PROVINCIAL AUDITOR
of Saskatchewan

2021 Report – Volume 2

Report of the Provincial Auditor to the
Legislative Assembly of Saskatchewan

Provincial Auditor
of Saskatchewan

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December 2021

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

Dear Honourable R. Weekes:

I have the honour of submitting my *2021 Report – Volume 2*, to be laid before the Legislative Assembly in accordance with the provisions of section 14.1 of *The Provincial Auditor Act*.

Respectfully yours,

J. Clemett

Tara Clemett, CPA, CA, CISA
Provincial Auditor

/mr

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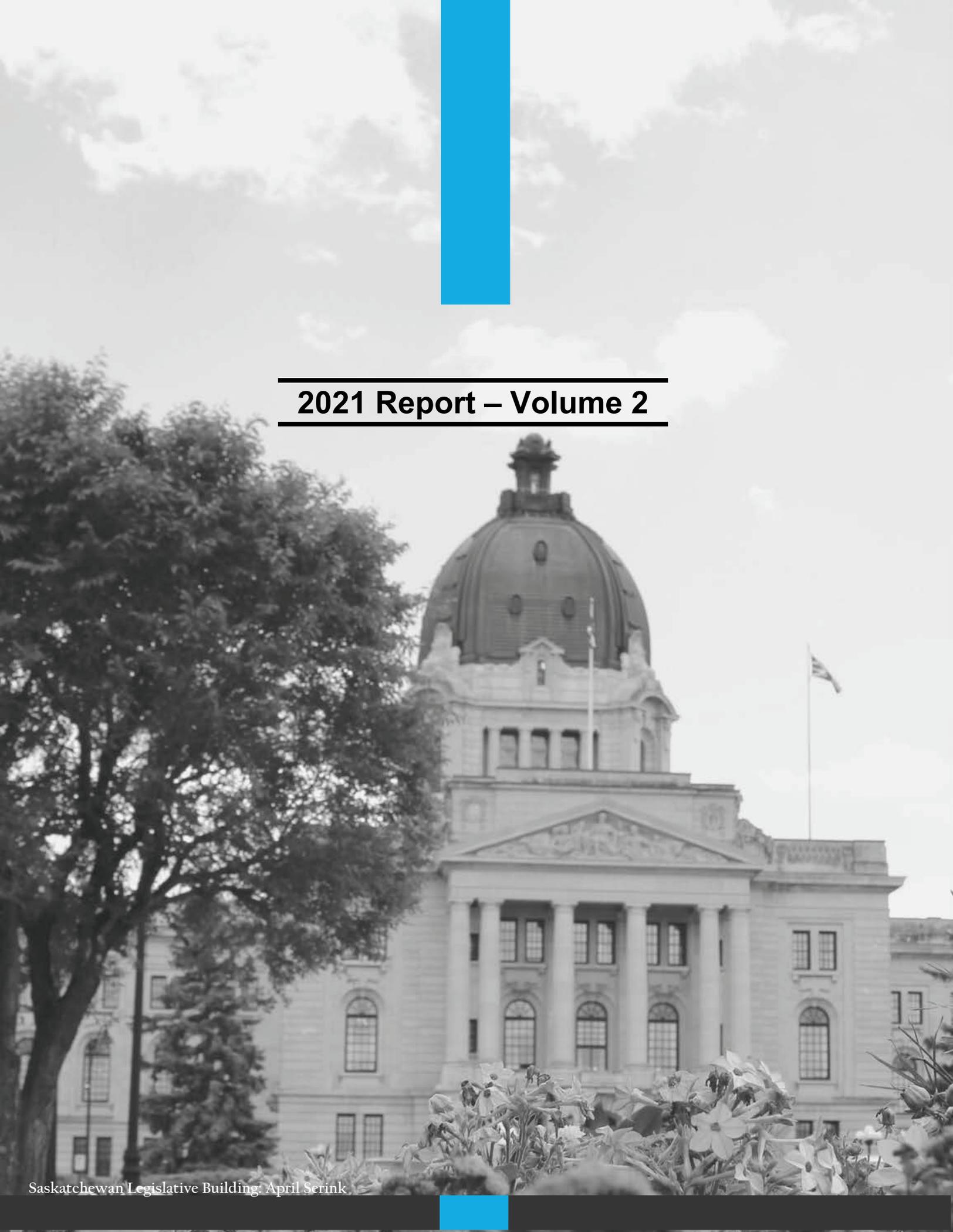
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1.0 PREAMBLE

This is our fourth Report on results of audits since the declaration of the COVID-19 pandemic in March 2020. The pandemic continues to impact us, and the world. The constraints of the pandemic affect how our Office audits, and our audit priorities. For example, ongoing and shifting public health orders resulted in us completing most of our audits in this Report remotely and, in many cases, taking additional time to complete them.

We shifted some audit resources to our annual integrated audits to examine government spending on additional pandemic-response and stimulus programs, and use of related federal funding. This *2021 Report – Volume 2* reports the results of our work in relation to some of these significant COVID-19 financial support programs (**Chapter 1**).

We continue to balance the needs of legislators and the public for timely information about government programs and services greatly disrupted by the pandemic, while managing implications of conducting audits remotely and at agencies immersed in the response. We know some agencies are fully deployed in providing services during the pandemic (such as the Saskatchewan Health Authority and the Saskatchewan Public Safety Agency), which impacts typical audit timeframes and priorities. We extend our appreciation to all agencies that accommodated and cooperated with audits to ensure our Office completes quality work that continues to advance excellence and inspire confidence in the public sector.

In this Report, numerous chapters address specific programs and practices impacting public safety and the well-being of Saskatchewan residents from monitoring tobacco and vapour products' legislation enforcement to detecting wildfires.

Another theme that emerged in this Report is data collection and analysis whereby agencies inadequately obtained or used meaningful and reliable information to effectively oversee and enhance certain government programs. Whether post-secondary education, inmate rehabilitation, school instruction time, or legal aid lawyer caseloads, having and utilizing key performance information improves decision-making and identifies where improvements are needed to achieve public-service objectives.

1.1 Preface

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 October 29, 2021 with details on annual integrated, performance, and follow-up audits of 33 different agencies, as well as our follow-up work on previously issued recommendations by our Office and by the Standing Committees on Public Accounts and Crown and Central 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 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 *2021 Report – Volume 1*, our Office along with appointed auditors (if in place) completed annual integrated audits of 163 different agencies with fiscal year-ends between January and June 2021.[1] These include integrated audits of 19 ministries, 100 crown corporation and agencies, 8 pension and employee benefit plans, and 36 healthcare affiliates.

This Section includes concerns with controls at only 11 different agencies meaning 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 the public have confidence in reported financial results, and helps protect an agency's assets.

Certain audits identified a number of errors in financial information including the financial statements presented for audit. Management of the Prairie Agriculture Machinery Institute did not adequately review and approve financial information once prepared (**Chapter 9**); the Ministry of Government Relations did not review the Northern Municipal Trust Account's financial information in sufficient detail (**Chapter 6**); and the Ministry of Highways did not accurately record its contractual obligations (**Chapter 8**). Also, **Chapter 12** reports that the Ministry of Social Services needs to properly verify information used to support correct financial assistance payments to clients. Appropriate review of financial information identifies issues and allows for corrective actions in a timely manner.

Some agencies need to properly segregate incompatible duties. Incompatible duties increase the risk of not catching errors and of undetected fraud. As **Chapter 11** reports, the Saskatchewan Health Authority continued to have incompatible duties in areas including payments, payroll, and journal entries. In **Chapter 6**, the Ministry of Government Relations did not yet properly segregate incompatible duties for receiving money, making payments, and recording transactions in the Northern Municipal Trust Account.

A few agencies still need to complete their disaster recovery plans and conduct testing of those plans. This is especially important given the increased number of cyberattacks with more people working at home. As **Chapter 3** and **Chapter 13** report, eHealth Saskatchewan and the Water Security Agency did not have tested disaster recovery plans and may not be able to restore their critical IT systems and data quickly in the event of a disaster. We first reported the concern at Water Security Agency in 2010 and eHealth has

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[1] **Appendix 2** lists agencies using an appointed auditor. **Appendix 1** outlines agencies we examined including those with fiscal year-ends between January and June 2021.

been responsible for all of the IT systems and services within the healthcare sector since January 2017. eHealth's disaster recovery plan includes key IT systems that the Saskatchewan Health Authority uses to deliver and administer critical healthcare services. eHealth also must do a better job of controlling and monitoring IT network access. Effective IT network monitoring helps detect and limit the impact of a successful attack on a corporate network.

As **Chapter 10** reports, the Provincial Capital Commission improved its processes related to its oversight of major developments in Wascana Centre. The Commission documented how major Wascana Centre improvements and developments conform to the Master Plan in its Board meeting summaries, formalized its requirements for public consultations, and signed agreements with building owners of major developments in Wascana Centre.

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 various topics and sectors of government. In selecting which areas to audit, we attempt to identify topics with the greatest financial, social, health, or environmental impact on Saskatchewan.

This Section of the Report includes the results of four non-financial, performance audits completed since our last Report (*2021 Report – Volume 1*).

Two audits examined how well the Government carried out its oversight or regulatory responsibilities (i.e., monitoring the sale of tobacco and vapour products and monitoring quality of care in homes supporting adults with intellectual disabilities), another audit assessed the timeliness and accuracy of coroner investigations, and the other audit looked at how SaskGaming protects its IT systems to prevent cyberattacks. The following delves into what we examined, why, and what we found for each audit.

Chapter 15: Health—Monitoring Enforcement of Tobacco and Vapour Products' Legislative Requirements

What the Office examined: The Ministry of Health's processes to monitor the Saskatchewan Health Authority's enforcement of provincial legislative requirements over the sale, promotion, and use of tobacco and vapour products.

Why the Office examined this area: Tobacco use is one of the primary causes of preventable morbidity and mortality worldwide. The Ministry of Health, through grants to the Saskatchewan Health Authority, funds tobacco and vapour enforcement activities. In 2020–21, the Ministry spent about $797,000 on its smoking and vaping prevention, cessation, and enforcement activities.

> ➢ **Saskatchewan's youth** cigarette smokers aged 15 to 19 years **smoke at nearly three times the youth national average** (22% versus 8%) (Statistics Canada, 2017)
>
> ➢ The 2018–19 Health Canada survey shows 33% of Grades 7–9 students and 61% of Grades 10–12 students in Saskatchewan tried vaping (with or without nicotine)
>
> ➢ 55% of 225 retail locations that sold to youth test shoppers **did not receive another inspection** within the expected six months

Effective and active enforcement reduces youth access to tobacco and vapour products, which protects them from associated harms including addiction, and protects all Saskatchewan residents from the harms related to environmental tobacco and vapour smoke (e.g., second-hand smoke).

What the Office found: The Ministry needs to improve its monitoring of the Authority's enforcement of the legislative requirements over the sale, promotion, and use of tobacco and vapour products.

Our analysis found 19% of more than 1,200 retail locations did not receive an annual inspection by Authority tobacco enforcement officers in 2020–21. Not performing routine inspections frequently (e.g., annually) increases the risk that retailers do not comply with the law. Moreover, the Ministry insufficiently monitors whether youth test shopper inspections are conducted annually.

The Ministry needs to:

➤ Ensure warning letters and notices of violations are delivered promptly to non-compliant retailers, and non-compliant retail locations are reinspected frequently

➤ Maintain a complete list of retail locations selling tobacco and vapour products

➤ Provide detailed guidance, including timelines, to tobacco enforcement officers on how to handle complaints

Chapter 16: Justice and Attorney General—Coroners Service: Conducting Timely and Accurate Coroner Investigations

What the Office examined: The Ministry of Justice and Attorney General – Saskatchewan Coroners Service's processes to conduct timely and accurate coroner investigations into certain unexpected, unnatural or unexplained deaths (other than homicides where a coroner supports the police-led investigation).

Why the Office examined this area: Conducting and completing accurate and timely death investigations, as well as promptly reporting investigation results to stakeholders provides closure for deceased persons' loved ones, and can improve public safety. The Ministry spent $5.6 million in 2020–21 (2019–20: $4.7 million) on the Coroners Service. These sums include the amount the Ministry pays to pathologists on a fee-for-service basis for autopsies/post-mortems.

➤ Saskatchewan uses the **coroner model** rather than the medical examiner model, where appointed members of the community are trained and independently conduct death investigations; it is the more common model used in Canada

➤ At July 2021, the Ministry employs 83 coroners—75 appointed community coroners, 8 full-time coroners

➤ Coroners Service **investigated 2,652 deaths** in 2020

➤ At June 2021, **20 coroner cases were outstanding for more than six months**

➤ During our audit period, Coroners Service made 26 recommendations to 10 agencies, and **received agency responses for seven of the 26 recommendations**

What the Office found: The Ministry had effective processes for the provision of provincial coroners' services. However, lack of data analysis and follow up on the implementation of its recommendations hinders Coroners Service ability to achieve its mandate to improve the health, safety and quality of life of Saskatchewan residents. Also, Coroners Service did not always complete coroner reports timely.

Coroners Service needs to:

➤ Conduct timely review of and consistently complete coroner investigation files and reports

➤ Establish formal timelines for communicating investigation results to families and recommendations to agencies to help prevent further deaths. Investigations aim to provide information and closure for families.

➤ Analyze death investigation data and complete timely follow up of recommendations to agencies to confirm implementation

➤ Routinely confirm coroners understand confidentiality and conflict of interest policies

➤ Centrally log complaints and actions taken to resolve them

➤ Regularly report on Coroners Service activities to senior management

Chapter 17: Saskatchewan Gaming Corporation—Preventing Cyberattacks

What the Office examined: The effectiveness of Saskatchewan Gaming Corporation's processes to prevent cyberattacks from affecting IT systems and data it uses to support and deliver casino games.

Why the Office examined this area: Cybercrime continues to be a significant risk for many organizations, costing Canadians about $3 billion in economic losses each year. Cyberattacks result in costly data and revenue losses, identity theft, and reputational damage. Organizations need effective security processes to protect the confidentiality, integrity, and availability of systems and data. Successful cyberattacks could expose SaskGaming not only to risks of undetected modifications to casino games, but also to significant monetary losses for both the casino and customer.

➤ In 2020, global average total cost of a data breach was $3.86 million USD and 280 days average time to identify and contain a breach

➤ We were able to obtain access to sensitive information about some of SaskGaming's employees and customers

➤ We found SaskGaming did not require certain sensitive accounts' passwords to be updated every 90 days as expected by its policy. For example, we found accounts where passwords had not been updated in more than nine years

What the Office found: SaskGaming had effective processes in some areas to prevent cyberattacks from affecting IT systems and data it uses to support and deliver casino games. It tracked its IT assets, separated gaming machines from its corporate network, and kept its IT systems up-to-date. It also regularly trained its employees about cybersecurity, and periodically tested their understanding. In 2020–21, SaskGaming spent about $4.4 million on IT services.

However, vulnerabilities exist. We found certain security deficiencies, and accessed some of SaskGaming's systems and sensitive data during our audit without detection. Attackers not only can manipulate inappropriately configured networks or devices to deny access, but also can copy, modify, or delete sensitive systems and data, including customers' personal information (e.g., players' club data). Gaming customers and the public expect

assurances in the integrity of SaskGaming's casino operations, and in their personal-information security. We found SaskGaming's IT systems, password and encryption standards, require strengthening.

SaskGaming needs to:

➤ Maintain well-defined cybersecurity action plans based on robust, evidence-based risk assessments

➤ Improve its configuration of its IT network, servers, and workstations

➤ Update certain password requirements, conduct complete quarterly privileged-user reviews, and implement further use of multi-factor authentication

➤ Update its 2017 IT security assessment plan to reflect changes in its practice and to align with IT industry standards

➤ Analyze information from security assessments (e.g., penetration tests) and attempted cyberattacks to better identify and assess cybersecurity risks.

Chapter 18: Social Services—Monitoring Quality of Care in Homes Supporting Adults with Intellectual Disabilities

What the Office examined: The Ministry of Social Services' processes to monitor whether Ministry-funded group and approved private service homes provide safe residences and quality care to adults with intellectual disabilities.

Why the Office examined this area: The Ministry of Social Services funds and licenses privately-operated group and approved private service homes to provide accommodation, meals, and care to about 1,600 adults with intellectual disabilities. It licensed around 250 group and 200 approved private service homes in Saskatchewan in 2021.

> ➤ The Ministry spent about **$110 million** on funding for group homes and approved private service homes supporting about **1,600 adults with intellectual disabilities** in 2020–21
>
> ➤ In 2020–21, group homes **reported 748 serious incidents** and approved private service homes **reported 111 serious incidents.** The Ministry does not track and analyze incidents by individual home.
>
> ➤ At July 2021, about **45%** of 247 group homes and about **70%** of 202 approved private service homes **held conditional licences**. The Ministry continued to issue conditional licences even though deficiencies remained unresolved

What the Office found: The Ministry needs to better monitor whether group and approved private service homes provide quality care to adults with intellectual disabilities (clients). Continuously inspecting and analyzing incidents helps confirm homes provide safe and quality care for clients. Having a central system to track key information about homes would also aid in better monitoring, as it would allow the Ministry to analyze data about homes and identify persistent issues that may impact client care.

We found Ministry staff does not regularly meet with clients to determine whether they live a fulfilling life, and to evaluate fulfillment of each client's Ministry-mandated, person-centred plans. We found 63% of client records tested showed that Ministry staff did not have any direct contact with clients in the last two years. Moreover, the Ministry monitors neither the

quality nor fulfillment of person-centred plans, and the majority of plans we assessed (70%) did not meet the required quality, or show plan fulfillment.

The Ministry also does not analyze serious incidents to identify individual homes with ongoing issues, and does not monitor whether any homes implemented recommendations based on serious incident investigations. For example, we found no evidence of Ministry follow up on four out of 13 investigations we assessed. The Ministry needs information about recommendation implementation in order to know effective actions are taken to prevent future serious incidents.

The Ministry's oversight processes require improvements to ensure clients receive quality care and safe homes. It needs to:

➤ Oversee timely resolution of deficiencies resulting in conditional licences

➤ Annually inspect each group home assessing whether it meets minimum care standards

➤ Update its home inspection checklists to cover all key risk areas

➤ Centrally track inspection dates, as well as identified and rectified deficiencies

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 contributed to agencies implementing fewer recommendations on an overall basis (55%) similar to our recent report (2021 Volume 1: 50%). The percentage of recommendations not implemented (at 10%) is slightly higher than past reports (2021 Volume 1 and 2020 Volume 2: 6%).

As evident from the table below, some agencies were successful in making substantive improvements in a relatively short period. The Saskatchewan Crop Insurance Corporation implemented all recommendations and strengthened its succession management activities, which will help it have the right staff at the right time for the future. The Saskatchewan Arts Board implemented five of six recommendations related to awarding grants impartially and transparently. The Ministry of Health also improved a number of its processes for overseeing helicopter ambulance services in the province.

Further work is needed for a few. As noted in **Chapter 35,** the Saskatchewan Public Safety Agency needs to further improve its monitoring processes related to alerting the public about dangerous events that may pose risks to public health and safety. Regularly

monitoring the program administrator and authorized participants (who can issue alerts) reduces the risk of issuing unnecessary or inaccurate public alerts. Also, the Ministry of Health has yet to evaluate whether its funded Prescription Review Program is helping to reduce opioid misuse and whether it needs to focus more on opioid dispensing practices at pharmacies in the province (**Chapter 28**).

In addition, progress has been slow for a few other agencies. As **Chapter 22** reports, the Ministry of Education has made limited progress in implementing the two remaining recommendations from our 2009 audit about school instruction time. The Ministry needs to actively monitor and follow up with school divisions (15 out of 27) that are not delivering the required instruction hours for core subjects (e.g., math, English). Also, the Ministry of Social Services has more work to do to monitor and evaluate the results of services community-based organizations deliver to people with intellectual disabilities (**Chapter 37**).

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[A,B]	Number of Recommendations	Implemented	Partially Implemented	Not Implemented	No Longer Relevant
Initial Follow-Ups						
Health—Coordinating the Appropriate Provision of Helicopter Ambulance Services	2019 V2	8	5	1	2	0
Health—Monitoring Opioid Prescribing and Dispensing	2019 V1	7	3	1	3	0
Office of the Public Guardian and Trustee of Saskatchewan—Providing Property Guardianship Services to Adult Clients	2020 V1	1	1	0	0	0
Saskatchewan Arts Board—Awarding Grants Impartially and Transparently	2018 V2	6	5	1	0	0
Saskatchewan Crop Insurance Corporation—Managing Succession of Human Resources	2019 V1	2	2	0	0	0
Saskatchewan Public Safety Agency—Alerting the Public about Imminently Dangerous Events	2019 V1	4	1	3	0	0
Initial Follow-Ups Subtotal		**28**	**17**	**6**	**5**	**0**
% of Initial Follow-Ups Subtotal		**100%**	**61%**	**21%**	**18%**	**0%**
Subsequent Follow-Up Audits[C]						
Advanced Education—Working with the Advanced Education Sector to Achieve Ministry Strategies	2015 V1 2018 V1 2020 V1	1	0	1	0	0
Corrections, Policing and Public Safety—Rehabilitating Adult Inmates	2008 V1 2010 V1 2011 V2 2015 V2 2018 V2	3	1	2	0	0
Education—Increasing Grade 12 Graduation Rates	2012 V1 2014 V1 2017 V1 2019 V1	1	1	0	0	0

Chapter Name	Related Report^{A,B}	Number of Recommendations	Implemented	Partially Implemented	Not Implemented	No Longer Relevant
			Status of Recommendations			
Education—Instruction Time	2009 V2 2011 V2 2014 V1 2016 V1 2019 V1	2	0	2	0	0
Education—Monitoring Kindergarten Students' Readiness to Learn in the Primary Grades	2017 V2 2019 V2	2	2	0	0	0
Finance—Implementing the Revenue Administration Modernization Project	2017 V1 2019 V2	1	1	0	0	0
Government Relations—Proposing Education Property Tax Mill Rates	2017 V2 2019 V2	2	2	0	0	0
Health—Coordinating the Use of Lean	2014 V2 2016 V2 2019 V1	1	0	0	0	1
Immigration and Career Training—Outcomes-Based Contracts	2017 V1 2019 V1	2	1	0	0	1
Saskatchewan Health Authority—Delivering Provincially Funded Childhood Immunizations in La Ronge and Surrounding Area	2017 V1 2019 V2	3	3	0	0	0
Saskatchewan Legal Aid Commission—Providing Legal Aid Services	2016 V1 2018 V2	4	2	2	0	0
Saskatchewan Public Safety Agency—Detecting Wildfires	2017 V2 2019 V2	1	0	1	0	0
Social Services—Supervising Community-Based Organizations Delivering Programs to Intellectually Disabled People	2012 V1 2014 V2 2017 V1 2019 V2	3	0	3	0	0
Technical Safety Authority of Saskatchewan—Inspecting Elevating Devices	2017 V1 2019 V1	4	2	1	1	0
Subsequent Follow-Ups Subtotal		**30**	**15**	**12**	**1**	**2**
% of Subsequent Follow-Ups Subtotal		**100%**	**50%**	**40%**	**3%**	**7%**
Overall Total		**58**	**32**	**18**	**6**	**2**
% of Overall Total		**100%**	**55%**	**32%**	**10%**	**3%**

Source: Compiled by the Provincial Auditor of Saskatchewan.
^A V—means Volume.
^B 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).
^C For subsequent follow-ups, the number of recommendations is the number of outstanding recommendations that remained not implemented after the previous follow-up audit.

3.0 ACKNOWLEDGEMENTS

Our Office always appreciates the cooperation from the staff and management of government agencies, along with their appointed auditors, in the completion of the work included in this Report.

We are also appreciative for the ongoing support of the all-party Standing Committees on Public Accounts and on Crown and Central Agencies, and acknowledge their dedication in

helping to hold the Government to account. Our Office remains focused on serving the Legislative Assembly and the people of Saskatchewan.

As Provincial Auditor, I am honoured to lead the Office, and its team of professionals. I am truly proud of their diligence and commitment. 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.

Finally, an extended thanks to the various experts who shared their knowledge and advice.

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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 over 260 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 conduct 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.

Annual Integrated Audits

Chapter 1
COVID-19 Financial Support Programs

1.0 MAIN POINTS

The COVID-19 pandemic response required the Government to get money to the people of Saskatchewan and businesses quickly, but also to properly safeguard public resources. Rolling out financial support programs in such a quick manner can create challenges for the appropriate management of government resources.

This chapter outlines the work our Office did in relation to certain COVID-19 financial support programs.

Overall, we found ministries were able to deliver programs quickly while maintaining appropriate administrative processes.

2.0 INTRODUCTION

The COVID-19 pandemic significantly impacted the Government's fiscal results for the year ended March 31, 2021, the first full year operating in a COVID-19 environment since the global pandemic was declared.[1]

The Government delivered financial support programs to sectors most impacted by pandemic-related public health orders and closures. Such financial support programs and sectors included the:

➢ Saskatchewan small business emergency payment program

➢ Saskatchewan temporary wage supplement program

➢ Safe schools plan

➢ Emergency pandemic-response gaming partner grants

➢ Oil and gas sector support program

➢ Saskatchewan tourism sector support program

Some of these financial support programs were funded partly using assistance from the Federal Government.

Our Office shifted some audit resources to our annual integrated audits to include examining government spending on the additional pandemic-response financial support and stimulus programs, and use of related federal funding. See **Figure 1** below.

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audits. We used

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[1] For information about the Government of Saskatchewan's fiscal results for the year ended March 31, 2021, including financial statement discussion and analysis that provides some information about the impact of the COVID-19 pandemic, see *Public Accounts 2020–21 Volume 1—Summary Financial Statements* at publications.saskatchewan.ca/#/categories/5124.

the control framework included in COSO's *Internal Control—Integrated Framework* to make our judgments about the effectiveness of each ministry's controls. This chapter summarizes the results of our work.

Because of the pandemic, the Government incurred additional costs for health and safety measures, with the majority of these additional costs incurred by the health sector, specifically the Saskatchewan Health Authority. These additional measures included distribution of vaccines and personal protective equipment, contact tracing, and increased healthcare staffing capacity. For example, the Authority received an additional $342.8 million for operations and $30.3 million for capital spending from the Ministry of Health for the year ended March 31, 2021.[2] We assessed these additional purchases and payments as part of the annual integrated audit and found no significant issues.

3.0 AUDIT FINDINGS

The need to get money into the hands of the people of Saskatchewan and businesses impacted by the pandemic was crucial and time-sensitive. However, the ministries administering the financial support funding were still responsible to ensure proper internal controls existed, and:

➢ To verify eligibility requirements were met

➢ To properly approve support payments

➢ To track expenditures made

➢ To monitor the allocation of resources

Below is a summary of some significant financial support and stimulus programs we examined closer in our annual integrated audits and our related audit findings.

Figure 1—COVID-19 Financial Support and Stimulus Programs Examined

Financial Programs	Description of Program	2020–21 Budget[B]	2020–21 Actuals	Summarized Audit Work and Findings
		(in millions)		
Ministry of Energy and Resources				
Accelerated Site Closure Program[A]	Economic stimulus program to accelerate the reclamation of inactive oil and gas wells	$150 ($400 total from 2020–21 to 2022–23)	$67	Tested a sample of payments and found funds appropriately distributed and approved, but enhancements to processes to oversee the program needed. See **Chapter 4**.
Ministry of Trade and Export Development				
Saskatchewan Economic Recovery Rebate	Economic recovery program that provided a 10% reduction in SaskPower customers' power bills for the period December 1, 2020 to November 30, 2021	$87.2 ($262 over two fiscal years)	$75.7	Tested a sample of program invoices and found all invoices tested were appropriately supported and approved.

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[2] Saskatchewan Health Authority, *Annual Report to the Legislature 2020–2021*, p. 23.

Financial Programs	Description of Program	2020–21 Budget[B]	2020–21 Actuals	Summarized Audit Work and Findings
		(in millions)		
Ministry of Highways				
Roadworks	Economic stimulus program to boost the Saskatchewan economy while improving safety and capacity for highways	$68.7 in 2020–21 and $231.9 in 2021–22	$28.3	Tested a sample of consultants and contractors used for roadworks. Assessed the Ministry's processes for awarding and approving contracts; retaining appropriate security and holdbacks; approving estimates; obtaining appropriate clearances before making final payments; and tracking contractual obligations. No issues found. Also see Chapter 7 in our *2021 Report – Volume 1* for the results of our audit of the Ministry's processes to fairly select contractors for roadworks costing over $100,000. We concluded the Ministry of Highways had effective processes.
Ministry of Education and Ministry of Finance				
Education Emergency Pandemic Support Program (*Saskatchewan Safe Schools Plan*)[A]	The purpose of this program was to provide financial assistance to eligible applicants (i.e., school divisions, independent schools) for eligible expenses incurred directly as a result of the COVID-19 pandemic. Eligible expenses under the program include items such as increased cleaning supplies and equipment, increased staffing costs for substitute teachers, or increased technology requirements to support remote learning. Under the program, the Ministry of Education evaluated applications for program funding from eligible applicants. The Ministry of Finance processed payments to eligible applicants based on recommendations from the Ministry of Education. The Ministry of Education also centrally purchased and distributed personal protective equipment to school divisions.	$115	$114.8	Tested a sample of program payments and found: • The Ministry of Education appropriately evaluated the related applications • The expenses claimed by applicants met the eligibility requirements of *The Education Emergency Pandemic Support Program Regulations* • The Ministry of Finance appropriately processed the payments to the applicants Also found the Ministry of Education purchased personal protective equipment for school divisions in accordance with *The Purchasing Act, 2004* (i.e., procured items with the support of the Ministry of SaskBuilds and Procurement).
Ministry of Education				
Child Care for Returning Workers under the Canada Saskatchewan Safe Restart Agreement[A]	The purpose of the program was to provide financial assistance to help the childcare sector adapt and offset additional expenses incurred during the COVID-19 pandemic. The program enhanced supports for licensed childcare facilities (e.g., grants for cleaning supplies, equipment, staff), to ensure the safety of	$20.6	$20.6	This program included one-time grants to licensed childcare centres and homes of $12.3 million, allocated based on childcare spaces. We tested whether the grants were properly calculated and approved.

Financial Programs	Description of Program	2020–21 Budget[B]	2020–21 Actuals	Summarized Audit Work and Findings
		(in millions)		
	children and allow parents and caregivers to return to work			The remaining $8.3 million was provided as deficit support grants to childcare providers. Tested a sample of grants and found the Ministry used financial information to determine whether the childcare provider incurred a deficit as a result of the COVID-19 pandemic, and the amount of funding to allocate to the provider.
Ministry of Finance				
Saskatchewan Small Business Emergency Payment Program	The purpose of the program was to provide financial assistance to eligible small businesses that experienced a decline in sales revenue due to public health orders. Eligible small businesses received a payment of up to 15% of their monthly sales revenue to a maximum of $5,000. The program eligibility periods were from April 15, 2020 to July 31, 2020 and December 1, 2020 to April 30, 2021.	$70	$64	Tested whether the Ministry of Finance evaluated applications for program funding in accordance with *The Saskatchewan Small Business Emergency Payment Regulations* and *The Saskatchewan Small Business Emergency Payment Regulations, 2020* (*No. 2*). Tested a sample of program payments and found timely application submissions, were properly assessed for eligibility, independently approved, and payments accurately processed.
Saskatchewan Temporary Wage Supplement Program[A]	The purpose of this program was to provide a temporary wage supplement to eligible employees of eligible essential care facilities. Eligible employees received a temporary wage supplement of $400 for each four-week period. The program eligibility periods were from March 15, 2020 to July 4, 2020, and November 19, 2020 to January 13, 2021.	$56	$40.1	Tested whether the Ministry of Finance evaluated applications for program funding in accordance with *The Saskatchewan Temporary Wage Supplement Program Regulations* and *The Saskatchewan Temporary Wage Supplement (Senior Care Workers) Program Regulations* Tested a sample of program payments and found applications were submitted timely, were properly assessed for eligibility, independently approved and payments were accurately processed.
Saskatchewan Tourism Sector Support Program	The purpose of this program was to provide assistance to eligible tourism businesses that experienced a sales revenue decline due to the economic effects caused by the pandemic. Eligible accommodation sector businesses and major event facilities received a one-time payment of between $10,000 to $50,000 based on 30% of the applicants' average monthly sales revenue in 2018 or 2019. Eligible event, attraction or tour sector businesses received a one-time	$12	$27	Tested whether the Ministry of Finance evaluated applications for program funding in accordance with *The Saskatchewan Tourism Sector Support Program Regulations* and *The Saskatchewan Tourism Sector Support Program Regulations (No. 2)*. Tested a sample of program payments and found applications were submitted timely, were properly assessed for eligibility, independently

Financial Programs	Description of Program	2020–21 Budget[B]	2020–21 Actuals	Summarized Audit Work and Findings
		(in millions)		
	payment of between $7,500 and $15,000 based on the number of event participants or employees. The program eligibility periods were from August 19, 2020 to September 30, 2021.			approved and payments were accurately processed.
Ministry of Government Relations				
Municipal Economic Enhancement Program, 2020	Funding to municipalities to support investments in infrastructure to stimulate economic recovery and encourage local job creation.	$150	$149.9	Tested a sample of grant payments. We found: • All municipalities that received grant funding met eligibility criteria • Grant allocations for each municipality were properly calculated • All grant payments tested were appropriately approved
Safe Restart Agreement – Municipalities portion[A]	Funding for municipalities provided to support efforts to protect health and safety, the safe re-opening of economies, and to prepare for potential future waves of COVID-19.	$70.3	$70.3	Tested a sample of grant payments. We found: • All municipalities that received grant funding met eligibility criteria • Grant allocations for each municipality were properly calculated • All grant payments tested were appropriately approved
Emergency Pandemic Support for First Nations and Métis Organizations	Closure of casinos at various points during the COVID-19 pandemic resulted in significant declines in casino profits available for distribution to First Nations and Métis organizations. In June 2020, the Government of Saskatchewan signed a letter of understanding to amend the *2002 Gaming Framework Agreement* between the Federation of Sovereign Indigenous Nations and the Government of Saskatchewan to provide grants to the First Nations Trust and Community Development Corporations for the 2020–21 fiscal year. In July 2020, the Government also signed an agreement to provide a grant to the Métis Development Fund (operating as the Clarence Campeau Development Fund) for the 2020–21 fiscal year.	$45	$45	Tested a sample of grant payments. We found: • All grant payments tested were appropriately approved • Total grant payments did not exceed approved budget

[A] Program received support from the Federal Government.
[B] Includes amounts approved in Government of Saskatchewan *20–21 Estimates* and *Supplementary Estimates No. 1* and *Supplementary Estimates No. 2*.

Chapter 2
Advanced Education

1.0 MAIN POINTS

This chapter reports the results of the 2020–21 annual audits of the Ministry of Advanced Education and 10 of its agencies. Each of these agencies had reliable financial statements and complied with governing authorities. Other than the following area related to the Ministry, the Ministry and those agencies had effective rules and procedures to safeguard public resources.

The Ministry continues to inadequately monitor the subsidiary activities of the province's two universities. This increases the risk of university subsidiaries undermining the powers granted to the parent university (e.g., borrowing without proper authority), which in turn, could potentially harm a university's reputation, or negatively impact its finances.

2.0 INTRODUCTION

The Ministry of Advanced Education is responsible for a post-secondary education sector that supports a growing Saskatchewan and leads to higher-quality of life for its citizens. The post-secondary education system helps develop a skilled and educated workforce for the Saskatchewan labour market. The Ministry provides leadership and resources to foster a high-quality advanced education and training system that responds to the needs of Saskatchewan's people and economy.[1]

2.1 Financial Overview

For the year ended March 31, 2021, the Ministry reported expenses of $749.1 million for its programs (see **Figure 1** for detail by major program), and revenues of $2.6 million. The Ministry's *Annual Report for 2020–21* provides reasons and further details for differences between planned and actual results.[2]

Figure 1—Major Programs and Spending

	Estimates 2020–21[A]	Actual 2020–21
	(in millions)	
Central Management and Services	$ 14.9	$ 12.8
Post-Secondary Education	699.2	698.9
Student Supports	36.2	37.3
Total Appropriation	750.3	749.0
Capital Asset Acquisitions	0.0	0.0
Capital Asset Amortization	0.1	0.1
Total Expense	$ 750.4	$ 749.1

Source: Ministry of Advanced Education, *Annual Report for 2020–21*, p. 31.
[A] The Ministry obtained additional funding through a special warrant of $1.8 million.

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[1] Ministry of Advanced Education, *Annual Report for 2020–21*, p. 5.
[2] Ibid, pp. 31–33.

This chapter includes the results of our audits of the 10 agencies listed in **Figure 2** in addition to the results of the Ministry.

Figure 2—Ministry Special Purpose Funds and Agencies with Audit Results Reported in this Chapter

Year-End	Agency
March 31	Saskatchewan Student Aid Fund
March 31	Training Completions Fund
June 30	Saskatchewan Polytechnic
June 30	Carlton Trail College
June 30	Cumberland College
June 30	Great Plains College
June 30	Northlands College
June 30	North West College
June 30	Parkland College
June 30	Southeast College

3.0 AUDIT CONCLUSIONS

Our Office worked with appointed auditors (see **Appendix 2**) to carry out the annual integrated audits of the regional colleges. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.[3]

In our opinion, for the years ended on or before June 30, 2021, we found, in all material respects:

➢ **The Ministry of Advanced Education and nine of its agencies listed in Figure 2 had effective rules and procedures to safeguard public resources except for the matters described in this chapter[4]**

➢ **The Ministry of Advanced Education and each agency listed in Figure 2 complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Executive Government Administration Act
The Ministry of Advanced Education Regulations
The Graduate Retention Program Regulations
The Public Service Act, 1998
The Financial Administration Act, 1993
The Saskatchewan Advantage Grant for Education Savings (SAGES) Act

The Education Act, 1995 (subsection 3(1))
The Graduate Retention Program Act
The Non-profit Corporations Act, 1995
The Non-profit Corporations Regulations, 1997
The Student Assistance and Student Aid Fund Act, 1985
The Student Assistance and Student Aid Fund Regulations, 2001

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[3] See our website at www.auditor.sk.ca.
[4] Our Office does not issue a separate opinion for the Training Completions Fund as the Ministry's rules and procedures to safeguard public resources also apply to the Fund.

The Saskatchewan Advantage Grant for Education Savings (SAGES) Regulations
The Degree Authorization Regulations
The Saskatchewan Polytechnic Act
The Saskatchewan Polytechnic Regulations
The Regional Colleges Act
The Regional Colleges Regulations
The Regional Colleges Programs Designation Regulations
The Regional Colleges Programs and Services Regulations
The Income Tax Act, 2000 (Saskatchewan)
The Post-Secondary Education and Skills Training Act

The Lender-financed Saskatchewan Student Loan Regulations
The Saskatchewan Student Direct Loans Regulations
Saskatchewan Risk Sharing Student Loans Agreement
Canada-Saskatchewan Integration Agreement
The Regional Colleges Accounting and Reporting Manual
The Financial Administration Manual
Orders in Council issued pursuant to the above legislation

➢ **The financial statements of each agency listed in Figure 2 are reliable**

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audits. We used the control framework included in COSO's *Internal Control—Integrated Framework* to make our judgments about the effectiveness of the Ministry's and its agencies' 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.

The audit of the Ministry included evaluating and testing its processes for administering grants (e.g., to post-secondary institutions or students), recording revenues, tendering and awarding contracts, processing payroll, and purchasing goods and services.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1   Better Monitoring of Universities' Subsidiaries Needed

> *We recommended the Ministry of Advanced Education adequately monitor the activities of subsidiaries incorporated by the University of Saskatchewan and the University of Regina.* (*2019 Report – Volume 2*, p. 20, Recommendation 1; Public Accounts Committee has not considered this recommendation as of October 29, 2021)
>
> **Status**—Not Implemented

The Ministry continues to inadequately monitor the subsidiary activities of the province's two universities—the University of Saskatchewan and the University of Regina. The Ministry monitors the Universities as part of its responsibility for the post-secondary education sector.[5]

The Ministry currently limits its monitoring to the activities of the Universities themselves, and does not monitor the activities of the Universities' subsidiaries. The Universities, on a combined basis, incorporated six subsidiaries as part of fulfilling their primary roles (e.g., providing post-secondary instruction, conducting research). The subsidiaries are essentially extensions of the Universities.

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[5] To monitor, the Ministry meets regularly with the Universities' senior officials and reviews minutes and meeting packages of each University's Board of Governors.

The Ministry indicated it is working with the University of Saskatchewan to establish a framework for monitoring the University's subsidiaries.

For the year ended April 30, 2021, the Universities' financial results, on a combined basis, included subsidiary revenues of $50.2 million, expenses of $50.7 million, and tangible capital assets of $53.2 million (2019–20: revenues of $49.5 million, expenses of $49.3 million and tangible capital assets of $56 million).[6]

Adequate Ministry oversight for the Universities' subsidiaries' activities would decrease the risk of university subsidiaries undermining the powers granted to the parent university (e.g., under *The University of Saskatchewan Act, 1995*, or *The University of Regina Act*), and potentially harming a university's reputation, or causing a negative financial impact.

4.2   Transfers Properly Recorded

We recommended the Ministry of Advanced Education follow Canadian generally accepted accounting principles for the public sector to record transfers in its financial records. (*2017 Report – Volume 2*, p. 18, Recommendation 1; Public Accounts Committee agreement October 3, 2018)

Status—Implemented

During 2020–21, the Ministry followed Canadian generally accepted accounting principles for the public sector to record transfers in its financial records.

Canadian public sector accounting standards require agencies to recognize revenue and expenses related to government transfers only when eligibility criteria are met and the transfer is authorized.

During the year, we found for government transfers expensed by the Ministry that transfer recipients met eligibility criteria, and the Ministry appropriately authorized the transfers. At March 31, 2021, the Ministry expensed approximately $703.4 million in transfers to post-secondary institutions and scholarship recipients.

Consistent application of Canadian public sector accounting standards enhances the relevance and reliability of financial reports and can increase the public's confidence in the accuracy of government financial reports.

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[6] The Universities consolidate the financial results of subsidiaries into their financial statements.

Chapter 3
eHealth Saskatchewan

1.0 MAIN POINTS

This chapter reports the results of the 2020–21 annual audit of eHealth Saskatchewan.

eHealth's 2020–21 financial statements are reliable. During 2020–21, eHealth complied with the authorities governing its activities related to financial reporting and safeguarding public resources. eHealth had, except for certain aspects of its IT security, effective rules and procedures to safeguard public resources in 2020–21.

At March 2021, eHealth did not have an adequate IT service level agreement in place with the Saskatchewan Health Authority. eHealth began drafting a master service agreement during the year, however it still lacks a number of key provisions. Adequate service level agreements make it clear what type of service must be provided, when, and at what cost.

eHealth continued to make progress on testing its IT disaster recovery plans for its 35 IT systems identified as critical to the health sector. It completed a recovery playbook for 14 of those critical IT systems, as well as conducted a tabletop simulation exercise on four of the 14 completed playbooks. Testing recovery plans assures that critical IT systems can be successfully restored within a reasonable time when disasters occur.

eHealth improved its risk-based processes for controlling IT network access to help mitigate the extent and impact of security breaches by updating its security threat risk assessment process and installing a new network monitoring tool; however, further work remains. Effective IT network access controls and monitoring helps in the timely detection of malicious activity to mitigate risks of a successful attack on its network.

2.0 INTRODUCTION

2.1 Background

eHealth Saskatchewan's mandate is to procure, implement, own, operate, and manage the Saskatchewan Electronic Health Record and, where appropriate, other health IT systems.[1,2]

eHealth is responsible for managing critical IT services used to administer and deliver healthcare services in Saskatchewan. This includes responsibility for Saskatchewan's electronic health record and health information systems, and since 2017, IT systems in use at the Saskatchewan Health Authority, Saskatchewan Cancer Agency and 3sHealth.[3]

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[1] An electronic health record is a private, lifetime record of an individual's medical information providing healthcare professionals with immediate access to a patient's test results, past treatments, and medication.
[2] Order in Council 734/2010 issued under *The Crown Corporations Act, 1993*, established eHealth Saskatchewan.
[3] In January 2017, the Minister of Health directed eHealth to consolidate IT services into a single service that the Authority, Saskatchewan Cancer Agency, and 3sHealth previously provided separately.

eHealth is the Saskatchewan health sector's primary disaster recovery provider for IT services. In addition, eHealth manages Saskatchewan's vital statistics registry and health registrations.[4],[5]

In 2020–21, an integrated IT Advisory Committee formed. The Committee includes representatives from eHealth and various health sector clients, including the Saskatchewan Health Authority. It assists in guiding the strategic priorities for IT services that eHealth is to provide. The Committee met almost monthly throughout 2020–21.

2.2 Financial Overview

During 2020–21, eHealth earned approximately $156 million (of which the Ministry of Health provided $138 million in grants) in revenue, and incurred $147 million in expenses. At March 31, 2021, it held tangible capital assets with an $11 million net book value consisting primarily of computer hardware and system development costs.

Figure 1—Financial Overview

	Actual 2020–21	Actual 2019–20
	(in millions)	
Grant from Ministry of Health	$ 138.2	$ 119.6
Other Revenues	17.9	26.2
Total Revenue	156.1	145.8
Operational and Other Expenses	142.4	135.8
Amortization	4.4	9.4
Total Expense	146.8	145.2
Annual Surplus	$ 9.3	$ 0.6
Total Financial Assets [A]	$ 28.3	$ 34.5
Total Liabilities [B]	21.6	26.3
Net Financial Assets	$ 6.7	$ 8.2
Tangible Capital Assets	$ 11.2	$ 6.0

Source: eHealth Saskatchewan 2020–21 audited financial statements.
[A] Total Financial Assets include Due from General Revenue Fund, receivables, etc.
[B] Total Liabilities include accounts payable, obligations under capital lease, etc.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2021, we found, in all material respects:

➢ **eHealth Saskatchewan had effective rules and procedures to safeguard public resources except for the matters described below**

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[4] The vital statistics registry registers all births, marriages, deaths, stillbirths, legal name changes, and changes of sex designation that occur in Saskatchewan.
[5] Health registrations register new Saskatchewan residents for provincial health coverage and maintain the registry of residents who are eligible for benefits. eHealth Saskatchewan issues health service cards to residents approved for Saskatchewan's basic health coverage.

➢ **eHealth Saskatchewan complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

> eHealth Saskatchewan's governing Orders in Council
> *The Crown Corporations Act, 1993*
> *The Executive Government Administration Act*
> *The Financial Administration Act, 1993*
> *The Vital Statistics Act, 2009*
> Regulations and Orders in Council issued pursuant to the above legislation

➢ **eHealth Saskatchewan 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 eHealth'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.

We focused our audit efforts on the following areas. We assessed eHealth's IT controls over user access, network access, and change management for financial-related IT systems, the sufficiency of its IT service level agreement with the Saskatchewan Health Authority, and its progress on testing the disaster recovery plan for critical IT systems. We examined eHealth's process to grant and revoke health card coverage through its three-year renewal process where December 31, 2023 coverage stickers were sent to eligible Saskatchewan residents in 2020. We also assessed the completeness and accuracy of tangible capital assets, and the reasonableness of significant estimates (like accrued payroll and vacation liabilities).

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 IT Service Level Agreement Progressing

> ***We recommended eHealth Saskatchewan sign an adequate service level agreement with the Saskatchewan Health Authority.*** *(2018 Report – Volume 2; p. 25, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)*

Status—Partially Implemented

As at March 2021, eHealth and the Saskatchewan Health Authority continued to manage IT services provided to the Authority under an inadequate agreement. During 2020–21, eHealth began drafting a master services agreement for IT services, but we found insufficient provisions at March 2021.

We found the operating agreement eHealth and the Authority signed in 2017 to be inadequate to allow for appropriate monitoring of IT services. eHealth has been responsible for the majority of the Authority's IT systems since 2017–18. As of March 31, 2021,

eHealth's consolidation of IT services is not yet complete. eHealth does not have a single set of IT policies or processes; and staff within the Authority continue to provide IT services.

Further, our review of the draft master services agreement found it did not include provisions for a number of key aspects for the delivery of IT services. For example, it did not include provisions about IT change processes, service levels (e.g., response times, system availability), security requirements, and disaster recovery. It appropriately included details on IT service governance, an IT service catalogue, payments and funding, quarterly reporting, and dispute resolution.

IT is an integral part of delivering and managing healthcare services (e.g., lab systems, accounting systems). The Authority depends on its IT data and systems to deliver healthcare services to the public. Having an inadequate service level agreement increases the risk that eHealth fails to meet the Authority's IT needs.

4.2 Disaster Recovery Plans and Testing Incomplete

We recommended eHealth Saskatchewan have an approved and tested disaster recovery plan for systems and data. (2007 Report – Volume 3; p. 248, Recommendation 6; Public Accounts Committee agreement January 8, 2008)

Status—Partially Implemented

eHealth has not completed detailed disaster recovery plans nor conducted testing of those plans for its critical IT systems.[6] eHealth is responsible for 35 critical IT systems— these are critical for the delivery of healthcare in Saskatchewan.[7]

As of March 2021, eHealth completed a recovery playbook for 14 of its 35 critical IT systems.[8] During the year, eHealth conducted a tabletop simulation exercise on four of the 14 completed playbooks.[9]

> Effective disaster recovery planning processes require organizations to periodically validate backup of their data.
>
> Occasionally, organizations simulate an actual disaster by doing a full restore at an off-site location and check whether backups are fully functional (i.e., disaster recovery test).

eHealth did not complete any disaster recovery testing in relation to these 35 critical IT systems.

Without tested disaster recovery plans, eHealth, the Ministry of Health, and the Authority may not be able to restore, in a timely manner, their critical IT systems and data (such as the personal health registration system or provincial lab systems) in the event of a disaster. These entities rely on the availability of those systems to deliver time-sensitive health services.

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[6] Disaster recovery plans outline how to quickly recover from some compromising event affecting an organization's IT infrastructure (e.g., network).

[7] Since March 31, 2020, eHealth deemed one additional IT system as critical and four previously identified IT systems as no longer critical. eHealth continues to work with its health sector partners (e.g., Saskatchewan Health Authority) to identify all critical IT systems.

[8] A recovery playbook, a document that typically forms part of the overall recovery plan, documents key aspects and recovery steps management must be aware of to enact the recovery plans during a crisis. Since early 2020, eHealth began writing a recovery playbook for each critical IT system.

[9] The tabletop exercise is a meeting to discuss a simulated emergency situation. Members review and discuss the actions they would take in a particular emergency, testing their emergency plan in an informal, low-stress environment.

In 2019–20, eHealth experienced a disaster. eHealth's IT network was subject to a ransomware attack. eHealth recovered its systems and related data from backups made prior to the attack. As ransomware attacks are steadily rising and evolving, organizations (like eHealth) need disaster recovery plans that enable speedy and easy recovery of data from the point of attack.

4.3 Better Control Over and Monitoring of eHealth IT Network Needed

While eHealth continues to make some progress toward implementing effective network access controls and improving monitoring of the eHealth IT network, further work is needed.

As **Figure 2** outlines, eHealth partially implemented two recommendations about its IT network we first made in our *2020 Report—Volume 1, Chapter 6*. We made these recommendations during our 2019 audit of eHealth's processes for securing portable computing devices.

Figure 2—Recommendations Related to eHealth's IT Network

Outstanding Recommendations	Status at March 31, 2021 with Key Actions Taken in Year
We recommended eHealth Saskatchewan implement a risk-based plan for controlling network access to mitigate the impact of security breaches. *(2020 Report – Volume 1,* p. 61, Recommendation 6, Public Accounts Committee has not yet considered this recommendation as of October 29, 2021*)*	**Partially Implemented** eHealth made the following improvements for controlling network access to mitigate the impact of security breaches: ➤ eHealth approved a new password policy and two-factor authentication for remote users.[A] ➤ eHealth updated its Security Threat Risk Assessment process to assess, detect, and repair any security risk associated with network devices. However, eHealth had not completed its IT threat and risk assessment or begun scanning systems for vulnerabilities. eHealth is developing strategies for exerting control over access and permissions for users, accounts, processes, and systems across the IT environment. For example, it plans to review privileged user access in 2021. Setting an appropriate level of privileged access helps agencies condense their attack surface and mitigates damage from attacks.
We recommended eHealth Saskatchewan utilize key network security logs and scans to effectively monitor the eHealth IT network and detect malicious activity. *(2020 Report – Volume 1,* p. 62, Recommendation 7, Public Accounts Committee has not yet considered this recommendation as of October 29, 2021*)*	**Partially Implemented** eHealth installed a new network monitoring tool in April 2020. This monitoring tool generates alerts about potential malicious activity. eHealth sets a severity impact rating for alerts, and expects staff to investigate high-rated alerts first. eHealth plans to start a Security Operations Centre to allow for 24/7 real-time security monitoring of its IT network.

Source: *2020 Report—Volume 1, Chapter 6, eHealth—Securing Portable Computing Devices*.
[A] Two-factor authentication is an electronic authentication method in which a user is granted access only after successfully presenting two or more pieces of evidence (e.g., key fob and password).

Controlling IT network access helps mitigate the risk of security breaches, and the extent of breaches. Effective IT network monitoring helps timely detection of malicious activity and mitigate the risks of a successful attack on its corporate network.

Chapter 4
Energy and Resources

1.0 MAIN POINTS

This chapter reports the results of our annual audit of the Ministry of Energy and Resources and its three special purpose funds for the year ended March 31, 2021. Each fund complied with authorities governing their activities and their 2020–21 financial statements are reliable.

The Ministry complied with authorities governing its activities and had effective rules and procedures to safeguard public resources other than it needs to:

➢ Obtain approval required by *The Executive Government Administration Act* for the grant payments it makes under the Accelerated Site Closure Program (Program) intended to clean up about 8,000 inactive oil and gas wells. During the year, the Ministry transferred $125 million to its Program service provider without obtaining this required approval.

➢ Obtain sufficient information of actual, eligible costs incurred by year-end to enable it to update its financial records and record accurate and complete revenue for the Program. At March 31, 2021, we found the Ministry understated Program revenue by $3.5 million.

➢ Formally identify and evaluate Program risks to more effectively manage risks that may prevent it from achieving the Program objectives.

➢ Approve the roles and responsibilities for its committee used to oversee the Program and maintain records of this committee's activities and decisions to enable it to demonstrate it is effectively overseeing the Program (e.g., document changes to Program policies and processes, document direction it provided to the Program service provider, document review of key Program reports used to monitor the Program).

2.0 INTRODUCTION

2.1 Background

The Ministry of Energy and Resources develops, coordinates and implements policies and programs to promote the growth and responsible development of the province's natural resources industries.[1] The Ministry also operates as the primary regulatory authority for the oil and gas industry, and ensures competitive royalty systems as well as regulations and policies for all natural resources sectors. In addition, the Ministry plays an important role in promoting Saskatchewan's diverse resource potential to investors around the world.[2]

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[1] Ministry of Energy and Resources, *Annual Report for 2020*–21, p. 4.
[2] *Government of Saskatchewan, 2020–21 Estimates*, p. 47.

2.2 Financial Overview

In 2020–21, the Ministry recorded $916.2 million in revenues, including $59.8 million in transfers from the Federal Government for its Accelerated Site Closure Program (see **Figure 1**).

It incurred expenses of $173.3 million to deliver its programs and services (see **Figure 2**). The Ministry's *Annual Report for 2020–21* provides information about its revenues and expenses, including reasons for differences between actual and planned.[3] Also, at March 31, 2021, the Ministry had a liability of $84.3 million to clean up contaminated and abandoned uranium mines (e.g., Gunnar site).

Figure 1—Revenues by Source

	Estimates 2020–21	Actual 2020–21
	(in millions)	
Oil	$ 171.6	$ 369.8
Crown Land Sales	12.5	6.7
Natural Gas	3.5	8.4
Potash	469.4	423.1
Uranium	46.6	4.2
Other Minerals	41.4	33.9
Mineral Rights Tax	9.5	9.7
Sales, Services, and Service Fees	0.3	0.4
Other Miscellaneous Revenue	0.1	0.2
Transfers from the Federal Government[A]	150.0	59.8
Total Revenue	$ 904.9	$ 916.2

Source: Ministry of Energy and Resources, *Annual Report for 2020–21,* p. 21.
[A] Revenue recorded for the Accelerated Site Closure Program.

Figure 2—Major Programs and Spending

	Estimates 2020–21	Actual 2020–21
	(in millions)	
Central Management and Services	$ 20.2	$ 19.9
Energy Regulation[A]	163.4	142.1
Resource Development	41.3	30.4
Total Appropriation	224.9	192.4
Remediation of Contaminated Sites	(28.8)	(19.1)
Capital Asset Acquisition	(3.3)	(3.5)
Capital Asset Amortization	3.6	3.5
Total Expense	$ 196.4	$ 173.3

Source: Ministry of Energy and Resources, *Annual Report for 2020–21,* p. 20.
[A] Energy regulation includes $129 million of actual expenses for the Accelerated Site Closure Program ($125 million transferred to its service provider for program funding and $4 million for program administration fees).

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[3] Ministry of Energy and Resources, *Annual Report for 2020–21* publications.saskatchewan.ca/api/v1/products/113765/formats/128172/download (22 August 2021).

2.3 Accelerated Site Closure Program

In fiscal 2020–21, the oil and gas industry faced financial challenges from low commodity prices and the COVID-19 pandemic. To support the oil and gas industry, the Federal Government provided Saskatchewan with $400 million in federal funding to stimulate economic activity and employment by assisting in the clean up of inactive oil and gas wells.[4] As a result, the Ministry launched its Accelerated Site Closure Program (the Program). The Ministry expects the Program will pay for the oil and gas industry to abandon and reclaim the equivalent of 8,000 inactive wells and support approximately 2,100 jobs in the oil and gas service sector for the Program's duration, which ends in February 2023.[5,6]

In July 2020, the Ministry signed an agreement with a service provider, the Saskatchewan Research Council (SRC), to administer the Program's daily operations. In addition, the Ministry of SaskBuilds and Procurement assists in identifying eligible oil and gas service companies to participate in the Program.

By the end of 2020–21, the Program saw 1,240 inactive wells abandoned/ decommissioned, 220 flowlines abandoned, 12 facilities decommissioned and the completion of more than 1,905 site reclamation activities.[7]

Having developed the Program quickly increased the risk of the Ministry insufficiently designing or inconsistently following effective internal controls to administer the Program.

2.4 Special Purpose Funds

The Ministry is responsible for the following funds with March 31 year-ends:

➢ Oil and Gas Orphan Fund

➢ Institutional Control Monitoring and Maintenance Fund

➢ Institutional Control Unforeseen Events Fund

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2021, we found, in all material respects:

➢ **The Ministry of Energy and Resources had effective rules and procedures to safeguard public resources except as noted in this chapter**

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[4] The Federal Government announced this support funding in mid-April 2020.
[5] Ministry of Energy and Resources, *Annual Report for 2020–21*, p. 6.
[6] Abandonment of oil and gas wells refers to pumping cement into the well-hole to prevent any subsurface formation containing gas or fluids from leaking below ground or escaping above ground. Inactive wells refers to wells without any reported production, injection, or disposal activities for 12 consecutive months or longer.
[7] Ministry of Energy and Resources, *Annual Report for 2020–21*, p. 6.

➢ **The Ministry of Energy and Resources and each of its funds complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing, except as noted in this chapter:**

The Crown Minerals Act
The Coal Disposition Regulations, 1988
The Crown Mineral Royalty Regulations
The Crown Oil and Gas Royalty Regulations, 2012
The Delayed Payment Charge Regulations, 1970
The Oil and Gas Tenure Registry Regulations, 2016
The Subsurface Mineral Royalty Regulations, 2017
The Subsurface Mineral Tenure Regulations
*The Waterflood Development Program
  Regulations*
*The Weyburn Unit CO$_2$ Crown Oil Royalty
  Regulations*
The Energy and Mines Act
*The Targeted Mineral Exploration Incentive
  Regulations*
The Freehold Oil and Gas Production Tax Act, 2010
*The Freehold Oil and Gas Production Tax
  Regulations, 2012*
The Recovered Crude Oil Tax Regulations, 2012
The Executive Government Administration Act

*The Ministry of Energy and Resources
  Regulations, 2018*
The Financial Administration Act, 1993
The Petroleum Research Incentive Regulations
The Petroleum Innovation Incentive Regulations
*The Oil and Gas Processing Investment Incentive
  Regulations*
The Mineral Taxation Act, 1983
The Freehold Coal Production Tax Regulations
The Mineral Rights Tax Regulations, 1998
The Potash Production Tax Regulations
The Oil and Gas Conservation Act
The Oil and Gas Conservation Regulations, 2012
The Public Service Act, 1998
The Purchasing Act, 2004
The Revenue and Financial Services Act
The Reclaimed Industrial Sites Act
The Reclaimed Industrial Sites Regulations
Orders in Council issued pursuant to the above
  legislation

➢ **The financial statements of each fund 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 the Ministry'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.

We focused our audit effort on the following areas of the Ministry:

➢ **Royalty revenues:** internal controls relating to the estimating, collecting, and recording of non-renewable resources' revenues and related receivables, including assessing the reasonableness of significant accounting estimates for revenues (e.g., royalties, taxes, revenue incentive credits)

➢ **Information Technology systems:** user access, change management, and recovery processes for key financial IT systems (e.g., IRIS, Petrinex)

➢ **Abandoned uranium mine clean up:** controls to estimate its environmental liability, and processes to oversee the ongoing work to clean up these sites (e.g., Gunnar)

➢ **Accelerated site closure program revenue:** internal controls to record revenue, Ministry revenue recognition policy to account for this specific federal funding, and the Ministry's compliance with the Federal Government's stipulations to keep this funding

➢ **Accelerated site closure program expenses:** internal controls for making payments and recording program grant expenses, policy to account for these grants, and verifying that payments made were for eligible expenses

➢ **Monitoring accelerated site closure program:** processes used to oversee the program (e.g., objectives, risks, reported results, oversight of the service provider)

➢ **Risks associated with COVID-19:** internal controls related to new programs or changes made to existing programs, changes to IT controls (e.g., more staff using remote access), and financial risks such as collectability of receivables

➢ **Licensee Liability Rating (LLR) program**: internal controls relating to the financial processes to estimate, bill, and collect security deposits from oil and gas producers

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Identification and Mitigation of Program Risks Needed

The Ministry of Energy and Resources has not formally identified and assessed possible risks in achieving its Accelerated Site Closure Program objectives.

The Ministry established its objectives in its Program Administration Policy in May 2020. We found the objectives consistent with the requirements from the Federal Government. See **Figure 3** for a summary of the Program objectives.

Figure 3—Accelerated Site Closure Program Objectives Summary

- Put Saskatchewan people and service companies back to work in the struggling oil and gas services sector
- Abandon and reclaim inactive oil and gas infrastructure in Saskatchewan
- Ensure Program funding is spent across various oil and gas producing regions in Saskatchewan
- Support Indigenous involvement in the delivery of clean-up services
- Support oil and gas well abandonment and cleanup of projects on Indigenous lands
- Enable landowners to nominate well sites for consideration in the Program
- Ensure payment of municipal taxes and landowners' surface lease payments are considered for eligibility at points in the Program

Source: Ministry of Energy and Resources' *Accelerated Site Closure Program—Program Administration Policy.*

As of March 31, 2021, we found the Ministry did not have a formal risk management plan. We also did not find documented evidence in other Ministry sources (e.g., Program documents, Ministry-level risk assessments) identifying and assessing risks to the Program.

The Ministry indicated it considered risks during regular meetings with SRC and the Ministry of SaskBuilds and Procurement. However, the Ministry did not keep meeting minutes, so we were unable to observe a record of discussion and any decisions made during those meetings. See **Section 4.2** for further information.

The Ministry is subject to risks associated with meeting its Program objectives and the requirements imposed by the Federal Government on how to use its funding. The speed at which the Ministry rolled out the Program increases the risk of the Ministry insufficiently implementing and monitoring the Program, including identifying and assessing Program risks.

The Program is complex with numerous parties involved. See **Figure 4** for a summary of Program processes. Some examples of risks that may prevent or reduce the Ministry's ability to meet program objectives include lack of qualified service company capacity available in the market, inability to use all $400 million program funding by the stated deadline, and/or licensees or service companies submitting invoices for ineligible expenses.

Without having a formal risk mitigation plan, the Ministry may not identify or sufficiently manage risks that may prevent it from achieving its Program objectives leading to Program inefficiencies (e.g., not attaining maximum benefit from the $400 million federal funding). Also, the Ministry has to repay any federal funding not used on eligible Program expenses prior to the end of the Program (February 2023).

1. **We recommend the Ministry of Energy and Resources formally identify and evaluate risks for the Accelerated Site Closure Program.**

After March 31, 2021, we observed the Ministry started to formally identify risks in June 2021.

Figure 4—Accelerated Site Closure Program Process Summary

- The Ministry set the Program requirements, including eligibility criteria for oil and gas licensees (i.e., the oil and gas companies that own the wells) to receive an allocation of program funding, and the oil and gas service companies (i.e., the companies that do clean-up work) that can participate in the Program
- The Ministry determines the allocation of program funding to licensees
- The Ministry of SaskBuilds and Procurement developed a list of qualified service companies
- Licensees nominate wells for clean up using Program resources
- SRC analyzes nominated wells and establishes groups of wells to be efficiently remediated
- SRC enters into contracts with the licensees for well clean up
- Licensees enter into contracts with service companies to do clean-up work
- Service companies provide invoices for completed work to licensees for approval[A]
- Licensees provide approved invoices to SRC for payment
- SRC reviews, and if appropriate, reimburses the actual, eligible costs by making payment to the service companies
- SRC completes all cost and performance monitoring reporting (e.g., monthly reports to the Ministry)
- The Ministry uses SRC's reports to monitor the program and prepare a summarized report to release publicly on its website

Source: Developed by the Provincial Auditor of Saskatchewan.
[A] This is important as the licensee remains responsible for managing and monitoring its wells and operations at all times. The licensee is responsible for managing the clean-up project, monitoring service company performance, and approving invoices before providing to SRC for payment.

4.2 Improvements Needed to Program Steering Committee

We found the Ministry of Energy and Resources had neither an approved charter for its Accelerated Site Closure Program Steering Committee, nor kept a detailed record (e.g., minutes) of decisions made during Committee meetings.

The Ministry established a Steering Committee to develop and monitor the Accelerated Site Closure Program. The Committee consisted of representatives from the Ministry, SRC, and the Ministry of SaskBuilds and Procurement, including members of senior management (e.g., Assistant Deputy Minister, SRC executive).

From review of calendars, agendas, emails, and discussion with management, we found the Committee met frequently (e.g., daily) during the beginning of the Program. Meetings became less frequent as the Program became more established. For example, the Committee moved to two meetings per week in December 2020.

The Ministry drafted a Steering Committee Charter to set the roles for the Committee. Some examples of the Committee's roles included enabling transfer of information between the Ministry and SRC, and determining the appropriate structure of contracts for services over the Program's duration (i.e., Program contracts between SRC and licensees).

The Steering Committee is important as it is a key forum to review Program progress and oversee SRC (e.g., review monthly financial and operational reports from SRC), document approval of or changes to key processes or documents (e.g., changes to program policies or processes), and discuss issues or risks that arise and decisions made to manage them.

Without an approved Charter, the Committee's role may be unclear or the Committee may not perform all roles senior management wants it to.

> 2. **We recommend the Ministry of Energy and Resources finalize and approve its Accelerated Site Closure Program Steering Committee Charter.**

After March 31, 2021, management indicated the Ministry approved the Steering Committee Charter in September 2021.

We also found that the Committee did not keep detailed records (e.g., minutes) of discussions held during Committee meetings and any decisions made. Not keeping adequate records of discussions during committee meetings may result in an increased risk that key information from discussions held during meetings and decisions made are forgotten or lost, and does not facilitate transfer of information when staff turnover occurs. Also, since the Committee reviews and approves reports pertaining to the Program, this absence of documentation results in a lack of evidence that senior management reviewed Program progress reports.

> 3. **We recommend the Ministry of Energy and Resources maintain a written record of Accelerated Site Closure Program Steering Committee meeting activities and decisions.**

After March 31, 2021, we observed the Ministry started to keep minutes from these meetings in May 2021.

4.3 Order in Council for Significant Agreements Needed

The Ministry of Energy and Resources did not obtain the required Lieutenant Governor in Council approval (via Order in Council) before making significant grants to the Saskatchewan Research Council to finance the Accelerated Site Closure Program.

Authorities the Ministry must follow require it to obtain certain approvals before making grants. See **Figure 5**.

Figure 5—*The Executive Government Administration Act* Summary

> **Section 16**
>
> (1) Subject to subsection (3), a minister may, for any purpose relating to any matter under the minister's administration or for which the minister is responsible, make grants to any person, agency, organization, association, institution or body within or outside Saskatchewan.
>
> (2) A minister may set terms or conditions on a grant made pursuant to this section.
>
> (3) **A minister shall obtain the approval of the Lieutenant Governor in Council before making any grant pursuant to subsection (1) if:**
>
> > (a) **the amount of the grant is greater than $50,000; or**
> >
> > (b) **the total amount of the grant and any other grant made by that minister to that person, agency, organization, association, institution or body would be greater than $50,000 in any fiscal year.**

Source: *Executive Government Administration Act, E-13.1*, publications.saskatchewan.ca/#/products/70999 (22 August 2021).

In July 2020, the Ministry signed an agreement with the Saskatchewan Research Council, contracting SRC to administer the Program (e.g., sign agreements with licensees, provide funding, perform administrative duties). It did not obtain the required approval at that time.

In August 2020, the Ministry made its first grant payment of $15 million to SRC to fund Program costs. It did not obtain the required approval above prior to making this payment. In total, the Ministry paid SRC $125 million for Program costs during 2020–21.

The Ministry violated its governing legislation as it did not obtain Lieutenant Governor in Council approval (Order in Council) before making significant grants to SRC. Without obtaining this required approval, the Ministry will continue to make significant Program grant payments while not complying with its governing legislation.

> 4. **We recommend the Ministry of Energy and Resources obtain the approval required by *The Executive Government Administration Act* for its grant payments made under the Accelerated Site Closure Program.**

4.4 Adequate Support for Accelerated Site Closure Program Revenue Required

The Ministry of Energy and Resources did not receive adequate support from its service provider for it to record accurate and complete revenue for its Accelerated Site Closure Program for the year ended March 31, 2021.

The Ministry updates its financial records by recording revenue (and reducing unearned revenue) based on SRC's actual, eligible Program expenses incurred (invoices paid or received). The Ministry's agreement with SRC requires SRC to provide it with monthly financial reports for this purpose. Financial reports during the year are due on the last business day of each month. For fiscal year-end reporting at March 31, this report is contingent on cut-off timeframes to be provided to SRC.

We did not observe written evidence of the Ministry finalizing and providing instructions to SRC on when and how to prepare the year-end financial report. Instead, the financial report for March 2021 followed the same monthly reporting requirements as other months. This led to lack of clear direction of when the Ministry expected to receive the year-end financial report, and what information the Ministry expected it to include (e.g., report summing up all Program invoices received on/by March 31).

We found the Ministry did not receive appropriate support from SRC. It received a report from SRC listing the invoices paid and captured in its electronic tracking system before the end of day on March 31, 2021 ($52.8 million). Then, in an email, SRC provided an estimated, unsupported amount for invoices received on/by March 31, 2021, but not yet paid, and not yet in its electronic tracking system ($7 million; totalling $59.8 million).

We were unable to receive further support from the Ministry. We completed alternate auditing procedures by comparing the Ministry's recorded revenue to the SRC's audited financial statements, which recorded $63.3 million in Program expenses. We found the Ministry's revenue was understated by $3.5 million.[8]

Without appropriate invoice support of all actual eligible Program costs incurred by March 31, the Ministry is at risk of recording inaccurate Program revenues. Without adequate support, the Ministry has limited assurance over the accuracy and completeness of its financial records. This increases the risk of the Ministry recording too much or not enough Program revenue.

> 5. **We recommend the Ministry of Energy and Resources obtain sufficient documentation to record accurate and complete revenue for the Accelerated Site Closure Program.**

4.5 Funding Allocations Distributed Fairly to Licensees

We found the Ministry of Energy and Resources quickly developed a fair, transparent process for the Ministry to allocate funds to oil and gas producers (i.e., licensees) to clean up inactive oil and gas wells.

In fiscal 2020–21, the Ministry developed processes to allocate the $400 million in federal funding to licensees that applied for Program funding. The Ministry based its funding allocations on the total inactive liability amount in the Licensee Liability Rating.[9] In addition, for the Ministry to consider a licensee as eligible for funding, the licensee could not have an outstanding debt to the Crown (e.g., fees owing to the Ministry of Agriculture and/or Ministry of Environment for surface leases).

The minimum allocation to a licensee is $50,000.

4.6 Work Packages Addressed the Needs of the Program

We found the Ministry of Energy and Resources and SRC developed work-package contracts with licensees that appropriately addressed the needs and requirements of the Program.

Both the Ministry and SRC worked to create contract templates (i.e., work-package contracts). Licensees submitted applications that included budgeted amounts of funding needed for the licensee to reclaim its nominated inactive oil and gas wells. Once assessed as eligible, the licensees and SRC enter into an agreement using the appropriately worded,

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[8] This resulted in an understatement of revenue in the 2020–21 Summary Financial Statements.
[9] The License Liability Rating is a calculation performed by the Ministry based on the inventory of all wells and facilities held by a licensee to estimate the future cost to abandon and reclaim all the wells/facilities of that licensee.

work-package contract. The work-package contract identifies which sites are approved for clean up and the funding available to the licensee. Licensee's have the potential for multiple work packages (based on site locations) for each phase of the program.

SRC assigns unique identification numbers to each work package for easy reference.

4.7 Payments Made to Licensees Appropriately Approved and Supported

The Ministry of Energy and Resources had an adequate process in place to verify licensees met Program requirements, the Ministry appropriately approved invoices in accordance with its delegation of authority, and SRC approved and paid eligible actual expenses.

We tested 31 service company invoices SRC paid for completed Program work.

We found:

➢ The Ministry approved eligible licensees for Program funding

➢ SRC verified work packages contained well locations geographically near each other for efficiency purposes

➢ SRC properly approved work-package contracts in accordance with its delegation of authority

➢ The Ministry, SRC, and the Ministry of SaskBuilds and Procurement had effective processes to seek and approve eligible service companies consistent with Program requirements

➢ Licensees used eligible service companies

➢ SRC verified licensees approved service company invoices for work completed prior to submitting to SRC for payment

➢ SRC verified only eligible expenditures were claimed and costs were agreed to rates established for the Program

➢ SRC made timely payments for approved invoices (within 30 days)

The Ministry made four payments during 2020–21 to advance money to SRC to finance the Program. We tested all four payments and found the Ministry approved these payments in accordance with its delegation of authority.

Chapter 5
Executive Council

1.0 MAIN POINTS

During 2020–21, the Office of the Executive Council had effective rules and procedures to safeguard public resources, and it complied with authorities governing its activities other than in the following area.

Executive Council continued to set remuneration rates inconsistent with Board of Internal Economy directives. *The Legislative Assembly Act, 2007,* gives the Board of Internal Economy clear authority to set remuneration rates of legislative secretaries through directives, and the Board has done so. Executive Council needs to work with the Board to remunerate legislative secretaries at rates consistent with the Board's approved rates. Not operating within laws and directives increases the risk of decreasing public confidence in government.

2.0 INTRODUCTION

2.1 Background

The Office of the Executive Council provides support to the Premier, Cabinet and Cabinet Committees.[1] It also develops and advances the Government's plan for Saskatchewan, and manages the plan's implementation across government.

Its other functions include coordinating government business in the Legislative Assembly; maintaining Cabinet documents, Orders in Council, and regulations on behalf of the Government of Saskatchewan; providing strategic direction in communications throughout the government; administering policies on communications, procurement, visual identity, and online development; and operating the Government's web, mobile and social media presence.[2]

2.2 Financial Overview

The Office of the Executive Council spent about $11.2 million in 2020–21. Its website details its programs and services.[3] Spending details are available in *Public Accounts – Volume 2.*[4] The Office of the Executive Council does not prepare or table an annual report.

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[1] *The Executive Government Administration Act* section 26 establishes the Office of the Executive Council.
[2] www.saskatchewan.ca/government/government-structure/ministries/executive-council-and-office-of-the-premier (13 July 2021).
[3] Ibid.
[4] publications.saskatchewan.ca/#/products/108158 (13 July 2021).

Figure 1—Financial Results for 2020–21 by Program

	Estimates 2020–21	Actual 2020–21
	(in thousands)	
Central Management and Services	$ 5,590	$ 5,312
Premier's Office	484	417
Cabinet Planning	1,093	813
Cabinet Secretariat	503	508
Communications Office	1,435	1,467
House Business and Research	248	176
Members of the Executive Council	139	134
Intergovernmental Affairs	2,127	1,752
Lieutenant Governor's Office	713	575
Total Expense	$ 12,332	$ 11,154

Source: *Saskatchewan Provincial Budget 2020-21 Estimates* (vote 10); Office of the Executive Council 2020–21 financial records.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2021, we found, in all material respects:

➢ **The Office of the Executive Council had effective rules and procedures to safeguard public resources**

➢ **The Office of the Executive Council complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matter related to authority to set remuneration rates for legislative secretaries described in this chapter:**

> *The Executive Government Administration Act*
> *The Executive Government Administration Exemption Regulations*
> *The Members of the Executive Council Expense Regulations, 1988*
> *The Financial Administration Act, 1993*
> *The Provincial Secretary's Act* (clause 3d.1)
> Orders in Council issued pursuant to the above legislation

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 the Executive Council'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.

We examined the effectiveness of the Office of the Executive Council's controls to keep reliable financial records and prepare reliable financial reports. This included examining its financial-related controls used to administer its spending, including processes used for travel and business expense claims, and to make accurate and public semi-annual reports on ministerial travel expenses.

4.0 KEY FINDING AND RECOMMENDATION

4.1 Unclear Authority for Remuneration Paid to Legislative Secretaries

We recommended Executive Council work with the Board of Internal Economy to remunerate legislative secretaries at rates consistent with Board of Internal Economy approved rates. (*2018 Report – Volume 2*, p. 30, Recommendation 2; Public Accounts Committee agreement February 26, 2020)

Status—Not Implemented

During 2020–21, the Executive Council (Cabinet) continued to set legislative secretaries' remuneration rates without clear, legislated authority to do so. Also, its rates differ from rates the Board of Internal Economy approved in its directives.[5]

The Legislative Assembly Act, 2007, gives the Board of Internal Economy clear authority to set legislative secretaries' remuneration rates through directives, and the Board did so. *The Board of Internal Economy Directive #21—Annual Indemnity and Allowances* directs an annual allowance of $14,889 for legislative secretaries.[6] This directive remained in effect in 2020–21.

While *The Executive Government Administration Act* gives the Lieutenant Governor in Council (Cabinet) clear authority to appoint Members of the Legislative Assembly as legislative secretaries, with or without remuneration, it does not explicitly give Cabinet the authority to set remuneration rates for the secretaries.[7] Regardless, through various Orders in Council, Cabinet both appoints various legislative secretaries and sets their remuneration rates (i.e., $3,000 per year).[8]

Executive Council officials told us that in prior years it received advice from the Ministry of Justice and Attorney General indicating its practice related to setting legislative secretaries' remuneration is acceptable on the condition that legislative secretaries forego the amount set by the Board of Internal Economy and accept a lesser amount.

We did not see evidence of the Office of the Executive Council working with the Board to ensure remuneration rates for legislative secretaries align (e.g., ask the Board to reconsider the rate set out in its directive).

Laws and directives set standards and controls to govern actions. Not operating within those parameters, or taking steps to always do so, increases the risk of decreasing public confidence in government.

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[5] Per *The Legislative Assembly Act, 2007*, section 67, the Board of Internal Economy is comprised of the Speaker of the Legislative Assembly (Chair), two Executive Council-nominated Cabinet members, two Government caucus-nominated members, and two opposition caucus-nominated members.

[6] Annual allowance is set in the *Board of Internal Economy Directive #21—Annual Indemnity and Allowances* issued under section 62 of *The Legislative Assembly Act, 2007*. Effective April 1, 2020, the annual allowance was $14,889. Effective April 1, 2021, the annual allowance changed to $14,978. Directives are available at www.legassembly.sk.ca/mlas/board-of-internal-economy/directives/ and www.legassembly.sk.ca/media/1172/directive-21-annual-indemnity-and-allowances.pdf (13 July 2021).

[7] *The Executive Government Administration Act*, section 7(1).

[8] Orders in Council 485-2020, 486-2020, 487-2020, 488-2020, 490-2020, 491-2020, 492-2020 issued under *The Executive Government Administration Act.*

Chapter 6
Government Relations—Northern Municipal Trust Account

1.0 MAIN POINTS

Other than the following, the Ministry of Government Relations had effective rules and procedures to safeguard the Northern Municipal Trust Account's public resources. The Ministry did not:

➢ Adequately supervise staff responsible for recording Trust Account financial information including making sure it had complete and accurate information to prepare financial statements

➢ Adequately segregate duties of employees responsible for key accounting functions of the Trust Account

Without adequate supervision of staff or segregation of duties, the Ministry faces a higher risk of fraud occurring and of undetected errors in the Trust Account's financial information. Also, the Ministry risks using inaccurate financial information to make decisions and to monitor the Trust Account's operations.

The Ministry complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing other than it did not:

➢ Have clear legislative authority to make grants from the Northern Municipal Trust Account to northern municipalities for landfills not wholly owned by the Ministry.

Making grant payments without clear legislative authority increases the risk of making payments inconsistent with the mandate of the Trust Account.

➢ Provide the Trust Account's 2018 through 2020 annual reports to the Legislative Assembly in accordance with timelines set in *The Executive Government Administration Act*. This was due, in part, to the issues identified above, as it did not prepare accurate financial statements for audit.

Not tabling the Trust Account's annual report within the timelines set in legislation increases the risk that legislators do not have sufficient information to monitor the Trust Account's operations.

The Trust Account's 2020 financial statements are reliable.

2.0 INTRODUCTION

The Ministry of Government Relations is responsible for administering the Northern Municipal Trust Account.[1,2] The Trust Account provides for the administration of funds and property held for the following two main purposes:

➢ To administer and finance the municipal functions and operations (e.g., provide water) of the Northern Saskatchewan Administration District.[3] The Ministry, through the Trust Account, administers all revenues relating to the Northern Saskatchewan Administration District and all moneys appropriated by the Legislature for the purposes of northern revenue sharing and other grant programs. The Trust Account also acts as a municipal operating fund for the unincorporated area in the district (i.e., northern settlements and resort subdivisions).

➢ To assist northern municipalities in providing quality services to their residents through operating and capital grants (e.g., for funding water and sewer systems to provide residents access to a safe, potable water supply, as well as municipal facilities and equipment).

The Ministry, through the Trust Account, levies and collects taxes for northern hamlets. It remits these taxes, upon receipt, to the respective entities.

At December 2020, the Ministry had five staff in La Ronge to administer the Trust Account. An additional eight Ministry staff, located primarily in La Ronge, provide assistance in addition to their regular municipal advisory, community planning, policy analysis, and management responsibilities.

2.1 Financial Overview

In 2020, as shown in **Figure 1**, the Trust Account had an annual surplus of $3.0 million (2019: surplus of $5.8 million). It managed capital assets (e.g., water treatment plants, sewer systems and buildings) of $6.0 million (2019: $5.3 million).

Figure 1—Financial Overview Highlights

	Actual 2019	Actual 2020
	(in millions)	
Grants from the Ministry of Government Relations (General Revenue Fund)	$ 27.8	$ 26.3
Taxation Revenue	5.1	4.8
Lease Fees Revenue	6.2	5.4
Revenue – Other Sources	2.5	2.1
Total Revenue	$ 41.6	$ 38.6

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[1] *The Northern Municipalities Act, 2010,* established the Northern Municipal Trust Account and its purposes.
[2] *The Northern Municipalities Act, 2010,* makes a Cabinet-appointed Board responsible for giving the Minister of Government Relations advice on the allocations of northern operating and capital grants, and changes to laws concerning the Trust Account.
[3] The Northern Saskatchewan Administration District is a geographical area defined under *The Northern Municipalities Regulations* s. 74 that includes 11 northern settlements and 14 resort subdivisions.

	Actual 2019	Actual 2020
	(in millions)	
Grants (e.g., Northern Revenue Sharing, water and sewer)	29.0	28.1
Municipal Services	5.8	5.5
Other Expenses	1.0	2.0
Total Expense	$ 35.8	$ 35.6
Annual Surplus	$ 5.8	$ 3.0
Total Financial Assets (e.g., Cash, Investments, Accounts Receivable)	$ 54.9	$ 52.9
Capital Assets (e.g., water and sewer, buildings, machinery)	$ 5.3	$ 6.0
Total Liabilities	$ 11.0	$ 6.6

Source: Adapted from the Northern Municipal Trust Account audited consolidated financial statements for the year ended December 31, 2020.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended December 31, 2020, we found, in all material respects:

➢ **The Ministry of Government Relations had effective rules and procedures to safeguard the Northern Municipal Trust Account's public resources except for the matters described in this chapter**

➢ **The Ministry of Government Relations complied with the following authorities governing the Northern Municipal Trust Account's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matters described in this chapter:**

> *The Northern Municipalities Act, 2010*
> *The Northern Municipalities Regulations*
> *The Financial Administration Act, 1993*
> *The Executive Government Administration Act*
> Orders in Council pursuant to the above legislation

➢ **The Northern Municipal Trust Account 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 the Ministry's controls over the Trust Account. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

The audit focused on key revenue sources (e.g., taxation, utility, leases, and fuel sales). It included assessing the Ministry's monitoring of the Trust Account's lease and land sales revenues, and the accuracy of the Trust Account's tax calculations and fuel sales.[4] In addition, the audit assessed the reasonability of management's estimates of lease receivables, accrued landfill-decommissioning costs, and liability for contaminated sites. It

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[4] The Ministry of Environment collects lease and land sales revenue on the Trust Account's behalf.

also assessed whether the Ministry properly recorded the Trust Account's fuel inventory on hand at year-end and its share of the Lac La Ronge Regional Waste Management Corporation.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Closer Supervision of Financial Staff Needed

We recommended the Ministry of Government Relations require management to carry out a detailed review of quarterly and year-end financial information (e.g., financial reports, journal entries, reconciliations) prepared by the staff responsible for recording Northern Municipal Trust Account financial information. (*2015 Report – Volume 1*, p. 18, Recommendation 2; Public Accounts agreement September 15, 2016)

Status—Partially Implemented

The Ministry of Government Relations made some improvements to its financial processes during 2020, but did not review the Trust Account's financial information in sufficient detail. The 2020 audit identified a few significant errors in the Trust Account's accounting records and in the 2020 draft financial statements presented for audit.

The Ministry maintains sufficiently robust policies and related procedures to guide staff responsible for administering the Trust Account's day-to-day financial activities, and for preparing financial reports (including year-end financial statements). In addition, the Ministry made staff with suitable accounting expertise in its Corporate Services Division available to support staff responsible for preparing the Trust Account's financial statements. Corporate Services Division staff also review the annual draft financial statements and supporting documents prior to the Ministry presenting them for audit. Providing support and performing detailed review of the financial statements is necessary because Ministry staff responsible for preparing the financial statements do not have robust accounting knowledge.

We found staff responsible for the Trust Account's day-to-day administration sought the timely assistance of the Ministry's Corporate Services Division to help determine the appropriate accounting for more complex items (e.g., recording new revenues).

However, we found staff did not sufficiently assess the reasonableness of year-end information the Ministry of Environment provided about lease fees revenue and contractual rights. The Ministry of Government Relations uses this information to record the Trust Account's lease fee revenues and prepare disclosures about contractual rights in its financial statements. We found the draft financial statements presented for audit did not include lease fees revenue of $4.6 million, and incorrectly included $33 million in contractual rights for lease contracts.

Furthermore, staff did not sufficiently review the draft financial statements and supporting information. In addition to the error in contractual rights for lease contracts, we found the draft financial statements did not include $4.1 million in contractual rights from other

agreements. We also found the draft financial statements incorrectly disclosed amounts for various transactions (understated revenue by $1.1 million and accounts receivable by $4.6 million) with related parties.

The Ministry corrected the errors we identified in the draft financial statements before it finalized them. In June 2021, the Ministry hired a Director of Finance and Accounting to provide additional accounting expertise to the Trust Account.

Carrying out detailed review of the Trust Account's financial information helps reduce the risk of errors in accounting records and in financial statements presented for audit. Also, significant errors in the financial statements increases the risk of delays in the completion of the annual audit.

4.2 Unclear Authority for Landfill Expansion Grant Payments

> ***We recommended the Ministry of Government Relations clarify the legislated authority to make grants from the Northern Municipal Trust Account to northern municipalities for landfills not wholly owned by the Ministry.*** (*2020 Report – Volume 2*, p. 41, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

> **Status**—Not Implemented

The Ministry of Government Relations made grant payments from the Trust Account for a landfill expansion without clear legislative authority to do so.

In January 2019, the Minister of Government Relations approved a program to fund (through the Trust Account) up to $4.9 million of the construction costs related to expanding the Lac La Ronge regional landfill.[5] It refers to this program as the Regional Solid Waste Management program.

The regional landfill currently provides waste management services to three northern municipalities, including the Northern Saskatchewan Administration District, and the Lac La Ronge Indian Band. The Ministry expects to benefit from the planned landfill expansion as it owns part of the regional landfill.

During 2020–21, the Ministry paid $1.1 million (2019: $2.3 million) from the Trust Account for this program. Of the amount paid, $1.0 million (2019: $1.8 million) is a grant (government transfer) because the amount benefits municipalities that are not part of the Northern Saskatchewan Administration District.

As of September 2021, neither *The Northern Municipalities Act, 2010,* nor *The Northern Municipalities Regulations* provide authority for the Trust Account to make grants for landfills. In October 2020, the Ministry consulted with legal counsel who indicated this legislation was likely not sufficient authority to make these landfill grant payments. Management indicated they are working on preparing updated regulations to provide clear authority to make landfill grants.

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[5] The total estimated capital cost of the regional landfill expansion is $12.4 million. The Federal Government agreed to fund up to $7.1 million (for the Lac La Ronge Indian Band), the Provincial Government agreed to fund up to $4.9 million, and other participating northern municipalities agreed to fund the remaining $0.4 million.

Making grant payments without clear legislative authority increases the risk of making payments inconsistent with the mandate of the Trust Account.

4.3 Segregation of Incompatible Duties Needed

We recommended the Ministry of Government Relations adequately segregate duties of employees responsible for key accounting functions of the Northern Municipal Trust Account. (*2018 Report – Volume 2*, p. 68, Recommendation 1; Public Accounts Committee agreement February 26, 2020)

Status—Partially Implemented

During 2020, the Ministry did not properly segregate incompatible duties of staff responsible for receiving money, preparing bank deposits, making payments, and recording financial transactions in the Trust Account's accounting system. It did improve user access within its accounting IT system to better separate responsibilities of users given access to that system.

The Ministry designated incompatible duties to different staff. During the audit, we found seven instances (2019: 10 instances) where only one person opened the mail and one instance (2019: no instances) where there was no evidence of who opened the mail, recorded the cash or prepared the bank deposit.[6] We also found two instances (2019: no instances), where there was no evidence of who opened the mail or recorded the cash in the accounting records. In addition, we found one management staff involved with opening mail could also prepare the deposit and record amounts in the financial records. Having only one staff member open mail increases the risk that cash or cheques could be lost as the result of fraud or error. This risk increases when the staff member opening the mail is also responsible for significant accounting functions (e.g., preparing the deposit and recording amounts in the financial records).

We also found, for the 65 payments we tested, one managerial employee completed most of the payment processes. This employee checked calculations for payments, approved these payments and also signed the cheques authorizing payments. As a result, the employee could have made inappropriate payments without detection. We reviewed the support for these payments and all appeared to be for appropriate purposes.

Management indicated segregation issues continued in 2020 because of a small number of financial staff in the office due to the COVID-19 pandemic.

In September 2020, the Ministry installed a new security module for the Trust Account's accounting IT system allowing the Ministry to better separate responsibilities of users given access to the system. We found the Ministry properly restricted what users can do within the Trust Account's IT accounting system.

Not properly segregating responsibilities assigned to staff responsible for key accounting functions increases the risk of undetected fraud and error, including inappropriate

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[6] Having two people open the mail is a critical step in segregating duties, as the Trust Account receives cash and cheques in the mail. When two people open the mail it lowers the risk of staff fraudulently taking the cash or cheques.

adjustments to accounting records. This also increases the risk of errors in the Trust Account's financial information.

4.4 More Timely Tabling of Annual Reports Needed

> **We recommended the Ministry of Government Relations provide the Northern Municipal Trust Account's annual report to the Legislative Assembly in accordance with timelines set in The Executive Government Administration Act.** (*2017 Report – Volume 2*, p. 45, Recommendation 1; Public Accounts Committee agreement October 10, 2018)
>
> **Status**—Not Implemented

The Ministry of Government Relations did not give the Legislative Assembly the annual reports for the Trust Account within the timeframes *The Executive Government Administration Act* requires—that is, by the end of April each year.[7]

The Trust Account's annual reports include the audited financial statements. Difficulties in preparing accurate financial statements delayed completion of the annual reports. The Assembly received the Trust Account's 2018 annual report on February 26, 2021, and 2019 annual report on May 4, 2021.

Delays in the completion of the 2020 annual audit of the financial statements contributed to the Ministry's inability to finalize the Trust Account's 2020 annual report by April 2021.

Not tabling the Trust Account's annual report within the timelines set in legislation results in legislators not having sufficient information to monitor the Trust Account's operations.

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[7] *The Executive Government Administration Act*, s.13 requires the Minister responsible to table annual reports within 120 days after the agency's year end. The Northern Municipal Trust Account has a December 31 year-end. The Minister of Government Relations is assigned responsibility for this Trust Account.

Chapter 7
Healthcare Affiliates

1.0 MAIN POINTS

For each of the 2020–21 annual audits of 36 healthcare affiliates, all had effective rules and procedures to safeguard public resources for 2020–21.

The 2020–21 financial statements for each of these healthcare affiliates are reliable.

However in 2020-21, one of the 36 healthcare affiliates (All Nations' Healing Hospital Inc. in Fort Qu'Appelle) did not seek permission from the Minister of Health for two capital projects exceeding $100,000 as required by law.

2.0 INTRODUCTION

The Provincial Health Authority Act and related regulations establish the roles and responsibilities for the Ministry of Health, the Saskatchewan Health Authority, and Saskatchewan's 37 healthcare affiliates.[1]

The Provincial Health Authority Administration Regulations designates healthcare affiliates, and makes them responsible for providing contracted health services on behalf of the Saskatchewan Health Authority. **Appendix 2** of this Report includes a list of the healthcare affiliates. Most affiliates provide health services for long-term care patients; several also provide hospital services in certain areas of the province. These healthcare affiliates employ approximately 3,000 staff.[2]

Figure 1 provides the combined financial results of the 36 healthcare affiliates for 2019–20 and 2020–21.[3]

Figure 1—Healthcare Affiliates' Combined Financial Results

	2020–21	2019–20
	(in millions)	
Net Financial Assets[A]	$ (2.2)	$ (30.8)
Non-Financial Assets[B]	127.8	146.2
Grants from the Saskatchewan Health Authority[C]	239.8	215.6
Other Revenue (e.g., Federal Government grants, food service revenue)	60.2	65.3
Total Revenue	$ 300.0	$ 281.2
Total Expense	$ 290.7	$ 280.1
Annual Surplus	$ 9.3	$ 1.1

Source: Adapted from audited healthcare affiliates' financial statements for the year ended March 31, 2021; *Provincial Auditor Saskatchewan 2020 Report – Volume 2*, Chapter 6, for year ended March 31, 2020.
[A] Net financial assets (e.g., cash, receivables) less liabilities (e.g., accounts payable, debt).
[B] Non-financial assets such as capital assets (e.g., buildings).
[C] The increase in 2020–21 grants for the affiliates was due to COVID-19 pandemic funding provided by the Ministry of Health.

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[1] St. Paul's Hospital (a healthcare affiliate located in Saskatoon) is not included in this chapter because it is consolidated into the financial statements of the Saskatchewan Health Authority.
[2] *Saskatchewan Health Authority 2020–21 Business Plan,* p. 38.
[3] These figures do not include St. Paul's Hospital because they are consolidated into the financial statements of the Saskatchewan Health Authority.

Each year, the Saskatchewan Health Authority contracts healthcare affiliates to supply about 2,450 beds and health services.[4] The Saskatchewan Health Authority paid $239.8 million in 2020–21 ($215.6 million in 2019–20) to 36 healthcare affiliates.[5]

3.0 AUDIT CONCLUSIONS

Our Office worked with appointed auditors (see **Appendix 2**) to carry out the audits of the healthcare affiliates. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors.*[6]

In our opinion, for the year ended March 31, 2021:[7]

➢ **Each healthcare affiliate complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing, except for the matter related to All Nations' Healing Hospital Inc. below:**

The Provincial Health Authority Act	*The Housing & Special-Care Homes Regulations*
The Facility Designation Regulations	*The Trustees Act, 2009*
The Provincial Health Authority Administration Regulations	*The Health Labour Relations Reorganization (Commissioner) Regulations*
The Special-Care Homes Rates Regulations, 2011	Orders in Council pursuant to the above legislation

➢ **The financial statements of each healthcare affiliate are reliable**

➢ **Each healthcare affiliate had effective rules and procedures to safeguard public resources**

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct each audit. We used the control framework included in COSO's *Internal Control—Integrated Framework* to make our judgments about the effectiveness of each healthcare affiliates' 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 healthcare affiliates' 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.

4.0 KEY FINDINGS AND RECOMMENDATIONS

This section set 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 31, 2021, and the healthcare affiliates' actions up to that date.

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[4] *Saskatchewan Health Authority 2020–21 Business Plan* p. 38.

[5] These figures do not include St. Paul's Hospital (a healthcare affiliate located in Saskatoon) because they are consolidated into the financial statements of the Saskatchewan Health Authority. The Saskatchewan Health Authority consolidates the financial activities of St. Paul's Hospital into its financial statements because of its close relationship with this affiliate.

[6] See our website at www.auditor.sk.ca

[7] This chapter does not include the results of the annual audit of the St. Paul's Hospital because the annual audit of the Saskatchewan Health Authority includes the audit of St. Paul's Hospital. See Chapter 11 for the results of the annual audit of the Authority.

4.1 All Nations' Healing Hospital Inc.—Minister Approval for Projects Over $100,000 Required

> **We recommended the All Nations' Healing Hospital Inc. seek the permissions required by The Provincial Health Authority Act and The Provincial Health Authority Administration Regulations when undertaking projects valued at greater than $100,000.** (*2020 Report – Volume 2*, p. 47, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Not Implemented

During 2020–21, All Nations' Healing Hospital Inc. in Fort Qu'Appelle continued to not seek permission from the Minister of Health for capital projects exceeding $100,000 as required under *The Provincial Health Authority Act* and *The Provincial Health Authority Administration Regulations*. In 2020–21, the Hospital failed to seek permission from the Minister of Health for two capital projects exceeding $100,000.

Not seeking the Minister of Health's permission for larger capital renovation projects increases the risk money may be spent for items not considered a priority for the healthcare system.

4.2 Raymore Community Health and Social Centre—Cost and Amortization of Capital Assets Appropriately Recorded in Financial Statements

> **We recommended the Raymore Community Health and Social Centre record and amortize the cost of its tangible capital assets in its financial statements.** (*2020 Report – Volume 2*, p. 48 Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Implemented

Raymore Community Health and Social Centre appropriately recorded and amortized the cost of its tangible capital assets (e.g., equipment, furniture) in its financial statements for the year ended March 31, 2021.

Previously, the Centre had not recorded capital transactions in its financial statements since its inception. The Centre opened in 1981; it offers various services (e.g., foot care, blood pressure monitoring, blood sugar monitoring, lab services) to residents of Raymore and surrounding area.[8]

Properly recording and amortizing the cost of all tangible capital assets in the Centre's financial statements present an accurate picture of the true cost of providing services in the year and complies with Canadian public sector accounting standards.

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[8] www.rqhealth.ca/facilities-details/raymore-community-health-and-social-centre-about (21 September 2020).

Chapter 8
Highways

1.0 MAIN POINTS

The Ministry of Highways had, other than for the following areas, effective rules and procedures to safeguard public resources for the year ended March 31, 2021.

The Ministry needs to accurately record its contractual obligations. Inaccurate recording of contractual obligations can result in inaccurate values in the Ministry's financial information and the Provincial Government's Summary Financial Statements. Incomplete and inaccurate information on future obligations also increases the risk of incorrectly estimating future funding needs.

The Ministry needs to increase its monitoring of compliance with established transaction limits for purchases made using purchasing cards (p-cards). During 2020–21, we identified numerous instances where an individual made multiple payments on the same day to the same vendor on one p-card. Having multiple p-card payments to the same vendor on the same day can result in exceeding established p-card limits, as well as someone approving payments without appropriate authority.

The Ministry implemented a policy to better oversee purchases of regulated firearms, accessories, and ammunition. During the fiscal year and to September 24, 2021, it had not purchased these types of items. Therefore, we were unable to assess whether the Ministry followed its revised signing authority policy.

The Ministry also established an IT system to track regulated highway patrol equipment, and conducted regular inventory counts to confirm it properly accounted for the equipment. Proper tracking of key equipment decreases the risk of Ministry liability for misplaced or lost items, items used for inappropriate purposes, or loss of public money if items go missing.

During 2020–21, the Ministry and the Transportation Partnerships Fund complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing and investing. The 2020–21 financial statements of the Transportation Partnerships Fund are reliable.

2.0 INTRODUCTION

2.1 Background

The Ministry of Highways is responsible for managing the provincial transportation network. The network consists of 26,426 kms of highways. The Ministry also operates and maintains 703 bridges, more than 62,000 culverts, 16 northern airports, 12 ferries, and one barge.[1]

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[1] Ministry of Highways, *Annual Report for 2020–21*, p. 3.

The Ministry is to provide the public with a safe, reliable transportation system, as well as manage and provide for future development of an integrated provincial transportation system.[2]

2.2 Financial Overview

At March 31, 2021, the Ministry managed tangible capital assets (comprised primarily of the provincial transportation system) with a book value of $5.6 billion. In 2020–21, it spent $565 million and acquired tangible capital assets of $445 million comprised primarily of roads and bridges (see **Figure 1**).

Figure 1—Major Programs and Spending

	Estimates 2020–21	Actual 2020–21
	(in millions)	
Central Management and Services	$ 17.6	$ 17.2
Strategic Municipal Infrastructure	54.8 [A]	54.8
Operation of Transportation System	150.8 [B]	147.7
Preservation of Transportation System	116.9	116.0
Transportation Planning and Policy	3.5	3.4
Infrastructure and Equipment Capital	468.1 [C]	444.8
Total Appropriation	$ 811.7	$ 783.9
Capital Asset Acquisitions	(411.1)	(444.8)
Capital Asset Amortization	225.9	226.1
Total Expense	$ 626.5	$ 565.2

Source: *Government of Saskatchewan—2020–21 Estimates* (Vote 16), pp. 79–83, Order-in-Council 68/2021, and Ministry of Highways, *Annual Report for 2020–21*, p. 23.
[A] Original estimate for Strategic Municipal Infrastructure approved $38.2 million. Order-in-Council 68/2021 approved an additional $16.6 million.
[B] Original estimate for Operation of Transportation System approved $127.8 million. Order-in-Council 68/2021 approved an additional $23 million.
[C] Original estimate for Infrastructure and Equipment Capital approved $411.1 million. Order-in-Council 68/2021 approved an additional $57 million.

In 2020–21, the Ministry had revenues of $65.4 million including federal transfers of $55.1 million.[3] During 2020–21, the Ministry purchased around $21 million of goods and services through approximately 52,000 purchase-card transactions. At March 31, 2021, the Ministry had about 550 purchasing cards (p-cards, corporate-issued credit cards).

The Ministry is also responsible for the Transportation Partnerships Fund (Fund).

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2021, we found, in all material respects:

➢ **The Ministry of Highways had, except for the matters described below, effective rules and procedures to safeguard public resources**

[2] Ministry of Highways, *Annual Report for 2020–21*, p. 3.
[3] Ibid., p. 24.

➢ **The financial statements of the Transportation Partnerships Fund are reliable**

➢ **The Ministry of Highways and the Fund complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Highways and Transportation Act, 1997
The Railway Line (Short Line) Financial Assistance Regulations
The Ministry of Highways Regulations, 2020
The Fuel Tax Accountability Act
The Executive Government Administration Act
The Financial Administration Act, 1993
The Public Works and Services Act
The Purchasing Act, 2004, and *Regulations*
Orders in Council issued pursuant to the above legislation

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 the Ministry'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.

Because the Ministry uses contractors to maintain and construct its highways and bridges, the audit paid particular attention to the Ministry's controls over managing its contracts. This included assessing its processes for awarding, approving, and adjusting contracts; retaining appropriate security and holdbacks; approving estimates; obtaining appropriate clearance from the Workers' Compensation Board and tax authorities before making final payments; and tracking its related contractual obligations. The audit also included testing of purchases that used p-cards.

In addition, because the Ministry relies on IT systems to manage the transportation system and related contracts, the audit included assessing the Ministry's key service-level agreements, change management processes, and controls over user access for those key IT systems.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Accurate Recording of Contractual Obligations Needed

The Ministry of Highways did not accurately calculate its contractual obligations. Contractual obligations are amounts the Ministry expects to pay in the future.[4]

In our assessment of the contractual obligations set up by the Ministry, we found it did not have complete data for contractual obligations, including missing amounts agreed to in contracts. This resulted in an understatement of contractual obligations.

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[4] *CPA Canada Public Sector Accounting Handbook*, PS 3390 Contractual Obligations defines contractual obligations as obligations of a government to others that will become liabilities (amounts owed) in the future when the terms of those contracts or agreements are met.

In our testing of contractual obligations, we found the Ministry did not use correct values in its calculations. A contractual obligation should include the dollar value of contracts, and any changes that both the supplier and the Ministry signed; this is the Ministry's contractual obligation to the supplier.

The Ministry's lack of accuracy and completeness of data for contractual obligations resulted in understating its contractual obligations by $61.3 million for its March 31, 2021 financial information.

Having inaccurate records of contractual obligations can result in the Ministry's financial information, and consequently the Provincial Government's Summary Financial Statements, having inaccurate values for contractual obligations. Incomplete and inaccurate information on future obligations also increases the risk of not estimating future funding needs accurately.

> 1. **We recommend the Ministry of Highways accurately record its contractual obligations.**

4.2 Consistent Monitoring of Purchasing Cards' Use Needed

> ***We recommended the Ministry of Highways increase its monitoring of compliance with established transaction limits for purchases made using purchasing cards.*** *(2020 Report – Volume 1,* p. 30, Recommendation 1; Public Accounts Committee agreement February 8, 2021)

> **Status**—Not Implemented

The Ministry of Highways insufficiently monitored compliance with established transaction limits for purchases made using purchasing cards (p-cards).

During 2020–21, we identified numerous instances in our analysis where an individual made multiple payments on the same day to the same vendor on one p-card. In each instance, the total amount paid to a vendor exceeded the $10,000 p-card transaction limit.[5] We tested four of these instances. For one of these instances, the same vendor issued three invoices with the p-card charges occurring on the same day just a few minutes apart.

Transaction limits on p-cards limit the procurement authority delegated to the cardholder.

Late in 2020–21, the Ministry provided additional training to its employees who use p-cards. This included training on responsibilities for both p-card holders and approvers (e.g., transaction limits, approval procedures, documentation).

Having multiple p-card payments to a vendor on the same day can result in exceeding established p-card limits, as well as in someone approving payments without appropriate authority. Not having appropriate review and approval can result in inappropriate purchases by the Ministry.

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[5] Treasury Board policies set a maximum limit of $10,000 for a single purchase unless approved by the Provincial Comptroller or delegate. (FAM Section 3154: Public Money and Property—Purchase Cards).

4.3 Better Oversight of Firearm and Ammunition Purchases

> **We recommended the Ministry of Highways implement policies to better oversee purchases of regulated firearms and ammunition to ensure they support its business needs.** *(2020 Report – Volume 1,* p. 31, Recommendation 2; Public Accounts Committee agreement February 8, 2021)

> **Status**—Partially Implemented

The Ministry of Highways implemented a policy to better oversee purchases of regulated firearms and ammunition. During the fiscal year and to September 24, 2021, it had not purchased these types of items. Therefore, we were unable to assess whether the Ministry followed its revised signing authority.

The Ministry implemented a revised Signing Authority Delegation effective October 7, 2020 to update the authority for procuring firearms, accessories, and ammunition to ensure that it appropriately purchases regulated firearms and ammunition only to support its business needs. This Signing Authority Delegation required the Deputy Minister of Highways to approve procurement of any restricted or prohibited firearms or ammunition after the Ministry of Corrections, Policing and Public Safety first reviews the proposed purchases.

In May 2021, Order-in-Council 259/2021 changed *The Police (Special Constable) Amendment Regulations, 2021,* to require Government of Saskatchewan employees to obtain Minister of Corrections, Policing and Public Safety approval for purchases of firearms, ammunition, or special equipment.

Having clear policies restricting who can buy regulated items, like firearms and ammunition, can assist the Ministry in overseeing purchases of regulated goods. This can reduce the risk of the Ministry purchasing unauthorized or inappropriate items.

4.4 Regulated Highway Patrol Equipment Tracked

> **We recommended the Ministry of Highways implement better processes to track regulated highway patrol equipment.** *(2020 Report – Volume 1,* p. 32, Recommendation 3; Public Accounts Committee agreement February 8, 2021)

> **Status**—Implemented

The Ministry of Highways implemented an IT system to track regulated highway patrol equipment, and conducted regular inventory counts to confirm it properly accounted for equipment.

The Ministry entered all of the highway patrol regulated equipment into its IT system, and performed three inventory counts in 2020–21.

We attended the March 2021 inventory count. For a sample of 20 items we tested, we found the Ministry recorded the correct location and key information (e.g., serial number). In addition, the Ministry properly stored (e.g., safe, locker, or vault) all of the items tested. We also tested 10 items issued to the Saskatchewan Highway Patrol staff. For all 10 items,

we found proper documentation of the equipment's location (i.e., staff signed issue sheets acknowledging receipt of items).

The sensitive and portable nature of regulated highway patrol equipment increases the importance of tracking them and their use. Good processes decrease the risk of Ministry liability for misplaced or lost items, or equipment used for inappropriate purposes, or incurring loss of public money if items go missing.

4.5   IT User Access Removed

We recommended the Ministry of Highways follow its established procedures for removing user access to its computer systems and data.
(2009 Report – Volume 3, p. 251, Recommendation 1; Public Accounts Committee agreement April 21, 2010)

Status—Implemented

The Ministry of Highways established procedures to remove user access from its IT systems and data and it removed unneeded user access sooner than it had in the past.

During 2020–21, we found four individuals out of 11 tested who did not have their IT network access removed promptly after the individual's last day of employment. Three of the four of these individuals had their user access removed within four working days; the other individual's user access removal took 12 working days (compared to more than five months in the prior year). None of the individuals had access to key financial IT systems. Also, we found none of the individuals accessed the network after their last day of employment.

Removing user access promptly reduces the risk of unauthorized individuals accessing the Ministry's IT systems and sensitive data.

Chapter 9
Prairie Agricultural Machinery Institute

1.0 MAIN POINTS

The Prairie Agricultural Machinery Institute (PAMI) complied with its legislative authorities. Other than the following concerns PAMI had effective rules and procedures to safeguard public resources for the year ended March 31, 2021. PAMI did not:

➢ Adequately review and approve financial information once prepared (e.g., journal entries, banks reconciliations, payroll registers).

➢ Prepare adequate financial statements for the 2020–21 audit. The financial statements presented for audit contained significant errors. Management corrected these errors; the Prairie Agricultural Machinery Institute 2020–21 financial statements are reliable.

Effective financial controls help ensure management has quality and accurate financial information to make decisions.

2.0 INTRODUCTION

2.1 Background

The Prairie Agricultural Machinery Institute (PAMI) provides product development, testing, and design to both prairie farmers and agricultural machinery manufacturers, as well to the mining and transportation industries. Its mission is "to enhance sustainability and profitability in agriculture and other sectors through research, innovation, adaptation, and knowledge transfer."[1] At March 31, 2021, PAMI employed 34 employees located in Humboldt, Saskatchewan and Portage la Prairie, Manitoba.

2.2 Financial Overview

As shown in **Figure 1**, in 2021, PAMI had an annual surplus of $3.9 million (2020: $1.3 million deficit).

Figure 1—Financial Overview

	Actual 2021		Actual 2020	
	(in millions)			
Provincial Transfers:				
Government of Saskatchewan Ministry of Agriculture—Operating	$	1.6	$	0.8
Government of Manitoba Department of Agriculture, Food and Rural Development—Operating		0.3		0.3
Fee for Service		8.3		8.5

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[1] Prairie Agricultural Machinery Institute, *Annual Report 2020–2021,* p. 8.

	Actual 2021	Actual 2020
	(in millions)	
Other Income	0.7	0.1
Donations	3.3	-
Total Revenues	14.2	9.7
Personnel	4.3	5.3
Fee for Service Direct Costs	4.4	3.9
Administration	0.9	1.0
Operating	0.3	0.4
Amortization	0.4	0.3
Other	-	0.1
Total Expenses	10.3	11.0
Operating surplus (deficit) for the year	$ 3.9	$ (1.3)
Total Financial Assets (e.g., Cash, Due from General Revenue Fund, Marketable Securities, Accounts Receivable)	$ 3.5	$ 3.5
Total Non-Financial Assets (e.g., Tangible Capital Assets, Prepaid Expenses)	$ 7.2	$ 4.5
Total Liabilities	$ 1.9	$ 3.2

Source: Adapted from the Prairie Agricultural Machinery Institute audited financial statements for the year ended March 31, 2021.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2021, we found, in all material respects:

➢ **PAMI had effective rules and procedures to safeguard public resources except for the matters described in this chapter**

➢ **PAMI complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Prairie Agricultural Machinery Institute Act, 1999
The Prairie Agricultural Machinery Institute Regulations, 1999
The Financial Administration Act, 1993
The Executive Government Administration Act
Orders in Council pursuant to the above Acts
Minister Orders pursuant to the above Acts

➢ **PAMI 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 PAMI'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.

We carried out audit procedures to address significant audit areas identified throughout the audit. Significant audit areas pose a higher risk that focused our audit efforts. The audit included assessing PAMI's processes to record fee-for-service revenue and associated

expenses, forecast its financial activities, calculate and record work-in-progress and deferred revenue related to contracts, and assess the transfer of Western Canada Testing Inc. (WESTEST) assets and liabilities.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Detailed Review of Financial Information Needed

Management did not adequately review and approve financial information once prepared.

Adequate segregation of duties include timely and independent review and approval of key transactions and entries. We found that management neither consistently reviews and approves financial reporting information in a timely manner nor formally documents approval. We found several instances where financial information was not approved. For example, we found:

➤ Four of seven bank reconciliations tested did not have evidence of review or approval.

➤ Two of three payroll registers we tested had no evidence of approval prior to staff being paid and entering the payroll transaction into PAMI's accounting system. In addition, of the three payroll registers tested, only one had evidence of approval for the journal entry into PAMI's accounting system.

➤ We found two of 10 journal entries we tested did not contain evidence of approvals. Our further investigation also found no evidence of approvals for February and March 2021 monthly journal entries.

In 2020, PAMI experienced higher than normal employee turnover due to the COVID-19 pandemic, as well as organizational restructuring, resulting in some employee lay-offs.

Not having an independent review of financial information increases the risk of inaccuracies. Consistent review of the financial information (e.g., review of payroll registers, reconciliations, journal entries) identifies issues and allows for corrective actions in a timely manner. Without adequate review, errors in PAMI's financial information may occur without detection.

1. **We recommend the Prairie Agricultural Machinery Institute require management to conduct a detailed review of financial information (e.g., financial reports, journal entries, reconciliations, payroll registers) prepared by staff responsible for carrying out these duties.**

4.2 Detailed Review of Financial Statements Needed

Management did not prepare adequate annual financial statements for audit; the 2020–21 audit identified significant errors. Management did not review financial information presented for audit in sufficient detail to identify issues.

The financial statements initially presented for audit contained numerous errors. PAMI fully corrected all errors. For example, in 2020–21, Western Canada Testing Inc. (WESTEST) dissolved, transferring all assets and liabilities to PAMI.[2] PAMI needed to accurately record this significant transaction and provide additional note disclosure in its financial statements to comply with Canadian public sector accounting standards.

We found:

➢ Management did not complete an assessment on how to account for new and significant transactions (e.g., complete an analysis on recording of deferred revenue related to the WESTEST transfer)

➢ The notes to the financial statements required various revisions to provide appropriate and complete note disclosure

➢ The financial statements did not include the correct amounts for accrued liabilities for items such as accounts payable, and employees' salary, vacation, and overtime

When significant transactions occur, we expect management to assess and document key decisions made when preparing financial statements, and adequately review the statements and related support materials before providing information for audit. Having a full review of the statements and support material helps to identify potential errors, as well as confirms the financial statements are appropriate and align with Canadian public sector accounting standards.

2. **We recommend the Prairie Agricultural Machinery Institute require a full review of the year-end financial statements by management.**

In addition to errors in the financial statements, we also found that PAMI did not follow appropriate procedures when tabling its March 31, 2021, annual report.[3] On July 29, 2021, PAMI tabled its annual report, which included the financial statements but did not include the signed auditor's report. Subsequently, on August 12, 2021, PAMI tabled an addendum to its annual report that included the signed auditor's report.

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[2] Western Canada Testing Inc. (WESTEST) incorporated on May 8, 1991 and dissolved March 31, 2021.
[3] Section 24 of *The Prairie Agricultural Machinery Institute Act, 1999*, requires that PAMI provide its annual report and financial statements for each fiscal year to the Minister. It further requires the Minister to lay the report and financial statements before the Legislative Assembly (i.e., table the annual report).

Chapter 10
Provincial Capital Commission

1.0 MAIN POINTS

The 2020–21 financial statements of the Provincial Capital Commission are reliable. In 2020–21, the Commission had effective rules and procedures to safeguard public resources and complied with authorities governing its activities.

By March 2021, the Commission fully implemented the remaining three recommendations we originally made in our *2019 Report – Volume 2*, Chapter 10, about its processes for approving major developments in Wascana Centre. By law, the Commission and its Board are to ensure major developments in Wascana Centre are consistent with the Master Plan.[1]

The Commission established new policies in relation to public consultations required when undertaking major developments in Wascana Centre or when making changes to the Wascana Centre Master Plan. The Commission also published Board summaries during 2020–21 outlining Board decisions made around major developments and those developments conformity to the Master Plan.

The Commission also finalized an agreement template and began signing agreements with building owners of major developments in Wascana Centre. These agreements facilitate control of the building use and conformity with the Master Plan.

2.0 INTRODUCTION

2.1 Background

The *Provincial Capital Commission Act* gives the Provincial Capital Commission the mandate to enhance quality of life stewardship for Saskatchewan citizens through the celebration and creation of opportunities, stewardship of the land, and engagement of youth about democracy and provincial history.[2]

The Commission also promotes, preserves, and strengthens Saskatchewan's diverse heritage and culture to ensure that Saskatchewan's capital city, Regina, provides a source of provincial pride and significance. Moreover, it is dedicated to offering and enhancing visitor experiences and educational programming at Government House.[3]

The Commission is a statutory partnership of public landowners of the Wascana Centre located in Regina between the Provincial Government, the City of Regina, and the University of Regina. Wascana Centre comprises 2,300 land acres surrounding Wascana Lake. It extends from downtown Regina to the outskirts of the city. It is home to the Provincial Legislature, the University of Regina, a series of municipal parks, a centre for performing arts, and a waterfowl reserve.

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[1] The Wascana Centre Master Plan is a public document intended to guide the future development and conservation of Wascana Centre—last updated in 2016. The next review and renewal date of the Master Plan is 2023.
[2] The *Provincial Capital Commission Act* established the Provincial Capital Commission effective June 12, 2017.
[3] The Provincial Capital Commission's *2020–21 Operational Plan*.

A Cabinet-appointed Board is responsible for overseeing the Commission. The Board is comprised of one City of Regina nominated member, one University of Regina nominated member, and three government-appointed members.

2.2   Financial Overview

As set out in **Figure 1**, in 2020–21, the Commission generated revenues and expenses of $11.6 million and $13.0 million respectively, and a deficit of $1.4 million. During the year, it received over 90% of its revenue through grants.

At March 31, 2021, it held net financial assets of $9.8 million (financial assets like cash and receivables less liabilities) and tangible capital assets of $0.6 million primarily comprised of equipment and vehicles.

In 2020–21, the Commission transferred its land and building and infrastructure assets totalling a net book value of $2.3 million to the Ministry of SaskBuilds and Procurement.

Figure 1—Financial Overview for 2020–21 and 2019–20

	Actual 2020–21		Actual 2019–20	
	(in millions)			
Grants – Government of Saskatchewan—Ministry of Government Relations	$	7.2	$	7.1
Grants – City of Regina		2.7		2.7
Grants – University of Regina		0.8		0.8
Service Revenue		0.5		0.6
Rental Revenue		0.1		0.2
Other Revenue		0.3		0.2
Total Revenue	$	11.6	$	11.6
Salaries and Benefits		4.9		5.2
Contractual Services and Materials		2.8		3.0
Accommodation		2.4		2.4
Restructuring Transaction[A]		2.3		-
Other		0.6		0.5
Total Expense	$	13.0	$	11.1
Surplus (Deficit) for the year	$	(1.4)	$	0.5
Net Financial Assets at March 31	$	9.8	$	8.6
Tangible Capital Assets at March 31[A]	$	0.6	$	3.2

Source: Adapted from the Commission's 2020–21 audited financial statements.
[A] The Commission transferred land, building and infrastructure assets on March 31, 2021, with a net book value of $2.3 million to the Ministry of SaskBuilds and Procurement.

3.0   AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2021, we found, in all material respects:

➢ **The Provincial Capital Commission had effective rules and procedures to safeguard public resources**

> ➤ **The Provincial Capital Commission complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**
>
> > *The Provincial Capital Commission Act*
> > *The Provincial Capital Commission Regulations*
> > *The Executive Government Administration Act*
> > *The Crown Employments Contracts Act*

> ➤ **The Provincial Capital Commission 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 the Commission'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.

Our audit focused on the Commission's processes to properly record revenue, approve construction and improvements consistent with applicable authorities, and transfer certain tangible capital assets to the Ministry of SaskBuilds and Procurement. In addition, it focused on the Commission's processes to accurately and completely track contractual arrangements and obligations.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Public Consultation Expectations Established

> ***We recommended the Provincial Capital Commission make public written processes about the timing, nature, and extent of public consultations for major amendments to the Wascana Centre Master Plan.*** (*2019 Report – Volume 2*, p. 69, Recommendation 1; Public Accounts Committee agreement February 26, 2020)

Status—Implemented

During 2020–21, through *The Provincial Capital Commission Regulations,* Cabinet established requirements for public consultations. The Regulations require public consultations for all proposed major developments in Wascana Centre, major amendments to the Master Plan, and for each Master Plan review.[4] The Regulations define what constitutes a major development in Wascana Centre and a major amendment to the Master Plan. The Regulations came into effect in February 2021.

The Provincial Capital Commission also developed and published policies and procedures for public consultations for major developments in Wascana Centre, and review and renewal of the Master Plan. In March 2021, the Commission published a *Public Participation Policy* and various public participation procedures (e.g., *Public Participation for Major Developments, Public Participation for Master Plan Procedure,* and *Public*

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[4] *The Wascana Centre 2016 Master Plan* is a public document intended to guide the future development and conservation of Wascana Centre. The next review and renewal date of the Master Plan is 2023.

Participation Policy and Procedures Reference Manual). The policy and procedures are available on the Government of Saskatchewan's publications website.[5]

Our review of the Regulations and related policies and procedures found it provides the public with sufficient information about the timing, nature, and extent of public consultations for major developments and amendments to the Wascana Centre Master Plan. For example, the Regulations [section 6(2)] require proponents to prepare and to submit a plan for public participation that is satisfactory to the Commission before the Commission will approve a proposed major development.[6] The Regulations outline specific details required in the public consultation plan including: dates, frequency, and advance notice of public participation events; methods and venues to be used for public participation events; and representatives, associations, and interests to be invited to participate.

Having written expectations and procedures for public consultations provide proponents with a clear understanding of requirements when proposing major development projects in Wascana Centre. Public consultations help the proponent, and the Commission, understand the aspirations, interests, and wishes from various interested stakeholders before making decisions about proposed major development projects.

4.2 Documenting Conformity to the Master Plan in Published Board Meeting Summaries

> *We recommended the Provincial Capital Commission clearly document in its Board minutes how major improvements and developments it approves conform to the Wascana Centre Master Plan.* (*2019 Report – Volume* 2, p. 73, Recommendation 4; Public Accounts Committee agreement February 26, 2020)

Status—Implemented

During 2020–21, the Board of the Provincial Capital Commission made, and summarized, in publicly available Board meeting summaries, its decisions about the conformity to the Master Plan for certain major improvements and developments in Wascana Centre.

The Provincial Capital Commission Act places an onus on the Commission and its Board to ensure improvements and buildings in Wascana Centre are consistent with the Master Plan.

In 2020, the Commission started the practice of publishing Board meeting summaries on its website.[7] The purpose of these summaries is to increase transparency of the Board's key decisions including its decisions about how major developments align with the Master Plan.

Our review of the Board meeting summaries found it sufficiently sets out the Board's decisions about whether major improvements and developments in Wascana Centre conform to the 2016 Master Plan (see **Figure 2** for key 2020–21 Board decisions about

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[5] publications.saskatchewan.ca/#/categories/4554 (31 March 2021).
[6] Proponent is a person who puts forward a proposition or proposal for major development or use of public land within Wascana Centre.
[7] Provincial Capital Commission Board Summaries and Reports at publications.saskatchewan.ca/#/categories/4555 (31 March 2021).

projects in Wascana Centre). The Act requires the Board to make this determination when a project is at certain stages (steps).[8]

We also found the Board meeting summaries appropriately outline recommendations to the Board from the Commission's Architectural Advisory Committee. Three architect members comprise this committee. Under the Act, the Committee advises the Board on whether to approve a project submission based on its architectural merit and conformity to the Master Plan.

Figure 2—2020–21 Board Decisions on Major Development Conformity with 2016 Master Plan and Status of the Project

Project Name	Project Step as of March 31, 2021[A]	Board Meeting Summaries Outlined Conformity with the Wascana Centre 2016 Master Plan
Canadian National Institute for the Blind	Step 23 (Detailed Design Approval)	No approvals in 2020–21 Board meeting summaries. Confirmed through discussions with management there was no project activity in 2020–21.
Wascana Pool	Step 23 (Detailed Design Approval)	Yes
College Avenue Campus	Step 33 (Under Construction)	Yes
Floral Conservatory	Step 23 (Detailed Design Approval)	Yes
Regina Minor Football Sign	Step 16 (Conceptual Design Approval)	Yes
Maintenance Depot Replacement	Step 16 (Conceptual Design Approval)	Yes
University of Regina North West Business Building	Step 16 (Conceptual Design Approval)	Approved with no requirement for any 2016 Master Plan amendment.
Hillsdale Pathway	Step 16 (Conceptual Design Approval)	Yes

Source: Adapted from Commission Board meeting summaries (publications.saskatchewan.ca/#/categories/4555) (31 March 2021).
[A] Steps 6, 16, 23 require Board review and determination as to whether a project complies with the Master Plan. Project steps explained at pubsaskdev.blob.core.windows.net/pubsask-prod/115755/Proponent-Development-Checklist.pdf (31 March 2021).

Having clear documentation as to how proposed major developments in Wascana Centre conform to the Master Plan, shows how the Commission complied with the provisions of *The Provincial Capital Commission Act*.

4.3 Signing Formal Agreements with Owners of Buildings in Wascana Centre

We recommended the Provincial Capital Commission establish agreements with building owners of the major developments in Wascana Centre to facilitate control of building use and conformity with the Provincial Capital Commission Act and the Wascana Centre Master Plan in effect. (*2019 Report – Volume 2*, p. 74, Recommendation 5; Public Accounts Committee agreement February 26, 2020)

Status—Implemented

The Provincial Capital Commission signed agreements with five building owners during 2020–21.

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[8] The Commission has a step-by-step Project Development Process Review checklist available at pubsaskdev.blob.core.windows.net/pubsask-prod/115755/Proponent-Development-Checklist.pdf (31 March 2021).

During the year, the Commission completed an agreement template for building use in Wascana Centre. It expects to use this template when entering into agreements with building owners of major developments in Wascana Centre. The Commission intends to sign further building use agreements, when required.

Our review of the agreement template found its provisions are designed to help the Commission facilitate control of building use and conformity to the Act and the Master Plan. For example, the provisions in the template require tenants wishing to occupy a portion of the building within Wascana Centre to obtain approval from the Commission. Its provisions require inclusion of key tenant information, space requirements, and the intended use of the space. It further requires tenants to explain how their business complies with one of the five purposes of the Master Plan's vision or how the business supports the intent of the Master Plan's principles and approved land uses.[9]

Our review of agreements signed in 2020–21 found each one of them was consistent with the template.

Having a formal mechanism such as agreements to approve key changes to, and tenants of, major buildings in Wascana Centre allows the Commission to ensure those buildings and their use conform to the five purposes in the Master Plan.

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[9] The five purposes of Wascana Centre outlined in the 2016 Master Plan include the seat of Government, education and research, cultural arts, recreational opportunities, and conservation of the environment.

Chapter 11
Saskatchewan Health Authority

1.0 MAIN POINTS

The Saskatchewan Health Authority's 2020–21 financial statements are reliable. In 2020–21, the Authority complied with the authorities governing its activities related to financial reporting and safeguarding public resources. The Authority had, other than the following areas, effective rules and procedures to safeguard public resources for the year ended March 31, 2021.

In 2020–21, the Authority began drafting a new master services agreement for IT services, but still requires an adequate, signed service level agreement with its main IT service provider—eHealth Saskatchewan. Without an adequate agreement, the Authority risks not being able to effectively monitor the quality and timeliness of IT services delivered by eHealth, or know whether its critical IT systems and data are secure and will be restored in a reasonable timeframe in the event of a disaster.

To strengthen its financial controls, the Authority needs to separate incompatible duties related to paying suppliers, paying staff, and processing journal entries. Without adequate segregation of duties, the Authority faces a higher risk of fraud and undetected errors in its financial information.

2.0 INTRODUCTION

2.1 Background

The Provincial Health Authority Act makes the Saskatchewan Health Authority responsible for planning, organizing, delivering, and evaluating health services within the province of Saskatchewan. The Authority's Board is responsible for administering its affairs and conducting the business of the Authority.

The Authority's mission is to improve Saskatchewan's citizens' health and well-being, every day, for everyone.[1] The Authority uses many affiliates and healthcare organizations to help deliver health services in the province.

2.2 Financial Overview

As set out in **Figure 1** below, in 2020–21, the Authority had revenue and expenses of $4.91 billion and $4.71 billion respectively, resulting in a surplus of $200 million. During the year, the Authority received approximately 90% of its revenue from the Ministry of Health. At March 31, 2021, it held assets of $2.4 billion, including capital assets of $1.8 billion.

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[1] Saskatchewan Health Authority, *Annual Report to the Legislature 2020–2021*, p. 5.

Figure 1—Revenue and Expenses of the Saskatchewan Health Authority

	Actual 2020–21	Actual 2019–20
	(in millions)	
Revenue		
Ministry of Health—General Revenue Fund	$ 4,488	$ 3,887
Other revenue	422	494
Total Revenue	$ 4,910	$ 4,381
Expenses		
Salaries and benefits	2,824	2,650
Medical remuneration and benefits	529	387
Grants to ambulance services, healthcare organizations, and affiliates	363	328
Medical and surgical supplies	168	150
Amortization	137	125
Other expenses	689	676
Total Expenses	$ 4,710	$ 4,316
Annual Surplus	$ 200	$ 65

Source: Adapted from the Saskatchewan Health Authority audited financial statements for the year ended March 31, 2021.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2021, we found, in all material respects:

➢ **The Authority had reliable financial statements**

➢ **The Authority had effective rules and procedures to safeguard public resources except as noted below**

➢ **The Authority complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Provincial Health Authority Act
The Provincial Health Authority Administration Regulations
The Special-care Homes Rates Regulations, 2011
The Medical Laboratory Licensing Act, 1994
The Trustee Act, 2009
The Health Labour Relations Reorganization (Commissioner) Regulations

The Health Administration Act
The Housing & Special-care Homes Regulations
The Narcotic Control Regulations (Canada)
The Executive Government Administration Act
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

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 the Authority'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.

Because salaries and benefits are the Authority's primary expense, our audit included testing processes for preparing and processing payroll (including overtime). It also included testing the Authority's processes for ordering, paying for, and receiving goods and services, including numerous purchases made in relation to the COVID-19 pandemic (e.g., pandemic physician payment program and personal protective equipment). It examined processes to safeguard financial-related IT systems and data. It assessed the reasonableness of key estimates recorded in the financial statements (e.g., accumulated sick leave liability). It also assessed the reasonableness of information disclosed about the Authority's pension plan.

4.0   KEY FINDINGS AND RECOMMENDATIONS

4.1   IT Service Level Agreement Progressing

> ***We recommended the Saskatchewan Health Authority sign an adequate service level agreement with eHealth Saskatchewan to enable monitoring of the quality and timeliness of eHealth's provision of IT services.*** (*2018 Report – Volume 2,* p. 80, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Partially Implemented

As at March 2021, the Saskatchewan Health Authority and eHealth continue to manage IT services under an inadequate agreement, but began drafting a new master services agreement for IT services.

The Authority moved the majority of its IT systems into eHealth's data centre in 2017–18, and signed an operating agreement with eHealth in 2017. We find the agreement inadequate in allowing for appropriate monitoring of IT services.[2]

In 2020–21, representatives from eHealth and various health sector clients, including the Authority, formed an integrated IT Advisory Committee. The Committee assists in guiding the strategic priorities for IT services that eHealth is to provide. It met almost monthly throughout 2020–21.

Our review of the draft master services agreement found it did not include provisions for a number of key aspects for the delivery of IT services. The draft agreement did not include provisions about IT change processes, service levels (e.g., response times, system availability), security requirements, and disaster recovery. However, we found it appropriately included details on IT service governance, an IT service catalogue, payments and funding, quarterly reporting, and dispute resolution.

Also at March 2021, eHealth had not completed or tested its disaster recovery plans for certain critical IT systems and data of the Authority (e.g., lab system, hospital admissions system). The Authority depends on these IT systems and data to deliver related services.

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[2] Adequate service level agreements make clear what type of service to provide, when, and at what cost. They outline, in detail, services to be provided (e.g., help desk services, server maintenance, frequency of applying patches), service availability requirements (e.g., the percentage of time networks will be available), and service level targets (e.g., period for creating and removing user accounts). In addition, they identify security and disaster recovery requirements and set out options available in the event something goes wrong (e.g., data security breach, IT system outage). Agreements also provide a basis for common understanding and monitoring of performance.

Having an inadequate service level agreement increases the risk of the Authority not effectively monitoring whether eHealth meets the Authority's IT needs. Furthermore, not having completed or tested disaster recovery plans for critical IT systems increases the risk the Authority may be unable to restore, within a reasonable time, its critical IT systems and data in the event of a disaster.[3,4] This may adversely impact the Authority's ability to deliver healthcare services.

4.2   Separation of Incompatible Duties Needed

We recommended the Saskatchewan Health Authority separate incompatible duties. (*2019 Report – Volume 2,* p. 86, Recommendation 3, Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Partially Implemented

The Saskatchewan Health Authority inadequately segregates incompatible duties related to paying suppliers, paying staff, and using journal entries to record financial transactions. The Authority uses journal entries extensively to record payroll, cash receipts, capital asset additions and disposals.

During 2020–21, the Authority addressed some issues relating to the segregation of incompatible duties for payments. For example, the Authority removed one staff member's ability to both initiate and approve electronic fund transfers. In addition, the Authority segregated the duties of the individuals approving sole-sourced contracts and related payments.

While the Authority made some improvements during 2020–21, our testing identified incompatible duties. As **Figure 2** summarizes, we found inadequate segregation of incompatible duties in areas including, payments, payroll, and journal entries. Our findings were similar to those in the prior year.

Figure 2—Summary of 2020–21 Audit Findings about Inadequate Segregation of Incompatible Duties

Audit Testing Found:	Related Risk
Payments	
Certain staff have the ability to both enter new suppliers into the financial system and approve invoices for payment.	Not segregating the ability to make vendor changes from approving invoices increases the risk of making payments to fictitious suppliers and not detecting errors or mistakes.
Numerous staff located throughout the province are authorized to change information about vendors in financial systems. Changes to vendor information cannot always be identified when made.	Not confirming supplier validity prior to adding or updating them in the financial system increases the risk of making payments to fictitious suppliers.
Although the Authority implemented a vendor-change form policy in 2020–21, staff are not always following the policy. For 12 new or changed suppliers we tested, the vendor-change form was neither approved nor verified as required by the policy.	

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[3] According to Chapter 3 in our *2021 Report – Volume 2*, eHealth did not have a complete and tested disaster recovery plan at March 31, 2021.
[4] eHealth Saskatchewan experienced a ransomware attack in January 2020 resulting in numerous unavailable Authority IT systems for extended periods.

Audit Testing Found:	Related Risk
Payroll	
Certain employees are able to approve their own pay increments in the payroll system; however, testing did not find instances of employees approving their own pay increase.	Inappropriately segregating payroll processing increases the risk of fraud and not detecting errors.
Certain payroll staff are able to set up new employees in the payroll system rather than assigning responsibility to set up new employees to other human resources personnel.	
One employee was paid overtime without manager approval.	
Journal Entries	
Various accounting systems located in six of the former health regions allow the same individual to prepare and approve journal entries. The Authority does not require its staff to independently review and approve journal entries.	Lack of review and approval independent from preparing journal entries increases the risk of unauthorized or inaccurate entries to accounting records. Inaccurate financial records results in financial information errors.

Inadequately separating incompatible duties increases the risk of not catching errors or identifying situations where expected processes are not followed. In addition, not involving more than one individual in making purchases, paying employees, and processing journal entries increases risks for undetected fraud.

The Authority anticipates its implementation of the new Administrative Information Management System (AIMS) in 2021–22 will address a number of these segregation concerns.

Chapter 12
Social Services

1.0 MAIN POINTS

This chapter reports the results of our annual audit of the Ministry of Social Services and its three special purpose funds for the year ended March 31, 2021. Each fund complied with authorities governing their activities and their 2020–21 financial statements are reliable.

The Ministry complied with authorities governing its activities and had effective rules and procedures to safeguard public resources other than it needs to:

➤ Obtain appropriate support for and properly approve income assistance payments to ensure eligible clients receive the correct amount of assistance.

➤ Conduct timely recovery and adequate recording of overpayments for the Saskatchewan Income Support Program (SIS).

➤ Perform timely reviews of financial reports from third-party service providers to determine whether providers appropriately used Ministry funding. During 2020–21, the Ministry paid these service providers almost $390 million for services delivered to at-risk residents of Saskatchewan (e.g., elderly, persons with disabilities).

Not following timely review processes for income assistance programs and third-party service providers' reports delay potential benefit and funding recovery.

2.0 INTRODUCTION

2.1 Background

The mandate of the Ministry of Social Services is to help children be safe from abuse and neglect, and help individuals to meet their basic needs and participate in their community.[1] The Ministry provides support through income assistance, child and family services, affordable housing, and supports for people with disabilities. The Ministry also builds capacity in community-based organizations.[2] Key programs and services include childcare subsidies, adoption services, child protection, foster care, financial assistance, and housing programs.[3]

2.2 Financial Overview

In 2020–21, the Ministry of Social Services spent more than $1.2 billion delivering its programs (see **Figure 1**). Appropriations (money from the General Revenue Fund) fund the Ministry. It also reported revenues totalling about $53 million primarily from Federal Government transfers (e.g., special allowances for children in care).[4]

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[1] Ministry of Social Services, *Annual Report for 2020–21*, p. 4.
[2] Ibid.
[3] Ibid.
[4] Ministry of Social Services, *Annual Report for 2020–21*, p. 25.

Figure 1—Expenses by Program

	Estimates 2020–21	Actual 2020–21
	(in millions)	
Central Management and Services	$ 56.3	$ 71.6
Income Assistance Services	609.5	560.2
Child and Family Services	332.8	333.5
Client Support	12.7	11.9
Housing	11.5	7.7
Disability Programs and Services	264.9	266.1
Total Appropriation	$ 1,287.7	$ 1,251.0
Capital Asset Acquisitions	(9.3)	(9.7)
Capital Asset Amortization	7.2	7.0
Total Expense	$ 1,285.6	$ 1,248.3

Source: Ministry of Social Services, *Annual Report for 2020–21*, p. 23.

2.3 Crown Agency and Special Purpose Funds

The Ministry is responsible for the Saskatchewan Housing Corporation, which has a December 31 year-end. We reported the results of our 2020 audit of the Saskatchewan Housing Corporation in our *2021 Report – Volume 1*.

The Ministry is also responsible for the following funds with March 31 year-ends:

➢ Social Services Central Trust Account

➢ Social Services Valley View Centre Grants and Donations Trust Account and Institutional Collective Benefit Fund

➢ Social Services Valley View Centre Residents' Trust Account

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2021, we found, in all material respects:

➢ **The Ministry of Social Services had effective rules and procedures to safeguard public resources except for matters described in this chapter**

➢ **The Ministry of Social Services and each of its funds complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the matters described in this chapter:**

The Child and Family Services Act
The Child and Family Services Regulations
The Child Care Act, 2014
The Child Care Regulations, 2015
The Social Services Administration Act

The Saskatchewan Income Support Regulations
The Disability Housing Supplement Regulations
The Employment Supplement Regulations
The Personal Care Home Benefit Regulations
The Rental Housing Supplement Regulations

The Department of Social Services Central Trust Account Regulations	*The Saskatchewan Assistance Regulations, 2014*
The Social Services Rehabilitation Institutional Collective Benefit and Trust Account Regulations	*The Saskatchewan Assured Income for Disability Regulations, 2012*
The Rehabilitation Act	*The Transitional Employment Allowance Regulations, 2005*
The Rehabilitation Regulations	*The Saskatchewan Income Plan Act*
The Vocational Rehabilitation Regulations	*The Seniors Income Plan Regulations*
The Residential Services Act	*The Executive Government Administration Act*
The Private-Service Homes Regulations	*The Ministry of Social Services Regulations, 2007*
The Residential-Service Facilities Regulations	*The Financial Administration Act, 1993*
The Saskatchewan Assistance Act	*The Purchasing Act, 2004*
	Orders in Council issued pursuant to the above Legislation

> ➤ **The financial statements of each fund 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 the Ministry'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.

We focused our Ministry audit on the following areas:

➤ Administration of the various programs (e.g., Saskatchewan Income Support Program, Saskatchewan Assistance Program, Saskatchewan Assured Income for Disability, Autism Individualized Funding) as prescribed by the legislation and policy manuals

➤ User IT access, change management, and recovery processes for key financial IT systems (e.g., MiCase/Business Central for the Saskatchewan Income Support Program, MIDAS Financials)

➤ Process for identifying, approving, and properly recording all contractual payments and obligations

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Timely Bank Reconciliations Completed

> ***We recommended the Ministry of Social Services require staff to reconcile and review each of its key bank accounts monthly.*** (*2020 Report – Volume 2*, p. 96, Recommendation 3; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Implemented

The Ministry of Social Services reconciled and reviewed its key bank accounts within a reasonable timeframe.

The Ministry uses the Government's Financial Administration Manual (FAM) as guidance for accounting policies and procedures. FAM requires agencies to reconcile their accounting records to their bank records at least monthly.

We found the Ministry:

➢ Prepared and reviewed its Social Assistance Program's monthly reconciliations for the Program's allowance bank account within a reasonable timeframe (e.g., 30 days after month end)

➢ Reconciled its Saskatchewan Income Support Program (SIS) bank account on a monthly basis and reviewed it within a reasonable timeframe

➢ Prepared and reviewed its District Transfer revenue monthly reconciliations within a reasonable timeframe[5]

Regularly reconciling key bank accounts decreases the risk of errors, inaccurate financial records, and loss of public money.

4.2 Income Assistance Payments Require Supporting Documentation and Proper Approval

We recommended the Ministry of Social Services follow its established processes that ensure only eligible clients receive assistance and that they receive the correct amount of assistance. (*2000 Report – Volume 3*, p. 221, Recommendation 2; Public Accounts Committee agreement June 6, 2001)

Status—Partially Implemented

The Ministry of Social Services continued to not follow legislation or policies and procedures for making payments to income assistance clients resulting in incorrect payments during the year. The Ministry may also have provided social assistance to ineligible clients as they were receiving income support due to COVID-19 from the Canada Revenue Agency.

The Ministry's process to accept clients into its income support programs requires proof of eligibility and demonstrated need. Clients provide proof (e.g., identification, recent utility bills, rent receipt, wage stubs, a bank statement), as support for their income assistance claim. The Ministry uses this information to confirm eligibility, as well as the amount of income support before granting payment approval. However, the Ministry may provide financial support before it receives all documentation required for proof of eligibility and demonstrated need (e.g., in emergency situations).

If the Ministry later determines it paid more income support than a clients' situation warranted (referred to as an overpayment), it collects overpayments as deductions (e.g., $50 monthly) from future monthly benefits.

Additionally, if a client leaves an income assistance program before the Ministry collects the overpayment, the Ministry then requests full repayment or to establish a repayment plan. If a client does not enter into a repayment plan, the Ministry works with the Canada Revenue Agency to collect overpayments (e.g., collecting tax refunds from those clients). However, if a client with an outstanding overpayment who left an income assistance

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[5] District Transfer bank accounts are set up to allow staff in remote areas to use local banks to secure deposits until they can be transferred to the General Revenue Fund.

program again applies for, and is accepted into, an income assistance program at a later date, the Ministry will then reduce future monthly benefits. *The Saskatchewan Assistance Act* prevents the Ministry from sending amounts to collection agencies or pursuing them through the courts.

Figure 2 lists the Ministry's accounts receivable (overpayments owing back to the Ministry) and the related allowance for doubtful accounts at March 31, 2021 for its four main income assistance programs. Over the last nine years, the Ministry paid at least $56.9 million to clients who were not eligible to receive such payments (see **Figure 2**) because the Ministry provided financial support before it received all required proof of eligibility and need. At March 31, 2021, the Ministry determined it is unlikely to collect $24.3 of the $56.9 million because the Ministry has limited ability to collect on overpayments once clients leave income assistance programs.

The Ministry tracks and attempts to collect overpayments from clients through future monthly benefits. Over the past four years, the Ministry collected about $2.9 million per year.

Figure 2—Accounts Receivable for Income Assistance Programs with March 31 year-ends

Program	Accounts Receivable (in millions)		Allowance for doubtful accounts[A] (in millions)	
	2021	2020	2021	2020
Saskatchewan Assistance Program, Saskatchewan Assured Income for Disability, and Transitional Employment Allowance (Active clients and clients who have been inactive for less than nine years)	$ 54.7	$ 48.6	$ 23.0	$ 18.0
Saskatchewan Income Support Program	$ 2.2	$ 0	$ 1.3	$ 0
Total	**$ 56.9**	**$ 48.6**	**$ 24.3**	**$ 18.0**

Source: Adapted from information provided by the Ministry of Social Services.
[A] Allowance for doubtful accounts is management's best estimate of the amount of accounts receivable that will not be paid by clients.

Figure 3 lists the Ministry's six major income assistance programs and associated caseloads (i.e., number of clients). In 2020–21, the Ministry averaged 59,000 clients on income assistance, and provided $560.2 million in income assistance payments. The Ministry processes over 600,000 client and program payments each year for its income assistance programs.

Figure 3—Caseloads and Spending for Income Assistance Programs

Program	2020–21		2019–20	
	Monthly Average Caseload	Expense (in millions)[B]	Monthly Average Caseload	Expense (in millions)[B]
Saskatchewan Assistance Program	8,480	$ 106.3	13,506	$ 155.6
Saskatchewan Assured Income for Disability	16,581	246.2	16,127	243.5
Transitional Employment Allowance	2,685	23.7	6,089	50.3
Rental Housing Supplements	8,307	26.5	10,191	33.7

Program	2020–21		2019–20	
	Monthly Average Caseload	Expense (in millions) [B]	Monthly Average Caseload	Expense (in millions) [B]
Saskatchewan Income Support Program	8,036	83.7	7,402	32.8
Seniors Income Plan	14,737	28.7	14,308	27.6
Other[A]	Not Available	45.1	Not Available	57.9
Total	**58,826**	**$ 560.2**	**67,623**	**$ 601.4**

Source: Adapted from information provided by the Ministry of Social Services
[A] Other includes Saskatchewan Employment Supplement, Child Care Parent Subsidies, Seniors Personal Care Home Benefit, Income Assistance Community Services, and Income Assistance Program Delivery expenses.
[B] Ministry of Social Services, *Annual Report for 2020–21*, p. 23.

The Ministry expects staff to review and approve documentation for income assistance payments to ensure eligible clients not only receive assistance, but also get the correct amount of income assistance. Legislation outlines income assistance benefits the Ministry may pay to eligible clients under different income support programs (e.g., reasonable costs for funeral expenses).[6] Detailed Ministry policies and procedures further define the benefits.

Ineligible Clients Potentially Paid in 2020–21 Due to COVID-19 Support Programs

As discussed in **Section 4.5**, the Ministry was unable to verify reported income for Saskatchewan Income Support Program clients with the Canada Revenue Agency for 2020–21. The Ministry was also unable to obtain and verify income for the Saskatchewan Assistance Program, Saskatchewan Assurance Income for Disability Program, and the Transitional Employment Allowance Program. The Ministry and Canada Revenue Agency are working to share this information.

The Ministry may discover clients in the future who inappropriately received income assistance in 2020–21 because the client received income support from the Ministry while also receiving income support through the Federal Government's COVID-19 support programs (e.g., Canada Emergency Response Benefit) for the same period.

Incorrect Payments Continued as Legislation and/or Policies and Procedures Not Followed

Thirty-four of 70 (49%) files we tested had income assistance payments inappropriately approved under Ministry policy and/or legislation (e.g., approved when payment not properly supported, or payment made at incorrect rates).

Our testing identified files with inappropriate supporting documentation or where clients received benefits using incorrect rates, and therefore the Ministry should have recorded an amount due from the client:

➢ Nineteen files tested where allowances lacked support. For example, in one file, a client received a food-supplements allowance without providing appropriate documentation (e.g., a medical report as required per policy).

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[6] *The Saskatchewan Assistance Act* and *Regulations*.

➢ In another file tested, a client received shelter benefits inconsistent with the amount set out in the policy.

➢ Five files with funeral expenses had incorrect rates. For example, in one instance, a client received more funding than allowed by policy.

Not complying with legislation, and Ministry policies and procedures, increases the risk of paying clients incorrect income assistance amounts.

4.3 Inconsistent Recording and Untimely Recovery of SIS Overpayments

We recommended the Ministry of Social Services record and recover overpayments related to its Saskatchewan Income Support program in a timely manner. (*2020 Report – Volume 2*, p. 95, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Partially Implemented

The Ministry inconsistently recorded, and did not adequately recover, Saskatchewan Income Support Program (SIS) overpayments during 2020–21.

An overpayment occurs when the Ministry pays a SIS client before receiving all information necessary to confirm a client's eligibility for benefits, or where it makes an error in determining a benefit amount. The Ministry expects overpayments to be recovered in the month following payment. The Ministry can also pay clients' housing security deposits as a benefit with the understanding that clients will repay these benefits beginning the following month of receiving payment.[7,8]

Starting in February 2020, the Ministry's IT system administering the SIS program benefits allows staff to establish automatic payment recovery (beginning the following month) and record the related amount due (i.e., accounts receivable) for overpayments from future SIS benefits.

We found that staff were not always setting up an automatic recovery for known overpayments. In 30% (i.e., three of 10) of SIS client files we tested, the Ministry had overpayments that staff did not set up the collection through the automatic payment recovery from future benefits.

In addition, we found in 10% (i.e., one of 10) of SIS client files we tested, the Ministry did not follow its policy and record the outstanding amount related to a recoverable security deposit.

Unrecovered overpayment amounts at year-end are expected to be recorded as accounts receivable (amounts owing back to the Ministry). As of March 31, 2021, the Ministry paid $83.7 million of SIS payments (see **Figure 3**) and recorded $2.2 million accounts receivable related to SIS overpayments.

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[7] The Ministry considers security deposits to be recoverable payments. We include these with overpayments in this section.
[8] The Ministry's policies allow SIS clients to request and receive security deposit payments, which are paid back to the Ministry at a rate of $50 per month. Similarly, the Ministry's policies require it to recover any benefits overpaid to a SIS client at a rate of $50 per month.

Not recording amounts due and initiating automatic payment recovery delays timely overpayment recovery.

4.4 Timely Analysis of Service Provider Financial Information Needed

We recommended the Ministry of Social Services perform timely reviews on all the performance information submitted by the community-based organizations. (*2007 Report – Volume 3*, p. 75, Recommendation 4; Public Accounts Committee agreement January 8, 2008)

Status—Partially Implemented

The Ministry of Social Services does not always review the results of third-party service providers' (i.e., community-based organizations) annual financial analysis within reasonable timeframes.[9]

At March 31, 2021, the Ministry had service agreements with 206 third-party service providers. During 2020–21, the Ministry paid these service providers approximately $390 million (2019–20: $350 million).[10] The Ministry paid more than half of its community-based funding to 30 service providers.[11]

Through its service agreements, the Ministry requires third-party service providers to submit various reports (e.g., operational, financial) within specified timeframes. Management sets a target to receive and review 90% of the annual reports submitted within the specified deadlines (or inversely, 10% of the reports may be late).

The Ministry aims to receive and complete its review of the community-based organization's annual financial analysis reports by November 30 each year. The Ministry reviews reports to determine whether the community-based organizations appropriately used the funding it provided.

When the Ministry determines service providers did not fully use the funding provided or did not use funds appropriately, the Ministry then determines whether it will recover the amount not spent or inappropriately spent from the service provider. Conversely, it may allow the service provider to keep the money for future use with an understanding the service provider will use the funding consistent with Ministry requirements.

For the 29 annual financial analysis reports we tested, the Ministry did not review six of the 11 late reports by March 2021 and were more than 100 days later than the required deadline (November 30). Four of the 11 financial analysis reports not reviewed in a timely way were submitted by community-based organizations that received the highest amount of Ministry funding.

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[9] The Ministry uses service providers to offer services to at-risk Saskatchewan residents who experience social, psychological, behavioural and cognitive difficulties. Community-based organizations also deliver programs for persons with developmental disabilities, and the elderly.
[10] Provided by information from Ministry of Social Services management.
[11] Ibid.

For the 18 annual financial analysis reports we tested where the Ministry completed a review, it recovered $374,000 because the service providers did not use the funding in 2019–20.

Not reviewing the annual financial analysis reports of third-party service providers in a timely manner increases the risk that the Ministry may be unable to identify issues and take prompt corrective action (e.g., adjust future funding).

4.5   Income Verification Needed for SIS Clients

We recommended the Ministry of Social Services verify client income information for its Saskatchewan Income Support Program. (*2020 Report – Volume 2*, p. 94, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Not Implemented

The Ministry of Social Services does not verify the accuracy of Saskatchewan Income Support (SIS) program clients' income information.

The Ministry averaged 8,000 clients on SIS each month, and as shown in **Figure 3**, it spent $83.7 million on SIS program payments in 2020–21.

The Ministry requires SIS clients to report their income and provide supporting documentation. Unlike its other major income assistance programs, the Ministry has not set up a process to confirm proof of income for SIS clients. Therefore, the Ministry has neither independently verified clients' reported incomes nor verified their need for income assistance.

The Ministry's other significant income assistance programs electronically screen clients against information provided by third-parties to identify clients who receive income from other sources (e.g., Employment Insurance, student loans, Workers' Compensation). Receipt of other income can either reduce benefit amounts clients can claim under the Ministry's SIS program or impact their overall eligibility for income assistance.

The March 2020 introduction of federal income-support programs related to the COVID-19 pandemic could provide a significant income source for some of Saskatchewan's income assistance clients. The Ministry was unable to obtain confirmation from the Federal Government on payments made under various federal income-support programs (e.g., Canadian Emergency Response Benefit). The lack of confirmation further impedes the Ministry's ability to independently verify reported income of each income assistance client.

The Federal Government indicated it will provide income tax data to the Ministry by March 2023; however, this delay will likely diminish the Ministry's overpayment collection as clients gradually leave income assistance programs.

Use of third-party verifications check the accuracy of key information (e.g., client income) submitted by clients. Not obtaining and checking third-party information for client income verification increases the risk of providing income assistance through SIS to ineligible clients, or the Ministry paying incorrect SIS benefits.

Chapter 13
Water Security Agency

1.0 MAIN POINTS

Other than the need for a complete and tested business continuity plan, the Water Security Agency had effective rules and procedures to safeguard public resources as at March 31, 2021.

The Agency's 2020–21 financial statements are 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 Water Security Agency is responsible for managing the province's water supply, protecting water quality, ensuring safe drinking water, managing dams and water supply channels, reducing flood and drought damage, and providing information on water. The Agency works to integrate all aspects of provincial water management to ensure water supplies support economic growth, quality of life, and environmental well-being.[1]

At March 31, 2021, the Agency held financial assets (e.g., cash, amounts owed from others) of $91.5 million, tangible capital assets of $408.8 million, and liabilities of $30.2 million.

In 2020–21, the Agency generated an annual operating surplus of $11.6 million comprised of revenue of $62.7 million and expenses of $51.1 million.[2]

3.0 AUDIT CONCLUSIONS

Our Office worked with MNP LLP, the appointed auditor, to carry out the audit of the Agency. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.[3]

In our opinion, for the year ended March 31, 2021:

➤ **The Water Security Agency had effective rules and procedures to safeguard public resources except for the need for a complete and tested business continuity plan**

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[1] *Water Security Agency Annual Report for 2020–21*, p. 2.
[2] Find the Water Security Agency's 2020–21 Annual Report at www.wsask.ca/About-WSA/Publications/Water-Security-Agency-Annual-Reports/.
[3] See our website at www.auditor.sk.ca.

➤ **The Water Security Agency complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Water Security Agency Act
The Water Security Agency Regulations
The Water Power Regulations
The Crown Employment Contracts Act

The Executive Government Administration Act
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

➤ **The Water Security Agency 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 the Agency'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.

The audit of the Agency included assessing revenue from contracts, confirming outstanding debt, testing capital assets, and agreeing payroll and other payments to support.

4.0 KEY FINDING AND RECOMMENDATION

4.1 Business Continuity Plan Not Complete

We recommended the Water Security Agency implement and test a business continuity plan. (*2010 Report – Volume 2*, p. 296, Recommendation 1; Public Accounts Committee agreement January 20, 2011)

Status—Partially Implemented

In 2020–21, the Agency made limited progress on completing and testing a business continuity plan (particularly its IT disaster recovery plan).

The Agency uses IT systems to monitor water quality and inspection data, provide real-time information on water levels throughout the province, manage financial information, and track key information about its capital assets (e.g., asset condition, inspection results, maintenance).

An IT disaster recovery plan is part of a business continuity plan. In 2020–21, the Agency drafted an IT disaster recovery plan, but had not finalized, approved, or tested it. Without a complete and tested plan, the Agency risks the lack of availability of its IT systems and data in the event of a disaster.

Chapter 14
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.

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)[A]	Key Actions Taken During 2020–21 to Implement Recommendation
Corrections, Policing and Public Safety	
We recommended the Ministry of Corrections, Policing and Public Safety follow its established procedures for removing unneeded user access to its computer systems and data.(*2015 Report – Volume 2*, p. 74, Recommendation 2; Public Accounts Committee agreement January 11, 2017)	For the 2020–21 fiscal year, we found for two of 10 users tested, staff did not ask for removal of user IT access on a timely basis (both removed within nine business days after the users no longer worked at the Ministry). For these two users, we confirmed timely access removal to all significant IT applications (e.g., MIDAS, Criminal Justice Information Management System) and their accounts were not accessed after the user ceased employment with the Ministry.
	In addition, we found two users who did not have access to the Criminal Justice Information Management System removed on a timely basis (between 17–85 business days after the users no longer worked at the Ministry). For these two users, we confirmed access to the IT network was removed within 22 business days. Without IT network access, the users could not access the System. Furthermore, we confirmed their accounts were not inappropriately accessed after the users ceased employment with the Ministry.
	In June 2021, the Ministry developed a *Timely Removal from Information Technology Systems* policy, which outlines circumstances when the Ministry expects a user's access to be removed and defines what is considered timely removal (i.e., within three business days).
	We acknowledge the Ministry is continuing to reduce the number and severity of instances of late user-access removal. The Ministry continues to work with the Public Service Commission to receive notifications when staff leave the Ministry. For the current year, deviations found are not considered to be significant and so we consider the intent of recommendation implemented.

Past Recommendation (Initial PAS Report, Date of Agreement of PAC)[A]	Key Actions Taken During 2020–21 to Implement Recommendation
Justice and Attorney General	
We recommended the Ministry of Justice and Attorney General follow its established procedures for removing unneeded user access to its computer systems and data. (*2015 Report – Volume 2*, p. 74, Recommendation 2; Public Accounts Committee agreement January 11, 2017)	For the 2020–21 fiscal year, we found for two of 11 users tested, staff did not ask for removal of user IT access on a timely basis (between 11 and 112 business days after the users no longer worked at the Ministry). For these two users, we confirmed timely access removal to all significant IT applications (e.g., MIDAS, Criminal Justice Information Management System) and their accounts were not inappropriately accessed after the users ceased employment with the Ministry.

In addition, we found for three of 15 users tested staff did not ask for access removal to the Criminal Justice Information Management System on a timely basis (between five and 75 business days after the users no longer worked at the Ministry). For these three users, we confirmed timely access removal to the IT network for two staff and within 15 business days for the third staff. Without IT network access, the users could not access the System. Furthermore, we confirmed their accounts were not inappropriately accessed after the users ceased employment with the Ministry.

In June 2021, the Ministry developed a *Timely Removal from Information Technology Systems* policy, which outlines circumstances when the Ministry expects a user's access to be removed and defines what is considered timely removal (i.e., within three business days).

We acknowledge the Ministry is continuing to reduce the number and severity of instances of late user access removal. The Ministry continues to work with the Public Service Commission to receive notifications when staff leave the Ministry. For the current year, deviations found are not considered to be significant and so we consider the intent of recommendation implemented. |
| **Justice and Attorney General—Victims' Fund** | |
| We recommended the Ministry of Justice and Attorney General—Victims' Fund prepare key supporting documents at the same time as it prepares its financial statements. (*2019 Report – Volume 2*; p. 58, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of October 29, 2021) | The Ministry took steps to prepare key supporting documents for the Fund's 2020–21 financial statements for management's timely review.

The Ministry provided our Office with key documents to support the Fund's draft 2020–21 financial statements within the agreed upon timelines. There were no material errors identified delaying our audit work timing. |
| **Northlands College** | |
| We recommended Northlands College follow its established procedures for removing unneeded user access to its computer systems and data. (*2020 Report – Volume 2*; p. 68, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021) | In 2020–21, Northlands College updated its employee termination process to notify IT staff of an employee's last work day to ensure prompt removal of user access.

The appointed auditor found that the College removed unneeded access promptly. |

Past Recommendation (Initial PAS Report, Date of Agreement of PAC)^A	Key Actions Taken During 2020–21 to Implement Recommendation
Saskatchewan Liquor and Gaming Authority	
We recommended the Saskatchewan Liquor and Gaming Authority establish a written agreement with Saskatchewan Indian Gaming Authority (SIGA) indicating when it will receive the audit report on controls for the SIGA Casino Management System. (*2019 Report – Volume 2*, p. 94, Recommendation 1; Public Accounts Committee agreement February 8, 2021)	In July 2019, the Authority signed an agreement with Saskatchewan Indian Gaming Authority (SIGA) about receiving an audit report on the effectiveness of controls for the SIGA Casino Management System within 40 days following March 31 (i.e., by May 10). SIGA provided the Authority with a draft audit report on April 30, 2021, and the final audit report on May 27, 2021. There were no significant changes to the audit report between April 30 and May 27, 2021.
Saskatchewan Indian Gaming Authority	
We recommended the Saskatchewan Indian and Gaming Authority (SIGA) monitor activities of its service provider that manages its Casino Management System. (*2019 Report – Volume 2*, p. 94, Recommendation 2; Public Accounts Committee agreement February 8, 2021)	During the year, SIGA implemented processes to monitor activities of its service provider. It reviews and approves changes made by its service provider. SIGA also monitors access to the Casino Management System to ensure access is authorized and appropriate.
Saskatchewan Polytechnic	
We recommended Saskatchewan Polytechnic establish a policy to guide compensating for losses of its employees. (*2019 Report – Volume 2*, p. 99, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)	During 2021, Saskatchewan Polytechnic established a policy and procedures to guide compensating losses of all members of its community including employees, students, volunteers, Board members and the general public.
Western Development Museum	
We recommended the Western Development Museum consistently document the approval of purchase orders before it purchases the related goods or services. (*2020 Report – Volume 2*, p. 103, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)	Management updated the purchase-order policy for clarity and reiterated to its managers the process to approve purchase orders. Management at head office reviewed each purchase order and invoice during the year to verify that the purchase order was approved before making a purchase. During our testing of purchases, we did not identify any purchases in our sample where an employee made a purchase before obtaining an approved purchase order. For all these purchases, management appropriately approved the purchase order before or on the same day staff ordered the goods or services.

^A PAS: Provincial Auditor of Saskatchewan
 PAC: Standing Committee on Public Accounts
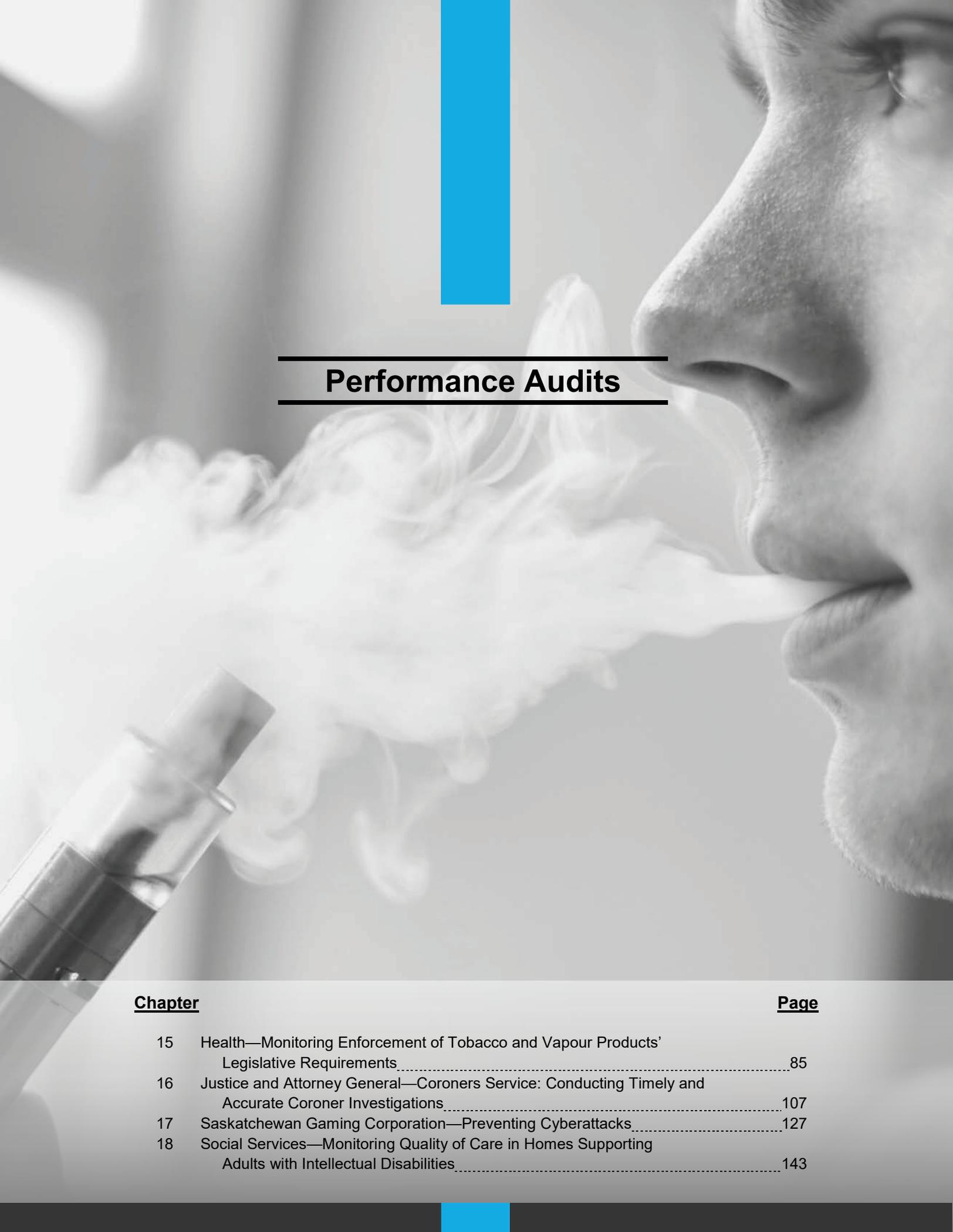
Performance Audits

Chapter 15
Health—Monitoring Enforcement of Tobacco and Vapour Products' Legislative Requirements

1.0   MAIN POINTS

It is illegal for retailers to sell tobacco or vapour products to minors under 18 years of age and for the public to use these products in public places. There are also restrictions around the display and promotion of these products at retail locations. The Ministry of Health uses the Saskatchewan Health Authority's tobacco enforcement officers to enforce the legislative restrictions. Officers conduct inspections assessing whether the more than 1,200 retailers in Saskatchewan sell products to minors and properly display and promote tobacco and vapour products.

At June 2021, our audit found the Ministry needs to improve its monitoring of the Authority's enforcement of the legislative requirements over the sale, promotion, and use of tobacco and vapour products.

The Ministry does not sufficiently monitor whether youth test shopper inspections are done annually, warning letters and notices of violations are delivered promptly to non-compliant retailers, and non-compliant retail locations are reinspected timely. For example, our analysis found more than half of 225 retail locations that previously sold to youth test shoppers did not receive another inspection within the expected six months. We also found retailers were not notified of their non-compliance promptly; it took up to nine weeks after the violation. These delays increase the risk retailers will continue selling tobacco and vapour products to minors.

The Ministry has not determined clear rationale and guidance for routine inspection frequency. Our analysis found 19% of retail locations did not receive an annual inspection in 2020–21. Not performing routine inspections frequently (e.g., annually) increases the risk that retailers do not comply with the law.

The Ministry also did not provide detailed guidance, including timelines, to tobacco enforcement officers on how to handle complaints. Between July 2020 and June 2021, the Authority received eight complaints. We found tobacco enforcement officers did not follow up (e.g., inspect retail locations) on five of the eight complaints about retailers selling to minors. Without clear guidance, complaints may not be properly addressed and retailers may continue to break the law without consequence.

In addition, the Ministry needs to:

➢   Maintain a complete list of retail locations selling tobacco and vapour products

➢   Enhance written reports on enforcement activities to senior management

➢   Update its Enforcement Manual

Effective and active enforcement restricts access to tobacco and vapour products by youth, which protects them from the harms associated with the use of such products.

2.0 INTRODUCTION

This chapter outlines results from our audit of the Ministry of Health's processes to monitor the Saskatchewan Health Authority's enforcement of provincial legislative requirements over the sale, promotion, and use of tobacco and vapour products for the 12-month period ending June 30, 2021. Our audit did not include monitoring enforcement activities of the RCMP and policing services (e.g., Regina Police Service).[1]

Tobacco means any form of tobacco in which it is used or consumed, including snuff and raw leaf.[2] Vapour products means any or all of the following: e-cigarettes, e-substances, e-liquid, cartridges from, or components of, e-cigarettes.[3,4]

The Ministry of Health uses the Authority to conduct tobacco and vapour enforcement activities (e.g., retail location inspections).

2.1 Federal and Provincial Legislation for Tobacco and Vapour Products

Federal, provincial, and territorial governments share responsibility for regulating tobacco and vapour products.

In general, the Federal Government is responsible for regulating the manufacture, sale (e.g., on-line sales), labelling, and promotion (e.g., television) of tobacco and vapour products in Canada, including regulating restrictions around product flavours. Provincial legislation is designed to reduce youth access to tobacco and vapour products, and to protect all Saskatchewan residents from the harms associated with environmental tobacco and vapour smoke (e.g., second-hand smoke).

The Tobacco and Vapour Products Control Act regulates tobacco and vapour product use, sale, display, and advertisement in Saskatchewan.

2.2 Importance of Monitoring Enforcement of Legislative Requirements

Tobacco use is one of the primary causes of preventable morbidity and mortality worldwide. A 2017 report shows an estimated 45,464 deaths in 2012 attributable to smoking in Canada (or nearly one in five deaths). Nearly all deaths attributable to smoking fall into three main categories: cancers, cardiovascular diseases, and respiratory diseases.[5]

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[1] The RCMP and municipal policing services throughout the province enforce the ban on smoking and vaping in vehicles when children under the age of 16 are present.

[2] For the purpose of this audit, tobacco products include tobacco-related products. Under *The Tobacco and Vapour Products Control Act,* s. 2(k) "tobacco-related product" means a cigarette paper, tube, filter, maker; pipe; or any other product used in association with tobacco.

[3] *The Tobacco and Vapour Products Control Act,* ss. 2(i), (k1).

[4] Vaping is the act of inhaling an aerosol, known as vapour, produced by a vaping device. This vapour is inhaled into the lungs simulating the feeling and effect of smoking a conventional cigarette. When vape devices are turned on, the battery warms a heating component which converts e-liquid into an aerosol or causes vaporisation. Vapour products do not contain tobacco, but can contain nicotine.

[5] Dobrescu, A., Bhandari, A., Sutherland, G., Dinh, T., *The Costs of Tobacco Use in Canada, 2012,* (2017). Ottawa: The Conference Board of Canada.

The most recent data from Statistics Canada found that Saskatchewan's youth cigarette smokers aged 15 to 19 years smoke at nearly three times the national average (22% versus 8%); along with Newfoundland and Labrador, Saskatchewan ranks as the highest use rate in Canada. Moreover, in 2017, 15% of Canadians aged 15 years and older tried vaping.[6]

Despite Saskatchewan ranking higher than national levels, the overall rate of smoking is declining (see **Figure 1**).

Figure 1—Rates of Smoking in Canada and Saskatchewan Among Youth Over 15 Years of Age (2015–19)
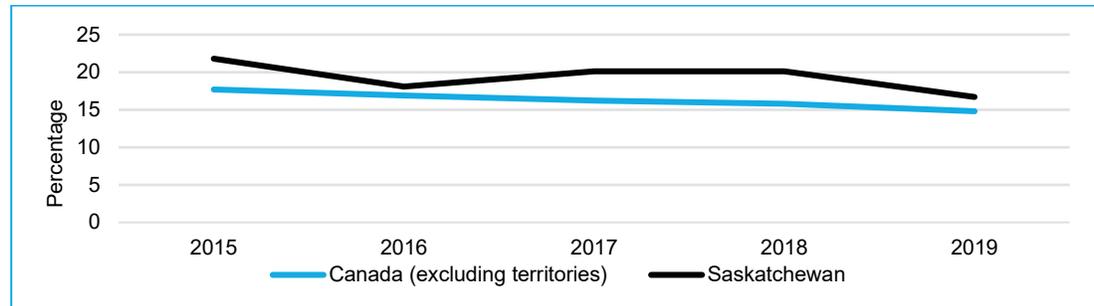
Source: Statistics Canada, *Table 13-10-0096-01 Health Characteristics, Annual Estimates*, DOI: doi.org/10.25318/1310009601-eng.

While nationally and provincially smoking rates are decreasing, vaping rates are steadily increasing. Since the 2016–17 Canadian Student Tobacco, Alcohol, and Drug Survey, vaping prevalence among students doubled in Canada and tripled in Saskatchewan.[7] The latest 2018–19 survey shows 33% of Grades 7–9 students and 61% of Grades 10–12 students in Saskatchewan tried vaping (with or without nicotine).[8]

Research suggests vaping may represent a less harmful mode of nicotine delivery compared to smoke inhalation from traditional cigarettes.[9] Although, long-term exposure to vapour might cause nicotine dependence and increase the risk of respiratory and cardiovascular health effects despite the lower number and levels of toxicants in vapour aerosol than tobacco smoke.[10] Moreover, young people who vape have an increased risk of subsequent smoking, and vice versa.[11]

Although vaping might assist established smokers in quitting smoking, there are widespread concerns that vaping could undermine smoking reduction efforts, especially among young people.[12] With evidence frequently emerging of the harmful effects vaping causes to respiratory health (e.g., increased airway inflammation and oxidative stress, reduced lung function), the long-term implications of vaping (including second-hand vaping)

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[6] Health Canada, *Canadian Tobacco, Alcohol and Drugs Survey (CTADS): Summary of Results for 2017*, www.canada.ca/en/health-canada/services/canadian-tobacco-alcohol-drugs-survey/2017-summary.html#n2 (24 March 2021). We note the report flags the Saskatchewan rate as having moderate sampling variability and to interpret with caution.

[7] Health Canada, *Detailed tables for the Canadian Student Tobacco, Alcohol and Drugs Survey 2016–17*, www.canada.ca/en/health-canada/services/canadian-student-tobacco-alcohol-drugs-survey/2016-2017-supplementary-tables.html#t6 (29 March 2021).

[8] Health Canada, *Detailed tables for the Canadian Student Tobacco, Alcohol and Drugs Survey 2018–19*, www.canada.ca/en/health-canada/services/canadian-student-tobacco-alcohol-drugs-survey/2018-2019-detailed-tables.html (29 March 2021).

[9] Hammond, D., Reid. J.L., Rynard, V.L., Fong. G.T., Cummings, K.M., McNeill, A. et al. *Prevalence of vaping and smoking among adolescents in Canada, England, and the United States: repeat national cross sectional surveys*. BMJ 2019; 365 :l2219 DOI:10.1136/bmj.l2219.

[10] Ibid., p. 1.

[11] Hammond D, Reid JL, Cole AG, Leatherdale ST. *Electronic cigarette use and smoking initiation among youth: a longitudinal cohort study*. CMAJ. 2017 Oct 30;189(43):E1328-E1336. doi: 10.1503/cmaj.161002. PMID: 29084759; PMCID: PMC5662449.

[12] Hammond, D., Reid. J.L., Rynard, V.L., Fong. G.T., Cummings, K.M., McNeill, A. et al. *Prevalence of vaping and smoking among adolescents in Canada, England, and the United States: repeat national cross sectional surveys*. BMJ 2019; 365 :l2219 DOI:10.1136/bmj.l2219.

is not yet fully known.[13,14] Furthermore, recent research suggests a COVID-19 diagnosis is five times more likely in youth who vape.[15]

Enforcement processes restrict access to tobacco and vapour products, especially appealing to youth (e.g., fruit-flavoured vapour products) while providing adult users with reasonable access. It also protects the public from harmful environmental second-hand smoke. Given how rapidly the vaping market is evolving and the growing evidence of negative health consequences, it is important for the Ministry of Health to minimize public health risks by effectively monitoring inspections of tobacco and vapour product at retail locations, as well as regulating the use of such products in public places.

3.0 AUDIT CONCLUSION

We concluded that, for the 12-month period ended June 30, 2021, the Ministry of Health had, other than in the following areas, effective processes to monitor the Saskatchewan Health Authority's enforcement of provincial legislative requirements over the sale, promotion, and use of tobacco and vapour products.

The Ministry needs to:

➢ **Establish a formalized process to maintain a complete list of retail locations subject to inspections**

➢ **Work with the Saskatchewan Health Authority to have youth test shopper inspections conducted annually, warning letters and notices of violations delivered promptly to non-compliant retailers, and non-compliant retail locations reinspected frequently**

➢ **Set clear guidance on the frequency of periodic, routine inspections as well as the process for handling complaints**

➢ **Enhance written reports on enforcement activities provided to senior management (e.g., include follow ups on non-compliant retailers, complaints, trends)**

➢ **Update its Enforcement Manual to align with current practice**

Figure 2—Audit Objective, Criteria, and Approach

> **Audit Objective:**
> The objective of this audit was to assess whether the Ministry of Health has effective processes, for the 12-month period ended June 30, 2021, to monitor the Saskatchewan Health Authority's enforcement of provincial legislative requirements over the sale, promotion, and use of tobacco and vapour products. Our audit did not include monitoring enforcement activities of the RCMP and policing services (e.g., Regina Police Service).

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[13] Miyashita, L., & Foley, G., *E-cigarettes and respiratory health: the latest evidence,* (2020), J Physiol. 2020 Nov; 598(22), 5027–5038. DOI: 10.1113/JP279526. Epub 2020 Jun 18.
[14] Ballbè M., Martínez-Sánchez, J. M., Sureda, X., Fu, M., Pérez-Ortuño, R., Pascual, J. A., Saltó, E., & Fernández, E., *Cigarettes vs. e-cigarettes: Passive exposure at home measured by means of airborne marker and biomarkers,* (2014) Environ Res. 2014 Nov;135, 76–80 DOI: 10.1016/j.envres.2014.09.005.
[15] Bandara, N. A., Herath, J., Merhrnoush, V. *Addressing the intersection between COVID-19 and young people vaping: timely resources needed*, (2020), CMAJ October 26, 2020 192 (43) E1310: DOI: doi.org/10.1503/cmaj.76793 .

> **Audit Criteria:**
>
> Processes to:
>
> 1. **Promote awareness of legislative requirements for sale, promotion, and use of tobacco and vapour products**
>   - Maintain clear and appropriate requirements for selling, promoting, and publicly-using tobacco and vapour products
>   - Educate retailers on requirements for tobacco and vapour product sales, promotions, and use and implications of non-compliance
>   - Inform owners of public places (e.g., restaurants, public buildings, schools) of requirements
> 2. **Assess key information about enforcement activity**
>   - Maintain guidance for examining compliance with legislation requirements (e.g., inspection procedures, IT systems, fines and corrective actions)
>   - Collaboratively set risk-based plans for inspections (e.g., retail locations, public places)
>   - Oversee compliance assessment with requirements (e.g., use qualified staff, complete inspections in accordance with established process)
>   - Investigate complaints about inappropriate tobacco and vapour sales, promotion, or use within a reasonable time
> 3. **Address and report non-compliance**
>   - Communicate action required for resolution of non-compliance within a reasonable time (i.e., non-compliance from inspections or complaints)
>   - Require prompt action on non-compliance based on severity
>   - Escalate action on continued non-compliance (e.g., more frequent inspections)
>   - Report on enforcement activities to senior management and public
>   - Take necessary action to adjust requirements (e.g., policy, legislation)
>
> **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 including reports of other auditors, and consultations with management. Ministry management agreed with the above criteria.
>
> We examined the Ministry's policies, procedures, IT system, reports, and other records relating to monitoring enforcement of legislative requirements over the sale, promotion, and use of tobacco and vapour products. We interviewed key Ministry and Authority staff responsible for inspecting retail locations and public places. We assessed Ministry inspection processes for consistency with legislation and other jurisdictions. We tested a sample of routine inspections, youth test shopper inspections, and complaints to assess whether staff followed the Ministry's established processes. We also attended five routine inspections with tobacco enforcement officers. In addition, we conducted data analytics on the data in the Ministry's IT system.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Legislation Recently Updated to Include Vapour Products

Saskatchewan established tobacco legislation back in the early 2000s regulating the sale, promotion, and use of tobacco products in the province.[16] In February 2020, Saskatchewan updated its legislation to add restrictions on vapour products similar to those on tobacco products.

In Saskatchewan, *The Tobacco and Vapour Products Control Act* and *Regulations* set out rules and restrictions on the sale, advertising, and use of tobacco and vapour products (see **Section 5.0** for key provisions on restrictions in the Act). For example, under the Act, it is illegal to sell tobacco or vapour products to any individual younger than 18 years of age.

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[16] The former provincial *The Tobacco Control Act* was originally enacted in 2002. Saskatchewan was the first province to introduce provincial legislation prohibiting visual display of tobacco products. Prior to 2002, the Federal Government restricted the sale and promotion of tobacco products.

On September 1, 2021, *The Tobacco and Vapour Products Control Amendment Regulations, 2021,* came into force, limiting the sale of flavoured vapour products to age-restricted vapour product shops, and limiting marketing and availability to youth.

The Ministry of Health, through grants to the Saskatchewan Health Authority, funds tobacco and vapour enforcement activities. In 2020–21, the Ministry spent about $797,000 on its smoking and vaping prevention, cessation, and enforcement activities; it plans to spend $543,000 in 2021–22.[17]

As part of funding enforcement activities, the Ministry expects the Authority to conduct:

➢ **Youth test shopper program**: annual inspections of retail locations selling tobacco and vapour product by Authority tobacco enforcement officers and contracted youth to assess whether a retailer will sell or refuse to sell tobacco or vapour products to minors

➢ **Retail inspections**: annual inspections of tobacco and vapour product retail locations by Authority tobacco enforcement officers to assess compliance with legislative requirements (e.g., no public displays of cigarettes or vape products, appropriate signage)

➢ **Public space inspections**: complaint-based inspections of public spaces like restaurants by Authority public health inspectors to assess adherence to public space smoking requirements (e.g., no smoking)

4.2   Communications Plan about Legislative Changes in Place

The Ministry of Health established a communications plan to ensure the public and retailers stay informed about legislative changes affecting the sale, promotion, and use of tobacco and vapour products.

We found, in late January 2020, the Ministry issued media releases summarizing the February 2020 legislative changes (i.e., added restrictions for vapour products) to advise the public and retailers. For example, they noted restricting the sale of vapour devices and products to individuals 18 years of age and older; prohibiting the display of such products; and restricting the use of those products in and around public buildings, including schools and school grounds.

In April 2021, the Ministry developed a communications plan for the legislative changes taking effect in September 2021 (i.e., restricting the sale of flavoured vapour products). The Ministry included two phases in its communications plan—introduction and implementation. Both phases use media releases to inform the public and retailers about the legislative changes.

For the introduction phase, we found the Ministry issued a media release in April 2021 advising that only specialized, adult-only (i.e., 18 years of age and older) vape shops will sell flavoured vapour products beginning September 2021.

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[17] The Ministry of Health spent about $127,000 on legislative changes in 2020–21. Information provided by the Ministry of Health.

For the implementation phase, the Ministry intended to issue a second media release in August 2021 as a reminder communicating the amendments coming into force, as well as details about tobacco tax increases.

Having a communications plan that directs timely media releases along with active enforcement, not only helps ensure the public and retailers stay well informed of upcoming legislative changes, but also that retailers implement those changes (e.g., restrict vapour product sales).

4.3   Tobacco and Vapour Products' Legislative Requirements Publicly Available

The Ministry of Health makes retailers, owners of public places, and the public aware of legislative requirements mainly through its website and its guide for retailers.

The Ministry uses its website to provide these interested groups with information on the legislative requirements for the sale, promotion, and use of tobacco and vapour products. We found the website easy to navigate and sufficiently covers all of the relevant legislative requirements. It also gives guidance to the public on how to contact the Authority (e.g., email, phone numbers) for complaints or if non-compliance is observed (e.g., sale to a minor, vaping in enclosed public places).

The Ministry also maintains a guide, *Toolkit for Responsible Tobacco and Vapour Retailers,* for retailers available on its website. See **Figure 3** for guide content summary. It outlines retailers' responsibilities to follow legislative requirements regarding the sale and promotion of tobacco and vapour products (e.g., no selling to minors). It also outlines consequences for non-compliance (i.e., fines and penalties) in accordance with legislative requirements.

Figure 3—*Toolkit for Responsible Tobacco and Vapour Retailers* Content Summary

- **Section I: Being Informed**: summary of legislative requirements tobacco and vapour retailers should know, and answers to frequently asked questions
- **Section II: Develop Policies & Procedures**: information for retailers to develop policies and procedures to prevent the sale of tobacco and vapour products to minors
- **Section III: Employee Training & Tools**: training tool samples intended to help prevent retail employees from selling tobacco and vapour products to minors like quizzes to assess their understanding of legislative requirements
- **Section IV: On-Going Monitoring Tools**: checklist samples for retailers to track staff's understanding and compliance with laws
- **Section V: Employee Training to Prevent Tobacco and Vapour Product Sales to Minors for Clerks & Others Who Sell Tobacco and Vapour Products**: training material samples with regards to sale and promotion of tobacco and vapour products retailers could use for their staff (e.g., key legislative points and definitions, examples of appropriate ID, etc.).

Source: Adapted from the Ministry of Health's *Toolkit for Responsible Tobacco and Vapour Retailers*, 2021.

We found the guide consistent with current legislative requirements as well as sufficiently detailed and easy to understand.

We note the Ministry did not update its website or its guide to retailers until June 2021—15 months after legislation changed to add restrictions around vapour products similar to those of tobacco products. This delay increased the risk retailers and owners or operators of public places were unaware of or did not understand the changes impacting them

(e.g., retail locations displaying vapour products). However, the Ministry mitigated this risk by using routine inspections done by tobacco enforcement officers at vapour product retail locations to educate them about the changes (see **Section 4.10**).

The Ministry increases transparency by having current, understandable, and publicly available information for the requirements about the sale, promotion, and use of tobacco and vapour products. This also allows for more retailers, and owners or operators of public places to understand, implement, and follow legislative requirements.

4.4 Enforcement Guidance Not Maintained to Reflect Current Practices

The Ministry of Health has not updated its Enforcement Manual to reflect the accountability structure between the Ministry and the Saskatchewan Health Authority, or current inspection practices.

The Environmental Health Unit within the Ministry is responsible for legislation and monitoring the enforcement of legislative requirements for tobacco and vapour products. The Minister of Health appointed three qualified tobacco enforcement officers, employed by the Authority, to conduct retail inspections for compliance with legislation (e.g., prohibiting display of tobacco and vapour products in a retail business where youth have access).[18,19]

Also, as part of their duties, tobacco enforcement officers administer a youth test shopper program to ensure retailers comply with restrictions on the sale of tobacco and vapour products to youth under 18 years of age. The test shopper program engages minors, with tobacco enforcement officer support (e.g., the officer waits in the vehicle while two youth enter the retail location), to pose as shoppers without identification to assess whether a retailer will sell them tobacco or vapour products.

The Ministry maintains the Enforcement Manual for the Authority's tobacco enforcement officers. The Manual generally outlines powers and responsibilities for tobacco enforcement officers under the Act and Regulations. However, the Manual is outdated (last updated in 2018).

We found the Manual:

➢ Does not reflect current inspection practices. The manual notes tobacco enforcement officers are to complete inspections on a complaint basis. In practice, the Ministry expects tobacco enforcement officers to inspect retail locations annually. It also does not reference the youth test shopper program, which started in 2014.

➢ Does not set out the reporting or accountability structure between the Ministry and the Authority (e.g., no indication of the Ministry's ultimate responsibility for the tobacco and vapour enforcement program or the Authority's responsibilities about enforcing the legislative requirements and reporting to the Ministry).

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[18] The latest Minister's Order to appoint tobacco enforcement officers was signed in September 2020.
[19] The Ministry of Health expects the tobacco enforcement officers to have a post-secondary education in any field and/or enforcement experience and on-the-job training; all three officers met these requirements. During our interviews, all three officers showed understanding and knowledge about inspections and enforcement activities.

> ➤ Does not reflect the current structure of the Authority (i.e., former regional health authorities referenced).

Without clearly outlining roles and responsibilities as well as clarifying the accountability structure between the Ministry and the Authority for the tobacco and vapour control program, there is a risk for a lack of understanding around responsibilities and roles, especially in the case of staff turnover.

> 1. **We recommend the Ministry of Health update its Enforcement Manual to reflect the structure, accountability, and inspection practices for the tobacco and vapour control program.**

4.5   List of Retail Locations Incomplete

The Ministry of Health does not have a complete list of tobacco and vapour retail locations subject to inspection.

The Ministry uses an IT system to track retail locations and associated inspection results. At June 2021, the IT system had 1,245 retail locations (48 are specialized vape shops) selling tobacco and vapour products across Saskatchewan.[20] The IT system assigns each tobacco enforcement officer retail locations to inspect. Of the three tobacco enforcement officers employed, two Regina officers are responsible for retail inspections in southern Saskatchewan (56% of retail locations), while one Saskatoon officer is responsible for inspections in central and northern Saskatchewan (44% of retail locations). Given the amount of working days in a year and annual retail inspection expectations by the Ministry, this equates to each officer inspecting two to three retail locations per day for each type of inspection (routine and youth test shopper inspections).

The Ministry currently uses an informal process for adding and removing retail locations from its IT system. It relies on tobacco enforcement officers to identify any new or closed tobacco and vapour retail locations while in various communities conducting inspections and update the Ministry's IT system.

We found this is not a reliable mechanism for the Ministry to know when a new retailer began its operations or when a retail location closed. For example, we attended an inspection at a retail location that received its first routine inspection in May 2021. The tobacco enforcement officer identified and added the retail location to the IT system in 2020. However, the retail location has been open since 2012; therefore, it operated for seven years without a youth test shopper inspection and two years without a routine inspection.[21] During the first routine inspection, the tobacco enforcement officer noted several minor non-compliances (e.g., the sign for vapour product prices did not conform to regulations, no sign advising legal-age requirements for buying tobacco and vapour products).

During the audit, we also found nine retail locations subject to inspection not in the Ministry's IT system:

> ➤ Six specialized vape shops previously inspected by Health Canada enforcement officers in October–December 2019

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[20] Starting September 1, 2021, only specialized vape shops can sell flavoured vapor products.
[21] The Ministry started the youth test shopper program in 2014 and routine inspections in 2019.

➢ Three retail locations (two vape shops and one convenience store) that had complaints lodged against them between July 2020 and June 2021

At the time of our testing, the Ministry had not yet added these retail locations to its IT system.

We found other jurisdictions have a more formal process for maintaining a list of retail locations. For example, other provinces (e.g., British Columbia, Manitoba) require retailers to be licensed or registered. This helps ensure all retail locations are tracked and subject to inspection.

Management indicated that by August 31, 2021, the Ministry of Finance, for tax purposes, will require all vapour product retailers to be licensed subject to *The Vapour Products Tax Act.* The Ministry of Health could use this licensing information to help confirm it has a complete vapour product retail locations list in its IT system.

Without a complete list of retail locations, the Ministry does not know how many retail locations selling tobacco and vapour products remain uninspected and how many are non-compliant (e.g., selling tobacco and vapour products to minors).

2. **We recommend the Ministry of Health establish a formalized process to maintain a complete list of retail locations that sell tobacco and vapour products.**

4.6   Annual Youth Test Shopper Inspections Not Done as Required

Tobacco enforcement officers do not conduct youth test shopper inspections annually as required by the Ministry of Health.

In 2014, the Ministry of Health implemented the youth test shopper program. The purpose of the program is to have minors attempt to buy tobacco or vapour products at a retail location. The Saskatchewan Health Authority employs about 10–12 youth for the program each year. Tobacco enforcement officers usually bring two youths aged 15–17 years to each inspection.

The Ministry of Health uses standard operating procedures for the youth test shopper program. The procedures provide tobacco enforcement officers with clear, detailed, step-by-step guidance to complete and record youth test shopper inspections in the Ministry's IT system. For example, officers complete the inspection checklist in the IT system and attach the report that youth fill out noting whether the retailer sold them products.

We found the Ministry did not update its inspection procedures requiring annual inspections with youth shoppers at vapour product retail locations until June 2021—15 months after the new legislative requirements for vapour products came into effect in February 2020. Management indicated the delay was due to responding to the COVID-19 pandemic.

Even though the Ministry did not release timely guidance to the Authority on requiring youth test shopper inspections at specialized vape shops, tobacco enforcement officers performed youth test shopper inspections at 12 of the 48 vape shops in its IT system in 2020–21 (one was non-compliant).

The Ministry requires tobacco enforcement officers to conduct annual youth test shopper inspections. We found other jurisdictions follow a similar process (e.g., British Columbia).

As shown in **Figure 4**, tobacco enforcement officers do not perform youth test shopper inspections each year as expected.[22] In 2020–21, officers did not inspect 12% of retail locations (2019–20: 5%; 2018–19: 14%). Due to the COVID-19 pandemic, officers did not conduct inspections from March to June 2020 resulting in a higher number of uninspected retail locations compared to 2019–20.

Figure 4—Number of Retail Locations Receiving Youth Test Shopper Inspections

Year	Number of Retail Locations ᴬ	Retail Locations Inspected	Number of Retail Locations Not Inspected	Percentage of Retail Locations Not Inspected
2018–19	1,082	935	147	14%
2019–20	1,037	985	52	5%
2020–21	1,041	915	126	12%

Source: Adapted from information provided by the Ministry of Health.
ᴬ Note that the youth test shopper program is not done in the far north due to logistics (e.g., current test shoppers would have to stay overnight in order to reach those communities).

In our testing of 30 youth test shopper inspections, we found 11 retail locations not inspected yearly (time between inspections ranged from between 13 and 24 months). We found the inspection checklists, along with the youth test shopper reports, properly completed in the IT system for each of the 30 youth test shopper inspections tested.

Our analysis of inspection records between April 2019 and March 2021 found similar results. Tobacco enforcement officers inspected 339 retail locations later than 12 months (inspection periods ranged between 13 and 24 months).

Not performing youth test shopper inspections at all retail locations as expected increases the risk that retailers who do not comply with the law (i.e., selling tobacco or vapour products to minors) continue to sell to minors for extended periods of time.

3. **We recommend the Ministry of Health work with the Saskatchewan Health Authority to conduct required youth test shopper inspections of retail locations that sell tobacco and vapour products.**

4.7 Untimely Reinspections of Retail Locations Selling Tobacco or Vapour Products to Youth

Tobacco enforcement officers do not complete all reinspections in a timely manner for retail locations that sold tobacco or vapour products to youth.

If, during a youth test shopper inspection, a retailer sells tobacco or vapour products to the minor, the Ministry expects tobacco enforcement officers to reinspect that retail location to assess for further non-compliance. In cases of additional sales and subsequent non-compliance, the officers issue fines in the amount of $250 to the individual who sold the tobacco or vapour product (see **Section 4.9**). At March 31, 2021, the Ministry required

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[22] Results do not include specialized vape shops as the Ministry did not provide guidance for inspecting vape shops until June 2021.

officers to reinspect retail locations within three to six months after the initial, non-compliant sale to minors.

Our analysis of inspection records between April 2019 and March 2021 showed officers did not promptly reinspect retail locations that previously sold to youth (e.g., within six months). Out of 225 non-compliant retail locations (i.e., retailers who sold tobacco or vapour products to minors), we found officers reinspected approximately 55% of those retail locations after six months (ranging from seven to 24 months after the original inspection date).

Our analysis also found 17 retail locations that continued to sell tobacco or vapour products to minors (i.e., sold to youth two or more times). Officers did not reinspect these non-compliant retail locations within six months as required (reinspections ranged between seven and 21 months after the previous inspection date).

Additionally, we found five retail locations not reinspected within six months:

➢ Four retail locations were reinspected after six months (between seven and nine months after initial inspection date), which was later than expected, but found to be compliant

➢ One retail location was not reinspected at the time of our testing (May 2021); nine months since initial inspection

In June 2021, the Ministry updated its procedures requiring officers to reinspect non-compliant retail locations within six to 12 months (rather than three to six months). Good practice recommends more frequent inspections for previously non-compliant retail locations (e.g., Saskatchewan Liquor and Gaming Authority requires non-compliant liquor establishments reinspected every three months).[23]

Without reinspecting non-compliant retail locations in a timely manner (i.e., six months), the risk retailers will continue to sell tobacco or vapour products to youth without consequences (e.g., fines) increases. Furthermore, this compounds the risk of youth exposure to the harmful effects of tobacco and vapour products, including addiction.

> 4. **We recommend the Ministry of Health work with the Saskatchewan Health Authority to reinspect retail locations that sell tobacco and vapour products to youth in a timely manner.**

4.8   Retailers Selling to Youth Not Warned in a Timely Manner

Tobacco enforcement officers do not always deliver warning letters and notices of violations as required when officers find retailers selling tobacco or vapour products to youth during inspections.

In cases of a first offence where retailers sell tobacco or vapour products to youth, the Ministry requires tobacco enforcement officers to issue warning letters and notices of violation. These letters and notices advise retailers they are breaking the law and, if further non-compliance continues, fines will follow.

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[23] Studies have shown that retailer compliance is higher when legislation is actively enforced. Active enforcement requires conducting regular compliance checks with retailers. Diemert L, Dubray J, Babayan A, Schwartz R. (2013). *Strategies affecting tobacco vendor compliance with youth access laws. A review of the literature.* Toronto: Ontario Tobacco Research Unit.

At March 31, 2021, in its procedures, the Ministry required officers to deliver warning letters and notices of violations within three weeks of inspection. In June 2021, the Ministry removed this timeframe, and expects officers to deliver these documents as soon as possible.

We found officers did not deliver warning letters and notices of violation promptly. Our testing of 15 non-compliant retailers found:

➤ Five retailers did not receive warning letters and notices of violations within three weeks (receipt ranged between four and nine weeks after the violation occurred).

➤ One retailer did not receive a warning letter and notice of violation at all. The officer reinspected the retailer six months later and found them to be compliant (i.e., no sale to minors occurred at reinspection).

Delayed delivery of warning letters and notices of violation increases the risk that retailers may continue breaking the law by selling to minors.

> **5. We recommend the Ministry of Health work with the Saskatchewan Health Authority to deliver warning letters and notices of violation to non-complaint retailers selling tobacco or vapour products to minors in a reasonable timeframe.**

4.9 Tickets Issued to Retailers Continuing to Sell to Youth

Tobacco enforcement officers issue summary offence tickets to retailers and their employees who continue to sell tobacco or vapour products to youth.[24]

The youth test shopper inspections identify instances of non-compliance. When retailers and their employees continue to sell (i.e., second offence, subsequent non-compliance) tobacco or vapour products to youth, tobacco enforcement officers issue summary offence tickets under *The Summary Offences Procedure Act, 1990*, to non-compliant retailers. The Ministry of Health expects officers to issue the tickets within one week of the inspection that noted non-compliance.

If continued non-compliance persists, officers can escalate the matter. Officers will ticket the corporation (i.e., retailer) at a higher fine ($500), rather than an employee who sold the tobacco or vapour product ($250). If required, a court can also assess higher penalties up to $50,000 based on the number of offences.

In 2020–21, tobacco enforcement officers issued 28 summary offence tickets (2019–20: eight; 2018–19: eight).

Our testing of 15 non-compliant retailers found two non-compliant retailers selling to minors during the previous youth test shopper inspection. At the most recent inspection, officers found the retailer sold tobacco or vapour products to youth again, upon which the officers appropriately issued tickets to the retailers the same day.

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[24] Summary offence tickets are issued for certain health and safety violations.

In addition, our analysis of inspection records between April 2019 and March 2021 identified 17 retail locations that sold tobacco or vapour products to youth two or more times:

➢ Two retail locations changed owners since the previous inspection. Therefore, officers appropriately issued notices of violation and warning letters to educate the new owners on the legislative requirements.

➢ Fifteen other retailers appropriately received summary offence tickets within one week. All tickets included the appropriate fines.

Our analysis also found one retailer who sold tobacco or vapour products to youth during the last three inspections. Management indicated that, if at the next inspection, the retailer sells to youth again, the officer will issue a higher fine ticket to the corporation instead of to the retailer's employee. However, we noted at the time of our testing, reinspection for that retail location had not yet occurred; a full nine months after the previous inspection identifying non-compliance. See **Section 4.7** for our recommendation related to reinspecting non-compliant retail locations in a timely manner.

We found no cases where the Ministry took retailers to court.

Having timely enforcement (i.e., issuing tickets to non-compliant retailers) reiterates consequences for non-compliant actions and for breaking the law. It may also help decrease the risk of retailers continuing to sell tobacco or vapour products to minors. This will, in turn, help prevent youth exposure to the harmful risks from tobacco and vapour products.

4.10 Routine Inspections Educational

The Ministry of Health has tobacco enforcement officers educate retailers on the legislative requirements for the sale, use, and promotion of tobacco and vapour products during routine inspections.

In February 2019, the Ministry began conducting routine (i.e., annual) inspections in addition to the youth test shopper program that began in 2014. The Ministry expects officers to educate retailers on legislative requirements during routine inspections. In June 2021, the Ministry formalized the inspection process by creating procedures for officers to follow during routine inspections.

During routine inspections, officers assess retailers' compliance with legislative requirements (e.g., appropriate promotion and signage for tobacco and vapour products) by walking through the retail location (e.g., convenience store, gas station) with the manager or operator. The officers educate the retailers on the requirements and what needs to be corrected, if anything, to reach compliance.

For example, if the required sticker stating it is illegal to sell tobacco or vapour products to persons under 18 years old is missing, the officer will provide the retailer with the sticker and ensure it is applied in the appropriate place (e.g., on the side of the till). During routine visits, officers can also provide or direct retailers to the *Toolkit for Responsible Tobacco and Vapour Retailers* if needed.

We found other jurisdictions (e.g., Manitoba, British Columbia) also use the educational approach during routine inspections.

We accompanied officers during five routine inspections and found they educated retailers on legislative requirements. If the retailer was non-compliant, the officers noted which corrections were needed to reach compliance. The officers also appropriately completed the inspection checklists in the IT system.

However, not all retailers in the province will receive education on legislative requirements if the Ministry does not have a complete list of retail locations (see **Section 4.5**) and routine inspections are not done frequently (see **Section 4.11**).

Providing education during routine inspections helps foster a culture of compliance and enhance retailers' understanding of the legislative requirements before escalating enforcement action on identified non-compliance.

4.11 Frequency of Routine Inspections Not Risk Based

The Ministry of Health has not set a formal requirement for the frequency of routine inspections at retail locations that sell tobacco and vapour products. Informally, the Ministry expects tobacco enforcement officers to complete routine inspections on an annual basis rather than based on risk (e.g., historically non-compliant retail locations).

At March 2021, the Ministry had not documented its expectations for the frequency of routine inspections that aligned with current practice. Rather, it informally expected tobacco enforcement officers to complete routine inspections annually on each retail location in its IT system, and officers attempted to meet this expectation. As we note in **Section 4.4**, the Ministry has not updated its enforcement manual since in 2018, and the manual indicated officers should conduct inspections on a complaint basis.

Similar to youth test shopper inspections, our analysis of routine inspections conducted between April 2019 and March 2021 found officers did not complete annual inspections at all retail locations in the Ministry's IT system. As shown in **Figure 5**, officers did not inspect 19% of retail locations in 2020–21 (2019–20: 27%).

Figure 5—Annual Routine Inspections at Retail Locations

Routine Inspection Year	Retail Locations[A]	Retail Locations Inspected	Retail Locations Not Inspected	Percentage of Retail Locations Not Inspected
2019–20	1,187	866	321	27%
2020–21	1,197	973	224	19%

Source: Adapted from information provided by the Ministry of Health.
[A] Number of retail locations does not include an additional 48 specialized vape shops as the Ministry did not require vape shop inspections until June 2021.

In our testing of 30 routine inspections, we found 24 retail locations not inspected yearly (periods between inspections ranged from 13 and 23 months).

Our analysis of inspection records from April 2019 to March 2021 found similar results. Tobacco enforcement officers inspected 492 retail locations later than 12 months (periods between inspections ranged from 13 and 23 months).

In June 2021, the Ministry formalized its procedures for routine inspections including guidance to inspect specialized vape shops (e.g., set written guidance on how to perform inspections). However, the procedures do not specify the frequency for inspections (in practice, done annually).

Even though the Ministry did not provide guidance, officers inspected 33 of the 48 vape shops in 2020–21. The Ministry's checklist that officers used during routine inspections in that period adequately reflected the new legislative requirements (i.e., the checklist in the IT system was updated at the time the revised legislation was introduced).

The Ministry needs to consider whether its expectation for annual routine inspections is attainable with the number of tobacco enforcement officers employed compared to the location and number of retail locations in the province, or if it should consider a risk-based approach for routine inspections. For example, British Columbia's Ministry of Health mandates routine inspections at least every two years, but strives for one inspection per retail location every year. As shown in **Figure 6**, British Columbia also provides some guidance to health authorities on the frequency of routine inspections.

Figure 6—British Columbia's Guidance on the Frequency of Routine Inspections

Considerations for inspection frequency by health authorities may include:

- Whether the retail location is newly in business
- Retailer compliance history, including past contravention(s) and a retailer's placement on the progressive enforcement model [Progressive enforcement model—educate first, warnings second and fines to follow]
- Future compliance likelihood

Factors affecting inspections may include limitations on resources by health authorities such as geographic location or staffing levels.

Source: Adapted from British Columbia's Ministry of Health, *Compliance and Enforcement Policy Manual*.

Lack of clear rationale and guidance for routine inspection frequency, increases the risk of inconsistent inspection practices and improper assessment of officer capacity to complete inspections as expected.

6. **We recommend the Ministry of Health set a reasonable frequency for conducting periodic routine inspections at retail locations that sell tobacco and vapour products.**

4.12 Timely Follow Up on Non-Compliant Retailers

The Ministry of Health does not provide guidance to tobacco enforcement officers on when to follow up on non-compliant retail locations identified during routine inspections. However, in practice, officers follow up in a timely manner (i.e., three to six months after the non-compliance occurred).

After a routine inspection, the officer provides an inspection report to the retailer. The report outlines areas of compliance and non-compliance with the legislative requirements. See **Figure 7** for the areas officers assess during routine inspections.

Figure 7—Areas/Activities Assessed at Retail Locations during Routine Inspections

- Sale of tobacco or vapour products to youth
- Sale of cigarettes in small quantities
- Tobacco and vapour promotion
- Display of tobacco or vapour products
- Signage listing tobacco and vapour products
- Signs respecting legal age
- Signs respecting the prohibition of smoking and vaping
- Posting sign required by prohibition order
- Sale in prohibited places
- Vending machines

Source: Adapted from the Saskatchewan Health Authority's *Tobacco Retailer Inspection Report*.

If a retailer corrects the non-compliance issue while the officer is on-site, the officer notes the retail location as compliant on the report. However, if the retailer is unable to correct the non-compliance issue while the officer is on site (e.g., unable to cover tobacco or vapour products), the officer must follow up to reassess compliance.

The Ministry has not set guidance for officers on how soon to reinspect retail locations after officers identify non-compliance during routine inspections.

For the 16 routine inspections we tested where officers identified non-compliance issues (i.e., one or more), we found:

➤ Ten retailers corrected the non-compliance issues during inspections (e.g., covered displayed vapour products, removed promotion poster)

➤ Six retailers did not correct non-compliance issues during inspections
  - Three retail locations received a follow-up inspection within a month; found to be compliant
  - Two retail locations had not received a follow-up inspection at the time of our testing (May 2021) with one and three months passing respectively since initial routine inspection.
  - One retailer did not receive an inspection report after the officer reinspected the retail location. The officer indicated a follow-up inspection occurred within a month after the identified non-compliance and the retailer addressed the issue.

Overall, officers follow up with non-compliant retailers within three to six months, which is comparable to formal guidance for youth test shopper inspections, but good practice indicates written guidance is necessary. Written guidance would clearly convey Ministry expectations for continual follow-ups for non-compliant retailers in a certain timeframe. This would also allow the Ministry to assess whether officers meet follow-up expectations.

4.13 Complaints Not Always Addressed Promptly or Followed Up

The Ministry of Health does not provide written guidance to tobacco enforcement officers on how to handle complaints related to the sale of tobacco and vapour products. Moreover, officers inconsistently follow up on and resolve complaints.

The public may direct complaints about the sale or promotion of tobacco or vapour products to the Saskatchewan Health Authority via email, phone call, or in person. The Ministry's IT

system is used to log all complaints and then assigns a tobacco enforcement officer to follow up.

The Ministry does not provide written expectations on when officers are to follow up on complaints (e.g., inspect retail locations). The Ministry indicated it expects officers to contact retailers about the complaints within 48 hours.

Between July 2020 and June 2021, the Authority received eight complaints related to the sale of tobacco or vapour products to youth. There were no complaints related to the promotion of products.

We tested all eight complaints and found:

➢ Three complaints were followed up within four weeks (range of one to four weeks) of receipt of the complaint. We found one convenience store with a complaint against it not included in the list of retail locations in the Ministry's IT system.

➢ Four complaints received between October 2020 and April 2021 related to two retail locations (three complaints related to the same vape shop retail chain). No evidence (i.e., retailer contacted, retail location inspected) in the IT system existed noting officers addressed the complaints. Officers indicated complaints were not addressed due to the Ministry's lack of direction in inspecting specialized vape shops. We saw evidence of officers seeking guidance from the Ministry on how to proceed. However, the Ministry chose to wait on formally inspecting vape shops until updating the standard operating procedures for youth test shopper inspections (updated in June 2021). Moreover, two of these vape shops with outstanding complaints were not included in the list of retail locations in the Ministry's IT system.

➢ One complaint had no evidence of inspections or contact with the retailer regarding the complaint, yet the IT system indicated the complaint status as closed.

At the time of our testing, the Ministry had not yet added these retail locations to its IT system.

Without written expectations on how to handle complaints, officers may not resolve complaints promptly or consistently. Without proper and timely follow ups on complaints, especially on complaints related to sales to minors, retailers may continue to break the law selling tobacco and vapour products to youth with no consequences.

7. **We recommend the Ministry of Health provide clear guidance to the Saskatchewan Health Authority on handling complaints related to the sale and promotion of tobacco and vapour products.**

4.14 Complaints Regarding Tobacco and Vapour Product Use in Public Places Appropriately Handled

Saskatchewan Health Authority public health inspectors appropriately follow up on complaints relating to the use of tobacco and vapour products in public places.

Under the Act, tobacco and vapour product sales are prohibited at many places youth frequent, including schools, arcades, theatres, and amusement parks. Also, the Act bans smoking and vaping in indoor public places, on school grounds, and areas within three metres of public doorways, open windows, and air intakes.

The Ministry of Health relies on the Authority's 73 public health inspectors to address non-compliance with smoking or vaping in public. In its Enforcement Manual, the Ministry gives direction for public health inspectors to only inspect a public place resulting from a complaint.

We found using a complaint-based system for assessing compliance with restrictions on tobacco or vapour product use in public consistent with good practice (e.g., as in Manitoba and British Columbia).

The Authority documents complaints in the Ministry's IT system. From July 2020 to June 2021, there were six complaints related to smoking or vaping in public places. For the two complaints we tested, we found both related to someone smoking in a public place. Officers reasonably followed up within two days of complaint receipt (e.g., a phone call or visit to an operator of a public place).

Timely follow up on complaints related to tobacco and vapour product use in public places helps protect the public from the harms associated with second-hand smoke.

4.15 'No Smoking' Compliance Observed During Public Place Inspections

Public health inspectors assess whether public places comply with tobacco and vapour legislative requirements (i.e., use of tobacco and vapour products).

The Saskatchewan Health Authority's public health inspectors conduct health inspections at public places (e.g., recreational facilities, licenced food establishments).[25] The Authority indicated that public support for no smoking and no vaping in public places is high and thus public health inspectors do not often observe non-compliance when completing routine health inspections at public places.

If a public health inspector observes non-compliance (e.g., smoke odour, cigarette butts, missing signage for no smoking/no vaping within prescribed distances from public doorways) during a routine inspection, inspectors include comments on their inspection report.

Between April 2020 and June 2021, public health inspectors conducted 21,000 health inspections at various public places. We found only 19 facilities in total (less than 1% of inspected facilities), where some non-compliance related to smoking was noted in the comments section of the inspection checklist in the Ministry's IT system.

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[25] The objective of health inspections is to prevent injury and illness by reducing physical, chemical and biological hazards. Public health inspectors assess, manage, and communicate health risks to the public. This is achieved through education, inspections, investigations, and enforcement of *The Public Health Act, 1994*. This includes restaurant and other types of food facilities' inspections, communicable disease investigations, and inspection and monitoring of public recreation facilities, public accommodations, water supplies, and sewage disposal systems.

We noted there is no prompt (e.g., question on current checklist) for public health inspectors to document their assessment of tobacco or vapour product use in public places. Having such a question would ensure all public health inspectors consistently assess and note compliance with tobacco and vapour legislative requirements.

4.16 Enhanced Reporting on Enforcement Activities Needed

The Ministry of Health reports some statistics on its inspection activities to senior management, but more is required.

On an annual and quarterly basis, the Ministry provides senior management (i.e., Executive Directors) with inspection volume and some non-compliance statistics on both the youth test shopper and routine inspections. See **Figure 8** for the information included in each report for each type of inspection.

Figure 8—Information Included in Reports to Senior Management

Routine Inspections (each broken down by provincial areas):
- Total number of tobacco/vapour retail locations
- Number of tobacco/vapour retail locations with minimum one routine inspection
- Percentage of retail locations with minimum one routine inspection
- Total number of inspections

Youth Test Shopper Inspections (each broken down by provincial areas)
- Total number of tobacco/vapour retail locations
- Number of tobacco retail locations visited at least once
- Percentage of retail locations visited at least once
- Total number of youth test shopper visits
- Number of non-compliant tobacco retailers
- Number of times tobacco products purchased
- Number of summary offence tickets issued
- Non-compliance rate

Source: Adapted from the Ministry of Health's 2020–21 *Year End Report*.

In its 2020–21 year-end report, the Ministry began outlining the top five non-compliance rates by non-compliance type identified during routine inspections (see **Figure 9**).

Figure 9—Top Five Types of Non-Compliance Identified During Routine Inspections in 2020–21

Non-Compliance Type	Non-Compliance Percentage
Signs Respecting the Prohibition of Smoking and Vaping	22.8%
Display of Tobacco and Vapour Products	21.0%
Signs Respecting Legal Age	16.6%
Sales Promotion	8.6%
Signage Listing Tobacco and Vapour Products	7.0%

Source: Adapted from information provided by the Ministry of Health.

In its 2020–21 year-end report, the Ministry reported a non-compliance rate of 10.9% identified during youth test shopper inspections.

The Ministry could further improve reporting by including year-over-year comparisons and strategies to achieve better compliance. It also needs to include the results from the tobacco enforcement officers' inspections of specialized vape shops.

The Ministry does not track and report whether follow up on non-compliant retail locations occurred or how long it took officers to reassess. In addition, the Ministry does not monitor and report on the number and type of complaints received or resolved.

Having more information on enforcement activities and strategies to address non-compliance could aid senior management determining whether enforcement activities meet expectations. It would also allow the Ministry to know whether the enforcement model and approach works as intended, and to make adjustments as necessary.

> **8. We recommend the Ministry of Health enhance written reports on enforcement activities (e.g., complaints, trends) given periodically to senior management relating to tobacco and vapour products.**

5.0 PROVINCIAL LEGISLATIVE RESTRICTIONS ON TOBACCO AND VAPOUR PRODUCTS

Sale

4(1) No person shall provide tobacco or a vapour product to a young person [under 18 y.o.].

5(1) No person shall sell cigarettes unless the cigarettes are in a package that contains no fewer than 20 cigarettes.

8 No person shall sell tobacco or vapour products in any of the following places or premises: (a) a school or an independent school; … (c) a health facility… a video arcade; an amusement park; a theatre; a pharmacy; a retail store if: a pharmacy [is located in or connected to the retail store]

9(3) A vending machine that dispenses tobacco or vapour products may be located: (a) in a place or premises to which the public is not permitted access; or (b) in a place or premises to which the public is permitted access if: (i) young persons are not permitted to enter the place or premises

Promotion

6(1) … no person shall advertise or promote tobacco or vapour products in any place or premises in which tobacco or vapour products are sold if young persons are permitted access to the place or premises.

6(2) No person shall advertise or promote tobacco or vapour products by means of an advertisement or promotional material placed in the windows of any place or premises in which or vapour products are sold if the advertisement or promotional material is placed so that it is visible from the outside of the place or premises.

6(5) No person shall advertise or promote tobacco, vapour products on an outdoor sign of any type, including: (a) a billboard or portable sign; or (b) a sign on a bench, vehicle, building or other structure.

6(6) [Retailers] may display a sign that lists the tobacco or vapour products offered for sale and the prices … if the sign complies with any prescribed requirements.

7(2) No retailer shall fail to display in the retailer's premises any sign supplied by the ministry respecting the legal age to purchase tobacco, tobacco-related products or vapour products in Saskatchewan or health warnings respecting tobacco, tobacco-related products or vapour products.

Use

10.1(1)… no person shall smoke, hold lighted tobacco or use or consume vapour products in a vehicle while another person who is under the age of 16 years is present in the vehicle

11.1(1) … every proprietor of an enclosed public place shall ensure that: (a) subject to subsection (2), no ashtrays, matches, lighters or other things designed or used to facilitate smoking are provided in the enclosed public place; and (b) the signs required by section 13 are posted in accordance with that section.

11.1(3) If a person is contravening section 11 in an enclosed public place, the proprietor shall: (a) request the person to immediately: (i) stop smoking or holding lighted tobacco and to immediately extinguish the lighted tobacco; (ii) stop using or consuming vapour products; or (iii) in the case of a school or independent school: (A) stop smoking, using or consuming tobacco or holding lighted tobacco and to immediately extinguish any lighted tobacco; or (B) stop using or consuming vapour products; (b) inform the person that he or she was committing an offence; and (c) refuse to provide that person with a good or service that the proprietor customarily provides in the enclosed public place until that person ceases contravening section 11.

13(1) … every proprietor of a place or premises to which section 11 applies shall ensure that signs containing a statement respecting the prohibition against smoking, holding lighted tobacco or using or consuming vapour products are posted at the place or premises in accordance with the regulations.

Source: *The Tobacco and Vapour Products Control Act.*

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Chapter 16
Justice and Attorney General—Coroners Service: Conducting Timely and Accurate Coroner Investigations

1.0 MAIN POINTS

Saskatchewan Coroners Service is part of the Ministry of Justice and Attorney General and is responsible for the provision of coroners' services. The Chief Coroner and his team provide independent and impartial investigations into the circumstances surrounding unexpected, unnatural and unexplained deaths in Saskatchewan.

Saskatchewan uses the coroner model, where appointed members of the community are trained and independently conduct death investigations. Where needed, the investigating coroner will request post-mortem examinations completed by pathologists. A qualified, independent full-time coroner is supposed to review all coroner's reports before issuance and communicating results to families.

At July 2021, the Ministry had effective processes, other than in the following areas, to conduct timely and accurate coroner investigations into certain unexpected, unnatural or unexplained deaths. The Ministry needs to:

➢ Conduct timely review of and consistently complete coroner investigation files and reports. We found two investigations had final coroners' reports signed 150 and 169 days after receiving the final autopsy reports, which means families waited more than five months for the coroners' report and subsequent closure.

➢ We also found seven investigations did not contain evidence of review or timely review. Inadequate review increases the risk of delays in finalizing coroner reports and communicating inaccurate or incomplete investigation results to the deceased person's family.

➢ Establish formal timelines for communicating investigation results to families and recommendations to agencies. Investigations aim to provide information and closure for families. Coroners Service also make public safety recommendations to agencies (e.g., police, Highway Traffic Board) to help prevent further deaths.

➢ Analyze death investigation data and complete timely follow up of recommendations. Not conducting deeper analysis on the data it collects increases the risk the Coroners Service is unable to identify trends requiring further analysis and make recommendations to improve public safety. Lack of timely follow up on coroner recommendations increases the likelihood that public safety remains at risk.

➢ Routinely confirm coroners' understanding of confidentiality and conflict of interest policies, which reduces the risk of conflict situations and inappropriate release of personal information.

Conducting and completing accurate and timely death investigations, as well as promptly reporting investigation results to stakeholders provides closure for deceased persons' loved ones, and can improve public safety.

2.0 INTRODUCTION

This chapter reports the results of our audit of the Ministry of Justice and Attorney General's processes to conduct timely and accurate coroner investigations into certain unexpected, unnatural or unexplained deaths (other than suspected homicides) for the 12-month period ending July 31, 2021.[1,2]

This audit did not include coroner inquests, nor did it question pathologists' decisions about the medical cause of death.[3]

2.1 Legislative Responsibilities Related to Coroners Service

Saskatchewan Coroners Service (Coroners Service) is part of the Justice Services Division of the Ministry of Justice and Attorney General and is responsible for the provision of coroners' services. The Chief Coroner leads the Coroners Service.

The Coroners Act, 1999, sets out the purpose of the coroner system (**Figure 1**). Under the Act, the Chief Coroner is responsible to investigate all unexpected, unnatural or unexplained deaths in the province to ascertain cause with the intent to educate the public and to prevent further deaths.

Figure 1—Purpose of the Coroner System

Section 3 of *The Coroners Act, 1999,* sets out the purpose of the coroner system, including:
- Independent and impartial investigations into, and public inquests respecting, the circumstances surrounding unexpected, unnatural or unexplained deaths
- Determine the identity of a deceased person and how, when, where and by what means that person died
- Uncover dangerous practices or conditions that may lead to death
- Educate the public respecting dangerous practices and conditions
- Publicize circumstances, and maintain records of circumstances and surrounding causes of death

Source: Adapted from *The Coroners Act, 1999,* s.3. pubsaskdev.blob.core.windows.net/pubsask-prod/511/C38-01.pdf (9 September 2021).

2.2 Coroners Service Models

In Canada, provincial coroners' services use two models for death investigations, the medical examiner model and coroner model.

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[1] According to *The Coroners Act, 1999*, s.3., the coroner system provides independent and impartial investigation, or inquiry into, the cause and circumstances surrounding unexpected, unnatural or unexplained deaths.

[2] Policing services lead criminal investigations of deaths suspected to be homicides. A coroner will support the police mainly by identifying who died and may conduct a post-mortem examination for the police as requested. Homicide or murder is the deliberate and unlawful killing of one person by another.

[3] Inquests are used to ascertain the identity of the deceased and determine how, when, where and by what means the person died, inform the public of circumstances surrounding a death, bring dangerous practices or conditions to light, make recommendations to avoid preventable deaths, or educate the public about dangerous practices or conditions to avoid preventable deaths. Since 2017, Saskatchewan has an average of seven inquests per year.

The medical examiner model utilizes physicians to perform death investigations. These physicians conduct medical investigations and post-mortem examinations (e.g., autopsies) to determine the cause of death. Alberta, Manitoba, Nova Scotia, and Newfoundland and Labrador use this model.

In the coroner model, appointed members of the community independently conduct death investigations using medical and legal investigation principles and techniques in coordinating all aspects of an investigation in accordance with legislation. Where needed, the investigating coroner will issue requests for post-mortem examinations completed by pathologists or forensic pathologists.

Saskatchewan operates using a coroner model. This model is also used in British Columbia, Ontario, Quebec, New Brunswick, Prince Edward Island, the Northwest Territories, Yukon and Nunavut.

2.3   Investigations into Unexpected, Unnatural or Unexplained Deaths

Coroners are responsible for the investigation of unexpected, unnatural and unexplained deaths. Investigations determine a deceased person's identity; the time and location; manner; and cause of death. An investigation's aim is to provide some information to, and closure for, families, as well as prevent further deaths by making recommendations to improve citizens' health, safety and quality of life; it is not to lay blame.[4]

A coroner leads the investigation into deaths, other than a suspected homicide where a coroner supports the police-led investigation. The typical process is as follows:

➢ Policing services and/or anyone with knowledge of a death requests a coroner to attend the scene of death when an unexpected, unnatural or unexplained death occurs.

➢ A coroner takes charge of, and examines the scene, body, history of events and ultimately determines who died, when, where, and how the death occurred, and by what means they died.

➢ A coroner arranges transport for a body, maintaining continuity to ensure no lost evidence. A coroner can request a post-mortem examination (conducted by a pathologist), accept the results, and sign-off on the cause and manner of death (**Figure 2**).

➢ A coroner provides an investigation's results to stakeholders (e.g., families, government agencies, public, police).[5] A coroner report summarizes findings, and may include recommendations to agencies to prevent similar deaths.[6]

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[4] Saskatchewan Coroners Service. www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/saskatchewan-coroners-service (9 September 2021).
[5] Stakeholders include police, family members, WorkSafe Saskatchewan, the Transportation Safety Board, the Highway Traffic Board, Ministry of Social Services, Corrections Canada, Ministry of Corrections, Policing, and Public Safety, the Saskatchewan Health Authority, physicians and other healthcare workers. Saskatchewan Coroners Service brochure pubsaskdev.blob.core.windows.net/pubsask-prod/84610/Saskatchewan%252BCoroners%252BService%252BBrochure.pdf (9 September 2021).
[6] www.saskatchewan.ca/residents/births-deaths-marriages-and-divorces/dealing-with-death/request-an-autopsy-report-or-the-report-of-coroner (28 June 2021).

2.4   Saskatchewan Coroners Service

For the purpose of administratively facilitating death investigations, Saskatchewan is divided into two regions (north and south).[7] Under the direction of the Chief Coroner, Regional Supervising Coroners are responsible for overseeing all coroners' death investigations in their designated region.

At July 2021, the Ministry employs and/or appoints 83 coroners within the Coroners Service. Seventy-five are appointed community coroners (or part-time coroners), and eight are full-time coroners inclusive of Regional Supervising Coroners. Community coroners work part-time on a fee-for-service basis and reside in communities outside of Regina and Saskatoon.[8] Community coroners are not considered staff of Coroners Service.

Coroners Service appointed a family-liaison consultant in May 2020. The consultant provides information and support to families during investigations and complaints, and often works to counsel families during inquests and homicide investigations.

Spending on Coroners Service increased in recent years. The Ministry spent $5.6 million in 2020–21 (2019–20: $4.7 million, 2018–19: $4.3 million). The Ministry plans to spend $4.9 million in 2021–22.[9,10] These sums include the amount the Ministry pays to pathologists on a fee-for-service basis for anatomical post-mortem examinations performed by the Saskatchewan Health Authority (Authority). Autopsies are performed within Authority facilities in either Regina or Saskatoon.

The investigating coroner may categorize a death as one of the following classifications depicted in **Figure 2.** See **Figure 3** for the five-year classification statistics on investigated deaths in Saskatchewan. When a death is reported and is determined to be expected, natural or explained, it is classified as a non-coroner file and no investigation takes place.

Figure 2—Manner of Death Classifications

> Coroners may classify the manner of death as:
> - **Natural**: death due solely or nearly totally to natural disease and/or the aging process.
> - **Accident or Unintentional**: when an injury or poisoning causes death and there is little or no evidence the injury or poisoning occurred with intent to cause harm or death.
> - **Suicide**: results from an injury or poisoning as a result of intentional, self-inflicted act committed to do self-harm or cause death.
> - **Homicide**: when death results from a voluntary act committed by another person.
> - **Undetermined**: when after completing a thorough investigation, there is no evidence for any specific classification or there is equal evidence, or a significant contest among two or more classifications. If the cause of death is undetermined, then the manner of death is normally undetermined.

Source: Adapted from information provided by Coroners Service.

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[7] *The Coroners Act, 1999,* s. 4.2. pubsaskdev.blob.core.windows.net/pubsask-prod/511/C38-01.pdf (9 September 2021).
[8] Community coroners are supervised by full-time coroners in Regina and Saskatoon and come from vast backgrounds, including law enforcement, social work, medicine, law, etc. Community coroners mostly work in smaller cities and rural areas.
[9] Ministry of Justice and Attorney General and Ministry of Corrections, Policing and Public Safety, *2019–20 Annual Report*, p. 22. publications.saskatchewan.ca/api/v1/products/107074/formats/119974/download
[10] Government of Saskatchewan, *2021–22 Estimates*, p. 93.

Figure 3—Statistics on Classification of Investigated Deaths from 2017 to 2021 (calendar year)

Classification	2017	2018*	2019*	2020*	2021* (Jan–Sept)
Natural	375	401	387	498	210
Accident	390	479	458	623	256
Suicide	247	296	207	195	100
Homicide	38	35	53	39	0
Undetermined	53	39	47	33	10
Incomplete (active) Cases[A]	0	1	15	95	529
Non-Coroner Cases	877	954	963	1169	909
Total Reported Cases	**1980**	**2205**	**2130**	**2652**	**2014**

Source: Adapted from information supplied by Coroners Service (22 September 2021).
* The statistics for 2018, 2019, 2020, and 2021 are preliminary given that not all death investigations for these years have been concluded.
[A] Management noted incomplete (active) cases typically relate to ongoing inquests, homicides (where Coroners Service is waiting for support to complete an investigation) or Coroners Service is unable to identify the human remains.

As shown in **Figure 4**, for the 12-month period ended March 31, 2021, Saskatchewan reported 9,857 deaths. For the 12-month period ended December 31, 2020, Coroners Service investigated 2,652 deaths. Over the last four years, Coroners Service investigated an average of about 23% of deaths occurring in Saskatchewan.

Figure 4—Statistics on Investigated Deaths from 2017 to 2020

Number of	2017	2018	2019	2020
Number of Coroner Investigations	1,103	1,251	1,167	1,483
Number of Non-Coroner Cases	877	954	963	1,169
Number of Deaths Investigated	**1,980**	**2,205**	**2,130**	**2,652**
Total Deaths in Saskatchewan*	9,483	9,510	9,770	9,857
Number of Post-Mortem Examinations	479	610	589	832

Source: Adapted from information supplied by Coroners Service (May 2021).
* Information from Statistics Canada (www.statista.com/statistics/444895/number-of-deaths-in-canada-by-province/)
(15 September 2021). Deaths in Saskatchewan are reported on an April to March fiscal year basis.

Importance of Timely and Accurate Coroner Investigations

Results of investigations from unexpected, unnatural or unexplained deaths provide both tangible and psychological benefits for families. An investigation can uncover genetic or environmental (for example, a bacterium or fungus) diseases that could affect other family members or individuals. Uncertainty regarding the cause of an individual's death can also delay payment of insurance benefits. Psychologically, an investigation and subsequent conclusion provides families with closure by identifying or confirming the cause of death. Moreover, the investigation can provide families with information about the appropriateness of care.[11]

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[11] MedicineNet.com, Autopsy (Post-Mortem Examination, Necropsy). www.medicinenet.com/autopsy/article.htm#autopsy_facts (2 June 2021).

Similarly, society benefits from collective death investigation findings. Investigations aid in determining the deceased's identity, and determines how, when, where and by what means they died. Investigations also inform the public of circumstances surrounding a death, bring dangerous practices or conditions to light, and make recommendations to avoid preventable deaths (e.g., recommendations for traffic lights or signage at specific intersections).

3.0 AUDIT CONCLUSION

The Ministry of Justice and Attorney General had effective processes, other than in the following areas, to conduct timely and accurate coroner investigations into certain unexpected, unnatural or unexplained deaths (other than suspected homicides) for the 12-month period ending July 31, 2021.

The Ministry needs to:

➢ Consistently complete and review coroner investigations and reports in a timely manner

➢ Establish formal timelines for communicating coroner investigation results to families, and making recommendations to agencies

➢ Analyze death investigation data (e.g., location, manner, cause) to inform public safety recommendations and conduct timely follow up on recommendation implementation

➢ Routinely confirm coroners understand confidentiality and conflict of interest policies

➢ Centrally log complaints and actions taken to resolve them

➢ Regularly report on Coroners Service activities (e.g., complaints, recommendations) and investigation results (e.g., data analysis) to senior management

Figure 5—Audit Objective, Criteria, and Approach

Audit Objective: to assess the effectiveness of the Ministry of Justice and Attorney General's processes to conduct timely and accurate coroner investigations into certain unexpected, unnatural or unexplained deaths (other than suspected homicides) for the 12-month period ending July 31, 2021.

Audit Criteria:

Processes to:

1. **Set expectations for conducting investigations consistent with legislative requirements and good practice**
   - Establish policies and procedures to guide investigations (e.g., transfer of body, investigation protocols, expected timeframes)
   - Set clear roles and responsibilities of key personnel (e.g., coroners [community, supervising], pathologists) consistent with legislation
   - Maintain trained coroners

2. **Conduct investigations consistent with requirements**
   - Investigate all deaths that fall within the mandate of Coroners Service
   - Assign qualified and independent personnel (e.g., coroners, pathologists)
   - Supervise coroners

- Collect sufficient, appropriate and timely evidence to conclude on investigations and support recommendations made
- Document rationale for key decisions
- Communicate results of investigations, including recommendations, to stakeholders (e.g., family, public) within expected timeframes

3. **Report on the impact of using results of investigations to improve public safety**
    - Evaluate the quality of completed investigations (e.g., adhere to expected protocols)
    - Determine the status of implementation of past recommendations
    - Identify trends which require further analysis (death statistics, investigation results)
    - Adjust practices in response to results of analysis (e.g., protocols, communications, training), as needed
    - Report overall findings (e.g., ministers, agencies, 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 Ministry of Justice and Attorney General's processes, we used the above criteria based on reviews of literature including reports of other auditors, and consultations with management. Coroners Service management agreed with the above criteria.

We examined Coroners Service's policies, procedures, IT systems, reports and other records relating to processes to conduct timely and accurate coroner investigations. We interviewed key staff responsible for coroner investigations. We tested a sample of coroner, non-coroner investigation case files, and recommendations made by Coroners Service to agencies. In addition, we used an independent consultant with subject matter expertise in the area to help us identify good practice and assess Coroners Service's processes.

4.0   KEY FINDINGS AND RECOMMENDATIONS

4.1   Roles and Responsibilities Communicated to Coroners

Coroners Service sets out roles and responsibilities for its staff in its job descriptions (full-time and Regional Supervising Coroners) and through ongoing training and supervision.

Coroners Service employs a Chief Coroner, Deputy Chief Coroner and eight full-time coroners (including two Regional Supervising Coroners). Full-time coroners and Regional Supervising Coroners have formal job descriptions in place since 2007.

We found these job descriptions set out roles, responsibilities, qualifications and competencies, but did not accurately define all current responsibilities. For example, Coroners Service expects full-time coroners to identify and educate stakeholders on the work of Coroners Service and what their respective roles are in the event of a death. Regional Supervising Coroners are also expected to be on call 24/7. We found the job descriptions did not include these expectations. However, Coroners Service clarifies expectations through ongoing training and supervision (**Section 4.4**). Also, in our interviews with seven community coroners and two full-time coroners, we found all nine understood their role or noted they could contact their supervisor when questions arose in specific situations.

Job descriptions for full-time coroners require the individual to typically be a registered nurse in good standing with experience in acute/intensive care. We tested all eight full-time coroner positions (inclusive of the two Regional Supervising Coroners) and found seven of

eight full-time coroners were registered nurses in good standing with the Saskatchewan Association of Registered Nurses. The eighth coroner is not a nurse; however, management indicated this person was hired for their management and investigative experience. We found this reasonable.

Coroners Service does not have formal job descriptions for community coroners. Rather, they use job postings to communicate roles and responsibilities when recruiting. Coroners Service seeks individuals with knowledge and experience in medical and/or investigative matters. For example, community coroners may have experience as a law enforcement officer, social worker, medical personnel, or lawyer. We found the job postings for community coroners set out clear roles and responsibilities; the job postings also included preferred knowledge and experience (e.g., medical) that would be beneficial for the job.

We found Coroners Service communicates roles and responsibilities to its coroners (e.g., community, full-time, Regional Supervising) in a variety of ways (see **Figure 6**).

Figure 6—Ways Coroners Service Communicates Roles and Responsibilities to Coroners

The Saskatchewan Coroners Service communicates expected roles and responsibilities to its coroners through:

- Roles and responsibilities for Chief Coroner outlined in legislation
- Coroner orientation training
- Policies and procedures manual and guidance (investigation guide)
- Annual conference (ongoing training)
- Quarterly newsletter to coroners

Source: Adapted from information supplied by Coroners Service.

Clearly communicating roles and responsibilities helps to ensure all coroners understand expected job duties when completing investigations and when communicating results with families and other stakeholders.

4.2 Formal Timelines for Communicating Results Needed

Coroners Service set clear expectations and guidance to support coroners performing death investigations; however, it has not set clear timelines for communicating investigation results.

Coroners Service established policies and procedures to guide death investigations. Guidance for coroners includes a policies and procedures manual, investigation guide, and preliminary checklist. We found the policies and procedures comprehensive (i.e., captured key concepts) and aligned with good practice and relevant legislation, with a few exceptions (noted below).

Coroners Service last updated its policies and procedures in 2010. Our review found some sections of the procedures manual outdated and did not always reflect actual practice. For example, the manual sets out the use of a Recommendation Committee to assist in analyzing and approving relevant agency recommendations; however, management informed us it does not currently use, or intend to use, a Recommendation Committee as in the past. In actual practice, all coroners may propose recommendations to agencies; the Chief Coroner approves recommendations.

Coroners Service includes some of its expected timelines relating to death investigations in its manual. For example, it expects coroners to:

➢ Submit a preliminary summary of death checklist to Corners Services within 24 to 48 hours of visiting a scene of death to conduct an investigation. This 24 to 48 hour expectation is also documented in the coroner's checklist.

➢ Complete death investigation reports within two to four weeks of receiving outstanding supporting reports (e.g., toxicology, post-mortem examination).

However, we found Coroners Service does not document expected timelines in its guidance to coroners for communicating investigation results or recommendations for improvement. The Chief Coroner expects coroners to:

➢ Communicate investigation results with families as soon as possible after completing an investigation. We noted this expectation is not documented. Management indicated they communicate results to families verbally. We found no evidence of verbal communication with families documented in the 15 investigation case files we tested. For five of 15 investigation case files tested, families requested a written coroners report and received it between three and 30 days after the investigation completion date.

➢ Communicate recommendations to agencies in a timely manner. We noted there is no documented guidance for staff on what constitutes timely communication. We found for four recommendations tested, Coroners Service communicated recommendations to agencies (e.g., improve sightlines on highways where fatal accidents occur) between the same day and 38 days after the coroner's report was dated and signed.

Without clear guidance to staff on expected timelines for key communications, Coroners Service increases the risk of delays in communicating investigation results to families and public safety recommendations to agencies.

> 1. **We recommend the Ministry of Justice and Attorney General establish formal timelines for communicating coroner investigation results to families and making recommendations to agencies.**

4.3 Roles and Responsibilities of Key Stakeholders Clearly Defined

To help it achieve its mandate, Coroners Service works with various stakeholders to complete death investigations, and has agreements with its key stakeholders (e.g., Saskatchewan Health Authority [for pathology and toxicology services]).[12] We found these agreements clearly state stakeholders' roles and responsibilities during death investigations.

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[12] Examples of key stakeholders the Coroners Service works with on coroner investigations include: police, family members, Saskatchewan Health Authority, Transportation Safety Board, Ministry of Social Services, Ministry of Corrections, Policing, and Public Safety, Saskatchewan Government Insurance, physicians, health workers, etc. Generally, Coroners Service can call on anyone or any institution in its process of conducting death investigations.

We found Coroners Service meets with key stakeholder groups (e.g., Funeral and Cremation Council, emergency room and intensive care unit staff) to educate them about their roles in reporting deaths to Coroners Service.

We also found Coroners Service includes when staff should consider communicating with these key stakeholders in its guidance to staff (e.g., guidance for situations warranting contact with the Ministry of Social Services, Transport Canada).

Having agreements and understanding in place that clearly sets out expectations for each stakeholder reduces the risk of delays not only in accessing key information, but also in completing investigations and communicating results to families and relevant stakeholders.

4.4   Comprehensive Training Provided to Coroners

Coroners Service provides new coroners with thorough orientation training. Coroners Service also provides its coroners with ongoing training through its annual refresher course.

Coroners Service requires all new coroners (full-time and community) to participate in a five-day orientation training program before conducting death investigations. Orientation training includes topics such as a coroner's role and responsibilities, sudden death investigation checklist, body examination, documentation, and conflicts of interest. Coroners Service updates its training materials annually. We tested a sample of two out of 15 community coroners hired during the audit period and found both coroners completed the five-day training course as expected.

Coroners Service also provides all coroners with a detailed investigation guide. This guide includes information such as policies, procedures, template forms, checklists, death investigation examples, and key contact information (i.e., body transportation services, supervising coroners).

We reviewed the training materials and investigation guide and found them comprehensive and consistent with good practice. Good practice also suggests the Coroners Service could consider adding job-shadowing to provide additional hands-on training for new coroners.

Coroners Service also offers ongoing training throughout the year as an annual refresher course (one to two days) and a quarterly newsletter. Full-time and community coroners receive quarterly newsletters. We found these include details such as staff changes and upcoming training, as well as updates to guidance/checklists/legislation. We also found previous refresher courses included reviewing coroner report templates; walking-through coroner report examples; making recommendations; and reviewing key sections of the Act, guidance and checklists.

We found for seven community coroners, and two full-time coroners tested, the attendance logs indicated they attended the current year refresher conference in the fall of 2020.

Coroners Service also reviews its training material based on participant feedback. We saw evidence of changes made to training material (e.g., additional scenarios and guidance for completing a coroner's report) based on survey feedback. We also saw communication to coroners via email (e.g., changes to investigation guide).

Adequate and ongoing training reduces the risk that coroners' investigations are not conducted in timely and accurate ways.

4.5 Mechanism Needed to Formally Acknowledge Understanding of Conflicts of Interest and Confidentiality Policies

Coroners receive training and guidance on conflicts of interest and confidentiality in orientation; however, some coroners either do not understand what relationships define a potential conflict or breach of confidentiality, or have a mechanism to formally declare a potential conflict or not.

The Act and Coroners Service policy manual defines conflict of interest. If a death being investigated involves a close friend or family member of the coroner, or the coroner has a financial interest in the outcome of the investigation or provided medical services within 30 days of death, or performed a post-mortem examination of the body, it is considered a conflict of interest.[13]

When a coroner is assigned an investigation, they are expected to report any potential conflicts of interest to their supervisor to determine whether the case should be reassigned.

We interviewed a sample of seven community coroners and found six of seven had a general understanding of what defines a conflict of interest. One coroner was unsure of what constituted conflict of interest relationships. Additionally, one other community coroner noted a close relation assists in electronically submitting investigation results to their supervising coroner. Coroner's reports are confidential and contain personal and sensitive information.

Coroners receive training on conflicts of interest and confidentiality during orientation. In general, we found:

➢ These topics were absent from refresher training in 2019 and 2020

➢ No annual staff and community coroners' sign-off required for confirming understanding

➢ No place to show consideration of potential conflicts of interest on investigation checklists

Good practice suggests an annual sign-off to confirm understanding of conflict of interest and confidentiality policies.

Community coroners operating in small communities are familiar with many residents of the town, village or surrounding area. Clear understanding and formal acknowledgement of conflict of interest and confidentiality requirements are critical in these situations to reduce the risk of conflict situations and inappropriate release of personal or sensitive information.

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[13] *The Coroners Act, 1999*, section 6(1). pubsaskdev.blob.core.windows.net/pubsask-prod/511/C38-01.pdf (9 September 2021).

2. **We recommend the Ministry of Justice and Attorney General routinely confirm coroners understand confidentiality and conflict of interest policies.**

4.6   Decision Rationale Documented in Death Investigation Files

Coroners are consistently documenting rationale for decisions made during their investigations and they make conclusions based on evidence received.

The Act places responsibility on all persons and institutions to notify a coroner of a death; however, not all deaths require an investigation by a coroner. *The Coroners Act, 1999,* guides a coroner's rationale for deciding when to conduct an investigation into a reported death. See **Figure 7** for rationale used when deciding when to investigate.

Figure 7—Rationale for Coroner Investigation

Section 7 of *The Coroners Act, 1999,* requires a coroner to conduct a death investigation if the death occurred:

- As a result of an accident or violence or was self-inflicted;
- From a cause other than disease or sickness;
- As a result of negligence, misconduct or malpractice on the part of others;
- Suddenly and unexpectedly when the deceased appeared to be in good health;
- In Saskatchewan, under circumstances in which the body is not available because:
   (i)   the body or part of the body has been destroyed;
   (ii) the body is in a place from which it cannot be recovered; or
   (iii) the body cannot be located;
- As a stillbirth, without the presence of a duly qualified medical practitioner;
- As a direct or immediate consequence of the deceased being engaged in employment, an occupation or a business; or
- Under circumstances that require investigation.

Coroners Service may also investigate if the Chief Coroner reasonably believes it is in the public interest that a category of deaths be reported.

Section 8–10 of *The Coroners Act, 1999,* also outlines requirements for other agencies (i.e., Saskatchewan Health Authority, Ministry of Social Services and police services) to report a death to a coroner.

Source: Adapted from *The Coroners Act, 1999*, section 7, pubsaskdev.blob.core.windows.net/pubsask-prod/511/C38-01.pdf (9 September 2021).

When a coroner arrives on scene of a reported death, and determines the death meets the requirements to investigate further under the Act, the Coroner will classify the case as a 'coroner case' and start their investigation. See **Section 5.0** for the steps to complete a death investigation. If the coroner determines the death does not meet the requirements under the Act, the Coroner will document their rationale for this decision and classify the case as a 'non-coroner case'. For example, in the instance of an expected death due to a terminal illness.

Coroners document all evidence collected during investigations in case files and coroners' reports (e.g., family member interviews, police report, post-mortem examination report). We tested a sample of 41 cases (i.e., 30 coroner cases and 11 non-coroner cases) and found that all case files appropriately documented rationale and decisions on whether to investigate. All 41 cases appropriately classified deaths (e.g., natural, unnatural, accidental, suicide, undetermined) based on supporting evidence.

We also found 20 cases in our sample of 30 coroner cases where requests for post-mortem examination (including toxicology) were filed by the coroner. We found the investigation files documented rationale for conclusions based on the post-mortem examination reports. The remaining 10 cases tested did not require post-mortem examination or have toxicology requests.

Sufficiently documenting rationale for decisions helps to support conclusions and document coroners' judgments if families or the public question a coroner's report.

4.7   Timely Completion of Coroner Reports Needed

Coroners Service is not completing coroner reports within expected timelines. Management often takes appropriate action when coroners are not completing investigations as expected.

Within 24–48 hours of attending a death scene, coroners are required to submit a preliminary report to Coroners Service. However, we found 12 of 15 coroner case files tested did not contain the preliminary report as expected. Lack of completed preliminary reports did not impact completion of investigations.

Coroners Services also requires coroners to complete a detailed investigation checklist. This checklist guides the investigation and highlights the necessary information to collect. For example, checklists for a water fatality or infant deaths specify necessary information to collect. We found this investigation checklist was used appropriately in all 30 coroner cases tested.

Coroners Service's policy requires all coroner investigation reports to be completed within two to four weeks (approximately 30 days) after receiving all supporting documents (e.g., post-mortem examination report, police accident-reconstructionist report).

To facilitate timely investigations, Coroners Service set timelines (i.e., turnaround time of 25 days and no more than 50 days for complex cases) for toxicology reports in its agreements with the Saskatchewan Health Authority. Therefore, the total period of time to complete a complex death investigation and a related coroners report should be about three months after a person's death.

For the 20 cases tested with post-mortem examination and toxicology reports, we found all 20 cases received timely reports. Toxicology reports were received within the expected 25-day requirement and pathology reports between 20 and 62 days. We found these timelines reasonable and consistent with good practice.

We tested a sample of 30 coroner case files and found six coroner investigations not completed within the policy's expected timeframe. For the six of 30 cases:

➢   Four of the six cases completed between 41–148 days, after receiving all supporting documents. Management indicated two of these cases were suicides, which inherently take longer to investigate, as more interviews (with friends, family, coworkers) are often needed to confirm suicide over accident. Good practice supports this. The remaining two cases were untimely completions.

➤ Two of the six cases had the final coroner report signed 150 and 169 days after receiving the final autopsy report. This means families waited more than five months for the coroner report and subsequent closure. Management indicated coroner performance issues as the reason for delays. We found for these two coroners, management took progressive actions and rescinded the community coroner appointments.

We found for one in 30 case files tested, the final coroner report was completed prior to receiving the final autopsy report. We note the lack of a final autopsy report did not impact the investigation conclusion.

We also looked at death investigation data as of June 30, 2021 and found 20 cases outstanding (not including inquests and homicides) for more than six months. In one instance, the coroner investigation started in May 2020 and was still ongoing as of July 31, 2021.

Not completing timely investigations increases the risk of delays in finalizing coroner reports, which can negatively affect families and public safety.

> **3. We recommend the Ministry of Justice and Attorney General consistently complete timely coroner investigations and reports.**

4.8 Consistent Review of Coroner Reports Needed

Prior to finalization and communication to families, Coroners Service requires independent review of coroner investigation files and reports. We found inconsistent practices in independently reviewing coroner files and reports.

Supervision of Community Coroners

Community coroners receive support from their assigned supervisor (e.g., full-time coroner). Supervisors review coroner investigation files and reports before they are finalized, and are expected to provide timely feedback. We found reviews were not always complete and timely.

We selected seven community coroners for interview; all noted their assigned, full-time coroner supervisor adequately supports them.

Full-time coroners monitor active coroner cases monthly and send reminders to help community coroners complete investigations promptly. Management indicated full-time staff in the regional offices meet daily to discuss active coroner cases, any issues or questions, and share feedback. We were unable to see evidence of daily meetings as they are informal; however, both full-time coroners we interviewed indicated use of daily meetings.

Community coroners are expected to submit their coroner reports within two to four weeks of receiving all supporting documents (e.g., post-mortem examination report).

We observed supervising coroners monitor active coroner cases monthly using a regional tracking spreadsheet. For coroner reports not submitted promptly (i.e., after four weeks), the supervising coroner sends an email reminder to the community coroner.

We tested a sample of 30 coroner investigation case files and found:

➢ Twenty-three case files contained evidence of timely (within one week) review/feedback by a supervising coroner to the investigating coroner

➢ Seven of 30 case files either did not contain evidence of review or timely review
  - Three files had no evidence of review by a coroner
  - Three files were not timely reviewed (i.e., between 14–54 days after submitting the draft coroner report for review)
  - One file's review was incomplete prior to issuing the coroner report.

Peer Review of Full-Time Coroners' Investigations

Coroners Service requires all full-time coroner investigations to be peer-reviewed by another full-time coroner to ensure sufficient and appropriate evidence to support conclusions. We found this is not always occurring as expected.

We tested a sample of 30 coroner investigation case files and found three cases had no evidence of peer review by another full-time coroner as required. Also, one case had evidence of some review, but final sign-off was outstanding when the coroner report was issued (peer review process not completed).

Inadequately reviewing coroner reports increases the risk of delays in finalizing coroner reports and communicating inaccurate investigation results with the deceased person's family.

> **4. We recommend the Ministry of Justice and Attorney General conduct timely review of coroner investigation files and reports before issuing coroner reports.**

4.9 Untimely Follow Up on Recommendation Implementation

Coroners Service makes recommendations to agencies to improve public safety; however, it is not following up to confirm recommendations are implemented in a timely way.

As noted in **Section 2.3**, one of the aims of a coroner investigation is to prevent further deaths by making recommendations to agencies to improve citizens' health, safety and quality of life.

Coroners Service makes recommendations to agencies based on death investigation results. For example, recommendations may include improving patient safety protocols when fatal accidents occur. Coroners Service provides coroners with guidance in its policy and procedures manual to draft recommendations. The Chief Coroner reviews and approves all recommendations. We observed evidence of this approval.

After Coroners Service communicates recommendations to agencies, management indicated it follows up every six months with agencies for a response. It expects agencies to provide a written response on planned or actual actions to address the recommendation(s).

During our audit period, Coroners Service made 26 recommendations to 10 agencies, and received agency responses for seven of the 26 recommendations. We found Coroners Service does not follow up with the agencies to ensure planned actions are completed.

For the remaining 19 recommendations where responses were not received, Coroners Service did not follow up on 16 recommendations seeking a written response within the six-month timeframe as expected. The remaining three had not yet reached the six-month follow up date.

Lack of timely and appropriate follow up on coroner recommendations increases the likelihood that public safety remains at risk.

5. **We recommend the Ministry of Justice and Attorney General perform timely follow up to determine implementation of coroner recommendations to improve public safety.**

4.10 Complaints Not Centrally Tracked

Coroners Service does not centrally log complaints and subsequent resolution.

Complaints come in various ways (e.g., by email, phone call). The Deputy and Chief Coroner resolve complaints.

Management does not log complaints centrally, but rather documents them in the particular investigation case file. As a result, they could not provide us with a total number of complaints received in our audit period. We examined three complaints identified by management (all from family members disputing manner of death), and they were resolved in three, 11, and 57 business days. For the case resolved in 57 business days, coroners requested a post-mortem examination. We found this timing to be reasonable given the 20 cases tested with a post-mortem examination (in **Section 4.7**); coroners received post-mortem examination reports up to a maximum of 62 days.

Not centrally logging complaints increases the risk Coroners Service may not identify trends or issues regarding investigation quality or other issues.

6. **We recommend the Ministry of Justice and Attorney General centrally log Coroners Service complaints and actions taken to resolve them.**

4.11 Data Analysis Required to Inform Recommendations

Coroners Service does not analyze death investigation data to identify trends to advance public safety. It informed us that it does not have the capacity yet to do this work.

Coroners Service uses data to report on certain aspects of its investigations. For example, it publishes statistics on its website, including the number of investigations conducted, and drug-toxicity and farm-related fatalities.

Management stated it is aware of the need for deeper analysis to fulfill its public safety mandate, but it currently does not have the capacity to do so. It is working with another jurisdiction's software vendor to develop data analysis software.

Further data capture and analysis could help Coroners Service identify trends (e.g., increases in use of particular drugs causing death, increases in youth suicides) to assist in making recommendations to improve public safety.

> 7. **We recommend the Ministry of Justice and Attorney General analyze death investigation data (e.g., location, manner, cause) to inform coroner recommendations to improve public safety.**

4.12 Reporting Results to Senior Management Needed

The Coroners Service does not regularly report to senior management on its investigation results.

It provides some statistical information publicly, such as farming fatalities, on its website derived from its coroner reports as noted in **Section 4.11**. We found this comparable to other jurisdictions. For example, British Columbia, Ontario, and Alberta all publish certain death investigation statistics. We also note the Chief Coroner may periodically issue press releases on matters of public safety (e.g., increases in use of certain drugs causing death).

Coroners Service reports results of investigations to senior management on an ad hoc basis. We identified only one report to the Ministry's senior management within our audit period. We found this report included basic information regarding investigation costs and death statistics. Regular reporting (e.g., semi-annually) would assist in informing senior management's decision making. Reporting could include coroner activities, statistics, time to conclude investigations, and status of recommendations to agencies.

Regular reporting on coroner activities to the Ministry's senior management may enhance strategic decisions with respect to coroner services and necessary public safety changes.

> 8. **We recommend the Ministry of Justice and Attorney General regularly report on its Coroners Service activities and results to senior management.**

5.0 Steps to Complete a Death Investigation

Death Reported to Coroner

Coroner Investigates

Non-Coroner's Case

Physician completes Registration of Death (medical certificate of death)

Coroner completes Coroner Report and forwards it to Coroners Service

Coroner's Case

No Autopsy

Coroner completes Registration of Death (medical certificate of death)

Coroner Report completed and sent to Coroners Service

Autopsy

Request for post-mortem examination completed

Coroner completes Registration of Death (medical certificate of death)

Coroner notifies pathologist/hospital

Coroner arranges body transport

Pathologist calls coroner with preliminary autopsy result

Coroner notifies family (does not apply to homicides or suspected homicides)

Coroner receives final report (e.g., autopsy, police)

Coroner completes Coroner Report and Final Registration of Death

Adapted from Saskatchewan Coroners Services' Policy and Procedures Manual.

6.0 GLOSSARY

Autopsy – a form of post-mortem examination on a deceased person to determine cause of death.

Forensic Pathologist – a contracted employee of the coroner's office who completes medical and legal examinations including autopsies, external examinations, and retrieval of tissue/fluid for toxicology. Forensic pathologists have specialized medical and investigative training allowing them to provide expert opinion regarding causes of death in court and inquests. Generally, the forensic pathologists are utilized in criminal death cases, highly suspicious death cases, deaths of children, and a majority of cases that will require a court appearance.

Post-Mortem Examination – the examination of a deceased person to determine cause of death performed by a pathologist.

Pathologist – a medical doctor employed by the Saskatchewan Health Authority (Authority) who has specialized training. Pathologists work in hospitals in major cities and conduct analysis of specimens to determine specific types of diseases such as cancer. They conduct post-mortems/autopsies for the Authority and they work on a fee-for-service basis for the coroner's office in matters not involving criminality such as motor vehicle collisions.

Toxicology – another aspect of after death or post-mortem examination. It involves the retrieval of specimens for examination. That is the testing of blood and other bodily fluids to determine whether drugs or other foreign substances present in the body at the time of death.

Toxicologist – a laboratory scientist employed within the Toxicology, Endocrinology, and Newborn Screening department at the Roy Romanow Provincial Laboratory located in Regina. The toxicologist provides a detailed drug analysis of different specimen types from routine autopsies/post-mortems. The toxicologist provides a report with therapeutic levels of drugs to the pathologist or coroner who in turn determines whether the drugs contributed to the death.

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Chapter 17
Saskatchewan Gaming Corporation—Preventing Cyberattacks

1.0 MAIN POINTS

Cybercrime continues to be a significant risk for many organizations, costing Canadians about $3 billion in economic losses each year.[1] Cyberattacks can be carried out from anywhere in the world using the internet, and do not require physical access to a business.

At July 2021, the Saskatchewan Gaming Corporation had effective processes, except in the following areas, to prevent cyberattacks from affecting IT systems and data it uses to support and deliver casino games. SaskGaming needs to:

➢ Maintain well-defined cybersecurity action plans based on robust, evidence-based risk assessments. SaskGaming included some cybersecurity risks in its corporate-wide risk register, but the risk analysis was insufficient to support effective action plans to address all significant security risks including certain security deficiencies found during our audit.

➢ Improve its configuration of its IT network, servers, and workstations. During the audit, we were able to access some of SaskGaming's systems and sensitive data without detection. Attackers not only can manipulate inappropriately configured networks or devices to deny access, but also can access, copy, modify, or delete sensitive systems and data.

➢ Update certain password requirements and conduct complete quarterly privileged-user reviews. Strong password requirements and regular review to ensure users only have access to IT systems and data they need reduces the risk of unauthorized access. These controls are particularly important for privileged users who often have access to view and make changes to all IT systems and data.

➢ Update its 2017 IT security assessment plan to reflect changes in its practice and to align with IT industry standards. Without robust security assessments (e.g., periodic penetration tests), SaskGaming increases the risk that it will not identify and adequately address new and evolving cybersecurity threats and vulnerabilities in a timely manner.

➢ Analyze information from security assessments and attempted cyberattacks to better identify and assess cybersecurity risks. SaskGaming collected information from its security assessments, but did not analyze this data. Analyzing as much security intelligence as feasible can help identify weaknesses an attacker might use to get into the IT network, which supports creating cost-effective cybersecurity action plans.

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[1] Public Safety Canada, *National Cyber Security Action Plan: 2019–2024*, p. 1.

We also found SaskGaming had some strong cybersecurity controls. It tracked its IT assets, separated gaming machines from its corporate network, and kept its IT systems up-to-date (i.e., applied timely security patches). In addition, SaskGaming provided regular training to its employees about cybersecurity, and periodically tested their understanding.

Maintaining effective cybersecurity programs reduces the risk of attackers disrupting operations or breaching IT systems and sensitive data, which can result in reputational damage, significant financial costs, and lost profits.

2.0 INTRODUCTION

SaskGaming, a Crown corporation, operates two casinos (one in Regina and another in Moose Jaw) under *The Saskatchewan Gaming Corporation Act*. It offers a variety of casino games (e.g., slot machines and table games), food and beverage services, and entertainment.

SaskGaming made its Finance and IT Department responsible for managing and securing all technology assets, including preventing cyberattacks. The Department employs 14 full-time equivalent IT positions to support its workforce of more than 700 employees. These IT positions are responsible for both IT security and operational activities. The Department also contracts with various suppliers to help it fulfill its IT responsibilities.

We audited SaskGaming's processes to prevent cyberattacks from affecting IT systems and data it uses to support and deliver casino games.

A cyberattack is the use of electronic means to interrupt, manipulate, destroy, or gain unauthorized access to a computer system, network, or device.[2]

2.1 Importance of Cybersecurity

Effective cybersecurity programs to prevent cyberattacks are more important than ever as criminals continue to exploit the world's increasing dependence on IT systems. Per the Canadian Internet Registration Authority's *2020 CIRA Cybersecurity Report*, about three in 10 organizations saw an increase in cyberattack volume during the COVID-19 pandemic in 2020, and further increases are expected.[3] In addition, several high-profile cyberattacks at casinos in Canada and around the world caused outages in recent years, demonstrating cyberattacks can significantly impact casino operations.[4,5]

To protect against the many ways an attacker may attempt to gain access to systems and data, many organizations apply a defence-in-depth strategy as outlined in **Figure 1**. The principle of defence-in-depth is that layered security mechanisms as a whole increase system security.

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[2] cyber.gc.ca/en/glossary (2 September 2021).
[3] cira.ca/cybersecurity-report-2020 (1 March 2021). CIRA is a non-profit organization that manages the .ca internet domain and builds online security policies, programs, products, and services.
[4] Auditor General of Ontario, (2019), *Technology Systems (IT) and Cybersecurity at Ontario Lottery and Gaming Corporation*, p. 710.
[5] Silverstein, E., *Recent Closing of Three Tribal Casinos Provides Cyberattack Lessons*. www.casino.org/news/recent-closing-of-three-tribal-casinos-provides-cyberattack-lessons/ (24 January 2021).

Figure 1—Defence-in-Depth

The diagram to the right illustrates the common layers where security may be implemented. If an attack causes one security mechanism to fail, other mechanisms may still provide the necessary security to protect the system.

Due to the ongoing discovery of new security weaknesses and given that no security mechanism is foolproof, securing only one layer (e.g., perimeter) is inadequate. It is important security be addressed at all layers based on assessed risk (i.e., defence-in-depth).

Source: Diagram adapted from The Business Forum, *Antivirus Defense-In-Depth Guide* (2015).

Due to the increasing occurrence and significance of cyberattacks globally, various organizations developed frameworks to help companies implement effective cybersecurity programs. One generally accepted framework is the *Framework for Improving Critical Infrastructure Cybersecurity* developed by the National Institute of Standards and Technology (NIST). NIST's Framework includes five functions for an effective cybersecurity program as shown in **Figure 2**. For this audit we focused on the first two functions: Identify and Protect.

Figure 2—Five Functions from NIST's Framework for Improving Critical Infrastructure Cybersecurity

Function	Category
Identify	Asset Management Business Environment Governance Risk Assessment Risk Management Strategy Supply Chain Risk Management
Protect	Identity Management and Access Control Awareness and Training Data Security Information Protection Processes and Procedures Maintenance Protective Technology
Detect	Anomalies and Events Security Continuous Monitoring Detection Processes
Respond	Response Planning Communications Analysis Mitigation Improvements
Recover	Recovery Planning Improvements Communications

Source: The National Institute of Standards and Technology. www.nist.gov/cyberframework/online-learning/components-framework (28 November 2020).
Grey shading indicates functions included in our audit's focus.

Not maintaining effective cybersecurity programs to prevent cyberattacks increases the risk of attackers gaining access to IT systems and data.[6] Attackers with unauthorized access expose companies to disrupted operations, potential loss and exploitation of corporate data, and personal data breaches of its employees and customers.

Processes to prevent cyberattacks can save time and money because restoring IT systems successfully hacked is expensive and time-consuming. For example, in 2020, the global average total cost of a data breach was $3.86 million USD (2019: $3.92 million USD), and 280 days average time to identify and contain a breach (2019: 279 days).[7]

2.2 Importance of Protecting SaskGaming's IT Systems

SaskGaming depends on many IT systems to operate table games, slot machines, food and beverage services, and show lounges, as well as administrative/supportive functions (e.g., casino bank, payroll, accounting, security, IT). For example, SaskGaming uses these IT systems to manage game content, exchange cash and casino tender (e.g., slot machine tickets), and manage player rewards programs offered to its customers. SaskGaming gives employees and certain suppliers access to IT systems to carry out their work, and customers access to check their player rewards. If SaskGaming's gaming-related systems are breached or disrupted, there is a high risk of monetary loss.

SaskGaming's profits support people, programs, and services throughout Saskatchewan. Each year, one-half of its net income is paid to specific First Nations and Métis organizations.[8] In addition, each year it pays a dividend to the Crown Investments Corporation of Saskatchewan. Over the past three years, SaskGaming served millions of customers and earned millions in net income as shown in **Figure 3** below.

Figure 3—SaskGaming Customer and Financial Information from 2018–19 to 2020–21

	2020–21*	2019–20*	2018–19
Customers served (millions)	0.40	2.75	3.25
Revenue ($ millions)	30.9	114.1	118.6
Net income (loss) ($ millions)	(13.4)	40.2	44.9
Net income paid to First Nations and Métis organizations through the General Revenue Fund ($ millions)	--	20.1	22.4
Dividend to Crown Investments Corporation of Saskatchewan ($ millions)	--	13.3	18.0

Source: SaskGaming Annual Reports and corporate records.
* Note: results for 2020–21 are much lower than historical results due to impacts from casino closures related to the COVID-19 pandemic. The pandemic also impacted results for 2019–20, but to a much lesser extent.

In 2020–21, SaskGaming spent about $4.4 million (2019–20: $7 million) on IT services, including new, and upgrades to, IT systems of $0.7 million (2019–20: $2.7 million). In 2021–22, it plans to spend about $6.2 million on IT services, including new, and upgrades to, IT systems worth $1.4 million.

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[6] Cybersecurity is the process of protecting information by preventing, detecting, and responding to attacks. nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.04162018.pdf (28 November 2020).
[7] IBM Security, *Cost of a Data Breach Report 2020*. www.ibm.com/security/data-breach (20 September 2021).
[8] As required by *The Saskatchewan Gaming Corporation Act*, one half of SaskGaming's net income is paid into the General Revenue Fund which in turn pays grants totalling the same amount to the First Nations Trust, Community Initiatives Fund and Clarence Campeau Development Fund.

Having effective cybersecurity programs to prevent cyberattacks reduces the risk of attackers disrupting SaskGaming's operations or breaching SaskGaming's employees' or customers' personal data. Attackers with unauthorized access could expose SaskGaming to risk of undetected modifications to casino games. Such modifications could potentially damage SaskGaming's reputation if customers become concerned that cyberattacks could affect games running fairly, potentially reducing future revenues.

Furthermore, financial costs of successful cyberattacks at SaskGaming would reduce its profits used to support people, programs, and services in Saskatchewan.

3.0 AUDIT CONCLUSION

We concluded, for the 12-month period ended July 31, 2021, Saskatchewan Gaming Corporation had effective processes, except in the following areas, to prevent cyberattacks from affecting IT systems and data it uses to support and deliver casino games. SaskGaming needs to:

> **Maintain well-defined cybersecurity action plans based on robust, evidence-based risk assessments to further reduce the risk of unauthorized access, breach, or interrupted service that could result from cyberattacks**

> **Implement stronger configuration of IT network, servers, and workstations to better protect them from security threats and vulnerabilities**

> **Update certain password requirements and conduct complete quarterly, privileged-user reviews to sufficiently restrict access to IT systems and data**

> **Update its IT security assessment plan to reflect changes in its practice and to align with IT industry standards**

> **Analyze information from security assessments and attempted cyberattacks to better identify and address cybersecurity risks**

Figure 4—Audit Objective, Criteria, and Approach

Audit Objective: Assess the effectiveness of Saskatchewan Gaming Corporation's processes, for the 12-month period ending July 31, 2021, to prevent cyberattacks from affecting IT systems and data it uses to support and deliver casino games.

A cyberattack is the use of electronic means to interrupt, manipulate, destroy, or gain unauthorized access to a computer system, network, or device.

The audit did not include assessing SaskGaming's processes to detect and respond to cyberattacks or physical security (e.g., physical locks on doors to enter the casino buildings or restricted areas within the buildings, security alarm systems, or video surveillance) of SaskGaming's assets for delivering casino games.

Audit Criteria:

Processes to:

1. **Identify risks that could result in cyberattacks**
   - Maintain an inventory of authorized IT systems and devices (e.g., network, application)
   - Continuously assess likelihood and impact of cyberattacks
   - Set strategies for reducing cyberattack risks to acceptable levels

> **2. Protect IT systems from cyberattacks**
> - Securely maintain IT network (e.g., network segregation, firewalls, properly configure devices and software)
> - Properly control use of system privileges (e.g., network, application)
> - Regularly train staff about cybersecurity (e.g., risks, strategies, policies)
>
> **3. Monitor IT security practices adequately prevent cyberattacks**
> - Routinely test network controls operate as expected (e.g., vulnerability scans, penetration testing, integrity checkers)
> - Analyze attempted cyberattacks to identify vulnerabilities and threats
> - Report timely to senior management and the Board
>
> **Audit Approach:**
>
> To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate SaskGaming's processes, we used the above criteria based on related work, reviews of literature, and consultations with management. SaskGaming's management agreed with the above criteria.
>
> We examined SaskGaming's policies and procedures, risk assessments, action plans, and reports related to cybersecurity. We interviewed key staff responsible for IT security. We hired an external consultant to assess network and system controls related to cybersecurity.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 IT Assets Sufficiently Tracked

SaskGaming sufficiently tracks its IT assets.

SaskGaming uses a few systems and documents to maintain information about its IT assets, including more than 300 network devices such as firewalls and switches, over 100 servers, over 400 desktop and laptop workstations, and over 100 software applications. It tracks its IT assets in an IT system. The tracking system includes key information about each asset such as: asset tag (name), type, vendor, operating system, version, and location on the network. IT maintenance tools and network diagrams maintain additional information about updates needed and relationships between the assets. SaskGaming's disaster recovery plan maintains information about how long operations can manage without the IT assets. SaskGaming uses all of this information to help manage asset security updates and maintenance.

IT staff add assets to the tracking systems and documents when the assets are purchased or developed, and remove assets at disposal. IT staff are involved in all significant purchases or new development of IT assets. IT staff also complete routine scans and maintenance that help to identify issues with asset tracking. We found the inventory lists complete and accurate based on the information we gathered from network scans and other testing.

Maintaining accurate information about IT assets promotes timely maintenance and disposal of assets, and can help to identify and remove any unauthorized assets (e.g., laptops, software) on the network.

4.2 More Detailed Analysis and Planning for Cybersecurity Risks Needed

SaskGaming includes some risks relating to cybersecurity in its corporate-wide risk register, but does not complete a sufficiently detailed risk analysis to clearly support effective action plans to address all significant cybersecurity risks.

SaskGaming set a corporate-wide risk management policy.[9] The policy includes roles and responsibilities for risk management of the Board, management, and employees. The policy also sets out requirements for an annual risk assessment process including: determining impact and likelihood of risks; setting risk-tolerance levels; developing plans to address risks; ongoing monitoring of risk in daily operations; reporting on actions taken; and aligning with strategic planning and budgeting processes. SaskGaming used a top-down approach to develop and update its corporate-wide risk register (i.e., focus on corporate-wide risks affecting strategic goals and objectives).[10]

SaskGaming provided guidance in its risk framework for how to assess the impact and likelihood of identified risks to support a corporate-wide ranking process. Each year, it identifies its top six risks for more focused action and monitoring.

IT staff are involved in preparing information to support the corporate-wide risk assessment process. Three of the top six risks SaskGaming identified in its 2021–22 corporate-wide risk assessment relate to cybersecurity, including:

➢ Business interruption (e.g., IT systems needed for operations not available)

➢ System and information security (e.g., unauthorized changes to IT systems or data)

➢ Physical security (e.g., unauthorized device attached to network to enable remote access)

SaskGaming's Finance and IT Department also includes assessment of risk as part of its annual department plan. For 2021–22, the Department risks included some related to cybersecurity (e.g., limited staff skills development and cross-training, limited succession planning in the IT department, limited formal cybersecurity program tied to its corporate business continuity plan). The plan did not describe impact and likelihood of the risks or set out clear action plans to reduce risks to acceptable levels.

SaskGaming did not complete an in-depth assessment of cybersecurity risks to expand on its corporate-wide and departmental risk-assessment processes. That is, it did not clearly define and assess specific cybersecurity risks, and set out well-defined action plans to reduce any significant gaps identified. It used some processes to try to manage the various cybersecurity risks it faces, such as:

➢ Holding weekly meetings where IT employees can raise new risk area awareness and are required to report progress toward addressing previously identified risks.

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[9] SaskGaming's corporate-wide risk management policy meets the requirements of the subsidiary risk policy set by its parent, Crown Investments Corporation of Saskatchewan (CIC), at www.cicorp.sk.ca/pub/Reports/Subsidiary%20Crown%20Policy %20Manual/policy-manual---version-4.pdf (8 September 2021).
[10] Opposite to the top-down approach is the bottom-up approach that focuses on key operational and tactical risks on a business unit basis. www.cicorp.sk.ca/pub/Reports/Subsidiary%20Crown%20Policy%20Manual/policy-manual---version-4.pdf (8 September 2021).

➢ Maintaining a list of action items, which may address some identified risks.

➢ Following a five-year technical architectural roadmap (2019–24) that briefly sets out IT projects and timelines, some of which may relate to cybersecurity action items (e.g., cyber incident handling, network segmentation, endpoint protection, encryption).

➢ Using a 2017 cybersecurity action plan that sets out very broad goals for developing a cybersecurity program (e.g., update IT-related policies, build cybersecurity framework, integrate cybersecurity into core learning, invest in network security enhancements). However, this plan is outdated and lacked details on key actions, timing, and resources required.

The processes above support ongoing communications about cybersecurity risks, define staff to lead the work, set some timeframes to complete actions, and support monitoring of ongoing work. However, the processes do not clearly define all significant, unmitigated cybersecurity risks or clearly link the risks to action plans expected to reduce those risks to acceptable levels. Also, the roadmap and action plans did not include sufficient details about planned projects to clearly understand the scope of planned work and how it relates to identified cybersecurity risks. For example, plans do not clearly define the cybersecurity risks related to unauthorized access and expected actions, such as how to further segregate the network or encrypt assets (e.g., laptops) to address those risks.

We found several security deficiencies during the audit as described in **Sections 4.3** and **4.4** that indicate some unidentified cybersecurity risks, some risks requiring further assessment, or certain controls that are not reducing risks as expected.

Without detailed assessments (see **Section 4.6**) to identify all significant cyber risks and clear alignment to current, well-defined action plans to address those risks, SaskGaming is at an increased risk of cyberattacks. Cyberattacks could result in unauthorized access or breach of IT systems and data or significant disruption to operations, causing significant financial costs, asset or revenue loss, or damage to SaskGaming's reputation.

1. **We recommend Saskatchewan Gaming Corporation maintain well-defined action plans clearly addressing all significant risks of cyberattacks that may affect IT systems and data used to support and deliver casino games.**

4.3   Stronger Network and IT Device Controls Needed to Restrict Access

While SaskGaming had a number of controls in place to prevent unauthorized access to its systems and data, some access controls were not sufficiently robust (e.g., network segmentation, wireless network configuration, workstation configuration, encryption).

Network: SaskGaming and its service providers use established processes for building and updating IT equipment such as firewalls and the intrusion detection system (IDS).[11]

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[11] SaskGaming uses service providers to host certain IT systems, as well as to help it monitor activity on its network.

We found network equipment running up-to-date software and routines. We found SaskGaming appropriately located firewalls and IDS sensors in the network.

SaskGaming uses firewalls to prevent unauthorized individuals from entering its network. While it also restricted certain access within the network using firewalls (e.g., to gaming machines), these restrictions were insufficient to reduce risk of unauthorized access to some key systems (e.g., to support gaming operations). Good practice suggests the use of network segmentation to limit movement across a network in the event an attacker gains unauthorized access. SaskGaming also inadequately restricted ability to copy data from its network to an external source once users, including unauthorized users, access the network.

SaskGaming allows staff to use a wireless network to connect to its network; however, it did not adequately configure the wireless network to appropriately restrict access. The ease of access that a wireless network brings also creates a more open attack surface, as a wireless network only requires the attacker to be in proximity to the network, and does not require physical access.

Service providers help SaskGaming monitor user access and movement within its network. IT staff received alerts about unusual activity detected and monthly summary reports about activity. This monitoring does not detect and alert SaskGaming about all unauthorized activity including the deficiencies we describe in this section and **Section 4.4**. For example, strong monitoring practices can alert if it appears an attacker is using a laptop to gain unauthorized access to the wireless network and then to IT systems to copy large amounts of sensitive data from the network to the attacker's laptop. This type of alert provides the organization time to stop the attack.

Servers: SaskGaming and its service providers use standard processes to set up and update servers. We found servers had up-to-date software.

We found SaskGaming routinely completed backups of its systems and data at established intervals (e.g., nightly incremental backups, weekly full backups). It tested backup effectiveness including through its annual disaster recovery exercise. It updated its disaster recovery plan annually, or as needed.

However, we found SaskGaming made backup copies of certain data that did not have adequate encryption or internal access control. Restricting internal access to and properly encrypting backed up data limits a user's ability to view or copy data in a readable format.

Workstations: SaskGaming uses standard processes to set up and update desktop and laptop workstations. We found the workstations had up-to-date software.

We found workstations allowed users more access to IT systems and data than required to do their jobs. Insufficient access restrictions can result in users accessing unauthorized IT systems and data and/or elevating their privileges to increase their access further. In addition, attackers may exploit employees to gain unauthorized access to sensitive systems and data. Granting the minimum required user access for each employee to carry out required work reduces this risk.

We found SaskGaming inadequately set up its remote access process (e.g., virtual private network) to restrict data flow between an employee's internet activity from activity on SaskGaming's network. In addition, it did not use sufficient encryption on devices such as laptops for employees who may work with sensitive systems and data. Protecting laptops through encryption helps reduce the risk of compromise in the event that laptop is lost or stolen.

During the audit, as a result of the deficiencies noted above, we were able to obtain unauthorized access to some of SaskGaming's systems and data without detection. Data accessed included sensitive information about some of SaskGaming's employees and customers.

Without adequate configuration of its network, servers, and workstations, SaskGaming increases its risk of unauthorized access to its systems and data. A breach of its systems and data could result in revenue loss or financial costs reducing SaskGaming's profits.

> **2. We recommend Saskatchewan Gaming Corporation adequately configure its network, servers, and workstations to better protect them from security threats and vulnerabilities.**

We also noted several physical security deficiencies during our audit work. For example, we found certain IT equipment inadequately locked up, lack of visitor logs for certain IT rooms, and insufficient backup power supply. Inadequate physical security controls can result in unauthorized access to IT systems and data resulting in cybersecurity breaches, as well as risk of damage or unavailability of IT systems and data.

4.4 User Access Review and Password Requirements Need Strengthening

Although SaskGaming follows established processes to grant and remove access to its systems and data, it needs to strengthen its password requirements and include all privileged-user groups in its review of user access.

Managers complete a standard form to approve employees' access to IT systems and data before IT staff give access. When an employee leaves, IT staff receive an automatic notification from the payroll system, then remove the employee's access. We found SaskGaming adequately granted and removed user access for its employees except as noted below.

Managers review appropriateness of IT system access for all staff semi-annually and request changes as needed. IT staff review access quarterly for employees with more sensitive access to systems and data (i.e., privileged access). We found SaskGaming completed reviews as expected, except for a group of privileged users who were not included in the quarterly reviews, potentially resulting in more users than required having access to certain systems (e.g., over 15 privileged users for one system that were not reviewed).

SaskGaming uses unique identifiers and passwords to access its systems and data. We found its password standards (set out in policy) consistent with accepted practice by the IT

industry (e.g., minimum eight characters, complexity such as numbers and special characters, change every 90 days, lock after five attempts). However, we found SaskGaming did not require certain sensitive accounts' passwords to be updated every 90 days as expected by its policy. For example, we found accounts where passwords had not been updated in more than nine years. Accounts without appropriate password settings are a potential access point for unauthorized access or malicious software into the SaskGaming network.

In addition, we found SaskGaming does not require multifactor authentication (MFA), except for certain remote access methods. MFA adds a layer of protection to the sign-in process by requiring users to provide additional identity verification listed in **Figure 5**. This stronger authentication method could help to reduce risk of unauthorized access, especially for privileged accounts, sensitive data, and remote access. The more layers of security between an organization's information and cyber criminals, the better.

Figure 5—Examples of Identity Verification Used in Multifactor Authentication (MFA)

Identity Verification Type	Identity Verification Method
Something you know	Password PIN Security questions
Something you have	Card with chip Texted codes
Something you are	Fingerprint Retina scan

Source: Adapted from www.cyber.gc.ca/sites/default/files/publications/what_is_mfa6_e_0.pdf (7 October 2021).

Without sufficiently strong controls to manage who can access IT systems and data, and how, SaskGaming may have increased risk of unauthorized access to its IT systems and data. Unauthorized access can result in inappropriate use, modification, or loss of systems or sensitive data, causing financial and reputational harm.

3. **We recommend Saskatchewan Gaming Corporation include all privileged-user groups in its quarterly user access reviews.**

4. **We recommend Saskatchewan Gaming Corporation update all user account passwords as often as required by its password policy.**

5. **We recommend Saskatchewan Gaming Corporation implement further use of multifactor authentication to reduce, to an acceptable level, the risk of unauthorized access to IT systems and data.**

4.5 Sufficient Cybersecurity Guidance and Training Provided

SaskGaming provided sufficient guidance and training to its staff about cybersecurity.

SaskGaming maintained an appropriate IT security policy, as well as policies for acceptable use, privacy, and other specific IT topics. Its employees had ongoing access to the policies on its intranet.

Employees sign-off annually that they understood and followed the IT security policies. During orientation and annual refresher courses, employees access training about SaskGaming's IT security policies through SaskGaming's online learning application. The application tracks attendance so the human resources department can monitor that all employees received the training. IT staff provide the training content. We found all but four out of 584 employees attended the most recent training. Informed employees are less likely to open email attachments containing malware that can infect a corporate IT network.

IT staff typically provide monthly updates about cybersecurity risks and good practice guidance, and upload these updates on SaskGaming's intranet. We found SaskGaming provided updates to staff, although less often than monthly due to casino closures caused by the COVID-19 pandemic. The updates covered a wide variety of security topics such as creating strong passwords, avoiding email scams, and securing use of mobile devices.

SaskGaming used an IT program to semi-annually test the effectiveness of its IT security training. Testing includes activities such as sending an email scam to see whether staff open the email and click the embedded link, or leaving an unidentifiable USB drive to see whether staff try to use it on their computer. The IT program provides a results summary so management can assess training effectiveness. It also sends a notice to employees who fail the test so they can refresh their training and reduce the risk of a real attack.

We found SaskGaming completed its last test in fall 2020, before the casinos ceased operations again due to the COVID-19 pandemic, and reviewed testing as expected. Generally, its employees demonstrated understanding of cybersecurity risks, given only three of about 200 employees tested replied or opened attachments.

SaskGaming sets a budget annually with provisions for funding for training. IT staff can attend more detailed cybersecurity training to maintain their specialized skill sets, although staff were unable to attend specific cybersecurity training in 2020–21 due to casino closures caused by the COVID-19 pandemic. IT staff submit requests for training to their supervisors for approval. We found the IT staff knowledgeable about SaskGaming's IT systems and cybersecurity. IT staff need advanced training to stay current about evolving cybersecurity risks to support development of strategies to reduce those risks and to plan general cybersecurity awareness training for all staff.

4.6 Security Assessments and Analysis Need Improvement

SaskGaming uses a variety of processes to assess its IT security effectiveness, but needs to better analyze security information to support improved risk assessment. It also needs to update its security assessment plans to reflect current practice and IT industry standards, which will improve the quality of information available to analyze.

SaskGaming uses a number of security monitoring practices to assess its current state of IT security. SaskGaming completes ongoing vulnerability assessments and periodic penetration tests to help identify security threats and vulnerabilities, and uses security event monitoring to alert it about potential unauthorized activities in real time. Penetration testing discovers real security weaknesses, while vulnerability assessments are good for security maintenance.

SaskGaming completed regular vulnerability assessments of its network to help identify security threats and vulnerabilities. It documented the expected frequency for these assessments in a test plan in 2017. We found it required some assessments less often (every six months) than good IT industry practice suggests (every four months) without a formal risk assessment to support the decision. We also found it completed some assessments more frequently than expected in its test plan (e.g., almost monthly instead of every six months).

SaskGaming completed some assessments directly, and used third-party service providers to provide other assessments. It tracked all of the assessments in an IT system to support investigation and remediation of identified issues.

However, we found some of the assessments did not utilize sufficiently useful test parameters for identifying potential vulnerabilities. Setting up the scanning tools to broaden these assessments would support better understanding and identification of risks, and detecting unauthorized assets. For example, internal scans using an active account can more thoroughly check servers and desktops.

SaskGaming indicated it plans to complete penetration tests to search for IT security weaknesses every four years; however, it has not documented this plan or rationalized the basis for testing every four years. SaskGaming last completed a penetration test in 2016. Good practice suggests the frequency of penetration testing may vary based on risk (cost-benefit), with many larger organizations running at least annual tests for their IT networks. Management advised us it delayed expected penetration testing in 2020 due to casino closures and related impacts caused by the COVID-19 pandemic. As of July 31, 2021, it had not made any firm plans for its next penetration test.

Third-party service providers also help to monitor SaskGaming's security logs and alerts (e.g., intrusion detection system, firewalls). SaskGaming tracked alerts it received from these parties in an IT system to support investigation and remediation of issues. We found alerts from one service provider were not timely to support management in responding (e.g., received more than 24 hours after incident). Management advised us it is working with its service provider to address this issue. SaskGaming did not receive any critical alerts during our audit period.

Although information from security assessments and alerts helps SaskGaming address specific issues identified in its IT systems, it did not analyze this data holistically to help it assess the quality of its overall security processes. Analyzing this data could help SaskGaming better identify and assess cybersecurity threats and risks.

We identified a number of control deficiencies during the audit as described in **Sections 4.3** and **4.4**. While some of these deficiencies appear to have action items showing management's plans to address them in the future, for several deficiencies, we did not see any evidence that management had yet identified the deficiencies. Regular penetration tests can help to identify such deficiencies to better support risk assessment.

Without robust security assessments about the effectiveness of implemented IT security controls, SaskGaming increases the risk that it will not identify and adequately address new and evolving cybersecurity threats and vulnerabilities in a timely manner. Unmitigated

cybersecurity threats and vulnerabilities could lead to unauthorized access to sensitive systems and data, resulting in financial losses or reputational damage.

6. **We recommend Saskatchewan Gaming Corporation update its IT security assessment plan to reflect changes in its practice and to align with IT industry standards.**

7. **We recommend Saskatchewan Gaming Corporation analyze information from security assessments and attempted cyberattacks to better identify and address cybersecurity risks.**

4.7   Regular Reporting on Cybersecurity-Related Risks

SaskGaming uses weekly meetings and quarterly updates about risks to report to management and its Board about cybersecurity.

SaskGaming's IT employees met weekly to discuss the status of existing and upcoming projects related to managing identified cybersecurity risks. As part of these meetings, it updated a list of action items to track progress toward these projects.

In addition, SaskGaming's corporate-wide risk management policy requires management to provide quarterly updates on the top corporate-wide risks, as well as ad hoc reports about any significant emerging risks or breakdown of controls immediately, if they occur. We found management provided quarterly updates on risks as expected by the policy. Management advised us that no such issues arose during the year to require ad hoc reporting to the Board.

More detailed assessments to identify all significant cyber risks as described in **Sections 4.2** and **4.6** will help SaskGaming confirm its quarterly updates to its Board include all relevant information about risks and mitigation strategies. Regular reporting on cybersecurity risks helps with allocating resources to manage these risks and monitoring the effectiveness of related risk strategies.

5.0   GLOSSARY

Application – A software program. This includes programs such as word processors, spreadsheets, database programs, accounting programs, etc.

Backup – A copy of systems or data to be used when the originals are not available (e.g., because of loss or damage).

Configure – To set up or arrange in order to achieve a specific purpose (e.g., maximize security).

Defence-in-depth – The practice of using layered security mechanisms to increase security of the system as a whole. If an attack causes one security mechanism to fail, other mechanisms may still provide the necessary security to protect the system.

Disaster recovery plan – A plan for an organization to restore necessary IT services in the event of an emergency or disaster. A disaster recovery plan is one part of a larger, organization-wide business continuity plan.

Encryption – The process of converting information or data into a code, especially to prevent unauthorized access.

Firewall – Software and/or hardware intended to restrict or block access to a network or computer. Firewalls can be set up using firewall rules to only allow certain types of data through.

Integrity checker – a tool used to detect unauthorized changes made to an IT system or data.

Intrusion detection system – Software and/or hardware designed to detect a security breach by identifying inappropriate access or changes taking place within a computer or network.

Intranet – a communications network within an organization employing the same technology as the internet.

Multifactor authentication (MFA) – Users provide additional identity verification, such as scanning a fingerprint or entering a code received by phone when accessing accounts or apps.

Network – A group of computers that communicate with each other.

Penetration test – a security exercise to find and exploit vulnerabilities in an IT system.

Security vulnerability – An unintended weakness in a computer system exposing it to the potential exploitation such as unauthorized access or malware (e.g., viruses).

Server – A computer hosting systems or data for use by other computers on a network.

Unauthorized access – When someone gains access to a website, program, server, or other systems and data using someone else's account or other methods.

User access controls – The controls in place at an organization to restrict use of systems or data to those authorized. These include physical controls such as locked doors or cabinets, as well as computer and network controls such as establishing accounts with specific access rights, requiring passwords, etc.

Vulnerability assessment – A systematic review to identify, classify by severity, and recommend remediation actions for any known weaknesses of an IT system. Organizations generally use IT tools to help complete the review.

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Chapter 18
Social Services—Monitoring Quality of Care in Homes Supporting Adults with Intellectual Disabilities

1.0 MAIN POINTS

The Ministry of Social Services funds and licenses privately-owned group homes and approved private service homes to provide accommodation, meals, and care to about 1,600 adults with intellectual disabilities. At August 2021, the Ministry licensed about 245 group homes and 200 approved private service homes in Saskatchewan.

The Ministry needs to better monitor whether group homes and approved private service homes provide quality care to adults with intellectual disabilities. In order to enhance its licensing practices, the Ministry needs to:

➢ Update its home inspection checklists to cover all key risk areas

➢ Annually inspect each group home assessing whether it meets minimum care standards

➢ Oversee timely resolution of deficiencies resulting in conditional licences

➢ Centrally track inspection dates, as well as identified and rectified deficiencies

The Ministry expects all homes to create person-centred plans for each client at least every two years, driven by clients' goals, dreams, and aspirations to enhance their development and quality of life. However, the Ministry monitors neither the quality nor fulfillment of these plans, and the majority of plans we assessed (70%) did not meet the required quality, or show plan fulfillment.

Moreover, the Ministry does not meet with clients regularly to see whether clients live a quality and fulfilling life. We found 19 out of 30 client records (or 63%) showed that Ministry staff did not have any direct contact with clients in the last two years. Without meeting a client, the Ministry may be unaware of client-care issues or quality of life concerns.

The Ministry does not analyze serious incidents to identify particular homes with ongoing issues. In 2020–21, group homes reported 748 serious incidents and approved private service homes reported 111 serious incidents. Also, the Ministry does not monitor whether any homes implemented recommendations based on serious incident investigations. For example, we found no evidence of Ministry follow up on four out of 13 investigations we assessed. The Ministry needs information about recommendation implementation in order to know effective actions are taken to prevent future serious incidents.

Effective monitoring of care provided at Ministry-funded, licensed homes helps adults with intellectual disabilities to live meaningful and fulfilling lives, free from safety and health threats.

2.0 INTRODUCTION

This chapter outlines audit results of the Ministry of Social Services' processes to monitor whether Ministry-funded group and approved private service homes provide quality care to adults with intellectual disabilities for the 12-month period ended August 31, 2021.

Adults with intellectual disabilities are people with impaired intelligence who have a significantly reduced ability not only to understand new or complex information, but also to learn and apply new skills. Beginning before adulthood, this impaired social functioning results in a reduced ability to cope independently with a lasting effect on development. Group and approved private service homes typically provide care 24/7 to adults with intellectual disabilities.

2.1 Ministry Relationship and Responsibility for Group and Approved Private Service Homes

The Ministry of Social Services provides support for persons with intellectual disabilities. The main objective of the Ministry's Community Living Service Delivery area is to ensure adults with intellectual disabilities' physical, emotional, and social needs are met and they live and function as independently as possible within their own communities.

The Ministry funds and partners with community-based organizations and other service providers across the province to deliver residential services and day programs including: group homes, approved private service homes, group living homes, and supportive living programs.[1]

For adults with intellectual disabilities, the Ministry, along with the individuals, their families and other key people in the person's life determine a housing option suited to the individual based on their assessed need. In 2020–21, the Ministry spent about $176 million on funding for residential and day programs provided to almost 4,500 adults with intellectual disabilities.

As shown in **Figure 1**, residential programs—group and approved private service homes—receive the majority of the $176 million Ministry funding. At March 2021, group homes had 1,206 spaces and approved private service homes had 398 spaces for adults with intellectual disabilities.

Figure 1—Ministry-Funded Residential Services for Adults with Intellectual Disabilities

Residential Program	Description`	March 31, 2020			March 31, 2021		
		# of homes	# of spaces	Funding (in millions)	# of homes	# of spaces	Funding (in millions)
Group Homes	Staffed to provide personal care, supervision, and support for adults Located in residential neighbourhoods throughout the province	241	1,175	$94.6	253	1,206	$102.4

[1] Group living home is a home shared between adults who are individually responsible for paying basic shelter costs. Homes may receive Ministry funding for support staff as needed. Supported living programs provide adults living in their own homes with limited support and supervision so they can live as independently as possible.

Residential Program	Description`	March 31, 2020			March 31, 2021		
		# of homes	# of spaces	Funding (in millions)	# of homes	# of spaces	Funding (in millions)
	Receive Ministry funding for support staff and day-to-day living expenses. Subject to annual Ministry licensing and inspection						
Approved Private Service Homes	Provide a supportive, family-living environment in a community setting Give residents the opportunity to develop social and life skills Receive Ministry funding for day-to-day living expenses. Subject to annual Ministry licensing and inspection	210	423	$9.0	206	398	$9.0

Source: Based on information provided by the Ministry of Social Services.

The Residential Services Act and *The Residential-service Facilities Regulations* give the Ministry authority to license, fund, and monitor residential service facilities (group homes) providing residence, services, and care to people with intellectual disabilities. Similarly, *The Private-service Homes Regulations* gives the Ministry authority to certify, fund, and monitor approved private service homes' facilities and services provided to people with intellectual disabilities.

Typically, adults living in Ministry-funded group and approved private service homes require greater needs for care.

Group homes are staffed homes providing personal care, supervision, and support for adults with intellectual disabilities (on average, four to five clients per home) with an average client age of 48 years old.

Approved private service homes are homes providing a supportive family-living environment to adults with intellectual disabilities (usually one to three clients). They are to provide residents with opportunities to develop social and life skills. The average age of clients living in approved private service homes is 45 years old.

2.2 Adults with Intellectual Disabilities Deserve Quality Care and Quality of Life

Saskatchewan people experiencing disability face significant difficulties for inclusion, accessibility, and respecting, protecting and fulfilling basic human rights. They encounter limited access to goods, services, and facilities; greater experiences of discrimination; poorer health; and higher rates of poverty and abuse.[2]

The most recent Canadian Survey on Disability (2017) states that one in five (22%) Canadians aged 15 years and over (about 6.2 million) had one or more disabilities.[3]

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[2] Government of Saskatchewan, 2015, *People Before Systems: Transforming the Experience of Disability in Saskatchewan. Saskatchewan Disability Strategy*, p. 4.
[3] Statistics Canada, *Canadian Survey on Disability Reports. A demographic, employment and income profile of Canadians with disabilities aged 15 years and over, 2017*. www150.statcan.gc.ca/n1/daily-quotidien/181128/dq181128a-eng.htm (4 June 2021).

The Canadian Association for Community Living (Inclusion Canada) estimates that between 100,000 and 120,000 adults with intellectual disabilities face a housing and support gap. Almost 25,000 Canadians with more significant intellectual disabilities had core housing needs (e.g., inability to afford housing) in 2016.[4] While research indicates that although Canadian adults with intellectual and developmental disabilities often want to live independently, 50 to 60% live with family members for various reasons.[5]

While no current data is available to show how many people in Saskatchewan have disabilities, a 2012 Statistics Canada census identified 116,640 people in Saskatchewan aged 15 and over with disabilities. This translates to a 15% disability prevalence rate in Saskatchewan compared to 13.7% nationwide in 2012.[6]

In 2020–21, Saskatchewan's group homes reported 748 serious incidents and private service homes reported 111 serious incidents—a 12% increase from the prior year (see **Figure 7**). The majority of these reported incidents related to unexpected illness (for both group and private service homes) and medication abuse (for group homes).

Research shows people with intellectual disabilities are also a more vulnerable health population with greater prevalence for diseases such as hypertension, heart disease, respiratory disease, and diabetes; all of which are identified as risk factors for poor outcomes from COVID-19.[7] In 2020–21, the Ministry recorded 56 serious incidents in group homes and two serious incidents in approved private service homes due to COVID-19 (see Disease Outbreak in **Figure 7**).

A 2021 report by the Saskatchewan Advocate for Children and Youth reported inadequate monitoring of quality of care provided in group homes for cognitively challenged children in the Ministry's care, as well as systemic oversight issues in the Ministry of Social Services.[8] These Ministry oversight issues may also extend to group homes providing care to adults with intellectual disabilities.

Providing safe housing and quality support for adults with intellectual disabilities contributes to a meaningful quality of life. Adults with intellectual disabilities shape their quality of life by defining how they want to live; directing the services and supports they receive; leading a life enriched by social connections; experiencing life-long learning; developing decision-making skills; working in a personally meaningful job; and receiving support to live in a healthy and safe environment.[9] Effective monitoring of care provided in group and approved private service homes to adults with intellectual disabilities is crucial in contributing to their safety and wellbeing.

[4] Alzheimer Society of Canada, ARCH Disability Law Centre, Canadian Association for Community Living, Canadian Mental Health Association, Toronto Branch, Council of Canadians with Disabilities, Institute for Research and Development on Inclusion and Society, Social Rights Advocacy Centre, and Wellesley Institute. *Housing Issues for People with Disabilities in Canada. March 2017*. Submitted to: The UN Committee on the Rights of Persons with Disabilities for its review of Canada's initial report under the CRPD. inclusioncanada.ca/wp-content/uploads/2018/05/Canada-Right-to-Housing-for-Persons-with-Disabilities-May-15-2017.pdf (4 June 2021).
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[6] Statistics Canada, *Number and percentage with and without disabilities, aged 15 years or older, Canada, provinces and territories, 2012*. www150.statcan.gc.ca/n1/pub/89-654-x/2015001/tbl/tbl01-eng.htm (4 June 2021).
[7] Turk M. A., Landes S. D., Formica M.K., Goss K. D., 2020, *Intellectual and developmental disability and COVID-19 case-fatality trends: TriNetX analysis.* Disability and Health Journal, 13 (2020) 100942.
[8] Saskatchewan Advocate for Children and Youth, *Someone to Watch Over Us. Special Investigation Report* (2021). www.saskadvocate.ca/sites/default/files/pdfs/reports/Someone_to_Watch_Over_Us_Special_Report_Final_March_2021.pdf (30 April 2021).
[9] *Joint Position Statement of American Association on Intellectual and development disability and The Arc, Quality of life*, (2015). www.aaidd.org/news-policy/policy/position-statements/quality-of-life%20 (8 June 2021).

3.0 AUDIT CONCLUSION

We concluded the Ministry of Social Services had, other than the following areas, effective processes to monitor whether Ministry-funded group homes and approved private service homes provide quality care to adults with intellectual disabilities for the 12-month period ended August 31, 2021.

The Ministry needs to:

➢ **Regularly meet with clients in the homes and assess the quality and fulfillment of their person-centred plans**

➢ **Update the home inspection checklist to cover key risk areas and annually inspect each group home to assess whether minimum program standards are met**

➢ **Centrally track key information about homes and monitor timely resolution of deficiencies at conditionally licensed homes**

➢ **Analyze serious incidents for ongoing issues in homes and ensure incident recommendations from investigations are implemented**

➢ **Verify completion of periodic criminal record checks for those people in homes supporting clients**

Figure 2—Audit Objective, Criteria, and Approach

Audit Objective:

To assess the effectiveness of the Ministry of Social Services' processes to monitor whether Ministry-funded group homes and approved private service homes provide quality care to adults with intellectual disabilities for the 12-month period ended August 31, 2021.

Audit Criteria:

Processes to:

1. **License eligible homes to care for adults with intellectual disabilities**
   - Establish appropriate care standards
   - Issue appropriate licences to eligible homes (e.g., include requirements to meet care standards and establish appropriate person-centred plans)
   - Communicate care standards

2. **Periodically assess quality of care delivered by homes**
   - Conduct risk-based inspections of licensed homes
   - Regularly assess whether homes are fulfilling person-centred plans
   - Investigate critical incidents reported by homes and serious complaints reported by clients/families/public timely
   - Address identified non-compliance timely

3. **Analyze information on homes providing care to adults with intellectual disabilities**
   - Maintain quality control processes (e.g., monitor Ministry staff compliance with inspection requirements)
   - Regularly analyze information about homes' quality of care (e.g., aggregated results of complaints, incidents, reviews of person-centred plans) to help guide decision-making
   - Report on homes' care for adults with intellectual disabilities 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 of Social Services' processes, we used the

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above criteria based on our related work, review of literature, including reports from other auditors, and consultations with management. Ministry's management agreed with the above criteria.

We examined Ministry policies and procedures relating to the provision of quality care to adults with intellectual disabilities. We assessed the Ministry's processes to license home operators for consistency with legislation. We tested a sample of licensing packages, person-centred plans, and serious incidents to assess whether staff followed the Ministry's established processes. 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 Monitoring Expectations Established

The Ministry of Social Services established requirements to license and monitor group homes and approved private service homes providing supportive living environments for adults with intellectual disabilities.

Homes providing supportive living to adults with intellectual disabilities are privately operated and must operate according to the requirements under legislation.

At July 2021, the Ministry had licences with 247 group homes and 202 approved private service homes. A group home operator, often referred to as agency, service provider, or community based organization, may operate a number of group homes. For the purposes of this report, unless otherwise specified, the term home operators refers to both an agency running group homes and an individual or a family operating approved private service homes. At July 2021, 202 home operators run approved private service homes, and 64 home operators run 247 group homes. Group homes usually care for four to five clients; approved private service homes about one to three clients.

Under legislation, the Ministry is responsible for monitoring homes to ensure the clients who live there receive safe and appropriate care. The Ministry monitors this through various mechanisms:

➢ **Physical Standards Report:** to be completed annually by a Ministry community service worker or a Ministry community-based organization consultant inspecting the home for certain physical requirements (see **Figure 4**).

➢ **Program Standards Report:** to be completed annually by a Ministry community service worker for each home operator by visiting one of their homes to observe certain client-care requirements (see **Figure 4**).

➢ **Serious Incident Reporting:** homes are required to report all serious incidents to a Ministry community service worker within 24 hours of the incident. The Ministry investigates as needed.

In addition, the Ministry established the *Comprehensive Personal Planning and Support Policy* outlining expected standards home operators must follow when supporting clients living in their home. The policy requires homes to develop person-centred plans every two years and document a client's progress. The Ministry's community service worker is expected to observe practice and provide guidance to the home operator for person-centred planning processes.

Having clear expectations for Ministry staff to monitor homes providing supportive living is critical to contributing to the safety and wellbeing of adults with intellectual disabilities.

4.2 Homes Licensed Annually

The Ministry of Social Services annually licenses homes providing care for adults with intellectual disabilities.

The Residential Services Act, The Residential-service Facilities Regulations and *The Private-service Homes Regulations* outline licensing requirements for homes.

When licensing a new home, the Ministry requires a package of documentation from the applicant. We found the required documentation aligns with legislative requirements. For example, in order to become an approved private-service home operator, an applicant must provide three references, criminal record checks for all adults living in the home, a home floor plan, a fire inspection report, a health inspection report, and undergo at least five interviews with Ministry staff.[10] The Ministry uses a checklist to ensure staff collect, and ensure appropriateness of, all the required documents prior to issuing a licence.

After assessing an applicant's eligibility (e.g., adequate space, appropriate insurance), Ministry staff inspect the home before granting a licence. The Ministry usually licenses about 10 to 15 new homes each year with licences typically effective for one year.

We tested documentation of four new homes the Ministry licensed during our audit period (September 2020–August 2021) and found all four homes adequately met the Ministry's requirements for licensing and received appropriate licences to operate a home.

In addition, the Ministry requires annual renewal for licences. In practice, to renew an annual licence, home operators must provide the Ministry with third-party reports such as fire and health inspection reports (for group home operators only), as well the homes must be physically inspected by Ministry staff prior to licence expiry. See **Figure 3** for a list of documentation required for annual group and approved private service homes' licensing. We found the required documentation aligns with legislative requirements.

Figure 3—Documents Required for Annual Licensing

Group Homes	Approved Private Service Homes
• Health inspection report[A,B] • Sprinkler inspection report (only required if a home has equipment installed)[C] • Alarm panel inspection report (only required if a home has equipment installed)[C] • Alarm monitoring certificate report (only required if a home is equipped with alarm panel)[C] • Fire inspection report[A,C] • Insurance policy[A]	• Health inspection report (when worker deems necessary)[A] • Fire inspection report[A,C] • Annual review by Ministry staff covering program and physical standards • Annual resident/family interviews completed by Ministry staff

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[10] The Ministry conducts interviews with the applicant and their family to discuss roles and responsibilities, as well as provide an overview of program and care standards.

Group Homes	Approved Private Service Homes
• Program standards report[A] (Ministry completed client-care report) • Physical standards report[A] (Ministry conducted physical inspection)	

[A] Required by *The Residential-service Facilities Regulations* (group homes) or *The Private-service Homes Regulations* (approved private service homes)
[B] Completed by the Saskatchewan Health Authority. We note that the health inspection report provided by the Authority covers the public health order requirements due to COVID-19 (e.g., hand hygiene practices, availability, and use of personal protective equipment).
[C] Completed by a third-party contractor.

We tested 20 existing homes with licences renewed in our audit period (September 2020 – August 2021) and found all of them appropriately licensed. None of the tested homes operated with an expired licence. We also reviewed the list of all licences and associated expiry dates and found all were current.

Once a new home operator receives their licence, the Ministry enters into an agreement with them. The agreement clearly states that home operators must follow legislative requirements in its operations, including an annual licensing requirement. Group home operators annually sign addendums to their agreements while approved private service home operators only sign an initial agreement.

Annual licensing ensures only those homes meeting requirements continue to operate and provide care to adults with intellectual disabilities.

4.3   Untimely Resolution of Deficiencies in Conditional Licences

The Ministry issues conditional licences when deficiencies or delays in receipt of documentation result during the annual licence renewal process. However, the Ministry continued to issue conditional licences even though deficiencies remained unresolved.

A conditional licence allows a home operator to continue to operate, however, the licence expires earlier than an annual licence because of a deficiency or outstanding documentation. For example, the Ministry issues a conditional licence when it finds a home operator not compliant with an inspection requirement (e.g., a faulty fire alarm), or certain reports required for licence renewal remain outstanding by the licence expiration date (e.g., health inspection report not provided on time).

Issuing a conditional licence means Ministry staff will return to the home sooner than annually to inspect the home and assess whether a home operator resolved a deficiency. Conditional licences can be issued for a period up to six months. Although, we found if deficiencies persisted, the Ministry continued to issue conditional licences.

During the COVID-19 pandemic, the Ministry issued more conditional licences as many homes could not undergo third-party inspections (e.g., fire inspections) or in-person inspections by Ministry staff as the Government imposed visiting restrictions. At July 2021, about 45% of 247 group homes and about 70% of 202 approved private service homes held conditional licences, mostly relating to COVID-19 pandemic restrictions (e.g., inability to obtain fire inspection report from third-party who needed to visit the home).

In-person Ministry inspections resumed in July 2021 and the Ministry indicated it will complete in-person inspections as conditional licences expire. However, the Ministry does not centrally track key information for issuing conditional licences (e.g., not receiving a fire inspection report versus identifying an existing deficiency such as a faulty fire extinguisher) to help prioritize inspections (see **Recommendation 4**).

We tested 20 homes licensed in 2020–21 and found all of them appropriately received either conditional (up to six months) or annual licences; with 11 conditional licences (55%) and nine annual licences issued. We found reasoning for conditional licences included health and fire inspection report delays due to the COVID-19 pandemic's impact or deficiencies found during fire inspections needing to be resolved.

As the Ministry does not keep data on previously issued licences, we could not assess how many homes in total held conditional licences for more than a year (see **Section 4.6**). We assessed 20 homes and found one approved private service home operating with a conditional licence since October 2019 due to deficiencies found during a fire inspection and then due to the impact from the COVID-19 pandemic (i.e., awaiting follow up fire inspection). As at September 2021, this one approved private service home with a conditional licence still did not have a fire inspection report completed two years later. Fire inspections confirm whether homes' fire detection systems run properly.

Not tracking and addressing significant deficiencies identified during inspections within a reasonable timeframe (e.g., after six months), may result in clients living in unsafe conditions (e.g., home not protected by a working fire alarm).

1. **We recommend the Ministry of Social Services monitor resolution of deficiencies stated in conditional licences for group and approved private service homes within a reasonable timeframe.**

4.4 Home Inspection Checklist Lacks Key Risk Areas

The Ministry of Social Services uses inspection checklists to summarize areas examined during home inspections. However, the checklist does not cover all key risk areas requiring evaluation as part of an inspection.

The Ministry's inspections assess homes' compliance with legislative requirements for home operation using checklists. We found the checklists align with the Act and regulations.

Using checklists, Ministry staff inspect numerous areas as set out in **Figure 4**. For group homes, the Ministry uses two inspection checklists, the physical standards report and program standards report; while staff use one checklist called an Annual Review for inspecting approved private service homes. The physical standards report inspection checklist focuses on the home's physical safety and design and the program standards report inspection checklist focuses on the daily care a client receives in the home.

Figure 4—Summary of Areas Covered During Home Inspections on Checklists

Physical standards report inspection
- Location (e.g., accessible to public transportation, parks)
- Required designated areas (e.g., areas for dining, sleeping, and food preparation used only for those purposes)
- Sleeping accommodation (e.g., one bed per client, no more than two clients in one bedroom)
- Bedroom furnishings (e.g., storage for personal belongings)
- Washroom facilities (e.g., at least one wash basin and a toilet for every five clients)
- Exits (e.g., all exits equipped with easy-to-use hardware)
- Safety equipment (e.g., where required: nightlights, non-skid bath mats)
- Appropriate spaces for day room, study space, yard
- Accessibility (e.g., appropriate equipment for clients with physical disabilities)
- Medical treatment (e.g., first aid supplies available)
- Medication (e.g., locked medicine cabinet)

Program standards report inspection
- Services and programs (e.g., home provides care in a family-like setting)
- Meals (e.g., nutritionally balanced)
- Social/Recreational interaction and program supplies (e.g., opportunity to enjoy social life)
- Personal records (e.g., complete records of individual programing for each client)
- Medical treatment protocols (e.g., call physician in case of serious illness,)
- Medication (e.g., only medication authorized by a physician given to a client)
- Staff training in client-care policies, personal planning for clients

Source: Based on information provided by the Ministry of Social Services.

While the checklists align with the Ministry's legislative requirements, we also compared them to the checklist the Ministry of Health uses for licensing personal care homes.[11] Personal care homes house the elderly; another vulnerable group. We found the Ministry of Social Services does not assess group and approved private service homes in the following safety areas outlined in personal-care home checklists that could impact clients' health and safety:

➤ Adequate handling of medication (e.g., retaining medication in original packaging, returning unused or expired medication to pharmacy). We noted one serious incident in 2020–21 with inappropriate disposal of medication at a group home.

➤ Setting maximum water temperature for clients' use (e.g., water accessible to clients does not exceed 49 degrees Celsius). We noted one serious incident at a group home where the water gauge did not work and a client was immersed into hot water, resulting in injury in 2021–22.

➤ Safety measures for clients at risk of wandering (e.g., alarm system). We noted 34 serious incidents of missing/wandering persons in 2020–21.

➤ Waste disposal (e.g., toxic and poisonous substances stored and disposed appropriately)

In addition, checklists did not prompt Ministry staff to check whether clients appear dressed and groomed appropriately for the day.

A comprehensive checklist assessing key home safety areas potentially impacting clients' health and safety is necessary to determine deficiencies and correct them before serious incidents occur.

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[11] The checklists do not prompt Ministry staff to check and document conclusions for display of licences at group homes.

In addition, we found the Ministry does not have written guidance on items required for examination by third-parties during a fire inspection. We found that fire inspection reports for all 20 homes we tested contained different information; fire inspection reports for homes in urban areas offered more details than those inspected in rural areas. For example, some inspection reports provided details on what was inspected (e.g., home access, exit signs, smoke alarms) whereas other reports provided only a summary stating no deficiencies identified. We note the Ministry must work with the Ministry of Government Relations to establish required content of a fire inspection report (i.e., detailed inspection checklist).

A detailed checklist comprising the Ministry's expectations required in a third-party report would help to clearly explain inspection and reporting requirements. Furthermore, if Ministry staff consider the reports unclear, they may not identify, and seek to rectify, deficiencies.

2. **We recommend the Ministry of Social Services update home inspection checklists to cover key risk areas at group and approved private service homes.**

4.5 Not Every Group Home Assessed Annually to Evaluate Program Standards

The Ministry requires staff to annually assess each group and approved private service home's physical standards. However, the Ministry does not require staff to visit every group home at least annually to assess each home meets minimum program standards.

Two Ministry divisions (contract administration unit and community services unit) are involved in inspecting group homes. The Ministry's community-based organization consultants inspect each group home annually and complete a physical standards report (see **Figure 4** for details of the physical standards report). While Ministry community service workers are responsible for completing an annual program standards report (see **Figure 4**) for a group home operator, they are not expected to inspect each group home.

One group home operator may operate more than one home (e.g., one group home operator in Saskatoon operates 12 group homes). The Ministry uses the program standards inspection as a primary tool to assess aspects of care for clients such as meals, social interactions, and properly storing personal records.

For 10 group homes tested, we found the Ministry completed the physical standards report for each home, but the Ministry only completed the program standards report for a singular home operator and not each of the homes they operate. Thus, we do not know whether Ministry staff visited the particular group homes we assessed.

During 2020–21, often, Ministry staff would not physically inspect homes, but rather complete a virtual update (e.g., video or phone call). Virtual updates do not allow for interaction with clients living at the homes. In-person inspections resumed in July 2021, when the Government lifted the state of emergency for the province. As the Ministry does not keep centralized data on homes, we could not assess how many homes were inspected in the past year—in-person compared to virtually (see **Section 4.6**).

For 19 out of 20 homes we tested, we found all had a completed program standards report and a physical standards report. One approved private service home did not have a recent Ministry inspection with its latest reports issued in 2019 because of delays in obtaining a fire inspection report. The Ministry repeatedly issued the home six-month conditional licences without the required third-party inspection.

Without regularly inspecting each group home to assess program standards, the Ministry may not know whether clients receive appropriate and quality care. This may lead to licensing group homes that do not meet minimum standards of care (e.g., medication inappropriately administered, poorly balanced meals).

3. **We recommend the Ministry of Social Services annually inspect each group home to assess if it meets the minimum program standards requirements.**

4.6   Central System to Track Licensed Homes Needed

The Ministry of Social Services lacks a centralized tracking system for compiling current and historical information about licensed homes (e.g., required licensing documentation, home inspection reports).

Annual home-operating licence renewal requires numerous documents with the majority of documents maintained in multiple, manual files. In addition, licensing and inspecting of homes caring for adults with intellectual disabilities involves multiple Ministry staff resulting in manual files dispersed across the province.

More than 30 staff conduct group homes' annual inspections and licensing, including: 15 community-based organization consultants, one Community Living Support Division administrative support staff and one program consultant, as well as 12 to 15 community service workers at various regional offices.[12] For approved private service homes, 14 staff at various regional offices conduct annual inspections and licencing, including: 13 community service workers, and one Community Living Support Division program consultant.[13]

Two program consultants are responsible to assess all documentation for home licensing and, when satisfied, issue the licence. Both consultants keep a spreadsheet with a list of homes and licence expiration dates. However, no centralized system exists to track each home's key information including: inspection dates, third-party reports, identified deficiencies, and deficiency remediation dates.

The Ministry collects information on serious incidents each year (see **Section 4.10**), but it does not track and compile the data by home. This lack of information inhibits Ministry management from accurately assessing the magnitude of issues at homes.

Having a centralized system to track documentation and steps completed in the home licensing process each year would aid in monitoring whether licences are expired, assessing whether inspections are completed, and determining if required documentation

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[12] Total of 253 group homes as of March 31, 2021.
[13] Total of 206 approved private service homes as of March 31, 2021.

is obtained and reviewed. It would also allow the Ministry to collate and analyze common data about each licensed home and identify any persistent issues that may impact client care.

> 4. **We recommend the Ministry of Social Services use a central system to track key information about group and approved private service homes.**

4.7 Verification of Periodic Criminal Record Checks Lacking

The Ministry of Social Services neither verifies criminal record checks for staff working at group homes upon initial licensing, nor does it require proof of periodic criminal record checks at group homes or approved private service homes.

An approved private service home requires a criminal record check for initial licensing. In order to operate an approved private service home, an applicant needs to present a criminal record and a vulnerable sector check for all adults living at the home.[14] However, the Ministry does not require periodic checks after initially approving the private service home. We found approved private-service home operators delivered services for 13 years on average (as of July 2021: ranging from a few months to 51 years).

The Ministry requires group home operators to establish policies requiring criminal record and vulnerable sector checks every two years for management, staff, and volunteers working with clients. However, the Ministry does not have a process to verify whether this occurs (i.e., it does not periodically assess whether group home staff completed criminal record checks as required).

Good practice in other jurisdictions require periodic criminal record checks. For example, in British Columbia, anyone who works directly with vulnerable adults needs to provide a criminal record check once every five years.

Lack of verification of periodic criminal record checks for people providing services to vulnerable populations such as adults with intellectual disabilities increases the risk of financial, physical, or sexual abuse.

> 5. **We recommend the Ministry of Social Services verify completion of periodic criminal record checks for people caring for adults with intellectual disabilities living in group and approved private service homes.**

4.8 Appropriate Policies Communicated to Homes

The Ministry of Social Services communicated to home operators appropriate care standards for adults with intellectual disabilities living at Ministry-funded homes.

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[14] A Vulnerable Sector Verification is used to determine the possible existence of a criminal record and/or a sexual offence conviction for which an individual has received a pardon. *The Criminal Records Act* defines vulnerable members of society as persons who, because of age, a disability, or other circumstances, whether temporary or permanent are in a position of dependence. Any individual applying to work in a paid or volunteer position where they will be in contact with a vulnerable person may be required to complete a Vulnerable Sector Verification. Some examples of positions who work within vulnerable sectors are: teachers, social workers, daycare workers, coaches and volunteers. www.reginapolice.ca/resources/criminal-record-check/ (23 July 2021).

The Ministry's *Comprehensive Personal Planning and Support Policy* provides general principles and standards for supporting clients: treating them with dignity and respect, supporting them in decision-making, and aiding them in developing person-centred plans based on their goals, dreams, and aspirations to enhance their development and quality of life.

In addition, the Ministry established client anti-abuse policies describing acceptable staff conduct in homes and serious incident reporting requirements relating to clients' health and safety, including abuse allegations.[15]

We found the policies align with good practice in supporting adults with intellectual disabilities.

The Ministry adequately communicates these standards by providing these policies to approved private service home operators through its *Approved Private Service Homes Program Proprietor's Reference Manual* and to group home operators through training packages. Agreements with home operators clearly state they must follow Ministry's policies.

We found all 20 homes tested had signed agreements.

We found the Ministry provides training for approved private service home operators on policies and reviews key points with them during annual inspections.

For group home operators, the Ministry provides training packages and supports group home operators as they lead training for their staff. The Ministry also receives a report annually on whether all group home operators' staff received training on key policies related to clients' provision of care. For 10 group homes tested, we found that group home operators reported to the Ministry a rate of about 95% of staff trained on the *Comprehensive Personal Planning and Support Policy* and the *Participant Abuse Policy*.

In addition, the Ministry offers other training courses for home operators to help support clients in a positive way like how to support people successfully, positive behaviour support, professional assault response training, and other courses.

Appropriately communicating care standard policies and providing training on them helps ensure those who care for adults with intellectual disabilities understand their role and responsibilities.

4.9 No Regular Assessment of Homes Fulfilling Clients' Person-Centred Plans

The Ministry of Social Services expects home operators to develop and fulfill person-centred plans, directing the care and support for a client, but it does not assess whether plans are adequate and fulfilled.

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[15] Participant Abuse Policy for group home operators at www.creativeoptionsregina.ca/wp-content/uploads/2015/11/CLSD-Participant-Abuse-Policy.pdf; Approved Private Service Homes Abuse Policy at pubsaskdev.blob.core.windows.net/pubsask-prod/78769/APSH-Program-Manual.pdf (30 August 2021).

The Ministry's *Comprehensive Personal Planning and Support Policy* requires group and approved private service homes' staff to develop person-centred plans with their clients and review them at least every two years. The Ministry's community service workers may provide support in developing person-centred plans. The policy indicates the person-centred plans should include clear objectives, actions, responsibilities, and timeframes, and planning should be client-centred (e.g., client decides who participates in planning and all objectives of the plan should be client-driven) but does not provide specific, detailed guidance.

For example, if a client desires to increase swimming activity, some of the planned actions should address this desire. This client's support team (e.g., family, home operator, day-program staff) would set actions to visit a swimming pool on a regular basis.

The Ministry expects person-centred planning as an ongoing process with regular reviews to ensure it provides appropriate supports to execute the plans. To support home operators in creating person-centred plans, the Ministry maintains a webpage with resources to aid home operators in supporting clients and develop plans that fit their specific setting.[16]

The Ministry has also jointly with home operator representatives developed a website with numerous resources on creating a person-centred culture.[17] While the website does not have a template or specific guidance on what a quality person-centred plan should include, it does outline components of a person-centred culture. See **Figure 5** for a list of good practice on what a quality person-centred plan would include.

Figure 5—Components of a Quality Person-Centred Plan

- What people appreciate about the client (strengths)
- What is important to the client now, and in the future
- What is important for the client to stay healthy, safe and hold a valued role in society (support needs)
- What is working and not working in a client's life from different perspectives
- Clear outcomes directly connected to what is important to and for the client
- Detailed action plan that takes all potential supports (using support sequence) into account with specific dates and people responsible as well as a specific review date

Source: Helen Sanderson Associates, *Care and Support Planning*.

We tested 30 client records at the Ministry and found:

➢ Seven out of 30 (23%) client records did not include any person-centred plans

➢ Nine out 23 (39%) client records had existing plans at least four years old; with the most recently developed plan in 2017 and oldest plan developed in 2013

In addition, the Ministry does not review the person-centred plans for adequacy. We reviewed the 23 plans against the Ministry's policy and good practice (see **Figure 5**) and found:

➢ Sixteen out of 23 plans (70%) did not meet any or most components of a quality person-centred plan and the Ministry's policy

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[16] pubsaskdev.blob.core.windows.net/pubsask-prod/78769/APSH-Program-Manual.pdf (30 August 2021).
[17] *Person-Centred Saskatchewan—Nurturing person-centred cultures of support across Saskatchewan* (personcentredsk.ca) (5 October 2021).

➤ Seven out of 23 plans (30%) met either all or most components of a quality person-centred plan and the Ministry's policy

The plans did not include what is important for a client rendering the plans generally inadequate; no specific supports identified; no action plans and accountability present; and when actions were present, there was no connection to what is known about the client.

The Ministry does not have any process to periodically (e.g., annually, every two years) assess the quality and completion of plans. We found the Ministry did not, for 15 out of 23 plans (65%), evaluate previous plans or actions.

Management indicated it hired a contractor in May 2021 to develop outcomes for home operators, a performance management framework, and related tools. This may result in the Ministry better monitoring whether home operators support improved outcomes for adults with intellectual disabilities (e.g., through person-centred plans).

In addition, we tested records of the same 30 clients and found 63% of these clients (19 out of 30 records) did not have any documented contact with the Ministry's community service workers in the last two years. The Ministry expects community service workers to see clients in group homes at least once a year and clients in approved private service homes once every quarter to assess whether clients receive quality care.

Management indicated it is currently working on establishing new standards for seeing clients based on a risk-based approach—seeing clients with higher needs on a more frequent basis.

Without periodic review of person-centred plans and periodically meeting with clients, the Ministry does not know whether clients receive quality care and live quality and fulfilled lives. Furthermore, the Ministry may not know whether any issues or concerns exist if Ministry staff does not visit or contact clients periodically.

6. **We recommend the Ministry of Social Services periodically assess the quality and fulfillment of person-centred plans for adults with intellectual disabilities living in group and approved private service homes.**

7. **We recommend the Ministry of Social Services have regular contact about the person-centred plans with adults with intellectual disabilities living in group and approved private service homes.**

4.10 Serious Incidents Tracked

The Ministry of Social Services tracks serious incidents reported at homes supporting adults with intellectual disabilities.

The Ministry implemented policies to protect clients from abuse and neglect and established a reporting system for home operators to self-report any serious incidents. A serious incident is a severe or unusual event involving a client living at a Ministry-funded home, which impacts a client's health and safety. For example, home operators and staff are to report any hospitalizations, unexpected illnesses, and abuse or neglect allegations (e.g., emotional, physical) within 24 hours to Ministry staff. In addition, family of clients or

day-program staff working with clients may report any concerns about a client's care to the Ministry (via phone, email, or in-person).

Once a Ministry community service worker receives a serious incident notification, they complete a serious incident form (see **Figure 6** for information tracked) and determine whether the incident requires an investigation. The community service worker forwards the serious incident form to the Ministry consultant responsible for centrally tracking incidents. Beginning May 2021, the Ministry began to compile serious incidents by home operator and incident type, and then report to directors and supervisors for their review.

Figure 6—Information Requirements of Serious Incident Reporting

The reporting form requires the following information:
- Upon notification:
  - Incident type (e.g., unexpected illness, see **Figure 7**)
  - Date of incident (but not date reported, see **Section 4.12**)
  - Sector (e.g., group home)
  - Region (e.g., Central area)
  - Home operator (but not specific home, see **Section 4.12**)
  - Client's name
  - Action taken (e.g., taken to hospital)
  - Findings (founded, pending, unfounded)
  - Summary of incident
- Upon completion of investigation
  - Updated findings (e.g., from pending to founded)

Source: Ministry of Social Services' Serious Incident Reporting and Tracking System.

As shown in **Figure 7**, each year, homes report various types of serious incidents to the Ministry.

In 2020–21, group homes reported 748 serious incidents and approved private service homes reported 111 serious incidents—in total an overall 12% increase from the previous year. The majority of these reported serious incidents related to unexpected illness (for both group and approved private service homes) and medication abuse (for group homes).

In 2020–21, the Ministry received 58 notifications of disease outbreaks at 15 home operators, all related to COVID-19. The Ministry provided support to the home operators where COVID-19 outbreaks were reported. For example, the Ministry partnered with the Ministry of Health and the Saskatchewan Association of Safe Workplaces in Health (SASWH) on initiatives to support home operators in enhancing infection prevention and control measures and had personal protective equipment available for home operators who had challenges obtaining them.

Figure 7—Serious Incidents in Group Homes and Approved Private Service Homes 2018–21

Incident Type	Group Homes			Approved Private Service Homes		
	2018–19	2019–20	2020–21	2018–19	2019–20	2020–21
Denial of Opportunity [A]	3	7	5	5	2	5
Disruption of Services	1	1	1	2	1	-
Disease Outbreak	-	-	56	-	-	2
Emotional Abuse	14	14	18	6	8	7
Expected Death [B]	5	10	5	2	1	1
Fall	29	42	47	12	9	4

Incident Type	Group Homes			Approved Private Service Homes		
	2018–19	2019–20	2020–21	2018–19	2019–20	2020–21
Medication Abuse	148	238	177	1	1	7
Missing/Wandering Person	22	17	18	7	11	16
Motor Vehicle Accident	1	3	1	-	-	1
Neglect	9	4	25	2	5	5
Other Injury	28	27	46	4	5	1
Physical Abuse	12	31	29	5	7	4
Poisoning	1	1	1	-	-	-
Property Abuse	16	2	1	5	1	4
Sexual Abuse	3	4	-	-	-	-
Suicide Attempt	-	1	5	-	-	-
Unexpected Death	10	13	18	4	2	3
Unexpected Illness	245	260	295	52	41	51
Total	**547**	**675**	**748**	**106**	**94**	**111**

Source: Based on information provided by the Ministry of Social Services.
Shaded rows indicate serious incidents the Ministry considers more critical and warrant an investigation.
A Denial of opportunity is a form of abuse when a client is prevented from accessing some preferred activity for no good reason. For example, staff purposefully stopping a client from joining other housemates in a pre-planned swimming activity, despite the activity being in the client's best interest or a client's favoured activity would constitute a denial of opportunity, especially if stopped for malicious reasons.
B An expected death refers to a client with a terminal illness diagnosis, or who receives palliative care.

The Ministry noted it is working on improving a definition of medication abuse (i.e., intentionally inappropriate use of medication or over-medication) to distinguish serious incidents from medication administration (e.g., single missed medication dosage). For 2020–21, we found many of the reported medication-abuse serious incidents related to a single medication dose missed or medicine not given on time (78 or 42% of reported medication-abuse serious incidents) or wrong medication given (e.g., inadvertently switched noon-hour medication for evening medication) (47 or 25% of reported medication-abuse serious incidents). Only three incidents reported would be considered truly medication abuse (e.g., allegation of staff over-medicating a client).

In cases of a client's death at a home, Ministry staff follow its client death protocol, which requires a formal report determining the cause of death if unexpected. Home operators must contact the police and the Ministry upon an unexpected client death. If necessary, the police or the Ministry contact the Chief Coroner's Office to determine the cause of death.

We tested three client death instances and found two occurred at a hospital, one at a home, and all deaths were from natural causes (e.g., a heart attack). In the case where the death occurred at a home, Coroners' staff determined the cause of death.

Centrally tracking serious incidents in a single comprehensive database can support organizational learning and enhance safer client care.

4.11 Implementation of Serious Incident Investigation Recommendations Not Monitored

The Ministry of Social Services does not know whether recommendations included in serious incident investigation reports are implemented and if clients receive safe care.

The Ministry considers any allegations of abuse and/or neglect as critical serious incidents and must be investigated, while other serious incidents (e.g., hospital visit, expected death) are tracked for informative purposes, but do not warrant an investigation unless the Ministry decides otherwise.

In cases of abuse or neglect allegations at approved private service homes, Ministry community service workers investigate the allegation to determine whether an allegation was founded and provide a final report detailing a conclusion and recommendations, if needed, within 30 days of an incident.

In cases of abuse or neglect allegation at group homes, a Ministry community service worker supports the group home operator in investigating the allegation (i.e., is part of the investigation team). The Ministry expects investigations are completed within 30 days of starting an investigation. A report outlining a conclusion and recommendations, if needed, is given to the Ministry at the end of the investigation.

We tested 30 serious incident records from both types of homes: 15 did not require investigations (e.g., illness) and 15 did (e.g., emotional abuse allegations). We agreed with the conclusion for the 15 incidents not warranting investigations. For the other 15 serious incidents related to abuse or neglect allegations, we found the Ministry and home operators took appropriate steps:

➢ Investigations completed for 13 serious incidents

➢ One serious incident was not investigated, but Ministry staff confirmed the allegation because they witnessed emotional abuse directly. Due to other allegations of abuse and subsequent investigations, the Ministry revoked the home's licence.

➢ For the other serious incident, the home operator, in collaboration with Ministry staff, decided not to complete an investigation as they found no evidence abuse occurred

The Ministry does not provide timelines for when investigations should start, but we found investigations usually started within a week of a reported incident.

We found out of 13 investigations tested, seven were completed later than the Ministry's expectation (i.e., later than 30 days), ranging from 39 to 60 days since the investigation started or the incident occurred. We did not find any explanations for delays. Having investigations take longer than expected, means recommendations from the investigations may not be implemented promptly.

All 13 investigations tested resulted in final reports with appropriate recommendations as required by Ministry policy. Recommendations included actions like refresher training for staff, terminating a home operator's employee with a previous history of concerns, and implementing specific procedures for a client (e.g., safe bathing procedures).

We found the Ministry does not have a formal process to monitor whether homes implement recommendations. In addition, Ministry policies do not include timelines for implementing recommendations.

The Ministry does not centrally record recommendations and expected actions, or implementation. The Ministry views group home operators as responsible for implementing recommendations and does not formally follow up on recommendation implementation. Ministry management told us recommendations may be informally discussed with group home operators.

In nine out of 13 investigations (69%), we saw evidence of the Ministry either receiving an update or following up with both types of home operators on recommendations, but the Ministry does not keep this information. This information is located in the clients' files held by individual Ministry staff; therefore, other Ministry staff are not aware of actions taken by the home operator. For four other investigations, we did not see any evidence of follow up.

The Ministry needs information about implementation status of recommendations in order to effectively oversee that actions are taken to prevent future serious incidents.

The Ministry not following up on and monitoring the status of serious incident recommendation implementation, may lead to similar incidents reoccurring. Identifying delays in implementing corrective actions would provide the Ministry with important information to consider when relicensing a home and determining whether it needs to support the home to prevent specific types of incidents.

8. **We recommend the Ministry of Social Services monitor for timely implementation of recommendations, set out in serious incident investigation reports, at group and approved private service homes.**

4.12 Analysis to Identify Homes with Continuous Serious Incidents Needed

The Ministry of Social Services does not analyze serious incidents' data to identify homes where more serious incidents occur.

As noted in **Section 4.10**, the serious incident reporting form does not require collecting information on the date the incident was reported to the Ministry, which inhibits the Ministry from knowing whether homes report incidents promptly. Also, the serious incident report form does not provide detailed information on incident location because it only tracks home operator names and not the specific home—often one group home operator operates more than one home in Saskatchewan. Thus, we were not only unable to identify if one specific home had ongoing serious incidents, but also the Ministry does not know which particular homes experience more serious incidents than others.

The Ministry consultant tracking serious incidents and investigations results began monthly reporting to management in May 2021, listing serious incident and investigation status (e.g., founded, unfounded, pending), but no analysis or trends.

Comprehensively analyzing serious incidents at each home would allow the Ministry to identify home operators who are no longer suitable to care for adults with intellectual disabilities, and should not be licensed.

> 9. **We recommend the Ministry of Social Services analyze serious incidents related to adults with intellectual disabilities for systemic issues at each group and approved private service home.**

We note the Ministry does not have any formal guidance to determine when to escalate reoccurring or persistent concerns with care provided at homes. A formal process describing the escalation of interventions to address poor service delivery would assist home operators in understanding the consequences of inadequate service provision as well as being more transparent. In practice, when Ministry management informally identifies a home operator with multiple, significant issues, the Ministry may perform a detailed analysis of the home operator and its operations to assess whether the home operator needs support or should stop providing care. We found the Ministry completed detailed analysis for 12 home operators in the past four years. The Ministry revoked one home's licence and transferred ownership of three homes out of 12 reviewed home operators.

The Ministry, in collaboration with home operators, uses this analysis to develop action plans to address any significant issues related to client care. For example, one detailed analysis indicated a need for a weekly meeting between the home operator and the Ministry to discuss any serious incidents warranting a response according to the abuse policy, as well as a need for training on how to support clients.

We also found the Ministry undertook one in-depth review in the past five years and provided recommendations to the group home operator. The review's purpose was to provide recommendations to strengthen the group home's governance and operational management to allow them to meet their goals for providing quality care. The Ministry assessed the group home operator's overall operations (e.g., governance, human resources, financial review) as well as the systemic issues occurring at the home.

4.13 Limited Reporting on Homes' Care for Adults with Intellectual Disabilities

The Ministry of Social Services' senior management receives some reporting related to clients living at group and approved private service homes, but needs more.

Without a central tracking system, management does not know or receive reports summarizing whether staff inspected homes, found deficiencies, as well as whether each client received a visit from Ministry staff each year (see **Recommendation 4**).

The Ministry receives annual self-reporting from group home operators on their *Comprehensive Personal Planning and Support Policy* implementation. For example, the reports include the number of staff trained on the policy and the number of person-centred plans developed.

Starting in May 2021, the Ministry's senior management receive a monthly serious incidents summary, however, this report lacks details on specific homes and analysis on trends and systemic issues (see **Recommendation 9**).

We also found senior management receives alerts on internal issues—sensitive issues usually from reported serious incidents or potential crisis situations that may attract public attention or require Ministry response. For example, in summer 2021, senior management received an alert relating to a home operator at risk of evacuation due to wildfires in a northern community. In 2020–21, the Ministry issued 119 internal issue alerts and 44 in 2021–22 as of July 2021.

Taking steps to develop a central tracking system for licensing and robustly analyzing serious incidents will allow Ministry staff to provide meaningful reporting to senior management to monitor quality care in group and approved private service homes.

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Follow-Up Audits

Chapter 19
Advanced Education—Working with the Advanced Education Sector to Achieve Ministry Strategies

1.0 MAIN POINTS

The Ministry of Advanced Education, in conjunction with post-secondary institutions, continues to make progress toward implementing processes and reporting structures to monitor whether advanced education sector strategies are achieved.

By August 2021, the Ministry implemented initiatives with post-secondary institutions to monitor progress toward achieving its strategies as follows: established a performance framework, determined accountability reporting under the multi-year funding memorandum of understanding (MOU), and set sector-wide performance measures. However, the Ministry has not yet set measurable targets and timelines for the performance framework or multi-year funding MOU.

Having specific, measurable targets and timelines will assist the Ministry in analyzing and reporting on progress made by post-secondary institutions toward achieving advanced education sector strategies.

2.0 INTRODUCTION

The Ministry of Advanced Education is responsible for the post-secondary education sector.[1] Its responsibilities include coordinating, developing, implementing, promoting and enforcing policies and programs related to post-secondary education.[2] In particular, it is responsible for strategic alignment and effective two-way communication and information sharing between the Ministry and post-secondary institutions.[3]

To be successful in achieving its mandate as well as goals from the Ministry of Advanced Education's Plans, the Ministry must engage post-secondary institutions in its strategies.

This chapter describes our third follow-up audit of management's actions on the recommendations we made in 2015 about the Ministry's processes to work with the advanced education sector to achieve Ministry strategies.

Our *2015 Report – Volume 1*, Chapter 7, concluded the Ministry had, except in the areas reflected in our two recommendations, effective processes to work with the advanced education sector to achieve the Ministry's strategies for the sector as set out in *The Ministry of Advanced Education Plan for 2014–15*. By March 2018, the Ministry implemented one recommendation and partially implemented the other recommendation.[4]

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the

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[1] *Ministry of Advanced Education Annual Report for 2020–21*, p. 5.
[2] *The Ministry of Advanced Education Regulations,* section 3.
[3] *Ministry of Advanced Education Annual Report for 2020–21*, p. 6.
[4] See *2018 Report – Volume 1*, Chapter 13, pp. 199–201, and *2020 Report – Volume 1,* Chapter 13, pp. 207–209.

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.

To perform our follow-up audit, we discussed actions taken with Ministry management and reviewed Ministry communications to post-secondary institutions, reports submitted by post-secondary institutions, Ministry analysis, and public reports.

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 August 13, 2021, and the Ministry's actions up to that date.

3.1 Specific, Measureable Targets and Timelines Under Development

We recommended the Ministry of Advanced Education use specific, measurable targets and timelines to monitor progress toward achievement of its strategies. (2015 Report – Volume 1, p. 7, Recommendation 1; Public Accounts Committee agreement January 14, 2016)

Status—Partially Implemented

The Ministry plans to monitor progress toward achieving its strategies through a performance framework for post-secondary institutions, accountability reporting under the multi-year funding memorandum of understanding with post-secondary institutions, as well as sector-wide performance measures. However, the Ministry has not yet set measurable targets and timelines for the performance framework or multi-year funding MOU.

Performance Framework

By August 2021, the Ministry consulted with post-secondary institutions to develop a performance framework for the post-secondary sector. The performance framework builds on the five expectations for the sector, and includes key priorities for each expectation (see **Figure 1**).

Figure 1—Five Expectations and Key Priorities for the Post-Secondary Sector

Expectation	Key Priorities
Accessible: Offers qualified people the opportunity to attend and succeed in post-secondary education	• Target groups: including First Nations and Métis students; students with disabilities; mature students; and new Canadians • Health, safety, and wellbeing of students, faculty, and staff • Post-secondary education options are available at a range of locations and modalities • Range of financial supports including student loans, grants, and scholarships • Learner pathways
Responsive: Meets the needs of students, communities and the economy	• Research-linked, Government goals • Employer engagement • International engagement • Lifelong learning opportunities

Expectation	Key Priorities
High Quality: Meets standards and builds public confidence in the programs and services provided	• Programs have common standards and quality assurance • Programs provide skills and competencies required by Saskatchewan employers
Sustainable: Operates within available resources	• Consideration of alternative funding sources and models • Enhanced financial monitoring • Ensuring infrastructure supports the needs of the sector • Efficiency through collaboration among institutions
Accountable: Achieves expected outcomes and is transparent	• Effective board governance, including effective financial, operational, and management oversight • Establish accountability frameworks • Identifying strategic objectives and priorities • Ensuring performance monitoring and reporting of outcomes

Source: Adapted from information in the 2021–22 Budget Letters to post-secondary institutions. www.saskatchewan.ca/government/education-and-child-care-facility-administration/services-for-post-secondary-educational-institutions/funding-for-post-secondary-educational-institutions (13 September 2021).

For each expectation in the performance framework, post-secondary institutions submitted their own measures to the Ministry that the institution planned to report against in support of the framework. For example, in relation to the responsive expectation, measures include number of students participating in experiential learning and number of graduates who attain highly-skilled employment in a field related to their degree.

In its 2021–22 budget letters to post-secondary institutions, the Ministry set out the required reporting for the performance framework. By the first reporting deadline of June 30, 2021, we found post-secondary institutions reported on the measures institutions identified. The institutions also provided activities undertaken to support sector expectations.

The Ministry plans to provide further instructions to post-secondary institutions on the required information for the January 31, 2022 reporting submission. Currently, neither the Ministry nor institutions have defined targets and timelines for the measures identified by institutions (e.g., 5% increase in number of students participating in experiential learning by 2022).

Multi-Year Funding Memorandum of Understanding

By March 2021, the Ministry signed a multi-year funding memorandum of understanding (MOU) with post-secondary institutions for the period 2021–22 to 2024–25.[5] The agreement includes accountability reporting for all institutions that will report on institutions' long-term financial sustainability.

As required under the agreement, by June 30, 2021, we found institutions submitted information on their plan to address long-term sustainability over the four-year period of the agreement, as well as submitted institutions' goals and objectives for the additional operating grant allocation to support identified priority areas such as COVID-19 recovery, revenue generation and sector collaboration.

At August 2021, the Ministry drafted some analysis on the reporting submitted by institutions. The Ministry communicated to institutions that it plans to conduct further

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[5] The MOU provides post-secondary institutions with an additional $60M in operating funding to target areas such as COVID-19 recovery, revenue generation and sector collaboration. www.saskatchewan.ca/government/news-and-media/2021/april/21/saskatchewan-delivers-multi-year-funding-investment-for-post-secondary-education (1 September 2021).

analysis on how to monitor progress of achieving goals and objectives, including those measures in the performance framework.

Under the agreement, at January 31, 2022, the Ministry will require post-secondary institutions to provide measures and targets for the goals and objectives identified in the June 2021 reporting submission.

Sector-Wide Performance Measures

The Ministry defined targets and timelines for some of its sector-wide performance measures included in its annual plan and annual report.

As part of its annual plan, the Ministry set out performance measures for its annual goals. The Ministry's goals align with the five expectations for the sector (see **Figure 1**). For five out of 10 performance measures identified in its *Plan for 2020–21*, the Ministry determined targets and timelines for the measure (see **Figure 2**) and developed these targets and timelines using data obtained through the Post-Secondary Education Indicators Project.[6] The Ministry reported on the results for its performance measures in its 2020–21 Annual Report.

Figure 2—Ministry Performance Measures with Related Targets and Timelines

Ministry Goal	Performance Measures	Targets and Timeline
Students succeed in post-secondary education (aligns with **Accessible, Responsive & Accountable** expectations)	1. Indigenous student enrolment in credentialed programs 2. Indigenous students receiving credentials 3. Post-secondary educational attainment of population aged 15 years and over 4. Educational attainment of Indigenous and non-Indigenous populations aged 15 years and over by credential	1. Increase enrolment by 50% by 2024–25 (baseline year is 2014–15) 2. Increase by 25% by 2025 (baseline year is 2015) 3. 2021–22 target: one percentage point annual increase in the number of Saskatchewan residents, aged 15 years and over, who earn a post-secondary certificate, diploma, or university degree 4. Long-term target is to match the attainment level of the Indigenous population with the attainment rate of the overall Saskatchewan population
Meet the post-secondary education needs of the province (aligns with **Responsive, High Quality** and **Accountable** expectations)	1. Employment rate by credential	1. 2021–22 target: Saskatchewan's employment rate to remain higher than the national average
Saskatchewan's post-secondary sector is accountable and sustainable (aligns with **Sustainable** and **Accountable** expectations)	No performance measures with specific targets	

Source: Adapted from information in the *Ministry of Advanced Education Plan for 2021–22*.

Having specific, measurable targets and timelines will assist the Ministry in analyzing and reporting on progress made by post-secondary institutions toward achieving advanced education sector strategies.

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[6] In September 2015, the Ministry initiated, along with participating post-secondary institutions, the Post-Secondary Education Indicators Project to support consistent and comparable sector-wide reporting. www.saskatchewan.ca/residents/education-and-learning/universities-colleges-and-schools/post-secondary-education-indicators-project (2 September 2021).

Chapter 20
Corrections, Policing and Public Safety—Rehabilitating Adult Inmates

1.0 MAIN POINTS

Research indicates that inmates receiving treatment in rehabilitation programs have lower re-offending rates than offenders who do not receive treatment.[1] Rehabilitated inmates gain more opportunities to return to work and contribute to their community.

Under *The Correctional Services Act, 2012,* the Ministry of Corrections, Policing and Public Safety is responsible for providing correctional services and programs, including inmate rehabilitation. The Ministry is responsible for having effective processes to rehabilitate sentenced adult inmates within provincial correctional centres.

Since our 2018 follow-up audit, the Ministry continued to improve its processes to rehabilitate adult inmates. It implemented one of the three remaining recommendations first made in 2008, and made good progress on the other two.

During 2020–21, the Ministry improved its reporting to better monitor the number of inmates accessing and waitlisted for planned rehabilitation programs, and to track re-offence rates of sentenced inmates.

However, as at March 2021, while the Ministry evaluated some of its rehabilitation programs in prior years, it has not yet used the information from improved reporting to monitor and evaluate whether its rehabilitation programs help reduce recidivism. Such evaluations would help the Ministry know which programs successfully rehabilitate inmates, and identify adjustments.

Since our 2018 follow-up audit, the Ministry generally improved the frequency in which it assessed sentenced inmates' rehabilitation needs; however, it continues to inconsistently complete these assessments within the expected 28 days of admission into custody timeframe. Our testing of 30 assessments identified five assessments occurring between seven and 61 days later than expected. Timely assessment of inmate rehabilitation needs allows inmates to receive rehabilitation programming promptly to address their needs before their release back into the community.

2.0 INTRODUCTION

2.1 Inmate Rehabilitation Programs

The Ministry of Corrections, Policing and Public Safety operates the provincial correctional facilities housing inmates sentenced for terms of less than two years. The average inmate sentence is 10.8 months, while the average time served is about 7.2 months after reductions for good behaviour. About one-third of inmates have a further probationary term in the community.

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[1] www.publicsafety.gc.ca/cnt/rsrcs/pblctns/prnpls-rhbltn/index-en.aspx (7 April 2021).

As shown in **Figure 1**, approximately 13,000 inmates are admitted to custody in Saskatchewan's correctional facilities annually, which has remained steady over the last several years.

Figure 1—Total Custodial Admissions to Saskatchewan Correctional Facilities, 2014–15 to 2018–19

	2014–15	2015–16	2016–17	2017–18	2018–19
Total custodial admissions [A]	12,193	13,186	13,392	13,304	13,160

Source: 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.
[A] Total custodial admissions are totals of sentenced (including intermittent sentences), remand and other custodial status admissions.

As shown in **Figure 2**, the average daily number of sentenced inmates in Saskatchewan's correctional facilities was 940 during 2018–19.

Figure 2— Overall Sentenced Inmates and 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[A]	1,702	1,812	1,900	1,884	1,923
Sentenced	1,038	1,043	1,015	966	940

Source: www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510015401 (27 April 2021). The figure above includes the most current statistics available from Statistics Canada as of April 2021.
[A] 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.

The Ministry, through its Custody, Supervision and Rehabilitation Services Division, designs and provides programs aimed at reducing re-offending and improving offenders' ability to reintegrate into their communities.[2] Types of programs provided include addictions, education, employment/work, and cognitive behavioural programs. In addition to assessed rehabilitation needs of inmates, programs vary by location and resources available.

To reduce recidivism risk and enhance public safety, the Ministry must address the needs of sentenced inmates. Effective rehabilitation programming helps meet inmate needs and better prepare them for re-integration into the community.

2.2   Focus of Follow-Up Audit

This chapter describes our fifth follow-up audit of the Ministry of Corrections, Policing and Public Safety's actions on the recommendations we made in 2008 about its processes to rehabilitate adult inmates. In our *2008 Report – Volume 1*, Chapter 2, we identified areas where the Ministry could improve its processes to rehabilitate adult inmates in provincial corrections centres. We made four recommendations.

As reported in our four subsequent follow-ups of the Ministry's actions on these recommendations, the Ministry implemented one of the four recommendations by

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[2] Ministry of Corrections and Policing, *Annual Report for 2019–20*, p. 5.

March 31, 2010 (our first follow-up) and made some progress on the three other recommendations thereafter up to October 2018 (our fourth follow-up).[3]

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.

In this audit, we interviewed staff responsible for the rehabilitation of adult inmates. To test key aspects of the rehabilitation processes, we reviewed policies, tested a sample of inmate case files, performed analytics on inmate data, and reviewed monitoring and evaluation of rehabilitation programs.

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 31, 2021, and the Ministry's actions up to that date.

3.1 Better Monitoring of Rehabilitation Programs and Evaluation Needed

> ***We recommended the Ministry of Corrections, Policing and Public Safety monitor the proportion of inmates accessing planned rehabilitation programs before the inmates are released into the community and enhance access to rehabilitation if required.*** (*2008 Report – Volume 1,* p. 28, Recommendation 5; Public Accounts Committee agreement, August 28, 2008)

Status—Intent of Recommendation Implemented

> ***We recommended the Ministry of Corrections, Policing and Public Safety monitor re-offending rates in relation to rehabilitation programs to better evaluate its rehabilitation of inmates.*** (*2008 Report – Volume 1,* p. 28, Recommendation 6; Public Accounts Committee agreement, August 28, 2008)

Status—Partially Implemented

The Ministry of Corrections, Policing and Public Safety routinely uses information about the number of inmates accessing, or waitlisted for programs, in each correctional facility to identify potential program enhancements. In addition, the Ministry monitors inmate re-offence rates, but does not yet evaluate whether rehabilitation programs help reduce re-offence rates.

The Ministry maintains key information about inmates in its IT system—Criminal Justice Information Management System. During 2020–21, the Ministry completed additional

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[3] Past follow-up audit reports include: *2018 Report – Volume 2*, Chapter 30, pp. 221–224; *2015 Report – Volume 2*, Chapter 47, pp. 327–329; *2011 Report – Volume 2*, Chapter 4, pp. 93–97; *2010 Report – Volume 1*, Chapter 4, pp. 33–37.

report development to help staff monitor and track inmate rehabilitation program participation.

For example in the summer of 2020, the Ministry created an *Adult Custody Program List* report that includes detailed inmate data (e.g., risk assessments), rehabilitation programming (current and past programs), and program status (e.g., already completed, participated in, waitlisted). It also created a monthly *Program Inventory and Participant Record* report. This report includes information to monitor inmate participation in programs on a monthly and annual basis.

Also, in fall 2020, the Ministry developed an *Adult Custody Program Evaluation* report and an *Adult Custody Recidivism* report. These reports include summary information about inmate recidivism (re-offending rates by year) and inmate risk levels of re-offending (high, medium or low).

Our testing found the information in the *Adult Custody Program List* and *Program Inventory and Participant Record* reports complete and accurate (that is, agreed to information in Criminal Justice Information Management System). Our review of two 2020–21 reports found they included sufficient information (e.g., waitlist data [by program type and facility], program staffing, and COVID-19 related implications) to enable the Ministry to determine where sentenced inmates need more programming access. That is, help it determine where demand for specific programming exceeds available programming.

We noted the Ministry monitors waitlists and program staffing on adult correctional facilities —rehabilitation programs approximately every quarter, and gives senior management written reports about the results. We also noted the Ministry's fall 2020 rehabilitation program report included statistics on inmate re-offence rates and inter-jurisdictional comparisons for some of its adult rehabilitation programs (e.g., cognitive behavioural programs).

In addition, we found the following: the Ministry used information in the *Adult Custody Program List* and *Program Inventory and Participant Record* reports to identify needed enhancements to program access. For example, it identified large wait lists and demand for its *Addictions—Dedicated Substance Abuse Treatment Unit* program and, during 2020–21, expanded access to this program to the Pine Grove Correctional Centre. Previously, the Ministry only offered this program to the Regina Correctional Centre. The Ministry indicated it plans to expand access to include the Prince Albert and Saskatoon Correctional Centres in 2021–22.

While the Ministry evaluated some of its rehabilitation programs in prior years, as at March 2021, it has not yet used the information from its improved reporting to monitor and evaluate whether its rehabilitation programs help reduce recidivism. The Ministry hired a new position during fall 2020 responsible for program evaluation and program audits. The Ministry plans to annually assess and prioritize its rehabilitation programs for evaluation to determine whether the programs reduce inmate re-offence rates.

Without evaluating correctional centre rehabilitation program success in reducing inmate re-offences, the risk of rehabilitation programs not meeting inmates' needs increases, and reduces inmates' successful re-entry into society.

3.2 Completion of Inmate Assessments Improving

We recommended the Ministry of Corrections, Policing and Public Safety consistently comply with its policies to assess inmates' needs (primary and secondary) and plan relevant programs. (*2008 Report – Volume 1,* p. 28, Recommendation 3; Public Accounts Committee agreement August 28, 2008)

Status—Partially Implemented

While the Ministry of Corrections, Policing and Public Safety consistently assesses individual inmate needs and uses assessment results to identify relevant rehabilitation programming, it sometimes encountered delays in completing its sentenced inmates' needs assessments within 28 days of admission into custody.

The Ministry's case management policy requires correctional staff to complete an assessment of a sentenced inmate's risks and needs within 28 days of their admission to a secure custody facility. It makes case managers within each correctional facility responsible for the completion of these assessments.

During 2020–21, the Ministry gave correctional staff the ability to generate reports to monitor dates staff completed inmate needs assessments and offender programming status. Also, several times during 2019–20 and 2020–21 at each correctional centre, the Ministry provided correctional staff (e.g., case managers and supervisors) with case management training.[4] This training supports the completion of quality and timely inmates' needs assessments. The Ministry was unable to provide updated training in 2020–21 in all correctional centres, due to restrictions resulting from the COVID-19 pandemic.

Our testing of 30 inmate case files found correctional staff completed inmate assessments and planned for rehabilitation programs consistent with those assessments. These results were consistent with our analysis of the *Adult Custody Program List*. We found almost all of the 700 sentenced inmates listed completed, were participating in, or were waitlisted for rehabilitation programming at March 2021. The Ministry had reasonable explanations as to why a few sentenced inmates (i.e., five of 700) were not participating in rehabilitation programming.

However, for five of 30 inmate case files we tested, correctional staff did not complete inmate assessments within the policy expectation of 28 days of an inmate's admission into custody. For these five inmates, correctional staff completed assessments between seven and 61 days later than the policy expected. The expected length of stay for these five inmates was between 222 to 726 days. Our current testing results show correctional staff more often completed assessments within expected timeframes than in 2018. Our 2018 follow-up audit found for nine of 30 inmates' case files tested, correctional staff completed assessments later than the policy expected.

Management told us, in some cases, the COVID-19 pandemic impacted the Ministry's ability to complete timely inmate assessments. For example, during the pandemic, the Ministry moved inmates into different units within the correctional centre because of a lack of availability of beds for sentenced inmates. This delayed assigning case managers.

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[4] Supervisors are responsible for reviewing case plans completed by case managers within their unit.

However, for the noted five case files tested, we found the pandemic was not the only factor to cause delays. Ministry management indicated that for three of those five inmates, the supervisor was new and only recently received coaching on assessment timelines and case management due dates.

Not assessing sentenced inmates' rehabilitation needs within a reasonable timeframe from their admission delays their participation in rehabilitation programming designed to reduce inmate re-offences and address their needs.

Chapter 21
Education—Increasing Grade 12 Graduation Rates

1.0 MAIN POINTS

By June 2021, the Ministry of Education implemented the one outstanding recommendation we first made in our 2012 audit relating to increasing Grade 12 graduation rates. The Ministry analyzed each school division's 2019–20 annual report to determine whether the 27 school divisions used effective strategies to improve Grade 12 graduation rates. The Ministry summarized its analysis and communicated its findings to school divisions on June 1, 2021.

Evaluating strategies across school divisions allows the Ministry to effectively monitor school divisions' strategies for improving graduation rates. Moreover, analyzing and communicating findings to all school divisions can help school divisions identify common barriers and actions to improve graduation rates across the sector.

2.0 INTRODUCTION

2.1 Background

The Ministry of Education is responsible for providing leadership and direction to the prekindergarten through Grade 12 education sector. It promotes student success and well-being for Saskatchewan children and youth, as well as family literacy as a foundation for the province's social and economic growth.[1]

Graduating from Grade 12 is an important personal goal with broad societal implications. On a personal level, students who do not complete Grade 12 have fewer work opportunities, less income, and ultimately poorer health.[2] Over the long term, Grade 12 graduation rates affect the size of the skilled workforce and the provincial economy.

In 2013, the Ministry of Education, school divisions, and participating First Nations Education Authorities formed the Provincial Leadership Team to lead and coordinate the development and implementation of the Education Sector Strategic Plan (ESSP).[3] One goal included in the ESSP outlined that by June 30, 2020, Saskatchewan would achieve an 85% three-year graduation rate and a 90% five-year graduation rate; overall, neither goal was achieved by June 2020.[4] As of June 2021, the Ministry and its education sector partners continued to develop a new provincial education plan to guide the sector.[5]

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[1] *Ministry of Education Plan for 2021–22*, p. 3.
[2] Ministry of Education, *Keeping Kids in School: Trends, Issues and Responses*, (2008), pp. 4–5.
[3] The Education Sector Strategic Plan (ESSP) is a multi-year strategic plan focused on specific outcomes and achieving goals set out in the *Saskatchewan Plan for Growth: Vision 2020 and Beyond*.
[4] *Ministry of Education 2020–21 Annual Report, p. 20.*
[5] *Ministry of Education Plan for 2021–22*, p. 3.

Figure 1 illustrates the three-year, five-year and eventual graduation rates for Saskatchewan students completing Grade 12 from June 2011 to June 2020. It shows Grade 12 graduation rates improved overall during this time period. However, it also shows the disparity in graduation rates for students who identify as First Nation, Métis, and Inuit students (FNMI) as compared to students who do not self-identify as FNMI.

Figure 1—Trends for Completion of Grade 12

Completing Grade 12	Three-year (within three years)[A]			Five-year (within five years)[A]			Eventual (within eight or more years)[A]		
	All	Non-FNMI	FNMI[B]	All	Non-FNMI	FNMI[B]	All	Non-FNMI	FNMI[B]
June 2011	72.7	81.8	32.9	81.3	87.9	48.5	84.8	89.0	60.3
June 2012	73.7	82.9	35.9	81.2	88.0	49.7	85.6	89.1	63.0
June 2013	74.8	83.9	37.4	80.1	87.0	50.0	84.7	88.8	62.8
June 2014	74.7	83.4	40.3	81.4	88.1	54.2	85.8	90.3	64.0
June 2015	75.2	84.3	40.1	82.5	89.2	55.9	86.1	90.7	65.3
June 2016	75.6	84.6	41.8	83.3	89.5	59.6	85.1	89.7	65.2
June 2017	76.5	85.4	43.2	84.0	90.4	59.8	85.9	90.7	66.8
June 2018	77.4	86.5	44.5	84.4	91.1	59.4	86.3	91.2	67.1
June 2019	77.3	86.8	43.4	84.7	91.2	61.0	86.7	91.4	68.6
June 2020[C]	79.8	89.2	46.7	85.5	91.9	62.6	87.1	92.2	68.1
Sector Goal	85.0			90.0			-		

Source: *Ministry of Education 2020–21 Annual Report*, p. 20.
This is the most recent data available at August 16, 2021, as graduation results for June 2021 will not be available until fall 2021.
[A] Three-year graduation rates are calculated as the percentage of students who complete Grade 12 within three years of starting Grade 10. Five-year graduation rates are calculated as the percentage of students who complete Grade 12 within five years of starting Grade 10 (and include those who graduate within three years). Eventual graduation rates are the percentage of students who started Grade 10 in 2011–12 who completed Grade 12 in eight years or more by June 2020. Data includes students in provincially funded, independent and First Nations schools.
[B] FNMI students are those who choose to self-identify as First Nations (Registered/Treaty/Status Indian, Non-Status Indian), Métis, or Inuit/Inuk.
[C] Three-year graduation rates for the 2019–20 school year show a larger than usual year-over-year percentage point increase for June 2020. The provincial policy set in place in response to the COVID-19 pandemic (i.e., ensuring students would receive passing grades in courses in which they were actively enrolled as of March 13, 2020), along with school operational and instructional responses, likely contributed to this increase.

2.2 Focus of Follow-Up Audit

This chapter describes our fourth follow-up audit of management's actions on the recommendations we made in 2012.[6]

Our *2012 Report – Volume 1*, Chapter 2, concluded that, during February 1, 2011 to January 31, 2012, the Ministry of Education did not have effective processes to increase Grade 12 graduation rates above 2004–05 baselines. We made 10 recommendations. In our three subsequent follow-ups of the Ministry's actions on these recommendations, we found the Ministry implemented nine of the 10 recommendations by January 2019.[7]

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[6] *2012 Report – Volume 1*, Chapter 2, pp. 31–47.
[7] *2014 Report – Volume 1*, Chapter 19, pp. 163–170; *2017 Report – Volume 1*, Chapter 20, pp. 233–240; *2019 Report – Volume 1*, Chapter 18, pp. 235–237.

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 recommendation, we used the relevant criteria from the original audit. Ministry management agreed with the criteria in the original audit.

To perform this follow-up audit, we interviewed relevant Ministry officials and reviewed the Ministry's process to assess school divisions' strategies to improve graduation rates.

3.0 STATUS OF RECOMMENDATION

This section sets out our recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at June 1, 2021, and the Ministry's actions up to that date.

3.1 Analyzed School Divisions' Use of Effective Strategies to Increase Graduation Rates

We recommended the Ministry of Education review each school division's Continuous Improvement Plan and assess its planned use of key effective strategies before approving the school division's budget for the related school year. (2012 Report – Volume 1, p. 40, Recommendation 6; Public Accounts Committee agreement January 14, 2015)

Status—Implemented

The Ministry of Education analyzed each school division's 2019–20 annual report to determine whether the 27 school divisions used effective strategies to improve Grade 12 graduation rates. The Ministry communicated its analysis and findings to school divisions in June 2021.

The Ministry used a rubric (i.e., standard assessment tool) to analyze the annual reports. The Ministry developed its rubric through engagement with stakeholders in school divisions, review of good practice literature, and review of school divisions' actions and strategies (i.e., as described in their graduation rate improvement plans and annual reports). In January 2021, the Ministry distributed the final rubric to school divisions to guide future development of their graduation rate improvement plans.

Each school division's annual report includes information (e.g., measures, strategies) about graduation rates. By May 2021, the Ministry analyzed the school divisions' 2019–20 annual reports to assess whether school divisions' strategies aligned with the rubric. The Ministry summarized its analysis and communicated its findings to school divisions on June 1, 2021. This included highlighting areas where certain school divisions used key effective strategies for improving graduation rates (e.g., use of intervention strategies with a personalized focus, systematically identifying students at risk of not completing high school). Formally sharing effective strategies should help all school divisions develop and implement strategies to improve graduation rates.

We tested the Ministry's analysis for a sample of four school divisions and found the Ministry used the rubric to assess these school divisions' strategies. We found the Ministry's analysis consistent with the information reported by these school divisions in their annual reports.

Using a rubric to evaluate each school division's strategies allows the Ministry to complete consistent analysis and provide school divisions with relevant information to consider and to adjust their graduation rate improvement strategies as necessary. It also allows the Ministry to effectively monitor school divisions' strategies for improving graduation rates. Moreover, analyzing school divisions' actions to increase graduation rates identifies common barriers and highlights effective actions to further improve graduation rates.

Chapter 22
Education—Instruction Time

1.0 MAIN POINTS

The Ministry of Education has made limited progress in implementing the remaining two recommendations from our 2009 audit about school instruction time.

The Ministry actively monitors the total required instruction hours through its annual review of school calendars. It expects school divisions to offer 950 hours of total instruction time annually to students in Grades 1 to 12. School divisions submit their Board-approved calendars each year in May, which outline the total instruction hours for elementary and high schools. We tested nine school divisions and found the Ministry reviewed the total reported instruction hours with all nine school divisions meeting the 950-hour total instruction time requirement.

However, not all school divisions in Saskatchewan meet the required instruction time for core subjects (e.g., math, English). In May 2021, the Ministry implemented an annual declaration process to monitor school divisions' compliance in providing the required instruction hours for core study areas (e.g., 95–100 hours for core subjects in high school). It expected school division officials to sign a declaration indicating whether they would meet required instruction hours, as set out in the Ministry's guidance, for all core subjects. Fifteen of 27 school divisions declared they would not meet core instruction hours, and one school division did not respond.

Moreover, the Ministry has taken limited action to follow up with those school divisions not in compliance with required instruction hours for core subjects. It needs to actively work with school divisions to resolve issues preventing delivery of the expected instruction hours in all core subject areas.

Not monitoring instructional hours delivered for core subjects and not assisting school divisions that do not provide students with required instruction hours, may result in students insufficiently understanding or not succeeding in those core subjects.

2.0 INTRODUCTION

This chapter describes our fifth follow-up audit of management's actions on the recommendations we made in 2009 about the Ministry's processes to achieve compliance by school divisions in delivering student instruction time as required by the Minister.[1]

2.1 Background

The *Education Act, 1995,* makes the Ministry of Education responsible for establishing regulations authorizing provincial instructional hours per year and approving courses of

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[1] The original audit report regarding these recommendations can be found at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in *2009 Report – Volume 3*, Chapter 4, pp. 52–67.

study authorized by Boards of Education for credit purposes in accordance with *The Education Regulations, 2015*. Instruction time is any time in which school pupils are in attendance and under teacher supervision for the purpose of receiving instruction in an educational program.[2]

By law, in each school year, school divisions must provide at least 950 hours of total instructional time for Grades 1 to 12.[3]

The Ministry's handbook states that school divisions are required to devote a minimum amount of hours to core subjects, such as English (language arts), mathematics, science, and physical education. For example, the handbook's guidance requires students in Grades 1 to 6 to have a minimum 210 minutes per week of instruction time in mathematics, while a core subject in high school (i.e., Grades 10–12) requires a minimum of 95–100 instruction hours. The Ministry allows for schools with classes between Grades 1 to 9 to reduce instruction time in any subject area by no more than 20% to allow for locally-developed options (e.g., religion in catholic schools).

Having minimum instruction hours for core curriculum subjects in all grades gives students sufficient instruction time to learn and understand core subjects.

2.2   Focus of Follow-Up Audit

This audit follows up on two outstanding recommendations we first made in 2009. Our *2009 Report – Volume 3*, Chapter 4, concluded that for the year ending September 30, 2009, the Ministry of Education did not have adequate processes to achieve compliance by school divisions in delivering student instruction hours as required by the Minister. We made six recommendations. By January 2019, the Ministry implemented four of six recommendations.[4]

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 and school division staff, reviewed relevant legislation and policies, and assessed the reasonableness of supporting documentation.

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 September 15, 2021, and the Ministry's actions up to that date.

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[2] *The Education Regulations, 2015*, s. 25.
[3] *The Education Regulations, 2015*, s. 28.
[4] *2019 Report – Volume 1*, Chapter 19, pp.239–242.

3.1 Instruction Hours for Core Subjects Not Actively Monitored

> *We recommended the Ministry of Education monitor for all core curriculum areas of study the extent to which school divisions meet the Ministry's requirements for instruction time.* (2009 Report – Volume 3, p. 63, Recommendation 5; Public Accounts Committee agreement May 12, 2010)

> **Status**—Partially Implemented

The Ministry of Education actively monitors overall instruction hours required for school divisions (950 hours per school year for Grades 1 to 12), but it does not actively monitor school divisions' compliance with the required instruction hours for core curriculum areas of study (e.g., math, English).

Each year in May, school divisions submit their Board-approved, school-year calendars to the Ministry. Through its bi-weekly bulletin, the Ministry reminds school divisions of deadlines for submitting their calendars. The calendars outline the total instruction hours for schools in each school division for the following school year. The Ministry reviews these calendars to ensure consistency with minimum requirements for students' total instruction hours.

We reviewed the Ministry's analysis of nine school divisions' calendars and found the Ministry sufficiently monitors total instruction time (950 hours).

In May 2021, in addition to calendar submissions, the Ministry required school divisions to submit signed declarations confirming they are meeting all instruction hours for core curriculum areas of study as required. Fifteen of 27 school divisions declared they would not meet core subject instruction hours, and one school division did not respond.

We selected nine school divisions' annual declarations and found the Ministry reviewed and noted non-compliant school divisions. Five out of nine divisions declared not meeting the minimum instruction hour requirements for all core subjects in high school. Three of the five divisions stated in the declaration the high school semester structure affected their delivery of 95–100 instruction hours for core subjects.

The Ministry did not follow up with the school divisions to resolve the shortfall in instruction hours, also noted in **Section 3.2**.

Of the remaining four school divisions that indicated they were meeting the required instruction hours, we assessed two core subjects (Grade 10 English and math) in two different semesters and found:

➢ One school division met the required instruction hours in both semesters

➢ We were unable to confirm the instruction hours met minimums based on the information provided by three school divisions

The Ministry noted it plans to require additional information from school divisions about the reported core subject instruction hours in their annual declarations. The updated annual declaration will be included as part of the annual calendar review process in May 2022.

Not monitoring core subjects' instructional hours increases the risk that school divisions are not providing students with required instruction time. Providing students with appropriate instructional hours for required areas of study increases their understanding in core subjects and overall success.

3.2 Follow Up and Corrective Action Needed for Instruction Time Shortfalls

> ***We recommended the Ministry of Education take corrective action where necessary to improve school division compliance with the Ministry's requirements for instruction time.*** *(2009 Report – Volume 3*, p. 64, Recommendation 6; Public Accounts Committee agreement May 12, 2010)

Status—Partially Implemented

The Ministry of Education has not instituted a process to follow up and address school divisions that are not complying with core subject instruction hour requirements (e.g., minimum 95–100 hours per course in high school).

The Ministry communicates the results from its review of the school calendars for total instruction hours. However, its does not follow up with school divisions to resolve compliance issues declared in the annual declarations for core curriculum areas of study.

We found in our testing of nine school divisions, the Ministry communicated to school divisions the results of its school calendar analysis. All nine met the 950-hour total instruction hour requirements.

As mentioned in **Section 3.1**, five out of nine divisions tested stated in their annual declarations that they are not meeting the minimum requirements for all core subjects in high schools. The Ministry did not follow up with these school divisions to resolve the shortfall in instruction hours.

In August 2021, the Ministry indicated they met with school division officials to discuss updating its handbook's guidance on instruction hours for school divisions to reflect the change in core subject instructional time from 100 hours to between 95–100 hours. The Ministry posted this change in guidance on its website in September 2021. We noted the handbook's guidance does not require an annual declaration for core subject hours and does not outline follow up processes with those school divisions not in compliance with the required instruction hours.

Lack of processes to address non-compliance with core subject instruction hour requirements increases the risk students do not receive the appropriate amount of time to learn and understand core curriculum areas of study.

Chapter 23
Education—Monitoring Kindergarten Students' Readiness to Learn in the Primary Grades

1.0 MAIN POINTS

By August 2021, the Ministry of Education improved its processes to monitor kindergarten students' readiness to learn in the primary grades.

The Ministry established a process in spring 2021 to analyze the Early Years action plans of school divisions with students at risk of not being ready to learn in the primary grades. Ministry staff provided these school divisions with guidance for developing the plans and provided feedback to school division officials based on the Ministry's assessment.

In addition, the Ministry established a plan to meet with those school divisions whose students are most at risk each fall and spring to discuss their action plans, and it also distributed activity cards outlining play-based learning activities to seven school divisions with a targeted prekindergarten program to share with families.

By providing guidance, feedback, and resources to those school divisions whose kindergarten students are most at risk of not being ready to learn, the Ministry increases the likelihood of more students being ready to learn in the primary grades.

2.0 INTRODUCTION

2.1 Background

Research shows that quality early education leads to better health, education, and employment outcomes later in life, especially for children from disadvantaged backgrounds.[1] During the earliest years of life, a child develops basic skills, knowledge and abilities upon which all further learning is built.[2] Ensuring children receive a quality education early in life not only reduces the risk of poverty, but also improves school readiness, and overall health and wellness. Moreover, it reduces employment and education gaps for First Nations and Métis people, as well as improves graduation rates and lifelong success for all citizens.[3]

The Ministry of Education is responsible for providing leadership and direction to the prekindergarten through Grade 12 education sector. It promotes student success and well-being for Saskatchewan children and youth, as well as family literacy as a foundation for the province's social and economic growth.[4]

In 2013, the Ministry of Education, school divisions, and participating First Nations Education Authorities formed the Provincial Leadership Team to lead and coordinate the

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[1] Auditor General New South Wales, *Early Childhood Education: Department of Education*, (2016), p. 6.
[2] Ministry of Education, *Saskatchewan's Early Years Plan 2016–2020*, p. 3.
[3] Ibid., p. 2.
[4] *Ministry of Education Plan for 2021–22*, p. 3.

development and implementation of the Education Sector Strategic Plan (ESSP).[5] The ESSP included a goal supporting the educational development of children aged zero to six such that by June 2020, 90% of students exiting kindergarten are ready to learn in the primary grades.[6] Students scoring in the appropriate Early Years Evaluation (EYE) range demonstrate learning readiness and should experience success in subsequent grades.

The EYE assessment tool provides the Ministry with a good understanding of young children's development when they first enter school with a particular focus on reading readiness skills. As a learning assessment tool used universally in provincial kindergarten programs, the EYE provides an important tool for educators and school divisions to help guide planning and practice in classrooms, and at school and division levels.[7] In 2020–21, 78.7% of students exiting kindergarten scored within the appropriate EYE range.[8,9] The results for this measure remained flat since the Ministry began measuring kindergarten students' readiness to learn in 2014–15 (i.e., 79.2%).

Assessing students early in kindergarten helps identify those who may be in need of professional services such as speech pathology or additional school supports. Students experience more difficulty in catching up with their peers the longer their needs go undiagnosed and unsupported.[10]

Without effective processes to monitor kindergarten students' readiness to learn in the primary grades, the Ministry risks placing students at greater risk of not achieving their academic, financial and social potential.

2.2 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on the recommendations we first made in 2017.[11]

Our *2017 Report – Volume 2*, Chapter 22, concluded that for the 12-month period ended April 30, 2017, the Ministry of Education had, other than the matters reflected in our four recommendations, effective processes to monitor improving the percentage of kindergarten students scoring within the appropriate Early Years Evaluation range to meet the sector goal of 90% by 2020. By September 2019, the Ministry implemented two of four recommendations.[12]

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

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[5] The Education Sector Strategic Plan (ESSP) is a multi-year strategic plan focused on specific outcomes and achieving goals set out in the *Saskatchewan Plan for Growth: Vision 2020 and Beyond*.
[6] *Ministry of Education 2020–21 Annual Report*, p. 14.
[7] Ibid., p. 18.
[8] Adapted from information provided by the Ministry of Education. As a result of COVID-19, the 2020–21 EYE assessments did not include all kindergarten students due to difficulties in appropriately assessing students learning from home or in eLearning contexts. In addition, overall kindergarten enrolment for 2020–21 was lower than expected. In a typical year prior to COVID-19, the Ministry estimates 85% of kindergarten-eligible children in the province were included in EYE assessments. In 2020–21 though, with fewer kindergarten-eligible children enrolled in school and a larger proportion of students learning outside of classrooms, the Ministry estimates that 70% of kindergarten-eligible children in the province participated in EYE assessments.
[9] Due to school closures in response to COVID-19, schools did not conduct EYE re-assessments in spring 2020. As such, there are no comparative EYE results for students exiting kindergarten in 2019–20.
[10] Understanding the Early Years Regina, September 2009, *UEY Regina Research Update: Measuring Early Childhood Development in Regina*. www.reginakids.ca/rsu_docs/uey-regina_edi-results-sept200953738.pdf (18 August 2021).
[11] *2017 Report – Volume 2*, Chapter 22, pp. 133–142.
[12] *2019 Report – Volume 2*, Chapter 31, pp. 259–264.

from the original audit. The Ministry's management agreed with the criteria in the original audit.

To perform this follow-up audit, we interviewed relevant Ministry officials and reviewed the Ministry's process to assess school divisions' Early Years action plans.

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 August 18, 2021, and the Ministry's actions up to that date.

3.1 Ministry Taking Action to Assist School Divisions With Students Most at Risk of Not Being Ready to Learn in the Primary Grades

We recommended the Ministry of Education coordinate its analysis of action plans of school divisions at risk of not achieving the early learning goal to assist them in increasing the number of students who are ready to learn in the primary grades upon exiting kindergarten. (*2017 Report – Volume 2*, p. 139, Recommendation 2; Public Accounts Committee agreement June 12, 2018)

Status—Implemented

We recommended the Ministry of Education take specific actions to assist those school divisions whose students are most at risk of not being ready to learn in the primary grades when exiting kindergarten. (*2017 Report – Volume 2*, p. 141, Recommendation 4; Public Accounts Committee agreement June 12, 2018)

Status—Implemented

The Ministry of Education established a process to analyze the Early Years action plans of school divisions with students at risk of not achieving the early learning goal. In addition, the Ministry took specific actions to assist those school divisions whose students were most at risk of not being ready to learn in the primary grades when exiting kindergarten.

The Ministry analyzed data from fall 2020 Early Years Evaluation (EYE) results to identify 29 High Count High Rate (HCHR) schools within 15 school divisions across the province. HCHR schools have both a large number of students scoring outside the appropriate EYE range, as well as students among the most objectively vulnerable (i.e., most likely to experience difficulty with developmental tasks). Consistent with our 2019 follow-up audit, the Ministry identifies HCHR schools each year using the fall EYE results.

In spring 2021, the Ministry required those school divisions with HCHR schools to submit an Early Years action plan in response to the EYE data results for these schools. The Ministry gave these school divisions a plan template and a 'considerations' document providing guidance for developing their action plans. We found the guidance provided by the Ministry to be reasonable, as it set out various elements relevant to improving students'

readiness to learn (e.g., program delivery, family engagement) along with examples for suggested actions that schools may undertake.

Upon receipt of the Early Years action plans from these school divisions, analysts from the Ministry's Early Learning Unit evaluated the plans to identify gaps or other issues to discuss with the specific school divisions. For a sample of five HCHR schools, we found a Ministry analyst reviewed the associated Early Years action plan and provided feedback (e.g., through discussions or email) to school division officials. We found the analysts' review of the action plans considered whether school divisions placed focus on specific areas, such as fostering relationships with families, teachers' experience level, student attendance, lack of prekindergarten programming, or possible COVID-19 pandemic impacts.

In addition to providing identified school divisions with guidance for their Early Years action plans, we found the Ministry also took the following actions to assist school divisions whose students were most at risk of not being ready to learn in the primary grades:

➢ Established a plan, in June 2021, to meet with those school divisions with HCHR schools each fall and spring to discuss their action plans.

➢ Distributed activity cards, in August 2020, to seven school divisions with HCHR schools with targeted prekindergarten programs. These activity cards include play-based activities families can use with children and offer examples of skills children need (e.g., listening to others, sorting items by size/colour/shape, social skills, gross motor skills) as they reach developmental milestones. These activity cards provide families with ideas to improve their children's readiness to learn before entering kindergarten.

By providing guidance, feedback, and resources to those school divisions with HCHR schools, the Ministry increases the likelihood of more students being ready to learn in the primary grades.

Chapter 24
Finance—Implementing the Revenue Administration Modernization Project

1.0 MAIN POINTS

The Ministry of Finance expects its Revenue Administration Modernization Project (RAMP) to improve how it administers many types of taxation revenue.

By August 2021, we found the Ministry established a plan for how and when it will measure and report to stakeholders about benefits achieved from implementing RAMP. It documented information about the measurement methodology, data sources, baselines, and targets for expected benefits. It expects to start reporting to Ministry senior management and Treasury Board about actual benefits achieved compared to expected benefits by September 30, 2022.

2.0 INTRODUCTION

The Government of Saskatchewan relies on its taxation revenues to finance its core services (e.g., provision of health and education). The Ministry of Finance is responsible for administering and collecting certain provincial taxes.[1] Each year, the Ministry directly levies about $4 billion of taxation revenue.

Through its Revenue Administration Modernization Project (RAMP), the Ministry updated its administration processes for taxation revenue including updating related IT systems over five years (2014 to 2019). The Ministry used RAMP to change how it administers many types of taxation revenue, including provincial sales, education property, fuel, and tobacco taxes.

2.1 Focus of Follow-Up Audit

This chapter describes our follow-up audit of management's actions on the one remaining recommendation we first made in our *2017 Report – Volume 1*, Chapter 5, about the Ministry of Finance's processes for managing the implementation of RAMP. By September 2019, as reported in our *2019 Report – Volume 2*, Chapter 34, the Ministry implemented one of our two recommendations, and made progress on the remaining recommendation.[2]

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.

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[1] *The Revenue and Financial Services Act*, s. 10 gives the Minister of Finance the authority to collect or control the collection of public money, assess taxes, and collect those taxes.
[2] Find reports regarding this recommendation at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in our *2017 Report – Volume 1*, Chapter 5, pp. 55–64. We reported our first follow-up of this recommendation in our *2019 Report – Volume 2*, Chapter 34, pp. 271–273.

To carry out this follow-up audit, we discussed actions taken with management and examined supporting documents (e.g., plans for reporting project benefits, guidance for measuring and tracking project benefits).

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 August 31, 2021, and the Ministry's actions up to that date.

3.1 Plan Set to Measure and Report Benefits from RAMP

We recommended the Ministry of Finance establish how and when it will measure and report to stakeholders about the benefits achieved from its Revenue Administration Modernization Project. (2017 Report – Volume 1, p. 61, Recommendation 1; Public Accounts Committee agreement February 26, 2019)

Status—Implemented

The Ministry of Finance established a plan in 2021 for how and when it will measure and report to stakeholders about the benefits achieved from RAMP until 2029–30.

The Ministry established, in its 2014 RAMP business case, the benefits it expected to achieve from RAMP (e.g., reduced time to process tax returns or issue refunds, increased revenue from better data analysis to identify errors and improve collection) and tracks them in a spreadsheet. For each expected benefit, it documents how it plans to measure the benefit. It tracks a baseline (initial) value and target for each benefit to support later comparisons to actual values over the next 10 years.

Starting in 2016, the Ministry centrally stores reports and queries from its new tax revenue IT system (TACS) that it uses to measure the benefits to consistently measure the benefits over time. It notes these sources in its tracking spreadsheet for easy reference.

At August 31, 2021, we found the Ministry documented sufficient information to support the measurement of most benefits. Management advised us it is working to complete remaining details as it finishes assessing data available from its new IT system.

By September 30, 2022, the Ministry's plan expects it to provide its first annual report on RAMP benefits to its senior management and senior government officials who approved RAMP in 2014 (e.g., Treasury Board). The annual reports will include comparisons of expected to actual benefits achieved with explanations for any significant differences, as well as a five-year historical trend. We found the Ministry's Revenue Division began preparing internal, monthly data summary reports in April 2021 to prepare for the annual reporting process.

Having established processes to determine benefits obtained from RAMP helps the Ministry show whether it is achieving the productivity, revenue and efficiency gains expected, as well as take corrective action when needed.

Chapter 25
Government Relations—Proposing Education Property Tax Mill Rates

1.0 MAIN POINTS

By July 2021, the Ministry of Government Relations implemented the remaining recommendations made in our 2017 audit of its processes to propose education property tax mill rates.

The Ministry documented its rationale for decisions made on which education property tax mill rate options to propose to decision-makers (e.g., Treasury Board, Cabinet). The Ministry also included sufficient consideration of economic and social impacts when proposing education property tax mill rate options to decision-makers (e.g., impact on post-COVID-19 recovery, stability in the property tax system for ratepayers).

Providing rationale for key decisions helps the Ministry explain to decision-makers the basis for its proposed options, especially in the event of key personnel turnover. Providing robust information helps ensure decision-makers have sufficient information to make informed decisions regarding education property tax mill rates.

2.0 INTRODUCTION

This chapter describes our second follow-up of management's actions on two recommendations we first made in 2017.

Our *2017 Report – Volume 2,* Chapter 24, concluded that from July 1, 2016 to June 30, 2017, the Ministry of Government Relations had effective processes to propose education property tax mill rates for Cabinet approval except for the areas related to our six recommendations. By September 2019, the Ministry fully implemented four recommendations and partially implemented two[1].

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.

Our audit approach primarily included reviewing the Ministry-prepared options analysis and discussing the key processes with Ministry management.

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[1] *2019 Report – Volume 2*, Chapter 35, pp. 275–280

2.1   Proposing Mill Rates to Cabinet

Cabinet, by law, is responsible for determining the amount of education property taxes levied each year to help pay for the delivery of prekindergarten through Grade 12 education, and related mill rates.[2] It makes its mill rate decisions public through Orders in Council.

By law, the Ministry of Government Relations on behalf of its Minister, determines and recommends options for education property tax mill rates, other than for the City of Lloydminster and separate school divisions.[3,4]

➤   The City of Lloydminster, in accordance with *The Lloydminster Charter*, uses the Government of Alberta's legislation to determine its education property tax funding requirements.[5,6] The Ministry's role is limited to reviewing the accuracy of the City's calculations before seeking Cabinet's approval for them.

➤   Separate school divisions can pass bylaws to set their own education property tax mill rates.[7] As of July 2021, separate school divisions that passed such bylaws chose to approve mill rates equal to those set by Cabinet.

The Ministry has a goal of ensuring a fair and effective property tax regime.[8] **Section 5.0** briefly describes the key components of property taxes.

With respect to education property taxes, the Ministry's role is to provide Cabinet with robust, objective, evidence-based mill rate options and advice so Cabinet has a solid basis to make decisions about education property tax revenue it wants to levy. Cabinet ultimately decides which option, if any, to choose.

Section 4.0 highlights the Ministry's process to propose mill rate options directly to Treasury Board to align its responsibilities under legislation. The Ministry of Government Relations provides the recommended education mill rate options directly to Treasury Board, and ultimately to Cabinet, within its annual budget submission to Treasury Board.

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 July 31, 2021 and the Ministry's actions up to that date.

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[2] *The Education Property Tax Act* (s. 6(1)) indicates the Lieutenant Governor in Council shall determine the mill rates. Cabinet, when setting the Provincial Budget, ultimately determines the amount of education spending and the mix of revenues from property taxes and grants (financed primarily through income taxes and natural resource revenues) used to deliver education.
[3] *The Education Property Tax Act* (s. 3) assigns responsibility for the "establishment, operation, collection, administration or management of school tax" to the Minister of Government Relations.
[4] *The Education Property Tax Act* (s. 6(2)(b)) allows establishing different mill rates for school divisions located in Lloydminster. The City of Lloydminster is located in both Saskatchewan and Alberta.
[5] *The Lloydminster Charter*, s. 302(2)(c), requires the City of Lloydminster to use the Government of Alberta's legislation to determine its education property tax funding requirements.
[6] Two school divisions operate in Lloydminster: Lloydminster School Division No. 99 and Lloydminster Roman Catholic Separate School Division No. 89.
[7] *The Education Property Tax Act*, s. 7(1).
[8] *Ministry of Government Relations Plan for 2020–21*, p. 10.

3.1 Rationale for Key Decisions Documented

We recommended the Ministry of Government Relations document its rationale for decisions made on which education property tax mill rates to propose. (*2017 Report – Volume 2*, p. 166, Recommendation 2; Public Accounts Committee agreement October 10, 2018)

Status—Implemented

The Ministry of Government Relations clearly documented its rationale for selecting education property tax mill rate options proposed to Treasury Board.

The Ministry's *Education Property Tax Mill Rate Estimates Process Manual* includes potential mill rate options (e.g., no change to mill rates, adjust mill rates to keep revenue the same as prior year, increase revenues), and directs staff to document rationale for the options chosen in its *Education Property Tax 2021 Mill Rates Options Paper*. Staff provide this Paper to senior management within the Ministry and to the Minister of Government Relations, as well as to the Ministry of Finance for their use in creating the budget submission sent to Treasury Board.

We found the Ministry's Options Paper provided some insight as to why the Ministry chose the options in the Paper over other options (e.g., considered inequities between certain property classes and suggested options that would address the inequities). The Paper also included pros and cons of the selected options (e.g., does an option help or harm the economic recovery from COVID-19; does an option more evenly distribute tax between property classes; does an option provide stability to ratepayers; does an option result in increases or decreases to provincial revenues). We also found the Ministry held regular discussions internally and with senior staff at the Ministry of Finance related to why it chose certain options over other potential options.

Documenting the rationale for decisions made assists decision-makers in understanding the evidence the Ministry based its proposed mill rate options on. Additionally, it helps the Ministry explain the basis for its proposed options, especially in the event of key personnel turnover.

3.2 Proposed Options Include Key Information

We recommended the Ministry of Government Relations include the impact of potential changes in key assumptions (property growth rates) and more information on economic and social impacts when proposing education property tax mill rate options to decision-makers. (*2017 Report – Volume 2*, p. 171, Recommendation 5; Public Accounts Committee agreement October 10, 2018)

Status—Implemented

The Ministry of Government Relations provided appropriate information on economic and social impacts when proposing education property tax mill rate options to decision-makers.

We found the Ministry's *Education Property Tax 2021 Mill Rates Options Paper*:

➢ Discussed the general impact of certain proposed options (e.g., if government changed percentages of value or mill rates to adjust property taxes) on municipalities (e.g., municipalities tend to increase mill rates to make up the difference if education property taxes are decreased)

➢ Provided some high-level discussion about economic impacts for various proposed options (e.g., impact of options on certain economic sectors and development as well as on post-COVID-19 recovery)

➢ Offered some information about proposed options' social impact (e.g., stability to ratepayers especially in light of the pandemic, consideration of equity between property classes)

The Options Paper did not include the impact of potential changes for one key assumption (i.e., property growth rates) because 2021 was a revaluation year where property values are updated to current values. Revaluation years occur every four years. In our 2019 follow-up audit, we found the Ministry provided sufficient information on the impact of potential changes in property growth rates.

Having robust, objective, and evidence-based analysis of mill rate options, allows key decision-makers to have sufficient information to make informed decisions.

4.0 PROCESS TO PROPOSE MILL RATE OPTIONS

The Ministry of Government Relations' process to propose mill rate options aligns with its responsibilities under legislation.

Figure 1 provides an overview of the Ministry's process related to setting 2021 education property tax mill rates.

Figure 1—Government Relations' Education Property Tax Mill Rate Process and General Timing
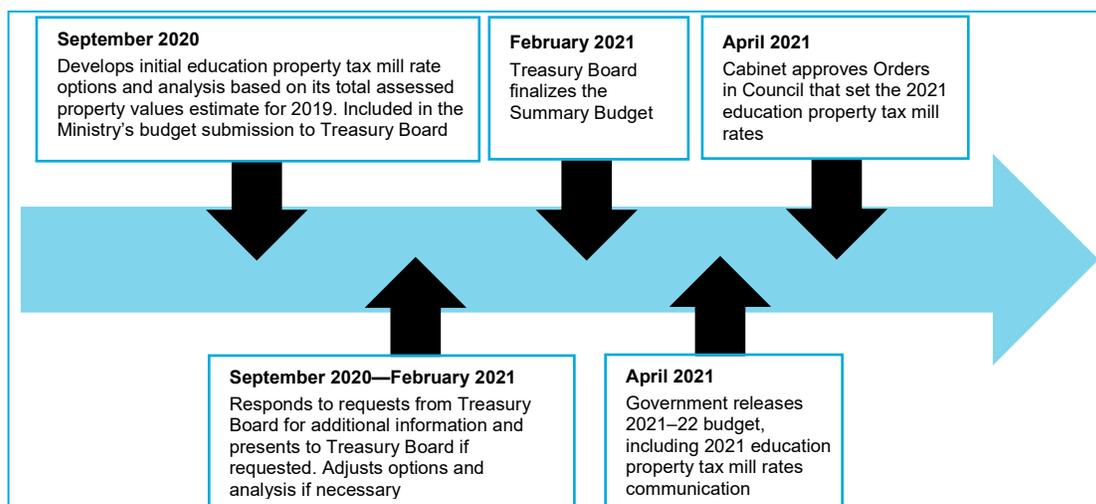
Source: Developed by the Provincial Auditor of Saskatchewan based on information provided by the Ministry of Government Relations.

5.0 COMPONENTS OF EDUCATION PROPERTY TAXES

As shown in **Figure 2**, in common with other property taxes, education property taxes are based on two key parts—the taxable assessment of a property (the product of assessed property value and percentage of value) and mill rate.

Figure 2—Education Property Tax Calculation
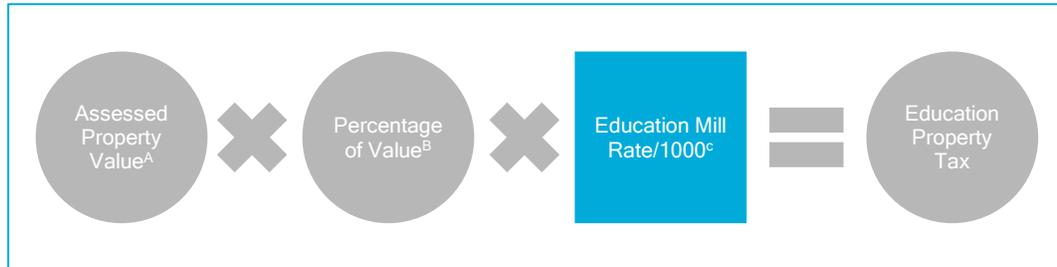
Source: Adapted from www.saskatchewan.ca/government/municipal-administration/taxation-and-service-fees/municipal-property-tax-tools (8 September 2021).

[A] Determined by assessment service providers who are not part of the Government of Saskatchewan; assessed values are updated every four years or when changes to property occur (e.g., addition of a new building).

[B] Set by Cabinet for each property class under *The Municipalities Regulations, The Cities Regulations*, and *The Northern Municipalities Regulations*; education property taxes include four different property classes (i.e., agricultural, residential, commercial and industrial, and resource) (Section 3 of *The Education Property Tax Regulations*).

[C] Set by Cabinet using information prepared by the Ministry of Government Relations. Property tax mill rates represent the amount, per $1,000 of the taxable assessed value of a property, used to calculate education property taxes.

Chapter 26
Health—Coordinating the Appropriate Provision of Helicopter Ambulance Services

1.0 MAIN POINTS

The Ministry of Health is responsible for providing air ambulance services in the province. It contracts Shock Trauma Air Rescue Service (STARS), a non-profit organization, to provide 24-hour air medical transportation for critically ill and injured patients by helicopter. Helicopter ambulance services typically offer faster transport than ground ambulance services for patients located far from trauma centres.[1] In 2020–21, STARS flew 902 missions and transported 701 patients.

By June 2021, the Ministry strengthened its processes to coordinate the appropriate provision of timely and quality helicopter ambulance services. It implemented five of eight recommendations we made in 2019.

Key improvements include:

➢ Formalizing the process for selecting and prioritizing heliport and landing zones for helicopter ambulance use.[2] This increases the likelihood of giving residents fair and equitable access to air ambulance services.

➢ Actively overseeing air ambulance services by creating terms of reference for its key committees with the Ministry leading those committees. Being accountable for, and leading key committees, ensures the Ministry fulfills its responsibilities, as set out by law, for air ambulance services.

➢ Receiving regular reporting on timeliness indicators for STARS' ambulance services, qualifications of medical staff who provide those services, and periodic helicopter maintenance help the Ministry assess STARS' compliance with its agreements, in addition to the quality and timeliness of provided services.

However, the Ministry still needs to know whether STARS uses appropriately trained staff on all missions. The Ministry receives STARS' reports on medical staff qualifications, but has not yet received adequate reporting on training, even though STARS maintains detailed training records for its staff. Without this information, the Ministry does not know whether STARS meets the terms of its agreement, as well as whether it uses only appropriately trained medical staff to provide air ambulance services to Saskatchewan patients.

Although STARS monitors the quality of patient medical care provided during helicopter transport, the Ministry does not receive sufficient reporting to allow the Ministry to take timely action in addressing issues with quality of care, if any.

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[1] The Saskatchewan Health Authority is responsible for providing ground ambulance services.
[2] Heliports are certified sites, whereas helipads (landing zones) may or not be certified and may exist on a heliport or uncertified sites; these are available for use for every aircraft.

In addition, the Ministry requires reporting on the quantity of, and reasons for, declined or cancelled missions. Receiving and periodically analyzing declined or cancelled service requests and missions would give the Ministry a better understanding of the barriers affecting STARS' ability to respond. Doing such analysis would increase the Ministry's awareness of potential risks or barriers for STARS to provide timely and appropriate air ambulance services in the province.

2.0 INTRODUCTION

The Ministry of Health is responsible for coordinating the appropriate provision of helicopter ambulance services under *The Ambulance Act*.

In January 2021, the Ministry renewed its 10-year agreement with STARS. It budgeted to pay STARS $11.9 million in 2021–22 to deliver helicopter air ambulance service in Saskatchewan.[3,4] This was an increase of $1.4 million ($840,000 to fund a new helicopter and $500,000 to meet increased operating expenses) compared to previous annual payments. This cost includes aircraft maintenance, as well as services provided by transport physicians (e.g., for consultations), education for STARS medical staff, STARS dispatch centre, and administration.

As shown in **Figure 1**, the number of missions flown and the number of patients transported fluctuates from year to year. In 2020–21, STARS flew 902 missions and transported 701 patients.

Figure 1—Number of STARS Missions and Patients Transported

	2018–19	2019–20	2020–21
Number of missions flown	825	888	902
Number of patients transported	677	708	701

Source: Adapted from information provided in STARS' Saskatchewan Quarterly Reports on Operations.

Deciding which type of ambulance service (e.g., ground ambulance, helicopter, fixed-wing) to use requires coordination among physicians, facilities, ground ambulance, and air ambulance providers.[5] Choosing inappropriate ambulance services increases the risk of not providing Saskatchewan residents with fair and equitable ambulance services. In addition, costs substantially increase if using STARS unnecessarily when alternative ambulance services are available.

2.1 Focus of Follow-Up Audit

This audit assessed the status of eight recommendations made in our *2019 Report – Volume 2*, Chapter 22, about the Ministry of Health's processes to coordinate the appropriate provision of timely and quality helicopter ambulance services in Saskatchewan. We concluded for the 12-month period ended June 30, 2019, the Ministry had, other than the areas identified in our eight recommendations, effective processes.

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[3] The Government of Saskatchewan released its 2021–22 budget on April 6, 2021, which included additional funding of $1.4 million ($840,000 to fund a new STARS helicopter and $500,000 for increased operating expenses).
[4] STARS also receives donations from several public and private industry donors, including a commitment from Saskatchewan Crown Corporations (i.e., SaskPower, SaskEnergy, SaskTel, SGI, and Crown Investments Corporation of Saskatchewan) to contribute $20 million from 2012 to 2021.
[5] The Saskatchewan Health Authority operates Saskatchewan Air Ambulance and contracts Rise Air (a private operator formerly known as Transwest Air) to provide fixed-wing (e.g., airplane) services.

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's management agreed with the criteria in the original audit.

To complete this follow-up audit, we interviewed key Ministry and STARS staff, and examined key committee minutes, STARS' quarterly reports, and other records relating to coordinating helicopter ambulance services. We also conducted data analytics on STARS' data relating to the number of declined or cancelled service requests and missions.

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 June 30, 2021, and the Ministry's actions up to that date.

3.1   Prioritization Process Formalized

> ***We recommended the Ministry of Health formalize the prioritization process for selecting heliports and landing zone locations for helicopter ambulance use.*** *(2019 Report – Volume 2*, p. 162, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)*

Status—Implemented

The Ministry of Health, through the Saskatchewan Health Authority's Heliport/Landing Zone Oversight Group, formalized the criteria used to prioritize decisions about developing new heliports and landing zone locations for helicopter ambulance services.[6]

The Authority continued to use its Heliport/Landing Zone Oversight Group with the primary purpose of working collaboratively with STARS, the Ministry, and communities in overseeing safe and appropriate landing areas and/or certified heliports in Saskatchewan. In addition, the Group assists in gathering information regarding community needs and expectations about landing areas and heliport development. Nine individuals comprise the Group with representation from the Authority, STARS, and the Ministry; it meets monthly.[7]

In 2019–20, the Group developed the Heliport Prioritization Guide. The Guide sets out the criteria to be used for prioritizing future heliport and landing zone locations (see **Figure 2**). In January 2021, the Group approved and implemented this Guide.

Figure 2—Prioritization Criteria for Heliport and Landing Zone Locations

- Number of patients transported from the community. Priority given to communities transporting equal to or greater than 10 patients/year based on four years of data. Scene calls are excluded as they would not utilize a heliport
- Ground ambulance transfer is needed between the current landing zone and the hospital
- The community has a regional hospital

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[6] A heliport is a landing place for helicopters, often on the roof of a building or in some other limited (e.g., access, security) area. Landing zones are safe landing areas often located near a community airport where there is no certified heliport by a hospital.
[7] Due to the Covid-19 pandemic, the Group did not meet from March to June 2020.

> - The community does not have access to advanced life support ambulance services
> - Other factors potentially influencing prioritization:
>   - Development of obstacles on flight approach to current landing zone (e.g., new construction)
>   - Ability to safely land adjacent to a facility (e.g., temporary landing zone(s) serving a community's needs)
>   - Financial considerations (e.g., rooftop vs ground)

Source: Adapted from the Heliport/Landing Zone Oversight Group's *Heliport Prioritization Guide*.

The Guide also outlines the scoring system used for selecting, and approving, priority locations.

Having a formalized prioritization process helps the Heliport/Landing Zone Oversight Group make consistent decisions about locations for future heliports and landing zones. Maintaining consistency helps in treating communities equitably and providing access to timely helicopter ambulance services.

3.2   Terms of Reference Developed and Finalized

We recommended the Ministry of Health, working with others involved in the coordination of transporting patients, develop terms of reference for the consultation committee responsible for overseeing patient transports using helicopter ambulance services. *(2019 Report – Volume 2*, p. 165, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021*)*

Status—Implemented

The Ministry of Health, working with others involved in the coordination of transporting patients, developed and finalized the terms of reference for the Saskatchewan Critical Care Patient Services Committee. The Committee approved the terms of reference in May 2021.

The Saskatchewan Critical Care Patient Services Committee, previously known as the Red Patient Referral Committee, provides guidance and evaluation on how to optimize critical care patient transport in the province.

In May 2021, the Ministry finalized, and the Committee approved, the terms of reference for the Committee, which clearly sets out the Committee's responsibilities (as shown in **Figure 3**), its membership, and the reporting structure (i.e., accountable to the Ministry).[8] The Committee meets quarterly.[9]

Figure 3—Responsibilities of the Saskatchewan Critical Care Patient Services Committee

> - Review critical care transports, dispatches and related incidents or concerns, as well as incorporate lessons learned from the responses into strategies to mitigate risks and improve future critical care transports
> - Update committee members on critical care transport matters associated with their areas of work
> - Consider research, discuss and review trends and changes in emergency and critical care transport medicine, and advise accordingly
> - Provide leadership and expertise for the development and improvement of critical care transport

Source: Adapted from the Saskatchewan Critical Care Patient Services Committee Terms of Reference.

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[8] Membership consists of the Ministry, STARS, Saskatchewan Air Ambulance, Saskatchewan Health Authority, Paramedic Services Chiefs of Saskatchewan, and ad hoc members as needed (i.e., experts).
[9] Due to the Covid-19 pandemic, the Committee did not meet during the fourth quarter of 2019–20.

Written terms of reference ensures all members know their roles and responsibilities. It also decreases the risk of misunderstandings, particularly with personnel changes at participating agencies.

3.3   Proper Oversight of Air Ambulance Services In Place

> ***We recommended the Ministry of Health actively oversee air ambulance services (e.g., chair committee(s) responsible for helicopter ambulance services oversight).*** *(2019 Report – Volume 2*, p. 168, Recommendation 3; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021*)*

> **Status**—Implemented

The Ministry of Health actively oversees air ambulance services through an advisory committee.

The Ministry's Advisory Committee for air ambulances determines strategic priorities for air medical services and collaboratively plans for the provision of critical care air medical services in Saskatchewan.[10]

At the time of our original audit, the Advisory Committee had not met since November 2018. In October 2019, the Advisory Committee resumed its quarterly meetings.[11] In November 2020, the Advisory Committee revised its terms of reference to have the Ministry chair (lead) its meetings. We found the Advisory Committee discussed current issues and developed operational efficiencies (e.g., developed procedures for handling 911 calls from northern parts of the province).

As noted in **Section 3.2**, the Ministry also finalized the terms of reference for the Saskatchewan Critical Care Patient Services Committee; this Committee is accountable to the Ministry. We found this Committee discussed operational issues related to transporting patients (e.g., missions taking longer with increased personal protective equipment, increased volume of calls).

Being accountable for, and leading Committees, ensures the Ministry fulfills its responsibilities, as set out by law, for air ambulance services.

3.4   Medical Staff Qualifications Verified, But Appropriate Training Verifications Not Yet In Place

> ***We recommended the Ministry of Health periodically verify medical staff qualifications and training for those providing helicopter ambulance services.*** *(2019 Report – Volume 2*, p. 169, Recommendation 4; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021*)*

> **Status**—Partially Implemented

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[10] Ministry of Health, Air Medevac Advisory Committee, *Terms of Reference*. Membership consists of the Ministry of Health, STARS, Saskatchewan Air Ambulance, Ministry of SaskBuilds and Procurement, Saskatchewan Health Authority, Indigenous Services Canada, and Athabasca Health Authority.
[11] Due to the Covid-19 pandemic, the Advisory Committee did not meet in quarters one and two of 2020–21.

The Ministry of Health received STARS' report on medical staff qualifications, but has not yet received adequate reporting on staff training. A more detailed report on staff training is expected in 2021–22.

The Ministry, in its agreement with STARS, requires all STARS staff to be registered or licensed by a professional regulatory body, and for STARS to provide them with ongoing training. STARS provides mandatory monthly, quarterly, and annual training.

In March 2021, STARS provided the Ministry with a listing of medical staff in each of its locations (i.e., Regina and Saskatoon). It set out the registration status (i.e., critical care paramedic or registered nurse), along with each individual's licence expiration date. The Ministry expects to receive this listing on an annual basis.

For the two nurses and two paramedics we tested, we confirmed each held current licences and registration with their respective regulatory bodies (e.g., Saskatchewan Registered Nurses Association for registered nurses).

In its quarterly reports to the Ministry, STARS outlined the dates educational sessions (e.g., human patient simulator) were held in Regina and Saskatoon. However, the reports do not indicate the number of staff who took the training.

At our request, STARS provided us a report for all training attended by staff during the fourth quarter of 2020–21 (i.e., January to March 2021). It also noted any outstanding training still required by staff. The report indicated, as at April 29, 2021, all staff completed the required training other than two staff members needing to complete the required airway skills course (i.e., iGel intubations). STARS specified it plans to provide the Ministry with annual reports on detailed training starting in 2021–22.

Although it is STARS' responsibility to employ and train qualified medical staff, the Ministry needs to know whether STARS uses appropriately trained staff on all missions. Without this information, the Ministry does not know whether STARS meets the terms of its agreement, as well as whether it uses only appropriately trained medical staff to provide air ambulance services to Saskatchewan patients.

3.5   Reports on Timeliness Indicators Include Documented Reasons for Delays

We recommended the Ministry of Health obtain written reasons where timeliness indicators for helicopter ambulance services are not met.
(2019 Report – Volume 2, p. 171, Recommendation 5; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021*)*

Status—Implemented

The Ministry of Health receives regular reports on two timeliness indicators for STARS' ambulance services. The reports explain instances where STARS did not achieve the targets.

STARS tracks two indicators for the timeliness of ambulance services for each base location (i.e., Regina and Saskatoon):

➤ The time from dispatch to lift-off. STARS aims to lift-off within 12 minutes in Regina and 14 minutes in Saskatoon

➤ The time between the initial 911 call and the call arrival time at STARS dispatch (dispatch time); STARS aims for its dispatch to receive the requests within five minutes of the 911 call 90% of the time

Each quarter, STARS provides the Ministry reports on its timeliness indicators. When STARS has not met the target, the report outlines the reasons why or the Ministry discusses the issue with STARS.

For example, in November and December 2019, STARS did not meet the 14-minute dispatch to lift-off target (actual time was between 15 and 16 minutes) in Saskatoon. STARS reported the use of a new aircraft caused the delay. Again, in November 2020, STARS did not meet the target in Saskatoon (actual time was just over 14 minutes) and did not provide an explanation in the report. However, the Ministry discussed the report with STARS and noted weather caused the delay. Management indicated STARS will provide written reasons for all delays in meeting its targets in future reports starting in quarter one of 2021–22.

Moreover, STARS did not always meet the dispatch time of 90% within five minutes of a 911 call. Actual results in meeting the five-minute target ranged between 60% (Regina) and 75% (Saskatoon). STARS reported it did not meet this target because on-scene EMS typically requesting STARS almost always takes longer than five minutes to assess the patient after the initial 911 call, which is out of STARS control.

Receiving adequate reporting from STARS about the timeliness of air ambulance services allows the Ministry to understand the delays and take action, if required, to better coordinate the provision of helicopter ambulance services.

3.6   Key Information on Quality of Patient Care Not Routinely Received

We recommended the Ministry of Health routinely receive and analyze key information about the quality of patient care provided during helicopter ambulance services. (*2019 Report – Volume 2*, p. 172, Recommendation 6; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Not Implemented

The Ministry of Health does not routinely receive and analyze key information about the quality of patient care provided during helicopter ambulance services.

STARS tracks six quality care indicators related to medical procedures completed during a mission (see **Figure 4**). The Ministry did not receive this information from STARS during

2020–21, although it expects to receive this information beginning in quarter one of 2021–22.

Figure 4—Quality of Care Indicators STARS Tracks

1. Advanced airway placement
2. Ventilator placement
3. Blood glucose check for altered mental status
4. Waveform capnography ventilated patients (measurement of the partial pressure of CO_2 in each exhalation)
5. First attempt tracheal tube success
6. Verification of tracheal tube placement

Source: Information provided by STARS.

For example, STARS tracks the number of successfully placed tracheal tubes and compares it to the first attempted tracheal tube intubation success. If it takes more than one attempt, STARS tracks the number of attempts and the reasons why a first attempt was unsuccessful (e.g., cuff leak, difficulty bagging).

The lack of regular, timely reporting on key quality of care indicators limits the Ministry's ability to analyze performance information for helicopter ambulance services and to take timely action to address issues with quality of care.

3.7 Periodic Reporting on the Quantity of, and Reasons for, Cancelling or Declining Requests Not Received

We recommended the Ministry of Health receive periodic and detailed reporting on the number and reasons for cancelling or declining requests for helicopter ambulance services. (*2019 Report – Volume 2*, p. 174, Recommendation 7; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Not Implemented

The Ministry of Health does not receive adequate information from STARS about the number and reasons for cancelling or declining requests for helicopter ambulance services.

Each quarter, the Ministry receives reports from STARS on its operations and activities. This includes the number of calls received, the number of missions, and the number of patients transported. The reports do not explain why STARS declined service requests or why missions were cancelled. Ministry management indicated they expect to receive this information quarterly from STARS beginning in summer 2021.

We obtained STARS' service requests and mission data for the period from July 2019 to March 2021. During this period, 5,374 service requests and missions were either declined by STARS or cancelled by a requester. We analyzed the reasons why. As shown in **Figure 5**, we found 89% of uncompleted missions resulted from STARS being asked to stand down, and 15% of missions not accepted or declined resulted from STARS being on another mission.[12]

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[12] Uncompleted missions include the helicopter lifting off and then grounded.

Figure 5—STARS' Reasons for Cancelling or Declining Service Requests and Missions from July 2019 to March 2021

Missions not completed (i.e., helicopter lifted off and then grounded)

- 34 times (11%) STARS reasons: 11 times helicopter diverted to another call, 2 times due to mechanical issues, and 21 times due to weather
- 275 times (89%) requester cancelled STARS (stood down): either transport not needed at all or another transport used (e.g., ground ambulance)

Requests for potential missions not accepted or declined

- 788 times (15%) STARS declined request due to already being on a mission
- 1,404 times (26%) STARS declined request due to weather
- 89 times (2%) STARS declined due to scheduled or unscheduled maintenance
- 113 times (2%) other reasons for declining transport (e.g., patient weight over helicopter limit, aircraft required decontamination)
- 2,980 times (55%) STARS notified of a possible mission but a different mode of transport (e.g., ground ambulance) was chosen by the Transport Physician or a transport was not required.

Source: Adapted from information provided by STARS.

Periodically analyzing declined or cancelled service requests and missions would give the Ministry a better understanding of the barriers affecting STARS' ability to respond. Doing such analysis increases the Ministry's awareness of potential risks or barriers for STARS to provide timely and appropriate air ambulance services in the province.

3.8 Periodic Reports on Helicopter Maintenance Received

We recommended the Ministry of Health receive periodic reports on the maintenance of helicopters used to provide air ambulance services.
(*2019 Report – Volume 2*, p. 175, Recommendation 8; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Implemented

The Ministry of Health receives quarterly reports on STARS' maintenance for the four helicopters used to provide air ambulance services in the province. It also receives results from Transport Canada's inspections of STARS' operations, which includes helicopter maintenance.

Within its quarterly reports to the Ministry, STARS reports on the availability of each helicopter and breaks down the percentage of non-availability due to unscheduled and scheduled maintenance.

For example, in its 2020–21 fourth quarter report, it noted availability for three of four helicopters at more than 90% (ranging from 91.9% to 99.3%), and the unavailability of the helicopters were 10% or less due to unscheduled maintenance.

Unscheduled maintenance caused one helicopter's availability to be 81.7%. Management indicated that with the launch of a new helicopter in Regina in 2021–22, less unscheduled maintenance should occur.

With the expected enhanced reporting on the number of declined or cancelled service requests and missions as noted in **Section 3.7**, the Ministry will also gain further insight on the impact unscheduled maintenance causes.

STARS is required to maintain its helicopters according to federal regulations with Transport Canada overseeing Canadian aircrafts' compliance with the regulations. Transport Canada can inspect STARS operations at any time, including helicopter maintenance.

In January 2021, Transport Canada inspected STARS and found that STARS did not have any significant non-compliance issues with federal legislation as it relates to helicopter maintenance. The Ministry received and reviewed the final report in July 2021.

With STARS' quarterly reports on helicopter availability due to maintenance and the results from Transport Canada's inspections, the Ministry knows whether STARS sufficiently maintains helicopters used to provide air ambulance services in Saskatchewan. Having properly maintained helicopters increases availability, and keeps staff and patients safe.

Chapter 27
Health—Coordinating the Use of Lean

1.0 MAIN POINTS

The healthcare sector began utilizing Lean in 2009. In 2011, the Ministry of Health hired a consultant to train staff on Lean principles, tools, and methodology as a first step in a sector-wide deployment. Lean is a continuous improvement methodology involving cycles of analyzing processes to identify areas for improvement, carrying out activities intended to achieve those improvements, and monitoring the impact of resultant changes.

The initial focus of the Lean initiative was on training and baseline data was not collected. Evaluating outcomes achieved since 2009 remains difficult for the Ministry because of both the absence of baseline data, and the challenge in separating the impact of improvement efforts through Lean principles from other contributing factors (such as shifting demographics or additional health sector investments). Without sufficient, verifiable data, the Ministry does not intend to publicly report on the benefits realized from the use of Lean.

The Ministry indicated it is planning on holding information sessions for health sector partners highlighting how the health system is using continuous improvement tools to improve the quality and safety of healthcare service delivery.

2.0 INTRODUCTION

2.1 Background

As noted in our 2014 audit, the health sector made a significant initial investment in Lean—a continuous improvement methodology and systematic approach expected to add value for patients, eliminate waste, and implement best practice. This was to be achieved by analyzing processes to identify areas for improvement, carrying out activities intended to achieve those improvements, and monitoring the impact of changes.

In 2009, the Ministry mandated the health sector to use Lean as a way to refine systems and processes, and improve healthcare service delivery. In 2013, the Ministry of Health assigned the Saskatchewan Health Quality Council responsibility for coordinating the use of Lean across the health sector.[1] In 2016, as a result of shifting priorities for the Health Quality Council, this responsibility transitioned back to the Ministry.

Between 2011 and 2014, the Ministry and health sector, assisted by hired consultants, provided extensive training to identify Lean leaders, trained most health sector employees at one-day introductory improvement courses, and completed Lean improvement events at health sector agencies.[2,3]

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[1] The Saskatchewan Health Quality Council (HQC) is an independent organization mandated by the *Health Quality Council Act* to monitor and assess continuous quality improvement across Saskatchewan's healthcare system (saskhealthquality.ca).
[2] *2014 Report – Volume 2*, Chapter 34, p. 220. Over three-years, from 2011 to July 2014, the Ministry paid a consultant $23.3 million to assist in deploying Lean across the health sector.
[3] Lean events are where the owners and operators of a particular process meet with the intent of identifying process improvements.

Since February 2016, the Ministry assumed responsibility for the coordination of Lean across the health sector and is managed through the Provincial Quality, Safety & Lean Management Committee. The Committee is expected to provide oversight to the continuous improvement activities in support of a fully integrated, Patient-First transformed health system that has no waits, waste, or defects and continues to improve quality. The Committee comprises of members from all health sector agencies (i.e., Ministry of Health, Saskatchewan Health Authority, Saskatchewan Cancer Agency, 3sHealth, eHealth Saskatchewan, and the Health Quality Council). The Committee normally meets quarterly but has not met since January 2020 due to other priorities related to the COVID-19 pandemic.

2.2 Focus of Follow-Up Audit

In 2014, we assessed the Saskatchewan Health Quality Council's processes to coordinate the use of Lean as a continuous improvement methodology across the health sector. Our *2014 Report – Volume 2*, Chapter 34, concluded that the Health Quality Council did not have full authority to carry out its responsibilities, as well as did not have effective processes to coordinate the use of Lean as a continuous improvement methodology across health sector agencies.[4] We made five recommendations.

In 2016, the Health Quality Council's role changed whereby it continued to collaborate with the Ministry of Health and other health sector agencies to support the use of Lean in the health sector, but it no longer served a coordinating role. The Ministry assumed the coordinating responsibility.

By February 2019, the Ministry implemented four of the five recommendations we made in the 2014 audit.[5]

This chapter describes our third follow-up of management's actions on the one outstanding recommendation.

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 Health's progress toward meeting our recommendation, we used the relevant criteria from the original audit. The Health Quality Council agreed with the criteria in the original audit.

To complete this audit, we discussed progress made in meeting our recommendation with Ministry management and reviewed supporting documentation.

3.0 STATUS OF RECOMMENDATION

This section sets out the last recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 31, 2021, and the Ministry of Health's actions up to that date.

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[4] The original report regarding these recommendations is located at auditor.sk.ca/publications/public-reports. We reported the original audit work in *2014 Report – Volume 2*, Chapter 34, pp. 217–234.
[5] We reported our first follow-up in *2016 Report – Volume 2*, Chapter 38 pp. 263–267 and our second follow-up in *2019 Report – Volume 1*, Chapter 26, pp. 273–276.

3.1 Public Reporting on Benefits Realized From Using Lean No Longer Feasible

> **We recommended the Ministry of Health (responsibilities formerly assigned to the Health Quality Council) report to the public on outcomes achieved through the use of Lean across the health sector.** (*2014 Report – Volume 2*, p. 233, Recommendation 5; Public Accounts Committee agreement January 13, 2016)

> **Status**—No longer relevant to assess

The Ministry of Health does not have sufficient, verifiable data on the outcomes achieved using Lean to report publicly.

The Ministry did not establish baseline data when initially deploying Lean to support measuring whether outcomes improved the health sector as a result of using Lean, due to the initial emphasis on training outcomes. Measuring outcomes achieved since 2009 (Lean deployment date) remains difficult for the Ministry to differentiate between those resulting from the use of Lean and those outcomes from other work (e.g., the amalgamation of regional health authorities into one provincial authority in 2017), healthcare investments or demographic shifts such as an aging population.

Regional health authorities and the Saskatchewan Cancer Agency began improvement activities using Lean methodologies in 2009. However, these health agencies worked independently rather than collectively to learn from one another. In 2011, the Ministry hired a consultant to coordinate Lean use and deploy it across the health sector.[6]

In 2012, the Health Quality Council commissioned an independent research team from the University of Saskatchewan to undertake a multi-year evaluation of Lean in the health sector. The team intended to select outcome indicators and establish baseline data for evaluation. The study suggested the use of broad outcome measures (e.g., patient safety indicators) as a way to measure success for some intended Lean objectives (e.g., increasing safety by eliminating defects and errors); however, the study did not outline baseline data.

Comparing data at the time of Lean's initial implementation in relation to the broad outcome measures identified in the study to current data could potentially show whether continuous improvements in the delivery of health services occurred (since using Lean). For example, we found the Ministry reported, in its *2019–20 Annual Report,* a 3.4% time reduction for physicians to complete initial patient assessments in emergency departments over the previous year. However, the Ministry cannot explain how much of the reduction resulted from continuous improvement initiatives (Lean) or other factors, (e.g., increased staffing, space).

The Ministry determined the available verifiable data is insufficient to report on the outcomes Lean achieved and does not intend to publicly report on the benefits realized from the use of Lean.

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[6] The Ministry of Health contracted with John Black and Associates (JBA) to support the implementation of Lean across the provincial health system. The contract ended March 2015. www.saskatchewan.ca/government/news-and-media/2014/december/29/jba-contract-ends (24 August 2021).

At August 2021, the Ministry indicated it is focusing its current efforts on using the learnings to date, gathering the right information to evaluate the impacts on health outcomes, and facilitating the sharing of continuous improvements made by various health sector partners across the health system. For example, in fall 2021, the Ministry is planning a series of presentations for health sector partners on how the health system is using continuous improvement tools to improve the quality and safety of healthcare service delivery.

Chapter 28
Health—Monitoring Opioid Prescribing and Dispensing

1.0 MAIN POINTS

The Ministry of Health is responsible for monitoring the prescribing and dispensing of opioid medications. The Ministry monitors prescribed opioids by funding the Prescription Review Program operated by the College of Physicians and Surgeons of Saskatchewan.

By August 2021, the Ministry improved some of its processes to better monitor opioid prescribing and dispensing practices. It implemented three of seven recommendations we initially made in 2019.

Key improvements included the Ministry:

➤ Regularly reviewing the monitored opioids list to ensure it captures all prescribed opioids.

➤ Providing a functional IT system for Prescription Review Program staff to better analyze prescription data to identify inappropriate prescribing or dispensing practices, and/or opioid misuse.

➤ Working with the College of Physicians and Surgeons to require its members have access to the provincial drug IT system or electronic health record to review patient medication information prior to prescribing opioids. This will help decrease the risk of inappropriate prescribing or multi-doctoring.[1]

However, the Ministry still needs to conduct analysis on the cost and benefits of including information on hospital-dispensed opioids in the provincial drug IT system, which would show more complete patient medication details to prescribers.

In addition, the Ministry needs to evaluate whether its funded Prescription Review Program helps to reduce opioid misuse and whether it needs to focus more on pharmacy dispensing practices in the province. The Ministry gave staff responsible for the Prescription Review Program access to some patient information needed for analysis to identify opioid misuse. However, it still needs to provide access to urine drug-screening results, which will help Program staff conduct effective analysis in identifying potential opioid misuse.

Opioids can be misused or diverted, leading to addictions, overdoses and deaths. Saskatchewan had 303 deaths related to opioid toxicity in 2020, an increase of 69% from 2019 (179 deaths). Actively monitoring opioid prescribing and dispensing practices helps ensure only appropriate patients receive opioids, and risks of addiction to opioids are appropriately managed.

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[1] Multi-doctoring is obtaining multiple prescriptions for the same or similar medications from multiple providers.

2.0   INTRODUCTION

The Ministry of Health is responsible for monitoring the prescribing and dispensing of opioid medications within the province under *The Prescription Drugs Act*.

Opioid medications are some of the controlled substances under *The Controlled Drugs and Substances Act* (Canada) and *The Narcotic Control Regulations* (Canada). While opioid medication can bring significant improvements to patients' quality of life by relieving pain, it has a greater risk for misuse and abuse leading to addictions, overdoses, and deaths.[2]

As shown in the **Figure 1**, between 2015–16 and 2020–21, the number of individuals receiving prescribed opioids from Saskatchewan pharmacies slowly declined. In 2020–21, 85,131 individuals received prescribed opioids for pain with pharmacies filling 429,739 opioid prescriptions; hydromorphone (47%), codeine (30%) and morphine (11%) made up the majority of these prescriptions. In 2020–21, pharmacies dispensed 371,932 prescriptions for opioids used for treating opioid dependence (e.g., methadone, buprenorphine/naloxone).[3,4]

Figure 1—Number of Individuals Who Received Prescribed Opioids from a Saskatchewan Pharmacy[A]

	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	% Change between 2019–20 and 2020–21
Saskatchewan residents with an opioid prescription	107,626	106,691	102,281	98,947	94,260	85,131	(9.7%)

Source: Based on information provided by the Ministry of Health.
[A] **Figure 1** does not include prescribed opioids dispensed in Saskatchewan's hospitals.

While many of the harms (addictions, overdoses, and deaths) may be due to the use of illicit opioids, such as heroin, prescription opioids are also contributing to the public health crisis.

According to Saskatchewan's Coroners Service September 2021 report, the province had 303 apparent opioid toxicity deaths in 2020, an increase of 69% from 2019 (179 deaths in 2019).[5] Fentanyl, hydromorphone, and acetyl-fentanyl were the top three opioids causing deaths.[6]

The Ministry monitors prescribing and dispensing practices for prescribed opioids by funding the Prescription Review Program operated by the College of Physicians and Surgeons of Saskatchewan; it has done so since 1988.

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[2] www.choosingwisely.org/patient-resources/using-opioids-safely-after-surgery/ (24 March 2021).
[3] Based on information provided by the Ministry of Health.
[4] The number of opioid prescriptions remained relatively unchanged since 2018–19 with 441,354 opioid prescriptions and 359,681 prescriptions for opioids used for treating opioid dependence.
[5] publications.saskatchewan.ca/#/products/90505 (9 September 2021).
[6] Acetyl-fentanyl is an opioid analgesic drug that is a fentanyl analog and estimated at 15 times more potent than morphine, but much less potent than pure fentanyl. Acetyl-fentanyl is an illicit drug, therefore the Ministry of Health has no ability to monitor the use of this drug.

Actively monitoring prescribing and dispensing of opioids helps ensure only appropriate patients receive opioids. In addition, monitoring can improve prescribing practices for opioids, lower or prevent risk of harms related to opioids, as well as help to identify patients potentially at risk of addiction. Ineffectively monitoring prescribing and dispensing of opioids may result in increased opioid abuse or diversion leading to overdoses and death, as well as additional costs to the healthcare system.

2.1   Focus of Follow-Up Audit

This audit assessed the status of seven recommendations made in our *2019 Report – Volume 1*, Chapter 7, about the Ministry of Health's processes to monitor the prescribing and dispensing of opioids to reduce misuse and addiction. We concluded for the 12-month period ended February 28, 2019, the Ministry had, other than the areas identified in our seven 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 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.

To complete this follow-up audit, we interviewed key Ministry and College of Physicians and Surgeons of Saskatchewan staff; and examined key committee minutes, other records, and reports relating to monitoring opioid prescribing and dispensing practices.

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 August 31, 2021, and the Ministry of Health's actions up to that date.

3.1   Opioids Dispensed in Hospitals Not Tracked Provincially

> ***We recommended the Ministry of Health assess the cost and benefit to patient safety of recording hospital-dispensed opioids in the provincial drug IT system.*** (*2019 Report – Volume 1*, p. 102, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

> **Status**—Not Implemented

The Ministry of Health has not assessed the cost and benefit to patient safety of recording prescribed opioids dispensed in Saskatchewan hospitals in the provincial drug IT system.[7]

Saskatchewan pharmacies record all dispensed opioids in the provincial drug IT system. This IT system does not include information about any drugs (including opioids) dispensed in Saskatchewan hospitals.

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[7] The provincial drug IT system is called the Pharmaceutical Information Program or PIP.

Rather, each hospital in the province operated by the Saskatchewan Health Authority, uses its own IT system (e.g., BDM—pharmacy management system) to track all medication prescribed to a patient while in the hospital, including in emergency rooms.

In early 2020, the Ministry planned to engage main partners in Saskatchewan's health sector (i.e., the Authority and eHealth) to discuss integrating data on hospital-dispensed opioids in the provincial drug IT system. However, in March 2020, the priority in the health sector shifted to the COVID-19 pandemic response. The Ministry does not anticipate assessing the cost and benefit of integrating hospital-dispensed opioids into its provincial drug IT system sooner than 2022–23.

Without information on opioids prescribed at hospitals, prescribers do not have a complete medication profile (i.e., patient's full prescription history). This increases the risk of opioid medications inappropriately prescribed and dispensed, which could lead to serious side-effects for patients (e.g., overdose) or to opioid diversion.

3.2 Physicians Encouraged to Review Patient History Before Prescribing Opioids

> ***We recommended the Ministry of Health work with the College of Physicians and Surgeons of Saskatchewan to consider requiring its members to review patient medication profiles prior to prescribing opioids.***
>
> (*2019 Report – Volume 1*, p. 110, Recommendation 4; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Implemented

The Ministry of Health worked with the College of Physicians and Surgeons of Saskatchewan (the physicians' regulatory body) to recommend physicians check patient medication profiles prior to prescribing opioids.

In fall 2019, the Ministry began discussions with the College about requiring physicians to review patient medication profiles through either the provincial drug IT system or electronic health records (eHR Viewer) prior to prescribing opioids.[8]

In September 2020, the College approved, and publicly posted on its website, a policy requiring all physicians to have an account for either the provincial drug IT system and/or eHR Viewer.[9] We found that the number of physician accounts in the provincial drug IT system and eHR Viewer is similar to the number of practicing physicians in the province (i.e., about 2,600). As shown in **Figure 2**, the policy sets out guiding principles and expectations for physicians. For example, the College highly recommends physicians review patients' medication profiles before prescribing opioids, especially when prescribing medication to a patient for whom they do not regularly provide care.

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[8] The eHR Viewer includes medication information from the Pharmaceutical Information Program (PIP) for the previous 25 months, as well as additional information such as drug allergies, pharmaceutical notes, and other medication information (e.g., contraindications).

[9] www.cps.sk.ca/imis/CPSS/CPSS/Legislation ByLaws Policies and Guidelines/Legislation Content/Policies and Guidelines_Content/Prescribing_Access_to_PIP_or_eHR_Viewer.aspx (21 September 2021).

Figure 2—Guiding Principles and Expectations for Physicians to Access the Pharmaceutical Information Program (PIP) or Electronic Health Record (eHR) Viewer Prior to Prescribing Drugs

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Guiding Principles:

The College recognizes that optimal prescribing requires access to a patient's past and current medication profile, including current prescriptions and dosages. Ideally, physicians (or in the case of the eHR Viewer, their designate with appropriate credentials) should access a patient's medication profile in the PIP or the eHR Viewer prior to the physician writing any prescription, and particularly for Prescription Review Program medications. The review of this information has the potential to reduce risk by alerting physicians to contraindications and allergies, therefore preventing harmful drug interactions and combinations. It also has the potential to alert physicians to patients who are not taking their medications as prescribed, and to assist in preventing patients from obtaining multiple prescriptions for the same or similar medications from multiple providers.

College Expectations:

- All physicians licensed in Saskatchewan who prescribe and/or order medications must have active login capability with either the PIP and/or the eHR Viewer.
- The College recommends that physicians view a patient's medication profile in the PIP or the eHR Viewer prior to prescribing medication. This is highly recommended when prescribing opioids or other psychoactive medications to a patient and, most particularly, when the physician does not look after the patient on a regular basis.

Source: Adapted from the College of Physicians and Surgeons of Saskatchewan's policy *Prescribing: Access to the Pharmaceutical Information Program (PIP) or Electronic Health Record (eHR) Viewer.*

Recommending physicians check the medication profile of a patient prior to prescribing opioids may help physicians better identify patients at risk of misusing opioids, and reduce the risk of patients multi-doctoring (that is, obtaining opioid prescriptions from multiple doctors).

3.3 List of Monitored Opioids Reviewed and Updated

We recommended the Ministry of Health participate in a regular review of the list of opioid drugs associated with misuse and addiction that it wants monitored. (*2019 Report – Volume 1*, p. 107, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Implemented

The Ministry of Health participates in regular reviews and updates the list for monitored opioids associated with misuse and addiction.

In October 2019, the Ministry formed a Prescription Review Program Advisory Committee and drafted the Committee's terms of reference. One of the Committee's purposes is to annually review the monitored drugs list, and update it as required.[10]

As shown in **Figure 3**, the Committee is co-led by the Ministry and the College of Physicians and Surgeons of Saskatchewan and has representatives from key program partners.

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[10] The College of Physicians and Surgeons of Saskatchewan sets out the monitored drugs list in the College's Regulatory Bylaws.

Figure 3—Membership of the Prescription Review Program Advisory Committee

Co-chairs:
- Director, Professional Practice Unit, Drug Plan and Extended Benefits Branch, Ministry of Health
- Registrar, College of Physicians and Surgeons of Saskatchewan

Members include:
- Representatives from:
  - College of Physicians and Surgeons of Saskatchewan
  - Saskatchewan Registered Nurses Association
  - Saskatchewan College of Pharmacy Professionals
  - Saskatchewan College of Dental Surgeons
  - Ministry of Health, Drug Plan and Extended Benefits Branch
- Prescription Review Program Pharmacist Manager
- Prescription Review Program Operations Manager

Source: Adapted from the Prescription Review Program Advisory Committee, *Terms of Reference*.

Prescription Review Program staff reviewed the list of drugs in *The Controlled Drugs and Substances Act* to determine which drugs, including opioids, should be added to the monitored drugs list. Program staff also reviewed what drugs other provinces monitor. As a result of this work, and in consultation with key partners, Program staff proposed to the Prescription Review Program Advisory Committee adding 13 drugs (seven of them opioids) to the monitored drugs list. For example, the proposal included adding opioids the Program did not previously monitor, but were listed in the *Controlled Drugs and Substances Act* (e.g., diacetylmorphine [heroin], diphenoxylate), as well as opioids monitored by other provinces (e.g., tapentadol). These drugs have a greater risk of overdose or addiction.

At the October 2019 meeting, the Advisory Committee approved the additions to the list of monitored drugs, including certain opioids. The College amended its regulatory bylaws to update the list of monitored drugs and received the Ministry's approval in February 2020.[11]

Due to the COVID-19 pandemic, the Advisory Committee has not met since October 2019. However, we found the Ministry and Program staff continue to consult on drugs with a higher risk of misuse. For example, in November 2020, the Ministry suggested adding two other drugs (not opioids) at a higher risk for misuse to the monitored drugs list. The College amended its regulatory bylaws in January 2021 and the Ministry approved the bylaw changes in April 2021.

Regularly reviewing the monitored drugs list ensures it is current and all opioids that are, or can be, associated with misuse and addiction are monitored by the Prescription Review Program.

3.4 Prescription Review Program Assessment Needed

We recommended the Ministry of Health determine whether the Prescription Review Program is helping reduce the misuse of prescribed opioids in Saskatchewan. (*2019 Report – Volume 1*, p. 111, Recommendation 5; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Not Implemented

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[11] Under section 88 of *The Medical Professions Act, 1981*, the Ministry of Health must approve the College's bylaw changes.

The Ministry of Health has not yet assessed whether the Prescription Review Program helps reduce the misuse of prescribed opioids in Saskatchewan.

In October 2020, the Ministry drafted a business proposal to engage an external consultant for an independent evaluation of the Prescription Review Program in 2020–21. The proposal included potential areas for evaluation such as appropriate allocation of public funds; engagement of appropriate staff; current approach for identifying inappropriate prescribing; and frequency and content of Program reporting to the Ministry.

Because of the Ministry's involvement in the COVID-19 pandemic response, the Ministry postponed plans for an independent evaluation. Although, the Ministry intends to resume its work to engage an external consultant after the pandemic, it does not have a targeted date as of August 2021.

Conducting an independent evaluation of the Program would help the Ministry determine whether the Program achieves its purpose in reducing prescribed opioid misuse in Saskatchewan.

3.5 Risk-Based Monitoring of Opioid Dispensing in Pharmacies Needed

We recommended the Ministry of Health establish a risk-based approach to identify concerns in opioid dispensing in Saskatchewan pharmacies. (*2019 Report – Volume 1*, p. 102, Recommendation 3; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Not Implemented

The Ministry of Health has not yet determined how to better identify concerns with opioid dispensing in Saskatchewan pharmacies.

As noted in **Section 3.4**, the Ministry planned to rely on an external evaluation of the Prescription Review Program to help it establish a risk-based approach to identify concerns in opioid dispensing. This evaluation was expected to also include the role of pharmacies (see below). Planned areas of evaluation included:

➢ An environmental scan of practices in other jurisdictions (i.e., Canada, North America, and globally) to gauge good practice

➢ Research in monitoring opioid dispensing practices

➢ Identifying areas in the province with higher opioid dispensing volumes and locations at highest risk with respect to public safety

➢ Identifying and auditing pharmacies with respect to opioid dispensing

➢ Collaborating with stakeholders (e.g., Prescription Review Program, Saskatchewan College of Pharmacy Professionals, other program partners) to develop and implement processes to establish and sustain the risk-based approach

Due to the COVID-19 pandemic, the Ministry postponed this work.

At present, Program staff continue to refer any potential cases of inappropriate pharmacist dispensing practices to the Saskatchewan College of Pharmacy Professionals. In 2020–21, Program staff referred 23 pharmacists (2019–20: 13 pharmacists) with potentially inappropriate dispensing practices to the Saskatchewan College of Pharmacy Professionals. Saskatchewan has just over 1,700 pharmacists and 380 pharmacy technicians.[12] At December 2020, 400 community pharmacies operated in the province.[13]

Because the Ministry does not specifically collect and analyze data about dispensing practices in Saskatchewan's pharmacies, the Ministry does not know if any provincial pharmacies contribute to Saskatchewan's opioid crisis. Not having a risk-based process to consider whether pharmacies consistently and properly dispense opioids could lead to the Ministry missing potential opioid misuse, and opportunities to reduce misuse.

Close Monitoring of High-Risk Dispensing Practices

Even through the Ministry of Health has not yet determined a strategy to systematically evaluate dispensing practices, it closely monitored prescribing and dispensing of opioids in specific circumstances when pharmacists extended opioid prescriptions for treating opioid dependence.

In April 2019, the Saskatchewan College of Pharmacy Professionals with support from the College of Physicians and Surgeons of Saskatchewan sought and received a six month exemption under section 56 of the *Controlled Drugs and Substance Act* from Health Canada.[14] The exemption allowed pharmacists to refill prescriptions for methadone and buprenorphine/naloxone (to treat opioid dependency) under specific circumstances for patients of particular prescribers (who were no longer able to prescribe those opioids). In September 2019, Health Canada extended the exemption for an additional six months.

In March 2020 at the beginning of the COVID-19 pandemic in Canada, Health Canada issued a six month, nationwide exemption for pharmacists to extend prescriptions for controlled drugs (including opioids), to accept verbal extension or refills for prescriptions, and to deliver prescriptions for controlled drugs to patients' homes. In September 2020, Health Canada extended the exemption for one year until September 2021.[15]

The Ministry of Health conducted monthly audits between April and June 2020 to assess whether any inappropriate pharmacist prescribing/dispensing practices occurred.[16] The audits did not identify any significant concerns. As the Prescription Review Program has access to all dispensing data, it can identify any concerning dispensing activities through its day-to-day operations. Program staff indicated it has not found any concerning pharmacist dispensing practices during the Health Canada exemption periods.

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[12] Saskatchewan College of Pharmacy Professionals, *SCOPe newsletter*, March 2021, p. 8.

[13] Saskatchewan College of Pharmacy Professionals, *2020 Annual Report*, pp. 9–10.

[14] Under Section 56.1 of the *Controlled Drugs and Substance Act* pharmacists were exempt from certain provisions of the Act and its regulations when prescribing, selling, or providing a controlled substance to a patient or transferring a prescription for a controlled substance to a pharmacist in Canada.

[15] Health Canada further extended this exemption as of October 1, 2021 to September 30, 2026.

[16] The monthly audits evaluated whether pharmacists extended prescriptions appropriately and provided appropriate direction of use for opioids. The Ministry also conducted audits between July and December 2020, but due to the COVID-19 pandemic, it has not yet reported the results.

3.6 Some Access Given to Patient Information for Identifying Inappropriate Prescribing and Dispensing Practices

> *We recommended the Ministry of Health give those responsible for monitoring inappropriate opioid prescribing a functional IT system useful in identifying potentially inappropriate prescribing practices and opioid misuse.* (*2019 Report – Volume 1*, p. 115, Recommendation 7; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Implemented

> *We recommended the Ministry of Health give those responsible for monitoring inappropriate opioid prescribing access to necessary patient information.* (*2019 Report – Volume 1*, p. 112, Recommendation 6; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Partially Implemented

The Ministry of Health provided the Prescription Review Program with a functional IT system to help identify potentially inappropriate prescribing and dispensing practices, as well as opioid misuse. However, it still needs to provide the Program with necessary patient information for more efficient analysis.

In March 2019, during our initial audit, the Prescription Review Program began using a new Ministry-owned IT system to analyze data. However, at that time, the system was not fully functioning. By May 2019, Program staff indicated they were using the now fully-functioning IT system daily.

The new IT system provides more analytical functionality and reporting compared to the former IT system used by the Program. It provides reports identifying patients who receive more opioid prescriptions than others, physicians prescribing more opioids than others, and patients multi-doctoring (i.e., receiving similar opioid prescriptions from three or more prescribers in one month).

The new IT system contains data on opioid prescription information (e.g., patient name, prescriber name, quantity of opioids prescribed), but does not include other patient information stored in the provincial drug IT system and eHR Viewer. For example, the new IT system does not include directions for prescribed opioid use, opioid refill guidance, or urine drug-screening results. Program staff need this information to effectively interpret data to identify potentially inappropriate prescribing practices and opioid misuse. The Ministry began working with eHealth Saskatchewan to provide such data.

In spring 2019, the Ministry requested eHealth provide Program staff access to urine drug-screening results stored in eHR Viewer. Management indicated a data-sharing agreement is currently being drafted. However, this work has been delayed due to other priorities in the health sector, including the COVID-19 pandemic. eHealth plans to resume this work in fall 2021.

Having urine drug-screening results help Program staff confirm whether a patient used prescribed drugs (to potentially identify diversion) or whether other non-prescribed drugs are present in a patient's body. As Program staff await access to this information, it relies on physicians to forward urine drug-screening results to them.

The Ministry also worked with eHealth to give Program staff access to the provincial drug IT system. In February 2020, Program staff gained such access. However, due to the confidentiality aspect of personal health information in this IT system, Program staff cannot access the provincial drug IT system for investigative purposes. Rather, Program staff can only access the provincial drug IT system when needing information to provide clinical advice to a prescriber regarding a particular patient. In cases where Program staff need more details on opioid prescriptions for assessing potentially inappropriate practices or opioid misuse (e.g., directions for prescribed opioid use, opioid refill guidance), they contact pharmacies to enquire about more information on prescriptions.

Having a functional IT system supports improved and efficient identification and analysis of prescription drugs which contributes to the detection of inappropriate prescribing and dispensing practices as well as prescription drug misuse or diversion. However, not providing Prescription Review Program staff with access to complete patient information related to use of medications increases the risk of not identifying potential opioid misuse and inappropriate prescribing practices.

Chapter 29
Immigration and Career Training—Outcomes-Based Contracts

1.0 MAIN POINTS

By August 2021, the Ministry of Immigration and Career Training addressed our two outstanding recommendations since our 2017 audit of the Ministry's processes to establish outcomes-based contracts for its Adult Basic Education—Essential Skills for the Workplace Program.

The Ministry assessed the use of financial incentives in its outcomes-based contracts by consulting with staff and conducting stakeholder consultations. The Ministry concluded using financial incentives aligned with achieved outcomes is not beneficial at this time. The Ministry no longer uses outcomes-based contracts for this Program, but rather provides annual grants to suppliers who support the delivery of its Adult Basic Education—Essential Skills for the Workplace Program.

2.0 INTRODUCTION

The Ministry of Immigration and Career Training is responsible for increasing employment opportunities for Saskatchewan's people. Under *The Ministry of Immigration and Career Training Regulations* (formerly *The Ministry of the Economy Regulations*), the Ministry is to coordinate, develop, promote, and implement policies and programs related to:

➢ Training and career-related services

➢ Increasing participation in the labour market

➢ Supporting employers in meeting their labour market needs

The Ministry administers programs designed to develop skills for those under-represented in the labour market. For example, its Adult Basic Education programs assist adults in furthering their education and acquiring essential skills for the workplace. The Ministry defines essential skills to include reading, numeracy, writing, communication, collaboration, problem solving, use of digital technology, adaptability and creativity, and innovation.[1]

The purpose of the Adult Basic Education—Essential Skills for the Workplace Program, an Adult Basic Education subprogram, is to help low-skill job seekers acquire essential skills required to work, and to assist employers to hire and retain workers. This Program provides general and job-specific learning at a basic level for learners with low literacy and numeracy levels to better prepare them for entry-level jobs.

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[1] www.canada.ca/en/services/jobs/training/initiatives/skills-success.html (15 September 2021).

In 2015–16, the Ministry of the Economy began using a form of outcomes-based contracts for its labour market service programs including the Adult Basic Education—Essential Skills for the Workplace Program. The Ministry stated at that time, that the primary purpose of using outcomes-based contracting is to improve client outcomes in the most efficient and effective manner.[2]

The Ministry included specific outcomes directly in contracts; however, it did not prescribe how suppliers achieve the outcomes. Suppliers used their expertise to determine the services they will provide to achieve the outcomes. Additionally, the Ministry expected to measure suppliers' performance based on how well they achieve those outcomes. The Ministry did not tie payment terms to the suppliers' achievement of outcomes.

Since our last follow up in 2019, the Ministry no longer uses outcomes-based contracts with suppliers of its Adult Basic Education—Essential Skills for the Workplace Program. The Ministry gives funding to the suppliers through annual grants, and provides them with an annual funding letter that outlines program and reporting requirements.

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.

In 2017, we assessed the Ministry's processes to establish outcomes-based contracts. Our *2017 Report – Volume 1,* Chapter 3, concluded that the Ministry had, other than the areas of our three recommendations, effective processes for establishing its form of outcomes-based contracts for delivery of its Adult Basic Education—Essential Skills for the Workplace Program. In our first follow up in 2019, the Ministry implemented one of the three recommendations.[3]

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.

During our follow-up audit, we interviewed Ministry staff to discuss key actions management has taken since our 2019 follow-up to implement the outstanding recommendations. We also reviewed supporting documentation.

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 August 31, 2021, and the Ministry's actions up to that date.

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[2] Ministry of Immigration and Career Training, *Outcomes-Based Contract Management—Supplier Handbook* (2015), p.3.
[3] *2019 Report – Volume 1*, Chapter 31, pp. 301–304.

3.1 Use of Financial Incentives Considered, But Not Implemented

We recommended the Ministry of Immigration and Career Training (formerly the Ministry of the Economy) reconsider the use of financial incentives in its outcomes-based contracting. *(2017 Report – Volume 1,* p. 37, Recommendation 2; Public Accounts Committee agreement September 26, 2019)

Status—Implemented

We recommended the Ministry of Immigration and Career Training (formerly the Ministry of the Economy) align contracted terms of payment with the suppliers' achievement of outcomes for its outcomes-based contracting. *(2017 Report – Volume 1,* p. 38, Recommendation 3; Public Accounts Committee agreement September 26, 2019)

Status—No longer relevant

The Ministry of Immigration and Career Training assessed the use of financial incentives in its outcomes-based contracts including for its Adult Basic Education—Essential Skills for the Workplace Program and decided they would not be beneficial.

Using a consultant, the Ministry held numerous stakeholder consultations, as well as consulted with its staff about outcomes-based contracts during 2020–21. These consultations included discussing financial incentives. As a result of these discussions, the Ministry concluded that using financial incentives in its outcomes-based contracting was not beneficial at this time. The Ministry indicated a limited number of suppliers deliver programs and tying payments to outcomes could create hardships for those suppliers. Given the Ministry's decision not to use financial incentives, aligning contracted terms of payment with suppliers' achievement of outcomes is no longer relevant.

The Ministry no longer uses outcomes-based contracts for its Adult Basic Education—Essential Skills for the Workplace Program, but rather provides annual grants to suppliers along with program and reporting requirements.

Chapter 30
Office of the Public Guardian and Trustee of Saskatchewan— Providing Property Guardianship Services to Adult Clients

1.0 MAIN POINTS

By July 2021, the Office of the Public Guardian and Trustee of Saskatchewan implemented the one recommendation we made in our 2020 audit related to the Office's processes to provide property guardianship services to adult clients.

The Office developed and implemented a new form to document trust officers' rationale for key decisions about property identification for adult clients receiving property guardianship services. We found that trust officers conducted property searches to determine whether clients owned property, and reasonably documented any judgments made when utilizing the new form.

Documenting rationale for key decisions supports judgments made in specific instances and eases possible client transitions between trust officers (e.g., in event the assigned trust officer is on leave).

2.0 INTRODUCTION

2.1 Background

The Office of the Public Guardian and Trustee of Saskatchewan is responsible for managing the financial affairs of adults incapable of managing their affairs, which is referred to as property guardianship services.[1] Adult clients include individuals over the age of 16 where a Court or a chief psychiatrist determines the individual cannot manage their own estate.[2,3,4]

Property guardianship services for adult clients include making decisions about an adult client's estate (e.g., financial planning, investing money, paying expenses and debts, disposing of property) that an adult would make if he or she had the capacity to do so. It does not include adult-client care decisions (e.g., where to live, medical decisions) or decisions about making a Last Will and Testament (e.g., role of executors or beneficiaries).[5]

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[1] Ministry of Justice and Attorney General—Office of the Public Guardian and Trustee, *2020–21 Annual Report*, p. 4.
[2] Adapted from *The Adult Guardianship and Co-decision-making Act*, section 2. The definition in the Act also applies to adults not under property guardianship services of the Public Guardian and Trustee of Saskatchewan (i.e., personal guardians, other property guardians [e.g., relatives of the adult], co-decision makers).
[3] The Court of Queen's Bench in Saskatchewan appoints property guardians under *The Adult Guardianship and Co-decision-making Act* (s. 2, s. 40(1)(b)). The Act also gives the Public Guardian and Trustee of Saskatchewan authority to apply to be a property guardian (s. 30).
[4] A chief psychiatrist, as defined in *The Mental Health Services Act*, or another physician, may assess the individual. Where appropriate, the chief psychiatrist issues a certificate of incapacity certifying the adult is incapable of managing his or her financial affairs (*The Public Guardian and Trustee Act*, s. 28.2, 28.3).
[5] Adapted from *The Adult Guardianship and Co-decision-making Act* (s. 43).

In 2020–21, the Office served 6,455 clients (2019–20: 6,311 clients) of which 20% (2019–20: 19%) comprised adult clients.[6] As shown in **Figure 1**, the total number of adult clients under property guardianship fluctuates from year-to-year.

Figure 1—Number of Total Clients and Adult Clients Under Property Guardianship as of March 31 from 2017 to 2021

As of March 31	Total # of Clients	# of Adult Clients Under Property Guardianship	% Year-Over-Year Change in Adult Property Guardianship Clients
2017	6,221	1,139	1.2%
2018	6,205	1,084	(4.8)%
2019	6,469	1,155	6.5%
2020	6,311	1,203	4.2%
2021	6,455	1,263	5.0%

Source: Ministry of Justice and Attorney General—Office of the Public Guardian and Trustee, Annual Reports for Years 2017–21.

2.2   Focus of Follow-Up Audit

This chapter describes our first follow-up audit of management's actions on the recommendation we made in 2020.

In 2020, we assessed the Office of the Public Guardian and Trustee of Saskatchewan's processes to provide property guardianship services to adult clients. Our *2020 Report – Volume 1*, Chapter 9, concluded that the Office, other than the area we identified, had effective processes to provide property guardianship services to its adult clients. We made one recommendation.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Office's progress toward meeting our recommendation, we used the relevant criteria from the original audit. The Office's management agreed with the criteria in the original audit.

To perform our follow-up audit, we discussed actions taken with the Office's management. We assessed the Office's processes by examining forms trust officers use to document rationale for key decisions in identifying adult clients' property. We tested a sample of adult clients' files (clients accepted since January 2020) to assess the operating effectiveness of the Office's processes.

3.0   STATUS OF RECOMMENDATION

This section sets out our recommendation including the status of the recommendation at July 22, 2021, and the Office's actions up to that date.

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[6] Adapted from information provided by the Office of the Public Guardian and Trustee of Saskatchewan.

3.1 Rationale for Key Decisions about Client Property Documented

> *We recommended the Office of the Public Guardian and Trustee of Saskatchewan follow its established processes to keep rationale for key decisions about identification of property of adult clients receiving property guardianship services*. (*2020 Report – Volume 1*, p. 111, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of October 29, 2021)

Status—Implemented

Since January 2020, the Office developed and implemented a new form to document rationale for key decisions about property identification for adult clients receiving property guardianship services.

After the Office accepts a new adult client, trust officers conduct a property search to determine whether a client owns any property.[7] When a property search identifies an individual with the same or similar name as the client, the trust officer reviews the search and all relevant information to conclude whether the client owns the property. The trust officer sets out their rationale for their determination on the form and retains this form in the client's file to support their property identification conclusion.

For a sample of 24 new adult clients, we found that trust officers conducted a property search to determine whether clients owned property. For two adult clients, the property search identified individuals with the same or similar name as the client. In both cases we found trust officers utilized the ISC Search—Possible Match Form to document their rationale (e.g., support their judgments) as to why they identified clients as not owning property and appropriately included the form in the clients' files.

Documenting rationale for key decisions supports judgments made in specific instances. Moreover, documenting key decisions in client files eases client transitions between trust officers (e.g., in event the assigned trust officer is on leave [e.g., vacation, sick]).

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[7] The Office conducts property searches through the Information Services Corporation Land Titles Registry.

Chapter 31
Saskatchewan Arts Board—Awarding Grants Impartially and Transparently

1.0 MAIN POINTS

The Saskatchewan Arts Board provides funding and support to the arts by awarding grants to professional artists and art organizations, as well as to art communities.[1]

By May 2021, the Arts Board made good progress in implementing five of six recommendations we made in 2018, including establishing a grant program review cycle, documenting independent assessor selections, signing agreements prior to releasing grant package information, and following well-defined processes for declaring and addressing conflicts of interest.[2]

The Arts Board also began using a documented process for complaint resolution, which helps staff consistently and appropriately resolve received complaints. Tracking complaints and appeals also helps management identify any common themes that the Arts Board should consider when revising its grant programs.

The Arts Board continues to use generic evaluation criteria to score grant applications; however, it is currently developing consistent single-point evaluation criteria based on good practice to guide reviewers for its major grant programs. It plans to implement all evaluation criteria by spring 2022.

2.0 INTRODUCTION

The Arts Board is responsible for establishing adjudication processes to ensure qualified persons assess grant applications.[3] A Cabinet-appointed Board of Directors, with at least one-third nominated by the arts community, governs it. The Arts Board receives the majority of its revenue from the Ministry of Parks, Culture, and Sport.

The Arts Board's mission is to provide funding and support to the arts for the benefit of all people in Saskatchewan.[4] One of its four strategic goals is to champion the arts—the Arts Board will promote the value of a thriving arts sector and increase the appreciation and understanding of the arts in the province. The Arts Board will also continue to examine access to its own programs and activities, working to eliminate any barriers to its services.[5]

Art presents many forms from visual to performing arts, including painting, sculpture, literature, architecture, music, dance, theater, photography, and film. The arts can positively impact local communities and develop social networks, as well as contribute to innovation within a community.[6]

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[1] Saskatchewan *Arts Board 2020–23 Strategic Plan*, p. 2.
[2] Independent assessors are reviewers used when the Arts Board requires specialized expertise beyond the expertise available on the grant review panel.
[3] *The Arts Board Act, 1997*, s. 4 (i).
[4] Saskatchewan *Arts Board 2020–23 Strategic Plan*, p. 2.
[5] Saskatchewan *Arts Board 2020–23 Strategic Plan*, p. 4.
[6] Creative City Network of Canada, *Arts and Positive Change in Communities*, (2005), p. 2.

Statistics Canada estimates the direct economic impact of culture products at $913.9 million in Saskatchewan in 2019, or 1.2% of provincial GDP.[7]

In 2019–20, Saskatchewan Arts Board funding impacted more than 200 communities all around the province. The number of communities, which received direct grants, increased by more than 15% with an additional 26 independent artists' program grants awarded.[8] In 2020–21, the Arts Board budgeted grant expenses of $6.2 million and actual expenses were $6.2 million.

The Arts Board offers various programs through which it annually awards grants. Its major grant programs include: Artists in Communities, Artists in Schools, Independent Artists, Indigenous People's Art and Artists, Professional Arts Organization Program and SaskFestivals.[9] In 2020–21, the Arts Board added a one-time grant program called the Special Initiatives Fund to strengthen organizational responsiveness, resilience and operational effectiveness within the arts community.[10]

2.1 Focus of Follow-Up Audit

This chapter describes our follow-up audit of management's actions on the six recommendations we made in our *2018 Report – Volume 2*, Chapter 22, about the Saskatchewan Arts Board's processes to award grants impartially and transparently.[11]

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Arts Board's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Arts Board's management agreed with the criteria in the original audit.

In performing this follow-up audit, we interviewed Arts Board's staff responsible for awarding grants impartially and transparently. We examined management's grant policies and records that included program review meeting notes, guidance for scoring grant applications, documentation on tracking complaints, and their resolution for its major grant programs. We tested samples of grant panel reviews and examined the appropriateness of its evaluation criteria for scoring and ranking grant applications.

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 May 31, 2021, and the Saskatchewan Arts Board's actions up to that date.

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[7] www150.statcan.gc.ca/n1/daily-quotidien/210527/t001b-eng.html (6 July 2021).
[8] Saskatchewan Arts Board *2019–20 Annual Report*, pp. 43 and 57.
[9] www.sk-arts.ca/menu/grants/grants-by-type/artists.html (2 June 2021).
[10] www.sk-arts.ca/files/funding/packages/SPIF_Guidelines_2020-06-23.pdf (2 June 2021).
[11] Find the original report regarding these recommendations at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in *2018 Report – Volume 2*, Chapter 22, pp. 119–134. The audit assessed the 18-month period ending June 30, 2018.

3.1 Grant Program Review Cycle Established

We recommended the Saskatchewan Arts Board establish the frequency of formal program reviews of its major grant programs. *(2018 Report – Volume 2,* p. 124, Recommendation 1; Public Accounts Committee agreement February 26, 2020*)*

Status—Implemented

In February 2019, the Saskatchewan Arts Board established timing for six program reviews for its major grant programs that include: Artists in Communities, Artists in Schools, Independent Artists, Indigenous People's Art and Artists, Professional Arts Organization Program, and SaskFestivals.

The Arts Board maintains an up-to-date Grant Programs and Assessment Policy (effective December 2012 and last reviewed in September 2020), which defines the Chief Executive Officer's program review role.

Another policy establishes the timing for major grant programs' reviews. Created in February 2019, and updated in 2020, the Arts Board plans to update this policy annually. The Arts Board communicated policy updates to its staff in July 2020.

The Chief Executive Officer approves and maintains all policies, including leading the process to periodically review grant programs for their artistic impact and overall effectiveness, and advising the Board on the findings or on any proposed grant program changes.

The Arts Board did not conduct any formal program reviews in 2020 or 2021. It completed its last formal program reviews between 2015–16 and 2018–19. Based on its program review cycle, it expects to start its next formal program reviews in 2023. Each program follows a different review cycle. For example, the Arts in Communities and Artists in Schools programs follow a 12-year review cycle while the Independent Artists and Indigenous People's Art and Artists programs follow a 10-year review cycle.

In between formal reviews, Arts Board staff regularly discuss program updates for its major grant programs. We found evidence of these discussions in the monthly minutes of the Arts Board's program staff meetings. For example, meeting discussions held on March 16, 2021, covered updating the evaluation criteria for the Independent Artists program and standardizing evaluation criteria used for the Indigenous People's Art and Artists program.

Having established program review cycles fosters program effectiveness and helps maintain transparent and accessible programs and services to artists.

3.2 Use and Selection of Independent Assessors Documented

We recommended the Saskatchewan Arts Board set out, in writing, its process to use and select independent assessors when awarding grants. *(2018 Report – Volume 2*, p. 126, Recommendation 2; Public Accounts Committee agreement February 26, 2020)

Status—Implemented

In February 2019, the Saskatchewan Arts Board set out, in writing, its process to select and use independent assessors when awarding grants.

The guidance on the process to select and use independent assessors (i.e., experts in an artistic medium) is set out in the Arts Board's policy. The Arts Board's website also provides some guidance on the use of independent assessors for applications requiring specialized expertise beyond the scope of the grant review panels.

Arts Board staff make recommendations to the Chief Executive Officer for approval of independent assessors.

The Arts Board used two independent assessors in the 12 months ended May 2021. We tested one independent assessor and found the selection process aligned with policy. The Arts Board staff (i.e., program consultant) appropriately selected the independent assessor and sufficiently documented the rationale for their selection. The Chief Executive Officer duly approved selection of the independent assessor prior to the Arts Board staff providing grant application packages to the assessor.

Documenting selection and use of independent assessors enhances transparency of the Arts Board's processes to award grants.

3.3 Reviewer Agreements Signed Prior to Access to Grant Application Packages

We recommended the Saskatchewan Arts Board obtain signed agreements from evaluators before releasing grant application packages to them.
(2018 Report – Volume 2, p. 128, Recommendation 3; Public Accounts Committee agreement February 26, 2020)

Status—Implemented

In February 2019, the Saskatchewan Arts Board defined its reviewer agreement process to confirm receipt of signed agreements prior to releasing grant application packages to reviewers.

The Arts Board's policy sets out the process to confirm receipt of signed agreements. Grant panel reviewers are required to sign agreements (including declaring conflicts of interest) before the Arts Board gives them access to the grant application packages (i.e., meeting materials including applications). Each reviewer agreement includes reviewer terms (e.g., assessment definitions, review panel manual, conflict of interest, confidentiality assessment criteria, processes, and conduct).

We tested six panel reviewers and one independent assessor and found all seven signed agreements. The signed agreements were received prior to the Arts Board releasing grant application packages.

Requiring receipt of a signed agreement from reviewers prior to sharing confidential information minimizes the risk of reviewers potentially disclosing confidential information or not promptly declaring potential conflicts of interest.

3.4 Conflicts of Interest Clearly Defined and Declaration Process Followed

We recommended the Saskatchewan Arts Board record the time of day the person with a declared conflict of interest left and returned to a grant adjudication session. (2018 Report – Volume 2, p. 128, Recommendation 4; Public Accounts Committee agreement February 26, 2020)

Status—Implemented

The Saskatchewan Arts Board documented its handling of conflicts of interest in its panel review meetings, as well as recorded when the reviewer with a declared conflict of interest left and returned to a grant decision meeting.

The Arts Board's Reviewer Agreement template and policy require panel-review meeting minutes to include the time a reviewer in a conflict of interest left and returned to the meeting.

The Arts Board's Review Panel Manual includes sufficient guidance for reviewers to disclose to the program consultant any possible conflict of interest related to any application as soon as they become aware of it. The Review Panel Manual defines both direct (e.g., financially benefits, immediate family involved) and indirect conflicts of interest (e.g., factors exist making objective evaluation difficult, for instance where a reviewer has a family member involved in the application or organization, but as a non-principal artist or arts professional with no control over that activity). The manual also defines perceived conflicts of interest (e.g., where an outsider believes the reviewer would find it difficult to be objective or where a reviewer is a former employee, or holds a membership in a professional association, who is an applicant).

Arts Board staff chair panel-review sessions and facilitate objective discussions between panel reviewers. In our observation of a panel-review session, we found conflicts of interest were discussed at the beginning of the meeting.

We assessed 19 sets of panel-review meeting minutes and determined all contained a section or discussion on conflicts of interest. We tested four panel-review meeting minutes with declared conflicts and found staff sufficiently documented handling of declared conflicts of interest in compliance with the Arts Board's internal policies. For example, the minutes appropriately documented disclosure of conflicts of interest, and how the conflicts were handled (e.g., excused individual from related deliberations because of a potential conflict or impartiality).

Of the four minutes with declared conflicts we tested:

➢ Two panel-review meeting minutes included the time persons with declared conflicts left and returned to the meetings.

➢ One noted no direct conflict of interest however the reviewer could discuss the organization but not rate an applicant. This aligns with the requirements in the policy.

➢ For the last one, while the meeting's minutes noted the time the reviewer left, it did not record the reviewer's return time to the meeting. However, the minutes marked that the reviewer withdrew from the decision meeting for that application when they declared a conflict; we deemed this reasonable.

Recording in the minutes the time individuals with potential conflicts or impartiality leave and return to the meeting helps organizations show declared conflicts (real or perceived) are handled appropriately and impartial discussions occurred.

3.5 Application Evaluation Criteria in Place, But More Guidance Needed on Scoring Applications

We recommended the Saskatchewan Arts Board give evaluators detailed written guidance about scoring grant applications against evaluation criteria, and make its guidance available to applicants. (2018 Report – Volume 2, p. 132, Recommendation 5; Public Accounts Committee agreement February 26, 2020)

Status—Partially Implemented

At May 31, 2021, the Saskatchewan Arts Board is in the process of updating its written guidance about scoring applications using single-point evaluation criteria.

The Arts Board continues to use generic evaluation criteria that was in place at the time of our original audit in 2018. It is currently developing consistent single-point evaluation criteria to guide reviewers for its major grant programs in line with good practice. Single-point evaluation criteria include minimal descriptions and single ranking points (i.e., description exists for meeting expectations).[12]

In May and June 2019, the Arts Board did research on good practices that informed the Arts Board's development of single-point evaluation criteria for its grant programs. The Arts Board was unable to complete its criteria development in 2020 due to COVID-19. In the spring of 2021, the Arts Board planned to implement its single-point evaluation criteria for some of its programs (e.g., Independent Artists, Indigenous People's Art and Artists) with full implementation to all programs by spring 2022.

Having well documented evaluation criteria and guidance for reviewers decreases the risk of ad-hoc and inconsistent grant application evaluation which may result in the Arts Board providing grants to unmerited applicants.

3.6 Complaints Resolution and Tracking in Place

We recommended the Saskatchewan Arts Board track receipt and resolution of complaints about its grant programs. (2018 – Volume 2, p. 134, Recommendation 6; Public Accounts Committee agreement February 26, 2020)

Status—Implemented

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[12] Single-point evaluation criteria (rubric) outlines the standard expectations for an application using columns on either side to comment on how the application did not meet or exceed the criteria.

In February 2019, the Saskatchewan Arts Board started to track receipt and timely resolution of complaints about its grant programs. The Arts Board followed its appeals procedure documented in its policy.

The policy requires the Chief Executive Officer to receive all grant appeals. Once received, the Chief Executive Officer reviews the appeal within a week for completeness and within a month if any investigations are required in consultation with the program consultant and administrative coordinator. Within the same month, the Chief Executive Officer provides the applicant a final decision on their appeal.

From 2018 to May 2021, the Arts Board received two appeals (June 2019 and December 2020) and one complaint about its grant programs. The Arts Board tracked and resolved the complaint without escalating to an appeal.

We assessed and found appropriate staff (the Chief Executive Officer) tracked and resolved both appeals in a timely manner (within a month), and the resolutions were documented in decision letters sent to the applicants.

In the first appeal, the Chief Executive Officer promptly notified the applicant of the appeal decision within four days from receiving the appeal. This appeal did not involve an investigation as it was denied on the grounds it did not meet the appeal criteria (i.e., factual or procedural error). The decision letter to the applicant included sufficient details regarding the process and basis for the decision made.

The second appeal involved an investigation (i.e. review of panel's assessments, interviews with the program consultant and administrative coordinator). The Chief Executive Officer promptly notified the applicant of the appeal decision within 13 days from receiving the appeal.

The Arts Board uses a documented process for complaint and appeal resolution, which helps staff consistently and appropriately resolve received complaints. Tracking complaints also helps management identify any common themes that the Arts Board should consider when revising its grant programs.

Chapter 32
Saskatchewan Crop Insurance Corporation—Managing Succession of Human Resources

1.0 MAIN POINTS

To operate and administer its programs, the Saskatchewan Crop Insurance Corporation employs qualified staff including agricultural representatives, consultants, specialists, and managers. In 2016–17, the Corporation identified 50% of its staff eligible for retirement (i.e., aged 50 and over) thus making succession management one of its key corporate strategies.

By August 2021, the Corporation implemented the two recommendations we made in our 2019 audit about managing succession of human resources. It set and followed its timeframes for completing key succession management planning processes. Setting timeframes to complete key succession management activities helps the Corporation to complete these tasks within a reasonable time.

The Corporation also updated its *Succession Management Plan* with goals and objectives to periodically evaluate its succession management processes' effectiveness. Since April 2020, management annually reports on the success of these objectives. Periodically evaluating existing processes helps the Corporation continuously improve its succession management.

2.0 INTRODUCTION

The Saskatchewan Crop Insurance Corporation administers business risk-management programs for the agriculture sector in Saskatchewan on behalf of the Ministry of Agriculture. It operates under the authority of *The Saskatchewan Crop Insurance Corporation Act*. The main business risk-management programs include AgriInsurance (crop insurance) and AgriStability (risk-management program). In addition, the Corporation administers the Western Livestock Price Insurance and Wildlife Damage Compensation Program.[1]

The Corporation is responsible for employing sufficient and appropriate staff to fulfill its goals and objectives including administering business risk-management programs.

2.1 Focus of Follow-Up Audit

This chapter describes our follow-up audit of management's actions on the recommendations we made in 2019.

In 2019, we assessed the Corporation's succession management process. Our *2019 Report – Volume 1*, Chapter 10, concluded that, for the 12-month period ending

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[1] www.scic.ca/about-us/ (24 August 2021).

January 31, 2019, Saskatchewan Crop Insurance Corporation had effective succession management processes, other than the following two recommendation areas:

➢ Set timeframes to complete specific key succession management planning processes

➢ Evaluate the effectiveness of its succession management 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 Corporation's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Corporation's management agreed with the criteria in the original audit.

In this follow-up audit, we interviewed the Corporation's staff responsible for its succession management process. We examined and assessed relevant documents including the updated *Succession Management Plan*, Board presentations, and succession management tracking tools.

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 August 13, 2021, and the Corporation's actions up to that date.

3.1 Timeframes Set for Completing Key Succession Management Planning Processes

We recommended the Saskatchewan Crop Insurance Corporation set timeframes in which to complete specific key succession management planning processes. (2019 Report – Volume 1, p. 166, Recommendation 1; Public Accounts Committee agreement February 8, 2021)

Status—Implemented

The Saskatchewan Crop Insurance Corporation set and followed its timeframes for completing key succession management planning processes.

In 2019, the Corporation updated its *Succession Management Plan* to include deadlines for key succession management activities. It set the following deadlines to complete relevant tasks annually:

➢ May 31: Update the *Strategic Workforce Plan* and identify critical roles

➢ July 31: Assess talent; nominate and approve candidates for succession planning

➢ October 31: Complete candidate nominee profiles and candidate interviews, and create individual competency development plans

As of August 2021, we found the Corporation's management completed these key tasks on time or ahead of schedule. In 2020, management updated its *Strategic Workforce Plan* ahead of schedule and provided an update to the Board in April 2020, as well as identified 24 critical roles. In 2021, management identified an additional six roles as critical and provided a Board update in April 2021.

The Corporation also assessed candidates' talent, nominated candidates, and approved them as potential successors for critical roles by July 2020 and July 2021. The Corporation created individual competency development plans for the July 2020 candidates prior to October 2020.

As employees continuously near retirement age, additional positions will be deemed critical. Setting timeframes to complete key succession management tasks will help the Corporation to complete key tasks within a reasonable time. With a well-defined timeline for key tasks, management will have the most relevant data through the succession management process to inform the Corporation to employ the right staff at the right time.

3.2   Succession Management Processes Evaluated

We recommended the Saskatchewan Crop Insurance Corporation establish a method to periodically evaluate the effectiveness of its succession management processes. *(2019 Report – Volume 1,* p. 167, Recommendation 2; Public Accounts Committee agreement February 8, 2021)

Status—Implemented

The Saskatchewan Crop Insurance Corporation updated its *Succession Management Plan* to set goals and objectives to periodically evaluate its succession management processes' effectiveness.

The Corporation's succession planning primary goals include decreasing business disruptions, driving employee development, and increasing engagement. The following objectives assess the effectiveness of the Plan:

➢ Percentage of critical roles with one or more ready successors (target 50%)

➢ Percentage of critical roles filled by candidates in the succession plan (target 50%)

➢ Percentage of candidates with individual competency development plans (target 100%)

➢ Feedback from candidates in the succession plan (collected through surveys)

We observed that management provided its progress against the targets to its Board in April 2020 and April 2021. Per the April 2021 report, 40% of critical roles have one or more successors ready. In 2020–21, the Corporation filled 80% (four of five) of vacant critical roles with succession participants either through staffing competition or temporary assignments. As of April 2021, 100% of succession plan candidates had individual competency development plans.

Identifying and collecting key performance data helps the Corporation assess its succession management processes' effectiveness. Moreover, evaluating its existing processes helps it continuously improve its succession management.

Chapter 33
Saskatchewan Health Authority—Delivering Provincially Funded Childhood Immunizations in La Ronge and Surrounding Area

1.0 MAIN POINTS

The Saskatchewan Health Authority is responsible for delivering provincially funded childhood immunizations in Saskatchewan. Immunization programs help to avert, control, or eliminate vaccine-preventable diseases. Research shows vaccine use significantly contributes to the prevention and control of infectious diseases in Canada and internationally.[1] This audit did not include processes around delivering the COVID-19 vaccine.

By July 2021, the Authority strengthened its processes to deliver provincially funded childhood immunizations in La Ronge and surrounding area by implementing the remaining three recommendations we first made in 2017.

Within La Ronge and surrounding area, the Authority:

➢ Properly managed and protected its vaccine inventory by regularly reconciling its on-hand inventory to quantities recorded in its records and completing emergency event recovery plans

➢ Provided periodic reports to senior management on coverage rate information as it related to provincially funded childhood immunizations to help determine whether immunization services are effective (i.e., providing the right level of services in the right locations)

2.0 INTRODUCTION

The Saskatchewan Health Authority is responsible for delivering immunizations to Saskatchewan residents under *The Provincial Health Authority Act*.

The Authority delivers provincially funded immunization services to 2,491 children under the age of 17 living off-reserve in La Ronge and surrounding area.[2] Provincially funded childhood immunizations are free, routine vaccines that public health nurses and other healthcare providers (e.g., physicians) provide to Saskatchewan residents.

Ineffective delivery of provincially funded childhood immunizations can put the public at risk due to increased transmission of preventable diseases. Children are particularly susceptible to vaccine-preventable diseases because their immune systems are less mature and therefore less able to fight infections.[3]

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[1] www.canada.ca/en/public-health/services/canadian-immunization-guide/introduction.html (18 August 2021).
[2] Information provided by the Saskatchewan Health Authority.
[3] www.canada.ca/en/public-health/services/publications/healthy-living/canadian-immunization-guide-part-1-key-immunization-information/page-3-benefits-immunization.html (18 August 2021).

2.1 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on the three remaining recommendations we first made in 2017.

Our *2017 Report – Volume 1*, Chapter 9, concluded the Authority had, other than matters reflected in our five recommendations, effective processes to deliver provincially funded childhood immunizations in La Ronge and surrounding area. By August 2019, as reported in our *2019 Report – Volume 2*, Chapter 40 it implemented two 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 agreed with the criteria in the original audit.

To complete this follow-up, we interviewed key staff at the Authority and reviewed relevant documents (e.g., policies and procedures, manuals). In addition, we tested a sample of vaccine reconciliations and emergency event recovery plans.

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 July 31, 2021, and the Authority's actions up to that date.

3.1 Vaccine Inventory Reconciled to Records

> ***We recommended the Saskatchewan Health Authority regularly reconcile its on-hand vaccine inventory to the quantities recorded in its records.***
> (*2017 Report – Volume 1*, p. 125, Recommendation 3; Public Accounts Committee agreement February 26, 2019)
>
> **Status**—Implemented

The Saskatchewan Health Authority, within La Ronge and surrounding area, regularly reconciles its on-hand inventory to quantities in its records.

The Authority uses a centralized, provincial IT system called Panorama to maintain vaccine information (e.g., on-hand vaccine quantity) and to determine when more vaccines are needed.

Once a month, public health nurses physically count the vaccines in the storage fridges at each of its four locations. In January 2020, they began recording the physical-count quantity of each vaccine in Panorama. Panorama produces a report comparing the quantity counted to the quantity recorded in the Authority's records. If variances exist, the nurses follow up with staff to determine the reason for discrepancies.

In July 2021, the Authority formalized this process by implementing a work standard for vaccine inventory reconciliations. It requires monthly reconciliations comparing the physical count to the system's quantity. Staff are to follow up on discrepancies and record their resolution.

For three locations in La Ronge and surrounding area tested, we found the Authority completed monthly inventory reconciliations. Public health nurses reviewed variances and provided some explanations. Management indicated public health nurses would, moving forward, document all variance explanations on the reconciliations to comply with the work standard.

Regularly reconciling the amount of vaccines on hand to the amount expected (as reflected in Panorama) decreases the risk that vaccines go missing without notice, or the Authority acquires vaccine inventory it does not need.

3.2   Emergency Event Recovery Plans Complete

> *We recommended the Saskatchewan Health Authority document and make staff aware of emergency event recovery plans as required by the Saskatchewan Immunization Manual.* (*2017 Report – Volume 1*, p. 126, Recommendation 4; Public Accounts Committee agreement February 26, 2019)

Status—Implemented

The Saskatchewan Health Authority has complete, up-to-date emergency event recovery plans in facilities in La Ronge and surrounding area that store vaccines. Staff are made aware of the plans.

The Saskatchewan Immunization Manual sets out procedures for staff to follow in emergency event recovery plans in the event of an emergency (e.g., power outages, natural disasters). The manual requires a written emergency event recovery plan for every facility storing vaccines. As shown in **Figure 1**, the Manual sets requirements that each plan must include.

Figure 1—Emergency Event Recovery Plan Requirements

- Emergency phone numbers for employees, building maintenance, power companies, and repair companies
- Specified arrangements for an alternate storage facility with backup power for proper interim storage and vaccine monitoring
- Written procedures for entering the alternate facility and vaccine storage spaces in an emergency if the facility is closed or it is after hours

Source: Adapted from *The Saskatchewan Immunization Manual*.

For three facilities in La Ronge and surrounding area tested, we found each had a complete, up-to-date emergency event recovery plan. Each facility placed the plan on the side of the vaccine storage fridge as required, and staff of each facility were made aware of the plans.

Complete and up-to-date emergency event recovery plans help ensure vaccines are protected in the event of an emergency, and the Authority does not incur monetary losses through vaccine inventory loss.

3.3   Periodic Reporting Provided to Senior Management

We recommended the Saskatchewan Health Authority periodically give its Board coverage rate information as it relates to provincially funded childhood immunizations. (*2017 Report – Volume 1*, p. 128, Recommendation 5; Public Accounts Committee agreement February 26, 2019)

Status—Implemented

Senior management, rather than the Board, at the Saskatchewan Health Authority receives quarterly coverage rate information as it relates to provincially funded childhood immunizations.

With the amalgamation of the Authority in 2017, it restructured its reporting so that the Board no longer receives and reviews childhood immunization coverage rate information. Rather, this is now the responsibility of Authority senior management.

On a monthly and quarterly basis, the Executive Director in La Ronge and surrounding area receives reports on immunization coverage rates. The reports compare monthly immunization coverage rates to the provincial target of 90% for the number of children who received:

➢   One dose of pertussis vaccination by 91 days of age

➢   One dose of measles vaccination by two years of age

➢   Two doses of measles vaccination by five years of age[4]

The reports include provincial rates, as well as rates by different provincial areas. In addition, the report informs the Executive Director of downward trends and where action plans are needed to increase immunization coverage rates.

Each quarter, various individuals within the Authority (e.g., senior medical health officers, medical health officers, immunization coordinators, public health nurse managers) review reports on immunization coverage rates. The report sets out immunization coverage rates for two- and seven-year-olds for three diseases (pertussis, measles, meningococcal).[5] It also includes provincial rates, as well as for different areas in the province.

As shown in **Figure 2**, pertussis and measles immunization rates for two-year-olds in La Ronge and surrounding area at June 30, 2021 are lower than provincial rates, whereas they are above the provincial rate for all diseases for seven-year-olds. The immunization coverage rates increase significantly as children reach school age (i.e., seven years old).

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[4] Certain childhood vaccines are supposed to be received by certain ages. For example, a child should receive their first pertussis vaccination by two months old.
[5] Pertussis (i.e., whooping cough), meningococcal (i.e., meningitis).

Figure 2—Childhood Immunization Coverage Rates for Pertussis, Measles, and Meningococcal at June 30, 2021

Coverage Rate %	Age Groups	
	2-year-olds	7-year-olds
Regional Pertussis	59.3	89.0
Provincial Pertussis	78.1	73.8
Regional Measles	59.3	94.8
Provincial Measles	78.0	87.2
Regional Meningococcal	89.2	95.5
Provincial Meningococcal	87.8	89.9

Source: Adapted from the Ministry of Health, *Childhood Immunization: Coverage statistics for 2- and 7-year-old children, Quarterly Report: June 2021.*

Management indicated it uses this report to know where to focus the Authority's work. For example, management can produce detailed reports breaking down the number of overdue immunizations by community in its region.

Having management receive periodic reporting on childhood immunization coverage rates helps the Authority determine whether immunization services are effective (i.e., providing the right level of services in the right locations) and make more informed decisions about its immunization efforts.

Chapter 34
Saskatchewan Legal Aid Commission—Providing Legal Aid Services

1.0 MAIN POINTS

By August 2021, the Saskatchewan Legal Aid Commission made progress in improving its processes to provide legal aid services. The Commission implemented two of four outstanding recommendations from our 2016 audit of its processes to provide legal aid services, and was working on implementing the remaining two recommendations.

The Commission set additional measures related to timely and quality delivery of legal aid services provided. It set service expectations related to answering calls made to the application centre and resolving legal matters for clients. These new measures were Board-approved on June 18, 2020. Setting and using clearly written expectations for legal aid services allows management to identify and address factors inhibiting the effective provision of legal aid services.

The Commission now reports rationale for the key differences between actual and expected results for its legal aid services in its annual report. For example, the 2020–21 Annual Report noted that the COVID-19 pandemic often delayed the first court date for clients. Publishing reasons for key differences between expected and actual results shows legislators and the public the Commission identifies underlying causes for its performance, and designs action plans to address services that do not meet its expectations.

However, staff still need to close case files promptly in the electronic case management system to support effective caseload monitoring. Not closing files on time provides an inaccurate picture of lawyers' caseloads and increases the risk of ineffective monitoring and resource allocation.

The Commission has further work planned for conducting annual performance reviews for its lawyers providing legal aid services. It plans to conduct its first set of annual performance reviews for staff lawyers in fall 2021. Doing performance evaluations allows for timely performance feedback and promotes a supportive culture of professional engagement.

2.0 INTRODUCTION

Under *The Legal Aid Act*, the Saskatchewan Legal Aid Commission is responsible for providing publicly-funded legal aid services, as well as for establishing procedures to determine an applicant's eligibility and assessing requests for legal service. The Act also requires the Commission to establish rules and procedures for provision of legal services to persons who do not ordinarily reside in Saskatchewan, and to persons who reside in remote areas of the province.[1]

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[1] *The Legal Aid Act, 1983*, s.6 and 7.

The Commission provides legal aid services primarily from staff working at its head office and 13 area offices located in 12 communities across Saskatchewan. It employs more than 150 staff who handle approximately 27,000 legal aid cases a year.[2] In 2021, the Commission budgeted for $27.4 million and spent $25.4 million on legal aid services.[3]

As shown in **Figure 1**, the Commission closed 22,319 cases in 2020–21 from all its 13 area offices.[4]

Figure 1—Total Number of Case Files Closed in 2020–21 by Type from All 13 Area Offices

Files Closed by Type	Criminal Adult	Criminal Youth	Duty Counsel Adult	Duty Counsel Youth	Therapeutic Courts	Family	Child Apprehension	Total
Staff	6,274	1,121	6,580	574	517	2,210	557	**17,833**
Private Bar	1,287	134	2,469	14	49	356	177	**4,486**
Totals	**7,561**	**1,255**	**9,049**	**588**	**566**	**2,566**	**734**	**22,319**

Source: *Saskatchewan Legal Aid 2020–2021 Annual Report,* p. 12.

Timely access to legal aid services and case closures improve the effectiveness of the justice system (e.g., may reduce time a person is held in custody, may resolve cases faster, may provide protection such as a restraining order sooner to individuals).

2.1 Focus of Follow-Up Audit

This chapter describes our follow-up audit of management's actions on four of the five recommendations we made in our *2016 Report – Volume 1*, Chapter 16, about the Saskatchewan Legal Aid Commission's processes to provide legal aid services to eligible persons.[5],[6] By August 31, 2018, the Commission implemented one of five recommendations.[7]

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Commission's progress toward meeting our recommendations, we used the relevant criteria from the original audit. The Commission agreed with the criteria in the original audit.

During this follow-up audit, we examined the Commission's related policies and procedures, and reviewed key documents, manuals, and publications. In addition, we

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[2] www.legalaid.sk.ca/about/organization.php (15 April 2021).
[3] *Legal Aid Saskatchewan 2020–21 Annual Report*, p.19. The total expenses for Legal Aid services covered salaries and employee benefits, administrative and operating costs, and provision of legal services spent on private bar lawyers.
[4] The 13 area offices include: Battlefords, Meadow Lake, Melfort, Moose Jaw, Northern area, Prince Albert, Regina, Saskatoon, rural areas surrounding Saskatoon and Regina, South East, Swift Current and Yorkton.
[5] Eligible persons are those who meet the eligibility criteria prescribed by the Commission as set out in *The Legal Aid Act* and *The Legal Aid Regulations, 1995*.
[6] We reported the original audit work in *2016 Report – Volume 1,* Chapter 16, pp. 201–217. www.auditor.sk.ca/publications/public-reports.
[7] *2018 Report – Volume 2,* Chapter 41, pp. 275–281. www.auditor.sk.ca/pub/publications/public_reports/2018/Volume_2/CH%2041%20-%20Saskatchewan%20Legal%20Aid%20Commission—Providing%20Legal%20Aid%20Services.pdf

interviewed relevant Commission staff, and tested a sample of case files for individuals receiving legal aid services from the Commission, respecting the confidentiality of client information throughout our audit.

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 August 31, 2021, and the Commission's actions up to that date. We found the Commission implemented two recommendations and was working on implementing the other two recommendations.

3.1 Untimely Case Closures in the Electronic Case Management System

> **We recommended the Saskatchewan Legal Aid Commission use its electronic case management system to capture accurately the status of legal aid cases in a timely manner to facilitate monitoring of lawyer caseloads.** (*2016 Report – Volume 1*, p. 210, Recommendation 2; Public Accounts Committee agreement January 11, 2017)

> **Status**—Partially Implemented

The Saskatchewan Legal Aid Commission made progress toward consistently keeping information in its electronic case management system accurate. However, we found instances of criminal and family cases not closed in a timely manner, which affects the Commission's ability to monitor the timeliness of provided legal aid services.[8]

The Commission uses an electronic case management system called LAIN to track and monitor staff lawyers' caseloads (e.g., number of cases assigned to individual staff lawyers or to area offices), as well as case file status (e.g., eligibility approved, client abandoned, matter completed). Also, management uses this information to assign case files to area offices and to staff lawyers, as well as to help determine number of lawyers needed at each area office.

We sampled 30 case files closed within the period ending August 31, 2021, and found:

➤ In all 30 files, the applicant's information and case closing dates in LAIN accurately matched the information on the corresponding legal aid applications. Clients were deemed eligible on the same date staff created the case files in LAIN.

➤ The Commission closed 22 tested files in a timely way.

➤ Five of the files tested did not include a court decision date. However, we considered the reasons for the system not containing a court decision date as reasonable (e.g., settled out of court, client lost contact with the Commission).

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[8] We defined timely as within two weeks of the court date.

➢ The Commission did not promptly close three of the 30 files we tested, ranging between 30 and 191 days after the last court date.

Testing of an additional 30 files found a further nine instances of files the Commission had not closed within two weeks after the court decision date (i.e., 12 of 60 tested files).

Per discussions with management, they noted the delays in case closures was mainly due to administrative support staff shortages who are responsible for closing case files in LAIN (i.e., on sick leave, delays to replace turnover).

Management also indicated they are undertaking an administrative clean-up for electronic files created, but not closed prior to 2020. The clean-up involves combing all electronic files in LAIN and closing them appropriately within the year of application, starting with the most recent files. Management expects to complete the clean-up process in December 2021.

Not closing files on time inaccurately reflects lawyers' caseloads and increases the risk of ineffectively monitoring, as well as not properly allocating resources to the right place at the right time.

3.2 Expectations Set for Delivering Quality and Timely Legal Aid Services

We recommended the Saskatchewan Legal Aid Commission set expectations to assess the quality and timely delivery of legal aid services.
(*2016 Report – Volume 1*, p. 212, Recommendation 3; Public Accounts Committee agreement January 11, 2017)

Status—Implemented

The Saskatchewan Legal Aid Commission set two new measures that received Board approval on June 18, 2020 (see **Figure 2**) related to timely delivery of service and resolution of legal matters.

The Board previously approved service expectations related to a client's first meeting with a legal aid lawyer and handling complaints made to the Commission (see **Figure 3**).

As shown in **Figure 2**, the Commission included the following two new measures and associated results in its 2020–21 annual report.

Figure 2—The Saskatchewan Legal Aid Commission's New Outcome Measures

Target (i.e., Expectation)	2020–21 Result	2019–20 Result
85% of calls to application centre answered within 2.5 minutes	79%	75%
85% of legal matters completed[A]	74%	84%

Source: *Saskatchewan Legal Aid 2020–2021 Annual Report*, pp. 8–9.
[A] Legal matters completed refers to the percentage of files that a client received resolution to a legal matter.

Setting clear expectations for delivering timely and quality legal aid services helps the Commission determine the extent of efforts and resources needed to reach desired results and address factors inhibiting the effective provision of legal aid services.

3.3   Further Staff Performance Evaluations Needed

We recommended the Saskatchewan Legal Aid Commission conduct written annual performance evaluations of its lawyers. (*2016 Report – Volume 1*, p. 215, Recommendation 4; Public Accounts Committee agreement January 11, 2017)

Status—Partially Implemented

While the Saskatchewan Legal Aid Commission performs staff probation performance evaluations, and developed a Performance Management Policy, it had not extended its performance evaluations beyond staff's probationary period. Moreover, by August 31, 2021, the Commission had not yet conducted annual performance reviews for its entire staff.

The Commission developed a Performance Management Policy on August 13, 2021. The policy sets written guidance for staff performance evaluations and includes frequency of performance evaluation reviews for staff lawyers using identified practice standards. The policy defines planned timelines for evaluations, for example:

➢   By end of May, staff (i.e., lawyers and support staff) set SMART goals; clarify performance and behaviour expectations[9]

➢   By end of September, staff complete mid-year performance reviews; adjust goals if necessary

➢   By end of April, staff complete their final review

Since our last follow-up in 2018, the Commission implemented a standardized form to evaluate staff during probation and trial periods when staff change office locations (e.g., move from Regina Rural to Battlefords office).[10] However, it had not extended its performance evaluations beyond the probationary period.

The Commission did not undertake any annual reviews in 2020. By August 31, 2021, it developed its annual performance review standardized form and launched its annual performance review process for its staff lawyers. It plans to conduct its first set of annual performance reviews for all staff lawyers between August and mid-September 2021.

Absence of periodic performance evaluations impedes timely feedback on performance. Doing performance evaluations also allows for timely corrective action and promotes a supportive culture of professional engagement overall.

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[9] Specific, measurable, achievable, realistic, and timely.
[10] Evaluations to occur for lawyers on probation after nine months of service and for support staff after four months of service. Trial period evaluations to occur for lawyers after six months and for support staff after three months.

3.4 Publishing Actions to Address Shortfalls

We recommended the Saskatchewan Legal Aid Commission publish reasons for key differences between actual and expected results for legal aid services and establish actions to address shortfalls in its plans. (*2016 Report – Volume 1*, p. 216, Recommendation 5; Public Accounts Committee agreement January 11, 2017)

Status—Implemented

The Saskatchewan Legal Aid Commission published reasons for key differences between actual and expected results for its client service standards (e.g., COVID-19 pandemic often delayed the first court date for clients); it published its planned actions to improve legal aid services in its annual report.

The Commission's 2020–21 Annual Report compares actual to expected results for each of its client service standards and other outcome measures including those set out in **Figure 2** and **Figure 3**.

Figure 3—Existing Client Service Standards

Target (i.e., Expectation)	2020–21 Result	2019–20 Result
90% of clients deemed eligible for legal aid see a lawyer within three weeks	56%	61%
100% of online applications receive a response within two business days	85%	32%
95% of complaints receive a response within two weeks	100%	98%

Source: *Legal Aid Saskatchewan 2020–2021 Annual Report.*

The Commission's annual report outlines planned actions where actual results do not meet expectations. For example, in 2020–21, the Commission did not meet its expected target of 90% of clients deemed eligible for legal aid see a lawyer within three weeks. As a result, its annual report states that the Commission plans to revisit this measure in its upcoming strategic planning session by either revising the measure or significantly changing its processes.[11]

We also compared the results of reported measures in the 2020–21 annual report with the information used to calculate these measures from the LAIN system for accuracy and consistency. We found the results on measures (e.g., percentage of calls answered within 2.5 minutes by the application centre) reported in the 2020–21 annual report consistent with the information derived from the LAIN system.

Publishing reasons for key differences between expected and actual results shows legislators and the public the Commission identified underlying causes for its performance, and designed action plans to address services that did not meet its expectations.

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[11] *Legal Aid Saskatchewan 2020–2021 Annual Report*, p. 7.

Chapter 35
Saskatchewan Public Safety Agency—Alerting the Public about Imminently Dangerous Events

1.0 MAIN POINTS

The Saskatchewan Public Safety Agency uses the SaskAlert program, which leverages a national alerting system, to notify the public of emergencies in real time via mobile devices (e.g., cell phones), radio, television or on its website. Authorized participants (like municipalities) create alerts in Alert Ready.[1] Timely, accurate and clear public alerting can help residents and visitors to Saskatchewan adequately prepare for situations posing risks to their health and safety.

As of March 2021, the Saskatchewan Public Safety Agency made some progress to improve its processes related to alerting the public about imminently dangerous events, but further work is needed.

The Agency updated and entered into written contracts for day-to-day administration of the SaskAlert program with the program administrator. These contracts clearly outline key responsibilities for the Agency and the program administrator, including the program administrator supporting authorized participants in creating and issuing public alerts.

While the Agency made some improvements in monitoring the program administrator's operations, the COVID-19 pandemic restrictions impacted its ability to fully monitor all key responsibilities (e.g., conduct quarterly site visits).

In addition, the Agency did not always take action to ensure only authorized participants, who regularly demonstrate they know how to issue accurate alerts, can issue public alerts (e.g., did not remove the ability of authorized participants to issue public alerts when they did not complete the required quarterly practice alerts).

Active and regular monitoring could help the Agency identify authorized participants at a higher risk of issuing inaccurate, unnecessary, or untimely alerts. Issuance of such alerts could negatively affect the public's confidence in the SaskAlert program. Loss of public confidence may result in the public not paying sufficient attention to risks and dangers outlined in the alerts and increasing undue risks to their health and safety.

2.0 INTRODUCTION

2.1 Alerting the Public about Imminently Dangerous Events

The Saskatchewan Public Safety Agency is responsible for providing or supporting public safety services for and with the people, municipalities, Indigenous peoples, public safety

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[1] The SaskAlert program leverages the federal National Alert Aggregation and Dissemination system (Alert Ready) to issue public alerts. Authorized users are individuals from municipalities, First Nations, Saskatchewan RCMP, or provincial government agencies who voluntarily agree to participate in the SaskAlert program.

service providers, and the Government of Saskatchewan.[2] The Agency is also responsible for the SaskAlert program (previously the responsibility of the Ministry of Government Relations).[3]

The SaskAlert program provides the public with critical information on emergencies in real time.[4] It includes communicating alerts via the SaskAlert website (SaskAlert.ca) and the SaskAlert mobile app. It leverages the Federal National Alert Aggregation and Dissemination System to issue public alerts, commonly called Alert Ready.[5]

Figure 1—Key Parties Involved in Issuing Public Alerts for SaskAlert Program
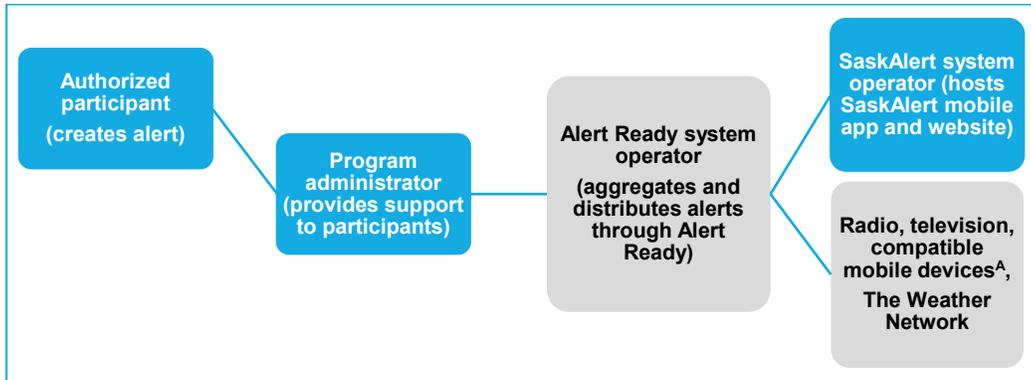
Source: Adapted from information provided by the Saskatchewan Public Safety Agency.
[A] Compatible devices at April 2021 include Android devices with version 4.2 and higher, and iPhones with version 8 and higher.
Blue boxes indicate provincial responsibility (SaskAlert program).
Gray boxes indicate federal responsibility of the Alert Ready system.

As shown in **Figure 1**, a number of key parties assist the Agency in delivering the SaskAlert program. They include authorized participants (approximately 200 active participants at March 2021), a program administrator, the Alert Ready system operator, and the SaskAlert system operator. Authorized participants include individuals from municipalities, First Nations, Saskatchewan RCMP, and provincial government agencies who voluntarily agree to participate in the SaskAlert program.[6] Authorized participants are responsible for creating alerts issued to the public.

2.2   Focus of Follow-Up Audit

This chapter describes our first follow-up audit of management's actions on the four recommendations we made in our *2019 Report – Volume 1*, Chapter 6, about the Saskatchewan Public Safety Agency's processes for alerting the public about imminently dangerous events that may pose risks to public health and safety.[7]

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[2] *The Saskatchewan Public Safety Agency Act, 2019*, s. 2–3(1).
[3] Order in Council 269/2019 dated June 24, 2019.
[4] www.saskpublicsafety.ca/at-home/saskalert (9 September 2021).
[5] In 2008, the Federal Government engaged the operator of The Weather Network to develop and implement the National Alert Aggregation and Dissemination System.
[6] In Saskatchewan, municipalities are responsible for safe communities under *The Municipalities Act* (section 4). www.publications.gov.sk.ca /freelaw/documents/English/Statutes/Statutes/M36-1.pdf; *The Northern Municipalities Act, 2010* (section 4) www.publications.gov.sk.ca/freelaw/documents/English/Statutes/Statutes/N5-2.pdf; and *The Cities Act* (section 4) www.publications.gov.sk.ca/freelaw /documents/english/Statutes/Statutes/c11-1.pdf. (8 April 2021).
[7] Find the original report regarding these recommendations at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in *2019 Report – Volume 1*, Chapter 6, pp. 77–93. The audit assessed the 12-month period ending January 31, 2019.

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's management agreed with the criteria in the original audit.

In performing this follow-up audit, we interviewed Agency staff and management responsible for SaskAlert program administration. We examined management records relating to monitoring its program administrator, tested samples of practice as well as live alerts, and examined the appropriateness of user access to the Alert Ready system.

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 31, 2021, and the Agency's actions up to that date.

3.1 Written Contracts in Place for SaskAlert Program Administration

> ***We recommended the Saskatchewan Public Safety Agency (formerly the Ministry of Government Relations) maintain a robust and enforceable written contract with the party providing day-to-day administration for the SaskAlert program.*** *(2019 Report – Volume 1,* p. 83, Recommendation 1; Public Accounts Committee agreement February 26, 2020)

Status—Implemented

The Saskatchewan Public Safety Agency maintains robust and enforceable written agreements with its service provider responsible for day-to-day administration of the SaskAlert program.

The Agency signed a service agreement and related terms of reference with the program administrator (service provider) effective January 1, 2020 and February 26, 2020 respectively.[8] We found these documents clearly outlined key roles and responsibilities of the Agency and the program administrator as shown in **Figure 2**.

Figure 2—Key Responsibilities of the SaskAlert Program Administrator and the Saskatchewan Public Safety Agency

Key Responsibilities	
Program Administrator	**Saskatchewan Public Safety Agency**
• Using Agency guidance, train participants to create alerts in Alert Ready[A] • Provide assistance to participants to issue practice alerts • Review accuracy of quarterly practice alerts in Alert Ready test environment and monitor their	• Set overall SaskAlert program policy direction and operational program requirements • Set training requirements for participants • Set up participants in Alert Ready with access aligned to their jurisdiction's responsibilities

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[8] The Agency and the program administrator agreed to revised Terms of Reference effective March 16, 2021, with no termination date. The revised terms of reference require program administrator staff to submit quarterly practice alerts to the Agency for review.

Key Responsibilities	
Program Administrator	**Saskatchewan Public Safety Agency**
completion by authorized participants and program administrator issuing alerts (notify Agency within two weeks where participants do not complete alerts as expected)[D] • Operate a 24/7 helpline to support participants creating alerts[B] • Issue alerts when requested by authorized participants • Review live alerts issued by participants for accuracy and follow up with participants as required[C] • Submit reports on participant completion of quarterly practice alerts within two weeks of quarterly requirements, as well as submit training course evaluation results (when available)	• Monitor and update authorized participants' access to Alert Ready (e.g., change status to suspended where a participant does not complete quarterly practice alerts) • Perform quarterly site visits to evaluate the program administrator's operation of the SaskAlert program, and review records

Source: Adapted from Amended and Restated Service Agreement effective January 1, 2020 to March 31, 2028 and SaskAlert Program Management and Operations Terms of Reference effective February 26, 2020 with no termination date.
[A] In 2020, the Agency developed a training curriculum and materials for the program administrator to deliver to new participants. Materials include the program administrator's contact information for practice alerts (phone number and email), and for the 24/7 helpline (phone number and email).
[B] The program administrator staffs its helpline with approximately 55 individuals.
[C] Alert Ready IT system automatically issues an email for every live alert issued, updated, and cancelled in SaskAlert to the program administrator. It also automatically tracks any changes made to an alert. In addition, the program administrator can document in the system conversations with authorized participants (i.e., SaskAlert events call log).
[D] Revised Terms of Reference effective March 16, 2021, with no termination date, require program administrator staff to submit quarterly practice alerts to the Agency for review.

Having a current robust agreement and terms of reference with its program administrator helps ensure each party has a clear understanding of their roles and responsibilities. They also provide the Agency with a basis to monitor and evaluate the program administrator.

3.2 Not Sufficiently Monitoring, Partly Due to COVID-19 Pandemic

We recommended the Saskatchewan Public Safety Agency (formerly the Ministry of Government Relations) document its regular monitoring of all key responsibilities of its SaskAlert program administrator. (2019 Report – Volume 1, p. 88, Recommendation 2; Public Accounts Committee agreement February 26, 2020)

Status—Partially Implemented

We recommended the Saskatchewan Public Safety Agency (formerly the Ministry of Government Relations) actively monitor whether SaskAlert participants complete timely and accurate alerts, and take action where necessary (e.g., suspend system access). (2019 Report – Volume 1, p. 89, Recommendation 4; Public Accounts Committee agreement February 26, 2020)

Status—Partially Implemented

While the Saskatchewan Public Safety Agency monitored some of the SaskAlert program administrator's key responsibilities, it was unable to fully evaluate all key operations because of the COVID-19 pandemic restrictions. In addition, the Agency did not always take action to ensure only authorized participants who demonstrate they know how to issue accurate alerts have access to Alert Ready.

Between March 2019 and March 2021, the Agency conducted two site visits rather than eight because of COVID-19 pandemic travel restrictions. The Terms of Reference indicate the Agency will visit the site quarterly to evaluate the program administrator's operations, and review records.[9] We found:

➢ In its July 2019 site visit, the Agency discussed the findings from the administrative review completed in May 2019. The Agency reviewed the appropriateness of user access in the Alert Ready system, and the completeness and accuracy of the program administrator's files. However, it did not review the program administrator's records for providing helpline support to participants, or participants' training, or live alert monitoring.

➢ In its March 2021 site visit, the Agency established processes for subsequent quarterly site visits rather than evaluating the program administrator's SaskAlert operations and reviewing its related records. It plans to resume its quarterly site visits in 2021–22 (depending on COVID-19 pandemic restrictions).

Between March 2019 and March 2021 (our audit period), the Agency carried out the following activities to monitor the program administrator's operations and key responsibilities.

In early 2019, the Agency completed an administrative review of the program administrator's SaskAlert files. At the Agency's request, the program administrator submitted its files to the Agency. The review identified numerous issues (e.g., missing and incomplete documentation, inappropriate access to Alert Ready). The Agency held various meetings with the program administrator discussing the review's results as well as steps to address identified issues (e.g., met in July 2019, September 2019, March 2020, and September 2020).

The Agency also monitors complaints from authorized participants about the program administrator's supports, if any. We noted the SaskAlert program website includes the Agency's contact information that participants can use if they wish to report issues about the program administrator's support, or lack thereof.[10] During the audit period, the Agency received one complaint. Our testing found the Agency reported the concern to the program administrator promptly and they took appropriate action to resolve the concern.

With respect to training: The Agency updated its program training in 2020 to reflect changes to the SaskAlert program (e.g., incorporated participants' ability to phone the program administrator to issue alerts on their behalf). During 2021, the program administrator facilitated one virtual training session in January 2021 for new alert issuers. Agency staff attended, and were satisfied with, the training delivered.

With respect to reviewing participants' quarterly practice alerts and changes to participant access in Alert Ready: Throughout the year, the Agency received emails listing authorized participants who did not complete quarterly practice alerts as required. Based on emails from the program administrator, the Agency follows up on participants' quarterly practice alerts, as well as updates its master user list and participant access in

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[9] The Terms of Reference in place with the program administrator prior to the Terms of Reference approved in February 2020 also included an expectation that the Agency perform quarterly site visits to evaluate the program administrator's operation of the program and review records.
[10] www.saskatchewan.ca/residents/emergency/saskalert (15 April 2021).

the Alert Ready system (e.g., suspend participants' access who did not meet quarterly practice alert requirements). Practice alerts are designed to confirm authorized participants know how to issue accurate alerts and when to issue them.

We found the Agency documented its quarterly practice alert review in its SaskAlert program master user list.[11]

Our testing of 23 participants determined whether the Agency followed up on authorized participants not completing practice alerts as required; we found the Agency:

➢ Did not document its follow up for three participants we tested. Also, contrary to the Agency's standards of practice, one of these three participants' ability to issue alerts continued (i.e., active status in the Alert Ready system).

➢ Did not receive information on whether program administrator staff who issue alerts on behalf of program participants completed quarterly practice alerts as required. The program administrator employs approximately 55 staff who can issue alerts on behalf of program participants. Our testing included two of those 55 employees. The revised Terms of Reference, effective March 16, 2021, now require the program administrator's employees to submit quarterly practice alerts to the Agency for review.

We also found, contrary to the Terms of Reference, the program administrator does not always notify the Agency on participants' quarterly practice alert completion within the expected two-week timeframe (14 days). For December 2020, the program administrator notified the Agency 28 days after the quarter. Timely notification helps the Agency ensure authorized participants know how to issue accurate and timely alerts; and enables the Agency to take prompt action when issues arise. Participants who do not complete ongoing practice alerts increase their risk of being unable to create a timely or accurate alert in notifying the public about a real emergency when it occurs.

With respect to operating the 24/7 helpline, issuing alerts when requested, and reviewing live alerts from participants: The program administrator does not provide the Agency with information on these key responsibilities to allow the Agency to actively monitor the operation of the helpline or issuance and review of live alerts throughout the year. This increases the importance of the Agency completing site visits.

The Agency noted it informally reviews live alerts issued through the Alert Ready system. It keeps support of its review of live alerts only when it requests changes. For example, in April 2021, the Agency identified an alert issued for the entire province of Saskatchewan rather than for a certain jurisdiction as intended. The Agency asked the program administrator to cancel and re-issue the correct alert.

Our testing found the program administrator provided authorized participants with support. We tested 25 live alerts issued, and found the program administrator, consistent with its assigned responsibilities, documented call details with authorized participants in the

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[11] SaskAlert program master user list is an excel spreadsheet the Agency uses to maintain current participant information. This includes, but is not limited to: email address, phone number, type of alert issuer (new trainee, Alert Ready user, deactivated Alert Ready user, phone-in only participant), Alert Ready practice training and base alert requirement completion, and Alert Ready system access activation date.

SaskAlert event call log.[12] We also found for these 25 alerts, the program administrator confirmed caller credentials before issuing an alert, documented details of alerts issued, and updated, cancelled, and issued alerts based on resolutions between multiple jurisdictions.

The key role of the program administrator is to support authorized participants to help ensure they issue appropriate and accurate alerts. Irregularly monitoring the program administrator's key responsibilities increases the risk of participants issuing inappropriate or inaccurate alerts, or not issuing alerts, when necessary. Issuing inaccurate or unnecessary alerts pose a threat to the SaskAlert program's credibility.

3.3   Periodic Review of User Access to the Alert Ready System Required

> ***We recommended the Saskatchewan Public Safety Agency (formerly the Ministry of Government Relations) work with the operator of Alert Ready (the National Alert Aggregation and Dissemination System) to obtain information needed to enable a periodic review of the appropriateness of user access to the System.*** *(2019 Report – Volume 1,* p. 88, Recommendation 3; Public Accounts Committee agreement February 26, 2020)

> **Status**—Partially Implemented

As at February 2021, the Saskatchewan Public Safety Agency was setting up a process to enable periodic review of the appropriateness of user access to Alert Ready, but had not yet carried out its first review.

During 2019, the Agency obtained reports from the Alert Ready system operator outlining user access in Alert Ready, and reviewed the appropriateness of access granted, in detail. It updated user access to Alert Ready accordingly. After this review in 2019, the Agency obtained access to the details of access granted to SaskAlert users in Alert Ready (e.g., the Agency can generate user access reports to enable review of user access).

Since the 2019 detailed review, the Agency updates user access and details about authorized users in the system and its master SaskAlert user list based on the following:

➢ Its ad hoc review of alert activity reports in Alert Ready for participants who have not completed quarterly practice alerts, as well as results of its follow up with jurisdictions to determine whether that participant continues to require user access[13]

➢ Periodic reporting from the program administrator on authorized participants who do not complete quarterly practice alert requirements, as well as the results of its follow up

➢ Identified changes directly received from authorized participants (e.g., user no longer requires access, change to email address)

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[12] SaskAlert event call log includes details from calls to the helpline including event number, time created, time closed, date, employee identification, and discussion. The program administrator maintains the log. The Agency does not obtain a copy.
[13] Alert activity reports in Alert Ready provide the Agency with the date authorized participants completed practice alerts.

Our testing found that the Agency's updating process does not always ensure users have appropriate access in Alert Ready. At February 2021, the Agency had 227 users with access to Alert Ready. We tested 23 Alert Ready users and found the Agency appropriately included each user in its SaskAlert program master user list.

However, for seven of the 23 users tested—five authorized participants and one program administrator staff (who can issue alerts)—users' access in Alert Ready was not appropriate. Each missed two or more practice alerts but continued to have alert issuing capabilities contrary to the Agency's statement of practice, and one participant with phone-in only status inappropriately had the ability to issue alerts.[14]

In addition, the Agency does not ask participating jurisdictions with authorized participants to review the appropriateness of user access to the Alert Ready system. Good practice suggests at least an annual review. At February 2021, the Agency expects to carry out its next detailed user access review in July 2021. The Agency plans to conduct these reviews quarterly going forward.

Having participants with inappropriate access increases the risk of inappropriate alerts being issued, which could negatively affect the SaskAlert program's credibility. Timely, accurate and clear public alerting help people adequately prepare for imminently dangerous events.

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[14] Phone-in status means the participant calls the program administrator to issue an alert based on information given by the participant.

Chapter 36
Saskatchewan Public Safety Agency—Detecting Wildfires

1.0 MAIN POINTS

As of September 2021, the Saskatchewan Public Safety Agency made some progress in addressing our one remaining recommendation relating to detecting wildfires in Saskatchewan's wildfire management areas, but further work remains.

Starting in 2021, the Agency uses an IT system to track the receipt of annual wildfire prevention and preparedness plans from industrial and commercial operators (e.g., forestry and mining companies) who conduct activities in wildfire management areas of the province. However, it has not determined how many operators it expects to receive these plans from. As a result, it does not know how many plans it still needs to receive from operators.

Having incomplete information about operators' wildfire prevention and preparedness plans, including information about values-at-risk, increases the risk of the Agency not prioritizing its wildfire detection and suppression activities appropriately.[1]

2.0 INTRODUCTION

2.1 Background

Under *The Wildfire Act,* the Saskatchewan Public Safety Agency is responsible for the prevention, detection, control, suppression, and investigation of wildfires within the province's wildfire management areas, including provincial forests.[2]

Provincial wildfire management areas include provincial forests, parkland, vacant Crown land, and every quarter section of land lying wholly or partly within 4.5 kilometres of the boundaries of a provincial forest.[3,4]

The Operations Division within the Agency manages wildfires for the province. The Operations Division employs approximately 340 full-time equivalent employees including front-line staff (e.g., firefighters, pilots). The Operations Division has a Provincial Coordination Centre located in Prince Albert and four response centres (North, West, East and South) responsible for detecting and responding to wildfires in the province. An aviation branch, a logistics support branch and an emergency communications branch all support operational responses to wildfires across the Saskatchewan.[5]

The 2020 calendar year had 147 wildfires; the number of wildfires was below the 10-year average of 379 wildfires.[6] The 2021 calendar year has seen 598 wildfires as at September 30, 2021.[7] This number is well above the 10-year average.

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[1] Values-at-risk include human life, communities, significant public and industrial infrastructure, commercial timber, remaining structures, natural resources, commercial/industrial operations, and wildlife habitats.

[2] On November 10, 2019, the Ministry of Environment transferred wildfire operations to the Saskatchewan Public Safety Agency.

[3] *The Wildfire Act,* s. 2(gg).

[4] According to *The Wildfire Act,* the Saskatchewan Public Safety Agency is not responsible for detection on land within any city, town, village, hamlet, northern village, northern hamlet, northern settlement, regional park, and resort village or resort subdivision.

[5] Information provided by Agency management.

[6] *Saskatchewan Public Safety Agency, Annual Report for 2020–21*, p. 23.

[7] Information provided by Agency management.

2.2 Focus of Follow-Up Audit

This chapter describes our second follow-up audit on the actions taken by the Saskatchewan Public Safety Agency on the one recommendation originally made in our 2017 audit.

Our *2017 Report – Volume 2,* Chapter 23, concluded that, for the 12-month period ending March 31, 2017, the Ministry of Environment had, other than the areas of our two recommendations, effective processes to detect wildfires in Saskatchewan's wildfire management areas.[8]

In our *2019 Report – Volume 2*, Chapter 32, we concluded that the Ministry of Environment implemented one of the two recommendations from our initial audit in 2017.[9] The Ministry of Environment transferred wildfire operations to the Saskatchewan Public Safety Agency in November 2019.

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 Ministry of Environment agreed with the criteria in the original audit.

Our audit approach primarily included examining information in the Agency's IT system showing fire preparedness plans submitted by industrial and commercial operators along with discussions with management responsible for wildfire detection.[10]

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 September 30, 2021, and the Saskatchewan Public Safety Agency's actions up to that date.

3.1 Still Identifying All Operators Required to Submit Wildfire Prevention and Preparedness Plans

> *We recommended the Saskatchewan Public Safety Agency (formerly the Ministry of Environment) actively seek wildfire prevention and preparedness information from industrial and commercial operators that they are required by law to submit.* (2017 Report – Volume 2, p. 149, Recommendation 1; Public Accounts Committee agreement June 13, 2018)

> **Status**—Partially Implemented

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[8] Find the original report regarding these recommendations at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in *2017 Report – Volume 2*, Chapter 23, pp. 143–158.

[9] Find the original report regarding these recommendation at www.auditor.sk.ca/publications/public-reports. We reported the follow-up audit work findings for this recommendation in the *2019 Report – Volume 2,* Chapter 32, pp. 267–268.

[10] Section 2 of *The Wildfire Act* defines industrial and commercial operations as an activity carried out in connection with the operations of forestry; mining; oil and gas; public utilities; outfitting; peat-moss; railway; institutional camps; mineral exploration; and road construction and maintenance.

The Saskatchewan Public Safety Agency uses an IT system to track the receipt of wildfire prevention and preparedness plans from industrial and commercial operators. However, the Agency has not yet identified how many wildfire prevention and preparedness plans it expects to receive from operators. As a result, the Agency does not know how many plans it has not received.

The Wildfire Act (s.20) requires operators to submit wildfire prevention and preparedness plans to the Agency annually. These plans are to include key information, including values-at-risk, for each location (e.g., description of activities; number of people, structures, and equipment at the operation; key contact information; maps; methods to be used to reduce or prevent fire starts; measures to be taken to protect infrastructure and assets from a wildfire threat).[11] Wildfire prevention and preparedness plans from industrial and commercial operators are important as the plans contain information to help the Agency assess the risk of wildfires and to notify the operators in the event of wildfire threats.

The Agency requests operators submit plans via email.[12] Starting in 2021, the Agency saves those plans by year received in an IT application it uses to internally store, organize and share information (i.e., Sharepoint).

Our original performance audit and follow-up audit, in 2017 and 2019 respectively, found the Ministry of Environment had meetings with operators to inform them of the requirement to submit these plans. Based on those meetings, in 2019, the Ministry of Environment estimated it expected to receive wildfire prevention and preparedness plans from approximately 238 operators. The Agency has not conducted further work (e.g., re-canvass operators) to update or verify the accuracy of this estimate since assuming responsibility from the Ministry in 2019.

In 2017, operators submitted only 13 plans; in 2019, this number increased to 50 plans. As of September 23, 2021, the Agency received a total of 48 plans for the 2021 calendar year. While the Agency generally receives more plans each year, it does not currently know how many total plans it should receive from operators. As a result, it has not undertaken any follow-up actions for operators who have not submitted a plan as expected (e.g., followed up with operators to obtain plans, imposed penalties).[13]

Having incomplete information about operators' wildfire preparation and preparedness plans (including values-at-risk) increases the risk of the Agency not prioritizing its wildfire detection activities appropriately, and not developing suitable, related suppression strategies.

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[11] Specific plan requirements are outlined in section 9(1) of *The Wildfire Regulations*.
[12] Operators can email plans to Agency officials or to the dedicated wildfire prevention and preparedness plan email address wppp@gov.sk.ca.
[13] Section 22 (1) of *The Wildfire Act* allows for the suspension or restriction of any or all activities of an industrial or commercial operation until a wildfire and preparedness plan has been submitted and that plan meets the satisfaction of an Agency officer.

Chapter 37
Social Services—Supervising Community-Based Organizations Delivering Programs to Intellectually Disabled People

1.0 MAIN POINTS

The Ministry of Social Services provides programs and services for people with intellectual disabilities by working with and helping them access a variety of community-based services. The Ministry uses community-based organizations (CBOs) to deliver residential and day programs to people with intellectual disabilities. *The Residential Services Act* and *The Rehabilitation Act* give the Ministry the authority to enter into agreements with those CBOs.

By August 2021, the Ministry improved its processes to monitor CBOs serving intellectually disabled people and their families, but needs to make further improvements.

The Ministry continued to work on establishing measures and targets to better monitor and evaluate the results of services CBOs deliver. In addition, the Ministry is updating its risk assessment processes to improve its ability to detect and mitigate risks that could impact a CBO's ability to deliver uninterrupted service.

The Ministry is not yet monitoring CBOs' performance within expected timeframes outlined in CBO agreements. We found 23 out of 78 CBOs have not had basic standards reviews done in the past two years as expected.

Active monitoring of CBO performance helps the Ministry assess whether the services delivered achieve the results the Ministry intended.

2.0 INTRODUCTION

Our *2012 Report – Volume 1*, Chapter 22, concluded that the Ministry had effective processes to plan for, contract with, and monitor CBOs providing services to people with intellectual disabilities other than the areas identified in our eight recommendations. By August 2019, the Ministry implemented five of the eight recommendations.[1] This chapter describes our fourth follow-up audit of management's actions on the three outstanding 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's management agreed with the criteria in the original audit.

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[1] See our *2014 Report – Volume 2*, Chapter 55, pp. 399–404; our *2017 Report – Volume 1*, Chapter 33, pp. 281–284; and our *2019 Report – Volume 2*, Chapter 46, pp. 329–331.

To perform our follow-up audit, we discussed actions taken with management, reviewed relevant documentation (e.g., policy and procedures manuals, information showing CBO reviews occurred), and tested a sample of CBO agreements.

At March 31, 2021, the Ministry held agreements with 78 CBOs for providing services to intellectually disabled people. In 2020–21, the Ministry paid these CBOs about $196.5 million.

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 August 31, 2021, and the Ministry's actions up to that date.

3.1 Work to Determine Outcome Performance Measures Continues

We recommended the Ministry of Social Services work with community-based organizations to establish program objectives, and outcome performance measures and targets to be used to monitor and evaluate the services community-based organizations deliver to intellectually disabled people and their families. (*2012 Report – Volume 1*, p. 192, Recommendation 1; Public Accounts Committee agreement June 17, 2014)

Status—Partially Implemented

At August 31, 2021, the Ministry of Social Services had not yet established outcome-based measures and targets for services delivered by community-based organizations (CBOs) to intellectually disabled clients.

The current agreements with CBOs continue to set out performance measures and targets related to the creation of person-centred plans for clients living in CBO homes (e.g., 100% of clients have completed plans). However, agreements do not include any measures around whether person-centred plans are monitored and achieved, which would help measure whether a client's quality of life is enhanced.[2] The current agreements also do not set performance measures and targets for evaluating service outcomes of other key programs that CBOs deliver. For example, no measures or targets relate to day programs provided by CBOs.

In May 2021, the Ministry hired a contractor to develop outcomes for CBOs, a performance management framework, and related tools. The contractor facilitates collaboration between the Ministry and the disability services sector. The ultimate goal of the project is to implement outcome-based contracts for all CBOs.

Including appropriate outcome-based performance measures and targets in CBO agreements would allow the Ministry to better evaluate CBO performance, and assess whether the delivered services achieve the results the Ministry intended.

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[2] The Ministry's *Comprehensive Personal Planning and Support Policy* refers to person-centred plans as the planning of coordinated supports assisting a participant to realize his/her goals, dreams and aspirations to enhance his/her development and quality of life.

Management told us the Ministry plans to transition to new, outcome-based reporting requirements by 2024–25.

3.2 Monitoring Procedures Inconsistently Followed

We recommended the Ministry of Social Services follow their established monitoring procedures as outlined in their agreements with community-based organizations that provide services to individuals with intellectual disabilities. (*2012 Report – Volume 1,* p. 196, Recommendation 6; Public Accounts Committee agreement June 17, 2014)

Status—Partially Implemented

The Ministry of Social Services inconsistently completes reviews of CBOs' basic policies and procedures within expected timeframes.

The Ministry is to conduct a basic standards review every two years. These reviews include: assessing whether the CBOs' policies align with the Ministry's *Comprehensive Personal Planning and Support Policy*; conducting interviews to determine whether policies are followed in practice; and creating action plans for improving areas of non-compliance.[3]

The Ministry tracks when it last reviewed each CBO, but does not centrally track the results of these reviews. Based on Ministry tracking, as of March 31, 2021, staff had not completed the basic standards review steps for 29% of the 78 CBOs (23 out of 78) within the last two years (at the time of the previous follow-up: 32%). Management indicated delays occurred in completing reviews due to transitions in senior leadership positions at CBOs and COVID-19 priorities.

We tested a sample of nine CBOs for a basic standards review and found, similar to the Ministry's records, that three reviews (33%) were not completed within the expected timeframe. As of July 2021, two of the CBOs' basic standards reviews had not been completed 14 months after the May 2020 due dates and the third CBO's basic standards review had not been completed 30 months after its January 2018 due date.

Lack of timely monitoring increases the risk that CBOs may not use and follow appropriate policies to support individuals with intellectual disabilities as they work to build better lives for themselves.

3.3 Risk Assessment Implementation Ongoing

We recommended the Ministry of Social Services develop and implement complete policies and procedures for addressing risks identified in community-based organizations that provide services to individuals with intellectual disabilities. (*2012 Report – Volume 1*, p. 194, Recommendation 3; Public Accounts Committee agreement June 17, 2014)

Status—Partially Implemented

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[3] *Comprehensive Personal Planning and Support Policy* establishes province-wide policies that Ministry and CBO staff are expected to follow in the provision of effective and ethical supports to individuals with intellectual disabilities.

The Ministry of Social Services has not yet implemented several key policies (e.g., assessing preliminary risk, risk management) relating to CBO risk assessments.

Currently, the Ministry completes annual compliance assessments on each CBO to determine whether the CBO met: the licensing requirements; had and maintained certain key policies (e.g., Board expenditures, criminal record checks, conflict of interest); and provided the Ministry with key information throughout the year (e.g., minutes, annual reports, insurance). If the CBO is non-compliant, the Ministry creates a mitigation plan and works with the CBO to put it in place.

The Ministry is currently piloting a framework to assess, monitor, and manage risk inherent in third-party service contracts, including CBOs. The Ministry expects the piloted framework to assess and identify risks that would hinder a CBO from providing uninterrupted service in a proactive manner. The Ministry expects the new process to focus its review of compliance, and performance information provided by third-party organizations to measure the level of risk in areas such as the inability to meet financial obligations; inability to recruit and retain adequate staff; and inadequate assessment, monitoring, or response to health and safety concerns of clients. It set a Ministry-wide, project implementation date for 2022–23.

Without a comprehensive risk assessment, it is more difficult to communicate expectations to staff and hold CBOs accountable. Having an established risk framework should support staff in completing consistent CBO risk assessments and addressing key risks that will impact the CBOs' ability to deliver uninterrupted service.

Chapter 38
Technical Safety Authority of Saskatchewan—Inspecting Elevating Devices

1.0 MAIN POINTS

By July 2021, the Technical Safety Authority of Saskatchewan (TSASK) improved its processes to inspect elevating devices. It developed a risk-informed strategy for prioritizing inspections and was in the early stages of implementing the strategy. In addition, TSASK consistently followed its procedures for handling complaints and incidents.

TSASK and the Ministry of Government Relations had not yet formalized the expected frequency for inspecting elevating devices to enable reporting of overdue inspections.

Effective inspections of elevating devices helps prevent device malfunction and keeps the public safe.

2.0 INTRODUCTION

TSASK administers Saskatchewan's safety programs for boilers, pressure vessels, elevating devices, amusement rides, and gas and electrical licensing and inspections on behalf of the Ministry of Government Relations under the Safety Standards Agreement.[1,2] It specifically administers and enforces *The Boiler and Pressure Vessel Act, 1999, The Passenger and Freight Elevator Act, The Amusement Ride Safety Act, The Gas Inspection Act, The Gas Licensing Act, The Electrical Inspection Act, The Electrical Licensing Act*, and related regulations.

This chapter describes our second follow-up audit of management's actions on the recommendations we first made in 2017 about TSASK's processes to inspect elevating devices.[3] In 2017, we concluded that TSASK had effective processes to inspect elevating devices, except in the areas of our seven recommendations. As reported in our *2019 Report – Volume 1,* Chapter 41, by February 2019, TSASK implemented three of our seven recommendations.

Effective regulation of elevating devices helps keep the public safe. Elevating devices refer to any apparatus, appliance, or device used for lifting or lowering persons or material from one permanent level, floor, or landing to another.[4] Regular and proper inspections are a

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[1] The Technical Safety Authority of Saskatchewan is a not-for-profit organization established under *The Technical Safety Authority of Saskatchewan Act.*

[2] The *Safety Standards Agreement* is an agreement between TSASK and the Ministry of Government Relations effective June 30, 2015. The agreement establishes the rights and responsibilities of both the Ministry and TSASK as the Ministry delegated administration of *The Amusement Ride Safety Act, The Boiler and Pressure Vessel Act, 1999,* and *The Passenger and Freight Elevator Act*, including regulations, to TSASK. The agreement outlines the obligations of both parties (e.g., TSASK shall administer, perform and fulfill all duties, obligations and responsibilities under the Acts, the Ministry shall collaborate, advise or consult with TSASK as required), reporting requirements (e.g., TSASK to provide the Ministry a quarterly report), as well as gives the Ministry and TSASK the right to access each others records as required to perform their duties. Responsibility for gas and electrical licensing transferred to TSASK on August 1, 2020, from the Ministry of Government Relations. Gas and electrical inspections transferred to TSASK on February 1, 2021, from SaskPower. TSASK and the Ministry of Government Relations have not yet updated the agreement for these changes.

[3] *2017 Report – Volume 1,* Chapter 14, pp. 193–205.

[4] *The Passenger and Freight Elevator Act,* s. 2(d).

key component of effective regulation. In addition, strong inspection processes encourage device owners to maintain elevating devices within industry standards, and reduce the risk that equipment deficiencies go undetected and unaddressed.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate TSASK's progress toward meeting our recommendations, we used the relevant criteria from the original audit. TSASK's management agreed with the criteria in the original audit.

To carry out our audit examination, we interviewed TSASK management and staff. We examined TSASK's policies and procedures relating to inspecting elevating devices. We assessed the functionality of TSASK's IT system, and the reasonableness of supporting documentation. We also examined a sample of incident reports and complaint 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 July 30, 2021, and TSASK's actions up to that date.

3.1 Risk-Informed Strategy for Prioritizing Inspections Developed and Implementation in Progress

We recommended the Technical Safety Authority of Saskatchewan develop a documented risk-informed strategy for prioritizing inspections of elevating devices. (2017 Report – Volume 1, p. 198, Recommendation 2; Public Accounts Committee agreement October 3, 2018)

Status—Implemented

We recommended the Technical Safety Authority of Saskatchewan perform in-service inspections of escalators in accordance with a risk-informed inspection strategy. (2017 Report – Volume 1, p. 201, Recommendation 5; Public Accounts Committee agreement October 3, 2018)

Status—Partially Implemented

In April 2021, TSASK approved a risk-informed strategy for prioritizing inspections of all elevating devices (e.g., elevators, escalators). It rated each elevating device based on this risk-informed strategy, but had not yet conducted inspections within the timelines set out in the new strategy.

TSASK defines a risk-priority number for all elevating devices based on the assessed probability that an elevating device will fail, the severity of probable failure, and the probability of detecting failure. TSASK inspectors assign a risk score to each elevating device based on these risk rankings. TSASK uses the assessed scoring to determine inspection frequency (e.g., 12 months for low- and medium-risk escalators, and six months for high-risk escalators).

We found TSASK completed escalator inspections annually for the year ended June 30, 2021, consistent with the expected timeline outlined in its previous policy. TSASK plans to base future inspection intervals on the risk-informed strategy.

In addition, TSASK built a query into its IT system (Basebridge) that reports outstanding inspections (i.e., identifies elevating devices where the next expected inspection date has passed). This report allows management to monitor outstanding inspections at any time.

Performing regular in-service inspections in accordance with a risk-informed strategy reduces the risk of equipment deficiencies going undetected and unaddressed. It also reduces the risk of elevating-device incidents that can result in injuries to people.

3.2 Incidents and Complaints Procedures Followed

We recommended the Technical Safety Authority of Saskatchewan formalize its procedures for handling incidents and complaints related to elevating devices. (2017 Report – Volume 1, p. 199, Recommendation 3; Public Accounts Committee agreement October 3, 2018)

Status—Implemented

At July 30, 2021, TSASK followed its documented procedures for handling incidents and complaints related to elevating devices.[5] It outlined procedures in flowcharts and made them available to staff.

For the five incidents we tested out of 42 incidents that occurred during our audit period, TSASK followed its established procedures for handling incidents. TSASK's procedures to handle incidents include forwarding incidents to the Chief Inspector, completing an investigation, implementing a response based on the nature and cause of the incident, and logging the incident.

TSASK periodically receives complaints about the operation of an elevating device via email, telephone or its website. For the three complaints received during our audit period, TSASK followed its procedures for handling complaints. TSASK's procedures to handle complaints include forwarding the complaint to the appropriate manager with the manager evaluating the complaint, communicating the result with the complainant, and retaining evidence for each complaint.

Following established procedures for incidents and complaints promotes consistency in handling similar situations.

3.3 Reporting of Overdue Inspections Needed

We recommended the Technical Safety Authority of Saskatchewan and the responsible Ministry define the expected frequency for inspecting elevating devices to enable reporting of overdue inspections. (2017 Report – Volume 1, p. 205, Recommendation 7; Public Accounts Committee agreement October 3, 2018)

Status—Not Implemented

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[5] An incident is an event related to the operation of an elevating device that is abnormal to routine operation.

TSASK and the responsible Ministry (Ministry of Government Relations) have not formalized the expected frequency for inspecting elevating devices to enable reporting on the nature and extent of overdue inspections. Overdue inspections are where the actual inspection interval of licensed equipment exceeded a formally-defined, expected inspection interval.

Each quarter, TSASK gives the Ministry information for elevating devices required under the Safety Standards Agreement. The Safety Standards Agreement between TSASK and the Ministry requires TSASK to give the Ministry quarterly reports containing the following information:

➢ Total number of inspections during the quarter

➢ Total number of reported accidents since the last report[6]

➢ Details on issued corrective action reports (i.e., inspections with noted deficiencies) during the quarter

➢ Total number of overdue inspections (i.e., those where the last inspection date exceeds a legislated inspection frequency)

At July 30, 2021, TSASK was able to track overdue inspections using the query built into its IT system (Basebridge) using the frequency it approved internally.

However, there was no legislated inspection frequency for elevating devices. That is, neither *The Passenger and Freight Elevator Act* nor related regulations establish an inspection frequency for TSASK's inspections of elevating devices. In addition, TSASK and the Ministry have not yet formally defined the required frequency of inspections. TSASK and the Ministry have ongoing verbal conversations about future changes to the Safety Standards Agreement. Until TSASK and the Ministry agree on the required frequency of inspections, TSASK is unable to report the number of overdue inspections to the Ministry.

Agreeing on how often elevating devices should be inspected would help TSASK facilitate better monitoring. Not inspecting elevating devices in a timely way both increases the risk that deficiencies go undetected and incidents occur. Without complete information regarding overdue inspections, the Ministry cannot fully monitor performance under the Safety Standards Agreement.

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[6] An accident is any incident that causes death or serious injury which involves equipment that TSASK regulates. TSASK defines serious injury as receiving medical attention (i.e., in clinic or hospital).

Standing Committees

Saskatchewan Legislative Building: April Serink

Chapter 39
Standing Committee on Crown and Central Agencies

1.0 MAIN POINTS

Through its work and recommendations, the Standing Committee on Crown and Central Agencies helps the Legislative Assembly hold the Government of Saskatchewan accountable for its management of the Crown Investments Corporation of Saskatchewan (CIC) and its subsidiary corporations. The Committee does this, in part, by reviewing chapters in our Reports, as well as reviewing annual reports and related financial statements of agencies within its assigned scope.

As at September 2021, the Committee is up-to-date on reviewing our Report chapters, along with its review of all annual reports related to CIC and its subsidiary corporations.

CIC and its subsidiary corporations' implementation of the Committee's recommendations related to our audit work remains fairly strong. As of September 2021, the Government fully implemented 70% of the Committee's recommendations, and partially implemented 33% of remaining recommendations.

2.0 INTRODUCTION

This chapter outlines the Standing Committee on Crown and Central Agencies' role and responsibilities mainly focusing on those responsibilities and activities related to our Office's audit work since September 2020. It also describes the overall status of the Committee's recommendations resulting from our audit work, along with the status of its review of CIC and its subsidiary corporations' annual reports.[1]

2.1 The Standing Committee on Crown and Central Agencies' Role and Responsibilities

The Standing Committee on Crown and Central Agencies is one of the Legislative Assembly's four policy field committees. The Committee's assigned scope encompasses CIC and its subsidiary corporations, supply and services (e.g., Ministry of SaskBuilds and Procurement), central government agencies (e.g., Ministry of Finance), liquor, gaming, and all other revenue-related agencies and entities. See **Figure 1** for a brief description of a policy field committee's responsibilities.

Figure 1—Policy Field Committees' Responsibilities

The Legislative Assembly makes policy field committees responsible for examining certain documents within their assigned subject area. These documents include bills and regulations (proposed laws), estimates, and annual reports. During their reviews, these committees can consider issues of current concern, future objectives, and past performance.

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[1] CIC's subsidiary corporations include Saskatchewan Power Corporation, Saskatchewan Telecommunications Holding Corporation, Saskatchewan Gaming Corporation, SaskEnergy Incorporated, Saskatchewan Water Corporation, Saskatchewan Government Insurance, and Saskatchewan Opportunities Corporation.

> Policy field committees can also conduct inquiries into matters within their mandated subject area. They provide the Assembly with reports on their activities and can make recommendations to the Assembly for its consideration.
>
> The Standing Committee on House Services determines the membership for each policy field committee. Policy field committee meetings are open to the public. The Assembly's website contains information about the composition of each committee and records of their meetings (i.e., meeting notices, Hansard verbatim, minutes, videos, and reports).
>
> Each committee establishes a steering committee composed of the Chair and Deputy Chair. The steering committee determines how it will plan and organize its business and makes recommendations related to the committee's meeting agenda, the calling of witnesses, and times of sittings. Their meetings are conducted in-camera and, unless otherwise authorized, decisions made by the steering committee must be ratified by the full committee.

Source: www.legassembly.sk.ca/media/1303/standing-and-special-committees-overview-october-2020-v1.pdf (15 September 2021).

The Assembly gave the Committee the following responsibilities in addition to those typically given to a policy field committee:

➢ The Assembly, through *The Provincial Auditor Act* and under its *Rules and Procedures of the Legislative Assembly of Saskatchewan*, refers portions of our Reports (chapters) related to CIC and its subsidiary corporations to the Committee.[2] When the Committee considers chapters from our Reports, our Office and the Corporations' appointed auditor, if any, attend to assist in its review.

➢ The Assembly requires the Minister responsible for CIC to notify the Committee, in writing, about significant transactions of CIC and any of its subsidiaries within 90 days of the transaction.[3] The notification must outline the transaction's objectives, the financial implications, a statement of any changed liabilities, and the authority under which the transaction was made.[4]

➢ The Assembly periodically refers regulations and bylaws of professional associations (e.g., CPA Saskatchewan) to the Committee for its review.

Figure 2 lists the members of the Standing Committee on Crown and Central Agencies.

Figure 2—Standing Committee on Crown and Central Agencies' Members at September 30, 2021

Member Name		
Terry Dennis, Chair Erika Ritchie, Deputy Chair	Steven Bonk Daryl Harrison Terry Jenson	Greg Lawrence Dana Skoropad

Source: www.legassembly.sk.ca/legislative-business/legislative-committees/ crown-and-central-agencies/ (30 September 2021).

2.2   Frequency and Purpose of Committee Meetings

For the period from October 1, 2020 to September 30, 2021, the Standing Committee on Crown and Central Agencies met eight times (prior period–seven times). The purpose of most of these meetings was to review bills (proposed laws), annual reports, the 2021–22 Estimates related to agencies within its subject area, and our Reports (chapters) related to CIC and its subsidiaries.

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[2] Section 14.1(8) of *The Provincial Auditor Act* and rule 143(3) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.
[3] The Committee defines significant transactions as those that are material in amount and outside the ordinary course of business, or are judged to be sensitive and likely of interest to legislators and the public.
[4] Rule 143(4) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

During this period, the Committee made one report to the Assembly. On May 7, 2021, the Committee presented the *First Report of the Twenty-Ninth Legislature*. This report outlined the 2021–22 Estimates and 2020–21 Supplementary Estimates considered, and the resolutions adopted by the Committee.

The Committee did not receive any significant transaction reports.

3.0 STATUS OF COMMITTEE WORK

3.1 Committee Work is Current Related to Our Audits

As of September 2021, the Committee is up-to-date on its review of our Report chapters related to audits of CIC and/or its subsidiaries.

In August 2021, the Committee considered 10 chapters from our Reports. **Figure 3** lists the eight recommendations the Committee agreed with, but had not yet reported to the Assembly at September 30, 2021.

Figure 3—Recommendations Considered and Agreed to by the Committee, but Not Yet Reported to the Legislative Assembly

Committee Agreement Date	Recommendations Considered by the Committee[A]
Saskatchewan Government Insurance (*2019 Report – Volume 1*)	
August 23, 2021	11-1 Maintain enforceable formal written contracts with each party that is key to delivering its automated speed enforcement program
	11-2 Consistently enforce all provisions of its automated speed enforcement program contracts with participating municipal police services
	11-3 Periodically determine whether its service provider sufficiently maintains the integrity of data in the IT system the service provider uses to process automated speed enforcement program fines
	11-4 Periodically determine whether its service provider or police services of participating municipal governments rejected automated speed enforcement program photograph violations in accordance with its policies
SaskEnergy Incorporated (*2020 Report – Volume 1*)	
August 23, 2021	11-1 Document the rationale for how often it carries out each of its transmission pipeline inspection activities
	11-2 Implement timeframes for including the results of inspections of transmission pipelines into its risk-modelling IT system
	11-3 Include the results of key inspection activities and repairs done during the year in its pipeline data storage IT system within specified timelines
Saskatchewan Power Corporation (*2020 Report – Volume 2*)	
August 24, 2021	23-1 Use the cost estimate classification system adopted by the Saskatchewan Environmental Code to determine the contingency percentage used to estimate costs for decommissioning and reclaiming the Boundary Dam Power Station site

[A] The number preceding the outstanding recommendation reflects the chapter and recommendation number of our related report.

The Committee last reported to the Assembly about its review of our chapters on June 30, 2020 (i.e., *Ninth Report to the Twenty-Eighth Legislature*). This report contained

14 recommendations resulting from its review of relevant chapters for the period from September 11, 2018 to June 29, 2020.[5]

3.2 Implementation of the Committee's Audit-Related Recommendations Remains Strong

CIC and its subsidiaries' implementation of the Committee's recommendations related to our audit work remains fairly strong. By September 30, 2021, they fully implemented 70% of the Committee's 40 recommendations, and partially implemented 33% of the remaining recommendations.[6]

Figure 4 sets out the 12 outstanding recommendations agreed to by the Committee and their status at September 30, 2021.

Figure 4—Status of Committee Recommendations Not Fully Implemented at September 30, 2021

Outstanding Recommendation by Corporation[A]	Status
Saskatchewan Government Insurance—Only Qualified Drivers Remain Licensed *(2016 Report – Volume 1)*	
15-1 Establish written guidance outlining expected timeframes for entry of driver information into the computer system used to administer driver's licences.	Partially Implemented (as of November 30, 2019)
Saskatchewan Water Corporation—Purchasing Goods and Services *(2018 Report – Volume 1)*	
10-2 Require staff to include documented rationale for selecting non-competitive procurement methods for purchases over $25,000 on purchase orders submitted for approval.	Partially Implemented (as of December 31, 2019)
10-3 Require staff to report regularly on purchases using sole-sourcing to senior management and the Board.	Partially Implemented (as of December 31, 2019)
10-6 Follow established procurement policies when approving the purchase of goods and services.	Partially Implemented (as of December 31, 2019)
10-7 Track performance problems with suppliers in a way that this information is available to staff making purchasing decisions.	Not Implemented (as of December 31, 2019)
Saskatchewan Power Corporation—Maintaining Above-Ground Distribution Assets *(2018 Report – Volume 2)*	
25-1 Formally assess the risks associated with its inspection and preventative maintenance strategies for above-ground assets used to distribute electricity.	Not Implemented (as of April 30, 2018)
25-2 For above-ground assets used to distribute electricity that Saskatchewan Power Corporation plans to maintain, it determine the condition to which it expects to maintain each type of those assets.	Not Implemented (as of April 30, 2018)
25-3 Consistently maintain in its IT systems key information about its above-ground assets used to distribute electricity to support evidence-based decision-making.	Not Implemented (as of April 30, 2018)

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[5] The Committee's previous report to the Assembly resulting from its review of our Reports was the *Sixth Report to the Twenty-Eighth Legislature* tabled on November 21, 2018.
[6] The Committee asked our Office to assess and report on the status of the recommendations the Committee makes and reports to the Assembly resulting from our audit work. We assess the status of financial-related recommendations each year as part of annual integrated audits. As part of performance audit follow-ups, we assess other recommendations either two or three years after the original audit and, subsequently every two or three years, until the recommendations are either implemented or no longer relevant.

Outstanding Recommendation by Corporation[A]	Status
25-4 Maintain up-to-date information about the condition of its above-ground assets used to distribute electricity to support risk-informed asset planning.	Not Implemented (as of April 30, 2018)
25-5 Formally prioritize its maintenance of above-ground assets used to distribute electricity to support risk-informed allocation of resources over the longer term.	Not Implemented (as of April 30, 2018)
25-6 Where Saskatchewan Power Corporation does not follow its plan for maintaining above-ground assets used to distribute electricity, it formally assess the consequences of not completing such maintenance.	Not Implemented (as of April 30, 2018)
25-7 Regularly report to its senior management on the status of its maintenance activities and, if applicable, the consequences of not completing planned maintenance for above-ground assets used to distribute electricity.	Not Implemented (as of April 30, 2018)

[A] The number preceding the outstanding recommendation reflects the chapter and recommendation number of our related report.

3.3 Committee Review of CIC Sector Annual Reports Current

Annual reports are key accountability documents. As previously mentioned, as a policy field committee, the Committee is responsible for examining annual reports including related financial statements of agencies within its subject area (e.g., CIC and its subsidiary corporations).[7]

As of September 30, 2021, the Committee is up-to-date on its review of CIC and its subsidiary corporations' annual reports (i.e., all 2020–21 annual reports).[8]

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[7] Each year, CIC and its subsidiary corporations prepare annual reports and financial statements for tabling in the Assembly. CIC and almost all of its subsidiaries have a March 31 fiscal year-end. Each summer, they table their annual reports in the Assembly, which then become available for the Committee's review.
[8] Committee's Branch, Legislative Assembly Service, Standing Committee on Crown and Central Agencies, *Business Referred to Committee*.

Chapter 40
Standing Committee on Public Accounts

1.0   MAIN POINTS

The work of the Standing Committee on Public Accounts is crucial for a well-managed parliamentary system of government. It provides a vital link in the accountability chain of public resources and contributes to supporting the public's confidence in the Government.

The Committee's discussions and recommendations to the Legislative Assembly promote a more open and accountable government, as well as better management of government operations. By reviewing chapters in our Reports, questioning government officials, requesting information, and making recommendations in its reports to the Assembly, the Committee acts as an agent of change for the management practices of government.

The implementation of the Committee's recommendations by the Government and its agencies remains fairly strong. As of September 2021, the Government fully implemented 74% of Committee recommendations made during the previous five years, and it partially implemented 64% of the remaining recommendations.

The Committee is falling behind in its review of our Reports' chapters. At September 30, 2021, the Committee has not yet reviewed 148 chapters (2020: 114 chapters; 2019: 69 chapters; 2018: 82 chapters).

Timely review of our Reports' chapters demonstrates the Committee undertakes appropriate scrutiny and holds agencies accountable.

2.0   INTRODUCTION

This chapter provides an overview and brief description of the Committee's composition, role, and responsibilities, as well as how it reports to the Legislative Assembly. It highlights the Committee's activities since our last chapter to the Assembly about the Committee in our *2020 Report – Volume 2*, Chapter 47.

It also sets out the extent to which the Government implemented the Committee's recommendations, and the status of the Committee's review of our Reports.

3.0   ROLE AND RESPONSIBILITIES' OVERVIEW

3.1   Committee Composition

At the beginning of each Legislature, the Legislative Assembly appoints members to the Committee comprised of a member of the official Opposition as Committee Chair and a Government member as Deputy Chair.

On December 8, 2020, the Legislative Assembly adopted a provisional order to expand the membership of the Committee from seven members to eight, including two members of the official Opposition for the duration of the 29th Legislature. **Figure 1** sets out the Committee's members as of September 30, 2021.

Figure 1—Members of the Standing Committee on Public Accounts at September 30, 2021

Members' Name		
Trent Wotherspoon, Chair Colleen Young, Deputy Chair	Marv Friesen Todd Goudy Delbert Kirsch	Hugh Nerlien Dana Skoropad Aleana Young

Source: www.legassembly.sk.ca/legislative-business/legislative-committees/public-accounts/ (5 October 2021).

3.2 Responsibilities Include Reviewing Public Accounts and Our Reports

Because of the Committee's role to scrutinize the Government's management of public resources and review our Reports, we view it as the audit committee for the Assembly and thus, for the public.

The Committee acts as a non-partisan oversight body that helps the Assembly hold the Government accountable for its management of public resources. *The Rules and Procedures of the Legislative Assembly of Saskatchewan* require the Committee to review and report to the Assembly on the results of its review of both Public Accounts and Provincial Auditor's Reports.

The Assembly refers the Public Accounts and the Reports of our Office to the Committee.[1] The following provides a brief description of each:

➢ The Public Accounts consist of two volumes. The first volume contains the Summary Financial Statements of the Government and a Financial Statement Discussion and Analysis section. The second volume contains details on revenues and expenditures of the General Revenue Fund. This volume includes comparisons of appropriations to expenditures by vote and by program, and details of expenses (e.g., payees who received $50,000 or more for salaries and benefits, transfers, or goods and services). It also includes other information, including key financial information of some pension plans and trust funds administered by the Government, on remission of taxes and fees, and on road-use fuel tax accountability.[2]

➢ The Reports of the Provincial Auditor contain the results of our examinations of the Government and its various agencies. Chapters within our Reports identify whether the Committee agreed with our recommendations, or made its own recommendations.

The Committee asked us to monitor compliance with its recommendations and report on their status. Chapters within our Reports provide an update on the status of recommendation implementation.

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[1] By law, chapters related to Crown Investments Corporation of Saskatchewan and its related agencies (e.g., Saskatchewan Power Corporation, Saskatchewan Telecommunications Holding Corporation) within our Reports are referred to the Standing Committee on Crown and Central Agencies.
[2] www.saskatchewan.ca/government/government-structure/ministries/finance#programs-and-services (5 October 2021).

Government officials attend Committee meetings to answer questions about their agencies' administration. In advance of the meetings, agencies provide the Committee with status updates that set out actions taken or planned to address recommendations.[3] Our Office attends the meetings to help the Committee in its reviews. The Committee discusses and recommends actions on issues raised by Committee members and our Office.

The Committee's meetings are televised and open to the public. In its deliberations, the Committee is not fundamentally concerned with matters of policy; rather, it questions the economy and effectiveness of the administration of government programs. The Committee reviews the activities, performance, and reports of government ministries, agencies, and certain Crown corporations (agencies). During its review, the Committee may inquire about past performance, current concerns, and future objectives. The Committee's discussions include broader issues such as strategic plans, key risks to achieving goals and objectives, and performance measurements.

3.3   Reports of the Committee

The Committee's reports include its findings and recommendations resulting from the Committee's review of our Reports.

Typically, the Committee reports to the Assembly at the end of each legislative session. Its reports, once tabled in the Assembly, are publicly available on the Committee's website.[4]

The Committee requires the Government to respond in writing to its reports. Their response is also publicly available on the Committee's website.

The Committee's website also provides information on its composition, as well as Committee meeting records (i.e., Hansard verbatim, minutes, videos, reports).

During the period from October 1, 2019 to September 29, 2020, the Committee made one report to the Assembly.[5] On May 12, 2021, the Committee presented the *First Report of the Twenty-Ninth Legislature*. This report outlined the Provincial Auditor selection process.[6]

4.0   STATUS OF COMMITTEE'S REVIEW OF OUR REPORTS

The Committee is falling behind in its review of chapters in our Reports.

Between October 2020 and September 2021, the Committee met twice to review 38 chapters from seven of our Reports.[7] These Reports included the results of our examinations of the Government and its agencies, including recommendations for improvement. At another meeting in December 2020, the Committee considered our

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[3] Status updates are tabled with the Committee and available at www.legassembly.sk.ca/legislative-business/legislative-committees/public-accounts/ (7 October 2021).
[4] www.legassembly.sk.ca/legislative-business/legislative-committees/public-accounts/ (7 October 2021).
[5] On June 29, 2020, the Committee tabled the *Fourth Report of the Twenty-Eighth Legislature* to the Assembly, resulting from its review of our Reports.
[6] On February 16, 2021, the Provincial Auditor submitted a letter of resignation to the Speaker of the Legislative Assembly. Her resignation took effect June 30, 2021.
[7] The Committee reviewed the following Reports: 2017 Volume 1, 2018 (Volumes 1 and 2), 2019 (Volumes 1 and 2), and 2020 (Volumes 1 and 2).

Annual Report on Operations for the Year Ended March 31, 2020 and our *Business and Financial Plan* for the Year Ended March 31, 2022.

As shown in **Figure 2**, the Committee continued to meet less frequently to review our Reports resulting in an increase in more outstanding chapters. As of September 30, 2021, the Committee had not yet reviewed 148 chapters.

Figure 2—Frequency of Committee Meetings with Corresponding Number of Chapters Not Yet Reviewed for the 12-Month Periods Ending September 30

12-Month Period Ending September 30	Number of PAC Meetings	Number of Meetings that PAC Considered Our Reports	Number of Chapters Not Yet Reviewed by PAC
2021[A]	5	2	148
2020	4	1	114
2019	8	7	69
2018	4	2	82
2017	11	9	55

Source: Provincial Auditor of Saskatchewan (October 2021).
[A] Due to the COVID-19 pandemic, the Committee cancelled a meeting in March 2021 where it intended to review our Reports.

As of September 30, 2021, the Committee had not yet completed its review of chapters from our following Reports:

➢ One of 30 chapters from our *2018 Report – Volume 1*

➢ Twelve of 46 chapters from our *2018 Report – Volume 2*

➢ Thirteen of 42 chapters from our *2019 Report – Volume 1*

➢ Twenty-seven of 46 chapters from our *2019 Report – Volume 2*

➢ Twenty-five of 30 chapters from our *2020 Report – Volume 1*

➢ Thirty-nine of 45 chapters from our *2020 Report – Volume 2*

➢ All thirty-one chapters from our *2021 Report – Volume 1*

A significant number of the outstanding chapters relate to health sector agencies (e.g., Saskatchewan Health Authority, Ministry of Health, Saskatchewan Cancer Agency).

The Committee considers, on average, 22 chapters during a full-day meeting. Therefore, the Committee will need to meet approximately seven full days in order for it to be up-to-date in its review of our past Reports.

Timely review of chapters and recommendations in our Reports demonstrates the Committee undertakes appropriate scrutiny and holds agencies accountable.

5.0 IMPLEMENTATION OF COMMITTEE'S RECOMMENDATIONS

5.1 Overall Implementation Rate of Committee Recommendations

Consistent with prior years, the implementation of the Committee's recommendations by the Government and its agencies remains fairly strong.

As of September 2021, the Government fully implemented 74% (September 2020: 82%) of the Committee's 403 recommendations. The Government partially implemented 64% (September 2020: 53%) of the remaining recommendations.

5.2 Status of Previous Committee Recommendations

The following table sets out, by agency, the number of Committee recommendations not yet implemented and not included elsewhere in this Report, and the last Report in which our Office gave an update on the status of recommendations.

Our Office follows up on the status of these recommendations until they are implemented or no longer relevant.

Agency	Chapter Title (Initial PAS Report) ^A	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
Government of Saskatchewan:			
	Modernizing Government Budgeting and Financial Reporting (*2013 Special Report*)	*2019 Report – Volume 1*, Chapter 45	3
Ministries:			
Corrections, Policing, and Public Safety	Community Rehabilitation of Adult Offenders (*2011 Report – Volume 1*, Chapter 3)	*2020 Report – Volume 2*, Chapter 25	2
	Providing Primary Medical Care in Adult Secure-Custody Correctional Centres (*2018 Report – Volume 1*, Chapter 3)	*2020 Report – Volume 2*, Chapter 27	7
Education	Capital Asset Planning for Schools (*2013 Report – Volume 1*, Chapter 8)	*2021 Report – Volume 1*, Chapter 12	1
Energy and Resources	Managing Oil and Gas Wells (*2012 Report – Volume 2*, Chapter 31)	*2018 Report – Volume 1*, Chapter 17	2
Environment	Regulating Landfills (*2013 Report – Volume 2*, Chapter 29)	*2020 Report – Volume 1*, Chapter 16	2
	Preventing the Entry and Spread of Aquatic Invasive Species in Saskatchewan (*2016 Report – Volume 1*, Chapter 7)	*2020 Report – Volume 2*, Chapter 29	2
Finance	Monitoring the Fuel Tax Exemption Program (*2016 Report – Volume 1*, Chapter 8)	*2019 Report – Volume 1*, Chapter 24	4
Government Relations	Safe Drinking Water in Northern Settlements (*2012 Report – Volume 1*, Chapter 12)	*2021 Report – Volume 1*, Chapter 15	4
Health	Preventing Diabetes-Related Health Complications (*2012 Report – Volume 2*, Chapter 32)	*2020 Report – Volume 2*, Chapter 32	3
	Providing Special Needs Equipment for Persons with Disabilities (*2016 Report – Volume 2*, Chapter 27)	*2021 Report – Volume 1*, Chapter 17	2

Agency	Chapter Title (Initial PAS Report) A	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
	Detecting Inappropriate Physician Payments (*2017 Report – Volume 1*, Chapter 6)	*2020 Report – Volume 1*, Chapter 17	2
Immigration and Career Training	Coordinating English-Language Programs (*2015 Report – Volume 1*, Chapter 8)	*2021 Report – Volume 1*, Chapter 19	2
Justice and Attorney General	Supporting Provincial Court of Saskatchewan to Manage Court Workloads (*2014 Report – Volume 1*, Chapter 10)	*2020 Report – Volume 2*, Chapter 33	2
Justice and Attorney General and Corrections, Policing and Public Safety	Leading the Community Safety and Well-Being Initiative (*2016 Report – Volume 1*, Chapter 10)	*2021 Report – Volume 1*, Chapter 20	2
SaskBuilds and Procurement	Securing the Data Centre (*2006 Report – Volume 3*, Chapter 6)	*2021 Report – Volume 1*, Chapter 26	1
Social Services	Minimizing Absenteeism (*2015 Report – Volume 2*, Chapter 39)	*2020 Report – Volume 2*, Chapter 43	2
	Investigating Allegations of Child Abuse and Neglect (*2018 Report – Volume 2*, Chapter 26)	*2020 Report – Volume 2*, Chapter 42	4
Crown Agencies—Saskatchewan Health Authority:			
Saskatchewan Health Authority	Triaging Emergency Department Patients in Saskatoon Hospitals (*2013 Report – Volume 2*, Chapter 30)	*2021 Report – Volume 1*, Chapter 23	1
	Medication Management in Long-Term Care in Kindersley and Surrounding Area (*2014 Report – Volume 2*, Chapter 35)	*2020 Report – Volume 1*, Chapter 27	2
	Safe and Timely Discharge of Patients from Regina Hospitals (*2015 Report – Volume 1*, Chapter 14)	*2019 Report – Volume 2*, Chapter 41	2
	Delivering Accessible and Responsive Ground Ambulance Services in Southwest Saskatchewan (*2016 Report – Volume 2*, Chapter 25)	*2019 Report – Volume 2*, Chapter 39	6
	Efficient Use of MRIs in Regina (*2017 Report – Volume 1*, Chapter 10)	*2020 Report – Volume 1*, Chapter 25	4
	Overseeing Contracted Special-Care Homes in Saskatoon and Surrounding Area (*2017 Report – Volume 1*, Chapter 12)	*2020 Report – Volume 1*, Chapter 29	5
	Minimizing Employee Absenteeism (*2017 Report – Volume 2*, Chapter 25)	*2020 Report – Volume 1*, Chapter 28	4
	Providing Timely Access to Mental Health and Addictions Services in Prince Albert and Surrounding Area (*2018 Report – Volume 1*, Chapter 8)	*2021 Report – Volume 1*, Chapter 22	5
Crown Agencies—School Divisions:			
Prairie Spirit School Division No. 206	Maintaining Facilities (*2016 Report – Volume 1*, Chapter 12)	*2019 Report – Volume 1*, Chapter 33	6
Regina Roman Catholic Separate Division No. 81	English as an Additional Language Programming (*2016 Report – Volume 2*, Chapter 29)	*2020 Report – Volume 2*, Chapter 35	1
Saskatoon School Division No. 13	Supporting Students with Intensive Needs (*2018 Report – Volume 1*, Chapter 11)	*2018 Report – Volume 1*, Chapter 11	11
Sun West School Division No. 207	Annual Integrated Audit (*2017 Report – Volume 2*, Chapter 2)	*2021 Report – Volume 1*, Chapter 2	1

Agency	Chapter Title (Initial PAS Report) ^A	Last PAS Report and Chapter	Number of Committee Recommendations Not Yet Implemented
St. Paul's School Roman Catholic Separate Division No. 20	Promoting Good Student Health and Physical Fitness (*2015 Report – Volume 2*, Chapter 40)	*2021 Report – Volume 1*, Chapter 30	1
Crown Agencies—Various:			
Saskatchewan Cancer Agency	Delivering the Screening Program for Breast Cancer (*2016 Report – Volume 1*, Chapter 14)	*2020 Report – Volume 2*, Chapter 37	1
Saskatchewan Liquor and Gaming Authority	Regulating Commercial Permittees' On-table Sale of Liquor (*2017 Report – Volume 1*, Chapter 11)	*2021 Report – Volume 1*, Chapter 25	2
Saskatchewan Public Safety Agency	Coordinating Provincial Emergency Preparedness (*2015 Report – Volume 1*, Chapter 12)	*2020 Report – Volume 2*, Chapter 40	1
Saskatchewan Workers' Compensation Board	Coordinating Injured Workers' Return to Work (*2016 Report – Volume 2*, Chapter 31)	*2019 Report – Volume 2*, Chapter 43	6
Water Security Agency	Dam Safety (*2005 Report – Volume 1*, Chapter 3)	*2019 Report – Volume 1*, Chapter 44	2
	Regulating Drainage (*2018 Report – Volume 1*, Chapter 12)	*2021 Report – Volume 1*, Chapter 31	9
Western Development Museum	Permanently Removing Historical Artifacts (*2016 Report – Volume 2*, Chapter 30)	*2020 Report – Volume 2*, Chapter 45	1

Source: Provincial Auditor of Saskatchewan (October 2021).
^A PAS – Provincial Auditor of Saskatchewan

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, 2021 along with their fiscal year-end. Agencies subject to our examination include ministries, Crown agencies, CIC Crown Corporations and related agencies, special purpose and trust funds, offices of the Legislative Assembly and other agencies that administer public money.

For each of these agencies, the table sets out the status of our annual integrated audits at October 29, 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 [A]	Status on October 29, 2021 [B]	Matters Reported / Related Report(s) [C]
Government of Saskatchewan – Summary Financial Statements	March 31	Complete	No
Ministries:			
Ministry of Advanced Education	March 31	Complete	Yes/2021 V2
Ministry of Agriculture	March 31	Complete	No
Ministry of Corrections, Policing, and Public Safety	March 31	Complete	Yes/2021 V1 & 2021 V2
Ministry of Education	March 31	Complete	Yes/2021 V1 & 2021 V2
Ministry of Energy and Resources	March 31	Complete	Yes/2021 V1 & 2021 V2
Ministry of Environment	March 31	Complete	No
Ministry of Finance	March 31	Complete	Yes/2021 V2
Ministry of Government Relations	March 31	Complete	Yes/2021 V1 & 2021 V2
Ministry of Health	March 31	Complete	Yes/2021 V1 & 2021 V2
Ministry of Highways	March 31	Complete	Yes/2021 V1 & 2021 V2
Ministry of Immigration and Career Training	March 31	Complete	Yes/2021 V1 & 2021 V2
Ministry of Justice and Attorney General	March 31	Complete	Yes/2021 V1 & 2021 V2
Ministry of Labour Relations and Workplace Safety	March 31	Complete	No

Agency	Fiscal Year-End [A]	Status on October 29, 2021 [B]	Matters Reported / Related Report(s) [C]
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/2021 V1 & 2021 V2
Ministry of Trade and Export Development	March 31	Complete	No
Executive Council	March 31	Complete	Yes/2021 V2
Public Service Commission	March 31	Complete	Yes/2021 V1
Crown Agencies:			
Agricultural Credit Corporation of Saskatchewan	March 31	Complete	No
All Nations' Healing Hospital Inc.	March 31	Complete	Yes/2021 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	No
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/2021 V1 & 2021 V2
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

Agency	Fiscal Year-End ᴬ	Status on October 29, 2021 ᴮ	Matters Reported / Related Report(s) ᶜ
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	No
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
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/2021 V1 & 2021 V2
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	Yes/2021 V2
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/2021 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/2021 V2
Regina Lutheran Housing Corporation	March 31	Complete	No

Agency	Fiscal Year-End [A]	Status on October 29, 2021 [B]	Matters Reported / Related Report(s) [C]
Regina Roman Catholic Separate School Division No. 81	August 31	Complete	No
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	No
Saskatchewan Arts Board, The	March 31	Complete	Yes/2021 V2
Saskatchewan Association of Health Organizations Inc.	March 31	Complete	No
Saskatchewan Cancer Agency	March 31	Complete	No
Saskatchewan Centre of the Arts	March 31	Complete	No
Saskatchewan Crop Insurance Corporation	March 31	Complete	Yes/2021 V2
Saskatchewan Health Authority	March 31	Complete	Yes/2021 V1 & 2021 V2
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	No
Saskatchewan Indian Gaming Authority Inc.	March 31	Complete	Yes/2021 V2
Saskatchewan Legal Aid Commission	March 31	Complete	Yes/2021 V2
Saskatchewan Liquor and Gaming Authority	March 31	Complete	Yes/2021 V1 & 2021 V2
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	March 31	Complete	No
Saskatchewan Polytechnic	June 30	Complete	Yes/2021 V2
Saskatchewan Public Safety Agency	March 31	Complete	Yes/2021 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/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
Société 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

Agency	Fiscal Year-End [A]	Status on October 29, 2021 [B]	Matters Reported / Related Report(s) [C]
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/2021 V1 & 2021 V2
Western Development Museum	March 31	Complete	Yes/2021 V2
Workers' Compensation Board	December 31	Complete	Yes/2021 V1
CIC Crown Corporations and related agencies:			
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	
BG Storage Inc.	March 31	Note 1	
Bruno Holdings Inc.	March 31	Note 1	
CIC Asset Management Inc.	March 31	Complete	No
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 4	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	

Agency	Fiscal Year-End [A]	Status on October 29, 2021 [B]	Matters Reported / Related Report(s) [C]
Saskatchewan Gaming Corporation	March 31	Complete	Yes/2021 V2
Saskatchewan Government Insurance	March 31	Complete	No
Saskatchewan Immigrant Investor Fund Inc.	March 31	Complete, Note 4	No
Saskatchewan Opportunities Corporation	March 31	Complete	No
Saskatchewan Power Corporation	March 31	Complete	No
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
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	
Special purpose and trust funds including pension and benefit plans:			
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
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	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – CUPE	December 31	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – SEIU	December 31	Complete	No

Agency	Fiscal Year-End [A]	Status on October 29, 2021 [B]	Matters Reported / Related Report(s) [C]
Health Shared Services Saskatchewan Disability Income Plan – General	December 31	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – SUN	December 31	Complete	No
Health Shared Services Saskatchewan Group Life Insurance Plan	December 31	Complete	No
Health Shared Services Saskatchewan In-Scope Extended Health/Enhanced Dental Plan	December 31	Complete	No
Health Shared Services Saskatchewan Out-of-Scope Extended Health/Enhanced Dental Plan	December 31	Complete	No
Health Shared Services Saskatchewan Out-of-Scope Flexible Health/Spending Plan	December 31	Complete	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	Complete	Yes/2021 V2
Oil and Gas Orphan Fund	March 31	Complete	No
Pension Plan for the Non-Teaching Employees of the Saskatoon School Division No. 13	December 31	Complete	No
Power Corporation Superannuation Plan	December 31	Complete	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
Public Guardian and Trustee of Saskatchewan	March 31	Complete	Yes/2021 V2
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

Agency	Fiscal Year-End [A]	Status on October 29, 2021 [B]	Matters Reported / Related Report(s) [C]
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	Note 3	
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	No
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/2021 V2
Water Security Agency Retirement Allowance Plan	March 31	Complete	No
Offices of the Legislative Assembly:			
Advocate for Children and Youth, Office of the	March 31	Complete	No
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 and Registrar of Lobbyists, 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

Agency	Fiscal Year-End [A]	Status on October 29, 2021 [B]	Matters Reported / Related Report(s) [C]
Other Agencies:			
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	Yes/2021 V2
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:   These entities have been wound up and amalgamated with CIC Asset Management Inc. as of April 1, 2021.

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[A]   Fiscal Year-end   Year of last completed integrated audit
      March 31   2021
      April 30   2021
      May 31   2021
      June 30   2021
      August 31   2020
      September 30   2020
      December 31   2020

[B]   "Complete" – the audit was complete.
      "Delayed" – the audit was delayed.

[C]   "No" – no significant issues were reported.

"Yes/2021 V1" – significant issues are reported in our *2021 Report – Volume 1*.
"Yes/2021 V2" – significant issues are reported in our *2021 Report – Volume 2*.

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 January 1, 2021 and July 31, 2021.

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, 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.[1,2] 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—Objectives 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* includes the Office's independent auditor's report on the Government's Summary Financial Statements for the year ended March 31, 2021.

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[1] For a copy of this report, see our website at 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.

[2] 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, the 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 January 1, 2021 and July 31, 2021. As noted below, sometimes the Office varies the extent of its participation.

The table groups agencies and corporations by: health care affiliates; regional colleges; other Crown agencies, special purpose and trust funds; other agencies; 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
Healthcare Affiliates				
All Nations' Healing Hospital Inc.	Virtus Group LLP	March 31	See A	Yes
Bethany Pioneer Village Inc. D	Jensen and Stromberg, Chartered Professional Accountants	March 31	See A	Yes
Border-Line Housing Company (1975) Inc.	MNP LLP	March 31	See A	Yes
Circle Drive Special Care Home Inc.	KPMG LLP	March 31	See A	Yes
Cupar and District Nursing Home Inc.	MWC Chartered Professional Accountants LLP	March 31	See A	Yes
Duck Lake and District Nursing Home Inc.	Heagy LLP	March 31	See A	Yes
Foyer St. Joseph Nursing Home Inc.	MNP LLP	March 31	See A	Yes
Jubilee Residences Inc. (Stensrud Lodge and Porteous Lodge) D	Deloitte LLP	March 31	See A	Yes
Lakeview Pioneer Lodge Inc.	Heagy LLP	March 31	See A	Yes
Lumsden & District Heritage Home Inc.	MWC Chartered Professional Accountants LLP	March 31	See A	Yes
Luther Care Communities (Lutheran Sunset Home) D	PriceWaterhouseCoopers	March 31	See A	Yes
Mennonite Nursing Homes Incorporated	Heagy LLP	March 31	See A	Yes
Mont St. Joseph Home Inc.	Deliotte LLP	March 31	See A	Yes
Oliver Lodge D	Virtus Group LLP	March 31	See A	Yes
Providence Place for Holistic Health Inc.	Virtus Group LLP	March 31	See A	Yes
Radville Marian Health Centre Inc.	Virtus Group LLP	March 31	See A	Yes
Raymore Community Health and Social Centre	SENSUS Chartered Professional Accountants Ltd.	March 31	See A	Yes
Regina Lutheran Housing Corporation	MWC Chartered Professional Accountants LLP	March 31	See A	Yes

Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
Santa Maria Senior Citizens Home Inc.	Virtus Group LLP	March 31	See A	Yes
Saskatoon Convalescent Home	Baker Tilly SK LLP	March 31	See A	Yes
Sherbrooke Community Society Inc. (Central Haven Special Care Home and Sherbrooke Community Centre)	KPMG LLP	March 31	See A	Yes
Société Joseph Breton Inc.	Vantage Chartered Professional Accountants	March 31	See A	Yes
Spruce Manor Special Care Home Inc.D	Jensen and Stromberg, Chartered Professional Accountants	March 31	See A	Yes
St. Ann's Senior Citizens Village Corporation D	Baker Tilly SK LLP	March 31	See A	Yes
St. Anthony's Hospital	Miller, Moar, Grodecki, Kreklewich & Chorney	March 31	See A	Yes
St. Joseph's Home for the Aged	Ernst & Young LLP	March 31	See A	Yes
St. Joseph's Hospital (Grey Nuns) Gravelbourg	Virtus Group LLP	March 31	See A	Yes
St. Joseph's Hospital of Estevan	Virtus Group LLP	March 31	See A	Yes
St. Joseph's Integrated Health Centre Macklin Inc.	KPMG LLP	March 31	See A	Yes
St. Paul Lutheran Home of Melville	Miller, Moar, Grodecki, Kreklewich & Chorney	March 31	See A	Yes
St. Peter's Hospital	Miller, Moar, Grodecki, Kreklewich & Chorney	March 31	See A	Yes
Strasbourg and District Health Centre	Meyers Norris Penny	March 31	See A	Yes
Sunnyside Adventist Care Centre	KPMG LLP	March 31	See A	Yes
The Qu'Appelle Diocesan Housing Company	Deliotte LLP	March 31	See A	Yes
The Salvation Army—William Booth Special Care Home	KPMG LLP	March 31	See A	Yes
Warman Mennonite Special Care Home Inc. D	MNP LLP	March 31	See A	Yes
Regional Colleges				
Carlton Trail College	Grant Thornton LLP	June 30	See A	Yes
Cumberland College	MNP LLP	June 30	Yes	Yes
Great Plains College	Stark & Marsh CPA LLP	June 30	Yes	Yes
Northlands College	MNP LLP	June 30	See A	Yes
North West College	Vantage Chartered Professional Accountants	June 30	See A	Yes
Parkland College	MNP LLP	June 30	Yes	Yes
Southeast College	Virtus Group LLP	June 30	See A	Yes
Other Crown Agencies, Special Purpose and Trust Funds				
Agricultural Credit Corporation of Saskatchewan	MNP LLP	March 31	See A	Yes
Century Plaza Condominium Corporation	Deloitte LLP	March 31	Yes	Yes

Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
Community Initiatives Fund	Virtus Group LLP	March 31	See [A]	Yes
Crop Reinsurance Fund of Saskatchewan	KPMG LLP	March 31	Yes	Yes
Operator Certification Board	MWC Chartered Professional Accountants LLP	March 31	See [A]	Yes
Public Employees' Pension Plan	KPMG LLP	March 31	Yes	Yes
Saskatchewan Agricultural Stabilization Fund	KPMG LLP	March 31	Yes	Yes
Saskatchewan Crop Insurance Corporation	KPMG LLP	March 31	Yes	Yes
Saskatchewan Indian Gaming Authority Inc.	Deloitte LLP	March 31	Yes	Yes
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	Virtus Group LLP	March 31	Yes	Yes
Saskatchewan Research Council	Deloitte LLP	March 31	Yes	Yes
Saskatchewan Trade and Export Partnership Inc.	KPMG LLP	March 31	No	See [C]
Water Security Agency	MNP LLP	March 31	Yes	Yes
Tourism Saskatchewan	Deloitte LLP	March 31	Yes	Yes
Other Agencies				
Technical Safety Authority of Saskatchewan, The	KPMG LLP	June 30	Yes	Yes
CIC, its Subsidiary Crown Corporations & Other Related Entities				
Capital Pension Plan	KPMG LLP	March 31	See [A]	Yes
Crown Investments Corporation of Saskatchewan (CIC)	KPMG LLP	March 31	Yes	Yes
First Nations and Métis Fund Inc.	KPMG LLP	March 31	See [A]	Yes
Saskatchewan Immigrant Investor Fund Inc.	Ernst & Young LLP	March 31	Yes	Yes
CIC Asset Management Inc.	KPMG LLP	March 31	Yes	Yes
101069101 Saskatchewan Ltd.	See [B]			
SaskEnergy Incorporated	Deloitte LLP	March 31	Yes	Yes
Bayhurst Gas Limited	Deloitte LLP	March 31	Yes	Yes
BG Storage Inc.	See [B]			
Many Islands Pipe Lines (Canada) Limited	Deloitte LLP	March 31	Yes	Yes
Saskatchewan First Call Corporation	See [B]			
TransGas Limited	Deloitte LLP	March 31	Yes	Yes
Saskatchewan Gaming Corporation	KPMG LLP	March 31	Yes	Yes
SGC Holdings Inc.	KPMG LLP	March 31	Yes	Yes
Saskatchewan Government Insurance	KPMG LLP	March 31	Yes	Yes
Saskatchewan Auto Fund	KPMG LLP	March 31	Yes	Yes
Saskatchewan Opportunities Corporation	MNP LLP	March 31	Yes	Yes
Saskatchewan Power Corporation	Deloitte LLP	March 31	Yes	Yes

Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
Northpoint Energy Solutions Inc.	Deloitte LLP	March 31	Yes	Yes
Saskatchewan Telecommunications Holding Corporation	KPMG LLP	March 31	Yes	Yes
Saskatchewan Telecommunications	KPMG LLP	March 31	Yes	Yes
Saskatchewan Telecommunications International, Inc.	KPMG LLP	March 31	Yes	Yes
SaskTel International Consulting, Inc.	See B			
Saskatchewan Telecommunications International (Tanzania) Ltd.	See B			
Battleford International, Inc.	See B			
Avonlea Holding, Inc.	See B			
Manalta Investment Company Ltd.	See B			
Qu'Appelle Holding, Inc.	See B			
Nokomis Holding, Inc.	See B			
SecurTek Monitoring Solutions Inc.	KPMG LLP	March 31	Yes	Yes
Shellbrook Holding, Inc.	See B			
SaskTel Investments Inc.	See B			
DirectWest Corporation	KPMG LLP	March 31	Yes	Yes
Qu'Appelle Holding, Inc.	See B			
DirectWest Canada Inc.	See B			
Bruno Holdings Inc.	See B			
Saskatchewan Telecommunications Pension Plan	KPMG LLP	March 31	Yes	Yes
Saskatchewan Water Corporation	Deloitte LLP	March 31	Yes	Yes

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*   PAS—Provincial Auditor of Saskatchewan

A   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.

B   Agency does not prepare financial statements for audit.

C   Consistent with prior years, the Office examines the supervisory work carried out by the funding agency over STEP as part of its annual audit of the funding agency (i.e., Ministry of Trade and Export Development).

D   Only the Affiliate's operation of special-care homes, hospitals, and health centres designated pursuant to *The Facility Designation Regulations* were subject to audit participation.

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.