

Source: Ministry of Health, 2016–17 Community Program Profile.

The Authority has set a goal (i.e., target) that 50 percent of all clients should be seen by a psychiatrist within the service response targets set out in **Figure 2**.

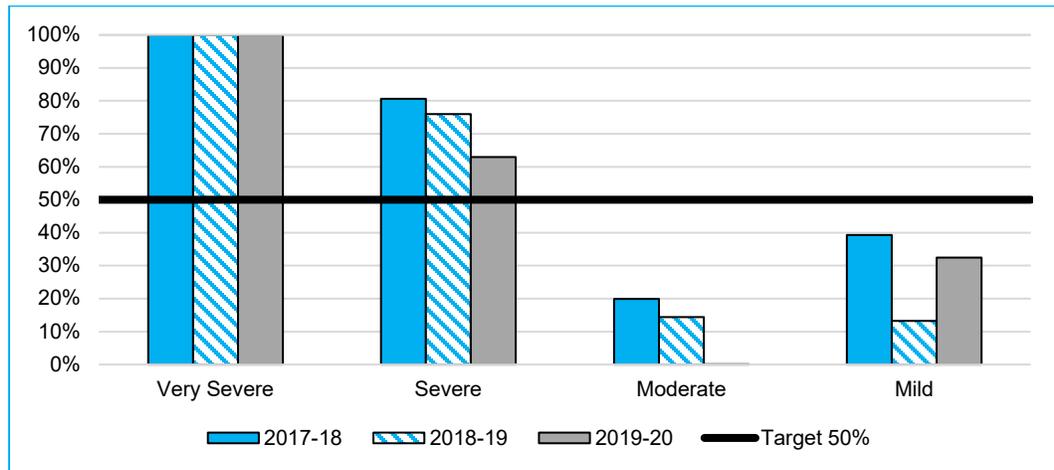
While it has had some improvements, the Authority has not improved its service delivery in many areas.

For example, **Figure 3** shows that for 2017–18 to 2019–20, the Northeast integrated service area met its goal for those children with a very severe or severe acuity but did not for those children with moderate or mild acuity. In 2019–20, 11 children had very severe or severe acuity levels while 161 children had moderate or mild acuity levels. More than 90 percent of the children with moderate acuity level had to wait more than 20 business days to see a psychiatrist for their first appointment, which is worse than 2017–18 (where about 80 percent of the children had to wait).

The Authority encountered psychiatrist shortages in Prince Albert and surrounding areas starting in 2017–18 and resorted to alternative delivery means (e.g., accessing psychiatrist services from Saskatoon) to provide these services. This significantly impacted the Authority's ability to deliver the same level of services as previously provided.

<sup>2</sup> A triage system is where clients are evaluated and categorized according to the seriousness of their injuries or illnesses to prioritize treatment and other resources. [www.oxfordreference.com](http://www.oxfordreference.com) (26 March 2021).

**Figure 3—Percentage of Child and Youth Clients Seeing Psychiatrists Within Triage Timeframes**



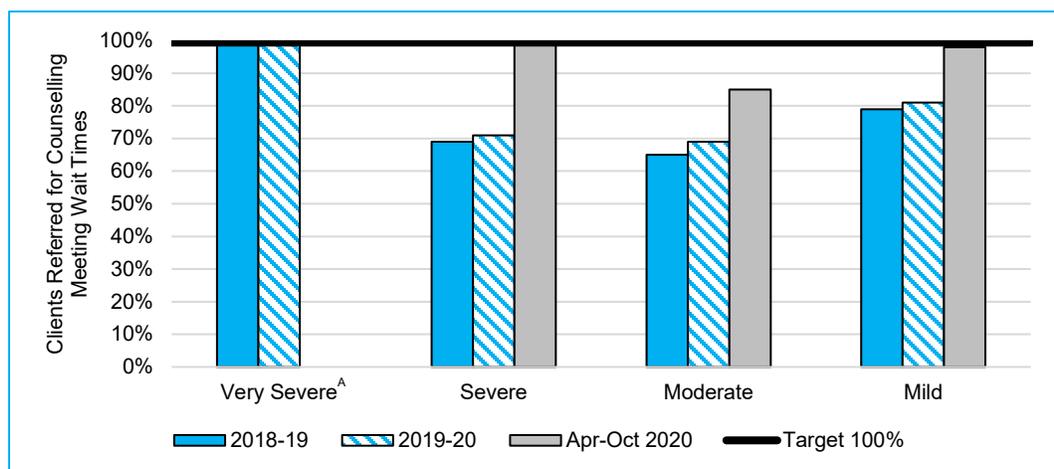
Source: Ministry of Health 2019–20 Mental Health Program Data, p.8.

Also, the Northeast integrated service area has not met its service response targets for adult and child mental health clients (with moderate and mild acuity) seeing a counsellor for their first scheduled appointment (see **Figures 4 and 5**).

We note the Authority does have walk-in mental health outpatient services available from 9:00 a.m. to 5:00 p.m. from Monday to Friday in Prince Albert where any client could receive immediate help from the next available counsellor without an appointment.

**Figure 4** shows that the Northeast integrated service area has met the service response target for all adult clients classified as having a very severe acuity seeing an outpatient counsellor for their first appointment (see **Figure 2** for targets).<sup>3</sup> However, it has not met the service response target for all adult clients classified in moderate or mild acuity levels seeing an outpatient counsellor for their first appointment from April 2018 to October 2020.

**Figure 4—Percentage of Adult Clients Referred for Counselling Within Triage Timeframes**



Source: Northeast Integrated service area data.

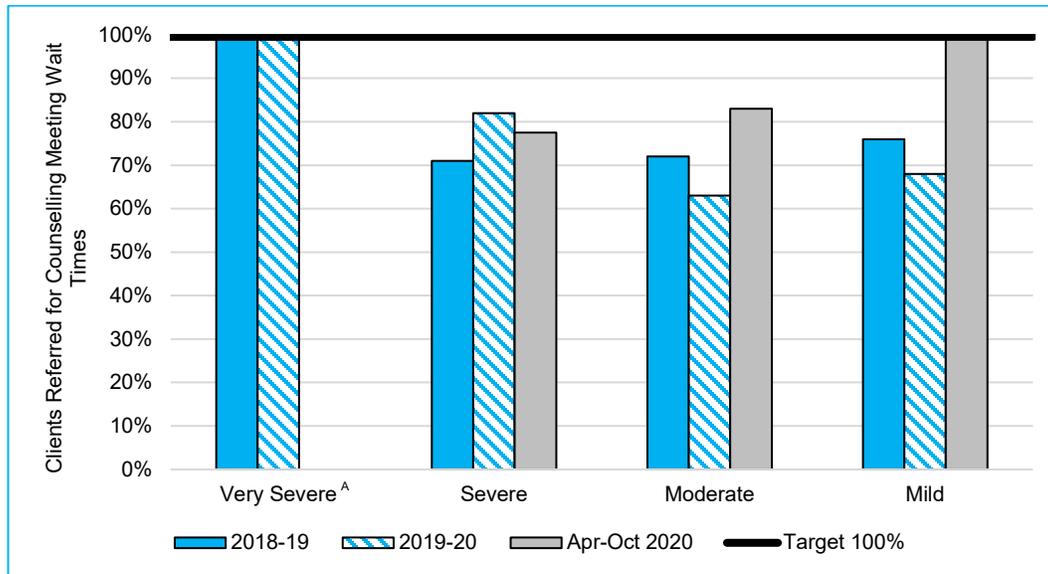
<sup>A</sup> No Very Severe Acuity cases reported between April and October 2020.

<sup>3</sup> The Authority set a goal that a counsellor in an outpatient clinic should see all clients within the service response targets set out in **Figure 2**. The Authority tracks and reports to senior management whether it meets these service response targets.



Similarly, **Figure 5** shows that the Northeast integrated service area has met the service response target in 2019–20 for child and youth clients classified as having a very severe and mild acuity when seeing an outpatient counsellor for their first appointment. However, from April 2018 to October 2020, it has not met the service response target for seeing an outpatient counsellor for their first appointment for all other child and youth clients classified at the severe or moderate acuity levels.

**Figure 5—Percentage of Child and Youth Clients Referred for Counselling Within Triage Timeframes**



Source: Northeast Integrated service area data.  
<sup>A</sup>No Very Severe Acuity cases reported between April and October 2020.

Not doing a comprehensive reassessment of client demand relative to mental health and addictions services available, increases the risk of not providing those with mental health illnesses and addictions with timely access to service. A periodic comprehensive assessment for determining whether resources meet program objectives is good practice.

### 3.2 Integrated Client Files Improving

***We recommended the Saskatchewan Health Authority implement a provincial integrated mental health record system to record services provided to mental health and addictions clients. (2018 Report – Volume 1, p. 113, Recommendation 2; Public Accounts Committee agreement February 26, 2019)***

**Status—Implemented**

***We recommended the Saskatchewan Health Authority develop a strategy to collect key mental health and addictions client information from healthcare professionals for the provincial integrated mental health record system. (2018 Report – Volume 1, p. 114, Recommendation 3; Public Accounts Committee agreement February 26, 2019)***

**Status—Not Implemented**

The Saskatchewan Health Authority has implemented a provincial IT system (referred to as the Mental Health and Addictions Information System [MHAIS]) in Prince Albert and surrounding areas to record services provided to outpatient mental health and addictions clients. The Authority is progressing with rolling out its provincial IT system for inpatient and community rehabilitation and residential services. By January 2021, the Authority has yet to develop a strategy to collect key mental health and addictions client information in MHAIS from healthcare professionals.

At January 2021, MHAIS was used in all outpatient services across the province and the Authority had a planned implementation plan for inpatient services. MHAIS was being piloted by inpatient services in the Saskatchewan Hospital North Battleford and Battleford Union Mental Health facilities. This pilot for both facilities was expected to end in October 2021.

Full implementation of MHAIS across all mental and addiction services in the Authority would ensure that each client had one electronic file, making relevant and timely information available for that client seeking services from the Authority.

The Authority is still working to collect key mental health and addictions client information in MHAIS from healthcare professionals. Professionals, such as fee-for-service physicians, work independently of the Authority but provide services to Saskatchewan residents.<sup>4</sup> The Authority has had ongoing discussions with general practitioners and fee-for-service psychiatrists about the use of MHAIS but no formalized strategy existed as of January 2021.

We also found that more mental health, alcohol, and drug addictions related services are being provided by fee-for-service psychiatrists, general practitioners, and other specialists than in 2016–17. **Figure 6** shows about a seven percent increase in the number of patients obtaining mental health, alcohol, and drug addictions treatment from fee-for-service practitioners.

**Figure 6—Services From Fee-For-Service Practitioners to Mental Health and Addictions Patients in Northeast Integrated Service Area for 2016–17 and 2019–20**

Related Diagnosis	2016–17		2019–20	
	Patient Count	# of Contacts <sup>A</sup>	Patient Count	# of Contacts <sup>A</sup>
Alcohol	1,016	2,208	878	2,018
Drug	2,512	12,054	2,889	14,707
Mental Health	20,820	67,241	22,329	72,868
<b>Total</b>	<b>24,348</b>	<b>81,503</b>	<b>26,096</b>	<b>89,593</b>

Source: Ministry of Health 2016–17 and 2019–20 Mental Health Services and Addictions Services Program Data Reports for the former Kelsey Trail, Mamaweeetan and Prince Albert Parkland health regions.

<sup>A</sup> # of Contacts refers to the number of times a physician billed the province for a service provided to a patient.

Without a strategy to share and capture information on all mental health and addictions services provided by healthcare providers, the Authority does not have a complete client history of services. A complete client history of services provided and their impact on patient health would aid all healthcare providers in determining appropriate courses of action for patients.

<sup>4</sup> Under the fee-for-service arrangement, the Ministry of Health directly compensates a physician at a pre-set rate for each specific insured service provided to a Saskatchewan resident.



### 3.3 New Care Model Used to Match Clients to Appropriate Services

***We recommended the Saskatchewan Health Authority use a model to assist staff in better matching appropriate services to mental health and addiction clients' needs in its Northeast integrated service area.*** (2018 Report – Volume 1, p. 121, Recommendation 6; Public Accounts Committee agreement February 26, 2019)

**Status**—Implemented

The Saskatchewan Health Authority has implemented a level of care utilization system (LOCUS) assessment tool as part of its IT system. The use of this tool helps staff better match services to mental health and addiction clients.

The Northeast integrated service area uses MHAIS to record its outpatient services for mental health and addictions patients. A single patient profile within MHAIS allows the Authority to track an individual patient's use of mental health and addictions services across the Authority.

Upon client intake, staff are required to complete a LOCUS assessment to obtain a composite score (see **Figure 7**) and update/complete a client profile within MHAIS. LOCUS allows healthcare staff to assess patients with psychiatric problems to determine the level of care a patient should receive. Staff use the patient's LOCUS composite score to match services to the patient's level of service need and urgency.

**Figure 7—Level of Care Utilization System (LOCUS) Patient Composite Scores**

Level 1 – Recovery Maintenance and Health Management
Level 2 – Low Intensity Community Based Services
Level 3 – High Intensity Community Based Services
Level 4 – Medically Monitored Non-Residential Services
Level 5 – Medically Monitored Residential Services
Level 6 – Medically Managed Residential Services

Source: Saskatchewan Health Authority documentation.

We confirmed the Authority is providing patients seeking outpatient mental health and addictions services in Prince Albert and surrounding areas with composite scores and aligning the level of services with the associated score. Management generates reports from MHAIS to determine the extent to which staff are completing LOCUS assessments.

Since 2016, Northeast integrated mental health and addictions service staff have also received training and manuals on using LOCUS.

A stepped care model, such as LOCUS, allows the system to provide appropriate care while better managing resources.

### 3.4 Frequent Mental Health and Addiction Service Users Being Identified but Not Analyzed

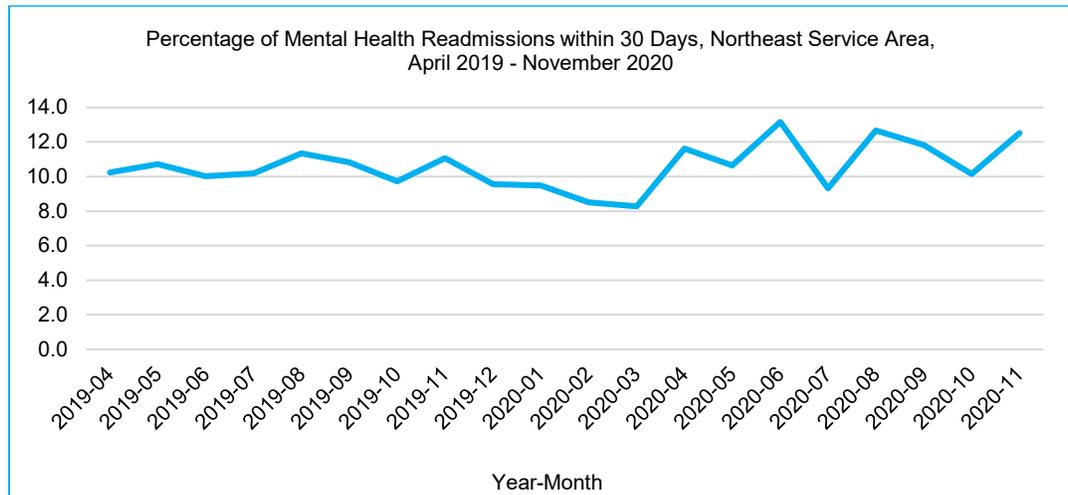
*We recommended the Saskatchewan Health Authority identify and analyze clients who frequently use mental health and addictions services to determine how they may be better served in its Northeast integrated service area.* (2018 Report – Volume 1, p. 114, Recommendation 4; Public Accounts Committee agreement February 26, 2019)

**Status**—Partially Implemented

The Saskatchewan Health Authority has implemented community support team to support mental health and addictions clients with complex needs in their community. However, the Authority has not improved the hospital readmission rate for mental health patients since our original audit in 2018.<sup>5</sup>

**Figure 8** shows the readmission rates for mental health patients from April 2019 to November 2020. The average number of patients readmitted to hospital within 30 days over this time frame was 10.6 percent. In 2016–17, Prince Albert and surrounding area had an average readmission rate of around 10 percent for mental health patients.

**Figure 8—Northeast integrated Service Area Mental Health Patient Hospital Readmission Rate from April 2019 to November 2020**



Source: Adapted from Ministry of Health data.

Since 2018, the Authority has introduced processes to identify and track clients who frequently use mental health and addictions services in the Northeast integrated service area. MHAIS includes patient name, address and their medical history. The Authority uses its MHAIS to track clients who frequently use mental health and addictions services. The Authority makes use of its support teams to serve these clients.

In February 2019, the Authority implemented a community recovery team in Prince Albert. The community recovery team program serves a specific group of patients who have very

<sup>5</sup> The mental health patient readmission rate is calculated by determining the proportion of discharged mental health patients who are readmitted within 30 days.



complex needs and for whom traditional mental health services are not frequent or intensive enough. In 2020, community recovery team identified 66 clients who are frequent users of the mental health and addictions healthcare system and provided direct support to counselling and other services. As of February 2021, community recovery team are working with 27 of these clients. The community recovery team has not yet developed any measures to gauge their success (e.g., extent of clients serviced kept out of hospital).

Analyzing clients who frequently use mental health and addictions services allows service providers to customize the care process for that individual to better serve their specific needs.

### 3.5 Housing Options Not Improved

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***We recommended the Saskatchewan Health Authority collaborate with the Ministry of Social Services to enhance access to housing options for mental health and addictions clients.*** (2018 Report – Volume 1, p. 120, Recommendation 5; Public Accounts Committee agreement February 26, 2019)

**Status**—Not Implemented

At January 2021, the Saskatchewan Health Authority has not made progress in collaborating with the Ministry of Social Services to enhance access to housing options for mental health and addictions clients. An initial meeting took place in December 2019 between the Authority and Ministry of Social Services, but no meetings have since taken place. Management informed us that, due to the COVID-19 pandemic, these discussions are on hold until November 2021.

The Authority and the Ministry of Social Services working together to provide stable housing, can lead to better outcomes for people living with complex mental health and addictions issues. In addition, providing stable housing outside of a hospital would avoid using costly hospital-based care when such care is not warranted.

### 3.6 Post-Detox Support Provided

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***We recommended the Saskatchewan Health Authority require staff to document the post-detox support arranged for detox clients in its Northeast integrated service area.*** (2018 Report – Volume 1, p. 122, Recommendation 7; Public Accounts Committee agreement February 26, 2019)

**Status**—Implemented

Since 2018, the Saskatchewan Health Authority has added a process for staff to document discussions with clients about the post-detox support available to them in the Northeast integrated service area.

The Authority's procedures require staff to document discussions with the client on post-detox support that is available, inquiring if they wish to pursue any of those options, and providing contact information or setting up referrals as needed.

For the 30 clients tested, we found staff had adequately documented their discussions with each client about post-detox support and took appropriate actions based on these discussions (e.g., made formal referrals or provided contact information).

Successful addictions treatment has several steps beyond just detoxification, including behavioral counselling and long-term follow-up to prevent relapse. Increased planned post-detox support can decrease the number of client re-admissions and substance use relapses.

### 3.7 Increasing Number of Clients Showing Up for Appointments But Not Documenting Follow-Up

***We recommended the Saskatchewan Health Authority assess alternatives to decrease the number of mental health and addiction clients that do not show up for scheduled appointments or treatment in its Northeast integrated service area. (2018 Report – Volume 1, p. 123, Recommendation 8; Public Accounts Committee agreement February 26, 2019)***

**Status**—Implemented

The Saskatchewan Health Authority has introduced changes that increased the number of clients showing up for scheduled appointments in the Northeast integrated service area.

Since our audit in 2018, the Saskatchewan Health Authority has implemented new ways to provide services to clients electronically and has reduced the number of clients not attending scheduled appointments.

For example, the Authority conducts a pre-screening phone call one week in advance of the scheduled appointment, which also acts as a reminder for the appointment. Also some treatments are now done virtually. By providing these services virtually, the clients do not have to travel as far (e.g., can stay in their homes or travel to a local facility instead of travelling to Prince Albert facilities), making it easier to attend appointments.

As shown in **Figure 9** during our original audit in 2018, we found between 12 percent to 39 percent of clients (depending on the service) did not show up for scheduled appointments or treatments. From January 1, 2020 to December 31, 2020, we found that between 5 percent to 28 percent of clients did not attend their scheduled appointments or treatments for those same services.

**Figure 9—Number of Clients Not Showing up for Scheduled Appointments**

Service Area	2017 # of no-show clients	2017 % of no-show clients	2020 # of no-show clients	2020 % of no-show clients	Change in # of no-shows between 2017 and 2020
Addictions Outpatient and Outreach Services	1,842	15%	1,982	22%	Increase
Mental Health Outpatient Services – New Clients		39%	535	28%	Decrease
Mental Health Outpatient Services – Follow-up Clients		22%	1,591	23%	No change



Service Area	2017 # of no- show clients	2017 % of no-show clients	2020 # of no- show clients	2020 % of no-show clients	Change in # of no-shows between 2017 and 2020
Addictions Inpatient Services – Family Treatment Centre	10	15%	6	5%	Decrease
Addictions Inpatient Services – Social Detox	98	12%	27	15%	Increase
Psychiatry Outpatient Services – New Clients			135	25%	
Psychiatry Outpatient Services – Follow-up Clients			938	24%	
			<b>5,214</b>	<b>23%</b>	

2017 Source: Taken from Provincial Auditor Saskatchewan *2018 Report – Volume 1*, chapter 8, p. 123.

2020 Source: Adapted from Saskatchewan Health Authority records.

Shaded cells indicate where the number of no-show clients were not readily available from the Authority.

During 2020, due to COVID-19, all in person appointments require staff to call the client ahead of time to conduct pre-screening questionnaires. This acts as a reminder for clients and provides them with an immediate opportunity to cancel/reschedule ahead of time. Knowing in advance that the client will not be able to attend their scheduled appointment allows the Authority to fill the available time.

Reducing missed appointments leads to less disruption in schedules and better use of staff capacity.

***We recommended the Saskatchewan Health Authority document evidence of follow-up when clients do not maintain their scheduled mental health and addictions treatment in its Northeast integrated service area. (2018 Report – Volume 1, p. 123, Recommendation 9; Public Accounts Committee agreement February 26, 2019)***

**Status**—Partially Implemented

Since 2014, the Saskatchewan Health Authority has had policies requiring follow up within a month with clients who have missed their scheduled appointment or treatment in the Northeast integrated service area. However, the Authority is not effectively documenting the follow-up process.

As noted in **Figure 9** from January 1, 2020 to December 31, 2020, 23 percent of clients did not attend their scheduled appointment or treatment.

For the 30 clients we tested that did not attend their scheduled appointment or treatment, we found five client files did not have documentation that any follow up occurred with the client (e.g., no evidence of a phone call). Of the 25 clients with documentation of follow up in their file, we found two did not have the follow up completed within a month as per the Authority's policies.

Timely follow-up to assess health status can avoid future hospital visits and reduce overall costs to the client and healthcare system.

### 3.8 Outpatient Wait Times Accurately Tracked

*We recommended the Saskatchewan Health Authority accurately track and report wait times to access outpatient mental health and addictions services in its Northeast integrated service area. (2018 Report – Volume 1, p. 123, Recommendation 10; Public Accounts Committee agreement February 26, 2019)*

**Status**—Implemented

The Saskatchewan Health Authority is tracking and reporting wait times to first access outpatient mental health and addictions services by scheduled appointment in its Northeast integrated service area.

As noted in **Section 3.1**, the Authority has developed triage guidelines and targeted timeframes for providing addictions and mental outpatient services. The Authority uses these target timeframes noted in **Figure 2** for prioritizing new clients (children/youth and adults) accessing outpatient clinic or psychiatry services.

The Authority tracks these measures monthly and reports to senior management whether it meets the service response targets (see **Figures 3, 4, and 5**).

Accurately determining these wait times to access outpatient mental health and addictions services provides better internal and public information about outpatient wait times, and in turn, aids in better decision making.



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## Chapter 23

# Saskatchewan Health Authority—Triage Emergency Department Patients in Saskatoon Hospitals

### 1.0 MAIN POINTS

Emergency departments must prioritize (triage) patients quickly and appropriately to provide immediate care to patients experiencing life-threatening medical conditions and timely care to other patients.

By February 2021, the Saskatchewan Health Authority had implemented two, and partially implemented one, of the remaining three recommendations we first made in our 2013 audit related to triaging patients in the Saskatoon hospital emergency departments.<sup>1</sup>

Changes the Authority made better support staff in routinely assessing patients in emergency department wait rooms, and improving patient flow in and out of emergency departments at the Saskatoon hospitals. These improvements resulted in emergency department patients seeing physicians, on average, sooner.

However, the Authority needs to resume its work about tracking and reducing the incidence of patients who could be seen outside of the emergency department to ensure it makes optimal use of its emergency departments.

### 2.0 INTRODUCTION

This chapter describes our third follow-up audit of management's actions on the three remaining recommendations we first made in 2013 about the Saskatchewan Health Authority's processes to triage patients in hospital emergency departments in Saskatoon.

Our *2013 Report – Volume 2*, Chapter 30, concluded the Authority did not have effective processes to triage patients from the time they arrive at the emergency department to when they see a physician for the first time in its Saskatoon hospitals emergency departments. We made eight recommendations. As reported in our *2018 Report – Volume 2*, Chapter 40, by August 2018, the Authority had implemented five of the eight recommendations.

To conduct this audit engagement, 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 2013 audit. The Authority management agreed with the criteria in the original audit.

To perform our follow-up audit of the recommendations, we discussed actions taken with Authority management and reviewed relevant IT systems and documents (e.g., Authority wait time reports, strategies, manuals).

<sup>1</sup> Hospitals in Saskatoon include the Royal University Hospital, St. Paul's Hospital, Jim Pattison Children's Hospital, and Saskatoon City Hospital.



## 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 February 28, 2021, and the Authority's actions up to that date.

### 3.1 Patients Seeing Physicians in Emergency Departments More Timely

***We recommended the Saskatchewan Health Authority (formerly Saskatoon Regional Health Authority) put processes in place to ensure emergency department patients see physicians within established time goals.***

*(2013 Report – Volume 2, p. 233, Recommendation 7; Public Accounts Committee agreement January 15, 2015)*

**Status**—Implemented

The Saskatchewan Health Authority has improved its emergency departments' patient wait time since our last follow-up in 2018.

The Authority has worked to expedite patient flow within emergency departments' control. Overall, hospitals in Saskatoon are meeting the targeted timeframes by which emergency department physicians see patients.

The Authority completed several improvement reviews that evaluated patient and healthcare provider flow. It completed this work in preparation for the move into the new emergency department located in Jim Pattison Children's Hospital in Saskatoon, in 2019.<sup>2</sup>

Using the results of reviews, the Authority revised nursing and physician assignments to better reflect patient arrival times and build capacity when needed. For example, emergency department physicians now go to the hospital with the greatest need to accommodate capacity situations, and reduce patient waiting time. Also, the Authority improved the layout of the new emergency department.

Authority management also, over the past two to three years, adopted various strategies to support patient flow out of the emergency department, and decrease the number of incoming patients to emergency departments. For example, the Authority moved a primary care centre to a Saskatoon mall from one of the Saskatoon hospitals. The care centre completed over 9,000 visits in 2020–21.

The Authority set a goal to reduce patient wait times in Saskatchewan emergency departments (based on the 2018–19 provincial emergency wait times) by five percent by 2019–20. **Figure 1** shows, in 2020–21, the Authority met its five percent reduction goal in the Saskatoon hospitals. **Figure 1** also shows improvement in patient wait times in Saskatoon emergency departments between 2018 and 2021.

<sup>2</sup> The emergency department was previously located in the Royal University Hospital.

Furthermore, in 2020–21, the Authority is meeting the standards for Canadian Triage Acuity Scale (CTAS) wait time for all CTAS levels other than CTAS Level 3 (urgent – serious conditions that require emergency intervention).<sup>3</sup>

**Figure 1—Comparison of Average Wait Times (in Minutes) in Emergency Departments in Saskatoon Hospitals between 2018 and 2021 by CTAS Level**

CTAS Level	1 Resuscitation <sup>B</sup>	2 Emergent	3 Urgent	4 Less Urgent	5 Non-Urgent
CTAS Wait Time Standard <sup>A</sup>	5	15	30	60	120
2018–19 Provincial Base	22	67	104	105	84
Goal of a 5% Reduction from Base by 2019–20	21	64	98	100	80
Fiscal Year	Actual Average Wait Times (in Minutes)				
2018–19	22	26	71	85	72
2019–20	21	23	72	85	72
2020–21	11	9	47	57	48

Source: Former Saskatoon Regional Health Authority Strategic Health Information and Performance Supports (SHIPS).

<sup>A</sup> The Authority's measurement of wait time includes the length of time between patients being triaged in line with the Canadian Triage and Acuity Scale (CTAS) base standards (levels 1, 2, 3, 4, and 5) set by the Canadian Association of Emergency Physicians (CAEP).

<sup>B</sup> The Authority treats CTAS 1 patients immediately upon arrival and the computer system calculates actual wait times based on when the CTAS score for the patient is entered into the system.

Formulating and implementing strategies to meet emergency department triage goals reduces the risk of not providing patients with timely access to service.

## 3.2 Reassessing Patients in Emergency Department Waiting Rooms

***We recommended the Saskatchewan Health Authority (formerly Saskatoon Regional Health Authority) staff routinely reassess patients in emergency department waiting rooms to determine that their conditions have not deteriorated.*** (2013 Report – Volume 2, p. 232, Recommendation 5; Public Accounts Committee agreement January 15, 2015)

**Status**—Implemented

The Saskatchewan Health Authority has implemented visual reminders for nursing staff to routinely reassess patients waiting in emergency department wait rooms.

Nurses in emergency room departments in the Saskatoon hospitals receive reminder flashing prompts on the computer screen to reassess patients in the waiting room. Reminders occur based on the initial CTAS level rating that nursing staff assign to a patient when they originally come to the emergency department. The reminder prompts only stops when the staff change the patient status column to treatment in progress (i.e., physician seeing the patient).

<sup>3</sup> The Canadian Triage and Acuity Scale (CTAS) is a tool used both nationally and internationally to allow emergency departments and their staff to prioritize patient care requirements.



As shown in **Figure 2**, the more serious the patient's condition is, the more frequent the computer system alerts staff to check on the patient's health status while patients are in the waiting room.

**Figure 2—Reassessment Reminders by CTAS Level**

CTAS Level	Message Display
CTAS 2	Message flashes red after timer reaches 15 minutes
CTAS 3	Message flashes yellow after timer reaches 30 minutes
CTAS 4	Message flashes green after timer reaches 60 minutes
CTAS 5	Message flashes grey after timer reaches 120 minutes

Source: Adapted from Saskatchewan Health Authority Sunrise Clinical Manager Manual. CTAS 1 Level patients given immediate care and therefore do not require reassessment reminders.

We confirmed the emergency department's IT system provides the reassessment reminders as described.

Periodically reassessing patients while in waiting rooms helps with identifying potential deterioration in medical status in a timely manner.

### 3.3 Not Tracking Patients Who Could be Seen Outside of Emergency Departments

***We recommended the Saskatchewan Health Authority (formerly Saskatoon Regional Health Authority) provide consultant care for less-urgent or non-urgent patients outside of its emergency departments.*** (2013 Report – Volume 2, p. 225, Recommendation 2; Public Accounts Committee agreement January 15, 2015)

**Status**—Partially Implemented

Since our last follow-up audit in 2018, the Saskatchewan Health Authority has undertaken system-flow initiatives to address ongoing acute care patient capacity challenges in its Saskatoon hospitals. However, the Authority does not track the incidence of patients seeing a consultant who could be seen outside of the emergency department.

In 2013–14, the hospital emergency departments in Saskatoon estimated about 17 percent of emergency department visits were for consultations of less-urgent or non-urgent patients with specialist physicians.<sup>4</sup>

At February 2021, the Authority does not track the number of patients treated in Saskatoon emergency department who could be seen outside of the emergency departments. For example, the Authority does not track the number of consultations with specialist physicians (e.g. orthopedic surgeons) for less-urgent and non-urgent patients taking place in emergency departments. Treatment areas used for these consultations could be used for treating patients who have visited emergency for immediate care of more urgent conditions.

<sup>4</sup> 2013 Report – Volume 2, Chapter 30.

In early spring 2020, the Authority began work with colleagues in surgery departments (e.g., orthopedics, plastics, vascular) to address the issue of consultants caring for less-urgent and non-urgent patients in emergency departments. The Authority temporarily suspended this work in April 2020 when COVID-19 commenced.

Tracking the incidence of patients who could be seen outside of an emergency department provides key information necessary to formulate strategies to focus the use of emergency department resources on patients requiring emergent or urgent care.



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## Chapter 24

# Saskatchewan Housing Corporation—Providing Adequate Social Housing to Eligible Clients

### 1.0 MAIN POINTS

Through its Social Housing Rental Program, SaskHousing uses various local housing authorities in over 300 communities across the province to place eligible clients in over 18,000 rental units. This Program is to provide safe, quality housing at affordable rents to households where income is too low to obtain accommodations in the private market.

By November 2020, SaskHousing strengthened its processes to provide adequate social housing to eligible clients through implementing the four recommendations we first made in 2017.

Housing authorities consistently followed SaskHousing policies and procedures to calculate point scores prior to placing clients in suitable rental units. Those policies expect authorities to determine eligibility and priority for social housing placement based on a client's assessed needs (i.e., by calculating point scores for each client). Housing authorities also retained sufficient documentation to show they placed clients in rental units based on greatest need (e.g., highest point score).

In addition, SaskHousing set timelines for housing authorities to assess client applications and notify applicants of decisions regarding program eligibility. Housing authorities contacted applicants regularly about the status of their applications.

These improvements should help ensure housing authorities place eligible applicants in suitable homes within reasonable timeframes, and applicants do not live in housing not meeting their needs for longer than necessary.

### 2.0 INTRODUCTION

Under *The Saskatchewan Housing Corporation Act*, SaskHousing is responsible for providing programs and services to help Saskatchewan people in the greatest need for housing. One way SaskHousing does this is through its Social Housing Rental Program. The Program provides safe and adequate housing to families and seniors with low incomes and people with disabilities.

The Program provides subsidized rental housing. Local housing authorities manage and administer SaskHousing's housing programs and units.<sup>1</sup>

<sup>1</sup> Local housing authorities are agencies of SaskHousing with their own Government-appointed boards of directors. SaskHousing funds them.



## 2.1 Focus of Follow-Up Audit

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This audit assessed the status of four recommendations first made in our *2017 Report – Volume 2*, Chapter 27 about SaskHousing’s processes to provide adequate social housing to eligible clients.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate SaskHousing’s progress toward meeting our recommendations, we used the relevant criteria from the original audit. SaskHousing’s management agreed with the criteria in the original audit.

To complete the follow-up audit, we interviewed key staff at SaskHousing and four housing authorities. In addition, we reviewed relevant documents (e.g., policy manuals, point score forms), conducted data analytics, and tested a sample of client files.

## 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 each recommendation at November 30, 2020, and SaskHousing’s actions up to that date.

### 3.1 Point Scores Correctly Calculated Prior to Placing Applicants in Suitable Housing

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***We recommended the Saskatchewan Housing Corporation have its housing authorities follow its policies to calculate point scores prior to placing applicants in suitable social housing.*** (2017 Report – Volume 2, p. 212, Recommendation 1; Public Accounts Committee agreement September 26, 2019)

**Status**—Implemented

***We recommended the Saskatchewan Housing Corporation maintain accurate and complete point score data for social housing in its provincial database.*** (2017 Report – Volume 2, p. 212, Recommendation 2; Public Accounts Committee agreement September 26, 2019)

**Status**—Implemented

Housing authorities are following SaskHousing’s policies to calculate point scores for applicants seeking subsidized rental units. While inconsistencies between the point scores in SaskHousing’s database and those kept by the housing authorities continued to exist, the inconsistencies did not affect the prioritization or placement of applicants in rental units.

SaskHousing policies require housing authority staff to use a standard form for calculating point scores for all eligible applicants and to base the calculation on information provided

on applications.<sup>2</sup> Housing authorities are to use point scores to prioritize placement of applicants (e.g., placing the highest scoring applicants into the first suitable available rental unit). They are also supposed to enter the point scores into SaskHousing's provincial database.

In January 2018, SaskHousing reminded all housing authorities of these requirements.

For each of the 30 social housing client files we tested, housing authority staff calculated point scores using the standard form. However, when comparing point scores in the housing authorities' client files to SaskHousing's provincial database, we found 12 of the 30 scores did not match. Differences in point scores ranged from 5 to 50.<sup>3</sup>

SaskHousing management indicated that a difference of 25 in point scores would be a significant difference. They noted differences could be a result of the individual's circumstances changing (e.g., became homeless temporarily after being evicted) or changes in calculation resulting from later receipt of missing/updated application information (e.g., current income information).

Our further analysis of the 12 client files with differing scores found 3 clients where the point scores differences were greater than 25. We found, for each of these files, the housing authorities had revised the point scores because of their receipt of updated information after the application was initially assessed. For these three files, we also found:

- In two files, the additional information decreased the point scores (i.e., housing placement became lower priority). However, because chronic vacancies exist in the communities where the applicants were applying for housing, no prioritization of applicants is needed in these communities. Hence, the decrease in point scores did not affect placement.
- In the other file, the additional information increased the point score (i.e., became higher priority). We found the applicant viewed the rental unit within six business days of being approved and signed the lease within the month. This indicates appropriate prioritization and timely placement.

Calculating and using the correct point scores ensures housing authorities place eligible applicants in suitable homes in a timely manner.

## 3.2 Timelines Set to Notify Applicants of Decision

***We recommended the Saskatchewan Housing Corporation set timelines to assess applications for social housing and notify applicants of decisions regarding program eligibility.*** (2017 Report – Volume 2, p. 213, Recommendation 3; Public Accounts Committee agreement September 26, 2019)

**Status**—Implemented

<sup>2</sup> Points score provides an objective numerical score based on the applicant's core needs (affordability, suitability, and adequacy of current shelter).

<sup>3</sup> For the twelve-month period ending July 31, 2017, the time of our original audit, the differences in point scores ranged from 8 to 214.



SaskHousing set clear timeframes in which it expects housing authorities to assess applications and notify applicants of decisions regarding program eligibility. While housing authorities did not always meet the target timeframes, they maintained regular contact with applicants about the status of their applications.

In April 2018, SaskHousing updated its policies requiring housing authorities to notify applicants, in writing, of the status of their applications within 20 days of receipt (unless the applicant had already been allocated a housing unit).

For 27 of 30 applicants we tested, authorities notified them within 20 days either in writing (4), via phone calls and emails (16), or by signing a lease agreement within 25 days (7). For three of 30 applicants, the housing authorities notified them later than 20 days after its receipt of the application.

For these three applicants, we found housing authorities maintained regular contact with applicants and had adequate reasons for the delays. For example,

- For one applicant notified 94 days after receipt of the application, the housing authority put a hold on the application until the individual paid a previous landlord outstanding money. Once the housing authority determined the money was paid, it notified the applicant within 20 days stating they were approved.
- For the two applicants notified 12 and 14 days later than 20 days, the housing authority sought and awaited its receipt of missing relevant information (e.g., references, income support) and notified applicants the same day of their receipt of all of the information stating the applicants were approved.

Setting clear timeframes for completing assessments and informing applicants of the results helps ensure applicants do not live in housing not meeting their needs for longer than necessary.

### 3.3 Documentation Sufficiently Retained

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***We recommended the Saskatchewan Housing Corporation require housing authorities to retain documentation to verify applicants are offered social housing units based on their point score priority.*** (2017 Report – Volume 2, p. 213, Recommendation 4; Public Accounts Committee agreement September 26, 2019)

**Status**—Implemented

Housing authorities retain sufficient documentation to support decisions about verifying the appropriateness of an individual's placement in a social housing unit.

In January 2018, SaskHousing clarified its prioritization process to require housing authorities to retain records to document offering and placement of approved applicants. It communicated the clarified process to all housing authorities.

For the 30 client files we tested, housing authorities placed applicants with the highest point scores in rental housing units first or had adequate reasons for the delays.<sup>4</sup> For our sample:

- In three communities, both applicants with the highest point scores were placed in homes quicker than those applicants with lower scores.
- In one community, both applicants with the highest scores were not placed in homes quicker than the other applicants with lower scores. However, the client files noted adequate reasons for the delays (e.g., required information such as references and income support not received).

Our testing found the housing authorities kept sufficient information about the progress of application and delays (if any) on an applicant's file. For example, we saw housing authorities noted the date it held interviews, received missing information, and when applicants viewed units. Housing authorities also kept notes from interviews with applicants in the client files.

Retaining sufficient documentation, such as key dates and interview notes, to support decisions helps the housing authorities and SaskHousing verify the appropriateness of an individual's placement in a social housing unit.

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<sup>4</sup> In our testing, we assessed the applicants with the two highest point scores in each of the four locations sampled to determine if housing authorities placed them before other applicants with lower scores.



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## Chapter 25

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

### 1.0 MAIN POINTS

By February 2021, the Saskatchewan Liquor and Gaming Authority improved its processes to regulate commercial permittees’ on-table sale of liquor by completing inspections within the established timeframes. It implemented one recommendation and partially implemented two recommendations.

Further work remains for the Authority to consistently monitor the completion of inspections. The Authority needs to analyze and report on key trends of permittee non-compliance with requirements for selling liquor for consumption in permitted establishments. Written analysis of key trends will help determine if inspection efforts are in the appropriate areas.

Effective regulation helps minimize public health and safety risks associated with the service and consumption of liquor while maintaining a fair regulatory system for permittees.

### 2.0 INTRODUCTION

The Saskatchewan Liquor and Gaming Authority is responsible for regulating and controlling the possession, sale, and delivery of beverage alcohol (liquor) in Saskatchewan by any person.<sup>1</sup> This includes regulating on-table sales of liquor. On-table sale is liquor sold in open containers (e.g., glasses, open bottles) for consumption at permitted establishments (commercial permittees like restaurants and taverns).

The Authority’s Regulatory Services Division is responsible for permitting and monitoring over three thousand commercial permittees in the province.<sup>2</sup> It regulates commercial permittees’ on-table sale of liquor to the public by issuing permits, inspecting permitted establishments, enforcing permit requirements, and educating permittees. It works with various law enforcement agencies (e.g., Regina Police Service) to enforce its terms and conditions and the related laws.

In February 2021, approximately 13 staff (including 10 inspectors) carried out the Division’s responsibilities.

### 2.1 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management’s actions on the recommendations we made in 2017.

Our *2017 Report – Volume 1*, Chapter 11, concluded that the Authority had, other than matters reflected in our six recommendations, effective processes to regulate the on-table

<sup>1</sup> *The Alcohol and Gaming Regulation Act, 1997*, s. 12(c).

<sup>2</sup> Saskatchewan Liquor and Gaming Authority, *Annual Report for 2019–20*, p. 2.



sale of liquor by commercial permittees to the public. By February 2019, as reported in our *2019 Report – Volume 1*, Chapter 36, the Authority implemented three recommendations.

To conduct this audit engagement, 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.

In this follow-up audit, we interviewed the Authority's management and reviewed key documentation related to liquor inspections. We reviewed policies and procedures, as well as inspection and investigation reports. We tested a sample of 19 inspection and investigation reports to determine if the Authority was following its processes.

## 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 February 5, 2021, and the Authority's actions up to that date.

### 3.1 Need to Consistently Monitor Completion of Inspections

***We recommended Saskatchewan Liquor and Gaming Authority monitor that its staff complete, when planned, inspections of permitted establishments that sell liquor for on-premise consumption, and obtain reasons for delayed inspections.*** (2017 Report – Volume 1, p. 153, Recommendation 3; Public Accounts Committee agreement June 13, 2018)

**Status**—Partially Implemented

The Saskatchewan Liquor and Gaming Authority is not consistently monitoring whether staff complete inspections of permitted establishments as required, and obtaining reasons for delayed inspections.

The Authority's *Liquor Inspection Services Policy Manual* sets out the expected timeframes for completing liquor inspections and investigations, and for communicating sanctions to permittees. The Authority requires each inspector to complete 17 inspections per month. This number includes inspections, investigations, and consultations.<sup>3,4,5</sup>

The Authority expects inspectors to complete reports within 10 calendar days of completing an inspection or investigation. The Authority requires managers in the Regulatory Services Division to review the individual reports.

The Authority also expects the managers and director of the Regulatory Services Division to use inspectors' monthly statistics reports to monitor whether inspectors complete the

<sup>3</sup> Inspections are routine proactive reviews of permitted establishments to check compliance with legislative, regulatory, or policy requirements.

<sup>4</sup> Investigations are reviews of public complaints.

<sup>5</sup> Consultations are meetings with permitted establishments to provide advice and education on legislative, regulatory, or policy requirements.

required number of inspections, follow-up differences, and determine if further action is required.

For each of the 10 inspections and investigations tested, we found the inspector completed the report within 10 calendar days, and management reviewed these reports. Each inspector of the 10 reports we tested completed 40 inspections per month on average. This average exceeds the 17 inspections the Authority requires inspectors to complete monthly.

For four of the 19 inspections and investigations tested, we found staff did not include the inspection or investigation on the monthly statistics report. The managers and director reviewing these monthly statistics reports did not recognize they were not complete.

Having complete monthly statistics about inspections and investigations allows the managers and director to properly monitor that inspections occur when planned. Monitoring reduces the risk of not detecting significant violations by permitted establishments. This in turn may increase opportunities to educate high-risk permittees about complying with liquor laws and permit terms and conditions. Unidentified violations could lead to increased risk to public safety (e.g., establishments serving alcohol to minors or overserving individuals).

### 3.2 Inspection Deadlines Established and Followed

***We recommended Saskatchewan Liquor and Gaming Authority formalize expected timeframes for completing liquor inspections and investigations and communicating sanctions to permittees who sell liquor for consumption at permitted establishments.*** (2017 Report – Volume 1, p. 153, Recommendation 2; Public Accounts Committee agreement June 13, 2018)

**Status**—Implemented

The Saskatchewan Liquor and Gaming Authority sufficiently documented when it expects inspectors to complete liquor inspections and investigations and provide reports to their managers. The Authority has also documented when managers need to provide the director with the recommendations for sanctions.

The *Liquor Inspection Services Policy Manual* includes the expected timeframes for completing inspections and investigations, communicating sanctions to permittees, and the processes for the Authority to grant extensions for inspections or investigations. For recommendations for sanctions, the policy requires a manager to give the recommendations to the director within 30 calendar days. If inspectors require additional time to complete the inspection or their report, a manager, director, or vice-president can grant an extension where appropriate.

Since April 2019, the Authority has conducted approximately 2,400 inspections and 480 investigations.

For each of the 10 inspections and investigations we tested, inspectors prepared the inspection or investigation report within 10 calendar days, as per the policy manual. The managers reviewed the inspection or investigation reports timely for these 10 items. Inspectors did not find any need for sanction as a result of 10 inspections and investigations tested.



By completing the inspections and investigations within the timeframe set out by the policy manual, the Authority can communicate any sanctions to permittees promptly. Timely completion of inspections reduces the risk that the Authority applies its regulatory process inconsistently and unfairly.

### 3.3 Need to Analyze Trends on Non-Compliance

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***We recommended Saskatchewan Liquor and Gaming Authority analyze and report on key trends of non-compliance with requirements for selling liquor for consumption in permitted establishments.*** (2017 Report – Volume 1, p. 158, Recommendation 5; Public Accounts Committee agreement June 13, 2018)

**Status**—Partially Implemented

The Saskatchewan Liquor and Gaming Authority completes reports on non-compliance items, but does not perform a written analysis of key trends of non-compliance with requirements for selling liquor for consumption in permitted establishments.

The Authority prepares a year-end report for the Vice President of Regulatory Services Division's review. This report documents the number of non-compliance items (e.g., sanctions) on a year-over-year basis. Our review of the 2019–20 report found it does not include reasons for changes in the number of non-compliance items from prior years.

Without analysis on key trends, the Authority may not know whether its liquor regulatory processes work, if it applies its regulatory processes fairly and consistently, or if commercial permittee compliance is getting better or worse. This type of analysis can also assist the Authority in planning their resources for the next fiscal year.



## Chapter 26 SaskBuilds and Procurement—Securing the Data Centre

### 1.0 MAIN POINTS

The Ministry of SaskBuilds and Procurement (formerly the Ministry of Central Services) provides IT services to its clients—government ministries and other government agencies. The Ministry utilizes a data centre, operated by a service provider, to deliver these IT services. The data centre houses computer network equipment and servers that support client systems and data. Firewalls are in place to prevent unwanted access to the data centre.

As of December 2020, the Ministry was still working with its service provider to properly configure its data centre firewalls to restrict inappropriate access to the data centre. Inadequate firewall configuration increases the risk of a security breach.

### 2.0 INTRODUCTION

The Ministry of SaskBuilds and Procurement provides IT services to government ministries and agencies using a data centre. Since 2010, the Ministry outsourced the data centre to a service provider.<sup>1</sup>

See **Section 4.0** for a listing of the ministries and agencies (i.e., clients) using the data centre to house their IT systems and data at December 2020.

#### 2.1 Focus of Follow-Up Audit

This chapter describes our follow-up audit of management's actions on the one outstanding recommendation related to configuring the data centre firewalls we made in our *2019 Report – Volume 1*, Chapter 14.

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 of SaskBuilds and Procurement's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Management agreed with the criteria in the original audit.

We assessed the configuration of the data centre's firewalls and reviewed the Ministry's process to update firewall rules.

### 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 December 31, 2020, and the Ministry's actions up to that date.

<sup>1</sup> The former Information Technology Office implemented an IT data centre for government ministries in May 2005. In December 2010, the Information Technology Office outsourced the data centre to a service provider. Effective May 2012, the former Information Technology Office became part of the Ministry of Central Services. The Ministry of Central Services became the Ministry of SaskBuilds and Procurement in November 2020.



### 3.1 Updating of Firewall Configuration Ongoing

**We recommended the Ministry of SaskBuilds and Procurement (formerly the Ministry of Central Services) work with its service provider to configure its data centre firewalls to restrict inappropriate access.** (2019 Report – Volume 1, p. 219, Recommendation 1; Public Accounts Committee agreement February 26, 2020)

**Status**—Partially Implemented

The Ministry of SaskBuilds and Procurement has not completed updating its data centre’s firewall rules.

By December 2020, the Ministry updated a number of its data centre’s firewall rules. For example, the Ministry removed a number of obsolete and risky firewall rules. It focused on reviewing and updating the firewalls rules it thought posed the greatest risk to client data and systems.

The Ministry continues to work with its service provider, and clients, to review the remaining firewall rules and update the rules, where needed. It plans to implement new monitoring software that will allow it to manage firewall rules more efficiently.

Having appropriately defined firewall rules helps prevent unwanted access to the data centre (e.g., security breach).<sup>2</sup>

## 4.0 LIST OF CLIENTS AS OF DECEMBER 2020

**Ministries:**

- |   |   |
|---|---|
| Ministry of Advanced Education  | Ministry of Government Relations                  |
| Ministry of Agriculture   | Ministry of Highways                              |
| Ministry of SaskBuilds and Procurement<br>(formerly the Ministry of Central Services) | Ministry of Immigration and Career Training       |
| Ministry of Corrections, Policing and Public Safety                                   | Ministry of Justice and Attorney General          |
| Ministry of Education   | Ministry of Labour Relations and Workplace Safety |
| Ministry of Energy and Resources  | Ministry of Parks, Culture and Sport              |
| Ministry of Environment   | Ministry of Social Services                       |
| Ministry of Finance   | Executive Council                                 |
|   | Public Service Commission                         |
|   | Ministry of Trade and Export Development          |

**Agencies:**

- |  |  |
|--|--|
| Apprenticeship and Trade Certification Commission        | Saskatchewan Legal Aid Commission          |
| Financial and Consumer Affairs Authority of Saskatchewan | Saskatchewan Liquor and Gaming Authority   |
| Global Transportation Hub Authority                      | Saskatchewan Housing Corporation           |
| Public Guardian and Trustee of Saskatchewan              | Saskatchewan Municipal Board               |
|  | SaskBuilds Corporation                     |
|  | Technical Safety Authority of Saskatchewan |
|  | Water Security Agency                      |

<sup>2</sup> The Ministry uses a risk-based approach to maintain the security of its data centre network, and has implemented a number of other changes (e.g., endpoint protection) in addition to updating firewall rules to help reduce its overall risk of a network security breach.

## Chapter 27

# SaskBuilds and Procurement—Web Application Security Requirements

### 1.0 MAIN POINTS

The Ministry of SaskBuilds and Procurement is responsible for the security requirements for the development and operation of web applications owned by various provincial government ministries (e.g., Justice and Attorney General, Finance).<sup>1,2</sup> The Ministry develops and hosts web applications in a data centre for ministries. Web applications may allow attackers to access and corrupt confidential government information, or interrupt government services, if not appropriately secured.

By January 2021, the Ministry made improvements to better support the development and operation of secure ministry web applications. It set clear guidance for checking new web applications are secure before they are put to use. Furthermore, it systematically looks for vulnerabilities in web applications and takes a risk-informed approach to address identified vulnerabilities.

Addressing high-risk vulnerabilities in ministry web applications helps minimize the risk of a breach of confidential government information in the web applications, and sensitive data being lost or inappropriately accessed.

### 2.0 INTRODUCTION

As of January 31, 2021, the Ministry of SaskBuilds and Procurement had identified 24 web applications as critical and 292 web applications as non-critical. Web applications classified as critical are those that are crucial for the everyday operations of government ministries (e.g., criminal justice information system).

Comprehensive security requirements support an organized and consistent approach to implementing and maintaining security across ministry web applications to help minimize the risk of a breach of government information.

#### 2.1 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on the two outstanding recommendations we first made in 2016 about the Ministry of SaskBuilds and Procurement's security requirements for the development and operation of web applications.

Our *2016 Report – Volume 1*, Chapter 6, concluded that while the Ministry had an overall security policy framework consistent with best practices, for the twelve-month period ending

<sup>1</sup> Web applications are computer programs that are built into websites, and help websites work. For example, web applications are used when filling out a form, creating an account, using an online shopping cart, or using the search capability on a website.

<sup>2</sup> The Ministry of Central Services became the Ministry of SaskBuilds and Procurement in November 2020.



December 31, 2015, it did not have sufficiently comprehensive procedures and guidance to support the development and operation of secure government ministry web applications. We made four recommendations. By June 2018, the Ministry had addressed two of the four recommendations.<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 recommendations, we used the relevant criteria from the original audit. Ministry management agreed with the criteria in the original audit.

We reviewed and assessed the Ministry's policies and procedures, scans of web applications, tracking of vulnerabilities identified, and measures taken to address vulnerabilities.

## 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 January 31, 2021, and Ministry's actions up to that date.

### 3.1 Guidance and Work to Address Web Application Vulnerabilities Appropriate

***We recommended the Ministry of SaskBuilds and Procurement (formerly Ministry of Central Services) develop and maintain comprehensive procedures and guidelines to support the development and operation of secure web applications.*** (2016 Report – Volume 1, p. 51, Recommendation 2; Public Accounts Committee agreement January 11, 2017)

**Status—Implemented**

***We recommended the Ministry of SaskBuilds and Procurement (formerly Ministry of Central Services) work with the ministries to address identified higher-risk web application vulnerabilities.*** (2016 Report – Volume 1, p. 54, Recommendation 4; Public Accounts Committee agreement January 11, 2017)

**Status—Implemented**

The Ministry of SaskBuilds and Procurement has appropriate guidance to support the development of secure web applications and identify vulnerabilities in existing applications. Even though the Ministry has appropriate processes to identify and prioritize vulnerabilities for mitigation, ministry web applications continue to have vulnerabilities.

In November 2018, the Ministry developed an Application Security Coding Guideline to outline principles for secure development of new web applications. The principles require web application developers to avoid common security issues identified by the security

<sup>3</sup> 2018 Report - Volume 2, Chapter 28, pp.211-214.

industry. The Ministry also developed a Web Application Security Policy in January 2019 requiring security assessments of new web applications before putting them into use.

For two new web applications we examined, we found, consistent with its policy, the Ministry completed the security assessment prior to putting the new web application into use.

The Ministry developed a Vulnerability Management Process in May 2016, and last updated the policy in September 2019. These outline the frequency in which it expects to scan web applications for vulnerabilities. Effective November 2020, it expects critical web applications to be scanned quarterly and non-critical web applications annually.

We found the Ministry's Vulnerability Management Process, Web Application Security Policy and Application Security Coding Guidelines align with good practice.

Web application vulnerability scans identify various levels of vulnerabilities (e.g., critical, high, medium, and low). The Ministry addresses higher-risk critical vulnerabilities quicker than lower ranked ones (see **Figure 1**). It tracks vulnerabilities along with its status of implementing the planned mitigation (e.g., deploy encryption, restrict access, upgrade a system) in its IT service management system.

**Figure 1—Vulnerabilities Levels and Associated Mitigation Timeframes**

Vulnerability Level	Mitigation Timeline
Critical	24–48 hours
High	1 month
Medium	6 months
Low	Keep under periodic review

Source: Ministry of SaskBuilds and Procurement's Vulnerability Management Process.

For five existing web applications scanned by the Ministry in 2020, we tested:

- Two had mitigations ongoing at the time of our test, but were within the six-month target timeline for mitigation of medium vulnerabilities; the Ministry expected to complete the mitigation by March 31, 2021
- One was partially mitigated awaiting a server upgrade
- Two did not require mitigation

We found the Ministry appropriately entered vulnerabilities identified through the web-application scans into its IT service management system, and was mitigating the higher-risk vulnerabilities first.

Given the ever-changing nature of IT, some ministry web applications will always contain certain vulnerabilities. Having a systematic process to identify the existence of vulnerabilities, and prioritize the mitigation of those identified as critical is essential. Taking a risk-informed approach by compiling, prioritizing, and addressing higher-risk vulnerabilities reduces the risk that ministry web applications can be compromised, and sensitive data lost or inappropriately accessed.



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## Chapter 28

# Social Services—Placing Minister’s Wards in Permanent Homes

### 1.0 MAIN POINTS

By December 2020, the Ministry of Social Services implemented our last outstanding recommendation about its processes to place children that are Minister’s wards in permanent homes. The Ministry places children on its Central Adoption Registry within 120 days, or has adequate reasons for the delays.

### 2.0 INTRODUCTION

#### 2.1 Background

Under *The Child and Family Services Act*, the Ministry is responsible for planning for the long-term development of permanent and long-term wards, including their placement in permanent homes that provide a safe and nurturing environment.<sup>1</sup> Permanent homes may include placement with extended families, long-term foster families, or adoptive families.

After a child becomes a permanent ward, and the 30-day appeal period has passed, the Ministry has 120 days to register the child for adoption. At December 31, 2020, the Ministry had 389 permanent wards in its care.

#### 2.2 Focus of Follow-Up Audit

This audit follows up on a recommendation about the Ministry’s processes to place the Minister’s wards in permanent homes we first made in our *2013 Report – Volume 1*, Chapter 14. We initially made seven recommendations to help the Ministry strengthen its processes.<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. The Ministry’s management agreed with the criteria in the original audit.

We interviewed key Ministry staff, reviewed policies and procedures, and tested a sample of case files of children who became permanent wards between January 1, 2019 and November 30, 2020.

<sup>1</sup> When children have remained in the care of the Ministry for more than 18 months, they may become permanent wards or long-term wards of the Ministry, based on court orders. Long-term wards are children that are unlikely to be adopted, because of the age of the child or other circumstances.

<sup>2</sup> Our *2015 Report – Volume 1*, Chapter 31 reported the Ministry implemented four of the seven recommendations. Our *2017 Report – Volume 1*, Chapter 32 reported the Ministry was making progress towards implementing the remaining three recommendations. By December 2018, as reported in our *2019 Report – Volume 1*, Chapter 39, the Ministry had implemented two of the three outstanding recommendations.



## 3.0 STATUS OF RECOMMENDATION

This chapter 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 December 31, 2020, and the Ministry's actions up to that date.

### 3.1 Children Placed on Adoption Registry as Required

***We recommended the Ministry of Social Services follow its established policy to place those children whose permanency plans includes adoption on the adoption list within 120 days. (2013 Report – Volume 1, p. 173, Recommendation 5; Public Accounts Committee agreement June 17, 2014)***

**Status**—Implemented

The Ministry places children on the Central Adoption Registry within 120 days, or has adequate reasons for the delays.

In October 2019, the Ministry revised its adoption planning policy, and the timeframes for registering children on the Registry.<sup>3</sup> After a child becomes a permanent ward, and the 30-day appeal period has passed following a permanent order, the Ministry has 120 days to register the child for adoption, or complete an 'Exception to a Plan for Adoption/Adoption Deregistration'.<sup>4</sup> The revised policy also allows for two 90-day extension periods in cases where registration for adoption cannot be completed within the initial 120-day period.

Between January 1, 2019 and November 30, 2020, the Ministry had 73 new permanent wards. For the 10 case files tested, we found:

- Two children had Exception to a Plan for Adoption forms completed and will not be registered for adoption (i.e., adoption was not in the best interest of the child)
- Three children were placed on the Registry within 120 days or had an approved extension period
- Five children were not placed on the Registry within 120 days or the approved extension period, but had reasonable explanations for the delays (e.g., new Federal legislation, Ministry preparing and approving a foster family that is going to adopt the child) documented in its IT case management system or the child's paper case file.<sup>5</sup>

Placing children on the Registry as early as possible increases their chance of being adopted, especially for older children as their chances for adoption may be lower.

<sup>3</sup> The Ministry has a Central Adoption Registry which lists all children available for adoption.

<sup>4</sup> The Exception to a Plan for Adoption form is used when it is determined that adoption is not in the child's best interest. For example, a child is being cared for by family and will remain with the family instead of being placed for adoption.

<sup>5</sup> In January 2020, the Federal Government introduced Bill C-92: An Act respecting First Nations, Inuit and Métis children, youth and families. It is aimed at keeping Indigenous children and youth connected to their families, community and culture, specifically as it relates to the provision of child protection services. It includes provisions that allow for Indigenous groups/communities to create policies, procedures, and practices regarding the planning for their children. For example, the new Placement of Indigenous Children form is now required to be on file before the child can be registered for adoption.

## Chapter 29

# Social Services—Protecting Children-in-Care Information in the Linkin System

### 1.0 MAIN POINTS

By November 2020, the Ministry of Social Services fully addressed the remaining recommendation first made in our 2016 audit—to update its Linkin system to better protect the Ministry from known security vulnerabilities. The Linkin system is up-to-date and supported at November 2020.

The Ministry uses Linkin, an electronic case management system, to support the delivery of its programs and services for children-in-care. Linkin contains confidential information about children-in-care (and their families).

Keeping business critical systems, like Linkin, up-to-date makes them less susceptible to compromise and failure.

### 2.0 INTRODUCTION

This chapter describes our second follow-up audit of management's actions on the recommendations we made in 2016.

Our *2016 Report – Volume 1*, Chapter 17 reports the Ministry of Social Services had effective processes to protect information in the Linkin system about children-in-care, other than the areas identified in our four recommendations. Our *2018 Report – Volume 2*, Chapter 47, indicates that by August 2018, the Ministry implemented three of the four recommendations.

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. Ministry management agreed with the criteria in the original audit.

For this follow-up audit, we reviewed and assessed related reports, plans, and IT system settings.

### 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 November 30, 2020, and the Ministry of Social Services' actions up to that date.



## 1.1 Linkin System Kept Up-to-date

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***We recommended the Ministry of Social Services establish a written plan for updating its Linkin system to protect it from known security vulnerabilities.*** (2016 Report – Volume 1, p. 224, Recommendation 1; Public Accounts Committee agreement March 14, 2017)

**Status**—Implemented

The Ministry of Social Services established a plan for keeping the Linkin system up-to-date to protect it from known security vulnerabilities, and is carrying out that plan.

Under its plan, the Ministry expects to upgrade the Linkin application every two years. In addition, the Ministry works in conjunction with its IT service provider, the Ministry of SaskBuilds and Procurement, to routinely update the Linkin system and ensure it receives timely security patches.

We noted the Ministry of Social Services last upgraded the Linkin application in May 2019. We found the Linkin application, along with other components of the system—such as the database and server operating system—were supported as of November 2020.

We also found the Linkin system is patched on a regular basis (e.g., annually).

Being aware of end-of-support dates and updating systems on a timely basis makes IT systems less susceptible to compromise and failure. Routinely upgrading and patching is key to address the risk of exposure for sensitive and business critical systems, like Linkin.

## Chapter 30

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

### 1.0 MAIN POINTS

As one of Saskatchewan's 27 school divisions, located in Saskatoon, St. Paul's Roman Catholic Separate School Division No. 20 is responsible for promoting good student health and physical fitness.<sup>1</sup> Research indicates that physically active and properly nourished students are better learners.<sup>2</sup>

As at March 2021, St. Paul's is not sufficiently limiting the availability of non-healthy food choices it sells and/or serves to students.

While St. Paul's has implemented centralized purchasing for schools and standard menus for use in high school cafeterias, and its standard menus have healthy choices for students (e.g., wraps, salads), they also include items that are not healthy choices, (e.g., cookies, muffins, flavoured water). Furthermore, schools are serving items not on the standard menus (e.g., sweets, iced tea).

Drink vending machines at three high schools we observed contained items on the nutrition policy's restricted list (e.g., carbonated drinks). Whereas, snack vending machines in those schools complied with the Division's policy and contained over 50 percent healthy choices in snacks (e.g., popcorn).

Giving students access to unhealthy food choices puts students at risk of not having the right nourishment to learn. It also increases the risk that St. Paul's will not meet its strategic goal of increasing health and fitness of its students.

### 2.0 INTRODUCTION

#### 2.1 Background

The Education sector strategic plan includes the following as a statement of strategic intent for students: "I am ready to learn—I am safe, healthy and hopeful."<sup>3</sup> Good student health and physical fitness directly supports this strategic intent.

Under *The Education Act, 1995*, Boards of school divisions are responsible for the administration and management of schools, with oversight from the Ministry of Education. The Act specifies that schools are to provide *for instruction and activities to promote the good health and physical fitness* of students.<sup>4</sup>

<sup>1</sup> *The Education Act, 1995* (s.188) specifies that schools are to provide instruction and activities to promote the good health and physical fitness of students.

<sup>2</sup> *Veuglers and Schwartz, Supportive Environments for Learning: Healthy Eating and Physical Activity within Comprehensive School Health* (2010), Canadian Journal of Public Health p. 7.

<sup>3</sup> [pubsaskdev.blob.core.windows.net/pubsask-prod/100620/2019-03-11%252BL1%252BC4%252BMMatrix-ENG-FINAL.pdf](https://pubsaskdev.blob.core.windows.net/pubsask-prod/100620/2019-03-11%252BL1%252BC4%252BMMatrix-ENG-FINAL.pdf) (9 December 2020).

<sup>4</sup> *The Education Act, 1995* (section 188).



Located in Saskatoon, St. Paul's Roman Catholic Separate School Division No. 20 is Saskatchewan's largest Catholic school division with 50 schools and over 19,000 students.<sup>5</sup> In common with other school divisions, it is responsible for promoting good health and physical fitness of students within its division.

One of St. Paul's strategic priorities is improving student learning and achievement; one of the supporting goals is *to commit to increasing the health and fitness of all students by ensuring a culture of student engagement and participation as foundational in our curricular and extra-curricular opportunities for students.*<sup>6</sup>

Healthy diets are a well-established factor that reduce the risk of obesity, heart disease, stroke, cancer, and diabetes.<sup>7</sup>

## 2.2 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on the one remaining recommendation first made in our *2015 Report – Volume 2*, Chapter 40 about St. Paul's processes to promote good student health and physical fitness.<sup>8</sup>

By February 2019, St. Paul's had implemented four of the five recommendations made in our *2015 Report – Volume 2*, Chapter 40.<sup>9</sup> St. Paul's established central monitoring of partnerships and community relationships, and had set clear expectations for promoting physical activity and making school-level decisions about which health and physical fitness initiatives to select. Furthermore, it was actively monitoring initiatives used to promote good student health and physical fitness.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance (CSAE 3001)*. To evaluate St. Paul's progress towards meeting our recommendations, we used the relevant criteria from the original audit. St. Paul's management agreed with the criteria in the original audit. We interviewed principals of selected schools and a key management staff of St. Paul's division. We conducted on-site observations, examined St. Paul's policies and other documentation applicable to the subject matter.

## 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 March 15, 2021, and St. Paul's actions up to that date.

<sup>5</sup> St. Paul's Roman Catholic School Division No. 20, *2019–20 Annual Report*, p. 7.

<sup>6</sup> St. Paul's Roman Catholic School Division No. 20, *Board of Education Priorities and Goals 2016–2020*.

<sup>7</sup> Candelas, Armstrong, and Xuereb, *Diet and Physical Activity in Schools: Perspectives from the Implementation of the WHO Global Strategy on Diet, Physical Activity and Health*, in *Canadian Journal of Public Health, Supportive Environments for Learning: Healthy Eating and Physical Activity within Comprehensive School Health*, July/August 2010 p. S 28.

<sup>8</sup> *2015 Report – Volume 2*, Chapter 40, pp. 284-291.

<sup>9</sup> *2019 Report – Volume 1*, Chapter 40, pp. 347-352.

### 3.1 Unhealthy Food Choices Not Sufficiently Limited at High Schools

***We recommended St. Paul's Roman Catholic Separate School Division No. 20 provide principals with criteria to guide their assessment and selection of health and physical fitness initiatives at the school level.***

(2015 Report – Volume 2, p. 288, Recommendation 3; Public Accounts Committee agreement September 14, 2016)

**Status**—Partially Implemented with respect to health initiatives<sup>10</sup>

As of March 2021, St. Paul's Roman Catholic Separate School Division No. 20 is not always making sure its schools limit the non-healthy food choices it makes available to students.

St. Paul's nutrition policy guides provision of all foods served or sold to students. In January 2020, St. Paul's provided schools with standard menus and centralized food purchases for schools.

We found the standard menus contained items that did not comply with St. Paul's nutrition policy (e.g., vitamin water, cookies).

We found items in the snack vending machines of all three high schools we visited (a total of five vending machines) met the nutrition Policy's percentage of healthy items, with percentages ranging from 56 percent to 70 percent. The nutrition policy states that 50 percent of the items in snack vending machines will be heart healthy.<sup>11</sup>

However, we found some items in the five drink vending machines located in three high schools we visited that did not comply with the nutrition policy, and included unhealthy food choices like carbonated drinks and sports drinks. The nutrition policy restricts items in drink vending machines from including drinks such as regular or diet carbonated drink, milk or sports drinks.

In addition, in our testing of three high schools menus, we found two schools were offering students items not on the standard menus and contrary to the nutrition policy, such as sweets and sugary drinks (e.g., iced tea, sports drinks).

As of March 2021, St. Paul's plans to form a committee to revise its nutrition policy. It expects the committee to include staff from the division, schools, and high school cafeterias. St. Paul's expects to have the committee in place by May 2021 with a new policy in place by June 2021. St. Paul's has provided guidance to schools to allow ginger ale and iced tea. It expects to include these items in the revised policy. It also plans to review the items in its standard menus.

Not sufficiently limiting non-healthy food choices available to students puts students at risk of not having the right nourishment to learn. It also increases the risk St. Paul's will not meet its strategic goal of increasing the health and fitness of its students.

<sup>10</sup> As our 2019 Report – Volume 2, Chapter 40 notes St. Paul's gave guidance to schools and participated in regular discussions about the physical activities offered in schools. Our testing found schools offered physical activities consistent with the Division's Physical Activity policy. In March 2021, principals told us that prior to the pandemic they were regularly discussing opportunities with their superintendent about selecting physical activity initiatives for schools. As of March 2021, no physical activities are taking place in schools due to COVID-19.

<sup>11</sup> Heart healthy foods include items such as whole grains and oats.



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## Chapter 31 Water Security Agency—Regulating Drainage

### 1.0 MAIN POINTS

By December 2020, the Water Security Agency implemented two recommendations, partially implemented eight recommendations, and made limited progress on one recommendation made in our 2018 audit of its processes to regulate drainage of agricultural lands.

Since December 2017 (the timing of our original audit), the Agency finalized all but one key policy pertaining to regulating drainage and implemented a five-year timeframe for review of all drainage policies, including its Watershed Vulnerability Map. It also created key risk assessment documents (e.g., checklists and worksheets) for staff to fully document their assessment of a drainage application's risk, set internal deadlines for key steps in the request for assistance enforcement process, and improved reporting to senior management and the public.

The Agency still needs to:

- Develop policies around wetland retention and water quality
- Finalize and approve its *Request for Assistance Manual*, which sets how staff address and respond to request for assistance files
- Take enforcement action when the landowners do not resolve drainage complaints in a timely manner
- Document its consideration of the large-scale water impact of proposed drainage projects
- Actively search for unapproved drainage in high-risk regions of the province
- Report more details on enforcement action taken to senior management

Leaving unapproved drainage works in high-risk areas increases the risk of flooding of neighbouring farmland and the receiving water body, of water quality issues in the receiving water body, and of the loss of wetlands. Also, not taking timely, effective enforcement action against unapproved drainage works increases the risk of further damage to neighbouring farmland and downstream impacts.

### 2.0 INTRODUCTION

Under *The Water Security Agency Act*, the Water Security Agency is responsible for managing, administering, developing, controlling, and protecting water, watersheds and related land resources in the province.<sup>1</sup>

<sup>1</sup> *The Water Security Agency Act*, s.5 (a).



Saskatchewan has the greatest area of watersheds with no natural outlets in Canada. This means agricultural drainage often moves water into local lakes, sloughs, or wetlands instead of a river system.

Drainage is any action taken, or intended, for the removal or lessening of the amount of water from land.<sup>2</sup> Unapproved projects, and particularly projects which do not include appropriate mitigation measures to address flooding, water quality, and wildlife habitat concerns – can result in drainage reducing wetlands. Wetlands improve water quality by removing sediments, nutrients (e.g., phosphates and nitrogen in the water runoff from farmland), and pathogens before the water reaches main water bodies (e.g. lakes).

## 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 12, concluded that for the 12-month period ended December 15, 2017, the Water Security Agency had, other than the matters reflected in our eleven recommendations, effective processes to regulate the drainage of water on agricultural lands in the geographic areas assigned to the Yorkton and Weyburn regional offices.

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 Agency agreed with the criteria in the original audit.

In this follow-up audit, we, interviewed Agency staff responsible for regulating drainage, examined relevant documents including the Agency's policies, and tested samples of drainage application approvals, and Request for Assistance files.

## 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 December 31, 2020 and the Water Security Agency's actions up to that date.

### 3.1 Finalization of Policies Occurring

***We recommended the Water Security Agency approve finalized policies related to its regulation of drainage of water on agricultural land. (2018 Report – Volume 1, p. 186, Recommendation 1; Public Accounts Committee agreement September 15, 2019)***

**Status—Partially Implemented**

<sup>2</sup> *The Water Security Agency Act*, s.2 (f).

As of December 2020, the Water Security Agency has approved seven of eight policies that were in draft form in 2017 (during the original audit). It established a policy review and approval process.

Since December 2017, the Agency developed a formal process for reviewing policies. It set a timeframe for how often policies need revisiting (i.e., five years from the date of approval). We found no policies exceeded the five-year approval date.

The Agency also implemented a new policy approval process where the Agency's newly created Policy Team approve policies. Previously, senior management committees approved policies.

The Agency has not approved and/or implemented a policy, *Request for Assistance Manual*. Not having consistent or clear direction when addressing unapproved drainage works (e.g., when to take enforcement action and what kind of action to take).

## 3.2 Watershed Risk Assessment and Documentation Improving

***We recommended Water Security Agency staff consistently follow established processes to document risk assessments when reviewing applications for drainage works.*** (2018 Report – Volume 1, p. 192, Recommendation 6; Public Accounts Committee agreement September 15, 2019)

**Status**—Partially Implemented

***We recommended the Water Security Agency require documentation of all aspects of watershed risk before approving applications for drainage works.*** (2018 Report – Volume 1, p. 189, Recommendation 2; Public Accounts Committee agreement September 15, 2019)

**Status**—Partially Implemented

The Agency created policies and worksheets to assist staff in considering and documenting risks associated with a drainage approval file, but have not consistently used these documents.

The Agency created a *Drainage Application – Project Overview Policy* to provide guidance to its staff on the process followed when reviewing a drainage approval file. Part of this policy discusses staff using the Agency's technical review checklist that sets out the process staff follow when reviewing drainage approval files.

We found the checklist and policy were clear and easily understandable. The checklist contains specific considerations staff must make when reviewing a drainage approval file (e.g., land location, reviewing old photos of the landscape to note the change in water storage on the property).<sup>3</sup> While the checklist contains a brief consideration of the watershed vulnerability, it does not sufficiently document this assessment.

<sup>3</sup> The audit team assessed the adequacy of this checklist during the 2017 audit.



In January 2020, the Water Security Agency created a worksheet (i.e., Risk Framework Worksheet) for staff to use when documenting their assessment of watershed vulnerability when reviewing applications for drainage approval.<sup>4</sup>

We noted the new worksheet appropriately identifies, in sufficient detail, and guides the documentation of all considerations staff must make when assessing applications for drainage approvals, other than consideration for the large-scale impact of the project (i.e., ending point of water flow).

Our testing of 20 drainage approval files found 12 instances where staff did not use the worksheet to document their assessment of risk to the watershed and management could not provide an explanation why. In all 20 drainage approval files tested, Agency staff documented the steps of their review on the Agency developed checklist.

Not keeping sufficient documentation decreases the ability to properly supervise whether staff carry out steps as expected, and the results of their work. Also, the Agency must consider all aspects of risk from both a local and entire watershed perspective, and document that consideration, before approving proposed drainage works. Lack of such consideration may result in inappropriate approvals resulting in more water going to a receiving body of water than it can handle.

### 3.3 Formal Process for Periodic Reassessment of Watersheds Developed

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***We recommended the Water Security Agency formalize a process to periodically reassess watersheds in the province for risk of flooding.***

*(2018 Report – Volume 1, p. 189, Recommendation 3; Public Accounts Committee agreement September 15, 2019)*

**Status**—Implemented

Since 2017, the Water Security Agency developed a process for the periodic review of its Watershed Vulnerability Map for key circumstances that affect water flow and levels.

The Agency's Watershed Vulnerability Map identifies areas of the province at greatest risk of flooding, water quality issues and erosion. Drainage can further increase these risks.

Since our 2017 audit, the Agency finalized its *Drainage Risk Framework Policy*.<sup>5</sup> The policy includes the Watershed Vulnerability Map. The next review of the policy will take place in December 2022.

Periodic updates of the Watershed Vulnerability Map help the Agency to identify the highest-risk areas and allocate its resources based on risk. In addition, the Watershed Vulnerability Map risk assessment process needs periodic review as circumstances (e.g., precipitation events) may change the risk rating of a particular area.

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<sup>4</sup> Watershed vulnerability refers to the risk of flooding as a result of drainage flowing to its endpoint, increased water quality issues as a result of drained agricultural lands, significant loss of wetlands, etc.

<sup>5</sup> This was one of the seven policies the Agency approved since our 2017 audit.



### 3.4 Work Required on Water Quality and Wetland Retention Policies

***We recommended the Water Security Agency develop policies on water quality and wetland requirements to use when assessing risks of drainage works.*** (2018 Report – Volume 1, p. 190, Recommendation 4; Public Accounts Committee agreement September 15, 2019)

**Status**—Not Implemented

As of December 2020, the Water Security Agency had not fully developed a policy on water quality or wetland retention requirements.

The Agency continues to have limited policies around wetland retention and water quality. Agency staff noted the Agency intends to incorporate water quality and wetland retention into a single *Impact Mitigation Policy*, which is in draft form as of December 2020.

Water quality is important to consider, as staff should not approve drainage works where water draining from agricultural land reduces water quality of the lake or river into which water is being drained (e.g., increasing nutrients).<sup>6</sup>

Wetland retention is also important because wetlands help improve water quality (e.g., remove sediments from water). In some cases, wetlands help replenish aquifers.<sup>7</sup> Preserving wetlands is critical since the majority of rural Saskatchewan gets water from aquifers. Wetlands also provide habitat for waterfowl, insects and aquatic animals (e.g., frogs).

By not having approved and implemented policies on wetland quality and water retention, the Agency increases the risk that staff may not adequately consider these aspects and approve drainage works that may negatively impact water quality and reduce wetlands.

### 3.5 Published Timeframes in Process

***We recommended the Water Security Agency publish expected timeframes to resolve requests for assistance on unapproved drainage works.*** (2018 Report – Volume 1, p. 191, Recommendation 5; Public Accounts Committee agreement September 15, 2019)

**Status**—Partially Implemented

The Water Security Agency established internal deadlines to resolve requests for assistance files on unapproved drainage works, but has not published those timeframes.<sup>8</sup>

Our review of the Agency's internal deadlines found them adequate. The Agency documented its internal timeframes on request for assistance resolution in its *Request for Assistance Policy*. **Figure 1** sets out the Agency's internal timeframes for each step of the request for assistance process.

<sup>6</sup> Nutrients, such as phosphates and nitrogen, increase algal blooms causing undesirable consequences in lakes and rivers.

<sup>7</sup> Aquifers are underground formations that can provide usable quantities of water.

<sup>8</sup> Requests for assistance are files where someone calls the Agency to complain of a neighbour draining water onto their property. Request for Assistance is the name the Agency uses for a complaint received.



**Figure 1—Water Security Agency Internal Timeframes for Request for Assistance Files**

- **30 days:** for the person with the illegal drainage to voluntarily come into compliance with Agency legislative requirements (i.e., close works or get drainage works approved) once the Agency sends a Recommendation Letter that includes the deadline by which drainage works must be closed
- **2 weeks:** after the deadline in the Recommendation Letter, Agency staff must complete a compliance inspection to verify the illegal drainage has been appropriately resolved
- **1 month:** if the Agency notes the person with illegal drainage has still not followed Agency staff's recommendations, one month after the Recommendation Letter deadline, Agency staff shall issue an Order for drainage works closure
- **10 days:** after Agency staff issue the Order, the Order is registered against the person with the illegal drainage works' property title.<sup>A</sup>

Source: Adapted from the Agency's Request for Assistance policy.

<sup>A</sup> An Order registered against title will make the land unsellable until the illegal drainage works are approved by the Agency or closed.

Having internal deadlines for staff on request for assistance files helps ensure timely resolution of these files. Untimely resolution of requests for assistance increases the risk of further damage to neighbouring farmland and downstream.

To increase public confidence, it is important for the Agency to keep the party who requests assistance informed, and be transparent during the process as the Agency continues with its Agricultural Water Management Strategy.<sup>9</sup>

### 3.6 Request for Assistance Process Followed

***We recommended the Water Security Agency consistently follow established processes when assessing requests for assistance on unapproved drainage works.*** (2018 Report – Volume 1, p. 193, Recommendation 7; Public Accounts Committee agreement September 15, 2019)

**Status—Implemented**

The Water Security Agency set and followed its established processes when assessing the validity of requests for assistance on unapproved drainage works.

When the Agency receives a request for assistance, staff complete a desktop review. This review involves looking at historical photos to current landscape photos to verify a change in standing water on the property in question. In addition, the Agency assigns staff to the file who may complete a physical inspection of the property. We found the process to review the validity of a request for assistance reasonable.

For all eight request for assistance files we tested, staff consistently followed established processes set out in policy for verifying validity (e.g., desktop review, interviews, onsite inspections performed).

Having an established process for Agency staff to determine the validity of a request for assistance helps ensure staff only spend their time working on resolving valid illegal drainage works.

<sup>9</sup> The Agency's Agricultural Water Management Strategy encourages effective drainage while protecting the environment, and bringing unapproved drainage works into compliance with the law.

### 3.7 Escalation Process in Progress

**We recommended Water Security Agency staff follow established processes to escalate identified actions on unapproved drainage works within a reasonable timeframe.** (2018 Report – Volume 1, p. 194, Recommendation 8; Public Accounts Committee agreement September 15, 2019)

**Status**—Partially Implemented

As noted in **Section 3.5**, the Agency created a *Request for Assistance Policy*, providing staff with timeframes for when escalation of enforcement activities should occur. However, Agency staff were not escalating actions taken on identified non-compliance in accordance with policy.

In addition to its *Request for Assistance Policy*, the Agency drafted a *Request for Assistance Manual*. The Manual provides staff with a detailed description of the process to follow when addressing request for assistance files. We found the Manual comprehensive and easily understandable. As at December 2020, the Agency had not approved nor finalized its Manual.

Over one-half of the 16 request for assistance files we tested were missing at least one key step in the process. We found:

- Five instances where staff had not created a Compliance Plan (i.e., plan for how the Agency planned to obtain compliance by the person with illegal drainage works)
- One instance where staff had not issued a Recommendation Letter, with no valid explanation as to why. According to Agency policy, staff send a Recommendation Letter to the person with illegal drainage works before creating the Compliance Plan
- Eight instances where Agency staff had not escalated action on non-compliance with no rationale as to why

Not taking timely enforcement action on unapproved drainage works increases the risk of landowners not achieving compliance or not changing the culture (i.e., this is my land I can do what I want on it). In addition, further damage may occur to surrounding landowners and the receiving waterbody if resolution does not occur timely.

### 3.8 Unapproved Drainage Prioritization Plan Improving

**We recommended the Water Security Agency develop a prioritization plan to identify and bring unapproved high-risk drainage works into compliance.** (2018 Report – Volume 1, p. 195, Recommendation 9; Public Accounts Committee agreement September 15, 2019)

**Status**—Partially Implemented

The Agency created its *Drainage Compliance Planning and Assurance Policy* in November 2019. The Policy includes a section on prioritizing drainage projects based on associated



risk (e.g., immediate threat to public safety, severe threat to quality); however, as of December 2020, this policy has not been fully implemented.

At this time, the Agency continues to rely on other processes for staff to identify unapproved drainage works in the province (see **Figure 2**).

**Figure 2—Water Security Agency Processes to Identify Unapproved Drainage Works**

- Request for assistance process (see **Section 3.6**)
- Voluntary submission of drainage applications and subsequent analysis of the wetlands on the applicant's land
- Other branches at the Agency or other government organizations advising it of unapproved drainage works during the course of their regulatory processes (e.g. the Ministry of Agriculture's crown land sale reviews, the Ministry of Government Relation's subdivision review requests)
- Agency staff finding unapproved drainage while working in the field (e.g., finding drainage in a farmers field while driving out to an inspection for a request for assistance file)

Source: Adapted from the Agency's records.

As of December 2020, the Agency does not use surveillance (i.e., drones) as a means of detecting unapproved drainage works. It does not have a plan to address unapproved drainage in high or severe risk areas of the Province (based on its Watershed Vulnerability Map).

Leaving unapproved drainage works in high-risk areas increases the risk of flooding of neighboring farmland and the receiving water body, water quality issues in receiving water body, and loss of wetlands.

### 3.9 Reporting to Senior Management Improving

***We recommended the Water Security Agency periodically report to senior management on actions taken to address non-compliance of unapproved drainage works.*** (2018 Report – Volume 1, p. 195, Recommendation 10; Public Accounts Committee agreement September 15, 2019)

**Status**—Partially Implemented

During 2020, the Water Security Agency improved reporting to senior management but continues to miss key information about the Agency's activities undertaken to address non-compliance of unapproved drainage works.

The Regulatory Division provides weekly reporting to senior management during its Regulatory Division meetings. Weekly reports include the following topics:

- Update on meetings held with drainage networks, watershed associations
- Issues experienced by the Branch (e.g., challenging files)
- Policy updates and policy reviews underway

- Progress activities (i.e., request for assistance received, number of request for assistance files where the landowner obtained drainage approval, number of orders issued, enforcement action taken) broken down by current period and year-to-date.
- Priority files (i.e., which request for assistance files staff are focusing attention on) including updates of where each request for assistance file is
- Drainage approvals broken out by Northern and Southern Region

The Agency's reporting to senior management provides a section for the Agency to report on enforcement action taken. As of December 2020, the Agency reported no files where enforcement action was taken. Rather, the Agency has been working to address several complex drainage approval files using priority drainage networks, through which drainage approvals may be achieved with the assistance of a Qualified Person (i.e., someone with the technical expertise, such as an engineer, to assist with the application process).<sup>10</sup>

However, reports do not indicate whether the Branch is meeting targets set out in its annual work plan, nor include analysis of enforcement activities related to high-risk basins or the number of unapproved drainage works brought to compliance in high-risk basins by location (e.g., through closure or approval). Instead, the Agency's strategic internal reporting includes quarterly Executive updates about drainage approval progress (activities).

Improved reporting would help senior management determine if its strategies and staff's actions were focused in priority areas as it expects.

### 3.10 Public Reporting Improving

***We recommended the Water Security Agency report to the public on its regulation of the drainage of water on agricultural lands.*** (2018 Report – Volume 1, p. 196, Recommendation 11; Public Accounts Committee agreement September 15, 2019)

**Status**—Partially Implemented

While the Water Security Agency has improved its reporting to the public, reporting does not include sufficient information about key activities to regulate drainage of water on agricultural lands.

Each year, the Agency sets goals in its Annual Plan and reports against these goals in its Annual Report as at March 31 each year.

We found the Agency's 2019-20 Annual Report included:

- The number of request for assistance files resulting in drainage works closure
- The number of quarter sections that the Agency approved drainage works
- The total number of quarter sections meeting the Agency's regulatory requirements

<sup>10</sup> A priority drainage network is a number of landowners who own property in the regions of the province that the Agency classifies as high or severe-risk, obtaining one approval to drain agricultural lands (i.e., a drainage network).



In addition to its Annual Report, the Agency issues public news releases informing the public of important information. For example, in May 2019, the Agency issued a public news release stating the Agency had approved a record number of drainage works. This was the result of one large drainage network approval file the Agency made in 2018–19 (e.g., Vipond Creek Network where one single approval file approved more than 17,000 acres).<sup>11</sup>

The Agency does not publish information about the total number of requests for assistance received by the Agency during the year nor information on enforcement action taken—key regulatory activities.

Improved reporting to the public would help landowners and the public understand the importance of the Agricultural Water Management Strategy and the Agency's process in implementing its Strategy.

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<sup>11</sup> [www.wsask.ca/About-WSA/News-Releases/2019/May/Record-Number-Of-Saskatchewan-Producers-Approved-For-Organized-And-Sustainable-Agricultural-Water-Management/](http://www.wsask.ca/About-WSA/News-Releases/2019/May/Record-Number-Of-Saskatchewan-Producers-Approved-For-Organized-And-Sustainable-Agricultural-Water-Management/) (11 March 2021).



## 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 April 27, 2021. 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 April 27, 2021 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
Government of Saskatchewan – Summary Financial Statements	March 31	Complete	No
<b>Ministries and Secretariats:</b>			
Ministry of Advanced Education	March 31	Complete	Yes/2020 V2
Ministry of Agriculture	March 31	Complete	Yes/2020 V2
Ministry of Corrections, Policing, and Public Safety	March 31	Complete	Yes/2020 V2 & 2021 V1
Ministry of Education	March 31	Complete	Yes/2021 V1
Ministry of Energy and Resources	March 31	Complete	Yes/2021 V1
Ministry of Environment	March 31	Complete	Yes/2020 V2
Ministry of Finance	March 31	Complete	Yes/2020 V2
Ministry of Government Relations	March 31	Complete	Yes/2020 V2 & 2021 V1
Ministry of Health	March 31	Complete	Yes/2020 V2 & 2021 V1
Ministry of Highways	March 31	Complete	Yes/2020 V2 & 2021 V1
Ministry of Immigration and Career Training	March 31	Complete	Yes/2021 V1
Ministry of Justice and Attorney General	March 31	Complete	Yes/2020 V2 & 2021 V1
Ministry of Labour Relations and Workplace Safety	March 31	Complete	No
Ministry of Parks, Culture and Sport	March 31	Complete	No
Ministry of SaskBuilds and Procurement	March 31	Complete	Yes/2021 V1
Ministry of Social Services	March 31	Complete	Yes/2020 V2 & 2021 V1
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/2021 V1
<b>Crown Agencies:</b>			
Agricultural Credit Corporation of Saskatchewan	March 31	Complete	No



Agency	Fiscal Year-End <sup>A</sup>	Status on April 27, 2021 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
All Nations' Healing Hospital Inc.	March 31	Complete	Yes/2020 V2
Bethany Pioneer Village Inc.	March 31	Complete	No
Border-Line Housing Company (1975) Inc.	March 31	Complete	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	Complete	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	Complete	No
Duck Lake and District Nursing Home Inc.	March 31	Complete	No
eHealth Saskatchewan	March 31	Complete	Yes/2020 V2 & 2021 V1
Financial and Consumer Affairs Authority of Saskatchewan	March 31	Complete	No
Foyer St. Joseph Nursing Home Inc.	March 31	Complete	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	No
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	No
Île-à-la Crosse School Division No. 112	August 31	Complete	No
Innovation Saskatchewan	March 31	Complete	No
Jubilee Residences Inc.	March 31	Complete	No
Lakeview Pioneer Lodge Inc.	March 31	Complete	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	No
Lloydminster Roman Catholic Separate School Division No. 89	August 31	Complete	No
Lumsden & District Heritage Home Inc.	March 31	Complete	No
Lutheran Sunset Home of Saskatoon	March 31	Complete	No
Mennonite Nursing Homes Incorporated	March 31	Complete	No

Agency	Fiscal Year-End <sup>A</sup>	Status on April 27, 2021 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
Métis Development Fund	December 31	Complete	No
Mont St. Joseph Home Inc.	March 31	Complete	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	No
North West College	June 30	Complete	No
Northern Lights School Division No. 113	August 31	Complete	Yes/2021 V1
Northlands College	June 30	Complete	Yes/2020 V2 & 2021 V1
Northwest School Division No. 203	August 31	Complete	Yes/2021 V1
Oliver Lodge	March 31	Complete	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	No
Prince Albert Roman Catholic Separate School Division No. 6	August 31	Complete	No
Providence Place for Holistic Health Inc.	March 31	Complete	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	Complete	No
Radville Marian Health Centre Inc.	March 31	Complete	No
Raymore Community Health and Social Centre	March 31	Complete	Yes/2020 V2
Regina Lutheran Housing Corporation	March 31	Complete	No
Regina Roman Catholic Separate School Division No. 81	August 31	Complete	Yes/2020 V2
Regina School Division No. 4	August 31	Complete	Yes/2021 V1
Santa Maria Senior Citizens Home Inc.	March 31	Complete	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 V2 & 2021 V1
Saskatchewan Health Research Foundation	March 31	Complete	No
Saskatchewan Heritage Foundation	March 31	Complete	No
Saskatchewan Housing Corporation	December 31	Complete	Yes/2021 V1
Saskatchewan Impaired Driver Treatment Centre Board of Governors	March 31	Complete	Yes/2020 V2
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 & 2021 V1



Agency	Fiscal Year-End <sup>A</sup>	Status on April 27, 2021 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
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	No
Saskatchewan Rivers School Division No. 119	August 31	Complete	No
Saskatoon Convalescent Home	March 31	Complete	No
Saskatoon School Division No. 13	August 31	Complete	Yes/2020 V2 & 2021 V1
SaskBuilds Corporation	March 31	Complete	No
Sherbrooke Community Society Inc.	March 31	Complete	No
SLGA Holding Inc.	March 31	Complete	No
SLGA Retail Inc.	March 31	Complete	No
Societe Joseph Breton Inc.	March 31	Complete	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	Complete	No
St. Ann's Senior Citizens Village Corporation	March 31	Complete	No
St. Anthony's Hospital	March 31	Complete	No
St. Joseph's Home for the Aged	March 31	Complete	No
St. Joseph's Hospital (Grey Nuns) Gravelbourg	March 31	Complete	No
St. Joseph's Hospital of Estevan	March 31	Complete	No
St. Joseph's Integrated Health Centre Macklin	March 31	Complete	No
St. Paul Lutheran Home of Melville	March 31	Complete	No
St. Paul's Roman Catholic Separate School Division No. 20	August 31	Complete	Yes/2021 V1
St. Paul's (Grey Nuns) of Saskatoon	March 31	Note 1	
St. Peter's Hospital	March 31	Complete	No
Strasbourg and District Health Centre	March 31	Complete	No
Sun West School Division No. 207	August 31	Complete	Yes/2021 V1
Sunnyside Adventist Care Centre	March 31	Complete	No
TecMark International Commercialization Inc.	March 31	Note 1	
The Salvation Army—William Booth Special Care Home	March 31	Complete	No
Tourism Saskatchewan	March 31	Complete	No
Warman Mennonite Special Care Home Inc.	March 31	Complete	No
Water Security Agency	March 31	Complete	Yes/2020 V2 & 2021 V1
Western Development Museum	March 31	Complete	Yes/2020 V2
Workers' Compensation Board	December 31	Complete	Yes/2021 V1
<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	

Agency	Fiscal Year-End <sup>A</sup>	Status on April 27, 2021 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
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 6	
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, Note 7	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	No
Saskatchewan Immigrant Investor Fund Inc.	March 31	Complete, Note 7	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	No
SaskEnergy Incorporated	March 31	Complete	No
SaskPower International, Inc.	March 31	Note 5	
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	
<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



Agency	Fiscal Year-End <sup>A</sup>	Status on April 27, 2021 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
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	Delayed	No
Health Shared Services Saskatchewan Disability Income Plan – CUPE	December 31	Delayed	No
Health Shared Services Saskatchewan Disability Income Plan – SEIU	December 31	Delayed	No
Health Shared Services Saskatchewan Disability Income Plan – General	December 31	Delayed	No
Health Shared Services Saskatchewan Disability Income Plan – SUN	December 31	Delayed	No
Health Shared Services Saskatchewan Group Life Insurance Plan	December 31	Delayed	No
Health Shared Services Saskatchewan In-Scope Extended Health/Enhanced Dental Plan	December 31	Delayed	No
Health Shared Services Saskatchewan Out-of-Scope Extended Health/Enhanced Dental Plan	December 31	Delayed	No
Health Shared Services Saskatchewan Out-of-Scope Flexible Health/Spending Plan	December 31	Delayed	No
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	Delayed	Yes/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, Note 4	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	Delayed	No
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 Service Superannuation Plan	March 31	Complete	No

Agency	Fiscal Year-End <sup>A</sup>	Status on April 27, 2021 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
Public Guardian and Trustee of Saskatchewan	March 31	Complete	No
Queen's Printer Revolving Fund	March 31	Complete	No
Residential Tenancies, Office of – Director's Trust Account	March 31	Complete	Yes/2021 V1
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 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 Professional Teachers Regulatory Board	August 31	Complete	No
Saskatchewan Technology Fund	March 31	Complete	
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
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



Agency	Fiscal Year-End <sup>A</sup>	Status on April 27, 2021 <sup>B</sup>	Matters Reported / Related Report(s) <sup>C</sup>
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 Eligible Employees at the University of Saskatchewan	December 31	Complete	No
Pension Plan for the Academic and Administrative Employees of the University of Regina	December 31	Complete	No
Technical Safety Authority of Saskatchewan	June 30	Complete	No
University of Regina Non-Academic Pension Plan	December 31	Complete	No
University of Regina	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
University of Saskatchewan	April 30	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: This entity wound up effective December 31, 2020.

Note 5: This entity was dissolved effective January 15, 2021.

Note 6: This entity was dissolved effective January 22, 2021.

Note 7: These entities have been wound up and amalgamated with CIC Asset Management Inc. as of April 1, 2021.

<sup>A</sup> Fiscal Year-end	Year of last completed integrated audit
March 31	2020
April 30	2020
May 31	2020
June 30	2020
August 31	2020
September 30	2020
December 31	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 V2" – significant issues are reported in our *2020 Report – Volume 2*.

"Yes/2021 V1" – significant issues are reported in our *2021 Report – Volume 1*.

## 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 August 31, 2020 and December 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, the 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 2020-21 – Volume 1* will include the Office's independent auditor's report on the Government's Summary Financial Statements for the year ended March 31, 2021.

<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 August 1, 2020 and December 31, 2020. As noted below, sometimes the Office varies the extent of its participation.

The table groups agencies and corporations by: school divisions; other Crown agencies, special purpose and trust funds; 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>School Divisions</b>				
Chinook School Division No. 211	Stark & Marsh CPA LLP	August 31	See <sup>A</sup>	Yes
Christ the Teacher Roman Catholic Separate School Division No. 212	Miller Moar Grodecki Kreklewich & Chorney Chartered Professional Accountants	August 31	See <sup>A</sup>	Yes
Conseil des Écoles Fransaskoises No. 310	Deloitte LLP	August 31	See <sup>A</sup>	Yes
Creighton School Division No. 111	Kendall & Pandya Chartered Professional Accountants	August 31	See <sup>A</sup>	Yes
Good Spirit School Division No. 204	Miller Moar Grodecki Kreklewich & Chorney Chartered Professional Accountants	August 31	See <sup>A</sup>	Yes
Holy Family Roman Catholic Separate School Division No. 140	Grant Thornton LLP	August 31	See <sup>A</sup>	Yes
Holy Trinity Roman Catholic Separate School Division No. 22	Virtus Group LLP	August 31	See <sup>A</sup>	Yes
Horizon School Division No. 205	MNP LLP	August 31	See <sup>A</sup>	Yes
Île-à-la Crosse School Division No. 112	Vantage Chartered Professional Accountants	August 31	See <sup>A</sup>	Yes
Light of Christ Roman Catholic Separate School Division No. 16	Vantage Chartered Professional Accountants	August 31	See <sup>A</sup>	Yes
Living Sky School Division No. 202	Holm Raiche Oberg P.C. Ltd. Chartered Professional Accounts	August 31	See <sup>A</sup>	Yes
Lloydminster Roman Catholic Separate School Division No. 89	MNP LLP	August 31	See <sup>A</sup>	Yes

Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
Lloydminster Public School Division No. 99	Vantage Chartered Professional Accountants	August 31	See <sup>A</sup>	Yes
North East School Division No. 200	Virtus Group LLP	August 31	Yes	Yes
Northern Lights School Division No. 113	Deloitte LLP	August 31	Yes	Yes
Northwest School Division No. 203	Grant Thornton LLP	August 31	See <sup>A</sup>	Yes
Prairie South School Division No. 210	Deloitte LLP	August 31	See <sup>A</sup>	Yes
Prairie Spirit School Division No. 206	MNP LLP	August 31	Yes	Yes
Prairie Valley School Division No. 208	MNP LLP	August 31	See <sup>A</sup>	Yes
Prince Albert Roman Catholic Separate School Division No. 6	Deloitte LLP	August 31	Yes	Yes
Regina Roman Catholic Separate School Division No. 81	Dudley & Company LLP	August 31	Yes	Yes
Regina School Division No. 4	MNP LLP	August 31	Yes	Yes
Saskatchewan Rivers School Division No. 119	MNP LLP	August 31	See <sup>A</sup>	Yes
Saskatoon School Division No. 13	Deloitte LLP	August 31	Yes	Yes
South East Cornerstone School Division No. 209	Virtus Group LLP	August 31	Yes	Yes
St. Paul's Roman Catholic Separate School Division No. 20	MNP LLP	August 31	Yes	Yes
Sun West School Division No. 207	Close Hauta Bertoia Blanchette Chartered Professional Accountants	August 31	See <sup>A</sup>	Yes
<b>Other Crown Agencies, Special Purpose and Trust Funds</b>				
Métis Development Fund	Deloitte LLP	December 31	Yes	Yes
Municipal Employees' Pension Commission	KPMG LLP	December 31	Yes	Yes
Municipal Financing Corporation of Saskatchewan	Dudley & Company LLP	December 31	Yes	Yes
Pension Plan for the Non-Teaching Employees of the Saskatoon School Division No. 13	Deloitte LLP	December 31	Yes	Yes
Saskatchewan Housing Corporation	KPMG LLP	December 31	Yes	Yes
Saskatchewan Pension Plan	KPMG LLP	December 31	Yes	Yes
Saskatchewan Professional Teachers Regulatory Board	Virtus Group LLP	August 31	Yes	Yes
Saskatchewan Research Council Employees' Pension Plan	Deloitte LLP	December 31	Yes	Yes
Workers' Compensation Board	KPMG LLP	December 31	Yes	Yes



Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
Pension Plan for Employees of the Saskatchewan Workers' Compensation Board	KPMG LLP	December 31	Yes	Yes
<b>CIC, its Subsidiary Crown Corporations &amp; Other Related Entities</b>				
SGI Canada Insurance Services Ltd.	KPMG LLP	December 31	Yes	Yes
Coachman Insurance Company	KPMG LLP	December 31	Yes	Yes
Saskatchewan Government Insurance Superannuation Plan	KPMG LLP	December 31	Yes	Yes
Power Corporation Superannuation Plan	Deloitte LLP	December 31	Yes	Delayed

\* PAS—Provincial Auditor of Saskatchewan

<sup>A</sup> 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.

## 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. 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. 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.





