

# 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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