



Provincial Auditor's 2024 Report – Volume 1

Chapter 2: Energy and Resources—Licensing and Inspecting Active Oil and Gas Wells and Facilities

Monitoring operators of oil and gas wells and facilities as to whether they meet licensing requirements, and take appropriate enforcement actions when they are not, helps reduce the risk of environmental or property damage and threats to human health. Although the Ministry of Energy and Resources conducted over 21,000 inspections of active wells in the province in 2023, it has no plan to inspect over 37,000 wells or any facilities before 2026—25% of those inspections in 2023 found operators not complying with requirements. Saskatchewan had about 84,000 (54,000 active) oil and gas wells and over 8,000 facilities in 2023. Having a risk-based inspection plan stating the required inspection frequency of wells and facilities will help reduce the risk of unnoticed non-compliance and subsequent consequences.

The audit also found the Ministry needs to comply with regulations by sufficiently assessing whether operators owe money to the Government before approving new well or facility licences and justify approving these licences when operators do owe money. We found one operator owed about \$2 million to the Ministry but continued to get new well licences.

Further, we determined the Ministry of Environment does not sufficiently document its judgments when assessing well and facility applications for oil and gas wells and facilities (on both private and Crown land) when it needs to consider environmental factors of higher risk or complexity; we recommend it do so as insufficient assessments increase the risk of oil and gas activities having significant, adverse effects on the environment.

Chapter 6: Saskatchewan Health Authority—Preventing the Spread of Tuberculosis

Saskatchewan's rate of tuberculosis (TB) was 10.9 cases per 100,000 population in 2023—more than twice the national average of 5.1 cases. Delays in treating TB increases the risk of it becoming more difficult to treat and potentially fatal. Of the 138 active TB cases in 2023, 44% lived in Indigenous communities in northern Saskatchewan.

The Saskatchewan Health Authority spent \$3.9 million on the TB Prevention and Control Program in 2022–23, which includes funding from its partners (e.g., Indigenous Services Canada); however, the Authority and its partners have not updated the Provincial Tuberculosis Strategy developed in 2013.

We found the Authority needs to determine the most efficient and effective model to use for TB care in the province. While the Authority offers various types of clinics (e.g., telehealth, in-person), patients attended only 55% of the in-person appointments booked in 2022–23. Assessing other types of models (i.e., virtual care) may help the Authority use TB physicians and nurses more effectively.

The Authority also needs to:

- Establish and use criteria to determine an appropriate treatment delivery method (i.e., direct observation, self-administered) for TB patients to take their prescribed medication—direct observation (in-person) of certain patients taking TB medication is resource intensive
- Track and assess whether close contacts with TB cases are notified timely
- Set clear expectations for publicly reporting outbreaks
- Track and analyze key TB information (e.g., clinic attendance, TB case contact notifications) to sufficiently analyze trends and assess whether its TB services meet patient needs and reduce the spread of the disease

Chapter 7: SaskBuilds and Procurement—Responding to Cyberattacks

As ransomware and cyberattacks steadily increase, IT service providers like the Ministry of SaskBuilds and Procurement need tested cyberattack response and recovery plans to help ensure government IT systems and networks will recover quickly and easily from the point of attack. The Ministry delivers IT services to nearly 30 government ministries and agencies (i.e., clients) and manages over 700 servers and over 300 applications on behalf of its clients. Nearly 15,000 public sector employees access information assets managed by SaskBuilds and Procurement.

The Ministry needs to centrally and continuously monitor all security events to identify potential cyberattacks; undertake penetration testing on a periodic basis to identify and address cybersecurity threats; and continuously test cyber incident response plans and expand its testing techniques. In the event of a successful cyberattack, this will help minimize significant recovery costs, reputational damage, and disruption to the delivery of critical government services (e.g., social assistance, child and family services, public safety alerts).



Chapter 24: Water Security Agency—Regulating Drainage

Since December 2020, the Water Security Agency appropriately reported to senior management on actions taken to address non-compliance of unapproved drainage works, approved policies related to its regulation of drainage of water on agricultural land, and published expected timeframes to resolve requests for assistance (i.e., complaints) from the public on unapproved drainage works. However, the follow-up audit found the Agency still needs to finalize its policy on water quality and wetland retention requirements, which remained in draft at April 2024, so Agency staff can use this guidance to consider all aspects of watershed risks when reviewing and approving applications for drainage works.

In 2015, when the Agency began working to get landowners to comply with its drainage requirements, it estimated 1.6 million to 2.4 million acres of agricultural land had unapproved drainage works. At April 2024, the Agency was still working to estimate the amount of unapproved drainage works in the province using its wetland inventory. Using its wetland inventory and its *Drainage Compliance Planning and Assurance Policy* in tandem will help the Agency to identify and take action to bring unapproved high-risk drainage works into compliance. Other improvements needed include publically reporting on its regulation of the drainage of water on agricultural lands.

Saskatchewan continues to have a number of unapproved drainage works, and particularly works that do not include appropriate mitigation measures to address flooding, water quality, and wildlife habitat concerns. Not taking timely, effective enforcement action against unapproved drainage works increases the risk of further environmental damage, including to neighbouring farmland and wetland retention.

–30–

The full Provincial Auditor's 2024 Report – Volume 1 available online at auditor.sk.ca has annual integrated (financial) audits of 58 different agencies with fiscal year-ends between July and December 2023, including 27 school divisions and 17 pension and employee benefit plans.

Some issues highlighted in this Report include concerns identified at some school divisions. The Report also covers six non-financial performance audits and 17 follow-up audits such as:

Performance Audits:

- Environment—Regulating Industrial Emitters
- Living Sky School Division No. 202—Providing Intervention Services to High School Students with Significant Mental Health Concerns
- Regina Public School Division No. 4—Delivering Prekindergarten Programming

Follow-up Audits:

- Government Relations—Providing Safe Drinking Water in Northern Settlements
- Saskatchewan Liquor and Gaming Authority—Regulating Recreational Cannabis
- Saskatchewan Health Authority—Delivering Accessible and Responsive Ground Ambulance Services in the Swift Current Area
- Saskatoon School Division No. 13—Supporting Students with Intensive Needs
- Social Services—Monitoring Foster Families

The Provincial Auditor is an independent officer of the Legislative Assembly of Saskatchewan. The Office promotes accountability and better management by providing legislators and the public with an independent assessment of the government's use of public resources.

For more information, please contact:

Tara Clemett, CPA, CA, CISA
Provincial Auditor
306.787.6313 or info@auditor.sk.ca

April Serink, MA
Communications Specialist
306.531.6163 or serink@auditor.sk.ca or media@auditor.sk.ca