

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.¹ *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^{2,3}

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.⁴ 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

¹ *The Ministry of Corrections, Policing and Public Safety Regulations*, s.3.

² 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.

³ *The Emergency Planning Act*, s.24.

⁴ *Provincial Disaster Assistance Program 2020 General Claim Guidelines*, p. 1. 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.⁵

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.⁶ 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.⁷ 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**).

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

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

⁷ 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
2011–12	112.65	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
2019–20	3.93	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 2013.⁸

⁸ 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	166.00
2014	165.00
2015	29.70
2016	50.30
2017	43.31
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.

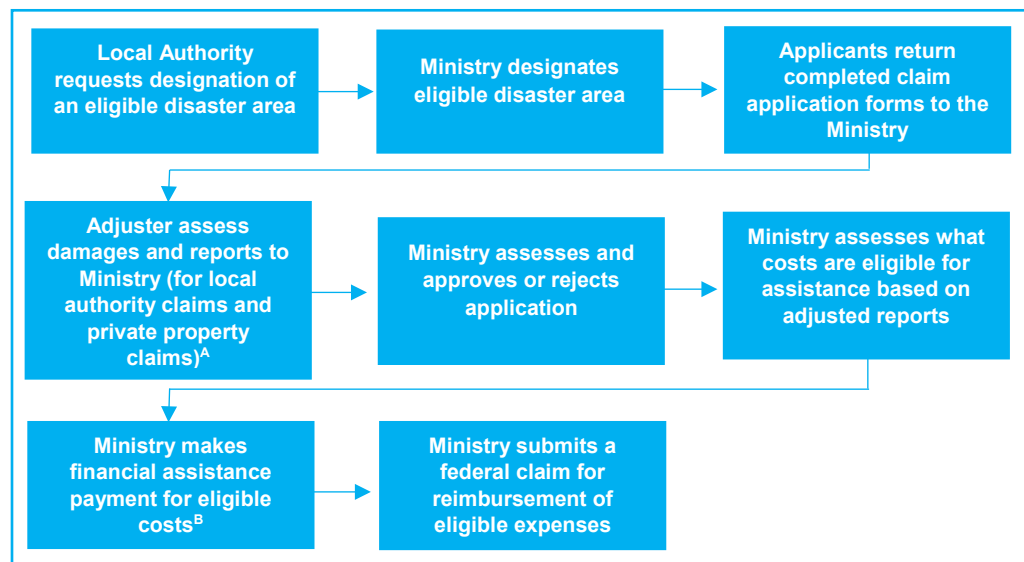
Establishing clear Program objectives that align with good practice and legislation helps both staff and the general public understand why the Program was established. Clear objectives also help define the Program's purpose which is providing relief to Saskatchewan residents after a natural disaster 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.⁹ 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

^A 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.

^B 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.

⁹ [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

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.¹⁰ 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

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).

¹⁰ 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

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

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

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.¹¹ 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.¹² In addition, management expects staff to follow up with local authority claimants

¹¹ 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).

¹² 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.^{13,14}

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.

¹³ A disaster year refers to the calendar year in which the disaster event took place.

¹⁴ 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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