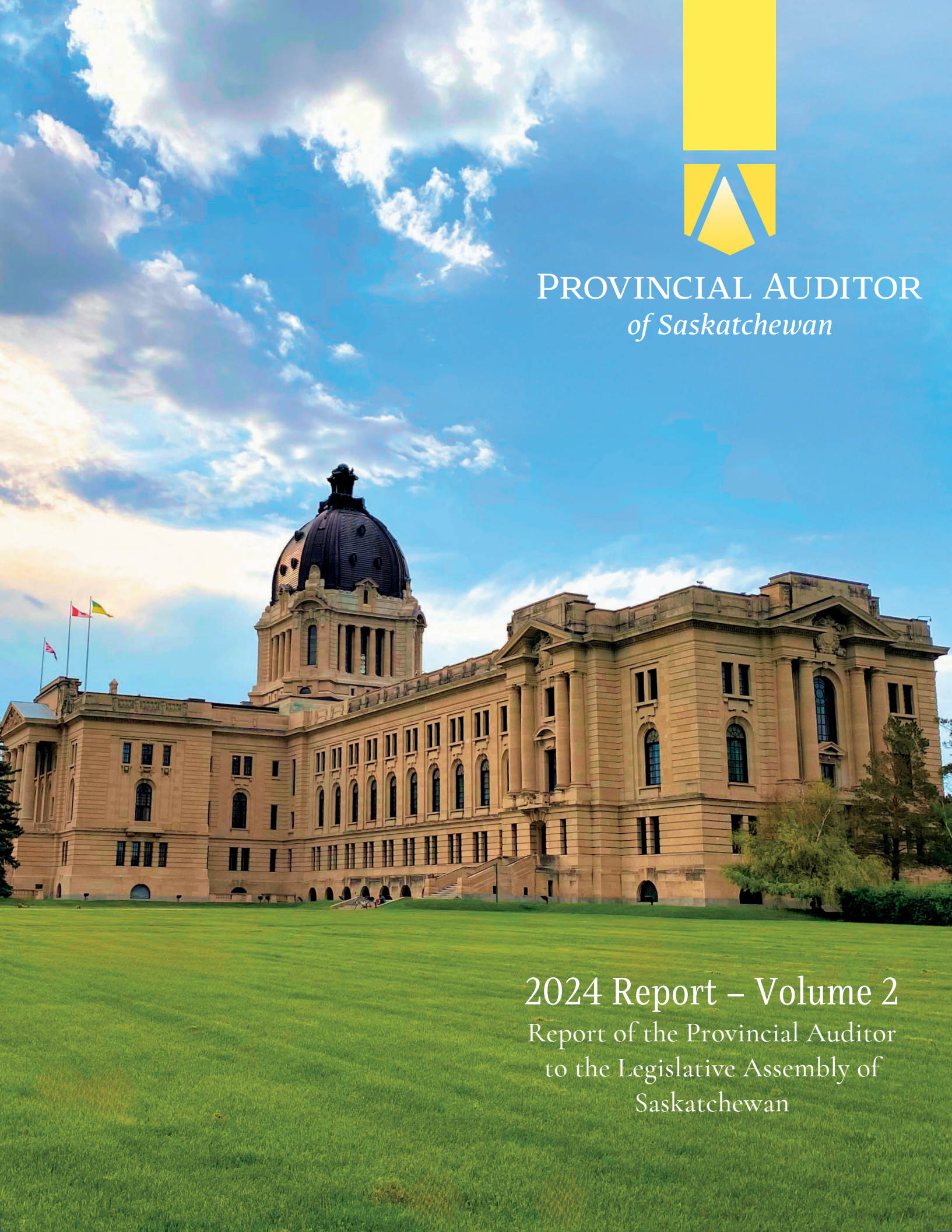

PROVINCIAL AUDITOR
of Saskatchewan

2024 Report – Volume 2

Report of the Provincial Auditor to the Legislative Assembly of Saskatchewan

Provincial Auditor
of Saskatchewan

Vision:

A valued legislative audit office making a difference for a sustainable Saskatchewan and its people.

Mission:

To advance government's accountability, transparency, and management of public resources through independent assessment and reporting.

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ISSN 0581-8214

PROVINCIAL AUDITOR
of Saskatchewan

December 2024

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

Dear Honourable Speaker:

I have the honour of submitting my *2024 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,

Tara Clemett, CPA, CA, CISA
Provincial Auditor

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2024 Report–Volume 2

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The Provincial Auditor's Overview

1.0 PREAMBLE

The Office of the Provincial Auditor is the external, independent auditor of the Government of Saskatchewan. Our Office's mission is to advance government's accountability, transparency, and management of public resources through independent assessment and reporting.

The Provincial Auditor Act makes the Office responsible for auditing the Government of Saskatchewan and approximately 250 agencies. **Appendix 1** lists each agency along with its year-end date, whether matters are reported, and, if so, in which Report.

This *2024 Report – Volume 2* delivers 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 audit examinations of different agencies completed by November 4, 2024, with details on annual integrated (financial) and performance audits, as well as our follow-up audit work on previously issued recommendations by our Office and agreed to by the Standing Committees on Public Accounts or on Crown and Central Agencies.

Section 2 of this Overview defines 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 financial 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 *2024 Report – Volume 1*, our Office, along with appointed auditors (if in place), completed annual integrated audits of 175 different agencies with fiscal year-ends between January 2024 and July 2024. These include integrated audits of 17 ministries, 33 Crown corporations and agencies, seven pension and employee benefit plans, and 36 healthcare affiliates.

This section includes concerns at 10 agencies, which means most agencies had effective financial-related controls, complied with financial and governance-related legislative authorities, and prepared reliable financial statements.

eHealth Saskatchewan (**Chapter 1**) has yet to sufficiently test its disaster recovery plans to ensure it can restore critical IT systems it manages for the health sector. Without tested plans, eHealth, as well as the Saskatchewan Health Authority, Saskatchewan Cancer Agency, and the Ministry of Health may not be able to deliver time-sensitive health services in the event of disaster.

There are certain government agencies lacking adequate review and approval of financial information, such as bank reconciliations, revenue reconciliations, and journal entries increasing the risk of errors in financial information and misappropriation of public funds. We found these concerns at Government Relations' Northern Municipal Trust Account (**Chapter 3**), Ministry of Highways (**Chapter 5**), Northlands College (**Chapter 6**), Prairie Agricultural Machinery Institute (**Chapter 7**), and Western Development Museum (**Chapter 10**).

Further, Social Services (**Chapter 9**) did not consider best value when procuring appropriate hotel rooms for its clients prior to March 2024. Since March 2024, Social Services began two hotel pilot projects. It began obtaining three quotes when procuring hotel rooms as well as contracted two hotels (one in Saskatoon and one in Regina) to secure hotel rooms at fixed rates for the next year. Social Services needs to centrally collect reliable data related to these pilots so it can conduct a robust evaluation and determine whether these pilots resulted in efficiency and effectiveness improvements. Social Services also needs to publicly disclose payments made to vendors (e.g., hotels) on behalf of its clients to increase transparency and accountability. Moreover, it needs to demonstrate it considered best value when procuring hotel rooms for its child and family program clients—we found instances where Ministry staff may not have selected the hotel with the lowest nightly rate and did not document why not.

2.2 Performance Audits

Performance audits take a more in-depth look at processes related to the management of public resources or compliance with legislative authorities. Performance audits span various topics and government sectors. 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.

Chapter 11: Farm Land Security Board—Regulating Foreign Ownership of Saskatchewan Farmland

What our Office examined:

The Farm Land Security Board's processes to regulate foreign ownership of Saskatchewan farmland by non-Canadian entities (i.e., individuals and corporations).

The Board consists of six members appointed by Lieutenant Governor in Council. The Board utilizes six employees who are Ministry of Agriculture staff to support its activities. In 2023–24, Board operating costs amounted to $708,000.

Why our Office examined this area:

The Saskatchewan Farm Security Act (Part VI) and related regulations set limits on the amount of farmland non-Canadian entities can control through purchasing or leasing land. Regulating ownership of Saskatchewan farmland by non-Canadian entities is important to preserve ownership and operations of Saskatchewan farmland by Canadians or Canadian-owned entities. If non-Canadian entities purchase Saskatchewan farmland, this may increase farmland prices and prevent Canadian residents from affording farmland.

About 40,000 farmland transactions occur each year in Saskatchewan. Since 2020, the Board issued five orders to sell farmland inappropriately purchased by foreign entities.

What our Office found:

The Farm Land Security Board needs to:

- Request and obtain statutory declarations from higher risk farmland purchasers (e.g., corporations registered in jurisdictions outside of Saskatchewan)
- Work with the Ministry of Agriculture to determine how to effectively regulate non-Canadian farmland leases
- Determine how quickly Ministry staff should assess whether farmland transactions comply with the law
- Communicate the requirement to sell farmland timely for identified non-compliance and set escalation procedures for continued non-compliance

- The Board did not request statutory declarations for 9 of 18 farmland purchases tested made by corporations not registered in Saskatchewan
- Ministry staff reviewed farmland transactions about five months after the transaction occurred
- The Board requested 8 statutory declarations since 2020 where it did not receive responses; the Board did not undertake further enforcement action
- In two instances, the Board did not inform foreign entities to sell land until two and six months after it identified non-compliance

Chapter 12: Saskatchewan Housing Corporation—Planning for Social Housing Units in Regina

What our Office examined:

Saskatchewan Housing Corporation's processes to plan for social housing units in Regina.

The Corporation owned about 3,000 social housing units in Regina as of June 2024, and the Regina Housing Authority managed these units.

Why our Office examined this area:

The Saskatchewan Housing Corporation is a Treasury Board Crown corporation providing housing and housing services to people who could not otherwise afford or access adequate, safe, and secure shelter. Through its Social Housing Program, the Corporation strives to make safe, adequate housing available by providing social housing units and subsidizing rent based on financial need. Effective processes to plan for social housing units can help position people for future success and enable them to better their lives.

What our Office found:

Saskatchewan Housing Corporation needs to:

- Assess social housing applicant data and implement plans to help reduce vacant social housing units in Regina
- Complete its forecast of long-term social housing needs in Regina to sufficiently identify gaps
- Identify and respond to possibly over-housed social housing tenants in Regina
- Improve its operational reviews of the Regina Housing Authority
- Report progress on improving building conditions of social housing units in Regina

- At May 2024, 404 households waiting for social housing units in Regina
- At May 2024, 534 vacant social housing units in Regina with 364 units out-of-service (needing repairs)
- 108 single individuals in Regina residing in two-bedroom social housing units when a one-bedroom unit may suffice (i.e., over-housed)
- 51% of social housing units allocated for seniors and about 49% for families/single persons—compared to current demand of about 25% and 75% respectively
- 50% of social housing applicants as of April 2024 seeking units with three bedrooms or more
- Building conditions of the Corporation's housing portfolio in Regina is currently classified as 'poor'

Without effective processes to plan for social housing units in Regina, vulnerable people are at greater risk of not having access to appropriate, affordable housing.

Chapter 13: Saskatchewan Public Safety Agency—911 Call Taking and Dispatching for Fire Emergencies

What our Office examined:

The Saskatchewan Public Safety Agency's processes for 911 call taking and dispatching of fire emergencies.

We focused our audit on the Provincial Emergency Communications Centre (PECC) in Prince Albert. PECC is managed by a service provider (CanOps) contracted by the Agency and serves as the emergency dispatching centre for fire emergencies for all areas of Saskatchewan except for Regina and Saskatoon.

PECC received just over 300,000 calls for 911 services in 2023–24.

Why our Office examined this area:

Call answering, call taking, and dispatching are critical so people receive timely fire emergency response as lives and infrastructure are often at risk. Availability of the 911 telephone answering and computer-aided dispatch [CAD] systems is also critical to support timely response, appropriate assessment, and proper information sharing of fire emergencies. Fire departments depend on relevant and timely information to keep themselves and the public safe.

The Agency must have effective processes to adequately monitor contracted service providers to ensure expectations are met.

What our Office found:

Saskatchewan Public Safety Agency needs to:

- Expand its IT security requirements and monitoring to safeguard the continued availability of its 911 systems and data
- Set formal expectations and monitor how quickly 911 fire calls are taken and dispatched to fire departments
- Enhance its 911 quality assurance program to include dispatch services
- Periodically confirm whether 911 staff have appropriate training certifications
- Enhance its financial oversight of its service provider, including determining eligible expenses for the administration fee paid, reviewing quarterly financial reports, and rationalizing the necessary level of staff needed

- Agency paid CanOps $13.7 million in 2023–24 (2022–23: $9.6 million)
- Agreement with CanOps lacks requirements around cybersecurity measures, incident response, change management, asset management, and access control
- In April 2024, 97% of 911 calls to PECC answered within 15 seconds
- 77% of 911 fire calls tested took more than the expected 90 seconds to be dispatched
- 32 instances found where CanOps staff had expired training certifications
- Administrative fee to CanOps increased from $547,000 in 2021–22 to $1.2 million in the 2024–25 budget request

Chapter 14: SaskPower—Transitioning to Low and Non-Emitting Energy Sources

What our Office examined:

We audited SaskPower's planning processes to transition to low and non-emitting energy sources to meet its greenhouse gas emissions reduction and renewable energy generation targets.

By 2030, SaskPower is targeting to increase its electricity generating capacity to a minimum of 40–50% from non-emitting sources (like hydro, wind, solar and nuclear) and reduce its greenhouse gas emissions by 50% from 2005 levels. Maintaining a power supply plan that includes low and non-emitting energy sources is important to help SaskPower in meeting these commitments.

Why our Office examined this area:

Reducing greenhouse gas emissions is important to help mitigate the worst impacts of climate change including floods, forest fires, and droughts.

Saskatchewan ranked fourth highest for greenhouse gas emissions in Canada in 2022 (first in per capita emissions), which includes emissions emitted from electricity generation. SaskPower generates most of the power in the province.

What our Office found:

SaskPower needs to:

- Analyze further expansion of distributed energy resources (e.g., solar panels) to help meet emerging needs
- Clarify action plans to address when annual low and non-emitting energy targets are not met

- In 2023–24, about 35% of SaskPower's total generating capacity came from renewable sources with the remainder fueled mainly from coal and natural gas
- Using its Net-Zero 2050 pathway, SaskPower is striving toward 57% of generating capacity from renewable sources by 2050
- Net-Zero 2050 pathway will result in SaskPower not complying with draft federal Clean Electricity Regulations by 2035
- In 2023, SaskPower planned to reduce greenhouse gas emissions by 8% compared to 2005 levels, instead greenhouse gas emissions decreased by 4%

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.

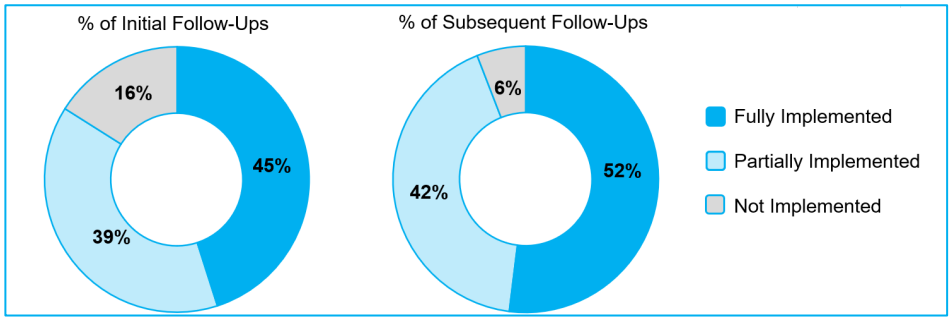
Our Office systematically assesses the status of outstanding recommendations to determine whether agencies made recommended improvements.

This section of the Report highlights the results of 17 follow-up audits, as well as summarizes how quickly government agencies addressed our recommendations and made process improvements. The extent to which agencies implement recommendations demonstrates whether the recommendations reflect areas that are important to improve public sector management, and whether agencies act on them quick enough.

We do our first follow-up either two or three years after the initial audit, and every two or three years thereafter until the agency either implements the recommendations or we identify them as no longer relevant. We expect some recommendations will take government agencies a longer period to implement (e.g., five years).

As shown in **Figure 1**, 45% of the audit recommendations in this Report were fully implemented after the initial follow-up (i.e., 2–3 years after original audit) at the various agencies. For agencies with subsequent follow-ups (i.e., >3 years after original audit) in this Report, 52% of audit recommendations have been fully implemented. We are pleased to see some agencies are acting on our recommendations in a timely manner, as this means public sector management is improving.

Figure 1—Percentage of Implemented Recommendations



The following table details the results of the 17 follow-up audits in this Report. It sets out the status of recommendations by agency, grouped by initial and subsequent follow-up audits.

Some agencies like the Saskatchewan Cancer Agency (**Chapter 25**) made process improvements in a relatively short timeframe having implemented all five recommendations we made in our 2022 audit of its processes to manage its supply of cancer drugs.

However, further work is needed at some agencies.

The Ministry of Health (**Chapter 20**) is responsible for overseeing critical incident reporting in the healthcare sector. The Ministry receives critical incident reports from healthcare organizations like the Saskatchewan Health Authority and needs to sufficiently assess planned corrective actions to help ensure they effectively address causes of critical incidents. The Ministry continues to receive critical incident reports later than required by law and does not sufficiently enforce compliance. The Ministry must also effectively determine when to issue patient safety alerts to help implement system-wide improvements, otherwise the degree of injury and types of critical incidents that occur in Saskatchewan healthcare facilities will not reduce over time.

The Ministry of Social Services (**Chapter 31**) licensed about 280 group homes and 180 private service homes in Saskatchewan providing accommodations, meals, and care to adult clients with intellectual disabilities at April 2024. The Ministry had yet to update its inspection checklist for approved private service homes and continued to not inspect each group home annually. Also, the Ministry has yet to verify completion of periodic criminal record checks for staff working at group and approved private service homes and it lacked regular contact with clients. The Ministry still needs to analyze serious incident reports to identify homes with critical concerns and follow up with home operators on the implementation of recommendations from serious incident reports. This will support adults with intellectual disabilities to live fulfilling lives, free from safety and health threats.

We found both Northern Lights School Division (**Chapter 22**) and Northlands College (**Chapter 23**) need to strengthen their processes to purchase goods and services to support transparency, fairness, and achievement of best value. This includes documenting justification for sole source purchases, approving contracts and purchases before receiving goods or services, segregating incompatible purchasing duties, and reconciling fleet card statements prior to making payments.

Additionally, we made one new recommendation during our follow-up audit about purchasing processes at Northlands College related to the College's non-compliance with its established policies for travel expense claims and corporate credit cards. For example, we found two instances where a corporate credit card was used for personal reasons and we found senior management incurred travel expenses without adequate support or prior approval, including an international trip costing the College roughly $19,000. Lack of adequate support and approval increases the risk of inappropriate or fraudulent purchases by staff.

Chapter Name	Related Report [A,B]	New[C]	Recommendations	Status of Recommendations: Implemented	Partially Implemented	Not Implemented
Initial Follow-Ups						
Corrections, Policing and Public Safety—Inmate Segregation	2022 V2		**7**	5	1	1
Health—Using Critical Incident Reporting to Improve Patient Safety	2021 V1		**10**	3	5	2
Saskatchewan Cancer Agency—Cancer Drug Supply Management	2022 V2		**5**	5		
Social Services—Monitoring Quality of Care in Homes Supporting Adults with Intellectual Disabilities	2021 V2		**9**	1	6	2
Initial Follow-Ups Subtotal			**31**	**14**	**12**	**5**
% of Initial Follow-Ups Subtotal			**100%**	**45%**	**39%**	**16%**
Subsequent Follow-Up Audits[D]						
Corrections, Policing and Public Safety—Rehabilitating Adult Inmates	2008 V1 2010 V1 2011 V2 2015 V2 2018 V2 2021 V2		**2**	2		
eHealth—Securing Portable Computing Devices	2020 V1 2022 V2		**6**	1	5	
Finance—Monitoring the Fuel Tax Exemption Program	2016 V1 2019 V1 2022 V2		**3**	3		
Health—Preventing Diabetes-Related Health Complications	2012 V2 2015 V1 2017 V2 2020 V2		**3**	3		
Immigration and Career Training—Coordinating English-language Programs	2015 V1 2017 V1 2019 V1 2021 V1		**2**	2		
Northern Lights School Division No. 113—Purchasing Goods and Services	2019 V1 2022 V1		**14**	4	7	3
Northlands College—Purchasing Goods and Services	2019 V1 2021 V1	**1**	**9**	1	8	
Saskatchewan Arts Board—Awarding Grants Impartially and Transparently	2018 V2 2021 V2		**1**	1		
Saskatchewan Health Authority—Analyzing Surgical Biopsies in Regina and Saskatoon Labs	2018 V2 2022 V2		**3**	1	2	
Saskatchewan Health Authority—Efficient Use of MRIs in Regina	2017 V1 2020 V1 2022 V1		**3**	3		
Saskatchewan Legal Aid Commission—Providing Legal Aid Services	2016 V1 2018 V2 2021 V2		**2**	2		

Chapter Name	Related Report [A,B]	New[C]	Recommendations	Status of Recommendations: Implemented	Partially Implemented	Not Implemented
Saskatchewan Liquor and Gaming Authority—Regulating Commercial Permittees' On-Table Sale of Liquor	2017 V1 2019 V1 2021 V1		**2**	2		
SaskPower—Maintaining Above-Ground Assets Used to Distribute Electricity	2018 V2 2022 V1		**2**	2		
Subsequent Follow-Ups Subtotal		**1**	**52**	**27**	**22**	**3**
% of Subsequent Follow-Ups Subtotal			**100%**	**52%**	**42%**	**6%**
Overall Total		**1**	**83**	**41**	**34**	**8**
% of Overall Total			**100%**	**49%**	**41%**	**10%**

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 subsequent reports (for subsequent follow-ups).
[C] New Recommendations made during the follow-up audits.
[D] 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 continuously values 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 appreciate the many experts who shared their knowledge and advice during the course of our work.

We also appreciate the ongoing support of the all-party Standing Committees on Public Accounts and on Crown and Central Agencies, and acknowledge their commitment in helping to hold the Government to account. Our Office remains focused on serving the Legislative Assembly and the people of Saskatchewan; we are committed to making a difference for a sustainable Saskatchewan and its people.

As Provincial Auditor, I am honoured to lead the Office, and our team of professionals. I am truly proud of their commitment to quality work. Our team's professionalism helps us fulfill our mission—to advance accountability, transparency, and better management by providing legislators and Saskatchewan residents with independent assessment and reporting of the Government's use of public resources.

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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. Through *The Provincial Auditor Act*, the Provincial Auditor, the Office, and staff are independent from the Government. *The Provincial Auditor Act* makes us responsible for auditing the Government of Saskatchewan and approximately 250 agencies.

Our Office promotes accountability and better management of the Government's administration of its programs and services. We do this through our audit work and publicly reported results, along with our involvement with the legislative committees charged with reviewing our Reports (i.e., the Standing Committees on Public Accounts and on Crown and Central Agencies).

Our Office uses Canadian professional auditing standards published by CPA Canada to conduct our 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 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 our Reports on our audit work, we give legislators two key accountability reports each year—a business and financial plan, and an annual report on operations. These describe the Office, including our purpose, accountability mechanisms, staffing, and key systems and practices. These reports are publicly available on our website, as well as further details about the Office of the Provincial Auditor at auditor.sk.ca.

Annual Integrated Audits

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Chapter 1
eHealth Saskatchewan

1.0 Main Points

This chapter reports the results of the 2023–24 annual audit of eHealth Saskatchewan. eHealth is the provincial health sector's primary IT service provider, including disaster recovery service provider.

eHealth's 2023–24 financial statements are reliable. During 2023–24, eHealth complied with the authorities governing its activities related to financial reporting and safeguarding public resources. Other than the following areas, eHealth had effective rules and procedures to safeguard public resources for the year ended March 31, 2024.

At March 2024, eHealth did not yet have an adequate IT service level agreement in place with the Saskatchewan Health Authority. eHealth and the Authority have not finalized key aspects (e.g., security and disaster recovery requirements) of the agreement. Adequate service level agreements clearly outline key IT service expectations. Without a clear understanding of expectations and whether they are fulfilled, the Authority's systems may be vulnerable to security breaches or be unavailable.

Further, eHealth had disaster recovery playbooks for all 52 critical IT systems identified as critical to the health sector, but had yet to fully complete disaster recovery testing (e.g., full backup restores) for these systems.[1] Testing recovery plans confirms whether eHealth can restore critical IT systems in reasonable time when a disaster occurs.

2.0 Introduction

2.1 Background

eHealth Saskatchewan's mandate is to procure, implement, own, operate, and manage critical IT services used to administer and deliver provincial healthcare services including the provincial electronic health record and health information systems, as well as IT systems in use at the Saskatchewan Health Authority, Saskatchewan Cancer Agency, 3sHealth, and the Ministry of Health.[2,3] eHealth also manages Saskatchewan's vital statistics registry and health registrations.[4,5]

eHealth is the provincial health sector's primary disaster recovery provider for IT services.

[1] A disaster recovery playbook is a document typically part of an overall IT recovery plan documenting key aspects and recovery steps to take during a crisis.
[2] 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.
[3] Order in Council 734/2010 issued under *The Crown Corporations Act, 1993.*
[4] The vital statistics registry registers all births, marriages, deaths, stillbirths, legal name changes, and changes of sex designation that occur in Saskatchewan.
[5] eHealth's registration branch registers new Saskatchewan residents for provincial health coverage and maintains the registry of residents eligible for benefits. It also issues health service cards to residents approved for basic health coverage.

2.2 Financial Overview

During 2023–24, eHealth had revenues of approximately $193 million (of which $168 million were grants from the Ministry of Health), and expenses of $186 million. At March 31, 2024, it held tangible capital assets with a net book value of $22 million consisting primarily of IT hardware and software costs.

Figure 1—Financial Overview

	Actual 2023–24	Actual 2022–23
	(in millions)	
Grant from the Ministry of Health	$ 168.0	$ 154.4
Other Revenues	24.5	20.2
Total Revenue	192.5	174.6
Operational and Other Expenses	182.1	162.8
Amortization	3.7	4.1
Total Expenses	185.8	166.9
Annual Surplus	$ 6.7	$ 7.7
Total Financial Assets[A]	$ 52.4	$ 45.7
Total Liabilities[B]	30.1	18.8
Net Financial Assets	$ 22.3	$ 26.9
Tangible Capital Assets	$ 22.1	$ 14.0

Source: eHealth Saskatchewan 2023–24 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, 2024, we found, in all material respects:

- **eHealth Saskatchewan had effective rules and procedures to safeguard public resources except for the matters identified in this chapter.**

  We also completed a follow-up audit related to eHealth securing portable computing devices, which included assessing two recommendations impacting eHealth's control of its IT network beyond March 2024—neither of these recommendations were fully implemented at March 31, 2024.[6] We report the results of this follow-up audit in Chapter 17 of this Report.

- **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**

[6] In our *2020 Report – Volume 1*, Chapter 6, we recommended eHealth implement a risk-based plan for controlling network access to mitigate the impact of security breaches, and utilize key network security logs and scans to effectively monitor the eHealth IT network and detect malicious activity.

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:

- The sufficiency of eHealth's IT service level agreement with the Saskatchewan Health Authority
- Progress on testing disaster recovery plans for critical IT systems
- The completeness and accuracy of tangible capital assets
- The reasonableness of significant estimates (such as accrued payroll and vacation liabilities)
- eHealth's IT controls over network access, user access, and change management for financial-related IT systems

4.0 Key Findings and Recommendations

4.1 IT Service Level Agreement Not Yet Finalized

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 agreement January 12, 2022)

Status—Partially Implemented

At March 2024, eHealth Saskatchewan and the Saskatchewan Health Authority had yet to finalize remaining key aspects of their service level agreement for IT services. eHealth has provided IT services to the Authority since 2017.

eHealth became responsible for the majority of the Authority's IT systems when the Authority moved them to eHealth's data centre in 2017–18, and both agencies signed an interim operating agreement in 2017. eHealth signed a new master services agreement with the Authority in May 2022.

Our review of the new master services agreement found it included several key aspects for the delivery of IT services, such as IT service governance, payments and funding, quarterly reporting, and dispute resolution.

However, we found eHealth and the Authority have yet to finalize other key aspects of the agreement—disaster recovery, service levels (e.g., response times, system availability), security requirements, and IT change management. **Figure 2** describes the risks associated with these aspects of the master services agreement still undefined.

Figure 2—Risks Associated with Aspects of Master Services Agreement Undefined and Unmonitored

Key Aspect of IT Service Agreement	Associated Risk
Disaster Recovery	Significant IT systems not available when needed, or loss of data in the event of a disaster. At March 2024, eHealth had not completed or tested 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 healthcare services.
Service Levels	Inability to determine whether a service provider meets client needs and whether gaps in service exist (e.g., expected response times to incident tickets not met).
Security Requirements	Systems and data not adequately secured (e.g., patches not applied in a timely manner). Unpatched systems contain known vulnerabilities prone to exploitation.
IT Change Management	Changes to IT systems may be inappropriately executed, increasing the risk of an adverse effect on the integrity and availability of IT systems and data.

Source: The Office of the Provincial Auditor of Saskatchewan.

The Authority paid eHealth $14.9 million for its IT services in 2023–24. An effective service agreement outlines clear expectations, responsibilities, and deliverables for both parties involved in the service relationship. Clarity helps prevent misunderstandings and disputes, and safeguards both parties.

eHealth management indicated they expect to finalize the remaining key aspects of the master services agreement with the Authority during 2024–25.

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. Not having an adequate service level agreement increases the risk that eHealth fails to meet the Authority's IT needs. This could, in turn, impact the likelihood the Authority's systems are breached or unavailable for long periods.

4.2 Disaster Recovery Plan Testing Still 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 Saskatchewan is responsible for 52 critical IT systems—these are critical for the delivery of healthcare in Saskatchewan. At March 2024, eHealth had not fully tested disaster recovery plans for those 52 critical IT systems.

eHealth has tested aspects of its disaster recovery plans; however, it has not conducted full testing of those plans for the 52 critical IT systems.[7] Disaster recovery testing verifies plans can be implemented successfully and critical IT systems can be restored after a

[7] Disaster recovery plans outline how to quickly recover from an event that compromises an organization's IT infrastructure (e.g., network).

disruption. If a disaster recovery plan does not work as expected, it can lead to extended periods of downtime, which can be costly and disruptive to healthcare services.

As of March 2024, eHealth has disaster recovery playbooks for all 52 critical IT systems (2023: 35 systems).[8] eHealth completed 36 partial tests (e.g., recover a component of a system from backup) and 10 tabletop tests of IT system disaster recovery playbooks.[9] However, eHealth has not completed any full disaster recovery testing. A full disaster recovery test confirms users can log in and demonstrates the system works as expected, in a crisis scenario and within the expected amount of downtime. eHealth has not determined expected downtime (i.e., recovery time objectives) for all 52 critical IT systems as of March 2024, and tested whether recovery time objectives are realistic.

> Effective disaster recovery planning processes require periodic validation of data backups. Occasionally, organizations simulate an actual disaster by doing a full restore at an off-site location and check whether backups are fully functional and systems work as expected (i.e., full disaster recovery test).

Without tested disaster recovery plans, eHealth, the Saskatchewan Health Authority, Saskatchewan Cancer Agency, and the Ministry of Health may not be able to restore their critical IT systems and data (such as the personal health registration system or provincial lab systems) in a timely manner in the event of a disaster. These agencies rely on the availability of those systems to deliver time-sensitive health services. For example, doctors require laboratory test results from the provincial lab systems to help provide more effective patient care, including timely diagnosis and treatment.

As ransomware and cyberattacks steadily rise and evolve, agencies like eHealth need disaster recovery plans that enable speedy and easy recovery of systems and data from the point of attack.

[8] A disaster recovery playbook is a document typically part of an overall IT recovery plan documenting key aspects and recovery steps to take during a crisis.
[9] A tabletop test assesses an organization's readiness to respond to cybersecurity incidents by testing if individuals know what to do, who to contact, and communication chains are in place.

Chapter 2
Executive Council

1.0 Main Points

During 2023–24, 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 the 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 increase 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 develops and advances the Government's plan for Saskatchewan and manages the plan's implementation across government.

Executive Council's 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 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 $11.9 million in 2023–24 (2022–23: about $12.1 million). Its website details its programs and services.[3] **Figure 1** outlines spending details for Executive Council. It does not prepare or table an annual report.

[1] *The Executive Government Administration Act* section 26 establishes the Office of the Executive Council.
[2] saskatchewan.ca/government/government-structure/ministries/executive-council-and-office-of-the-premier (19 July 2024).
[3] Ibid.

Figure 1—Financial Results 2023–24

	Estimates 2023–24	Actual 2023–24
	(in thousands)	
Central Management Services	$ 6,098	$ 5,937
Premier's Office	492	485
Cabinet Planning	765	402
Cabinet Secretariat	512	518
Communications Office	1,094	1,078
House Business and Research	248	241
Members of the Executive Council	152	112
Intergovernmental Affairs	3,060	2,390
Lieutenant Governor's Office	725	721
Total Expenses	$ 13,146	$ 11,886

Source: Saskatchewan Provincial Budget 2023–24 Estimates (vote 10); Office of Executive Council 2023–24 financial records.

3.0 Audit Conclusions

In our opinion, for the year ended March 31, 2024, 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:**

  The Executive Government Administration Act
  The Members of the Executive Council Expense Regulations, 1988
  The Financial Administration Act, 1993
  The Provincial Secretary's Act (clause 3d.1)
  The Public Service Act, 1998
  The Public Service Regulations, 1999
  The Crown Employment Contracts Act
  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 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 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 travel and business expense claims. We also assessed its processes to prepare accurate, 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 2023–24, the Office of the Executive Council (Cabinet) continued to set legislative secretaries' remuneration rates without clear legislated authority to do so. Its rates differ from rates the Board of Internal Economy approved in its directives.[4]

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 give Cabinet the authority to set remuneration rates for the legislative secretaries (the Board of Internal Economy's responsibility).[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* directed an annual allowance of $15,828 for legislative secretaries in 2023–24.[6]

Cabinet, through various Orders in Council, appointed various legislative secretaries and set their remuneration rates (i.e., without remuneration or at $3,000 per year). In 2023–24, seven Members of the Legislative Assembly were appointed as legislative secretaries by Cabinet with pay set at a rate of $3,000 per year instead of the Board-directed $15,828.[7]

During 2023–24, we did not see evidence of Executive Council working with the Board of Internal Economy (e.g., ask the Board to reconsider how the rate is set out in its directive) to ensure remuneration rates for legislative secretaries align with the Board's directive.

Not working with appropriate agencies to clearly operate within laws and directives increase the risk of decreasing public confidence in government.

[4] 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.
[5] *The Executive Government Administration Act*, section 7(1).
[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, 2024, the Board increased the annual allowance to $16,303 for legislative secretaries. Directives at legassembly.sk.ca/media/3wwnaucq/directive-21-annual-indemnity-and-allowances.pdf (19 July 2024).
[7] Orders in Council 430-2023, 431-2023, 432-2023, 433-2023, 434-2023, 435-2023, and 436-2023 issued in 2023-24 under *The Executive Government Administration Act*.

Chapter 3
Government Relations—Northern Municipal Trust Account

1.0 Main Points

The Ministry of Government Relations sufficiently supported management of the Northern Municipal Trust Account to obtain the necessary information to implement a new accounting standard related to asset retirement obligations for the year ended December 31, 2023. As a result, the Trust Account's December 2023 financial statements complied with Canadian public sector accounting standards and appropriately recorded asset retirement obligations.

The Ministry also:

- Obtained updated information to better estimate the cost to decommission the Trust Account's landfills.
- Updated relevant legislation to clarify legislated authority to make grants from the Northern Municipal Trust Account to northern municipalities for landfills not wholly owned by the Ministry.

However, the Ministry of Government Relations needs to undertake timely, detailed review of the Northern Municipal Trust Account's financial information. This would enable the Trust Account to table its annual report by the timeline set out in law.

Other than those areas mentioned, the Ministry had effective rules and procedures to safeguard the Trust Account's public resources and complied with authorities governing the Trust Account's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing for the year ended December 31, 2023.

The Trust Account's 2023 financial statements are reliable.

2.0 Introduction

2.1 Background

The Ministry of Government Relations is responsible for administering the Northern Municipal Trust Account.[1] 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.[2] The Ministry, through the Trust

[1] *The Northern Municipalities Act, 2010*, established the Northern Municipal Trust Account and its purposes. It also 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.
[2] The Northern Saskatchewan Administration District is a geographical area defined under *The Northern Municipalities Regulations*, s. 74, that includes 11 northern settlements, 14 resort subdivisions, and 9 northern subdivisions.

Account, administers all revenues relating to the Northern Saskatchewan Administration District and all monies 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 areas 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 itself and northern hamlets.

2.2 Financial Overview

In 2023, as shown in **Figure 1**, the Trust Account had an annual surplus of $8.3 million (2022: surplus of $5.3 million). It managed capital assets (e.g., water treatment plants, sewer systems, and buildings) of $12.7 million (2022: $10.3 million).

Figure 1—Financial Overview

	Actual 2023	Actual 2022 restated[A]
	(in millions)	
Grants from the Ministry of Government Relations (General Revenue Fund)	$ 25.2	$ 25.4
Taxation Revenue	5.0	3.5
Lease Fees Revenue	7.3	7.1
Revenue – Other Sources (e.g., utility and fuel sales, interest and penalties)	5.3	4.2
Total Revenue	42.8	40.2
Grants (e.g., Northern Revenue Sharing, Water and Sewer)	27.2	27.1
Municipal Services	6.0	4.9
Other Expenses	1.5	2.9
Total Expenses	34.5	34.9
Annual Surplus	$ 8.3	$ 5.3
Total Financial Assets (e.g., cash, investments, accounts receivables)	$ 75.0	$ 59.5
Total Capital Assets (e.g., water and sewer, buildings, machinery)	$ 12.7	$ 10.3
Total Liabilities	$ 24.5	$ 14.9

Source: Adapted from the Northern Municipal Trust Account audited financial statements for the year ended December 31, 2023.
[A] Restated prior year due to implementation of a new accounting standard on asset retirement obligations in 2023 that required restating comparative values.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended December 31, 2023, 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 matter 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 issued 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 of Government Relations' 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.[3] In addition, the audit assessed the reasonability of management's estimates of lease receivables, asset retirement obligations, and contaminated sites liability. It also examined 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 Financial Information Requires Management Review

We recommended the Ministry of Government Relations obtain the necessary information to adopt Canadian Public Sector Accounting Standard 3280—Asset Retirement Obligations for the year ending December 31, 2023. (*2023 Report – Volume 2*, p. 27, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Implemented

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

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 Committee agreement September 15, 2016)

Status—Partially Implemented

Ministry of Government Relations management supported Northern Municipal Trust Account management to obtain the necessary information to adopt *Canadian Public Sector Accounting Standard 3280—Asset Retirement Obligations* for the year ending December 31, 2023. However, management needs to consistently review and approve financial information such as bank reconciliations and quarterly financial reports timely.

The Ministry maintains sufficiently robust policies and related procedures to guide staff administering the Trust Account's day-to-day financial activities, and for preparing financial reports (including year-end financial statements). However, the Director of Finance and Accounting position for the Trust Account remained vacant for all of 2023, therefore, not all regular financial activities like bank reconciliations were completed and reviewed timely.

In January 2024, the Ministry hired a Director of Finance and Accounting to assist with preparing and reviewing the Trust Account's financial information and annual financial statements. This contributed to our Office finding fewer errors in the financial statements prepared for audit compared to prior years. Timely review reduces the risk of delays in the completion of the annual audit and delays in tabling the Trust Account's annual report (see **Section 4.3**).

Although we noted some improvements, we found financial reporting information was not consistently prepared and approved on a timely basis during 2023. We found six of 12 bank reconciliations were not prepared and reviewed within the Trust Account's expected timeframe of one month, and two quarterly financial reports were not reviewed and approved timely (within the Trust Account's expected timeframe of 52 days). Timely bank reconciliations and review and approval of quarterly financial reports help check the accuracy and reliability of accounting records (e.g., detect unauthorized or unrecorded payments and receipts). Without them, there is increased risk of using inaccurate financial information to make decisions.

The Trust Account was required to adopt *Canadian Public Sector Accounting Standard 3280—Asset Retirement Obligations* for the year ending December 31, 2023. Asset retirement obligations exist for tangible capital assets if there is a legally enforceable or contractual obligation to remediate the asset on its retirement (i.e., once the asset is no longer used to provide services). Examples of asset retirement obligations are costs for remediation of asbestos in buildings, decommissioning fuel tanks, and decommissioning landfills (see **Section 4.2**).

The Trust Account's December 2023 financial statements complied with Canadian public sector accounting standards and appropriately recorded asset retirement obligations.

4.2 Landfill Decommissioning Costs Updated

We recommended the Ministry of Government Relations regularly update its cost estimates to decommission landfills the Northern Municipal Trust Account is responsible for. (*2023 Report – Volume 1*, p. 18, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Implemented

The Ministry of Government Relations obtained updated information to better estimate landfill decommissioning costs for seven of its 13 landfills under the Northern Municipal Trust Account's responsibility.

The Trust Account is responsible for decommissioning landfills in various communities within the Northern Saskatchewan Administration District.[4] Trust Account management obtained engineering reports to estimate landfill decommissioning costs for six of its 13 landfills by December 2022.

As part of adopting *Canadian Public Sector Accounting Standard 3280—Asset Retirement Obligations* for the year ending December 31, 2023, Trust Account management obtained and used updated information (i.e., engineering reports) for decommissioning the remaining seven landfills (i.e., Little Bear, East Trout, Whelan Bay, Uranium City, Camsell Portage, Kinoosao, and Sturgeon Landing).

Trust Account management should continue to obtain updated cost estimate information on a regular basis. Regularly obtaining updated cost information related to landfill asset retirement obligations reduces the risk the amounts recorded for asset retirement obligations in the Trust Account's financial statements are incorrect.

4.3 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 continues to not table the Northern Municipal Trust Account's annual report with the Legislative Assembly within the timelines required by *The Executive Government Administration Act.*[5] The Trust Account has not tabled its annual report on time since its 2014 annual report.

According to the Act, it is expected agencies with December year-ends table their annual reports by the end of April each year (four months after year-end).

[4] The landfills are located in Bear Creek, Decsharme Lake, Garson Lake, Sled Lake, Brabant Lake, Missinipe, Little Bear, East Trout, Whelan Bay, Uranium City, Camsell Portage, Kinoosao, and Sturgeon Landing.

[5] *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.

The Trust Account's annual reports include its audited financial statements. Difficulties in preparing accurate financial statements have delayed completion of its annual reports.

The Assembly received the Trust Account's 2022 annual report on May 13, 2024. We issued our audit opinion on the 2022 financial statements on October 30, 2023. Delays in the completion the 2022 annual audit of the financial statements contributed to the Ministry's inability to finalize the Trust Account's 2022 annual report by April 2023. The Trust Account's 2023 annual report was also not tabled by April 2024 because of delays in preparation and provision of timely financial information during the year-end audit.

Not tabling the Trust Account's annual report within the timelines set in legislation results in legislators having insufficient information to monitor the Trust Account's operations and make informed decisions.

4.4 Legislative Authority for Landfill Expansion Grant Payments Clarified

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. 42, Recommendation 1; Public Accounts Committee agreement September 6, 2022)

Status—Implemented

During 2023, the Ministry of Government Relations updated *The Northern Municipalities Regulations* (sections 63–72) and its related grant policy to provide clear authority to make grant payments through the Northern Municipal Trust Account for landfills.

In January 2019, the Minister of Government Relations approved a program to fund (through the Trust Account) up to $4.9 million for the costs related to expanding the Lac La Ronge regional landfill. It refers to this program as the Regional Solid Waste Management Program. The Ministry expects to benefit from the planned landfill expansion as it owns part of this landfill.

At December 2023, the regional landfill provides waste management services to three northern municipalities, including the Northern Saskatchewan Administration District, and the Lac La Ronge Indian Band. As of December 2023, the Trust Account had paid $3.9 million in grants under the Regional Solid Waste Management Program.

Clear legislative authority for landfill grant payments decreases the risk of making payments that are inconsistent with the mandate of the Trust Account.

Chapter 4
Healthcare Affiliates

1.0 Main Points

For each of the 2023–24 annual audits of 35 healthcare affiliates, all had effective rules and procedures to safeguard public resources. The 2023–24 financial statements for each of the healthcare affiliates are reliable.

All Nations' Healing Hospital Inc. did not comply with legislative requirements and obtain approval from the Ministry of Health for two 2022–23 capital projects exceeding $100,000 until 2023–24. As All Nations did not undertake any further capital projects valued at greater than $100,000 during 2023–24, we were unable to confirm it would have obtained Minister of Health's approval as required by legislative requirements. Not seeking the Minister's approval for capital projects increases the risk money may be spent on items not considered a priority for the healthcare system.

2.0 Introduction

The Provincial Health Authority Act and related regulations set out the roles and responsibilities of the Ministry of Health, the Saskatchewan Health Authority, and Saskatchewan's 37 healthcare affiliates.[1] **Appendix 1** of this Report includes a list of the 37 healthcare affiliates.

The Provincial Health Authority Administration Regulations designate healthcare affiliates, and make them responsible for providing contracted health services on behalf of the Saskatchewan Health Authority. Most affiliates provide health services for long-term care patients in the healthcare system; several others also provide hospital services in certain areas of the province. These healthcare affiliates employ approximately 6,800 staff.[2]

Figure 1 provides the combined financial results of 35 healthcare affiliates for 2022–23 and 2023–24.

Figure 1—Healthcare Affiliates' Combined Financial Results

	2023–24	2022–23
	(in millions)	
Grants from the Saskatchewan Health Authority	$ 244.7	$ 231.9
Other Revenue (e.g., Federal Government grants, food service revenue)	64.6	62.1
Total Revenue	309.3	294.0

[1] St. Paul's Hospital is not included in this chapter as it is consolidated into the financial statements of the Saskatchewan Health Authority. See Chapter 8 for the results of the annual audit of the Authority. Regina Lutheran Housing Corporation is not included in this chapter due to delayed completion of its annual audit—the Corporation notified the Saskatchewan Health Authority of the termination of its operations in fiscal 2023. The Authority acquired the Corporation's land and building in December 2023 and took over its operations in April 2024.
[2] Affiliates' staff headcount (i.e., full-time, part-time, casual) provided by the Ministry of Health.

	2023–24	2022–23
	(in millions)	
Total Expenses	310.9	302.7
Annual Deficit	$ (1.6)	$ (8.7)
Net Financial Liabilities[A]	$ (16.3)	$ (19.0)
Non-financial Assets[B]	$ 135.8	$ 138.8

Source: Adapted from audited healthcare affiliates' financial statements for the years ending March 31. In 2022–23, Regina Luther Housing Corporation had revenues of $6.7 million and expenses of $6.9 million; audited financial statements for 2023–24 are not available at October 2024.
[A] Financial assets (e.g., cash, receivables) less liabilities (e.g., accounts payable, debt).
[B] Non-financial assets include tangible capital assets (e.g., buildings).

Each year, the Saskatchewan Health Authority contracts healthcare affiliates to supply almost 3,200 beds and health services.[3] The Saskatchewan Health Authority paid $244.7 million in 2023–24 (2022–23: $231.9 million) to 35 healthcare affiliates.

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*.[4]

In our opinion, for the year ended March 31, 2024, we found, in all material respects:

- **Each healthcare affiliate had effective rules and procedures to safeguard public resources**
- **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.:**

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

- **Each healthcare affiliate 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 audits. We used the control framework included in COSO's *Internal Control—Integrated Framework* to make our judgments about the effectiveness of each healthcare affiliate'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.

[3] Information provided by the Ministry of Health.
[4] *Report of the Task Force on Roles, Responsibilities and Duties of Auditors* available at auditor.sk.ca.

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 Finding and Recommendation

4.1 All Nations' Healing Hospital Inc.—Minister Approval for Prior Year Capital Projects Over $100,000 Obtained

We recommended the All Nations' Healing Hospital Inc. seek the responsible Minister's approval required by law when undertaking capital projects valued at greater than $100,000. (*2023 Report – Volume 2*, p. 33, Recommendation 1; Public Accounts Committee agreement February 26, 2024)

Status—Partially Implemented

All Nations' Healing Hospital Inc. obtained approval from the Ministry of Health in 2023–24 for two 2022–23 capital projects exceeding $100,000. It did not undertake any further capital projects valued at greater than $100,000 during 2023–24 so we were unable to confirm it would have obtained Minister of Health's approval as required by legislative requirements.

During 2022–23, we found All Nations' Healing Hospital Inc. did not seek approval from the Minister of Health for two capital projects exceeding $100,000 each (i.e., renovations of cafeteria and office space) as required under *The Provincial Health Authority Act* and *The Provincial Health Authority Administration Regulations*. We found All Nations sought approval and the Ministry of Health approved these projects during 2023–24. As All Nations did not undertake any further capital projects valued at greater than $100,000 during 2023–24 we were unable to confirm it would have obtained the Minister of Health's approval as required by legislative requirements.

Capital projects can impact the level of future operating funding affiliates require from the Ministry of Health (e.g., wing expansion increasing bed capacity). Not seeking the Minister of Health's approval for larger renovation projects increases the risk money may be spent on items not considered a priority to the healthcare system.

Chapter 5
Highways

1.0 Main Points

The Ministry of Highways had effective rules and procedures to safeguard public resources for the year ended March 31, 2024, except it did not:

- Adequately prepare and review revenue financial information (e.g., deposit and accounts receivable reconciliations).
- Conduct a detailed review of the Transportation Partnerships Fund's 2023–24 financial statements. The financial statements presented for audit contained significant errors. Management corrected these errors; the Fund's final financial statements are reliable.

Appropriate review of financial information helps ensure management has quality and accurate financial information to make decisions.

During 2023–24, 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.

2.0 Introduction

2.1 Background

The Ministry of Highways is responsible for managing the provincial transportation network, which consists of 26,483 kilometers of highways. The Ministry also operates and maintains 697 bridges, more than 62,000 culverts, 12 ferries, 16 northern airports, and one barge.[1]

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

The Ministry is also responsible for the Transportation Partnerships Fund. The purpose of the Fund is to generate revenues from trucking partnership agreements in which transportation companies pay the Fund a portion of cost savings achieved from hauling overweight and/or over-dimension loads. The Fund uses these revenues to pay for highway improvement projects. In 2023–24, the Fund had revenue of $2.7 million and expenses of $557,000.[3]

[1] Ministry of Highways, *Annual Report for 2023–24,* p. 3.
[2] Ibid.
[3] Transportation Partnerships Fund 2023–24 audited financial statements.

2.2 Financial Overview

At March 31, 2024, the Ministry of Highways managed tangible capital assets (comprised primarily of the provincial transportation system) with a book value of $5.9 billion. In 2023–24, it incurred $601 million in expenses, and acquired tangible capital assets of $415 million comprised primarily of roads and bridges (see **Figure 1**). In 2023–24, the Ministry had revenues of $25 million, including federal transfers of $22.9 million.

Figure 1—Major Programs and Spendings

	Estimates 2023–24	Actual 2023–24
	(in millions)	
Central Management and Services	$ 17.4	$ 17.3
Preservation of Transportation System	127.6	126.6
Transportation Planning and Policy	4.0	3.9
Infrastructure and Equipment Capital	422.3	415.2
Operation of Transportation System[A]	201.8	196.8
Strategic Municipal Infrastructure	26.5	25.7
Total Appropriation	799.6	785.5
P3 Financing Charges Adjusted to Opening Accumulated Deficit	(28.8)	(28.8)
Capital Asset Acquisitions	(422.3)	(415.2)
Capital Asset Amortization	271.0	259.0
Total Expenses	$ 619.5	$ 600.5

Source: Government of Saskatchewan—*2023–24 Estimates* (Vote 16), pp. 73–77, Order in Council 55/2024, and Ministry of Highways, *Annual Report for 2023–24*, p. 23.
[A] Original estimate for Operation of Transportation System approved $178.4 million. Order in Council 55/2024 approved an additional $23.4 million.

3.0 Audit Conclusions

In our opinion, for the year ended March 31, 2024, we found, in all material respects:

- **The Ministry of Highways had effective rules and procedures to safeguard public resources except for the matters described in this chapter**
- **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 Environmental Management and Protection Act, 2010 (section 9)
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 audits. We used the control framework included in COSO's *Internal Control—Integrated Framework* to

make our judgments about the effectiveness of the Ministry of Highway'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 its controls over managing its contracts. This included assessing Ministry processes for awarding, approving, and adjusting contracts.

We also evaluated the Ministry's:

- Controls for estimating the value of aggregate stockpile inventory
- Processes for estimating and recording its contaminated site liabilities and asset retirement obligations
- Controls to properly record capital assets

4.0 Key Findings and Recommendations

4.1 Detailed and Timely Reviews of Revenue Reconciliations Needed

Ministry of Highways staff did not perform sufficient, timely reviews of monthly cash receipt and accounts receivable (revenue) reconciliations, including reviewing relevant supporting documentation.

The Ministry's revenue reconciliation policy requires staff to complete monthly revenue reconciliations within 31 days of month-end, and for other staff to independently review the reconciliation within seven days after preparation. The Ministry brings in about $25 million in revenue annually.

The Ministry's cash receipt reconciliation reconciles cash, cheques, and electronic fund transfers received to amounts deposited and recorded in the financial system.

For the 12 cash receipt reconciliations tested, we found the Ministry did not:

- Prepare two reconciliations (i.e., no reconciliation for April and September 2023)
- Prepare two reconciliations timely in accordance with policy (41 and 46 days after month end)
- Review one reconciliation
- Review three reconciliations timely in accordance with policy (up to 19 days after preparation)

The Ministry's accounts receivable reconciliations reconcile accounts receivable records to the total in the financial system. We found the Ministry did not complete sufficiently detailed reviews for these reconciliations.

For the 36 accounts receivable reconciliations tested, we found the Ministry:

- Completed five of the reconciliations late as staff re-performed the reconciliations in March due to significant errors in the original versions (i.e., October 2023 to February 2024 reconciliations completed in March 2024).
- Did not review seven reconciliations timely (between 9–189 days after preparation). Staff re-performed four reconciliations due to significant errors, but there was no indication of review.
- Could not provide evidence of review for one reconciliation.
- Could not provide support for three reconciliations.

Not having a timely, detailed review of revenue reconciliations increases the risk of inaccurate financial records and reports provided to management and may allow misappropriated funds to go undetected. Consistent review of reconciliations may identify issues and allow for corrective action in a timely manner.

1. **We recommend the Ministry of Highways prepare and review revenue reconciliations in accordance with its policy.**

4.2 Detailed Review of the Transportation Partnerships Fund Financial Statements Needed

Ministry of Highways management did not conduct a detailed review of the Transportation Partnerships Fund financial statements for the year-ended March 31, 2024. As a result, the financial statements presented for audit contained numerous errors.

For example, we found the Fund's 2023–24 financial statements provided for audit:

- Overstated accounts payable by $118,000 for 2023–24 and 2022–23 (comparative period). These payables related to completed transportation system improvement projects that should no longer have been accounts payable. Ministry management had not sufficiently reviewed its financial records for these projects.
- Overstated deferred revenue and understated revenue and accumulated surplus by $77,000 for 2023–24 and 2022–23 (comparative period) due to incorrectly assessing how to account for one contract.

The Ministry adjusted the Fund's 2023–24 financial statements to correct these errors.[4]

Not sufficiently reviewing the Fund's financial statements and supporting materials increases the risk the financial statements contain errors and inaccuracies, and do not align with Canadian public sector accounting standards.

2. **We recommend Ministry of Highways management conduct a detailed review of the Transportation Partnerships Fund's year-end financial statements.**

[4] publications.saskatchewan.ca/#/products/122481 (9 October 2024).

Chapter 6
Northlands College

1.0 Main Points

In 2023–24, Northlands College needed to improve its rules and procedures to safeguard public resources. The College did not:

- Always complete monthly credit card or bank reconciliations
- Adequately segregate access to its electronic cheque-signing system
- Have all its journal entries properly supported, and independently reviewed and approved

Regular reconciliations check the accuracy and reliability of accounting records. Not segregating incompatible duties between individuals or completing independent review and approval increases the risk of fraud and not detecting errors.

For the year ended June 30, 2024, Northlands College complied with authorities governing its activities and its 2023–24 financial statements are reliable.

2.0 Introduction

Northlands College, one of Saskatchewan's six regional colleges, offers classes in communities across northern Saskatchewan with campuses in Buffalo Narrows, Creighton, La Ronge and Air Ronge. The College offers Adult Basic Education, skills training, and university courses to around 950 students.[1]

As shown in **Figure 1**, in 2023–24, the College had revenues of $20.3 million and expenses of $19.2 million. Approximately 58% of the College's expenses relate to salaries and benefits.

Figure 1—Financial Overview

	Budget 2023–24	Actual 2023–24
	(in millions)	
Provincial grants	$ 15.6	$ 16.1
Other revenue	5.1	4.2
Total Revenue	20.7	20.3
General	7.5	8.0
Skills Training	7.5	4.3
Basic Education	2.5	2.1
University	3.8	3.6

[1] Northlands College, *Annual Report, 2022–23*, p. 31.

	Budget 2023–24	Actual 2023–24
	(in millions)	
Services	0.9	0.3
Scholarships	0.1	0.1
Student Housing	0.8	0.8
Total Expenses	23.1	19.2
Annual (Deficit) Surplus	$ (2.4)	$ 1.1

Source: Northlands College audited financial statements for the year ended June 30, 2024.

3.0 Audit Conclusions

Our Office worked with the appointed auditor, MNP LLP, to carry out the audit of Northlands College. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.[2]

In our opinion, for the year ended June 30, 2024:

- **Northlands College had effective rules and procedures to safeguard public resources except for the matters described in this chapter**
- **Northlands College complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing**:

The Regional Colleges Act
The Regional Colleges Regulations
The Regional Colleges Program Designation Regulations
The Regional Colleges Program and Services Regulations
The Financial Administration Act, 1993
The Executive Government Administration Act
The Income Tax Act, 2000 (Saskatchewan)
The Financial Administration Manual
The Regional Colleges Accounting and Reporting Manual

- **Northlands College 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 Northland College'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 focused on examining the effectiveness of the College's processes for preparing and processing payroll, and paying for and receiving goods and services. It also examined the effectiveness of the controls used to safeguard financial-related IT systems and data.

[2] *Report of the Task Force on Roles, Responsibilities and Duties of Auditors* available at auditor.sk.ca.

4.0 Key Findings and Recommendations

4.1 Review and Approval of Credit Card Reconciliations Needed

We recommended Northlands College review and approve credit card reconciliations as required by its policy. (*2023 Report – Volume 2*, p. 41, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Not Implemented

Northlands College did not follow its policy regarding review and approval of credit card reconciliations in 2023–24.

The College's credit card policy requires each credit cardholder to submit a monthly transaction log reconciled to supporting receipts for approval by the Vice President of Finance or a designate. The College spent $590,000 on credit card purchases in 2023–24.

The College could not provide evidence the reconciliations were reviewed and approved for five months of the year. Out of those five, no evidence could be provided that two reconciliations were ever completed. These two reconciliations were missing for all seven credit cardholders.

Not appropriately reconciling, reviewing, and approving reconciliations increases the risk of inappropriate credit card purchases occurring.

4.2 Restricted Access to Cheque-Signing System Required

We recommended Northlands College restrict access to its cheque-signing system to appropriately segregate duties. (*2023 Report – Volume 2*, p. 41, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Not Implemented

Northlands College has not yet restricted access to its cheque-signing system to adequately separate duties related to making payments.

The College uses software to electronically sign cheques for payment, and restricts access to this software to certain accounting staff. However, some staff who can approve payments also have access to the cheque-signing system. These staff could not only create and approve a payment, but also process a cheque for payment

The College's procurement policy requires adequate segregation of duties between purchasing, receiving, and payment approval.

Not adequately segregating duties increase the risk of inappropriate or fraudulent payments going undetected and is compounded by incomplete bank reconciliations (see **Section 4.3**).

4.3 Timely Independent Review and Approval of Bank Reconciliations Needed

Northlands College did not complete its monthly bank reconciliations in a timely manner.

During 2023–24, the College did not complete any bank reconciliations until May 2024. Further, once completed, they were not reviewed and approved by a second person.

Regular bank reconciliations, and the review and approval of such reconciliations, checks that all charges to bank accounts are proper and all money has been received and deposited into the right accounts. It also checks the accuracy and reliability of the accounting records.

1. **We recommend Northlands College independently review and approve monthly bank reconciliations timely.**

4.4 Independent Review and Approval of Journal Entries Necessary

Northlands College had journal entries not always supported or independently reviewed and approved in 2023–24.

Testing found three journal entries made in error totalling about $11 million, with one relating to a $10 million cash entry recorded twice. Additionally, there was no review and approval for these journal entries, and two entries did not have support or rationale for why staff made the journal entry.

Lack of independent review and approval increases the risk of unauthorized entries made in the accounting records, which could result in decision-makers using inaccurate financial information and fraud going undetected.

2. **We recommend Northlands College independently review and approve supported journal entries.**

Chapter 7
Prairie Agricultural Machinery Institute

1.0 Main Points

The Prairie Agricultural Machinery Institute (PAMI) prepared reliable financial statements for the year ended March 31, 2024, and complied with its legislative authorities.

Other than the following concern, PAMI had effective rules and procedures to safeguard public resources for the year ended March 31, 2024.

PAMI did not adequately review and approve financial information once prepared (e.g., journal entries, cash receipts), throughout the 2023–24 year. Appropriate review of financial information helps ensure PAMI management and the Board have quality and accurate financial information to make decisions.

2.0 Introduction

PAMI provides product development, testing, and design to both prairie farmers and agricultural machinery manufacturers, as well as to the mining and transportation industries. Its mission is to enhance sustainability and profitability in agriculture and other sectors through research, innovation, adaption, and knowledge transfer.[1]

At March 31, 2024, PAMI employed over 30 employees in Humboldt, Saskatchewan and Portage la Prairie, Manitoba.

2.1 Financial Overview

As shown in **Figure 1,** PAMI had a $0.1 million surplus for the year ended March 31, 2024 (2023: $0.7 million surplus).

Figure 1—Financial Overview

	Actual 2024	Actual 2023 restated[A]
	(in millions)	
Provincial Transfers:		
Government of Saskatchewan Ministry of Agriculture	$ 1.0	$ 2.9
Government of Manitoba Department of Agriculture, Food and Rural Development	0.3	0.3
Fee for Service	5.1	3.9
Prairies Economic Development Canada	1.1	-
Other income	0.2	0.2
Total Revenue	7.7	7.3

[1] Prairie Agricultural Machinery Institute, *2023–2024 Annual Report,* p. 12.

	Actual 2024	Actual 2023 restated[A]
	(in millions)	
Personnel	2.6	2.6
Fee for Service direct costs	0.9	0.7
Administration	1.7	2.1
Operating	0.7	0.7
Other expense (e.g., amortization, bad debt, leases)	1.7	0.5
Total Expenses	7.6	6.6
Annual Surplus	$ 0.1	$ 0.7
Total Financial Assets (e.g., cash, due from General Revenue Fund, accounts receivable)	$ 2.8	$ 4.0
Total Non-Financial Assets (e.g., tangible capital assets, prepaid expenses)	$ 7.0	$ 6.3
Total Liabilities	$ 1.1	$ 1.8

Source: Adapted from the Prairie Agricultural Machinery Institute audited financial statements for the year ended March 31, 2024.
[A] In 2022–23, PAMI corrected accounts receivable for amounts not properly billed to customers for projects and restated the 2022–23 amounts.

3.0 Audit Conclusions

In our opinion, for the year ended March 31, 2024, we found, in all material respects:

- **PAMI had effective rules and procedures to safeguard public resources except for the matter 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 focused our audit procedures on assessing PAMI's processes to properly record fee-for-service revenue and associated expenses (i.e., its projects), forecast its financial activities, and calculate and record work-in-progress and deferred revenue related to projects. We also assessed PAMI's conversion of its general ledger balances between two financial systems (new and old) to confirm accuracy.

4.0 Key Findings and Recommendations

4.1 Detailed Review of Financial Statements Completed

We recommended the Prairie Agricultural Machinery Institute require a full review of the year-end financial statements by management. *(2021 Report – Volume 2,* p. 54, Recommendation 2; Public Accounts Committee agreement February 5, 2024)

Status—Implemented

The Prairie Agricultural Machinery Institute adequately prepared and management reviewed financial statements for audit; the 2023–24 audit did not identify significant errors.

The financial statements initially presented for audit were complete. We saw evidence of the President and Chief Executive Officer's review of the initial set of financial statements received for audit.

Fully reviewing the statements and supporting materials helps management identify potential errors, make accurate decisions, as well as confirm the financial statements are appropriate and align with Canadian public sector accounting standards.

4.2 Proper Review of Financial Information Needed

We recommended 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. *(2021 Report – Volume 2,* p. 53, Recommendation 1; Public Accounts Committee agreement February 5, 2024)

Status—Not Implemented

The Prairie Agricultural Machinery Institute did not adequately review and approve financial information once prepared throughout 2023–24.

Adequate segregation of duties includes timely and independent review and approval of key transactions and entries. We found management neither consistently reviews and approves financial reporting information nor consistently documents approval.

For example, we found:

- Five cash receipts tested did not have formal documentation of each deposit slip's approver. This increases the risk of inaccurately recording cash amounts on deposit slips or making inaccurate cash deposits in the bank account.

- For 10 of 12 bank reconciliations tested, we found evidence of approval, but no formal documentation when staff approved the bank reconciliations, thus we were unable to determine whether PAMI approved reconciliations timely. Not reviewing bank reconciliations timely increases the risk of errors going undetected.

- For all 44 journal entries tested, we were unable to see evidence of review and approval of entries before staff recorded them in its accounting system. Three of 44 journal entries did not have supporting documentation for the journal entry made. We were able to complete alternative audit procedures to determine these three entries were reasonable.

  In addition, we found PAMI did not timely enter two of three payroll entries tested into its accounting system. For example, management did not enter the December 5, 2023, pay period payroll expenses until February 2024. We also found one payroll journal entry had amounts incorrectly coded to wrong accounts.

  Reviewing and approving entries before entering them reduces the risk of inaccurate financial information that may be used for decision-making. For example, recording payroll expenses about two months later means the December 31, 2023, financial statements management and the Board reviewed contained errors.

Not having a timely, independent review of financial information increases the risk of inaccuracies in financial records used to prepare financial reports provided to PAMI management and the Board. Consistent review of financial information may identify issues and allow for corrective action in a timely manner.

Chapter 8
Saskatchewan Health Authority

1.0 Main Points

This chapter reports the results of the 2023–24 annual audit of the Saskatchewan Health Authority.

The Authority's 2023–24 financial statements are reliable. In 2023–24, 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, 2024.

At March 2024, the Authority did not have an adequate IT service level agreement in place with its main IT service provider—eHealth Saskatchewan. The Authority and eHealth signed a new master services agreement in May 2022, but have yet to finalize remaining key aspects (e.g., security and disaster recovery requirements) of the agreement. Without an adequate agreement, the Authority risks being unable 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 can be restored in a reasonable timeframe in the event of a disaster.

To strengthen its financial controls, the Authority needs to do more work to segregate incompatible duties related to paying vendors and staff. Without acceptable segregation of duties, the Authority faces a higher risk of fraud and undetected errors in its financial information.

The Authority continued to work toward implementing its new business-wide IT system called Administrative Information Management System (AIMS). While the Authority initially planned to implement AIMS by March 31, 2021, at a cost of about $86 million, by March 31, 2024, it spent almost $190 million and forecasted to spend about $250 million to complete the project over the next two fiscal years.

We found the Authority made improvements from its initial attempt to implement the system in November 2022, including plans to have nearly 500 end-users from across its various business units participate in user acceptance testing in spring 2024. Such testing should help the Authority identify any critical system defects it needs to address before attempting to implement the system.

Upon project completion, it will be important for the Authority to complete a formal lessons learned report for the AIMS project overall. Documenting and sharing such information with other government agencies leading significant IT projects can help to avoid system implementation failures on similar projects.

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 health and wellbeing, 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**, in 2023–24, the Saskatchewan Health Authority had revenue and expenses of $5.5 billion and $5.4 billion respectively, resulting in a surplus of $88 million. During the year, the Authority received approximately 92% of its revenue from the Ministry of Health. At March 31, 2024, it held assets of $2.6 billion, including capital assets of $1.9 billion.

Figure 1—Revenue and Expenses of the Saskatchewan Health Authority

	Actual 2023–24	Actual 2022–23
	(in millions)	
Ministry of Health—General Revenue Fund	$ 5,083	$ 4,573
Other revenue	425	438
Total Revenue	5,508	5,011
Salaries and benefits	3,143	3,010
Medical remuneration and benefits	583	479
Grants to ambulance services, healthcare organizations, and affiliates	360	358
Medical and surgical supplies	202	199
Amortization	152	149
Other expenses (e.g., purchased salaries, contracted services)	980	826
Total Expenses	5,420	5,021
Annual Surplus (Deficit)	$ 88	$ (10)

Source: Adapted from Saskatchewan Health Authority audited financial statements for the year ended March 31, 2024.

3.0 Audit Conclusions

In our opinion, for the year ended March 31, 2024, we found, in all material respects:

- **The Saskatchewan Health Authority had reliable financial statements**
- **The Saskatchewan Health Authority had effective rules and procedures to safeguard public resources except as noted in this chapter**

[1] Saskatchewan Health Authority, *Annual Report 2023–2024*, p. 6.

- **The Saskatchewan Health 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
The Government Service Organization (Provincial Sales Tax) Remission 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 Saskatchewan Health 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 appropriately preparing and processing payroll (including overtime and contract salaries). We also tested the Authority's processes for ordering, paying for, and receiving goods and services.

We examined controls to safeguard financial-related IT systems and data. The audit assessed the reasonableness of key estimates recorded in the financial statements (e.g., accumulated sick leave liability, asset retirement obligations). The audit also assessed the reasonableness of information disclosed about the Authority's pension plans and acquisition of a long-term care home from Regina Lutheran Home Housing Corporation.

4.0 Key Findings and Recommendations

4.1 IT Service Level Agreement Not Finalized

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 agreement March 1, 2022)

Status—Partially Implemented

At March 2024, the Saskatchewan Health Authority and eHealth Saskatchewan have yet to finalize remaining key aspects of their service level agreement for IT services.

The Authority moved the majority of its IT systems into eHealth's data centre in 2017–18. The Authority signed an interim operating agreement with eHealth in 2017. Both parties signed a new master services agreement in May 2022.

Our review of the master services agreement found it included several key aspects for the delivery of IT services, such as IT service governance, payments and funding, quarterly reporting, and dispute resolution.

However, we found the Authority and eHealth have yet to finalize other key aspects of the agreement—disaster recovery, service levels (e.g., response times, system availability), security requirements, and IT change management. **Figure 2** describes the risks associated with these aspects of the master services agreement still undefined.

Figure 2—Risks Associated Master Services Agreement Aspects Undefined and Unmonitored

Key Aspect of IT Service Agreement	Associated Risk
Disaster Recovery	Significant IT applications not available when needed, or loss of data in the event of a disaster. At March 2024, eHealth had not completed or tested 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 healthcare services.
Service Levels	Inability to determine whether a service provider meets client needs and whether gaps in service exist (e.g., data backups not occurring as expected, expected response times to incident tickets not met).
Security Requirements	Systems and data inadequately secured (e.g., patches not applied in a timely manner).
IT Change Management	Changes to key IT systems may be inappropriately executed, increasing the risk of an adverse effect on the integrity and availability of IT systems and data.

Source: The Office of the Provincial Auditor of Saskatchewan.

The Authority expected to finalize the remaining key aspects of the master services agreement with eHealth during 2024–25.

Not having an adequate service level agreement increases the risk of the Authority not effectively monitoring whether eHealth is meeting the Authority's IT needs. For example, eHealth not having completed or tested disaster recovery plans of 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.[2] This may adversely impact the Authority's ability to deliver healthcare services.

4.2 Separation of Incompatible Duties Still Needed

We recommended the Saskatchewan Health Authority separate incompatible duties. (*2019 Report – Volume 2,* p. 86, Recommendation 3; Public Accounts Committee agreement March 1, 2022)

Status—Partially Implemented

The Saskatchewan Health Authority did not adequately separate incompatible duties related to paying vendors and staff.

[2] eHealth did not have complete and tested disaster recovery plans at March 31, 2024.

Figure 3 summarizes findings related to inadequate separation of incompatible duties in the areas of payments and payroll. Our findings were similar to those in the prior year.

Figure 3—Summary of 2023–24 Audit Findings about Inadequate Separation of Incompatible Duties

Audit Testing Found:	Related Risk
Payments	
Numerous staff located throughout the province have the authority to change information about vendors in financial systems. Changes to vendor information cannot always be identified when made. The Authority implemented a vendor-change-form policy in 2020–21, expecting independent approval on the form to assess legitimacy of new vendors, or changes to existing vendors, before processing changes. However, we found staff are not always following the policy. For six vendor changes we tested, staff did not approve the vendor-change form as required by policy. For four of these new vendors, staff did not use the vendor-change form.	Not confirming the validity of vendors before adding or updating them in the financial system increases the risk of making payments to fictitious vendors.
Payroll	
Certain payroll staff have the ability to set up new employees in the payroll system instead of separating responsibility to set up new employees to human resources personnel. We found three of the Authority's payroll departments had this ability.	Not appropriately separating payroll processing increases the risk of fraud (i.e., setting up and paying fictitious employees) and not detecting errors.

Source: The Office of the Provincial Auditor of Saskatchewan.

Separating incompatible duties decreases the risk of not catching errors and situations where expected processes are not followed. In addition, not involving more than one individual in making purchases and paying employees increases the risk of undetected fraud.

In 2024–25, the Authority planned to implement a new ERP system called Administrative Information Management System (AIMS) to address a number of these concerns.[3] Roles developed in AIMS are expected to separate duties for payment and payroll processing.

4.3 Administrative Information Management System (AIMS) Project Not Yet Implemented

We recommended the Saskatchewan Health Authority document and share an overall lessons learned report for the AIMS project. (*2023 Report – Volume 2,* p. 54, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Not Implemented

The Saskatchewan Health Authority continued to work toward implementing AIMS at March 31, 2024. It had yet to document and share an overall lessons learned report for the project.

[3] Enterprise Resource Planning (ERP) system is a type of system that connects day-to-day business processes, including inventory and order management, supply chain, accounting, human resources, and procurement.

The Authority's implementation of AIMS has been underway since 2018 with costs continuing to grow.

The Authority's initial capital and operating project agreement with the Ministry of Health from November 2018 required it to implement AIMS by March 31, 2021, at a cost of about $86 million. An amending agreement in 2022 increased provincial funding for the project to a total cost of $144 million to March 31, 2023, with no changes to the project's scope.

The Authority went live with AIMS in November 2022, but unsuccessful implementation caused the Authority to revert back to its existing systems.

The Authority signed another capital and operating project agreement with the Ministry in December 2023, providing the Authority with an additional $91 million to complete AIMS by March 31, 2026.

By March 31, 2024, the Authority had spent nearly $190 million on AIMS and forecasted to spend about $250 million to complete the project.

During 2023–24, the Authority prepared to implement AIMS over the next two fiscal years using a phased approach. As an improvement from its initial attempt to implement the system in November 2022, the Authority planned to have almost 500 end-users from across its various business units participate in user acceptance testing in spring 2024. Such testing should help the Authority identify any critical system defects it needs to address before attempting to implement the system.

Upon project completion, it continues to be important for the Authority to coordinate and share a formal lessons learned report for the AIMS project overall. The purpose of documenting and applying lessons learned is to identify improvements for future projects (e.g., effective governance structure, incremental approach to project delivery). Sharing such information with other government agencies leading significant IT projects can help avoid system implementation failures on similar projects—removing potential impediments before they happen.

Chapter 9
Social Services

1.0 Main Points

This chapter reports the results of our annual audit of the Ministry of Social Services for the year ended March 31, 2024. Our audit also included assessing the design and implementation of the Ministry's processes up to July 31, 2024, for procuring hotel rooms when income assistance or child and family programs' clients require hotel stays. Prior to March 2024, the Ministry's processes did not specifically consider best value when procuring appropriate hotel rooms for its clients.

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

- Centrally collect reliable data and conduct a robust evaluation to determine whether its two hotel pilot projects (i.e., obtaining three quotes, using contracted hotels with fixed rates) improve its ability to procure hotel rooms for clients efficiently and effectively.
- Demonstrate its consideration for best value in its procurement of hotel rooms for child and family program clients (e.g., Ministry staff document the nightly hotel rate chosen in its case management system).
- Publicly disclose payments made to vendors (e.g., hotels) on behalf of its clients to increase transparency and demonstrate accountability.
- Adequately record overpayments for the Saskatchewan Income Support (SIS) Program and recover them in a timely manner—the Ministry does not consistently set up automatic recovery for known overpayments. Not initiating automatic payment recovery delays timely overpayment recovery, with the Ministry having limited ability to collect on overpayments if clients leave the SIS Program.

During 2023–24, the Ministry of Social Services implemented a process to start verifying the accuracy of SIS Program clients' income information with the Federal Government. The Ministry confirmed the accuracy of income for a sample of clients and intends to further expand this work in 2024–25. Using third-party information to confirm client income decreases the risk of the Ministry paying incorrect SIS benefits.

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 meet their basic needs and participate in their community.[1]

[1] Ministry of Social Services, *Annual Report for 2023–24*, p. 4.

The Ministry provides support through income assistance, child and family services, affordable housing, and supports for people with disabilities.[2] Key programs and services include child protection services, out-of-home care (e.g., foster care), financial assistance, housing programs, and disability services. The Ministry also builds capacity of community-based organizations.

2.2 Financial Overview

In 2023–24, the Ministry of Social Services spent about $1.46 billion delivering its programs (see **Figure 1**). It also reported revenues totalling about $51.6 million primarily from Federal Government transfers (e.g., special allowances for children in care).[3]

Figure 1—Expenses by Program

	Estimates 2023–24	Actual 2023–24
	(in millions)	
Central Management and Services	$ 56.9	$ 59.1
Income Assistance Services	647.4	638.9
Child and Family Services	379.1	401.8
Client Support	13.0	14.6
Housing	24.0	32.1
Disability Programs and Services	310.9	309.9
Total Appropriation[A]	$ 1,431.3	$ 1,456.4
Capital Asset Acquisitions	(6.4)	(5.7)
Capital Asset Amortization	7.6	3.0
Total Expenses	$ 1,432.5	$ 1,453.7

Source: Ministry of Social Services, *Annual Report for 2023–24*, pp. 22–24.
[A] During 2023–24, the Ministry of Social Services also received $32.9 million in Supplementary Estimates and Special Warrant funding.

3.0 Audit Conclusions

In our opinion, for the year ended March 31, 2024, we found, in all material respects:

- **The Ministry of Social Services had effective rules and procedures to safeguard public resources except for the matters described in this chapter**
- **The Ministry of Social Services 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 described in this chapter related to the inconsistent recording and recovery of Saskatchewan Income Support (SIS) Program overpayments:**

The Child and Family Services Act
The Child Care Act, 2014
The Child Care Regulations, 2015
The Social Services Administration Act
The Rehabilitation Act
The Rehabilitation Regulations
The Personal Care Home Benefit Regulations
The Rental Housing Supplement Regulations
The Saskatchewan Assured Income for Disability Regulations, 2012
The Saskatchewan Income Plan Act
The Seniors Income Plan Regulations

[2] Ministry of Social Services, *Annual Report for 2023–24*, p. 4.
[3] Ministry of Social Services, *Annual Report for 2023–24*, pp. 24–25.

The Vocational Rehabilitation Regulations
The Residential Services Act, 2019
The Residential Services Regulations
The Saskatchewan Assistance Act
The Saskatchewan Income Support Regulations
The Disability Housing Supplement Regulations
The Employment Supplement Regulations
The Training Allowance Regulations
The Executive Government Administration Act
The Ministry of Social Services Regulations, 2007
The Financial Administration Act, 1993
The Purchasing Act, 2004
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 of Social Services' 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 on the following areas:

- Administration of the Ministry's various programs (e.g., Saskatchewan Income Support [SIS], Saskatchewan Assured Income for Disability [SAID], Autism Individualized Funding) as prescribed by legislation and policy manuals
- Processes to verify client income information for its income assistance programs
- Processes for identifying, approving, and properly recording contractual payments and obligations
- Design and implementation of processes for procuring hotel rooms when income assistance or child and family programs' clients require hotel stays—see **Section 5.0**

4.0 Annual Audit—Key Findings and Recommendations

4.1 Incorrect SIS Payments Still Occurring But No Longer Significant

We recommended the Ministry of Social Services reinforce with staff the requirements for paying shelter benefits under the Saskatchewan Income Support Program. *(2022 Report – Volume 2*, p. 44, Recommendation 1; Public Accounts Committee agreement February 27, 2023)

Status—Intent of Recommendation Implemented

The Ministry of Social Services continued to not consistently comply with legislative and policy requirements associated with paying shelter benefits to clients under the Saskatchewan Income Support (SIS) Program resulting in incorrect payments during the year.[4] However, our analysis found overall estimated errors in SIS payments were not significant for 2023–24; we will continue to examine SIS payments on an annual basis to determine significance.

[4] *The Saskatchewan Income Support Regulations* outline income assistance benefits the Ministry of Social Services may pay to eligible clients under the SIS Program.

Section 13 of the Ministry's SIS policy manual sets out the legislative and policy requirements for shelter benefits under the Program. The Ministry provides clients with shelter benefits to cover the cost of shelter-related items such as rent, mortgage, utilities, property taxes, homeowners' insurance, home repairs, and security deposits.[5] **Figure 2** sets out the Program's monthly shelter benefit rates for 2023–24.

Figure 2—2023–24 Monthly Shelter Benefit Rates for the Saskatchewan Income Support (SIS) Program

Location	Singles	Couples	Families (1 or 2 children)	Families (3 or more children)
Saskatoon or Regina	$630	$805	$1,030	$1,205
Rest of the province	$570	$695	$795	$895

Source: *Saskatchewan Income Support Program Policy Manual—January 2024*, p. 43.

To be eligible for the monthly shelter benefit, clients must submit relevant documentation (e.g., proof of rent or ownership) and resubmit documentation upon a change in circumstances (e.g., upon lease expiry, change in residence). The Ministry expects staff to follow up with clients to obtain all necessary documentation, or pause client benefits.

Shelter benefits represented about 63% of the Ministry's SIS payments in 2023–24—about $152 million out of $242 million.[6]

We tested 68 payments that included shelter benefits under SIS and found six instances where shelter benefits were paid at rates inconsistent with Ministry policy and/or legislation, and three instances where shelter benefits were paid without sufficient documentation (e.g., valid lease agreement). Such instances result in the Ministry either providing clients with too much support, or not enough. For example, the Ministry did not reduce a client's monthly shelter benefits when one of their children turned 18 years old, resulting in an overpayment of $1,000.

In the six instances where the Ministry paid benefits at inconsistent rates, clients were overpaid. We notified the Ministry of the errors identified and it was working to make necessary adjustments to the respective client files (e.g., record an overpayment).

The Ministry continues to provide staff with training or guidance about the shelter benefits available within the SIS Program to help enhance staff understanding of and compliance with the various requirements. During 2023–24, the Ministry provided training to income assistance staff on shelter benefits, policies, verification expectations, and documentation requirements.

We used our audit results to estimate the overall impact for almost $242 million SIS payments the Ministry made during 2023–24. Our analysis found the overall estimated errors in SIS payments was not significant to the Ministry (i.e., under 2% of the Ministry's total SIS payments).[7]

Not complying with legislative and policy requirements increase the risk of the Ministry paying clients incorrect income assistance amounts.

[5] *Saskatchewan Income Support Program Policy Manual—January 2024*, p. 43.
[6] Adapted from information provided by the Ministry of Social Services.
[7] Assessing significance considers qualitative and quantitative factors (e.g., deviation rates, total payment amounts).

4.2 Starting to Verify Income 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 agreement March 2, 2022)

Status—Implemented

The Ministry of Social Services implemented a process to verify the accuracy of Saskatchewan Income Support (SIS) Program clients' income information with the Federal Government.

In 2023–24, the Ministry averaged over 18,000 clients on SIS each month, spending an annual total of $242 million.

The Ministry requires SIS clients to report their income and provide supporting documentation. We found the Ministry implemented a process in fall 2023 to confirm proof of income for SIS clients using income tax data from the Federal Government.

During 2023–24, the Ministry took a risk-based approach to confirming the accuracy of income for SIS clients meeting the following conditions:

- Classified as Service Level 1 or 2 clients[8]
- Clients received SIS benefits for the entire tax year under review (i.e., 2022 tax year)

We found the Ministry confirmed the accuracy of income for a sample of 22 SIS clients meeting the above conditions (about 3,500 SIS clients met these conditions). By confirming the income for these clients using income tax data, the Ministry identified SIS overpayments for two clients (totalling almost $25,000) and adjusted the client files (i.e., recorded an overpayment). The Ministry indicated it intends to expand its confirmation of SIS clients' income for a larger sample of clients in 2024–25.

Use of third-party confirmations verifies the accuracy of key information (e.g., income) reported by clients. Obtaining and checking third-party information to confirm client income decreases the risk of providing income assistance through SIS to ineligible clients, or the Ministry paying incorrect SIS benefits.

4.3 Inconsistent Recording and 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 agreement March 2, 2022)

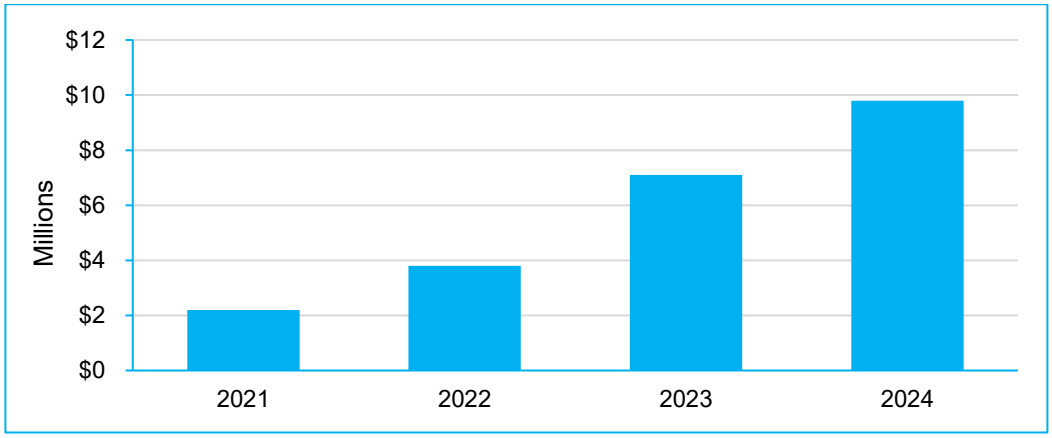
Status—Partially Implemented

[8] The Ministry of Social Services uses a service-level screening assessment to help determine the needs of SIS clients—it classifies clients into one of four service levels. The Ministry expects SIS clients classified into Service Levels 1 or 2 to able to secure employment within six months or less.

The Ministry of Social Services continued to inconsistently record, and inadequately recover, Saskatchewan Income Support (SIS) Program overpayments during 2023–24.[9]

An overpayment occurs when the Ministry pays a SIS client before receiving all information necessary to confirm a client's eligibility for benefits, where it makes an error in determining a benefit amount, or when a client potentially provides inaccurate information to the Ministry. As shown in **Figure 3**, the Ministry recorded accounts receivable of $9.8 million at March 31, 2024, related to SIS overpayments—a 38% increase from 2022–23.

Figure 3—Saskatchewan Income Support (SIS) Program Overpayment Accounts Receivable 2021–24



Source: Adapted from information provided by the Ministry of Social Services.

The Ministry expects staff to initiate recovery of overpayments in the month following payment. Additionally, the Ministry can pay clients' housing security deposits (i.e., deemed an overpayment) with the understanding that clients will repay these benefits beginning the following month of receiving payment.[10,11]

The Ministry's IT system used to administer SIS 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 staff were not always setting up an automatic recovery for known overpayments. A number of these known overpayments related to historical overpayments (e.g., from clients' previous SIS cases) where the Ministry had yet to set up automatic recovery within the IT system.

For eight SIS client files we tested with known overpayments:

- Ministry staff did not record the overpayments for seven files and did not set up the collection from future benefits through the automatic payment recovery process

[9] *The Saskatchewan Income Support Regulations* set out circumstances where the Ministry of Social Services should recover overpayments of benefits (e.g. security deposits) from clients.
[10] The Ministry of Social Services considers security deposits to be recoverable payments. We include these with overpayments in this section.
[11] The Ministry of Social Services' policies allow SIS clients to request and receive security deposit payments, which they pay 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.

- Ministry staff set up the overpayment for one file, but did not do so timely (i.e., collection started nine months after the overpayment occurred)

We notified the Ministry of the errors identified and it was working to make necessary adjustments to the respective client files (e.g., set up overpayment recovery from future SIS benefits). The Ministry indicated staff did not set up the automatic recovery of historical SIS overpayments due to this being a manual process on a client-by-client basis. When clients with historical overpayments apply for SIS benefits, the Ministry expects staff to set up such overpayments in a reasonable timeframe—it anticipates providing staff with further training in this area during 2024–25.

Not recording amounts due and not initiating automatic payment recovery delays timely overpayment recovery. In addition, the Ministry will have limited ability to collect on overpayments if clients leave the SIS Program.

5.0 Procuring Hotel Rooms for Clients

5.1 Introduction

This section reports our assessment of the design and implementation of the Ministry of Social Services' processes for procuring hotel rooms when income assistance or child and family programs' clients require hotel stays. As the Ministry only began implementing new processes in March 2024, our audit work considered these changes in processes up to July 31, 2024.

We decided to do this work in response to concerns raised in the Legislative Assembly during 2023–24 regarding the Ministry's processes to properly procure hotel rooms for clients in need. Prior to March 2024, the Ministry's existing processes did not specifically consider best value when procuring appropriate (i.e., for client needs) hotel rooms for clients. **Figure 4** sets out the line of inquiry guiding our work.

Figure 4—Line of Inquiry

- Are policies and processes appropriate for procuring hotel services for clients to obtain best value? Consider:
  - Existence, and reasonableness, of documented policies
  - Maintenance of a list of hotels willing to accept Ministry clients, with nightly rates
  - Processes to select hotels in a fair and unbiased manner that considers best value (e.g., potential conflicts of interest, consistent approach when selecting hotel providers)
  - Documented selection of approved hotel providers
  - Monitoring and evaluating use of hotels for clients
  - Transparency regarding use of hotels for clients

The scope of our work did not include assessing possible contravention(s) of *The Members' Conflict of Interest Act*.[12] The Conflict of Interest Commissioner is an independent, non-partisan Officer of the Legislative Assembly who is responsible for impartially administering the Act. It is the Commissioner's responsibility to respond to allegations that a Member has contravened the Act, and to conduct an inquiry, if warranted.[13]

[12] *The Members' Conflict of Interest Act* sets out the duties of Members of the Legislative Assembly and members of Executive Council with respect to conflict of interest. It also sets out the prohibitions with respect to conflict of interest.
[13] saskcoic.ca/commissioner/commissioners-role/ (21 August 2024).

5.2 Ministry Use of Hotel Rooms

The Ministry of Social Services considers use of hotels for clients as a last resort when no other options exist (e.g., clients unable to stay with family or friends, limited shelter space). The Ministry has various policies setting out circumstances where it may fund client stays in hotels. Examples of such circumstances include seeking safety from interpersonal violence, housing after fires, floods, or unsafe living conditions, for medical appointments, or facilitating an Opikinawasowin (OPIK).[14]

Figure 5 illustrates the Ministry's approximate spending on hotel rooms for clients across the province. From 2021 to 2024, hotel expenditures have continually increased—it is important for the Ministry to have effective processes to procure suitable hotel rooms to meet client needs at a reasonable cost.

Figure 5—Hotel Expenditures for Income Assistance and Child and Family Programs' Clients 2021–24[A]

Fiscal Year	Total[B]	Top Three Hotels Used and Total Expenditures	Estimated Average Cost per Night
2021–22	**$2,715,795**	Refresh Inn & Suites (Saskatoon) **$272,054**	Data not available
		Thriftlodge (Saskatoon) **$172,505**	
		Coachman Inn Motel (Regina) **$149,393**	
2022–23	**$3,076,235**	Refresh Inn & Suites (Saskatoon) **$260,002**	$148
		Sunrise Motel (Regina) **$220,474**	$151
		Confederation Inn (Saskatoon) **$202,723**	$155
2023–24	**$3,608,394**	Refresh Inn & Suites (Saskatoon) **$375,617**	$149[C]
		Thriftlodge (Regina) **$258,012**	$185[C]
		Sunrise Motel (Regina) **$230,496**	$162[C]

Source: Information provided by the Ministry of Social Services.
[A] Complete information about total expenditures prior to 2021–22 is not available as some data was inaccessible from obsolete data systems.
[B] Expenditures may include accommodation, food, meeting rooms, fees, and taxes.
[C] The Ministry of Social Services estimated the average cost per night for the top three hotels in 2023–24 using hotel expenditures between April 1 and September 30, 2023.

[14] An Opikinawasowin (OPIK) is an Indigenous approach used in dealing with Child and Family Program issues by ensuring the voice of the child is central to all planning. It is operated as a circle by a group of Elders who review each case in detail and make recommendations to the court or Child and Family Programs. The Ministry pays for hotel costs associated with OPIK meetings (e.g., accommodations, food, meeting rooms). saskatchewan.ca/government/health-care-administration-and-provider-resources/saskatchewan-health-initiatives/saskatchewans-children-and-youth-strategy/fostering-inclusivity-and-respect (21 August 2024).

5.3 New Requirements for Procuring Hotels Implemented But Documentation Lacking for Hotel Selection

At the end of 2023–24, the Ministry of Social Services initiated two pilot projects associated with procuring hotel rooms for clients:

- One project requires staff to obtain three quotes when procuring hotel rooms and choose the hotel (appropriate for client needs) with the lowest rate
- The other project involved contracting a hotel provider in both Regina and Saskatoon to provide five hotel rooms every night at a single fixed rate for a one-year period

5.3.1 Requirement to Obtain Three Quotes

In March 2024, the Ministry of Social Services set formal requirements for staff to obtain three quotes when procuring hotel rooms for clients. While we found the Income Assistance Branch appropriately documented rationale for selecting hotels for clients, we found the Child and Family Programs Branch needed to improve its documentation surrounding hotel selection.

Prior to March 2024, the Ministry did not have formal processes to guide staff when selecting hotel rooms for clients. The Ministry indicated while it did not maintain a list of hotels regularly used for clients, staff who frequently procured hotel rooms for clients were aware of those hotels typically willing to accept Ministry clients.

In March 2024, the Ministry implemented a pilot project requiring staff to obtain three quotes from hotel providers when procuring hotel rooms for clients in Saskatoon, Regina, Prince Albert, and Moose Jaw. The Ministry's Program Support Branch developed a list of confirmed hotel providers by contacting hotels located in these cities to identify interested providers—we found this is similar to processes in other jurisdictions.

Program Support Branch staff maintain a price quote list by calling three hotels for each location on the listing twice each week (Monday and Friday) to obtain nightly room rates—staff call hotels on a rotational basis to provide all hotels an opportunity to give updated quotes. For example, a list from June 2024 included:

- Quotes for three hotels in Regina, 10 hotels in Saskatoon, five hotels in Prince Albert, and eight hotels in Moose Jaw with quotes ranging from $95 to $237 per night.
- Saskatoon's Refresh Inn & Suites and Confederation Inn, as well as Regina's Coachman Inn Motel as noted in **Figure 5**, but did not list Regina's Sunrise Motel, Thriftlodge Regina, or Thriftlodge Saskatoon—the Ministry explained these hotels were not interested in participating in the quote process but that it may still use these hotels during circumstances where there are no other hotels suitable for a client's needs available.

Program Support Branch staff share the price quote list each Monday and Friday with other staff (e.g., caseworkers, after-hours service providers) who may be booking hotel rooms for clients. The Ministry expects staff to use the price quote list to arrange each stay,

starting with the hotel showing the lowest quoted price, as long as the available hotel room(s) are suitable to a client's needs (e.g., accommodate a client's family).

When procuring hotels for clients, the Ministry expects staff to document details in the case management systems surrounding a client's need for a hotel (e.g., homeless, full shelters, domestic abuse), along with necessary approvals (e.g., supervisor, manager authorization) as well as the nightly rate obtained.

Our assessment of the Ministry's implementation of its three-quote pilot between March and June 2024 found:

- Program Support Branch staff communicated the price quote list with other relevant staff—we reviewed communications for six different days during this period.

- For four **income assistance clients**, we reviewed documentation within the case management system confirming staff appropriately used the price quote list (i.e., chose the hotel with the lowest rate that appropriately met client needs) and obtained necessary approvals to procure the hotel rooms. The rates obtained by the Ministry ranged from $125 to $170 per night.

- For three **child and family program clients**, we reviewed documentation within the case management system confirming staff within the Child and Family Programs Branch obtained necessary approvals to procure the hotel rooms. However, we were unable to determine whether they appropriately used the price quote list when selecting the hotels.

  We found one instance in Prince Albert where staff inadequately documented their judgment for not selecting the lowest priced hotel from the price quote list. The chosen hotel had the lowest nightly rate per the price quote list at $105 but the Ministry paid $146 per night (as that was the available rate provided by the hotel on that date). There was another hotel on the price quote list with a lower nightly rate of $109—we were unable to assess whether staff considered booking that hotel instead.

  The other two instances were in Regina and staff did not document their consideration for each hotel chosen or whether they obtained the lowest priced hotel from the current price quote list. In one instance, we determined Ministry staff did not select the hotel with the lowest nightly rate ($130 versus $109). In the other instance, we were unable to determine whether Ministry staff selected the hotel with the lowest rate because staff did not document the nightly rate charged in the case management system.

  It is important for staff to document the factors impacting hotel selection for clients (e.g., nightly rates in comparison to the price quote list, client circumstances such as whether they have children).

The Ministry only started using its three-quote process in March 2024, but it does not have a sufficient method to track the use of hotels since implementing this process. We were unable to ascertain the average nightly rates before and after implementation of the three-quote process because of poor tracking. As it maintains detailed client-hotel data within multiple systems, it takes effort to determine how much the Ministry spends at one hotel

over another—see **Section 5.4** where we recommend the Ministry centrally track hotels it pays and at what rates.

Having sufficient documentation about hotel selection enables the Ministry to demonstrate its consideration of best value in its procurement of hotel rooms while treating hotel providers fairly and equitably.

1. **We recommend the Ministry of Social Services maintain sufficient documentation to support appropriate selection of hotels needed for its child and family program clients.**

5.3.2 Selection of Two Hotel Providers through Request for Proposal

In March 2024, the Ministry of Social Services began implementing another pilot project to select two hotels to provide a fixed number of rooms over a one-year period.

The Ministry issued a request for proposal (RFP) to select a hotel provider in both Regina and Saskatoon to provide five hotel rooms every night at a fixed rate for a one-year period in each city. The Ministry worked with the Ministry of SaskBuilds and Procurement to issue the RFP and evaluate responses. We found the Ministry:

- Appropriately communicated the RFP through SaskTenders and provided hotels sufficient time to prepare responses (i.e., request open for month of March 2024).[15]
- Evaluated all five hotels that submitted bids using an independent evaluation committee.
- Assessed hotels using evaluation criteria consistent with the RFP document, including the requirement for a corporate profile confirming bidders' business legitimacy (i.e., registered business in Saskatchewan), and may also include details about ownership interests (i.e., to help identify possible conflicts of interest with government). The Ministry required bidders to disclose in writing any actual, potential, or perceived conflicts of interest—the five bidders did not disclose any such conflicts.
- Awarded contracts to the highest scoring bidder in each city—Travelodge Suites Regina Eastgate (valued at up to $610,000) and Country Inn and Suites Saskatoon (valued at up to $640,000)—for August 1, 2024, to July 31, 2025.[16] The Ministry appropriately communicated the contracts awarded on SaskTenders.

Effective processes to tender and evaluate potential hotel room providers helps the Ministry to select the most suitable providers in serving the Ministry's needs and specifications.

[15] The SaskTenders website hosts public sector tender notices for Saskatchewan. sasktenders.ca/content/public/Search.aspx (22 August 2024).
[16] The Ministry of Social Services' expenditures on these two hotel contracts cannot exceed $1.25 million. The expenditures include consideration for the fixed nightly rate (including fees and taxes) and any damages caused by Ministry clients during their stay.

5.4 Robust Data Collection and Evaluation of Hotel Pilot Projects Needed

The Ministry of Social Services needs to centrally collect data and conduct a robust evaluation to determine whether its hotel pilot projects improve its ability to procure hotel rooms for clients efficiently and effectively.

As described in **Section 5.3**, the Ministry began implementing two pilot projects (i.e., three quotes, contracted hotels with fixed rates) during 2023–24 related to procuring hotel rooms for income assistance and child and family programs' clients.

Beginning in August 2025, the Ministry plans to evaluate its two pilot projects for the one-year period ending July 31, 2025. We found the Ministry prepared an initial evaluation plan and expects to finalize its plan in fall 2024. Our review of the initial plan found:

- The Ministry expects its evaluation of the three-quote process to consider information such as the number of hotels available on the price quote list and the average nightly rate. It also expects to evaluate the effort required to obtain weekly quotes. Ministry management indicated this effort takes approximately 20 hours per month.

  Our analysis found the nightly rates listed stay relatively consistent among hotels from month-to-month; while significant fluctuations may occur when cities host special events (e.g., sporting events, concerts), seeking quotes less frequently (e.g., monthly, quarterly) may be appropriate.

- For the two hotels selected through an RFP, the Ministry expects to evaluate information such as the usage rate for these rooms and the related impact on the usage/cost of other hotels used.

  The Ministry also expects to evaluate the extent of damages paid to these two hotels, which can inform its processes for all hotels providing client stays. The Ministry agreed to reimburse these contracted hotels for costs to repair damages if caused by a Ministry client during their stay, up to a maximum of $200 per stay.

  This is a key difference between the two pilot projects, as the Ministry does not reimburse other hotels (i.e., those obtained through quotes) for damages caused by clients.

  We obtained an understanding of processes used by similar agencies in two other Canadian provinces (i.e., Alberta and Manitoba) and found both provinces were willing to negotiate with any hotels regarding damages caused by clients. Willingness to negotiate with hotels regarding the reimbursement of damages may reduce the risk of hotels inflating their prices to protect against potential damages from Ministry clients or hotels refusing to provide rooms to Ministry clients.

- The Ministry had yet to consider all data requirements or to determine baselines/targets (e.g., cost per night: $150 or lower; hotel utilization rates: 90% occupancy or more) needed for its evaluation. Baselines and targets can help the Ministry to appropriately measure the effectiveness of its two pilot projects.

We found the Ministry did contemplate its data requirements for the two hotels selected through RFP within its agreements with the hotel providers (i.e., requires hotels to provide monthly reporting about usage [client names, room numbers, length of stay] and any damages [client names, room numbers, details about the damages]).

However, the Ministry cannot easily obtain data for evaluating its three-quote process, as it maintains detailed client-hotel data (e.g., number of clients, why rooms needed, length of stay, cost per stay) within multiple systems. For example, the Ministry indicated staff spent considerable time during 2023–24 compiling data about client hotel stays to help answer questions from legislators. In addition, as noted in **Figure 5**, some data prior to 2021–22 was inaccessible from obsolete systems. To evaluate its pilot project, the Ministry needs to track key data (e.g., in a central spreadsheet) from hotel invoices it receives and pays for income assistance and child and family programs' clients.

To effectively evaluate its pilot projects, the Ministry needs reliable data on which to base its assessment. The Ministry requires such information to determine whether the projects improved its ability to procure suitable hotel rooms for clients efficiently and effectively. It needs to complete this evaluation timely and provide the results to senior management to also support future decisions and/or changes needed.

2. **We recommend the Ministry of Social Services centrally track and monitor hotels it pays and at what rates for clients of its income assistance and child and family programs.**

3. **We recommend the Ministry of Social Services complete a robust evaluation of its pilot projects to procure hotel rooms for clients of its income assistance and child and family programs.**

5.5 Payments Made to Vendors on Behalf of Clients Lacking Transparency

Inconsistent with other jurisdictions, the Ministry of Social Services does not publicly disclose payments made to vendors on behalf of its clients, such as when it pays hotels for income assistance or child and family programs' client stays.

The Government of Saskatchewan prepares its Public Accounts in accordance with *The Financial Administration Act, 1993,* consisting of two volumes; the Ministry of Finance prepares Public Accounts on behalf of the Government. *Public Accounts Volume 2* enhances accountability by providing unaudited financial information for all ministries and offices of the Government, including the Ministry of Social Services.[17]

Volume 2 includes a listing of payees for major categories of expenses (e.g., salaries and benefits, transfers, goods and services). When the Ministry of Social Services pays vendors on behalf of its clients, it records these payments as operating transfers—these are transfers to or on behalf of individuals for which the Government does not receive any goods or services directly in return.[18]

[17] Government of Saskatchewan, *Public Accounts 2022–23 Volume 2*, p. 4.
[18] Ibid., p. 5.

According to the *Financial Administration Manual* maintained by the Ministry of Finance, Volume 2 includes payee details for transfers where payees receive $50,000 or more, except in the following circumstances:

- For high-volume programs of a universal nature, or income security and other programs of a confidential and personal nature
- Where governing program legislation requires payee information to remain confidential[19]

Historically, the Ministry has applied the above exceptions when preparing its disclosures for Volume 2 and has not disclosed payments made to vendors on behalf of its clients. While these exceptions may be consistent with the Government's policy for reporting payee details in Volume 2, we found it is not consistent with reporting practices in neighbouring jurisdictions.

We compared the Ministry's payee details in Volume 2 to similar reporting in two other Canadian provinces (i.e., Alberta and Manitoba) and found the Ministry's counterparts in both provinces report the payee details for payments made to vendors (e.g., hotels, grocery stores) on behalf of clients exceeding a specific threshold (i.e., $10,000 or $50,000). For example, these jurisdictions would have reported the payee details for payments made to vendors similar to those described in **Figure 5**.

Public reporting about payments made to vendors on behalf of clients (e.g., in *Public Accounts Volume 2* or within its annual report) can help the Ministry to increase transparency about its use of vendors and demonstrate accountability for its programs. Making relevant information publicly available, while maintaining client privacy and confidentiality, assists the public in understanding and monitoring the activities and costs managed by the Ministry.

4. We recommend the Ministry of Social Services work with the Ministry of Finance to consider how to publicly report payments made to vendors on behalf of income assistance and child and family programs' clients.

[19] Ministry of Finance, Provincial Comptroller's Office, *Financial Administration Manual Section 2010—Reporting Payee Details in the Public Accounts*.

Chapter 10
Western Development Museum

1.0 Main Points

The Western Development Museum prepared reliable financial statements for the year ended March 31, 2024, and complied with its legislative authorities.

Other than the following concern, the Museum had effective rules and procedures to safeguard public resources for the year ended March 31, 2024.

The Museum did not adequately review and approve financial information (e.g., journal entries, bank reconciliations, admission records) once prepared. Appropriate review of financial information helps ensure Museum management and the Board have quality and accurate financial information to make decisions.

2.0 Introduction

2.1 Background

The Western Development Museum Act governs the Western Development Museum, which is a corporate body that operates exhibit branches in North Battleford, Saskatoon, Moose Jaw, and Yorkton. The Museum serves the people of Saskatchewan through exhibits, programs and special events, research, and a collection of over 75,000 artifacts.[1]

2.2 Financial Overview

As shown in **Figure 1**, the Western Development Museum had a deficit of $1.0 million for the year ended March 31, 2024 (2023: $0.9 million deficit). The Museum's Annual Report for 2023–24 provides information about its revenues and expenses including reasons for differences between actual and planned.

Figure 1—Financial Overview

	Actual 2023–24	Actual 2022–23
	(in thousands)	
Rentals, concessions, souvenir sales	$ 2,104	$ 1,933
Less: Cost of Sales	2,002	1,894
Gross Profit	102	39
Admissions	671	649
Province of Saskatchewan grant – operating	4,286	4,181
Other Revenue (e.g., donations)	763	897
Total Revenue	5,822	5,766

[1] Western Development Museum, *2023–2024 Annual Report*, p. 1.

	Actual 2023–24	Actual 2022–23
	(in thousands)	
Curatorial Programs	2,057	1,992
Visitor Services	1,029	996
Support Programs and Services	3,772	3,651
Total Expenses	6,858	6,639
Annual Deficit	$ (1,036)	$ (873)
Total Financial Assets (e.g., cash, accounts receivable, inventory)	$ 3,092	$ 3,755
Total Non-Financial Assets (e.g., tangible capital assets)	$ 6,859	$ 7,440
Total Liabilities	$ 3,820	$ 4,028

Source: Adapted from Western Development Museum audited financial statements for the year ended March 31, 2024.

3.0 Audit Conclusions

In our opinion, for the year ended March 31, 2024, we found, in all material respects:

- **The Western Development Museum had effective rules and procedures to safeguard public resources except for the matter described in this chapter**

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

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

- **The Western Development Museum 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 Western Development Museum's controls. The framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

Audit procedures focused on assessing adequacy of controls for properly recording and safeguarding revenue (e.g., admissions, donations, self-generated revenue) and inventory.

4.0 Key Findings and Recommendations

4.1 Proper Review of Financial Information Needed

We recommended the Western Development Museum require management to conduct a detailed review of financial information (e.g., financial reports, journal entries, bank reconciliations) prepared by staff. (*2023 Report – Volume 2,* p. 66, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Not Implemented

Western Development Museum management did not adequately review and approve financial information once prepared throughout 2023–24.

We found management neither consistently reviews and approves financial reporting information in a timely manner nor formally documents their approval. Adequate segregation of duties requires timely and independent review and approval of key transactions and entries. We found several instances where staff did not properly approve financial information, including:

- Bank reconciliations were either not completed or reviewed timely. The Museum completed bank reconciliations for April 2023 to January 2024 in February 2024. It did not maintain evidence of an independent review for three of these monthly reconciliations. Additionally, staff did not document when the February and March 2024 reconciliations were prepared or reviewed. Not preparing and reviewing bank reconciliations timely increases the risk of undetected errors or fraud.

- Only 1 of the 15 journal entries tested had evidence of review and approval before staff recorded the journal entry into the financial system. Recording entries in the financial system before review and approval increases the risk of inaccurate or unauthorized entries to accounting records.

- For 10 of the 30 catering revenue entries tested, we did not find evidence of review and approval. For example, catering documentation did not show evidence of review to confirm revenue coded correctly in the financial system.

- Only 1 of 8 museum admission records tested had evidence of review. Lack of review of the admission records could result in not identifying incorrect admission revenue.

Not independently reviewing financial information timely increases the risk of financial record inaccuracies. Consistent review of financial information (e.g., journal entries, bank reconciliations) identifies potential issues and allows for corrective actions in a timely manner.

4.2 Detailed Review of Financial Statements Completed

We recommended the Western Development Museum require management complete a full review of its year-end financial statements. (*2023 Report – Volume 2,* p. 67, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Implemented

The Western Development Museum adequately prepared and reviewed the financial statements for audit; the 2023–24 audit did not identify any significant errors.

The financial statements initially presented for audit were complete. We saw evidence of the Chief Executive Officer's review of the initial set of financial statements received for audit.

Having a full review of the year-end financial statements and supporting materials helps Museum management to identify potential errors and have accurate financial information, as well as confirm the financial statements are appropriate and align with Canadian public sector accounting standards.

Performance Audits

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Chapter 11
Farm Land Security Board—Regulating Foreign Ownership of Saskatchewan Farmland

1.0 Main Points

Saskatchewan farmland values have steadily increased in the past several years. For example, in 2023, farmland values rose by about 15% representing the highest increase in Canada. Non-Canadians purchasing Saskatchewan farmland can increase farmland prices and prevent Canadian residents from affording farmland.

The Saskatchewan Farm Security Act and related regulations restrict the amount of Saskatchewan farmland that non-Canadian entities—individuals and corporations—can own or lease. The Farm Land Security Board is responsible for administering the Act and regulating the control of Saskatchewan farmland, including approving (exempting) non-Canadian entities to control more farmland than the legislated limit (i.e., 10 acres). The Board utilizes six employees who are Ministry of Agriculture staff to support its activities.

Saskatchewan operates a land titles registration model where the Board reviews farmland purchases after the transaction and the land title change is finalized for compliance with the Act. About 40,000 farmland transactions occur each year in Saskatchewan. Since 2020, the Board issued five orders to sell farmland inappropriately purchased by foreign entities.

We audited the Board's processes to regulate foreign ownership of Saskatchewan farmland by non-Canadian entities. At August 31, 2024, we found the Board had effective processes, except it needs to:

- Request proof of residency from permanent residents and ownership declarations, called statutory declarations, from higher risk farmland purchasers (e.g., corporations not registered in Saskatchewan) to sufficiently identify non-Canadian entities purchasing Saskatchewan farmland. We found the Board did not request statutory declarations for 9 of 18 farmland purchases made by corporations not registered in Saskatchewan that we tested.

- Determine how quickly staff should assess farmland transactions. At August 2024, staff were reviewing transactions about five months later. Not reviewing farmland transactions timely delays identifying potential non-compliance and taking enforcement action. We found one farmland transaction from November 2023 where the Board did not request a statutory declaration until April 2024, which was still not received at September 2024.

- Communicate the requirement to sell farmland timely for identified non-compliance and set escalation procedures for continued non-compliance. We found the Board requested eight statutory declarations since 2020 where it did not receive responses; the Board remains unable to conclude whether these eight purchasers complied with the Act. The Board does not have escalation procedures for staff to take further action (e.g., fines, penalties).

- Work with the Ministry of Agriculture to determine how to effectively regulate farmland leases as no central tracking of lease transactions currently exists, which reduces the Board's ability to effectively enforce farmland lease restrictions.

The Board also needs to provide adequate notice of hearings to exemption applicants, document declared conflicts of interest in its minutes, use sufficient performance indicators to monitor its regulatory activities, and enhance its public reporting.

Effective processes to regulate ownership of Saskatchewan farmland help to preserve ownership and farming operations (an important source of food production) by Canadians, and help to keep farmland prices affordable.

2.0 Introduction

The Saskatchewan Farm Security Act (Part VI) and related regulations set limits on the amount of farmland non-Canadian entities can control through purchasing or leasing land, hereafter referred to as ownership. The Act authorizes the Farm Land Security Board to regulate farmland ownership and defines who is considered Canadian and non-Canadian entities.

Under Part VI (Farm Ownership) of the Act, the Board's responsibilities include:

- Determining whether rules (limits on ownership) are complied with by assessing farmland transactions (e.g., sales and leases). About 40,000 farmland sale transactions occur each year in Saskatchewan.[1] There is no central tracking of lease transactions. The Board may request information (e.g., ownership declarations called statutory declarations) from entities to determine who is acquiring land to enforce legislative requirements.

- Granting or denying applications for exemptions to the ownership rules (e.g., when a foreign corporation wants to purchase or lease farmland to develop a business).

- Issuing orders to sell land where it identifies non-compliance; the Board may impose any terms and conditions on the entity in its orders (e.g., becoming a Canadian resident within a specified time). It may also issue administrative penalties.

- Recommending court action for continued violation of farm ownership provisions (e.g., not complying with Board order to sell land, entity not providing ownership information requested [such as a statutory declaration form]).

The Board is funded and managed as part of the Ministry of Agriculture. The Board consists of six members appointed by Lieutenant Governor in Council (Board members are not Ministry staff). In 2023–24, the Ministry incurred $708,000 in operating expenses for the Board's activities (2022–23: $830,000).[2] The Board utilizes six employees who are Ministry staff to support its activities.

[1] Farmland transactions are tracked in the land titles registry managed by Information Services Corporation.
[2] Ministry of Agriculture, Farm Land Security Board, *Annual Report for 2023–24*, p. 10.

Saskatchewan allows anyone to purchase or lease farmland; the Board is then responsible to review whether farmland transactions comply with the Act. From August 1, 2023–July 24, 2024, there were approximately 38,000 farmland transactions. Each land title change results in a transaction (e.g., taking a family member off title, arms-length purchase of farmland).

2.1 Ownership of Saskatchewan Farmland

Agriculture contributes significantly to Saskatchewan's economy with farming income earning an estimated $4.5 billion in 2022.[3] If non-Canadian entities (individuals or corporations) purchase Saskatchewan farmland, this may increase the price of farmland and prevent Saskatchewan or Canadian residents from affording farmland. This may also increase the costs for Saskatchewan residents leasing farmland from non-Canadian entities. Keeping farmland affordable may help to reverse the trend of declining rural populations and family-owned farms.

As per *The Saskatchewan Farm Security Act,* farmland means land used for the purposes of farming that is real property (i.e., land) in Saskatchewan located outside a city, town, village, hamlet, or resort village. It does not include:

- Minerals contained in, on, or under that real property
- Land used primarily for the purpose of extracting, processing, storing, or transporting minerals (e.g., oil and gas)
- Land used primarily for sand and gravel extraction[4]

In 2021, Saskatchewan had approximately 60 million acres of farmland, and over 34,000 farms.[5]

According to Farm Credit Canada, in 2023, Saskatchewan saw the highest increase in cultivated farmland values in the country. Values increased by 15.7%, slightly higher than the increase of 14.2% in 2022 and more than double the 7.4% increase in 2021. These increases occurred province-wide, with the exception of west central Saskatchewan. Similar to 2022, a lack of farmland available to meet demand is resulting in higher market values.[6]

In 2023, the average value per acre of cultivated land in Saskatchewan was $3,443.[7]

2.2 Importance of Regulating Foreign Ownership of Farmland

Regulating ownership of Saskatchewan farmland by non-Canadian entities is important to preserve ownership and operations of Saskatchewan farmland by Canadians or Canadian-owned entities.

[3] Ministry of Agriculture, *Annual Report for 2022–23*, p. 9.
[4] *The Saskatchewan Farm Security Act,* section 76(d).
[5] www150.statcan.gc.ca/n1/en/pub/96-325-x/2021001/article/00008-eng.pdf?st=QJMte6aW (16 June 2024).
[6] Farm Credit Canada, *2023 FCC Farmland Values Report,* p. 8.
[7] Farm Credit Canada, *Historic FCC Farmland Values Report 1985–2023,* p. 2.

Media articles suggest there is concern by the Saskatchewan farming community that non-Canadian entities may have, and continue to find, ways to invest in and own Saskatchewan farmland. These articles, as recent as April 2024, report discussions with farmers who believe foreign investors are finding ways to control farmland undetected, which does not comply with Saskatchewan's farmland ownership rules.[8] These articles suggest foreign investors establish corporations where the president and majority voting shareholder(s) are Saskatchewan resident(s) and become the directors of the corporation. Foreign investors may then invest significant money allowing the corporation to buy farmland and expand farm operations quickly.

Having effective processes to regulate ownership of Saskatchewan farmland help preserve farming ownership and operations by Canadian residents, and help to keep farmland prices affordable.

3.0 Audit Conclusion

We concluded, for the period ending August 31, 2024, the Farm Land Security Board had, except in the following areas, effective processes to regulate foreign ownership of Saskatchewan farmland by non-Canadian entities.

The Farm Land Security Board needs to:

- **Request statutory declarations from higher risk farmland purchasers (e.g., corporations registered in jurisdictions outside of Saskatchewan) to assess compliance with the law**
- **Work with the Ministry of Agriculture to determine how to effectively regulate non-Canadian farmland leases**
- **Determine how quickly staff should assess whether farmland transactions comply with the law and notify exemption applicants of Board discussion dates**
- **Communicate the requirement to sell land timely for identified non-compliance and set escalation procedures for continued non-compliance**
- **Set sufficient performance indicators (e.g., number of non-compliant transactions) to assess and report on the effectiveness of regulatory and enforcement activities**
- **Clearly record declared conflicts of interest in Board meeting minutes**
- **Update its statutory declaration form templates to require proof of permanent residency status**

[8] producer.com/news/speculation-about-farmland-ownership-is-running-hot (20 June 2024).

Figure 1—Audit Objective, Criteria, and Approach

Audit Objective:

Assess the effectiveness of the Farm Land Security Board's processes for the period ending August 31, 2024, to regulate foreign ownership of Saskatchewan farmland by non-Canadian entities.

Audit Criteria:

Processes to:

1. **Set enforcement requirements for restricting foreign farmland ownership consistent with legislation and good practice**
   - Maintain policies and procedures for staff to assess compliance with farmland ownership restrictions (e.g., ownership declarations, criteria to evaluate farmland transactions, expected timeframes)
   - Maintain policies and procedures for Farm Land Security Board hearings (e.g., information required, criteria for approving exemptions, communication of decisions, conflict of interest, Board member training)
   - Communicate restrictions for foreign farmland ownership and leases (e.g., eligibility, required documents) to interested parties (e.g., non-residents, real estate agents, lawyers, estate planners)
2. **Monitor compliance with foreign farmland ownership restrictions**
   - Use qualified personnel to assess compliance (e.g., assess complaints, complete investigations)
   - Assess sufficient farmland information to determine entities meet requirements (e.g., sales and leases, beneficial ownership, investigation results)
   - Assess farmland requirement exemption applications
   - Investigate complaints received
3. **Action identified non-compliance**
   - Provide notice of hearings to all relevant parties
   - Carry out hearings considering assessment of information (e.g., follow hearing procedures, declare and resolve conflicts of interest)
   - Take timely action on identified non-compliance with foreign farmland ownership requirements (e.g., make clear orders, issue fines, approve exemptions, refer continued non-compliance to court)
4. **Monitor performance of enforcement activities**
   - Assess compliance with issued orders (e.g., follow up terms and conditions in orders)
   - Analyze key performance information (e.g., trends of non-compliance, number of appeals, number of voluntary ownership declarations received) and adjust policies and procedures as necessary
   - Periodically report results of enforcement activities to the public (e.g., identified non-compliance, enforcement actions)

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 Farm Land Security Board's processes, we used the above criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management and external advisors. The Board agreed with the above criteria.

We examined the Farm Land Security Board's policies and procedures relating to regulating foreign ownership of Saskatchewan farmland by non-Canadian entities. We assessed the Board's processes to gather and analyze information on farmland transactions and exemption order applications. In addition, we tested samples of farmland transactions, exemption order applications, investigations, and complaints received, and assessed the information staff and the Board received. We also used external consultants with expertise in the area to help us identify good practice and assess the Board's processes.

4.0 Key Findings and Recommendations

4.1 Legislation Establishes Eligible and Ineligible Farmland Owners

Individuals who are Canadian citizens or permanent residents of Canada (i.e., called resident persons), or wholly Canadian-owned corporations or membership-based organizations that are not publicly traded on a stock exchange, are eligible entities to own farmland in Saskatchewan (i.e., no restrictions on quantity owned).[9] *The Saskatchewan Farm Security Act* only allows non-Canadian-owned entities to hold less than an aggregate

[9] *The Saskatchewan Farm Security Act*, section 76(g).

(combined) land holding of 10 acres of farmland. An aggregate land holding includes all farmland controlled by that person and all land holdings of that person's spouse and children. Controlling farmland (land holdings) includes:

- Owning farmland
- Any interest in farmland held under an agreement to purchase or lease farmland
- Any agreement that directly or indirectly provides the right or control that ordinarily accrues to the owner of farmland[10]
- Any interest held by debt funded other than by a Canadian resident, a Canadian bank, Canadian credit union, or other Canadian financial institution (i.e., financing land purchase)[11]

Figure 2 details entities that are ineligible to own Saskatchewan farmland.

Figure 2—Restrictions on Farmland Ownership in Saskatchewan

No person shall acquire a land holding on behalf of a non-resident person or a non-Canadian-owned entity if that acquisition of the land holding by the non-resident person or non-Canadian-owned entity would be in contravention of *The Saskatchewan Farm Security Act*.

None of the following persons shall acquire a land holding in Saskatchewan:

(a) a pension plan;
(b) the administrator of a pension plan while that person is acting in that person's capacity as an administrator;
(c) a trust other than a trust that, in the trust instrument creating the trust, lists 10 or fewer individuals, all of whom are resident persons, as beneficiaries of the trust;
(d) a person or class of persons prescribed in the Regulations.

The Saskatchewan Farm Security Regulations, section 6, make some exceptions to the above, such as the Saskatchewan Wildlife Federation (can have land holdings up to 104,000 acres) and the Canada Pension Plan Investment Board (maximum land holdings is the amount it owned at 2015—about 115,000 acres).[A]

Source: *The Saskatchewan Farm Security Act*, section 89.
[A] cppinvestments.com/newsroom/cppib-sask-statement/ (24 June 2024).

These restrictions do not apply to farmland acquired prior to 1974.

Ineligible individuals or entities must apply to the Farm Land Security Board for an exemption to acquire an interest in more than 10 acres of farmland in Saskatchewan.[12]

We found the Board provides key information on foreign ownership restrictions to the public on its website.[13]

The public website contains appropriate information on the exemption application process, Board meeting dates and submission deadlines, statutory declarations, and approved farm ownership exemption orders. We found the content posted publicly sufficiently informs the public of farmland ownership restrictions.

Providing clear requirements in legislation promotes consistent and appropriate application of farmland ownership restrictions. Making information about requirements publicly available allows the Board to be transparent with foreign farmland ownership requirements.

[10] *The Saskatchewan Farm Security Act*, section 76(e).
[11] *The Saskatchewan Farm Security Regulations,* section 2(4).
[12] saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/farm-land-security-board-and-farm-ownership/farm-ownership (26 September 2024).
[13] Ibid.

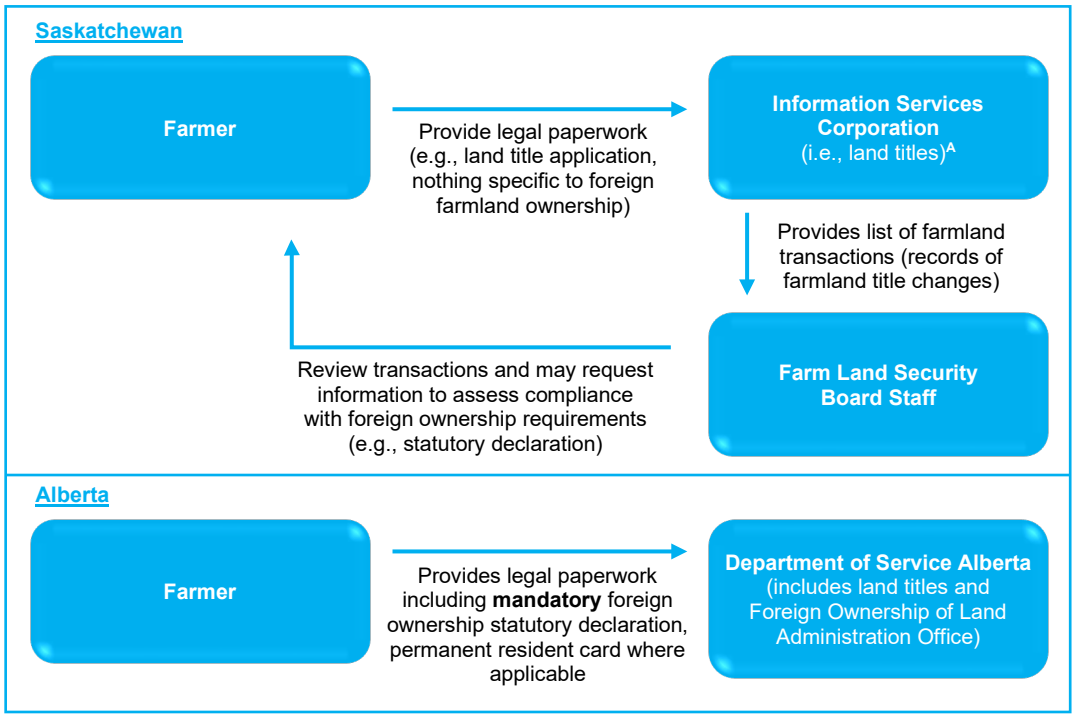
4.2 Saskatchewan's Foreign Ownership Model Creates Challenges But Can Be Effective

Saskatchewan established a land titles registration model where it requires the Farm Land Security Board to review farmland purchases after the transaction and the land title change is finalized. Some other Canadian jurisdictions' models (e.g., Alberta, Manitoba) require this assessment before finalization of the land title change. This key difference creates challenges for the Board (e.g., Board does not obtain statutory declarations for all transactions to assess compliance).[14]

Saskatchewan's land titles legislation allows for farmland transactions to occur regardless of residency status. This results in the Board and its staff reviewing farmland transactions (e.g., purchases, any change in land title of farmland) after they occur for compliance with *The Saskatchewan Farm Security Act*.

We found some provinces that also have foreign farmland restrictions, such as Alberta and Manitoba, require the government to review farmland purchases before the land transaction legally transfers to assess compliance with their foreign ownership restrictions.[15] See **Figure 3** for a summary of Saskatchewan's model for registering farmland purchases and updating land titles compared to Alberta's model.

Figure 3—Summary of Saskatchewan and Alberta Land Titles Models, Including Review of Farmland Transactions, to Assess Compliance with Foreign Ownership Rules



Source: The Office of the Provincial Auditor of Saskatchewan.
[A] Information Services Corporation is a publicly-traded company that administers Saskatchewan's land title registry pursuant to *The Land Titles Act, 2000*.

[14] We noted, similar to Saskatchewan, the United States of America's submission of a statutory declaration form is not mandatory for all farmland transactions.
[15] At August 2024, we found the following Canadian jurisdictions have established foreign farmland ownership restrictions: Alberta, Saskatchewan, Manitoba, Quebec, and Prince Edward Island.

This model creates some challenges for the Board and its staff, but it does have some benefits.

Challenges include:

- Statutory declaration forms are not mandatory in Saskatchewan.

  As an example, Alberta requires all farmland purchasers to provide statutory declaration forms as part of the paperwork to change land titles. This is a key piece of required information for a government to assess purchasers' compliance with foreign farmland ownership rules. This form requires purchasers to sign a legal document indicating compliance with all foreign ownership restrictions such as land holdings not exceeding restrictions (e.g., including leases), financing requirements are met (from a Canadian source), and purchasers are not holding land for the benefit of foreign interests (i.e., beneficial ownership). Providing false information on a statutory declaration form is a convictable offence.

  Without a statutory declaration, Saskatchewan's Farm Land Security Board has limited information to assess compliance with certain provincial restrictions; see **Section 4.5** for more about leases and lacking a central registry of leases.

- Not receiving mandatory statutory declarations means the Board must attempt to obtain information to assess compliance. It may be more efficient for the Board to obtain complete information up front for all farmland transactions to assess purchasers' compliance with foreign farmland ownership rules.

- Lack of incentive to comply. Staff finding any non-compliance with foreign farmland ownership occurs after the completed sale/transaction. If a foreign entity inappropriately purchases farmland, the Act directs these foreign owners to sell the land (in practice within one year).[16] As Saskatchewan farmland continues to increase in value, owning the land even for a year may create a profit. See **Section 4.13** about the Board needing to do more to escalate enforcement actions.

See **Figure 4** for some benefits of reviewing for compliance after the farmland transaction registration**.**

Figure 4—Benefits of Review After Farmland Transaction Finalized

Benefits
• Purchasers may receive land ownership more timely. Government review of farmland purchases before a finalized transaction takes additional time for purchasers to receive legal ownership. For example, we found Alberta indicated in September 2024 it expected at least a five-week delay for processing land title change applications, whereas Saskatchewan's Information Services Corporation's processing time was two days.[A, B]
• Purchasers may incur less cost because less forms require notarization as part of the paperwork for land title applications.
• Purchasers may incur less land title insurance cost to protect against changes before the land purchase is registered (quicker land title processing times).

Source: The Office of the Provincial Auditor of Saskatchewan.
[A] alta.registries.gov.ab.ca/spinii/logon.aspx (13 September 2024).
[B] isc.ca/LandTitles/Pages/default.aspx (3 October 2024).

[16] *The Saskatchewan Farm Security Act*, section 85(1).

In 2023, the Board identified its current procedures as reactive in nature, and requested the Minister of Agriculture to consider a change to legislation to make compliance with *The Saskatchewan Farm Security Act* a prerequisite before registering farmland title changes.

We determined Saskatchewan's risk-based model can be effective, as long as the Board consistently obtains sufficient information (e.g., statutory declarations) to assess whether higher risk farmland transactions comply with the law. We encourage the Board to continue to work with the Ministry of Agriculture and Ministry of Justice and Attorney General to formally analyze and conclude on the best model for Saskatchewan.[17]

4.3 Board has Reasonable Processes to Review Farmland Transactions Other Than Expected Timeframes Needed

The Farm Land Security Board's processes to review farmland transactions to assess possible foreign ownership were generally reasonable except it has not documented a timeframe for how quickly staff should review farmland transactions. Also, it should improve its statutory declaration form by requiring permanent residents to provide proof of permanent residency with the completed form.

The Ministry of Agriculture receives farmland transaction data from Information Services Corporation (ISC), including any changes to farmland titles (changing/removing a name on the title, purchases). The transaction data also includes the purchaser and vendor names, purchaser's address, legal land description, parcel number, sale price, number of acres, and the sale date.

We found the farmland transaction data the Ministry imported into its Comparable Land Sales Database IT system to be complete.[18] Staff followed the Board's documented processes to import this data.

We found the Board has reasonable written policies and procedures to guide foreign ownership regulation activities completed by staff except as described below and in **Section 4.5** (assessing compliance for leases). We found the existing policies and procedures consistent with legislation. It had reasonable documented procedures for when staff should request statutory declarations from individuals and corporations. We found the sources and types of information staff review to assess foreign ownership reasonable (e.g., statutory declarations, ISC corporate annual returns).

4.3.1 Assessing Individuals Purchasing Farmland

We found the Farm Land Security Board staff's risk-based procedure to use a purchaser's address from the transaction data to review whether they are likely to be a foreign purchaser was reasonable.

If the purchaser is an individual with a Canadian address, staff deem this as low risk for the individual not being a Canadian resident. Staff use their professional judgement to look further into whether an individual is a Canadian resident (e.g., land title search, request

[17] This assessment involves considering Saskatchewan's land title legislation; the Registrar of Titles position resides within the Ministry of Justice and Attorney General.
[18] Through this database, the public can retrieve reports of farmland sold within a rural municipality or within a radius of one to 14 kilometers from a given legal land description to obtain information about local recent farmland values.

statutory declaration) and when to assess the individual's total land holdings (e.g., including spouse's land holdings). For example, staff may assess an individual further when a purchaser's address is from a large city outside Saskatchewan.

An individual having a Canadian address does not necessarily mean they are a Canadian resident as defined by *The Saskatchewan Farm Security Act*. Management told us the Board accepted this risk based on it having identified few individuals not complying with foreign ownership requirements from its regulatory activities (e.g., assessing complaints, reviewing transactions, assessing exemption applications).

Since 2020, the Board issued five orders to sell farmland purchased by four foreign individuals, and issued two orders to a corporation to reduce land holdings (leases).

If an individual has a non-Canadian address, staff check the Board's IT system to see whether the Board previously received a statutory declaration and the individual is a Canadian resident. If no statutory declaration is found in the IT system, the Board expects staff to request one from the individual.

Using the address as the main source of information to determine the individuals' residency status (e.g., no mandatory statutory declaration of residency) increases the risk of the Board not identifying a foreign individual purchasing farmland. For example, Alberta and Manitoba rely on individuals to self-declare their residency status in mandatory statutory declarations before registering the land title. We determined the Board could also consider requesting other sources of information to verify residency status such as comparing to vital statistics data (birth certificates), passports, and permanent residency cards (see **Recommendation 1**).

4.3.2 Assessing Corporations Purchasing Farmland

We found the Farm Land Security Board had reasonable procedures to review farmland transactions by corporations, but inconsistently followed its procedures of requesting statutory declarations from non-Saskatchewan corporations (see **Section 4.4**).

See **Figure 5** for the procedures staff follow when the purchaser is a corporation.

Figure 5—Procedures to Assess Foreign Ownership of Corporations

- Corporation incorporated in Saskatchewan:
  - Check Board's IT system to see whether staff previously researched this corporation, and previously deemed Canadian-owned, and whether the Board previously received a statutory declaration.
  - Conduct a corporate registry search of ISC records to look for corporate annual returns. On these returns, check for shareholder names and addresses.
  - If any shareholders do not have Canadian addresses, send a request for a statutory declaration to the corporation.
  - Check whether changes in shareholder reports on ISC indicate a change in shareholders. If so, check for foreign addresses and, if any, request a statutory declaration.
- Canadian corporation incorporated outside Saskatchewan (e.g., another province, an out-of-country address):
  - Follow the steps above.
  - If the corporation is not registered in ISC, look it up in its jurisdiction's corporate registry (gather corporate information).
  - If the Board has not previously received a statutory declaration, request a declaration.

Source: Adapted from information provided by the Farm Land Security Board.

We found the Board's use of corporate registry information for corporations registered in Saskatchewan to be appropriate, but may not be going forward. For corporations registered in Saskatchewan, staff use information from ISC corporate annual returns. *The Business Corporations Act, 2021,* required corporations to submit annual corporate returns to ISC, which include all shareholder names and their addresses. Due to a change in the Act in March 2023, corporations no longer disclose shareholder addresses on their corporate annual returns, resulting in information the Board previously used for assessing foreign ownership to no longer be available.

From March 2023 to September 2024, Board staff continued to use the latest corporate information available at ISC with addresses (up to March 2023) supplemented with searching for any changes to shareholder names. We considered this reasonable up to September 2024 because corporate shareholder information is not expected to change significantly (e.g., based on annual returns) in the short term.

However, in the longer term as more changes to shareholders occur, it would be increasingly difficult to use this corporate registry information to accurately determine residency of shareholders as it will become outdated. With less information publicly available from March 2023 onward, staff will likely need to obtain more statutory declarations in the future. At September 2024, the Board had not formally revised its documented processes to adjust for this change. See **Recommendation 3** about obtaining statutory declarations when expected.

We determined the Board's process to use statutory declarations to assess corporations not incorporated in Saskatchewan to be appropriate. Saskatchewan's farmland ownership restrictions require all shareholders to be Canadian residents. Other jurisdictions' corporate registries may not include all types of shareholders (e.g., Alberta does not require corporations to disclose preferred shareholders).[19] By relying on these corporate registries and not obtaining statutory declarations, staff may not identify whether these corporations have foreign shareholders not included in other jurisdictions' corporate registries.

4.3.3 Statutory Declaration Form Could Be Enhanced

The Farm Land Security Board's statutory declaration form could be enhanced to require proof of residency status.

We reviewed the Board's forms and templates (e.g., statutory declaration, exemption application) and found these generally align with good practice and are consistent with legislation, other than the statutory declaration form can be enhanced. The forms are easily accessible on the Board's public website. These documents include roles and obligations for potential land purchasers and lessors/lessees seeking foreign ownership exemptions.

See **Figure 6** for information included in a statutory declaration. Purchasers may voluntarily complete a statutory declaration and send it to the Board. If the Board requests one from a purchaser, it becomes mandatory to comply.

[19] Differences in jurisdictions' business corporation legislation led to different information available in corporate information registries.

Figure 6—Statutory Declaration Content

- Shareholder or individual is a Canadian citizen or permanent resident
- No non-Canadian individuals or corporations hold interest in the farmland the individual or corporation controls (includes leases, beneficial ownership)
- Land location
- Understand restrictions of *The Saskatchewan Farm Security Act* and understand the consequences and penalties for not completing the declaration (may include receiving an administrative penalty up to $10,000)
- Lists funds used to purchase the farmland (includes foreign financing)
- Signed by the individual
- Witnessed by a Commissioner for Oaths

Source: Adapted from information provided by the Farm Land Security Board. Statutory declaration template at: www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/farm-land-security-board-and-farm-ownership/farm-ownership (27 September 2024).

We compared Saskatchewan's statutory declaration templates to Alberta's template, and found one important difference. Alberta's form requires a permanent resident to provide a copy of their permanent resident card and a waiver authorizing the Federal Government to release that person's resident information to the Alberta government. This provides another source of information to verify the purchaser's residency status complies with Alberta's requirements.

Without requesting readily available and verifiable proof of residency status, the Board has less robust information to determine whether residency status for individuals and corporate shareholders comply with legislative requirements.

1. **We recommend the Farm Land Security Board update its statutory declaration form templates to require permanent residents provide proof of residency when submitting statutory declaration forms.**

4.3.4 Need to Set Timeframe to Review Farmland Transactions

We found the Farm Land Security Board does not have a written timeframe for how quickly it expects staff to review farmland transactions.

Management told us it has an unwritten expectation for staff to review farmland transactions within two months of the transaction taking place. As of August 2024, we found staff reviewed transactions approximately five months after the date of the transaction (i.e., reviewing April 2024 transactions in August 2024).

Delays in reviewing transactions cause delays in staff requesting information to determine compliance (e.g., statutory declaration form, permanent resident card). If the Board identifies non-compliance with *The Saskatchewan Farm Security Act*, this late review adds further delays to any enforcement action. For example, we found one farmland transaction from November 2023 where staff did not request a statutory declaration until April 2024. As of September 2024, the Board has not yet received a response to its second request for a statutory declaration. Thus, the Board is unable to conclude whether this transaction complied with the foreign ownership restrictions almost a year later.

Without set expectations for farmland transaction review, the Board cannot determine staff resources it needs to assess farmland transactions in a timely way. Not assessing farmland transactions timely delays identifying potential non-compliance and taking enforcement action when required.

2. **We recommend the Farm Land Security Board set an expected timeframe for staff to review farmland transactions to assess compliance with *The Saskatchewan Farm Security Act* and related regulations.**

4.4 Board Not Obtaining Statutory Declarations as Expected

We found the Farm Land Security Board staff did not always follow established procedures to request statutory declarations from higher risk corporations (e.g., incorporated outside Saskatchewan) and individuals who purchased land.

If any shareholders of a corporation or individual purchasers have a non-Canadian address, staff are to request a statutory declaration.

Figure 7 shows the number of statutory declarations requested and received as a percentage of almost 18,000 unique purchasers from August 1, 2023, to July 31, 2024. It shows the Board is receiving statutory declarations from about 5% of farmland purchasers voluntarily. Also, at September 2024, the Board had not yet received 34% (10/29) of requested statutory declarations. These are not all overdue (see **Section 4.13** for discussion of statutory declarations that have passed the Board's deadline to provide the statutory declaration).

Figure 7—Statutory Declarations from August 1, 2023, to July 31, 2024

	Voluntarily Provided	Requested	Received after Request	Otherwise Resolved	No Response
Statutory Declarations	811	29	15	4	10
Unique Purchasers[A]	4.60%	0.16%	0.09%	0.02%	0.03%

Source: Adapted from information provided by the Farm Land Security Board.
[A] Unique purchasers means we removed purchasers with more than one farmland purchase transaction from the about 38,000 transactions during this time.

We tested 30 farmland transactions between August 1, 2023, and July 24, 2024, and found staff sufficiently documented their review of all 30 transactions for foreign ownership. Of the 29 transactions fully assessed, staff did not identify any non-compliance with *The Saskatchewan Farm Security Act*. Staff had not fully assessed one transaction by mid-September 2024, as they were waiting to receive additional information requested from the corporation.

However, in our testing, we found staff were not always requesting a statutory declaration for non-Saskatchewan corporations as required by its procedures (**Figure 5**). During our testing of 18 farmland purchases made by corporations incorporated outside of Saskatchewan, we found the Board did not request or receive a statutory declaration for nine corporations. Instead, it relied on other jurisdictions' corporate registry information that may not be complete (as noted in **Section 4.3.2** those corporate registries may not include all types of shareholders).

Not requesting statutory declarations as required by its procedures increases the risk the Board does not use sufficient information to determine whether farmland transactions comply with the Act. This increases the risk of not identifying foreign individuals or corporations owning Saskatchewan farmland.

3. **We recommend the Farm Land Security Board follow its established procedures to request statutory declarations for individuals and corporations to assess compliance with *The Saskatchewan Farm Security Act* and related regulations.**

We also assessed transactions we considered higher risk to try to identify potential non-compliance with the Act. For farmland transactions between August 1, 2023 and July 24, 2024:

- We tested a sample of five individuals with foreign addresses who had aggregate farmland holdings of more than 10 acres. We found these individuals complied with the Act (e.g., Canadian citizens, subsequently sold land to Canadian corporations).
- We tested purchasers with an aggregate sale price of more than $10 million and found all 18 identified individuals and corporations complied with the Act (e.g., Canadian-resident, Canadian-owned entity, have an exemption order).
- We tested purchasers with more than 60 land title changes and found all 16 complied with the Act (e.g., rural municipality, Provincial Government, Canadian resident or Canadian-owned corporation).

4.5 Need to Enforce Restrictions on Farmland Leases

The Farm Land Security Board does not have an efficient way to verify and thus enforce restrictions in *The Saskatchewan Farm Security Act* on foreign leasing of farmland because there is no requirement to register lease agreements in any central registry.

The Act's definition of a land holding includes any interest in farmland held under an agreement to lease. This means the Act restricts land holdings, including foreign leasing of farmland to less than 10 acres.

Farmland leases can be formal or informal (i.e., verbal agreements) between parties. We confirmed with the Board, Ministry of Agriculture, Information Services Corporation, and Saskatchewan Crop Insurance Corporation that there is no central listing of farmland leases in Saskatchewan.[20] Leases may be registered on the land title, but this is not a requirement, and is not common in Saskatchewan. Currently, the Board reviews leases on a complaint basis, if it receives an exemption application, or if reported on a statutory declaration form.

Other Canadian jurisdictions also restrict foreign leasing of farmland. See **Figure 8** for lease restrictions in Alberta and Manitoba.

[20] The Saskatchewan Crop Insurance Corporation is the provincial Treasury Board Crown corporation that administers significant agricultural support programs (e.g., crop insurance, AgriStability). It may become aware of leases through various program information it receives from farmers. The Corporation makes significant payments to farmers and relies on the Farm Land Security Board as part of its process to not make payments to foreign land owners.

Figure 8—Farmland Lease Restrictions in Alberta and Manitoba

Alberta	Manitoba
• An ineligible person or foreign-controlled corporation may lease land for a term of 20 years or less, if they register the lease in a land titles office within 60 days	• Interest in farmland is restricted for non-Canadian citizens or non-Canadian permanent residents to no more than 40 acres • Interest in farmland includes leases

Source: Alberta's *Foreign Ownership of Land Regulations* and Manitoba's *The Farm Lands Ownership Act*.

The Ministry of Agriculture requires lessors to comply with *The Saskatchewan Farm Security Act* before approving leases of agricultural Crown land (land owned by the Ministry of Agriculture). In our testing of 30 agricultural Crown leases, we did not identify any foreign lessees. Further, in our testing of staff reviewing farmland transactions, we found staff only received information during its reviews to assess leases for the five individuals and corporations where it received statutory declarations; these did not identify any foreign leasing.

By requesting a statutory declaration, the Board could obtain information on leases because it requires an individual or corporation to self-declare. See discussion of challenges created by Saskatchewan's land titles model in **Section 4.2**.

One common occurrence of foreign entities leasing farmland was to develop renewable energy projects. Entities submitted and the Board assessed exemption applications for these types of projects, see **Section 4.9**.

Provincial legislation tasks the Board to enforce foreign leasing of farmland restrictions but does not provide it with a practical way of doing so. This reduces the Board's ability to effectively enforce lease restrictions, increasing the risk the Board will not detect foreign entities leasing Saskatchewan farmland, thereby making farmland unavailable to Saskatchewan farmers.

4. We recommend the Farm Land Security Board work with the Ministry of Agriculture to determine how to enforce restrictions on foreign leasing of farmland under *The Saskatchewan Farm Security Act*.

4.6 Informal Process for Assessing Foreign Financing

The Farm Land Security Board does not have formal procedures for staff to assess whether purchasers use foreign financing to fund farmland purchases, but we consider this lack of procedure as lower risk.

The Saskatchewan Farm Security Regulations define a land holding to include any interest through debt or obligation funded other than by:

- A resident person;
- A bank, credit union, or other financial institution supervised or examined by a governmental authority in Canada; or
- A farm input supplier who provided inputs to a producer.

Purchases of Saskatchewan farmland cannot be funded by foreign financing. Board staff can identify financing sources (e.g., mortgages) through ISC searches of the land title, but also could further identify financing sources by requesting statutory declarations.

Staff only occasionally assess financing using their professional judgement. In our testing of 30 farmland transactions, we found staff only reviewed financing for the five individuals and corporations where it received a statutory declaration; these reviews did not identify any foreign financing.

See discussion of challenges created by Saskatchewan's land titles model in **Section 4.2**.

The risk of non-compliance with this aspect of the foreign ownership restriction requirements is somewhat mitigated because when an individual or corporation provides financing to a land purchaser, they typically register their interest publicly on the land title to protect their investment.

4.7 Qualified Staff Perform Key Regulatory Activities

The Farm Land Security Board uses qualified staff to assess foreign ownership of Saskatchewan farmland. Staff from the Ministry of Agriculture's Board Governance and Operations Branch complete this work.

The Ministry sets requirements for relevant education and prior experience when hiring staff responsible for regulating foreign ownership of Saskatchewan farmland in job descriptions. We found the Ministry's requirements for relevant education (e.g., master's degree) and relevant experience (e.g., knowledge of western Canadian agriculture, knowledge of farmland ownership legislation) reasonable when hiring these staff.

We found the job descriptions for key positions (e.g., manager, specialists) sufficiently outline key responsibilities and qualifications. We tested three staff positions and found all staff had the appropriate qualifications set in their job descriptions.

We found two staff files had signed conflict of interest forms. We note that one form could not be located, but the manager was aware of the individual's declared potential conflict (thus could mitigate). The individual subsequently completed a conflict of interest form, which Ministry management appropriately approved in September 2024.

The Board also hires external consultants to meet its needs (e.g., court reporting, Board training). We tested one external consultant's qualifications and found them sufficiently qualified to provide advice to the Board.

Having qualified staff perform key regulatory activities (e.g., reviewing exemption applications, assessing farmland transactions for compliance with foreign ownership requirements) helps the Board appropriately identify foreign ownership of Saskatchewan farmland.

4.8 Need to Clearly Document Board Member Conflicts of Interest

The Farm Land Security Board has generally set guidance to manage its regulatory activities consistent with good practice, except it does not clearly document declared conflicts of interest during Board meetings. In addition, it does not notify exemption applicants of when applications will be discussed (**Section 4.10**), or include escalation procedures for continued non-compliance (**Section 4.13**).

We tested three Board members' qualifications and found they had appropriate credentials (e.g., agricultural experience) to be on the Board. The Ministry of Agriculture provides Board members procedure documents and training from qualified consultants and staff.

We found the Board's guidance manual included all the requirements we expected, except relating to providing notice to exemption applicants of scheduled Board meetings to discuss applications. The Board also has appropriate documented processes to carry out hearings (e.g., information required from staff, using consultants, making motions and decisions, quorum, voting).

We found the Board conducted meetings every six weeks or less and approved all meeting minutes consistent with its policies.

The Board's manual requires Board members to declare conflicts of interest at each meeting and document the nature of the conflict. During our testing of all Board meeting minutes from August 1, 2023, to July 31, 2024, we did not see sufficient documentation of declared conflicts of interest including the nature of the conflict. The minutes documented when Board members left and returned to meetings, but did not indicate whether their departure was due to a conflict of interest.

Not clearly documenting declared conflicts of interest increases the risk the Board is unable to demonstrate it makes fair and impartial decisions when evaluating compliance with foreign farmland ownership rules (e.g., evaluating whether to approve exemption applications).

5. **We recommend the Farm Land Security Board document in its meeting minutes declared conflicts of interest as required by its Board manual.**

4.9 Exemption Applications Appropriately Assessed and Board Decisions Rationalized

The Farm Land Security Board appropriately followed its process to assess exemption applications and properly communicated its rationale for its decisions to applicants.

The Board receives exemption applications from foreign individuals and corporations wanting to purchase or lease Saskatchewan farmland. *The Saskatchewan Farm Security Act* allows the Board discretion to grant exemptions to the foreign ownership restrictions if the Board deems it appropriate to do so. The Board's manual describes general categories of exemptions (see **Figure 9**). The Board uses its discretion in approving exemption applications (i.e., not required to approve an application from one of the exemption categories).

Figure 9—Exemption Categories

- Applicant intends to become a Canadian citizen or permanent resident, and farm in Saskatchewan
- Wind and solar projects (e.g., foreign company leases land to develop these projects)
- Inheritance or estate planning
- Intensive livestock (e.g., foreign company purchases or leases land to raise livestock in specialized facilities)
- Commercial development (e.g., foreign company purchases or leases land for commercial development)
- Recreational property

Source: Adapted from the Farm Land Security Board's *Information and Procedures for Board Members*.

We compared the Board's exemption categories to Manitoba and Alberta and found those jurisdictions had similar categories.

When staff receive an exemption application, they assess it for completeness. If the application is incomplete, staff contact the applicant or representative (e.g., lawyer) to request additional information.

We tested seven exemption applications assessed between August 1, 2023, and July 31, 2024. We found for all seven applications, staff verified the application's completeness and followed up on missing information timely (within seven days). We also found staff communicated with applicants timely to confirm receipt of the applications.

We found staff presented sufficient information to the Board about exemption applications. The Board discusses the exemption applications, staff evaluations, and considers an applicant's Board presentations (if any), when deciding whether to approve the exemption. In our testing of seven exemption applications, the Board approved six exemptions and denied one.

If the Board approves an exemption, its documented procedures require staff to issue an exemption order to the applicant and post the order online. We found for six approved exemptions, the Board:

- Approved a sufficient written order including rationale for the decision
- Had clear terms and conditions in the order (e.g., expiry date, reduce land holdings if not required for operations)
- Issued the order timely to the applicant (same day as approval)

For the one denied exemption application tested, we found the Board also notified the applicant about its denial timely, including reasons for denying the request.

We tested 25 approved exemptions and found four exemption orders that staff did not post on the Board's website (e.g., one month late) as of August 31, 2024. We suggest staff follow the Board's written process to post all approved exemption orders on its public website timely.

4.10 Need to Inform Exemption Applicants of Board Discussion Dates

Farm Land Security Board staff do not inform applicants when the Board will discuss their exemption application.

The Board's public website includes all upcoming Board meeting dates, and a deadline to submit exemption applications to be considered in that meeting (i.e., 10 days prior to the meeting). However, the website does not include which applications will be discussed at each meeting and staff do not communicate this to the applicants.

We found four of the seven exemption applicants tested attended Board meetings to present their exemption application. The Board and staff did not communicate to the other three applicants specifically when the Board planned to discuss their applications. Upon request, the Board allows applicants to present and provide additional information to it on their exemption application. The Board does not proactively communicate this to applicants; the applicants in our testing who presented at Board meetings were previously aware of this process due to having multiple previous applications.

The Ombudsman Saskatchewan's *Practice Essentials for Administrative Tribunals* provides good practice for administrative tribunals (e.g., Farm Land Security Board).[21,22] The Practice Essentials emphasize that the duty to act fairly, including a requirement to provide "notice of the case and an opportunity to reply", as one of the most important requirements for an administrative tribunal. This requires a Board to provide adequate notice to an applicant as to when it will make a decision.[23]

Without providing adequate notice to an applicant as to when the Board will consider their exemption application, the Board may not receive additional information or rationale for a requested exemption. This increases the risk of appeals if the Board has not provided an applicant the opportunity to present additional information or to answer questions.

6. **We recommend the Farm Land Security Board provide adequate notice to exemption applicants informing them as to when the Board will discuss farmland ownership exemption applications.**

4.11 Complaints Reasonably Assessed

The Farm Land Security Board and staff appropriately assessed complaints received.

The Board receives few complaints about specific individuals purchasing land. From August 1, 2023, to July 31, 2024, it received six complaints, mostly general complaints, or rumours of foreign ownership.

We found most public complaints come to the Board's staff from requests sent to the Minister of Agriculture's Office. Staff investigate each complaint (if possible) and draft a response to the Minister's Office in accordance with the Ministry's established deadline (seven days). The Minister of Agriculture responds to the complainant.

[21] ombudsman.sk.ca/app/uploads/2020/03/Practice-Essentials-Final-with-Cover.pdf (24 September 2024).
[22] Administrative tribunals are required to make decisions fairly and in accordance with the law.
[23] Ombudsman Saskatchewan, *Practice Essentials for Administrative Tribunals*, pp. 14–15.

We found in our testing of three complaints between August 2023 and July 2024, staff resolved two complaints timely in accordance with expectations. For the other complaint tested, we found staff appropriately informed the Board about the complaint, and invited the complainant to attend a Board meeting to provide more information so staff could investigate the complaint. As of August 31, 2024 (six months later), the complainant has not agreed to attend a Board meeting or provided additional information to allow for an investigation.

Assessing complaints timely helps the Board investigate and act on possible non-compliance with *The Saskatchewan Farm Security Act*.

4.12 Untimely Communication of Requirements to Sell Land

The Farm Land Security Board does not provide timely communication to individuals and corporations about requirements to sell land when not complying with *The Saskatchewan Farm Security Act.*

Staff may identify non-compliance with the Act by reviewing farmland transactions, assessing complaints and/or exemption applications, and reviewing whether individuals or corporations meet the terms and conditions of Board orders. The Act requires foreign entities in non-compliance to divest farmland immediately or as specified by the Board.[24] In practice, we observed an example of the Board providing up to one year to divest.

Staff conduct investigations to assess compliance with terms and conditions of Board orders. We tested four investigations conducted between August 1, 2023, and July 31, 2024, and found staff conducted appropriate investigations for all four investigations (e.g., assessed permanent residency status, checked whether land sold) and provided the Board information as necessary.

When staff identify non-compliance, potential future non-compliance (e.g., inheritance restrictions allowing up to five years to sell land), or a Board order sets time-specific actions, they appropriately enter a diary date (follow-up date) in the Board's IT system to check for future compliance (e.g., verify land sold, land leased to a Saskatchewan farmer).

We tested five Board orders and found the dates in the Board's IT system reasonable based on the Board order deadline, and staff assessed the individual/corporation met the Board order requirements (e.g., leasing land to a Saskatchewan farmer).

We tested eight instances between August 2023 and July 2024 where staff entered diary dates to check whether non-Canadians sold land. We found:

- Two cases where the Board required the corporations to divest land or to apply for an exemption, but staff had not communicated this expectation to the corporations two and six months later respectively.

[24] Under *The Saskatchewan Farm Security Act*, section 85(1), if a Canadian entity becomes a non-Canadian entity (e.g., individual or corporate shareholder renounces Canadian citizenship), the Act gives the person one year to divest farmland.

- For a third case, in 2020–21, staff identified the individuals inheriting land were non-Canadian residents and had five years to sell the land in accordance with the Act.[25] Staff did not communicate this to the individuals until May 2024.

- For the other five cases, we found staff either communicated the requirements timely, or staff found the individual/corporation sold the land prior to staff checking for compliance.

Not providing timely notice of the need to sell land leaves the owner with limited time to comply with farmland ownership restrictions. Foreign corporations and individuals may be unaware of farmland ownership restrictions, including how long an individual can own land upon inheritance.

7. We recommend the Farm Land Security Board provide timely communication to individuals and corporations about requirements to sell land when not in compliance with *The Saskatchewan Farm Security Act*.

4.13 No Documented Escalation Procedures for Non-Compliance

The Farm Land Security Board does not have documented escalation procedures to follow when it identifies continued non-compliance.

The Saskatchewan Farm Security Act provides the Board and the Ministry of Agriculture with various enforcement tools they can use to try and enforce compliance. See **Figure 10**.

Figure 10—Enforcement Tools Made Available to the Board and the Ministry of Agriculture

Tool	Authority to use Tool	Act Section	Was Tool Used in the Last Five Years
A court can convict and issue a fine up to $1,000 to an individual or corporation that does not submit a statutory declaration upon the Board's request	Ministry	90	No
A court can convict an individual or corporation who has not complied with foreign ownership restrictions (e.g., fine up to $50,000 for individuals; up to $500,000 for corporations)	Ministry	93	No
Board can issue an administrative penalty up to $10,000 if it is satisfied a person has not complied with the Act	Board	93.1	Yes
Board can subpoena records from individuals or corporations	Board	95(2)	No

Source: *The Saskatchewan Farm Security Act*.

As described in **Section 4.3**, staff may request statutory declarations from individuals and corporations. We found staff appropriately track requests. If staff receive no response to the first statutory declaration request after 60 days, they send a second letter by registered mail.

[25] Sections 80, 82, and 85(2) of *The Saskatchewan Farm Security Act* allow non-Canadian residents inheriting land up to five years to sell the land.

The Board does not have escalation procedures for staff to take further action or when to report unreceived statutory declarations to the Board. We found, as of August 2024, the Board sent eight requests to individuals and corporations since 2020 where it did not receive a response to the second request for a statutory declaration. As a result, the Board was unable to conclude whether these eight purchasers comply with *The Saskatchewan Farm Security Act*.

Staff report information about statutory declarations to the Board, but they do not provide details (e.g., how long each request has been outstanding, which declarations staff have not received after the second request). Doing so would enable the Board to decide on appropriate next steps (e.g., issue an administrative penalty). The Board has not issued any administrative penalties for not responding to a request for a statutory declaration.

The Board sent a letter to the Ministry of Justice and Attorney General in 2022 asking the Ministry to consider prosecuting unreceived statutory declarations as an offence. The Board indicated Justice would not pursue conviction. In 2022–23, the Board sent four files for public prosecution for failing to respond to requests for statutory declarations (2023–24, the Board sent no files to public prosecution).[26,27]

We tested three administrative penalties between August 1, 2023, and July 31, 2024, and found the Board appropriately issued $10,000 administrative penalties to corporations they found in non-compliance with Board orders or exemptions (non-compliance determined for not providing requested information timely during exemption application assessments).

Without documented escalation procedures, the Board may not take sufficient or consistent enforcement actions that may deter individuals and corporations from not responding to requests for statutory declarations. To help staff act consistently, the Board needs to document its expectations for when staff should bring identified non-compliance to the Board, when to issue administrative penalties, and when to pursue further action (e.g., ask the Ministry of Agriculture and/or Ministry of Justice and Attorney General to initiate legal action in court).

8. We recommend the Farm Land Security Board formalize procedures for the escalation of enforcement actions to address identified non-compliance with *The Saskatchewan Farm Security Act*.

Individuals or corporations can appeal Board decisions through a court.[28] The court may refer the issue back to the Board for further consideration. We found two appeals went to court in the last five years. We tested one appeal and found the Board followed appropriate court processes and received advice and representation from the Office of Tribunal Counsel.

[26] In order for the Ministry of Justice and Attorney General to pursue conviction, the Board would first need to work with the Ministry of Agriculture to generate a document charging the individual or corporation for failing to respond to a request for a statutory declaration. As of September 2024, the Board has not done this.
[27] Ministry of Agriculture, Farm Land Security Board, *Annual Report for 2022–23*, p. 9, *Annual Report for 2023–24*, p. 9.
[28] *The Saskatchewan Farm Security Act*, section 97.

4.14 Sufficient Performance Indicators and Public Reporting Needed

The Farm Land Security Board has not established sufficient performance indicators to monitor its effectiveness of regulating foreign ownership of Saskatchewan farmland. It also does not publicly report on all key regulatory activities related to regulating foreign ownership.

The Board received updates from management on some farm ownership information at each Board meeting. For example, the Board received information on:

- Farm ownership exemption applications received, granted, and denied
- Statutory declarations voluntarily received, requested, received after request, and no response to request

The Board has not identified performance indicators to assist in identifying whether the Board meets its objectives for regulating farmland ownership. **Figure 11** provides some examples of potential performance indicators the Board could consider to effectively assess regulation of foreign ownership of Saskatchewan farmland.

Figure 11—Examples of Performance Indicators to Assess Regulation of Foreign Ownership of Saskatchewan Farmland

Potential Performance Indicator	Purpose
Timeframes to review farmland transactions are met	To monitor whether staff are reviewing farmland transactions consistent with its expectations. Help identify resources needed and an acceptable target for how timely to review farmland transactions.
Non-compliance identified from reviewing farmland transactions	Assess the results of reviews of farmland transactions and identify trends.
Response rate on requested statutory declarations	Determine how many farmland transactions it has been unable to conclude on about compliance. Inform escalation actions.
Compliance with Board orders	Monitor staff appropriately follow up with Board orders and orders are complied with. Inform escalation actions.

Source: The Office of the Provincial Auditor of Saskatchewan.

Without sufficient performance indicators, the Board cannot effectively assess and publicly report on the regulation of foreign ownership of Saskatchewan farmland. Further, the Board may be unable to identify trends to inform ways to improve its regulatory activities.

9. We recommend the Farm Land Security Board use sufficient performance indicators to monitor effectiveness of its regulatory activities related to foreign ownership of Saskatchewan farmland.

The Board publicly reports on certain farmland ownership activities taken each year in its annual report. The annual report focuses on exemption applications granted and denied; see **Figure 12**. It also includes the number of orders to reduce land holdings, administrative penalties issued, and files sent to public prosecution.

Figure 12—Exemption Applications Granted and Denied from 2021 to 2024

Year	Applications Received	Approved	Denied
2021–22	37	32	5
2022–23	31	23	8
2023–24	36	35	1

Source: Ministry of Agriculture, Farm Land Security Board, *Annual Report for 2023–24*, p. 9.

The Board does not publicly report on other key regulatory activities related to its review of about 40,000 farmland transactions each year (e.g., non-compliance trends as a result of reviews, response rate on requested statutory declarations, compliance with Board orders to sell land when it identifies non-compliance).

Publicly reporting on enforcement activities and including examples where the Board identified non-compliance can help deter future non-compliance with *The Saskatchewan Farm Security Act* and enhance public understanding.

10. We recommend the Farm Land Security Board enhance its public reporting of all of its key regulatory activities related to foreign ownership of Saskatchewan farmland.

5.0 Selected References

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Chapter 12
Saskatchewan Housing Corporation—Planning for Social Housing Units in Regina

1.0 Main Points

Having stable housing is important for individuals and families to succeed. Through its Social Housing Program, the Saskatchewan Housing Corporation strives to make safe, adequate housing available by providing social housing units and subsidizing rent based on financial need. The Corporation owned about 3,000 social housing units in Regina as of June 2024, and the Regina Housing Authority managed these units.

We assessed the Corporation's processes to plan for social housing units to meet the needs of people in Regina. At June 2024, we found the Corporation had effective processes, except it needs to:

- Assess social housing applicant data and implement plans to help reduce the vacancy rate in Regina.

  At May 2024, the Corporation had 534 vacant social housing units (17.8%) in Regina with 364 units out-of-service (i.e., in need of repairs), compared to 404 households waiting for social housing units. The Corporation's mix of social housing units in Regina remained relatively unchanged since 2016, with about 51% of social housing units designated for seniors and about 49% designated for families/single persons—compared to current demand of about 25% and 75% respectively.

  Implementing plans to get vacant units back into service, including revisiting the mix of social housing units it owns, can help the Corporation address long applicant waitlists and house more people in Regina.

- Complete its forecast of long-term social housing needs in Regina to sufficiently identify gaps. Without a long-term forecast of social housing needs in Regina, there is an increased risk of misalignment between social housing priorities and expected future demand.

- Periodically analyze data to identify and respond to possibly over-housed social housing tenants in Regina.[1] We identified 108 single individuals in Regina residing in two-bedroom social housing units when a one-bedroom unit may suffice and be available.

- Enhance its operational reviews of the Regina Housing Authority, including setting performance benchmarks (e.g., around tenant satisfaction), following up on compliance issues and recommendations, and formally monitoring social housing complaints.

[1] Over-housed tenants refer to situations where household needs change (e.g., fewer people living in a home), resulting in tenants possibly residing in units now too large for their household needs.

- Expand analysis and reporting on improvements made to social housing building conditions in Regina.

Without effective processes to plan for social housing units, vulnerable people are at greater risk of not having access to appropriate, affordable housing when needed.

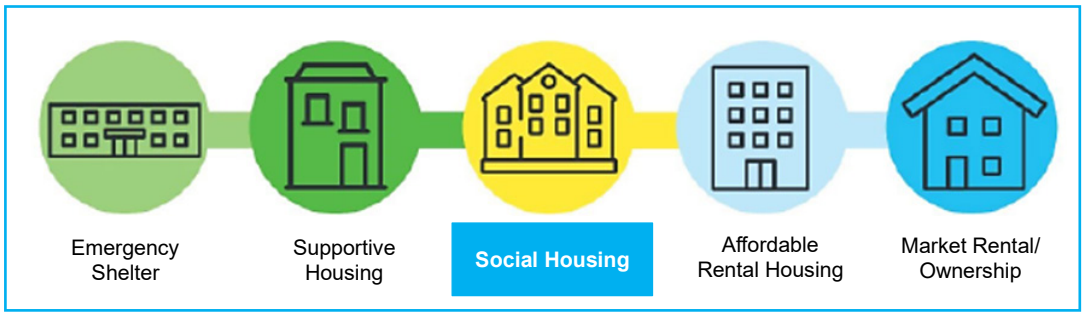
2.0 Introduction

In 2021, Statistics Canada estimated almost 42,000 Saskatchewan households in need of core housing—meaning they live in unsuitable, inadequate, or unaffordable dwellings and cannot afford alternative housing in their community.[2,3,4] Of these 42,000 households in 2021, an estimated 9,600 or 23% resided in Regina.[5] The core housing need measure does not estimate the number of people experiencing homelessness in Saskatchewan.

Social and affordable housing programs help address core housing need. Subsidized by governments, social housing provides accommodation to those who would otherwise be unable to afford to live in suitable and adequate housing. Affordable housing refers to programs where governments do not subsidize rent based on the tenants' income, instead tenants pay rents at lower rates than an area's market rent.

The Saskatchewan Housing Corporation provides a range of housing programs and services to support households facing barriers to access adequate, safe, and affordable housing. As described in **Figure 1**, the provincial Social Housing Program falls within a continuum of housing options—additional options available to tenants beyond social housing include supportive housing and the Saskatchewan Housing Benefit.[6]

Figure 1—The Housing Continuum



Source: Saskatchewan Housing Corporation, *Annual Report for 2023*, p. 9.

[2] Saskatchewan Housing Corporation, *Saskatchewan Housing Action Plan 2022–2025*, p. 7.
[3] www150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2022056-eng.htm (11 October 2024).
[4] Suitable housing has enough bedrooms for the size and composition of a household, adequate housing does not require any major repairs, and affordable housing costs less than 30% of the before-tax total household income. Office of the Auditor General of Canada. (2022). *Report of the Auditor General of Canada to the Yukon Legislative Assembly, Yukon Housing*, p. 1.
[5] Canada Mortgage and Housing Corporation, *Saskatchewan—Household Type (Households in Core Housing Need)*.
[6] The Saskatchewan Housing Benefit helps people with low to moderate incomes better afford market rental housing. Renters eligible for this benefit who do not already receive affordability assistance through another housing benefit (e.g., rent from a housing authority under the Social Housing Program) receive a flat-rate monthly benefit based on their household composition (ranging from $175 to $325 per month). www.saskatchewan.ca/residents/housing-and-renting/renting-and-leasing/saskatchewan-housing-benefit#benefits (11 October 2024).

The Social Housing Program offers safe, adequate rental housing targeting low-income families and seniors, and people with disabilities through a portfolio of housing units owned by the Corporation and operated by local housing authorities. The Program subsidizes rent according to the degree of financial need.[7] All applicants must meet low-income criteria for services and demonstrate the greatest need for social housing.

This chapter outlines the results of our audit of Saskatchewan Housing Corporation's processes, for the 18-month period ended June 30, 2024, to plan for social housing units to meet the needs of people in Regina.

As of May 2024, the Corporation owned about 3,000 social housing units in Regina. The Regina Housing Authority manages these units in Regina on behalf of the Saskatchewan Housing Corporation.[8]

2.1 Background

The Saskatchewan Housing Corporation (SHC) is a Treasury Board Crown corporation providing housing and housing services to people who could not otherwise afford or access adequate, safe, and secure shelter.[9] *The Saskatchewan Housing Corporation Act* makes the Corporation responsible for evaluating housing needs and conditions across the province, making housing options available to residents requiring assistance, and taking steps to repair and improve existing housing accommodations.[10]

In 2023, the Corporation reported revenues of almost $226 million with 12% received from the Provincial Government and 36% received from the Federal Government. The remainder came from tenant rents (49%) and other sources (e.g., municipal governments).[11]

The SHC-owned housing portfolio consists of almost 18,000 units (i.e., social housing, affordable housing, supportive housing, and life lease) in more than 260 communities across the province.[12] The units are managed by 244 housing authorities (e.g., Regina Housing Authority) on behalf of the Corporation.

The Corporation also owns 65 housing units in Regina it leases to 12 third-party organizations (e.g., community-based organizations such as Phoenix Residential Society Inc.) to provide targeted housing for people with disabilities, family reunification services, as well as supportive housing for those experiencing or at risk of homelessness.[13]

In addition, the Corporation has operating agreements with 155 non-profit groups that own and operate affordable housing across the province.[14]

[7] saskatchewan.ca/residents/housing-and-renting/renting-and-leasing/rental-housing-for-people-with-low-incomes (11 October 2024).
[8] The Ministry of Social Services establishes local housing authorities (e.g., Regina Housing Authority) and appoints volunteer Board members who oversee operations of the housing authority.
[9] Saskatchewan Housing Corporation, *Annual Report for 2023*, p. 7.
[10] *The Saskatchewan Housing Corporation Act*, section 13.
[11] Saskatchewan Housing Corporation, *Annual Report for 2023*, p. 18.
[12] Available in select Saskatchewan communities, the Life Lease Program offers moderate-income seniors with the opportunity to live in an affordable apartment-style home in exchange for a deposit and a monthly occupancy fee.
[13] Information provided by Saskatchewan Housing Corporation. Supportive housing provides stability and support for people with addictions, mental health conditions, disabilities, or behavioural issues.
[14] Saskatchewan Housing Corporation, *Annual Report for 2023*, p. 7.

The SHC-owned housing portfolio has an associated cost of almost $633 million and an estimated replacement value of $3.4 billion.[15] The Corporation is responsible for maintaining its existing units, as well as for constructing new housing units.

Figures 2 and **3** illustrate the Corporation's unit vacancies and vacancy rates in Saskatchewan's three largest cities since 2020. At June 2024, the Corporation had almost 2,500 vacant units across the province—representing a vacancy rate of about 14% across its housing portfolio.

Over the past five years, Regina not only had the most vacancies, but also the highest level of vacancies in SHC-owned units, with a vacancy rate ranging from 16.2% to 24.9% (see **Figure 3**). At May 2024, the Corporation had over 400 households waiting for social housing units in Regina.

Figure 2—Saskatchewan Housing Corporation Unit Vacancies in Regina, Saskatoon, and Prince Albert at June 2024

Region	Rentable Units	Available Units	Units Out-of-Service	Total Vacant Units	% Vacant Units
Province-wide	**17,362**	**971**	**1,477**	**2,448**	**14.1%**
Regina	3,003	179	307	486	16.2%
Saskatoon	2,417	67	151	218	9.0%
Prince Albert	935	63	81	144	15.4%

Source: Adapted from information provided by the Saskatchewan Housing Corporation.

Figure 3—Saskatchewan Housing Corporation Unit Vacancy Rates in Regina, Saskatoon, and Prince Albert 2019–24 (at June of each year)

Region	2020	2021	2022	2023	2024
Province-wide	**19.3%**	**20.4%**	**20.0%**	**17.2%**	**14.1%**
Regina	18.1%	23.2%	24.9%	21.8%	16.2%
Saskatoon	13.2%	18.1%	12.0%	8.5%	9.0%
Prince Albert	10.2%	14.0%	16.8%	16.9%	15.4%

Source: Adapted from information provided by the Saskatchewan Housing Corporation.

2.2 Importance of Planning for Social Housing Units to Meet Needs

Having an affordable, safe, stable place to call home is important for individuals and families to succeed. Stable housing is a key determinant to the health, education, and wellbeing of vulnerable people.[16]

Research shows that people facing housing instability are more likely to experience poor health in comparison to others with housing stability. The stress from unstable housing can result in disruptions to employment, social networks, education, and the receipt of social service benefits. Moreover, people experiencing chronic homelessness face substantially poorer physical and mental health and increased mortality.[17]

[15] Saskatchewan Housing Corporation, *Annual Report for 2023*, pp. 7, 19, and 33.
[16] Saskatchewan Housing Corporation, *Annual Report for 2022*, p. 10.
[17] Health Affairs Health Policy Brief, (June 2018), *Housing and Health: An Overview of the Literature*.

Having a significant number of vacant units (including units in disrepair for extended periods), especially during rising housing unaffordability, highlights the importance of effective planning for social housing and the need to minimize the extent of vacancies in social housing portfolios. Planning for social housing can be complex, as housing needs may change and evolve faster than organizations can adapt existing housing supply. Implementing plans for social housing units can help housing authorities to sufficiently provide suitable, adequate, and affordable housing for those unable to afford housing in their communities.

Without effective processes to plan for social housing units, vulnerable people are at greater risk of not having access to appropriate, affordable housing when needed. Effective processes to plan for social housing units can help position people for future success and enable them to better their lives.

3.0 AUDIT CONCLUSION

We concluded, for the 18-month period ended June 30, 2024, Saskatchewan Housing Corporation had, other than the following areas, effective processes to plan for social housing units to meet the needs of people in Regina.

Saskatchewan Housing Corporation needs to:

- **Assess social housing applicant data and implement plans to help reduce vacant social housing units in Regina**
- **Complete its forecast of long-term social housing needs in Regina to sufficiently identify gaps**
- **Periodically analyze data to identify and respond to possibly over-housed social housing tenants in Regina**
- **Enhance its operational reviews of the Regina Housing Authority**
- **Expand its analysis and reporting on progress made against its building conditions target related to social housing in Regina**

Figure 4—Audit Objective, Criteria, and Approach

Audit Objective:

To assess whether Saskatchewan Housing Corporation had effective processes, for the 18-month period ended June 30, 2024, to plan for social housing units to meet the needs of people in Regina.

Audit Criteria:

Processes to:

1. **Identify social housing needs**
   - Collect demographic data (e.g., family size, people with disabilities) to determine needs
   - Engage with partners (e.g., local housing authorities, community-based organizations, municipalities, government ministries)
   - Forecast social housing needs (e.g., location, type, features) over the short and long term
   - Analyze the gap between existing social housing capacity and forecasted needs

2. **Establish plans to address social housing needs**
   - Assess alternatives to meet social housing needs (e.g., repurpose units, establish supportive housing options with community-based organizations)
   - Determine the appropriate mix of social housing units to meet needs and quality standards
   - Implement plans to address gaps
3. **Monitor the provision of social housing**
   - Set outcomes and measures to evaluate progress made toward addressing social housing needs (e.g., vacancy rates, waitlists, timeliness of repairs and maintenance, tenant satisfaction)
   - Analyze achievement of desired outcomes and measures
   - Communicate results to interested parties (e.g., Board, senior management, Federal Government)

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 Saskatchewan Housing Corporation's processes, we used the above criteria based on our related work, review of literature including reports of other auditors, and consultations with management. Corporation management agreed with the above criteria.

We examined the Corporation's policies and procedures, committee minutes, assessment of housing alternatives, vacancy reports, forecasts, and other key documents related to planning for social housing units to meet the needs of people in Regina. We also interviewed key staff and analyzed data such as unit vacancies, over-housing, and approved housing applications.

4.0 Key Findings and Recommendations

4.1 Further Analysis of Applicant Data Needed

Saskatchewan Housing Corporation does not sufficiently analyze its approved applicant list for its Social Housing Program in Regina to help determine social housing needs.

The location and design of the social housing portfolio in Regina does not align with current social housing need, demonstrated through persistent unit vacancies yet long applicant waitlists. For example, there are a number of families waiting for housing units at April 2024, and not enough units available to meet this need.

The Corporation has a standard application form that interested Social Housing Program applicants must complete and return to a housing authority (e.g., Regina Housing Authority) for consideration. The form collects applicant demographic information (e.g., size of families, needs for people with disabilities, need for senior housing and family housing), along with other information such as applicant income. Housing authorities assess and approve social housing applications and enter approved applicant information into the Corporation's provincial housing IT system.

The Corporation can produce a current approved applicant list from its provincial housing IT system. Within the list, it tracks information such as:

- Application type (i.e., family, non-elderly single, senior, senior couple)
- Application date
- Point score—determines priority based on an applicant's core needs (affordability, suitability, adequacy of current shelter); for example, applicants in domestic abuse situations are given the maximum score (150) and ranked highest priority

- Number of bedrooms required
- Accessible unit requested
- Days since application
- Building requests—applicants may request specific units (e.g., apartment, townhouse) where they would prefer to live

While we found that although the Corporation considered the approved applicant list in Regina in its capital budget request, it does not analyze its approved applicant list to sufficiently determine and adapt to changes in social housing need. Within its monthly social housing vacancy report for the Regina Housing Authority, the Corporation notes the number of approved family/single and senior households on the approved applicant list in Regina. However, the Corporation does not sufficiently analyze trend information (e.g., changing trends in types of waiting applicants—families/singles, seniors, people with disabilities).

As of May 2024, the Regina Housing Authority approved 308 families/single persons and 96 seniors (404 total applicants) for the Social Housing Program but had not placed them in a social housing unit in Regina. Our analysis found the approved applicant list may be inaccurate or not up to date.

Our analysis of the approved applicant list for the Regina Housing Authority found 16 applicants with a score of 70 or more (i.e., considered high priority).[18] We examined five of those high-priority applicants waiting for more than a year who had not specified a unit preference (i.e., may be easier to accommodate), and found:

- One applicant remained waitlisted because they could not get utilities hooked up due to prior unpaid utilities.
- Four other applicants did not accept units offered by the Regina Housing Authority (indicating they may no longer need to be on the waiting list). Therefore, the Housing Authority may be making decisions from an outdated approved applicant list.

In its operational review of the Regina Housing Authority, the Corporation noted the Housing Authority must ensure it keeps accurate and up-to-date data in the provincial housing IT system (see **Section 4.9**). Management indicated the Corporation is reviewing its business needs to inform the potential replacement of its provincial housing IT system, providing an opportunity to improve available data for decision-making.

Our analysis of the monthly social housing vacancy reports for Regina found the demand for family/single social housing units significantly exceeded available units. **Figure 5** illustrates changes in the approved applicant list during our audit period—the number of approved family/single applicants increased to 308 in May 2024, but the number of vacant units available decreased to 56 in total (with an additional 107 units out-of-service for repairs). Whereas more units were available for seniors than the number of approved

[18] Housing authorities calculate applicants' points score using a standard form based on information from housing applications. The points score provides an objective numerical score based on an applicant's core needs (affordability, suitability, and adequacy of current shelter). The Corporation considers applicants with a score greater than 70 as high priority.

applicants (e.g., 96 approved applicants compared to 114 available units and 257 out-of-service units in May 2024).

Figure 5—Number of Approved Regina Social Housing Applicants Compared to Number of Vacant Units

Monthly Reports Examined	Approved Family/Single Applicants	Family/Single Vacant Units:		Approved Senior Applicants	Senior Vacant Units:	
		Available	Out-of-Service		Available	Out-of-Service
February 2023	181	96	170	65	187	231
October 2023	282	90	145	64	160	241
April 2024	306	72	109	89	118	261
May 2024	308	56	107	96	114	257

Source: Adapted from Saskatchewan Housing Corporation's Monthly Vacancy Reports.

We found the Corporation does not regularly assess how long Social Housing Program applicants wait or why, or the types of units requested (e.g., number of bedrooms). Doing so might help it identify changes needed to its housing portfolio.

Our analysis of the approved applicant list for the Regina Housing Authority at April 2024 found:

- 114 applicants requested one-bedroom units; 83 requested two-bedroom units; 121 requested three-bedroom units; 53 requested four-bedroom units; 14 requested five-bedroom units; and 2 requested six-bedroom units

This shows almost 50% of applicants at April 2024 seeking units with three bedrooms or more.

Without having accurate data and sufficient analysis, the Corporation is unable to appropriately determine social housing needs. Periodically analyzing data on requested unit size and household compositions can provide insight into the demand for different types of housing units. This can also help the Corporation plan future developments or adjust its housing portfolio to better meet applicant needs in a timely manner.

1. **We recommend Saskatchewan Housing Corporation further analyze social housing applicant data to help determine social housing needs in Regina.**

4.2 Revisit Social Housing Mix to Reduce Vacant Units

Saskatchewan Housing Corporation does not revisit the mix of social housing units (e.g., family/single, seniors) it owns in Regina to meet the needs of people and reduce the number of vacant units.

Determining the appropriate mix of social housing units to meet peoples' needs is necessary for implementing plans to align the housing mix with the requirements of those most in need.

The Corporation signed a bilateral agreement with the Federal Government (under the National Housing Strategy) in 2019. Under the agreement, the Corporation agreed to continue offering a baseline number of social housing units across the province (16,448 units) and develop new and innovative ways to regenerate housing to contribute to a 15% expansion of units (2,467 units) above the baseline number by 2028.

We found the Corporation does not intend to increase the number of social housing units it owns to achieve this expansion of units. Rather, it expects to invest in and re-commit other units from its housing portfolio that fell under another agreement with the Federal Government (in excess of the baseline), and work with third-parties to develop new units through provincial programs such as the Rental Development Program.[19] Management indicated they take this approach to expand the capacity of the housing market because it enables the Corporation to leverage private equity, creating more choice for tenants and reducing long-term government subsidies.

We found the Corporation's processes to assess proposals through the Rental Development Program appropriately considered the needs of communities and clients, such as prioritizing projects focused on housing for families where circumstances warrant (i.e., low vacancies in family units in a particular location).

However, the Corporation has not revisited the mix of social housing units (e.g., family/single, seniors) it owns within Regina. While we recognize the Corporation places applicants into housing units based on priority point scores, the portfolio of SHC-owned social housing units in Regina does not fully align with client needs (available units do not support approved applicants' needs). For example, it had over 300 family/single approved applicants in Regina but had only 56 units available at May 2024.

At May 2024, the Corporation allocated approximately 51% of its social housing units for seniors and approximately 49% for families/single persons, compared to demand of about 75% for families/single persons and 25% for seniors according to the approved applicant list in Regina. The Corporation's allocated mix of units remained relatively unchanged since 2016.

Revisiting the mix of social housing units it owns in Regina can help guide the Corporation's decisions on how to address unit vacancies (e.g., repurposing seniors' units to meet family/single needs). See **Recommendation 3** about the need to implement plans to help reduce vacant social housing units in Regina.

4.3 Periodic Engagement with Partners Underway

The Saskatchewan Housing Corporation engages with partners (e.g., municipal, provincial, community-based organizations) to obtain an understanding of social housing needs in Regina and to consider options to address those needs.

[19] The Rental Development Program provides one-time capital funding in the form of a forgivable loan of up to 70% of the capital cost to assist non-profit corporations, cooperatives, municipalities, and the private sector to develop affordable rental units for low-income households. Sponsors must contribute a minimum of 30% toward the capital cost of their projects and agree to maintain ownership of the project for a minimum of 10 years.

Since January 2023, we found the Corporation met with the following partners to discuss current and future client needs, the local housing market, and housing gaps in the community:

- Regina Housing Authority and City of Regina—meetings included consideration of actions regarding the use of vacant lots (e.g., divestment), as well as potential options (e.g., repurposing) for existing seniors' housing units to help meet long-term housing needs.

- Provincial Ministries (e.g., Health; Social Services; Corrections, Policing and Public Safety)—discussions to coordinate the repurposing of 39 social housing units in Regina's North Central neighborhood (i.e., Lovering Place) to assist with the Government's Provincial Approach to Homelessness project.[20] The Corporation repurposed these units as supportive housing because it provided an opportunity to utilize vacant units and address needs in the local community. It also met with representatives from Social Services regarding the use of social housing units for the Keeping Families Together Program.[21]

Additionally, through its Rental Development Program, the Corporation releases an annual expression of interest (EOI) requesting community-based organizations (CBOs) to express unmet housing needs and present proposals for the development of affordable rental units. At June 2024, the Corporation had partnerships with 24 CBOs in Regina to develop affordable housing units to help tenants find housing with lower rent than available in the market.[22] The EOI process relates to the provision of supportive housing (rather than social housing) but shows how the Corporation engages with community partners to understand their needs.

As several organizations and levels of government partner to help address housing needs across Regina, the Corporation's periodic engagement with these partners helps maintain its awareness of the community's changing housing needs. Such information is necessary to appropriately respond to and adjust its social housing plans for Regina where warranted.

4.4 Long-term Forecast of Social Housing Needs Incomplete

Saskatchewan Housing Corporation forecasted social housing needs in Regina to 2026, but has not forecasted its needs over the longer term (e.g., next decade).

Forecasting long-term need informs the type of social housing units (e.g., family/single) required. Long-term forecasting provides a broader perspective, enabling organizations to set long-range goals and allocate resources accordingly—it helps to identify potential challenges and opportunities well in advance, allowing for proactive planning.

[20] The Provincial Approach to Homelessness (PATH) is an integrated approach between the Ministries of Social Services, Health, and Corrections, Policing and Public Safety to provide a continuum of services with targeted support in appropriate settings aligned with the needs of individuals.
[21] The Keeping Families Together Program is a family-focused, child-centered, goal-oriented program designed to keep families safe and prevent out-of-home placement of children or expedite family reunification by providing in-home skills building and after-care support services to the family unit. As part of this Program, the Ministry of Social Services provides in-home and after-care support services to families using social housing units owned by Saskatchewan Housing Corporation.
[22] Information provided by Saskatchewan Housing Corporation.

We found the Corporation last forecasted core housing need in Regina in 2019 when it engaged a consultant to prepare a forecast to 2026. Our review of the Corporation's forecast found it:

- Used data from the most recent census available at the time (i.e., 2016).

- Considered core housing needs by different types of households (e.g., single seniors:1 bedroom unit; senior couples: 1+ bedroom unit; two parent family: 2+ bedroom unit).

  Management acknowledged that lack of data (e.g., tenant preferences, requests for repairs) from its provincial housing IT system impacted the breadth of information used in its forecast. Management indicated it is in the early planning stages for modernizing its IT system as of June 2024; a key priority for the Corporation.

- Estimated Regina having about 15,500 households in core housing need by 2026 (compared to almost 12,000 households from 2016 census).

  At May 2024, the Corporation owns about 3,000 social housing units in Regina and relies on the private rental market for the remaining units to accommodate households in core housing need—it helps people with low to moderate incomes better afford market rental housing through the Saskatchewan Housing Benefit.[23] Overall, the Corporation's ownership of social housing units in Regina has remained unchanged since 2016.

While the Corporation engaged its consultant to update the core housing need forecast for Regina to 2038, management had yet to validate the forecast using the latest federal census released in 2021. Management explained that data limitations (i.e., concerns over 2021 census data understating housing affordability issues due to individuals receiving the Canadian Emergency Response Benefit during the COVID-19 pandemic) delayed their ability to update their long-term forecast.[24] Management indicated they expect to complete this validation work on the forecast in fall 2024.

Without a long-term forecast of social housing needs in Regina, there is an increased risk of misalignment between social housing priorities and expected future demand. Understanding long-term social housing needs can help the Corporation consider changes to planned actions (e.g., timing and extent of repairs to existing units, engaging private market partners to encourage construction of new units where needed).

2. We recommend Saskatchewan Housing Corporation complete its forecast of long-term social housing needs in Regina.

[23] Renters eligible for the Saskatchewan Housing Benefit who do not already receive affordability assistance through another housing benefit (e.g., rent from a housing authority under the Social Housing Program) receive a flat-rate monthly benefit based on their household composition (ranging from $175 to $325 per month). At June 2024, the Saskatchewan Housing Corporation provided this benefit to approximately 3,600 households in the province. www.saskatchewan.ca/residents/housing-and-renting/renting-and-leasing/saskatchewan-housing-benefit#benefits (11 October 2024).

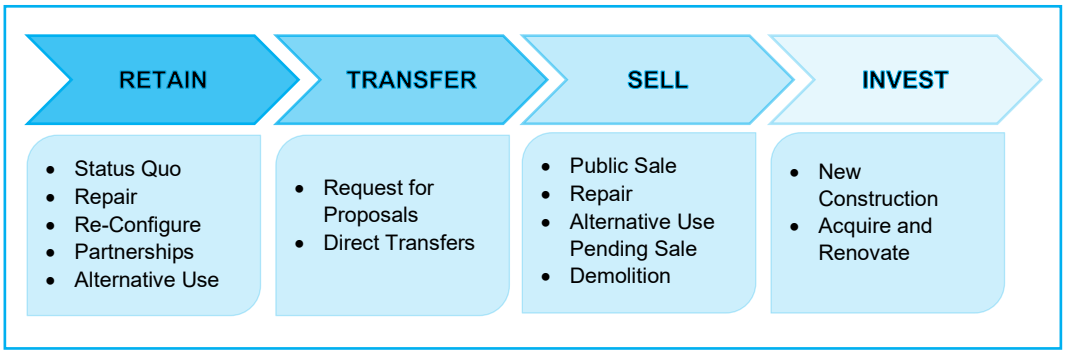
[24] The federal Canada Emergency Response Benefit (CERB) provided financial support to employed and self-employed Canadians who were directly affected financially by the COVID-19 pandemic. www.canada.ca/en/services/benefits/ei/cerb-application.html (11 October 2024).

4.5 Implementation of Social Housing Alternatives Underway, But Waitlist Remains

Saskatchewan Housing Corporation evaluates alternatives to deliver social housing and is working toward implementing its community review for Regina. However, it continues to have vacant units in Regina even with a significant number of approved applicants on the waitlist.

We found the Corporation implemented a Portfolio Management Framework in 2023 for the purpose of supporting those in greatest housing need, while assisting with managing fiscal, capital, and operational pressures—all with the intention of reducing vacancies and operating costs across its portfolio (including social housing). As illustrated in **Figure 6**, the Framework consists of four pillars it considers when evaluating housing alternatives: retain, transfer, sell, and invest.

Figure 6—Saskatchewan Housing Corporation Portfolio Management Framework



Source: Adapted from information provided by the Saskatchewan Housing Corporation.

Additionally, the Corporation uses four committees to assess alternatives for delivering housing (including social housing). **Figure 7** briefly describes these committees and their purposes.

Figure 7—Saskatchewan Housing Corporation Committees Assessing Alternatives for Housing Delivery

Committee[A]	Purpose
Housing Management Committee	Coordinates the following: • Strategic planning • Application of expert knowledge to policy and program changes • Identification and mitigation of risk • Comprehensive policy decisions • Timely dissemination of information accountability of policies, programs, and financial management • Strategic human resource management planning • Oversight and decision-making
Portfolio Management Steering Committee	Makes decisions on the housing portfolio to ensure the Corporation remains financially sustainable, and that housing stock meets the current and future demands of those in greatest housing need
Portfolio Working Group	Considers housing alternatives (e.g., partnering with community-based organizations) and provides recommendations to the Portfolio Management Steering Committee

Committee[A]	Purpose
Project Review Committee	Reviews Expression of Interest (EOI) proposal scoring and makes recommendations to management on which projects may proceed to the proposal development stage and what partners must address prior to conditional approval

Source: Committee terms of reference or minutes obtained from Saskatchewan Housing Corporation.
[A] Various staff throughout the Corporation comprise membership on these committees (e.g., President, Chief Financial Officer, management from Housing Development, Housing Operations, Financial Operations, and Program and Service Design).

Our review of agenda materials for the committees described in **Figure 7** found management considered each of the four pillars when analyzing social housing units in Regina. However, at May 2024, its mix of social housing units for seniors and families/single persons remained relatively unchanged since 2016.

In May 2023, the Corporation completed a community review acknowledging the housing challenges in Regina. The community review recognized a gap in housing for people who cannot live independently and require services (i.e., hard-to-house clients needing supportive housing options) and expected increases in need for seniors and large-family households. The review also recommended consideration of investment and divestment opportunities and housing delivery options (e.g., partnerships, programs) to meet the needs of people in Regina. **Figure 8** sets out the Corporation's actions in response to these options since 2023, including allocating funds to repair 199 social housing units and repurposing units to create nearly 100 supportive housing units.

Figure 8—Saskatchewan Housing Corporation Actions Between 2023 and 2024 in Response to Regina Community Review

Option	Actions
Investment Opportunities	• At March 2024, invested $9.9 million from the Canada Community Housing Initiative (CCHI) to repair and renew four social housing projects (199 units) toward reducing chronic vacancies[A] • In 2024–25, investing $9.6 million in provincial funding to prevent and reduce vacancies and respond to the increasing demand for social housing by ensuring housing units are available across the province, including Regina. • Implemented a pilot project in North Central Regina in response to high vacancy rates that places tenants into housing without income or asset testing or point scoring, with tenants paying a set, affordable rent (i.e., monthly rent of $720 for a two-bedroom unit and $800 for a three-bedroom unit)[B] • Considered repurposing existing units (e.g., seniors' units to mix-use or supportive housing) • Created 56 new supportive housing spaces through the Provincial Approach to Homelessness—all spaces operational by July 2024
Housing Delivery Options (e.g., partnerships, programs)	• Executed leases with third parties for provision of supportive housing—while this is not specifically related to social housing, we observed three such leases providing various supports for hard-to-house clients (leases included supportive housing associated with 38 units)
Divestment Opportunities	• The Corporation developed a provincial divestment plan to reduce underutilized units in its housing portfolio and reinvest into other areas (e.g., third-party partnerships, social housing portfolio). The divestment plan does not currently contemplate divesting any housing units in Regina.

Source: The Office of the Provincial Auditor of Saskatchewan.
[A] CCHI is an initiative under the National Housing Strategy that funds the protection, renewal, and expansion of community housing. The Corporation received almost $65 million of CCHI funding for use across the province between 2019–20 and 2023–24.
[B] The Saskatchewan Housing Corporation introduced the pilot project in North Central Regina during 2022 within eight vacant three-bedroom townhouse units. Due to the success of this pilot, it expanded the project to another 21 units in 2023 and 38 units in 2024 (total of 67 units). Management established quantitative measures to help evaluate the project, expecting to do so in 2024–25. As of June 2024, management confirmed it has no vacancies in these 67 units.

As described in **Figure 8**, the Corporation's provincial divestment plan does not consider divesting any housing units in Regina. We found it last divested social housing units in Regina during 2019. Management indicated its divestment plan focuses on divesting units in declining communities and not in cities with growing populations. The Corporation's decision to not divest vacant units in Regina is reasonable, as it expects to have a continued need for these units in Regina in the future.

Figure 9 shows that while the Corporation reduced its social housing vacancy rate in Regina since 2022, it continues to have vacant units with a significant number of approved applicants on the waitlist. With 534 social housing units in Regina vacant at May 2024 and with 404 people on its waitlist, it is paramount for the Corporation to implement plans to address these vacancies (See **Recommendation 3**).

Figure 9—Approved Regina Social Housing Applicants, Vacant Units and Vacancy Rates

Year[A]	Approved Applicants	Vacant Units	Vacancy Rate
2021	414	620	20.6%
2022	224	737	24.5%
2024	404	534	17.8%

Source: Adapted from information provided by the Saskatchewan Housing Corporation.
[A] Unit vacancies are as at January of each year, except for 2024 (as of May 2024).

Also, revisiting the appropriate mix of social housing units it requires in Regina (see **Section 4.2**) can help the Corporation prioritize possible alternatives to help place people within its vacant social housing units (e.g., further repurposing of existing buildings, expanding the North Central Regina pilot project to other properties within the city).

4.6 More Plans to Address Vacant Housing Units Needed

Saskatchewan Housing Corporation conducts limited analysis of vacant social housing units (e.g., how long vacant, cost associated with holding vacant social housing units, how long in disrepair) nor does it assess costs to hold chronically vacant units. Further analysis of vacant social housing units can help the Corporation to consider and implement plans to address these vacancies.

Within its provincial housing IT system, the Corporation tracks information on each of its units such as address, building type (e.g., elevator apartment, detached dwelling, row house), unit type (e.g., family, senior), and unit status (e.g., available, not rent ready, major repair).

Each month, the Corporation prepares a monthly social housing vacancy report of its largest housing authorities (i.e., Regina, Saskatoon, Prince Albert, Moose Jaw) for senior leadership and the Minister of Social Services. It reports vacancy-related data including:

- Rentable units (total number of units owned)
- Vacant units (vacancy rate)

- Available units (availability rate)
- Out-of-service units (out-of-service rate)

While a social housing need exists, the Corporation is facing challenges with accommodating clients' needs with its available social housing portfolio. As described in **Section 2.1**, Regina has not only had the most vacancies in the province, but also the highest level of vacancies over the past five years. **Figure 10** illustrates how, at May 2024, Regina had 534 vacant social housing units (17.8%), but only 170 are available for rent because 364 are out-of-service (i.e., in need of repairs). This is in comparison to 404 households waiting for social housing units (308 of which are families).

Figure 10—May 2024 Social Housing Vacancy Data for Regina Housing Authority

Social Housing Type	Rentable Units	Vacant Units (Vacancy Rate)	Available Units (Availability Rate)	Out-of-Service Units (Out-of-Service Rate)	Units Under Major Repair
Senior	1,518	371 (24.4%)	114 (7.5%)	257 (16.9%)	43
Family	1,485	163 (11.0%)	56 (3.8%)	107 (7.2%)	30
Total	**3,003**	**534 (17.8%)**	**170 (5.7%)**	**364 (12.1%)**	**73**

Source: Adapted from Saskatchewan Housing Corporation's May 2024 Social Housing Vacancy for Regina Housing Authority.

Beyond accumulating the vacancy data, we found the Corporation does not further analyze its vacant units (e.g., types of units under repair), which would allow it to focus repairs on units with higher demand (e.g., larger family units). For example, our analysis of vacant units at May 2024 found:

- Of the 30 family units under major repair (vacant unit with damage that takes longer than 30 days to repair), 11 had two bedrooms, 18 had three bedrooms, and one had four bedrooms[25]
- 291 of the 364 total out-of-service units were classified as not rent ready (i.e., unit recently vacated and requires normal turnover repairs that take less than 30 days). Of these 291 units, 73 relate to family units (23 had two bedrooms, 45 had three bedrooms, and 5 had four bedrooms)

We also found the Corporation does not track the time a unit available for rent stays empty. While it can determine chronically vacant units (vacant for greater than six months), its reporting does not specify chronically vacant units available for rent versus those under repair.

When comparing the May 2024 chronic vacancy report to the May 2024 vacancy report, we found 334 chronically vacant units and 364 out-of-service units—showing that most of the chronically vacant units appear to be under repair. Additionally, we found these 334 chronically vacant units reside in 32 social housing buildings in Regina, with 23 of these buildings noted as preferable locations by approved applicants. This indicates applicants want to live where these chronically vacant units are located in the city.

[25] Saskatchewan Housing Corporation uses Canada Housing and Mortgage Corporation (CMHC) guidance on adequate housing when the dwelling is not in need of major repair. Major repairs include defective plumbing or electrical wiring, or structural repairs to walls, floors, or ceilings.

Due to data limitations within the provincial housing IT system, the Corporation also does not track how long vacant units are in disrepair. Further, the Corporation was unable to provide data about the number of chronically vacant units it repaired in Regina.

Our analysis of the Corporation's ongoing cost to hold chronically vacant units in an elevator apartment and a detached/semi-detached dwelling found the estimated monthly costs (e.g., property tax, utilities) to be relatively consistent—about $300 per unit per month at December 2023. However, when applying this estimate across all 334 chronically vacant social housing properties in Regina, the annual cost (about $1.2 million) could be significant.[26]

Without analyzing vacancies and tracking costs associated with holding chronically vacant social housing units, the Corporation may not fully understand the financial impact of these vacancies. This increases the risk of inefficiencies in its budgeting and resource allocations. Further, by planning to get chronically vacant units back into service (e.g., repairing more units with the right number of bedrooms in preferable locations), the Corporation can help to address long applicant waitlists and house more people in Regina.

3. **We recommend Saskatchewan Housing Corporation implement plans to help reduce vacant social housing units in Regina.**

4.7 No Analysis of Possibly Over-housed Tenants

Saskatchewan Housing Corporation does not periodically analyze the prevalence of over-housing within its social housing units in Regina. Doing so may identify social housing units the Corporation could provide to families on the approved applicant list.

Households exhibit different housing needs depending on their particular circumstances (e.g., single individuals, parents, couples). Household needs can change (e.g., fewer people living in a home), resulting in tenants possibly residing in units now too large for their household needs—this refers to tenants as over-housed.

The Corporation uses the Federal Government's *National Occupancy Standard* as a guideline when considering the maximum number of bedrooms a household needs.[27,28] **Figure 11** sets out the occupancy standards the Corporation expects housing authorities to use when assigning social housing units to different types of households.

Figure 11—Social Housing Program Occupancy Standards

Households with children or dependents (including individuals in the third trimester of pregnancy):
- Single parents, or couples, are entitled to their own bedrooms
- Any other adults in a household are entitled to their own bedrooms
- There should be no more than two children to a bedroom

Households without children or dependents should be housed according to the following standards:
- Single adults or couples are entitled to a single bedroom
- If two adults not married or not common-law are in the household, each is entitled to a bedroom of their own
- Senior couples are entitled to separate bedrooms if there are medical reasons why they cannot share a room

[26] 334 units chronically vacant at May 2024 x 12 months x $300 per month = $1,202,400.
[27] Saskatchewan Housing Corporation, *Social Housing Program Policy Manual (July 2024)*, section 4.3.
[28] The federal, provincial, and territorial governments created the *National Occupancy Standard* in the mid-1980s providing a common reference point for 'suitable' housing that establishes how many people a housing unit might accommodate given the number of bedrooms.

Victims of domestic violence must be allocated the first available unit, even if the unit is too large or too small for the applicant's needs

With a household's agreement, a housing authority may under-house a household as long as doing so does not result in health and/or safety risks (i.e., obstructions to windows, doorways, hallways and exits or if windows do not meet minimum size requirements to permit emergency exit)[A]

Source: Saskatchewan Housing Corporation, *Social Housing Program Policy Manual (July 2024)*, section 4.3.
[A] Under-housing occurs when a tenant's unit does not have enough bedrooms to accommodate the members of their household according to the *National Occupancy Standard*. The Corporation considers tenants to be under-housed if there are more than two people per bedroom.

While the Corporation has specific requirements to help mitigate instances of over-housing, we found it does not analyze the prevalence of over-housing within its social housing units in Regina.

At May 2024, our analysis identified 108 single individuals residing in two-bedroom seniors' social housing units—indicating these individuals may be over-housed when there are applicants currently waiting for two-bedroom units. At April 2024, we found 83 applicants waiting for two-bedroom units. Also, we found the Corporation had 105 vacant one-bedroom units available where single individuals could move.

Periodic analysis (e.g., annually) to identify possibly over-housed tenants can provide valuable information about whether the allocation of units address clients' needs effectively. Such information can provide the Corporation an opportunity to consider changes to existing unit allocations to help meet the needs of more clients (i.e., reduce the applicant waitlist).

4. **We recommend Saskatchewan Housing Corporation periodically analyze data to identify and respond to possibly over-housed social housing tenants in Regina.**

4.8 Existing Housing Portfolio Analyzed, Including Building Conditions

Saskatchewan Housing Corporation assesses and analyzes its social housing portfolio, including building conditions, to inform decision-making.

The Corporation periodically uses a building assessment tool to assess its social housing portfolio, including asset conditions. For each building in its portfolio, the tool assesses community needs that considers population size (declining, stable, expanding), vacancy/chronic vacancy rate, type of community (e.g., bedroom community) and whether alternative housing options exist.

The Corporation assesses each building based on the following (noted as preferred, acceptable, or unacceptable):

- Building attributes (e.g., parking, unit size, onsite amenities)
- Accessibility (e.g., number of accessible units; building modifications such as walk-in showers, bedroom/bathroom locations; support services such as home care)
- Adaptability (e.g., current and ease of modifications to improve the building)

- Locational and neighbourhood influences (e.g., access to, and availability of, services such as transit, schools, grocery stores, medical facilities)

- Asset conditions (e.g., physical condition of property components such as roofing, plumbing, windows, fire alarm system, electrical)

In 2021, the Corporation used its building assessment tool to assess gaps between social housing capacity and the needs in Regina, which showed an expanding need for social housing in the city.

The Corporation also calculates the Facility Condition Index (FCI) following industry standards for classification.[29] Annually, housing authorities report on major maintenance and improvement initiatives, and the Corporation uses this information to update the FCI.

FCI Classifications:

- **Good: 0–5%**
- **Fair: 5–10%**
- **Poor: 11–30%**
- **Critical: >30%**

Management indicated it strives for a 10% (fair) FCI. Using the FCI, in conformity with good practices and generally accepted asset management standards, the state of the Corporation's housing portfolio in Regina is currently 'poor' (average FCI of 22.2%). We found buildings in Regina had FCIs ranging between 0–118%.

The Corporation maintains a summary of the Regina housing portfolio that tracks details of all its buildings, including building type (e.g., elevator apartment, detached dwelling), year built, FCI, current tenant type (e.g., family, senior), number of units, total vacancies, chronic vacancies, and building assessment results.

Figure 12 sets out the Regina Housing Authority's spending over the past five years on maintaining and modernizing housing units across its portfolio (e.g., social housing, supportive housing)—its spending in these areas increased almost 20% between 2019 and 2023. This increased spending helped reduce the social housing unit vacancy rate by almost 7% between 2022 and 2024 (see **Figure 3**). However, Regina's vacancy rate still resides at almost 18% and most of the remaining vacant units are chronically vacant and in need of repairs.

Figure 12—Regina Housing Authority Expenses for Maintenance and Modernization/ Improvement from 2019–23 (at December of each year)

Expense Type[A]	2019	2020	2021	2022	2023
	(in millions)				
Maintenance	$4.89	$4.70	$5.07	$5.06	$5.78
Modernization/ Improvements	$3.67	$4.48	$4.18	$4.69	$4.40
Total	**$8.56**	**$9.18**	**$9.25**	**$9.75**	**$10.18**

Source: Adapted from information provided by the Saskatchewan Housing Corporation.
[A] The expense categories include the following programs: social housing, life lease, and leased buildings (for supportive housing).

[29] The Facility Condition Index (FCI) is a ratio comparing the total deferred maintenance liability to the total portfolio replacement costs, expressed as a percentage.

From a quality perspective, the Corporation tailors its maintenance activities toward meeting quality standards established by the Federal Government. For example, it uses guidance about quality standards from Canada Housing and Mortgage Corporation such that housing is considered adequate when it is not in need of major repair (e.g., defective plumbing or electrical wiring, or structural repairs to walls, floors, or ceilings). We found about 2% of the Corporation's social housing units in Regina (73 units) are undergoing major repair.

In February 2023, the Corporation analyzed its housing portfolio and noted:

- 96% of SHC-owned units in Regina are in poor (71%) and critical condition (25%), impacting occupancy rates (or vacancy rates) of certain units. The remaining 4% of units are in adequate condition.[30]

- More than 50% of all SHC-owned units in Regina are downtown, with high vacancy rates (29%), and the buildings are in poor condition.

- Regina neighborhoods with the highest vacancy rates: Highland Park (63%) with buildings in poor condition, Regent Park (51%) with buildings in critical condition, and Washington Park (42%) with buildings in critical condition. These neighborhoods are located in central Regina and north of downtown.

Assessing and analyzing existing building conditions help the Corporation understand its social housing portfolio, which informs decision-making on maintenance, repairs, and resource allocation. To reduce vacancy rates, the Corporation needs to perform ongoing maintenance and modernization for its social housing portfolio.

4.9 Operational Reviews Need Enhancing

Saskatchewan Housing Corporation needs to enhance aspects of its operational reviews for larger housing authorities. It has not established benchmarks (e.g., expected timeframes) for measuring a housing authority's performance in social housing delivery. The Corporation also does not have a formal process to follow up on compliance issues and recommendations, and it does not monitor and analyze tenant complaints in its operational reviews.

The Corporation completes operational reviews every three years for its largest housing authorities (e.g., Regina, Saskatoon) and every five years for other housing authorities (managing 100 units or more). The operational review monitors a housing authority's compliance with the Corporation's policies, along with monitoring social housing delivery under four perspectives: customer service, financial management, asset management, and business and governance. For example, it monitors wait times to place applicants in rental units as well as tenant perception of their home's condition, including timeliness of repairs and maintenance.

In 2022, the Corporation conducted an operational review of the Regina Housing Authority and reported the results to the Housing Authority and the Corporation's senior management in 2023. It plans to do another review in 2025–26.

[30] Over half of deferred maintenance for units in Regina relates to interior repairs (e.g., kitchen cabinets, flooring, painting).

4.9.1 No Established Benchmarks for Measuring Performance

Saskatchewan Housing Corporation does not include benchmarks for measuring the Regina Housing Authority's performance in its operational review report. The report included some documented analysis.

For example, the Corporation measured the wait time to place an applicant in a social housing unit in Regina. It found:

- Average wait of 55 days for an applicant with a point score of greater than 70 (i.e., high priority)
- Average wait of 99 days for an applicant with a point score of less than 70

The Corporation did not include benchmarks (e.g., expected timeframes) for the Regina Housing Authority to place applicants in a rental unit. However, we found the report provided some written analysis on the findings, noting wait times often correspond to an applicant needing to fulfill obligations related to a current lease or other matters that may delay their ability to move. In many instances, the wait time is tied to an applicant waiting for a unit located in a preferred area of the city or with a specific number of bedrooms.

The Corporation also does not set benchmarks to measure tenant satisfaction with repairs in their units. The operational review report for the Regina Housing Authority noted decreases in tenant satisfaction from the last operational review in 2017. The 2023 operational review report indicated 66% (2017: 76%) tenant satisfaction with the quality of completed repairs and 53% (2017: 64%) regarding the time taken to complete repairs. We found the operational review report did not include analysis of results other than noting satisfaction scores were among the lowest reported in the area over the last decade.

In addition, we found the operational review report did not include trend information. When the Corporation presented to the Regina Housing Authority Board in November 2023, the Board requested more information on how results compared to the last operational review in 2017 and how its tenant survey results compared to other large housing authorities (e.g., Saskatoon). The Corporation provided this information to the Housing Authority in April 2024. While the 2022 operational review did not include trend information, we reviewed a current operational review the Corporation conducted at another housing authority in 2024. We found that operational review contained trend information. Management indicated this type of information is now included in all operational reviews.

As shown in **Figure 13**, the average wait time to place an applicant in a rental unit in Regina increased to 55 days in 2022 for those applicants with a point score greater than 70 (high priority). Tenant satisfaction in Regina decreased compared to the 2017 results and is slightly worse than the other five large housing authorities.[31]

[31] The other five large housing authorities include Saskatoon Housing Authority, Prince Albert Housing Authority, Moose Jaw Housing Authority, Good Spirit Regional Housing Authority, and The Battlefords Regional Housing Authority.

Figure 13—Regina Operational Review Results (2022 and 2017)

Indicator	Measure	2022 Results	2017 Results	Other Five Large Housing Authorities' Results (Average)[A]
Wait time to place applicant in Housing Authority rental unit	Average wait time (days) for an applicant with a point score of greater than 70	55 days	38 days	N/A[B]
	Average wait time (days) for an applicant with a point score of less than 70	99 days	112 days	N/A[B]
Tenants' perception of the condition of their home	Satisfaction with the time taken to complete repairs	53%	64%	66%
	Satisfaction with the quality of completed repairs	66%	69%	77%
	Percentage of tenants who agree their unit is in good physical condition	71%	64%	73%

Source: Adapted from Saskatchewan Housing Corporation's *Operational Review Follow-up—Regina Housing Authority*.
[A] Average results from the Corporation's last operational reviews (between 2019 and 2021) at its other five large housing authorities (i.e., Prince Albert, Moose Jaw, Saskatoon, Battlefords, Good Spirit).
[B] The Regina Housing Authority Board did not request comparative results for wait time data.

Without setting and monitoring results against benchmarks in its operational review report, the Corporation may be unable to effectively assess whether the Regina Housing Authority meets expectations and takes action where necessary. This increases the risk of the Housing Authority not delivering appropriate services to social housing tenants.

5. We recommend Saskatchewan Housing Corporation set performance benchmarks for its social housing operational reviews of the Regina Housing Authority.

4.9.2 Lack of Follow Up on Compliance Issues and Recommendations

Saskatchewan Housing Corporation does not formally follow up with the Regina Housing Authority on compliance issues and recommendations outlined in its operational review report.

During an operational review, the Corporation may indicate compliance issues and make recommendations to help housing authorities improve their processes.

In its operational review of the Regina Housing Authority, the Corporation noted three compliance issues and two recommendations for the Authority (e.g., data entered in provincial IT system needs to be accurate and up to date, improve repair processes to improve tenant satisfaction). We found the Corporation did not formally follow up on either the issues or recommendations. Management indicated they met with the Authority to discuss the results of the operational review. The Corporation expects to implement requirements for the Housing Authority to document its action plans to address issues and recommendations from the operational review. It expects to implement this process in 2024–25.

Without having a formal process to follow up on compliance issues and recommendations, there is an increased risk of the Regina Housing Authority not taking timely action to improve its operations as expected by the Corporation, along with an increased risk of not delivering appropriate services to social housing tenants.

6. **We recommend Saskatchewan Housing Corporation require the Regina Housing Authority to develop action plans addressing issues and recommendations identified in its social housing operational reviews.**

4.9.3 Complaints Not Formally Monitored

Saskatchewan Housing Corporation and the Regina Housing Authority do not formally monitor complaints related to social housing.

Both the Corporation and the Housing Authority receive complaints (e.g., face-to-face, phone, email) about social housing. Management indicated complaints relate to different circumstances such as tenant complaints (e.g., pests, repairs/maintenance) or complaints about other tenants. However, we found neither the Corporation nor the Housing Authority track the complaints (e.g., in a spreadsheet) to analyze complaints received. From January 1, 2023, to April 30, 2024, management compiled tenant complaints for our audit and indicated the Corporation received 127 tenant complaints. It was unable to provide details (e.g., types, locations) on the tenant complaints.

Management noted the Corporation informally meets with the Housing Authority weekly to discuss operational matters, including following up on complaints received. They may also discuss complaints received by the Housing Authority that need to escalate to the Corporation.

In its operational review, the Corporation planned to monitor the number of pest complaints from tenants. However, we found it did not track this number in its 2022 operational review of the Regina Housing Authority. The report noted the Housing Authority actively manages pest complaints daily and performs inspections and remediations. Therefore, given the volume of this work, the Corporation did not collect the number of complaints related to pests received during the operational review period.

While we found the operational review did not report complaints related to maintenance and repairs, it did consider tenant feedback on maintenance and repairs (e.g., type of repair, satisfaction with the timeliness and quality of repairs).

Finally, the Corporation does not assess whether the Housing Authority resolves complaints timely.

Without monitoring and analyzing complaints (e.g., pests, repairs/maintenance), there is an increased risk of unresolved social housing complaints.

7. **We recommend Saskatchewan Housing Corporation enhance its monitoring and analysis of social housing tenant complaints in Regina.**

4.10 Further Analysis and Reporting About Building Conditions Needed

Saskatchewan Housing Corporation reports on progress made against some key goals and targets, but more work is required. The Corporation needs to analyze and report on progress made against its Facility Condition Index improvement target related to social housing.

In 2019, the Corporation signed a 10-year bilateral agreement with the Federal Government under the National Housing Strategy to protect, renew, and expand social and community housing across the province—including supporting Saskatchewan's priorities related to housing repair, construction, and affordability. Over the life of the agreement (2019–28), the Corporation agreed to achieve several goals relating to social housing (see **Figure 14**). It also sets yearly targets in *The Saskatchewan Housing Action Plan 2022–25*.

By 2023–24, we found the Corporation met two of the National Housing Strategy goals and continues to make progress in meeting the other two goals. We found the Corporation annually reports against the Strategy goals to the Federal Government as required.

Figure 14—Saskatchewan Housing Corporation's 2023–24 Results Relating to the National Housing Strategy Goals

National Housing Strategy Goal (by 2028)	Result at 2023–24
16,448 units continue to be offered in social housing, of which 12,813 will be available to address the needs of households with low incomes.	16,448 units offered; 12,813 units reserved for low-income households
No net loss of Indigenous Housing Units available to low-income households, and affordability of Units is maintained.	249 Indigenous housing units (no net loss)
Develop new and innovative ways to regenerate housing to contribute to a 15% expansion of rent assisted units (2,467) above the baseline number (16,448 units).	2,225 units
At least 20% of the baseline number of social and community housing units repaired (3,290 units).	2,965 units

Source: Adapted from information provided by the Saskatchewan Housing Corporation.

The Corporation had also set a target to increase the number of households housed in SHC-owned units across the province by 300 in 2023–24. This target equates to a 2% vacancy reduction rate—we found this target is comparable to other jurisdictions (e.g., Alberta strives to reduce its vacancies by 3% annually). Management indicated it expected to achieve this target by filling vacant social housing units. We found it provides the Ministry of Social Services' Executive Committee with quarterly updates on the target. The Ministry reported against this target in its 2023–24 Annual Report and noted the Corporation increased the number of households living in SHC-owned units by 270 new households being housed, including 114 units in Regina.[32]

The Corporation provides monthly vacancy reports for the Regina Housing Authority to its responsible Minister (i.e., Minister of Social Services). The monthly vacancy report includes information about the number of households on the approved applicant list (see **Figure 5**), in addition to vacancy-related data including the number of rentable units, vacant units

[32] The Ministry of Social Services noted this number captures the net change of move-ins and move-outs throughout 2023–24.

(vacancy rate), available units (availability rate), and out-of-service units (out-of-service rate)—see **Figure 10** for data at May 2024. We tested two monthly vacancy reports and found both reports contained the monthly vacancy rates, and the Corporation sent the reports to the Minister's Office as expected.

In addition, we found the Corporation provides its Board and Housing Management Committee with quarterly dashboard reports for the province. The reports include provincial and large housing authorities' vacancy rates, number of occupied units, availability rate, out-of-service units (number of units under major repair and not rent ready), trend information for lone parent families in social housing and non-senior single tenants in social housing, number of third-party rental units, as well as progress toward National Housing Strategy targets.

The Corporation also established a target to reduce the number of units with an FCI of critical or poor, but has not identified by how much—it has yet to start analyzing or reporting on it. As described in **Section 4.8**, its housing portfolio in Regina has an average FCI of 22.2% (i.e., poor).

Having more information and analysis on its FCI improvement target can help the Corporation identify issues and focus its efforts on buildings of highest need.

8. **We recommend Saskatchewan Housing Corporation expand analysis and reporting on progress made against its building conditions target related to social housing in Regina.**

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Chapter 13
Saskatchewan Public Safety Agency—911 Call Taking and Dispatching for Fire Emergencies

1.0 Main Points

911 call answering, call taking, and dispatching are critical so that people receive timely emergency response, as lives and infrastructure are often at risk.

We assessed the Saskatchewan Public Safety Agency's 911 call-taking and dispatching processes for fire emergencies. We focused on the Provincial Emergency Communications Centre (PECC), which serves as the emergency dispatching centre for fire emergencies across the province except for Regina and Saskatoon.

In Saskatchewan, 911 was called almost 600,000 times in 2023–24. Located in Prince Albert, PECC received just over 300,000 of those 911 calls. The Agency uses a service provider (CanOps) to operate PECC. The Agency paid CanOps $13.7 million in 2023–24.

At May 2024, we found the Saskatchewan Public Safety Agency had effective processes, except where it needs to:

- Set formal expectations for how quickly 911 fire calls are taken and dispatched to fire departments, and monitor the timeliness and quality of dispatch services.

  Our testing of 30 calls found 77% took more than 90 seconds to be taken and dispatched.[1] The ability to collect and share information with fire departments quickly and accurately affects response times. Monitoring the timeliness of 911 call-taking and dispatching services provided by CanOps can help identify and address shortcomings in fire emergency services.

- Expand its IT security requirements and monitor the availability of its 911 systems and data, including periodically testing disaster recovery plans.

  The Agency relies on the operability of 911 IT systems as an integral part of its public safety operations. If systems go down, an immediate impact on operations occurs. Call processing times—typically measured in seconds—can escalate to minutes, and can mean the difference between life and death.

  Properly securing IT systems and testing disaster recovery plans can mitigate and reduce the response time required by IT staff when cybersecurity incidents or disasters occur (e.g., massive outages, ransomware attacks).

- Periodically confirm whether 911 staff have appropriate training certifications.

  We found 32 instances where CanOps staff had expired certifications. The lack of formal certification poses risks to effectiveness in handling emergencies.

[1] National Fire Prevention Association standard expects 911 call processing (i.e., call taking and dispatching) completed within 60 seconds 90% of the time.

- Enhance financial oversight of the service provider's budget and spending.

  The Agency increased its funding to CanOps from $9.8 million in 2022–23 to $13.1 million in 2023–24. We found it requires further analysis of increased administrative positions the Agency now pays for, and the administration fee of $1.2 million paid to CanOps in 2023–24.

  Finally, the Agency requires timely quarterly financial reports from CanOps to confirm it incurred appropriate expenses for delivering 911 services on the Agency's behalf. Paying only for services required and monitoring funds are spent appropriately is good financial management and contributes toward effective use of public resources.

2.0 Introduction

This chapter outlines the results of our audit, for the period ended May 31, 2024, of the Saskatchewan Public Safety Agency's 911 call-taking and dispatching processes for fire emergencies.

The audit focused on the Provincial Emergency Communications Centre (PECC) in Prince Albert managed by a service provider (CanOps) contracted by the Agency. PECC serves as the emergency call-taking and dispatching centre for fire emergencies for all of Saskatchewan except for Regina and Saskatoon.[2]

2.1 911 Answering Points in Saskatchewan

The Saskatchewan Public Safety Agency is a Treasury Board Crown corporation created in November 2017 to streamline public safety services in Saskatchewan. *The Saskatchewan Public Safety Agency Act, 2019,* makes the Agency responsible for providing or coordinating emergency management services for Saskatchewan.

The Agency works in partnership with municipalities and First Nations to build the resilience and capacity for local communities to respond to emergencies such as fires and to improve the safety of Saskatchewan residents. Services include a province-wide emergency call taking (Sask911) system for police, medical, and fire emergencies; it's accessible 24/7.

The Sask911 system connects a person dialing the telephone digits 9-1-1 to emergency service providers through a public safety answering point (PSAP).[3] Three public safety answering points operate emergency 911 and dispatch services in the province, these include the cities of Saskatoon, Regina and Prince Albert. Saskatoon and Regina call centres operate within each city's police service. Prince Albert's PSAP is called the Provincial Emergency Communications Centre (PECC); this centre serves the entire province except for the cities of Saskatoon and Regina.

[2] Fire dispatch for the city of Saskatoon includes the cities of Warman, Martensville and the town of Dalmeny.
[3] *Saskatchewan Public Safety Agency 2023–24 Annual Report,* p. 4.

The Agency contracted the Canadian Public Safety Operations Organization (CanOps), a not-for-profit organization, to manage PECC in Prince Albert. The Agency paid CanOps $13.7 million in 2023–24.[4] PECC dispatches fire emergency calls to over 360 local fire departments throughout Saskatchewan.

2.2 Answering 911 Calls for Fire Emergencies at PECC

Provincial Emergency Communications Centre staff answer emergency 911 calls and, based on the information collected from the caller, transfer the call to an emergency dispatcher. In the case of fire emergencies outside of Regina and Saskatoon, PECC manages dispatch for fires. PECC 911 call takers and fire dispatchers work close together at the same call centre.

Following the National Emergency Number Association (NENA) standards, 911 call takers answer 911 calls from the public, while 911 dispatchers talk to emergency responders (e.g., fire department).[5]

The 911 telephone answering system tracks when the 911 call arrives at PECC and when the 911 call taker answers the call.[6] PECC fire dispatchers receive calls from a PECC 911 call taker (via a computer-aided dispatch [CAD] system not through a call transfer by the telephone answering system). Information collected from both a caller and responding fire department gets recorded in the CAD system.

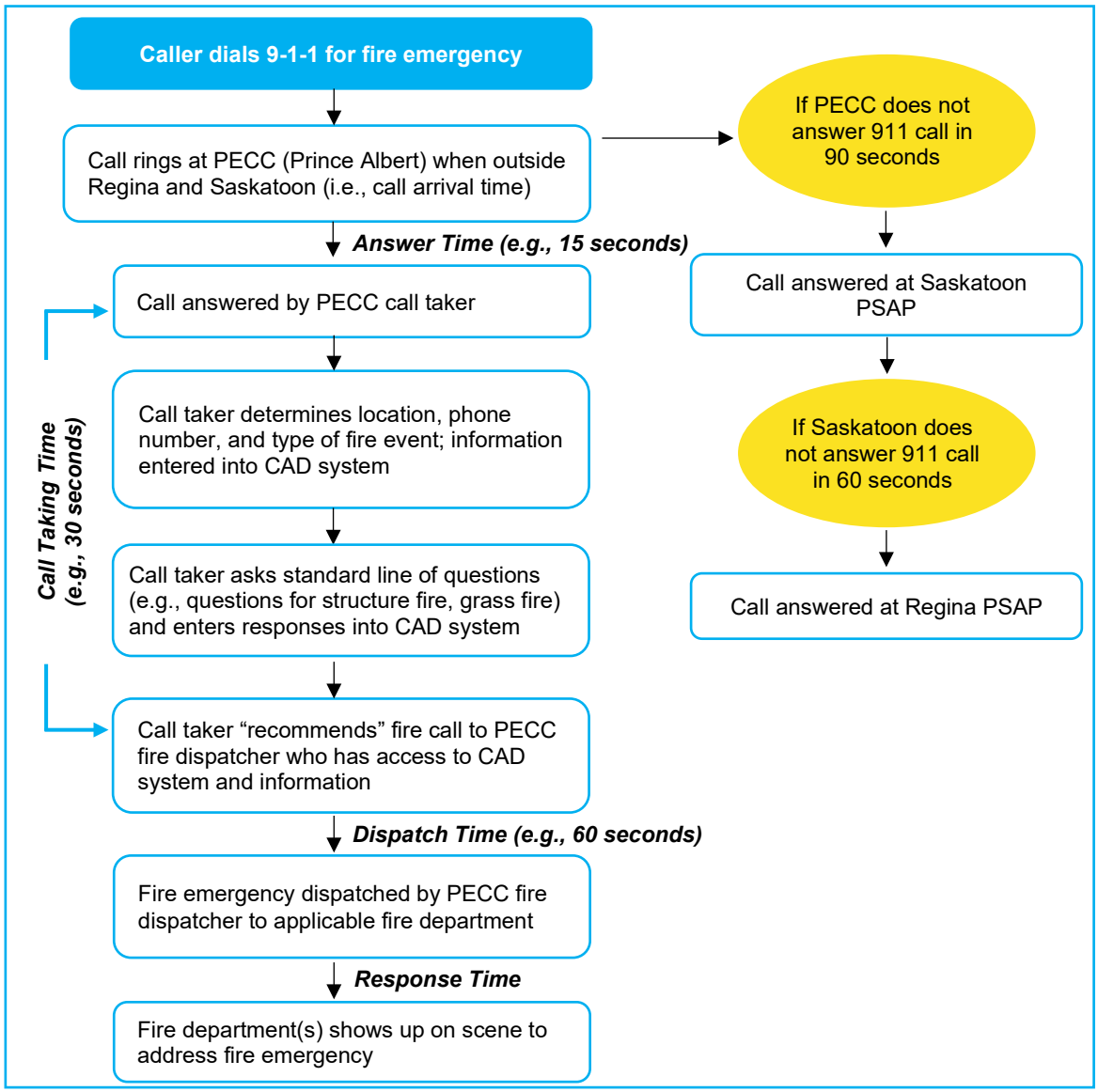
The dispatcher relays necessary information to a local fire department to respond to an emergency. Fire departments depend on the dispatcher for relevant, accurate and timely information to keep themselves and the public safe.

911 call-taking and fire dispatch services are a critical link between the public and emergency responders. Making certain that the appropriate responders arrive quickly during emergency situations helps to save lives and protect infrastructure.

See **Figure 1** for a summary of the call-taking, dispatch, and response steps at PECC for fire emergencies.

[4] *Saskatchewan Public Safety Agency 2023–24 Annual Report*, p. 28.
[5] NENA is a non-profit professional organization in the United States focused on 911 operations, technology, education, and policy issues. NENA standards are developed by public safety and industry volunteers who commit their time, knowledge, and experience to enhancing access to 911 and emergency response services.
[6] An external data centre provider hosts and manages the telephone answering system.

Figure 1—911 Call Answering, Call-Taking and Dispatching Process at Provincial Emergency Call Centre (PECC)



Source: Based on information provided by Saskatchewan Public Safety Agency as of May 2024. In June 2024, 911 phone systems changed and calls not answered by PECC are now sent to Saskatoon PSAP in 60 seconds (not 90 seconds).
CAD: Computer-Aided Dispatch
PSAP: Public Safety Answering Point

2.3 Importance of 911 Call Taking and Dispatching

In Saskatchewan, 911 was called almost 600,000 times in 2023–24, up 8.25% from 2022–23. The Provincial Emergency Communications Centre 911 calls in 2023–24 accounted for over 300,000, just over 50% of the provincial total.[7]

Call answering, call taking, and dispatching are critical so people receive timely emergency response as lives and infrastructure are often at risk.

[7] *Saskatchewan Public Safety Agency 2023–24 Annual Report*, p. 13.

The Saskatchewan Public Safety Agency has set expectations for timely 911 call answering. In line with NENA standards, the Agency expects to answer 90% of all 911 calls within 15 seconds and 95% of all 911 calls answered within 20 seconds. In emergency response, every second matters.

Availability of the 911 telephone answering and CAD systems is critical to support timely response, appropriate assessment, and proper information sharing of fire emergencies.

For example, in July 2024, certain 911 services across the United States were disrupted due to a flawed software update for Microsoft Windows operating system issued by the cybersecurity firm, CrowdStrike. The inability to call for help in an emergency can increase risks to health and safety.

In a fire emergency, not responding quickly increases the risk of loss of life, property damage, fire spread, and environmental impact.

The Agency must have effective processes to ensure 911 fire emergency calls are answered and dispatched timely to maintain public safety, protect infrastructure, and help minimize damage caused by fire. This includes adequately monitoring contracted service providers to ensure expectations are met.

3.0 Audit Conclusion

We concluded, for the period ended May 31, 2024, the Saskatchewan Public Safety Agency had, other than the following areas, effective processes for call taking and dispatching of fire emergencies. The Saskatchewan Public Safety Agency needs to:

- **Expand its IT security requirements and monitoring to safeguard the continued availability of its 911 systems and data**
- **Establish and periodically test its disaster recovery plans for critical 911 systems**
- **Set formal expectations and monitor how quickly 911 fire calls are taken and dispatched to fire departments**
- **Enhance its 911 quality assurance program to include dispatch services**
- **Periodically confirm whether 911 staff have appropriate training certifications**
- **Rationalize the necessary level of service provider staff required for the Provincial Emergency Communications Centre and determine eligible expenses for the administration fee paid to its service provider**
- **Obtain and review quarterly financial reports from its service provider to confirm appropriate expenses are incurred**

Figure 2—Audit Objective, Criteria, and Approach

Audit Objective:

To assess, for the period ended May 31, 2024, the effectiveness of the Saskatchewan Public Safety Agency's 911 call-taking and dispatching processes for fire emergencies.

We focused our audit on the Provincial Emergency Communications Centre (PECC) in Prince Albert managed by a service provider contracted by the Agency, which serves as the emergency dispatching centre for fire emergencies for all areas of Saskatchewan except for Regina and Saskatoon.

Audit Criteria:

Processes to:

1. **Plan for timely emergency fire call-taking and dispatch services**
   - Educate the public about when to call Sask911
   - Maintain Sask911 call-taking and fire dispatch service expectations (e.g., call processing metrics)
   - Allocate sufficient resources to answer and dispatch PECC Sask911 calls (e.g., trained staff, adequate agreement with service provider)
   - Maintain availability of Sask911 and dispatch systems (e.g., no service interruptions, tested disaster recovery plans)
2. **Dispatch fire responders timely (through PECC)**
   - Use standardized protocols and procedures for PECC Sask911 fire calls
   - Appropriately prioritize PECC Sask911 fire calls (e.g., emergency vs. non-emergency)
   - Answer and dispatch PECC Sask911 fire emergencies in a reasonable timeframe (including follow up of abandoned calls)
3. **Continuously improve emergency fire call-taking and dispatch**
   - Analyze the quality and timeliness of PECC Sask911 call-taking, dispatch, and response (e.g., sufficient service provider monitoring and reporting)
   - Take corrective action (e.g., quality improvement processes)
   - Address complaints
   - Report results 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 Saskatchewan Public Safety Agency's processes, we used the above criteria based on our related work, review of literature including reports of other auditors, and consultations with management. Agency management agreed with the above criteria.

We examined the Agency's policies, procedures, and operational protocols for 911 service delivery, service-provider contracts, reports, and other key documents related to call-taking and dispatching processes for fire emergencies. We assessed the Agency's controls related to securing IT systems used in call taking and dispatching. We also interviewed key Agency staff and tested a sample of Sask911 calls to assess the timeliness for answering, dispatching, and response. In addition, we used independent consultants with subject matter expertise to help us identify good practice and assess the Agency's processes.

4.0 Key Findings and Recommendations

4.1 Contractual Agreement with 911 Service Provider Lacking Key Requirements

The agreement between the Saskatchewan Public Safety Agency and its 911 service provider in Prince Albert is lacking a key performance indicator for call taking and dispatching, key IT security requirements, and has certain clauses not typical in government contracts.

The Agency contracted the Canadian Public Safety Operations Organization (CanOps) to provide 911 call-taking and dispatch services within the Provincial Emergency Communications Centre (PECC) in Prince Albert in March 2018. The contract is set to

terminate in March 2028, with the option to renew for another five years. The Agency maintains standard operating protocols to convey operational standards expected of public safety answering points, including PECC. We found these standard operating protocols were up to date.

An effective service agreement outlines clear expectations, responsibilities, and deliverables for both parties involved in the service relationship. Clear expectations help prevent misunderstandings and disputes and safeguard both parties. An effective agreement should also set out which service expectations will be monitored—often called key performance indicators—and each indicator should specify a performance standard which the service provider must meet.

Under the service agreement, CanOps provides employees, management, and IT resources to support delivery of 911 call taking (for fire, police, and ambulance) and fire dispatch services. CanOps also provides dispatch for enforcement services (e.g., conservation officers) and the Prince Albert Police Service.

Our review of the service agreement found certain key aspects missing. These key aspects should be included in either the agreement or standard operating protocols (referred to in the agreement).

IT Security Requirements and Monitoring

The current agreement with the service provider has significant deficiencies related to IT security requirements.

The Saskatchewan Public Safety Agency relies on the operability of a robust computer-aided dispatch (CAD) system as an integral part of its Sask911 operations; CanOps manages this CAD system.

Agency management receives some monthly IT reporting from CanOps about service desk activity, as well as scheduled and unscheduled outages. The reports do not provide insight into how quickly CanOps completed IT service requests compared to service expectations. We found the agreement with CanOps lacks specific provisions for detailed reporting, cybersecurity measures, incident response planning, change management, asset management, and access control. **Figure 3** describes the risks associated with these specific provisions being undefined.

Figure 3—Risks Associated with Lacking IT Security Requirements

Key Aspect of IT Service Agreement Missing	Associated Risk
Detailed Reporting	Missing critical information on IT system performance, incidents, and risks.
Cybersecurity Measures	Systems and data inadequately secured (e.g., patches not applied in a timely manner, vulnerability scanning not identifying points of weakness). Unpatched systems contain known vulnerabilities prone to exploitation.
Incident Response	Lack of response planning and testing to prepare for and manage the consequences of cyber events.
Change Management	Changes to IT systems may be inappropriately executed, increasing the risk of an adverse effect on the integrity and availability of IT systems and data.

Key Aspect of IT Service Agreement Missing	Associated Risk
Asset Management	Lack of centralized inventory for physical and software assets increases the risk of being unaware of potential points of attack. Accurate asset management is also an essential foundation for patch and vulnerability management.
Access Control	Inappropriate access may be granted. Compromised user accounts may go undetected and allow unauthorized access to systems and data.

Source: Office of the Provincial Auditor of Saskatchewan.

CanOps uses the CAD system to compile essential information for the dispatcher and emergency responders (e.g., fire departments). CAD integration and mapping systems let 911 dispatchers know the location of the caller as well as whether the call came from a mobile phone or landline. Additionally, the CAD system can determine which fire departments are closest to the emergency and available to respond.

If the CAD system fails, emergency operations are immediately impacted. Call-taking times typically measured in seconds can escalate to minutes as 911 call takers must resort to manual methods to collect appropriate information from a caller and contact the fire department. When public safety is at risk, timely and informed decisions may save lives, making the role of technology paramount.

The Agency owns all the IT software and hardware at PECC, including the CAD system, and CanOps manages the IT network and systems on the Agency's behalf.

Formal expectations between the Agency and CanOps should be updated to reflect enhanced requirements for cybersecurity, incident response, change management, asset management, and access control. Once established, these enhanced requirements must be implemented and monitored by Agency senior management. For example, vulnerability scanning should be done regularly to identify and remediate security weaknesses, and the Agency should receive related reports. This will enable Agency senior management to effectively monitor IT security and respond to cyber threats proactively.

Strengthening and implementing IT security requirements will enhance the overall IT security and operational integrity of PECC.

1. **We recommend the Saskatchewan Public Safety Agency expand its IT security requirements and monitoring to safeguard the continued availability of its 911 systems and data.**

Further, we found the Agency and CanOps do not have a formal incident response plan or disaster recovery plans.[8] There are business continuity plans in place (one each for the Agency and CanOps), although the plans are not up to date, coordinated, or tested regularly. The business continuity plans do not outline detailed steps to restore data, equipment, or key systems after a disaster.

A general incident response plan or disaster recovery plan can reduce the response time required by IT staff when cybersecurity incidents or disasters occur (e.g., massive outages, ransomware attacks).

[8] Incident response plans are a type of disaster recovery plan focused on cybersecurity threats to IT systems.

Organizations that prepare for adverse events like cyberattacks, or unavailable critical IT systems, are less likely to suffer severe impact. Disaster recovery testing verifies plans can be implemented successfully and critical IT systems, like the 911 telephone answering system and CAD system, can be restored after a disruption. If a disaster recovery plan to restore 911 services does not work as expected, it can lead to extended periods of downtime that may compromise lives.

Without tested disaster recovery plans, the Agency may be unable to restore its critical IT systems, like its CAD system, in a timely manner in the event of a disaster.

2. We recommend the Saskatchewan Public Safety Agency establish and periodically test disaster recovery plans related to critical 911 systems.

We found the Agency established redundancy processes for answering 911 calls. All three PSAPs (Regina, Saskatoon, and Prince Albert) provide roll over and redundancy for each other (e.g., answer 911 calls when unanswered at another PSAP).

Key Performance Indicators

The Saskatchewan Public Safety Agency does not have a targeted timeframe formally communicated in its agreement with CanOps for fire call taking and dispatching, which is a key performance indicator for emergency communications centres.

Good practice indicates agreements should contain key performance indicators and targets to measure progress toward achieving expected results. The agreement between the Agency and CanOps does have several performance indicators outlined and reported on, including the number of 911 calls answered and how quickly; how many 911 calls were dropped (never answered); and the number of calls answered by Regina and Saskatoon PSAPs instead of PECC. However, the agreement is missing a key performance indicator related to how quickly 911 calls are taken and dispatched.[9]

Our review of an Association of Public-Safety Communications Officials' effective practices report indicated at minimum, a provincial emergency communications centre should establish and monitor the following performance requirements (i.e., key performance indicators):[10]

- Call-taking time
- Dispatch time, or
- Combined call-taking and dispatch time

[9] The Saskatchewan Public Safety Agency requires an explanation for more than 10 calls that automatically rolled over and were answered by another PSAP when PECC did not answer the call. Our testing of five weeks of calls found one week where CanOps exceeded this threshold and provided explanations why (e.g., due to staffing shortage).

[10] Association of Public-Safety Communications Officials (APCO) is a voluntary, not-for-profit organization dedicated to the enhancement of public safety communications. apcointl.org.

Given the current internal processes at PECC, we would reasonably expect the Agency to set a combined call-taking and dispatch time for fire emergencies.[11] This would allow CanOps and the Agency to evaluate operational effectiveness and address shortcomings.

The lack of a fire dispatch-time target may result in delays in dispatching emergency responders thereby impacting public safety, as well as affecting the Agency's ability to make appropriate resource decisions.

3. **We recommend the Saskatchewan Public Safety Agency formally set a timeliness target for call taking and dispatching 911 fire calls to fire departments and monitor success in reaching the target.**

See **Section 4.2** for further details on whether 911 calls related to fire emergencies are actually taken and dispatched in a timely manner.

Clauses Not Typically Seen in Other Government Agreements

The service agreement between the Saskatchewan Public Safety Agency and CanOps includes clauses not typically seen in other government agreements.

We assessed the Agency's agreement compared to some other government agreements and found:

- CanOps is required to provide audited financial statements to the Agency six months after year end. Often, we find audited financial statements are provided to government agencies within four months (120 days) of year end.
- No right to audit clause. In other government agency agreements when using a service provider, the agreement specifies that the government agency may conduct a review or audit of the services and financial records, and the service provider agrees to cooperate with the agency.
- Termination notice of 365 days. Other agreements usually utilize 60–90 days.
- Length of the agreement is 10 years. Typically, government agreements extend to five years with a renewal option.

We suggest the Saskatchewan Public Safety Agency consider revisiting these clauses when it updates its agreement with its service provider.

Overall, the lack of a robust service agreement may result in misunderstandings, increasing the risk 911 services are not delivered effectively and public safety expectations are not met.

[11] The Saskatchewan Public Safety Agency is unable to distinguish how much time it takes for a 911 call taker to answer a call and for the 911 fire dispatcher to dispatch a call at PECC as there is not a separate telephone system transfer between the call taker and dispatcher. Therefore, assessing a combined time would be necessary.

4.2 911 Fire Calls Not Always Taken and Dispatched Timely

The Saskatchewan Public Safety Agency requires timeliness targets for taking and dispatching 911 fire calls and needs to monitor whether those targets are met. Certain fire emergency calls we tested took longer than expected to be taken and dispatched.

Informally, CanOps expects Provincial Emergency Communications Centre 911 call takers to transfer calls to dispatchers within 30 seconds and fire dispatchers to dispatch fire calls within 60 seconds (for a total of 90 seconds). Our review of good practice found the National Fire Prevention Association standard indicates 90% of 911 call processing (i.e., call taking and dispatching) completed within 60 seconds.[12] The agreement between the Agency and CanOps references the National Fire Prevention Association standards, but does not include a specific target for taking and dispatching 911 fire calls.

We tested 30 dispatched fire emergency calls to assess timeliness of the call taking and dispatch. We found PECC:

- Dispatched calls within the CanOps expectation of 90 seconds for seven calls (23% of calls tested)
- Took between 90 seconds and 5.5 minutes to dispatch 23 calls (77%)

The ability to collect and share information with emergency responders (fire departments) quickly and accurately can affect response times. See **Recommendation 3** about the Agency setting and monitoring a key timeliness performance target for taking and dispatching 911 fire calls to fire departments. Timeliness results compared to the target should be reported periodically to Agency senior management, so lengthy dispatch times can be assessed and addressed.

Monitoring the timeliness of 911 call-taking and dispatching services provided by CanOps may identify ways to improve fire response times and make emergency services more efficient, which may reduce the risk of infrastructure and environmental damage caused by fire or loss of life. Agency management indicated it plans to review 911 fire services in 2024–25, which it anticipates will identify process improvements to make fire emergency services more effective.

For the 30 fire emergency fire calls tested, we also assessed how long the fire department took to acknowledge the fire emergency calls after dispatch. The relevant fire department acknowledged 21 calls (i.e., 70% of calls tested) within five minutes. After five minutes, the PECC 911 dispatcher starts calling other possible contact numbers for the fire department (e.g., fire chief mobile phone number).

[12] The National Fire Prevention Association is a global, non-profit organization that promotes safety standards, education, training, and advocacy on fire and electrical-related hazards.

One call we tested took more than 12 minutes. We found delays were often associated with volunteer fire departments. In some cases, the fire department did not contact PECC to acknowledge the call when they were already enroute to the fire emergency. Dispatching emergency responders to a fire quickly makes for both a safer and more effective response.

CAD integration across the province could increase call-taking and dispatching efficiencies through data integration between CAD systems. Otherwise, 911 dispatchers are often asking the same questions already asked by 911 call takers. Agency management indicated it plans to continue to expand CAD integrations.

4.3 Emergency 911 Fire Calls Answered Timely

The Saskatchewan Public Safety Agency has set an expectation for answering 911 fire calls timely, and CanOps is meeting it.

The Agency refers to the National Emergency Number Association (NENA) 911 call answering standard in its policy, which is shared with its service provider (CanOps).[13] The NENA standard expects 911 call takers to answer 90% of all 911 calls within 15 seconds and 95% answered within 20 seconds.

We tested 30 fire emergency 911 calls to the Provincial Emergency Communications Centre from January 2023 to May 2024. We selected calls from various fire categories including structure fires, vehicle fires, train fires, and grass fires. We found call takers answered all 911 calls within the expected 15 seconds. Our findings were consistent with the Agency's reports generated from the 911 telephone answering system.

The Agency's 911 telephone answering system is able to track the point at which the call is received at the Prince Albert PSAP and the point at which the phone is answered by the 911 call taker. The Agency monitors the 911 answering times for all three PSAPs on a monthly basis. See **Figure 4** for results for the Prince Albert PSAP from January to April 2024.

Figure 4—Percentage of 911 Calls Answered in 15 Seconds at the Prince Albert PSAP from January 2024 to April 2024

January 2024	February 2024	March 2024	April 2024
98%	98%	98%	97%

Source: Saskatchewan Public Safety Agency call-answering tracking sheet. May 2024 not yet compiled.

According to the Agency's annual report, in 2023–24, all three Sask911 PSAPs answered 911 calls within 15 seconds 93% of the time and answered calls within 20 seconds 95% of the time. Both measures meet industry standards (i.e., NENA standard).[14]

Having a key performance indicator and target for answering 911 calls helps CanOps to measure and the Agency to monitor whether call takers answer 911 calls in a timely manner.

[13] NENA is a non-profit professional organization in the United States focused on 911 operations, technology, education, and policy issues.
[14] *Saskatchewan Public Safety Agency 2023–24 Annual Report*, p. 15.

In June 2024, the Agency indicated it plans to implement NG911 (Next Generation 9-1-1), which is an Internet Protocol (IP)-based communications system. NG911 gives PSAPs the ability to receive 911 communications through text messages, and receive video footage and photos. NG911 also provides emergency location tracking directly from a smartphone. The implementation date of these features has yet to be determined nationally.

4.4 Standard Protocols Followed for 911 Fire Call Taking

The Saskatchewan Public Safety Agency utilized appropriate standard protocols and procedures for 911 fire call taking that supports obtaining consistent and relevant information from callers about fire emergencies.

The Agency uses a set of standard fire protocol questions for each different fire emergency to determine the nature of the fire incident. We found protocol questions align with good practice. The Agency prioritizes every fire call as an emergency with a few exceptions (e.g., certain carbon monoxide detector calls, controlled burn calls).[15]

Fire protocol questions are programmed into the CAD system. The system prompts Provincial Emergency Communications Centre staff on which questions to ask callers based on the type of fire incidents. There are over 80 types of fire incidents (e.g., shed, grass, forest, building, vehicle, boat). Typical fire call-taking questions about a structure fire include:

- Do you see flames or smoke?
- What type of building is involved?
- How many floors or storeys are there?
- Are there people trapped inside the building (how many, location)?
- Where is the fire/smoke?
- Is anyone injured (how many)?
- Are there any hazardous materials inside?

The call taker records the caller's answers in the CAD system so the fire dispatcher can communicate these details to the fire department. Providing appropriate and detailed information to fire departments allows them to be ready to prepare and respond appropriately when they arrive on scene at the fire.

A voice recording of every 911 call is also retained at PECC, which provides a verifiable record of the incident and the call taken. We listened to a sample of recordings to confirm the appropriate questions were asked in a calm manner and to verify accurate information was recorded in the CAD system.

We tested 10 fire emergency call recordings and found PECC call takers handled each call as expected by asking the caller the standard questions required to relay appropriate information to the fire departments in eight of the 10 calls. For the other two calls, the call taker handled the calls reasonably as they were non-routine callers (i.e., call from a child, call from a passerby not at fire scene).

Having standard protocol questions for varying fire emergencies, promotes call takers gathering consistent and appropriate information to relay to responding fire departments.

[15] A controlled burn is the practice of intentionally setting a fire for land management and fire prevention. Agricultural landowners are expected to report the start and conclusion of controlled burns so 911 call takers are aware of those fire locations.

4.5 Abandoned 911 Calls Tracked and Followed Up

The Saskatchewan Public Safety Agency appropriately tracked and followed up on abandoned 911 calls.

We found the Agency has a specific guideline for responding to abandoned 911 calls. An abandoned call is one where the caller hangs up after dialing 911 but before speaking to a call taker. The policy requires Provincial Emergency Communications Centre staff to call the phone number back. If PECC staff determine the caller may be in danger, they contact the police.

We reviewed five abandoned calls and found in three instances PECC staff called the number back and determined whether there was an emergency. One instance involved a fire alarm in a school and staff transferred the call to the police to investigate. The other two abandoned 911 calls were not called back because they were obvious misdials as the 911 call taker could hear the callers walking around and talking in the background.

Prank calls are traceable and can be investigated by the Agency. We also observed PECC staff can track the number of times they receive abandoned calls from a certain phone number. If the calls become a nuisance from the same phone number, they refer that phone number to the police.

We also reviewed the Agency's five-year trend report to determine trends in abandoned calls as a percentage of total 911 calls at PECC from 2019–23. We found abandoned calls accounted for 18% of all 911 calls in 2019, 16% in 2022, and 18% in 2023. Typically, 15% of 911 calls at emergency communications centres are abandoned; the Agency's percentages are comparable.

The Agency continually educates the public about proper use of 911 and what constitutes a real emergency (see **Section 4.10** for further details) to reduce abandoned 911 calls.

4.6 Quality Assurance Program Requires Broadening

The Saskatchewan Public Safety Agency needs to broaden its quality assurance program and ensure quality assurance evaluators complete quality assurance assessments fairly and consistently. The results from the broader quality assurance program should be reported to Agency senior management.

The Agency's quality assurance program monitors the quality of 911 calls taken and the timeliness of 911 calls answered, but it does not monitor the quality of 911 calls dispatched or the combined timeliness of the calls taken and dispatched. See **Section 4.2** about the need for the Agency to evaluate the timeliness of 911 call taking and dispatch.

The Agency has a quality assurance policy for the Provincial Emergency Communications Centre and a quality unit within CanOps randomly monitors 911 calls taken (including fire emergency calls); however, it does not conduct quality assurance assessments on fire dispatch.

The Agency's quality assurance policy outlines criteria for CanOps staff to use for quality assurance monitoring. The quality assurance unit within CanOps evaluates about 20 calls randomly selected per day (approximately 2% of total 911 calls received). All PECC call takers are also monitored, whether full time or temporary.

At present, the CanOps quality assurance unit listens to 911 calls daily recorded by voice-recording software, but does not review the CAD system documentation. Listening to the voice recordings as well as comparing them to the system documentation can help identify gaps between what was said and actions taken by the call taker.

The quality assurance unit at CanOps is made up of one independent staff member who is not a PECC supervisor or manager. We found the quality assurance unit staff member did not have training certifications outlined in **Section 4.7**, and therefore may not be appropriately qualified to undertake quality assurance evaluations. Evaluators need to be properly trained, independent, and periodically assessed to ensure they evaluate calls consistently, fairly, and equitably. For example, CanOps or Agency management may want to select and evaluate at least one 911 call taken and dispatched, then ask the quality assurance evaluators to do the same. If any significant differences in the evaluations result, management should then discuss and rectify any discrepancies.

The Agency provides a call evaluation form that the CanOps quality assurance unit completes. The form includes interview questions, telephone protocols/skills (e.g., remain calm) and ratings assigned for each call reviewed. Calls exceeding a 90% call-rating score are considered compliant with call-taking protocols.

Interview questions listed on the evaluation form confirm whether a call taker asked the caller the following:

- Incident address
- Caller's telephone number
- Main complaint (e.g., house on fire)

We found CanOps provided detailed results of the evaluations to call takers and their supervisors, and summary results to Agency management monthly (showing the percentages of compliant and non-compliant calls). From January to December 2023, the report conveyed a 98% or better compliance rate; the Agency received no details from CanOps about actions taken to address non-compliance.

Broadening the Agency's 911 quality assurance program will not only provide insight into the quality of 911 communications for Agency senior management, but also will support service improvements.

4. We recommend the Saskatchewan Public Safety Agency broaden its 911 quality assurance program to include dispatch services.

4.7 Monitoring Required to Confirm All 911 Staff Have Valid Training Certifications

The Saskatchewan Public Safety Agency is not sufficiently monitoring whether 911 staff have valid training certifications.

The Agency has a policy requiring training for all 911 call takers and supervisors. CanOps delivers certain training in-house and staff receive other training online through the Association of Public-Safety Communications Officials (APCO). CanOps has three certified APCO instructors at the Prince Albert PSAP who conduct in-house training.

The Agency's policy requires every 911 fire dispatcher to have the following training:

- APCO Public Safety Telecommunicator training (about 40 hours)
- APCO Fire Communications training (about 40 hours)
- Sask911 Map training (about 40 hours)
- Emergency Fire Dispatch training (about 20 hours)
- ProQA (answering/questioning protocol tool) training (about 8 hours)
- On the job training on Sask911 Standard Operating Protocols and operating systems (about 2–3 months)

Recertifications are required every two years. We tested the certifications of six PECC fire call-taking staff and found:

- Three staff had current and valid certifications
- Three staff did not have current certifications (two expired in 2023 and one in 2022)

We also assessed the staff-training tracking sheet maintained by CanOps and found 32 instances where CanOps staff had expired certifications. In addition, one staff's training information was not current in the tracking sheet.

While uncertified fire dispatchers may possess some skills and experience, the lack of formal certification poses risks to both their effectiveness in handling emergencies and the overall safety and efficiency of emergency response operations.

5. **We recommend the Saskatchewan Public Safety Agency periodically confirm whether 911 staff at the Provincial Emergency Communications Centre have appropriate training certifications.**

4.8 Improved Financial Oversight of Service Provider Budget and Spending Needed

The Saskatchewan Public Safety Agency has not rationalized the necessary number of staff needed to support the budgeted amount paid to its service provider, CanOps. Also, the Agency did not obtain and assess quarterly financial reports from CanOps during 2023–24.

According to the Agency's annual report, it paid CanOps $13.7 million in 2023–24 (2022–23: $9.6 million).[16]

We found Agency senior management approves CanOps' submitted budget annually, but not timely. The Agency did not approve the 2023–24 budget request until November 2023, well beyond the start of CanOps' fiscal year (April 2023). We also found the Agency had not yet approved the 2024–25 budget for CanOps at June 2024.

Good practice in financial management is to establish and approve budgets before the start of each fiscal year.

We reviewed the CanOps 2023–24 budget request and found CanOps outlined a line-by-line budget summarizing staff required to operate PECC on behalf of the Agency each year. The budget request also included variance explanations for any significant changes (e.g., requested budget increases). The Agency does not document whether it identified issues with requested funding or how it resolved such issues.

As shown in **Figure 5**, the number of PECC staff required according to the 2023–24 budget request increased by 20.75 full-time equivalent staff (or 23%) from the prior year. By comparison, the 2023–24 approved budget funding for CanOps increased by $3.3 million or 34%.

We also assessed the volumes of 911 calls received by PECC in 2023–24 (as shown in **Figure 5**) and found they increased by 9%. The total increases in budgeted funding and staffing levels for PECC do not appear completely supported by a proportionate increase in call demand. We do acknowledge salary budget increases may be a result of economic increases as well as increased staffing levels. A detailed review of the 2023–24 budget also showed the Agency paying for some new administrative positions (financial analyst, client support manager, administrative assistant).

Figure 5—Total CanOps Budget, PECC FTE Staff, and 911 Calls Received by PECC

	2021–22	2022–23	2023–24	2024–25
Total Budget to Be Paid to CanOps	$9,427,400	$9,819,100	$13,190,862	$13,968,400[A]
Total PECC FTE Staff	87.35	90.35	111.1	110.4
Total 911 Calls Received by PECC	288,319	281,661	307,919	Not Available

Source: Budget and FTE staff based on financial reports provided by the Saskatchewan Public Safety Agency. 911 calls based on the Saskatchewan Public Safety Agency's 2023–24 annual report.
FTE: full-time equivalent
[A] 2024–25 Budget submitted by CanOps was not approved by the Saskatchewan Public Safety Agency as of June 2024.

[16] *Saskatchewan Public Safety Agency 2023–24 Annual Report*, p. 28.

The Agency did rationalize the optimal level of staffing required to operate PECC (e.g., call takers, dispatchers, supervisors) in 2022. The analysis considered the expected call volumes and the average call-handling time. This resource analysis indicated the need to increase PECC operational staffing levels (e.g., call takers and dispatchers). The analysis did not outline the rationale for additional administrative positions (e.g., financial analyst).

The Agency not rationalizing PECC staffing levels increases the risk it is paying for unnecessary staffing positions for 911 services.

6. **We recommend the Saskatchewan Public Safety Agency rationalize the necessary level of Provincial Emergency Communications Centre staff to support funding approvals for its service provider.**

The Agency also approves an annual administrative fee paid to CanOps each year as part of the approved budget request. This administrative fee increased from $547,000 in 2021–22 to $1.2 million in the 2024–25 budget request. The budget request provided to the Agency from CanOps does not provide any detailed information as to what this fee is used for in regard to PECC (i.e., what expenses the fee covers). The Agency had not approved the 2024–25 budget for CanOps at June 2024.

According to its 2022–23 audited financial statements, CanOps generated $1.2 million in other revenue from sources outside of Agency funding. Without the Agency sufficiently scrutinizing what the administration fee is used for, there is an increased risk that Agency funding for public safety communications is used for other non-Agency programs by the service provider.

The Agency needs to formalize expectations for what costs it considers eligible for the administrative fee provided to CanOps. Otherwise, there is a risk public money is not used for intended purposes.

7. **We recommend the Saskatchewan Public Safety Agency determine eligible expenses for the administration fee it pays to the Provincial Emergency Communications Centre service provider.**

We also found the Agency did not obtain and assess quarterly financial reports from CanOps during 2023–24.

Under the Agency's service agreement, CanOps is required to provide quarterly financial reports detailing budgeted and forecasted revenues, expenses, net profit or loss, along with variance analysis. Without receiving such financial information, Agency senior management may not know about any budget overages and not address them in a timely manner.

Further, CanOps does not have to provide audited financial statements to the Agency until six months after year end (September 2024), so as of June 2024, the Agency does not know whether CanOps exceeded the approved 2023–24 budget. CanOps did exceed the approved budget in 2022–23 by $233,000 and the Agency provided additional funding to cover the overage in 2023–24.

Under the service agreement, CanOps is required to report to the Agency any expenditures in excess of budget at the time anticipated. The Agency did not receive any such notifications of budget overages or surpluses during 2023–24.

Without timely, periodic financial reports from CanOps, there is an increased risk budget overages may occur requiring future Agency funding, rather than identified and mitigated earlier.

8. **We recommend the Saskatchewan Public Safety Agency obtain and review timely quarterly financial reports from the Provincial Emergency Communications Centre service provider to confirm appropriate expenses are incurred for delivering 911 services.**

4.9 Complaints about 911 Fire Calls Evaluated

The Saskatchewan Public Safety Agency formally logs complaints and inquiries about 911 services provided at the Provincial Emergency Communications Centre and responds to complaints in a timely manner.

The Agency maintains a complaints policy. The policy states the Agency is responsible for public and client (e.g., fire department) consultations and/or complaints regarding service delivery, contracts, investigations, and inquiries related to PECC. Complaints involving the service provider (CanOps) are discussed and followed up with the support of the service provider, as required.

Complaints/inquiries may come through email or phone. All complaints/inquiries and related responses are tracked in a ticketing system, assigned, and closed once complete.

Our review found many of the fire-related complaints involved fire boundaries (may affect who pays for a fire emergency response), dispatch concerns, or call transcript requests.

We assessed two logged complaints related to 911 fire services. In both cases, the Agency investigated the complaint and provided a response, the investigation support aligned with the details of the log; staff sent the response in a timely manner (less than a month later).

Investigating complaints from the public and clients as well as responding timely and consistently helps identify process improvements needed and supports fair treatment of complainants.

4.10 Public Education Initiatives about 911 and Fire Safety in Place

The Saskatchewan Public Safety Agency uses a formal education strategy and engages the public through its Facebook page and website about appropriate use of 911 and fire safety.

The Agency has a *Public Education Strategy 2022–2026,* which strives to increase fire safety awareness and emergency preparedness within urban, rural and First Nations communities. The strategy includes safety presentations at various locations (e.g., schools, libraries, community centres) about fire and 911 using a variety of tools (e.g., presentations,

brochures, fridge magnets). We found, in 2023, the Agency visited over 40 locations and connected with over 1,250 students.

The Agency provides emergency information on fridge magnets to help children in rural or remote communities describe their area to dispatchers (e.g., directions from a landmark).

The Agency did see an increase in unintentional 911 calls with new emergency 911 settings on smartphones in 2023. Those settings not only make it easier to call 911 without unlocking a smartphone, but also make it easier to call 911 when not intending to do so. We found the Agency posted information about how to turn off this emergency 911 setting on smartphones to avoid unintentional 911 calls.

We found the Agency also has a brochure, '911 Use It, Don't Abuse It', intended to inform proper 911 use and reduce unintentional or abandoned calls, including details about when to call 911, how to prepare children to call 911, and promoting an understanding of impacts of prank calls.

Educating the public on the proper use of 911 informs people about how and when to call 911, what information to provide, and helps to reduce inappropriate calls to 911.

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Chapter 14
SaskPower—Transitioning to Low and Non-Emitting Energy Sources

1.0 Main Points

Saskatchewan ranked fourth highest for greenhouse gas emissions in Canada in 2022 (first in per capita emissions), which includes emissions emitted from electricity generation. SaskPower generates most of the power in the province—in 2023–24, about 35% of SaskPower's total generating capacity came from renewable (non-emitting) sources with the remainder fueled mainly from coal and natural gas.

Reducing greenhouse gas emissions is important to help mitigate the effects of climate change. In 2024, SaskPower had two primary targets relating to renewable energy sources and reducing greenhouse gas emissions:

- Increase its electricity generating capacity from non-emitting sources (like hydro, wind, solar and nuclear) to a minimum of 40–50% of its total electrical generation capacity by 2030
- Reduce its greenhouse gas emissions by 50% from 2005 levels by 2030

We audited SaskPower's planning processes, for the period ended August 31, 2024, to transition to low and non-emitting energy sources to meet its greenhouse gas emissions reduction and renewable energy generation targets. We found overall SaskPower generally had effective processes.

SaskPower projects energy demand will more than double from current levels by 2050. It evaluated cost, reliability, environmental impact, and development timelines for four supply pathways (containing various mixes of low and non-emitting energy alternatives to meet forecasted demand) through its long-term supply planning. SaskPower is currently using its net-zero 2050 pathway to make electricity generation investment decisions expecting about 57% of available generating capacity by 2050 will come from renewable non-emitting sources, with nuclear (12%) and natural gas with carbon capture (12%) also utilized.

Under its net-zero 2050 pathway, SaskPower would not be compliant with the draft federal Clean Electricity Regulations by 2035. SaskPower may need to adjust its pathway once the Clean Electricity Regulations are finalized.

We found SaskPower needs to:

- Analyze further expansion of distributed energy resources (e.g., solar panels) to help meet emerging needs. Other provinces like Alberta and Ontario are planning for increased capacity from such energy sources.

- Clarify action plans to address when annual low and non-emitting energy targets are not met. In 2023–24, SaskPower planned to reduce greenhouse gas emissions by 8% compared to 2005 levels. Instead, greenhouse gas emissions decreased by 4% in 2023–24. Outlining clear action plans to address missed incremental targets demonstrates SaskPower's intent to act so long-term targets (50% reduction by 2030) are not missed, and cost impacts are minimized.

2.0 INTRODUCTION

Low-emitting generation refers to electricity produced in a manner that releases a small amount of greenhouse gases (e.g., 50 tonnes CO_2/GWh or less) as a result of fuel combustion.[1,2] Natural gas generation with carbon capture utilization and storage is an example of a low-emitting source.

Non-emitting generation is electricity produced in a manner that does not directly release any greenhouse gases as a result of fuel combustion. Non-emitting generation sources include hydro, wind, solar, and nuclear.[3]

In 2024, SaskPower had two primary targets related to reducing greenhouse gas emissions. The first being to increase its electricity generating capacity from non-emitting sources to a minimum of 40–50% of its total electrical generation capacity by 2030.[4] The other being to reduce its greenhouse gas emissions by 50% from 2005 levels by 2030.[5] SaskPower publicly reports on its progress to meet these targets each year in its annual report.

Saskatchewan has also set a renewable energy generation capacity target that by 2030, up to 50% of total electricity capacity will come from renewable energy sources (e.g., hydro, wind, solar).[6] Under *The Power Corporation Act*, SaskPower is responsible for the generation, transmission, distribution, purchase, sale, and supply of electrical energy in the province.

2.1 Background

SaskPower generates the majority of power in Saskatchewan. Due to Saskatchewan's large trade-exposed economy, industrial customers use approximately 70% of power produced by SaskPower.

The Canadian Net-Zero Emissions Accountability Act, which became law on June 29, 2021, enshrines in legislation Canada's commitment to achieve net-zero emissions by 2050. SaskPower publicly stated its commitment to meet this net-zero emission target by 2050.[7]

SaskPower continues to cite environmental regulation as a key risk area each year in its annual report.[8] Federal regulations require the phase out of conventional coal-fired generation by 2030. The Federal Government has also proposed new Clean Electricity Regulations.[9] These draft regulations would establish performance standards to reduce

[1] canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/achieving-net-zero-emissions-electricity-generation-discussion-paper.html#toc0 (25 September 2024).
[2] One gigawatt hour (GWh) is equivalent to the energy consumed by 125 typical houses in one year. GWh is a common unit to describe energy consumption. One GWh is 1,000 MWh, one MWh is 1,000 kWh. Household bills are commonly charged in kWh.
[3] canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/achieving-net-zero-emissions-electricity-generation-discussion-paper.html#toc0 (25 September 2024).
[4] canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/agreements/equivalency/canada-saskatchewan-greenhouse-gas-electricity-producers.html (25 September 2024).
[5] *SaskPower Annual Report 2023–2024*, p. 12.
[6] saskatchewan.ca/business/environmental-protection-and-sustainability/a-made-in-saskatchewan-climate-change-strategy/climate-resilience-framework-and-reports, p. 5, (30 September 2024).
[7] *SaskPower Annual Report 2023–2024*, p. 8.
[8] Ibid., p. 49.
[9] Government of Canada (2023) Canada Gazette, Part I, Volume 157, Number 33: Clean Electricity Regulations. gazette. gc.ca/rp-pr/p1/2023/2023-08-19/html/reg1-eng.html (30 September 2024).

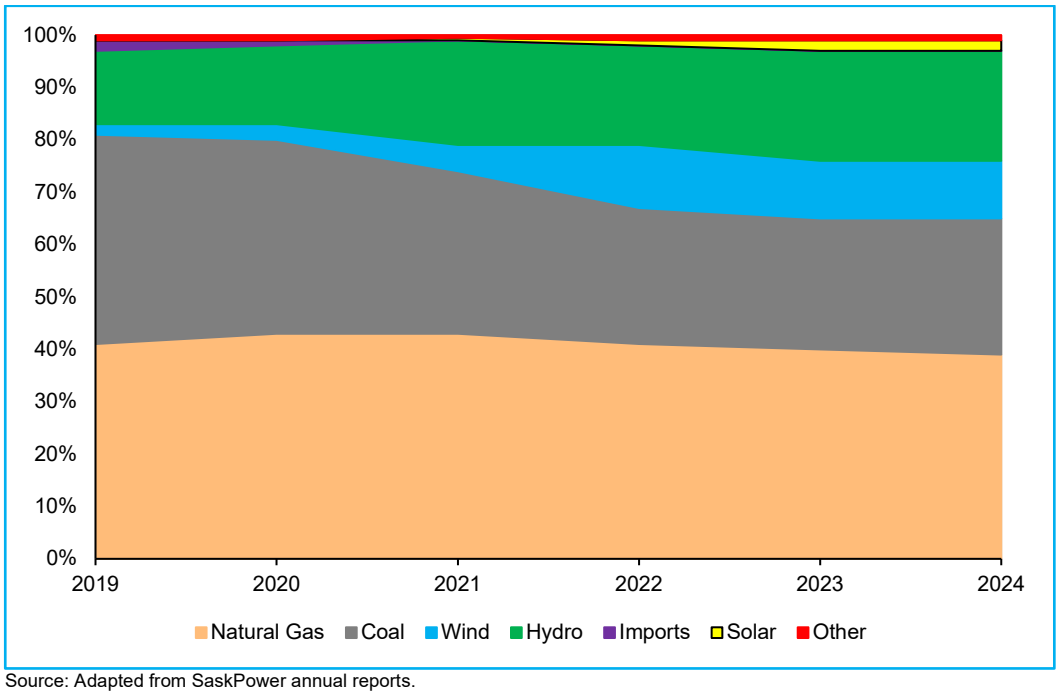
greenhouse gas emissions from fossil fuel-generated electricity starting in 2035. For example, natural gas plants built after 2025 need to meet greenhouse gas emissions intensity standards as of 2035.[10,11]

Federal regulation significantly affects SaskPower as it still used natural gas for 39% and coal for 26% of its power generating capacity at March 31, 2024 (see **Figure 1**).[12]

Saskatchewan is one of two provinces in Canada that still relies on coal as one of its main sources of energy.[13] As recently as five years ago, Alberta was in a similar situation to Saskatchewan, but it moved to retire coal plants or convert them to run on natural gas. By the end of 2024, Alberta is not expected to have any power plants running on coal.[14]

As shown in **Figure 1,** hydro is SaskPower's largest non-emitting energy source; however, generation can fluctuate with annual precipitation levels. Saskatchewan has abundant wind and solar potential, but wind and solar are not constant.[15] In 2023–24, hydro represented 21%, wind 11%, and solar 2% of SaskPower's total generating capacity, respectively. In 2023–24, about 35% of SaskPower's total generating capacity came from renewable (non-emitting) sources.

Figure 1—SaskPower Electricity Generation Capacity by Energy Source from 2019 to 2024



Source: Adapted from SaskPower annual reports.

[10] For example, natural gas plants that do not meet the CO_2 emissions intensity limit starting in 2035 may be retired early or require retrofitting with carbon capture and storage. Emissions intensity is greenhouse gas emissions relative to production for an emitter's industrial facility.
[11] The draft Clean Electricity Regulations (CER) were published in August 2023, for public consultation and review, with the final version expected to be published by the end of 2024.
[12] *SaskPower Annual Report 2023–2024*, p. 12.
[13] Nova Scotia is the other Canadian province that uses coal as a primary source of energy.
[14] cbc.ca/news/canada/calgary/bakx-coal-china-power-cop28-1.7080706. (25 September 2024).
[15] cer-rec.gc.ca/en/data-analysis/energy-commodities/electricity/report/canadas-renewable-power/provinces/renewable-power-canada-saskatchewan.html (27 September 2024).

2.2 Importance of Reducing Greenhouse Gas Emissions

Reducing greenhouse gas emissions is important to help mitigate the effects of climate change.

In 2022, Saskatchewan ranked fourth highest for greenhouse gas emissions in Canada (first in per capita emissions) with 75.9 million tonnes emitted, including 13.4 million tonnes emitted from electricity generation.[16] SaskPower is targeting to reduce its greenhouse gas emissions from power generation to 7.1 million tonnes by 2030 (50% reduction from 2005 levels).[17]

As part of the Government of Canada ratifying the Paris Agreement to reduce greenhouse gas emissions, it committed to reduce Canada's emissions by 30% below 2005 levels by 2030.[18] In 2021, that Agreement was amended to reduce emissions by 40–45%, with an additional objective of having net-zero greenhouse gas emissions by 2050. SaskPower maintaining a power supply plan that includes low and non-emitting energy sources is important to help in meeting these commitments.

In 2019, Saskatchewan signed (with the Federal Government) *An Agreement on the Equivalency of Federal and Saskatchewan Regulations for the Control of Greenhouse Gas Emissions from Electricity Producers in Saskatchewan, 2020*. By signing this Agreement, Saskatchewan agreed to mandatory greenhouse gas emissions limits for the electricity sector up to 2030, along with specified levels of electricity generation capacity from non-emitting energy sources (e.g., 34–40% by December 31, 2027). As of March 2024, about 35% of SaskPower's electricity generation capacity comes from non-emitting energy sources, according to SaskPower's annual report.

Saskatchewan is well positioned for certain non-emitting energy technologies given it has some of the highest solar and wind potential of all the Canadian provinces.[19] However, energy sources such as wind or solar are intermittent or variable, so are only available at certain times. To ensure reliability, these energy sources require dispatchable capacity (e.g., natural gas) present as back-up when these intermittent energy sources are unavailable.

Without a long-term supply plan that incorporates low and non-emitting energy sources, Saskatchewan risks not achieving its greenhouse gas emissions reduction targets and obligations by the expected dates. A global effort to reduce greenhouse gas emissions can limit global warming and lessen the worst impacts of climate change (e.g., floods, forest fires, droughts). Not having effective planning processes could also result in increased costs, delayed timelines, and impact the reliability and sufficiency of the power supply.

[16] canada.ca/en/environmentclimatechange/services/environmentalindicators/greenhousegasemissions.html (30 September 2024).
[17] *SaskPower Annual Report 2023–2024*, p. 5.
[18] Office of the Auditor General for Canada, Fall 2017, *Report 1—Progress on Reducing Greenhouse Gases—Environment and Climate Change Canada*.
[19] cer-rec.gc.ca/en/data-analysis/energy-markets/provincial-territorial-energy-profiles/provincial-territorial-energy-profiles-saskatchewan.html (25 September 2024).

3.0 AUDIT CONCLUSION

We concluded, for the 12-month period ended August 31, 2024, SaskPower had, other than the following areas, effective planning processes to transition to low and non-emitting energy sources to meet its greenhouse gas emissions reduction targets and renewable energy generation targets.

SaskPower needs to:

- **Analyze further expansion of distributed energy resources (e.g., solar panels, battery storage systems) to help meet emerging needs**
- **Clarify action plans to address when annual low and non-emitting energy targets are not met**

Figure 2—Audit Objective, Criteria, and Approach

Audit Objective: Assess the effectiveness of SaskPower's planning processes, for the 12-month period ended August 31, 2024, to transition to low and non-emitting energy sources to meet its greenhouse gas emissions reduction targets and renewable energy generation targets.

Audit Criteria:

Processes to:

1. **Set a long-term power supply plan that includes low and non-emitting sources**
   - Know existing supply capacity and forecast future supply and demand-side resources required
   - Establish short, mid-term and long-term low and non-emitting energy objectives
   - Align plan with relevant legislative requirements, good practice, and strategic direction
   - Determine expected outcomes and targets for low and non-emitting energy sources
2. **Determine strategies to meet low and non-emitting energy objectives**
   - Evaluate the comprehensive range of low and non-emitting sources (e.g., seek public input, compare jurisdictions, consider real-world experience and potential funding available, estimate supply capacity, impact of distributed energy resources, technical and market potential)
   - Assess and manage key risks and constraints (e.g., cost uncertainties, regulation, variable supply challenges) to low and non-emitting energy transition
   - Identify all supply and demand side resources required (life-cycle costs) and select reasonable low and non-emitting energy sources
3. **Adapt long-term power supply plan**
   - Continually assess progress against expected outcomes and targets
   - Establish a process for amending the supply plan for new or emerging trends, technology, and environmental regulations to meet expected outcomes and targets (e.g., utilize contingency plans)
   - Communicate progress on efforts to transition to low and non-emitting sources, meet greenhouse gas emissions reduction targets, and meet renewable energy generation targets (e.g., to senior management, 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 SaskPower's planning processes, we used the above criteria based on review of literature including reports of other auditors, and consultations with management and subject matter experts. SaskPower agreed with the above criteria.

We examined SaskPower's policies and procedures relating to transitioning to low and non-emitting energy sources to meet its greenhouse gas emissions reduction targets and renewable energy generation targets. We interviewed key staff responsible for activities related to long-term power supply planning. We assessed SaskPower's long-term power supply plan, including the energy alternatives SaskPower considered, against good practice and plans of other jurisdictions in North America. We used external consultants with expertise in electricity generation planning to help us identify good practice and to assess SaskPower's processes.

4.0 Key Findings and Recommendations

4.1 Power Supply Plans Maintained

SaskPower maintains a ten-year supply plan for power generation (currently looks to 2035), as well as a long-term supply plan (currently looks to 2050).

We found SaskPower updates its ten-year supply plan each year. When updating the plan, it considers key variables such as future power demand, expected retirements of existing power generation units (e.g., coal-fired plants), expanding and integrating renewable resources, and escalating fuel prices.

According to SaskPower management, the overarching goal of this plan is to determine the lowest cost pathway that meets both reliability requirements and environmental targets. The ten-year supply plan serves as a guideline for future supply decisions (e.g., which energy alternatives to invest in and how much depending on anticipated costs, estimated power generation capacity, reliability, and environmental impact). Individual projects for new power supply must still be identified and approved throughout the year, but they are expected to align with the ten-year supply plan direction.

We found SaskPower updates its long-term supply plan every two to three years. This currently looks out to the year 2050. The plan was last updated in September 2023.[20] The long-term plan considers different scenarios that may impact delivering electricity to meet Saskatchewan's needs (e.g., number of electric vehicles, quantity of businesses and homes using electricity for heat). This plan incorporates lessons learned from near-term planning decisions like power generation capacity shortfalls (e.g., as shown in **Figure 3**, wind facilities did not supply as much power as available capacity).

Both plans are available to applicable staff responsible for supply planning on SaskPower's internal website.

Overall, we found SaskPower updated both the ten-year supply plan and long-term supply plan as expected.

Updating long-term supply plans on a periodic basis reduce the risk of overlooking new or emerging energy alternatives or using outdated costs, assumptions, and strategies within the plans.

4.2 Adequate Processes to Determine Generation Capacity and Forecast Demand

To support power supply planning, SaskPower reasonably determines its existing power generation capacity (i.e., supply) and forecasts its customers' long-term energy needs (i.e., demand).[21]

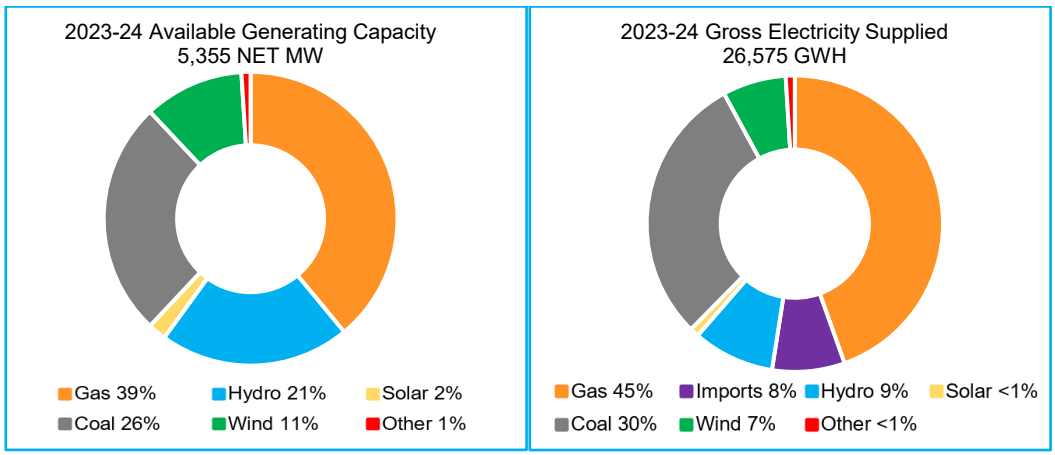
[20] SaskPower expects to have an updated plan by early 2025.
[21] Customer classes include oilfield, commercial, industrial, residential, and farms. Oilfield, commercial, and industrial customers represent about 70% of demand, while residential and farm represent about 13% and 5% respectively.

Existing Supply

SaskPower uses the intended output of each of its power generation facilities (called nameplate capacity) to determine its existing (available) power generation capacity on a daily and annual basis. This practice aligns with industry standards and other Canadian jurisdictions. In 2023–24, SaskPower's generation capacity was largely fueled by natural gas, coal, and hydro, with hydro being the largest non-emitting energy capacity source with 21% of total capacity (see **Figure 1**).

SaskPower also tracks actual energy (gross electricity) supplied by energy source because nameplate capacity is often not achievable (e.g., wind facilities do not generate electricity if there is no wind). **Figure 3** shows SaskPower's available generation capacity compared to gross electricity supplied by fuel type for 2023–24. As indicated, during 2023–24, available hydro and wind generation capacity was higher than the actual percentage of gross electricity supplied (i.e., 21% capacity for hydro compared to 9% supplied by the end of the year and 11% capacity for wind compared to 7% supplied by the end of the year). As a result, other non-renewable sources (i.e., coal and natural gas) had to supply a higher percentage of gross electricity.

Figure 3—SaskPower's Generation Capacity Compared to Electricity Supplied for 2023–24



Source: *SaskPower Annual Report 2023–2024*, p. 4.

Future Demand

To forecast Saskatchewan's future power needs, each year SaskPower prepares a 30-year load forecast that estimates both long-term energy requirements and peak loads. Peak load occurs when energy use is highest at various times of each day and year, such as during the coldest and hottest days. Staff (e.g., professional engineers) who prepare the load forecast are knowledgeable about energy production and statistical modelling. The load forecast uses information from many sources including:

- Independent statistical data such as population projections
- Historical energy sales based on SaskPower's corporate records

- Individual customer forecasts based on data provided by SaskPower's larger customers (e.g., mines) or the Ministry of Energy and Resources (e.g., potash and oil production forecasts)

SaskPower documents the methods and assumptions used within the load forecast report. Documented methods and assumptions support the understanding of resulting information for future planning or other purposes. About every five years, SaskPower hires an external consultant experienced with energy production to help it assess and improve its load forecasting process. Management advised us it addressed the recommendations made in the last assessment completed in 2018 and is conducting a new assessment in late fall 2024.

SaskPower also used reasonable performance measures to help it plan enough power generation capacity to meet peak demand periods and build in sufficient contingency for unforeseen events. The primary metrics (assumptions) used in SaskPower's supply planning were:

- **Expected Unserved Energy** (assumption currently set at 0.02% of forecasted energy): measures customer demand not supplied due to shortage of generation capacity or electricity produced

- **Planning Reserve Margin** (assumption currently set at 15–17%): measures extra power generation capacity needed to meet periods of highest demand (e.g., enough power for maximum air conditioner use on the hottest days of summer) required to maintain the desired Expected Unserved Energy

SaskPower estimates demand for power generation in 2024–25 will be approximately 26,000 GWh (for the entire year) and forecasts demand will increase to approximately 29,000 GWh in 2033, and around 38,000 GWh by 2053. **Section 4.9** provides more details on the alternatives (e.g., new generation facilities) SaskPower is exploring in order to meet this increased demand, including low and non-emitting energy sources.

We found SaskPower's load forecasting methods and assumptions (e.g., population growth, projected weather patterns, increases in electric vehicle use) aligned with industry practices and were comparable to some other Canadian jurisdictions (e.g., Alberta, New Brunswick).

Robust processes to determine generation capacity and to forecast energy needs help SaskPower to develop short- and long-term energy supply plans to provide a reliable and sufficient power supply for Saskatchewan.

4.3 Public Consultation Process Conducted to Inform Planning

Since 2022, SaskPower has been conducting an extensive five-stage public consultation process to help update its long-term power supply planning. It informed the public during the consultation process about supply options to allow for feedback.

SaskPower divided its public consultation project into five different stages. **Figure 4** outlines what each stage focused on, when it took place, and a brief description.

Figure 4—SaskPower Public Consultation Process Outline

Stages	Timeline	Brief Description of Work Done or Planned
Stage 1: Getting to Know You	September to November 2022	SaskPower asked the public how they wanted to participate, what power supply options they would like to know more about, and what supply opportunities they see for the future.
Stage 2: Understanding your Priorities	November 2022 to May 2023	SaskPower shared detailed information about supply options they were considering. It focused on the public's values and priorities when evaluating power supply options.
Stage 3: Exploring Power Supply Scenarios	September 2023 to January 2024	SaskPower shared power supply mix scenarios (see **Section 4.9**). It explored the benefits and trade-offs that come with each power supply option or scenario.
Stage 4: Reviewing the Draft Long-Term Supply Plan	March 2024 – Late 2024	SaskPower is updating the long-term power supply plan based on what it heard from the public.
Stage 5: Long-Term Supply Plan Release	Late 2024 or Early 2025	SaskPower plans to release its long-term supply plan and show the public the impact their input had on the final plan.

Source: Adapted from SaskPower reporting.

We found, during Stages 1 and 2, over 15,000 people shared their values, priorities, and preferences for power sources. This number increased to over 25,000 in Stage 3. For example, SaskPower learned many people supported power being generated directly in the province (e.g., lower reliance on imports).

SaskPower used a variety of reasonable methods to educate and reach out to the public, including online sessions, in-person meetings, town hall meetings, and information pamphlets mailed with customer billings. Information provided focused on pertinent topics relating to the long-term supply planning process such as cost, large-scale wind and solar production, and nuclear small modular reactor planning. Education sessions often included both internal, from SaskPower, and external panelists to provide additional insights from across Canada and North America.

Involving the public in supply planning allows for engagement and feedback that can be used to help inform future supply planning decisions, including preferences for low and non-emitting sources.

4.4 Long-Term Supply Plan Aligned with Existing Legislative Requirements

SaskPower aligned its long-term supply plan with legislative requirements in force as of August 2024 and monitored its required generation capacity for renewables under the Canada-Saskatchewan Equivalency Agreement.

The Canada-Saskatchewan Equivalency Agreement (Saskatchewan signed with the Federal Government) outlines specific targets for non-emitting generation that Saskatchewan agreed to meet as it moves toward 2030. The Agreement contains provisions that result in Saskatchewan following equivalent provisions to the Federal *Canadian Environmental Protection Act, 1999* and the *Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations (Coal-Fired Electricity*

Regulations).[22] This Agreement outlines mandatory greenhouse gas emissions limits for Saskatchewan's electricity sector (on an electricity-wide basis as opposed to every coal-fired plant) from 2018 to 2029. It also documents established commitment levels that Saskatchewan agrees to meet with regards to electricity generation capacity from non-emitting energy sources. These targets include the following minimum levels of electricity generation capacity from non-emitting sources:

- 30–34% by December 31, 2024
- 34–40% by December 31, 2027
- 40–50% by December 31, 2030

At March 31, 2024, we found SaskPower had 35% of its electrical generation capacity coming from non-emitting sources (i.e., mostly hydro, wind, and solar).

The Canadian Net-Zero Emissions Accountability Act allows the Federal Government to set five-year national emissions reduction targets, including the requirement to achieve a net-zero greenhouse gas emitting electricity system across Canada by 2050.

We found SaskPower considered all significant legislation when developing and finalizing its long-term supply plan and updated the plan accordingly to consider different pathways (see **Section 4.9**) to comply with existing and future legislation.

The Federal Government has also proposed Clean Electricity Regulations under the *Canadian Environmental Protection Act, 1999*. The proposed legislation highlights the Government of Canada's commitment to achieving a net-zero electricity grid by 2035 and provides a framework of accountability and transparency as to how it will deliver on that. The Clean Electricity Regulations were not finalized or in force as of August 2024.

SaskPower is monitoring the progress of this proposed legislation and the impact it will have on its long-term supply plan, including potential carbon penalties. SaskPower noted publicly in August 2023 that the net-zero greenhouse gas emissions by 2035 target is not feasible in Saskatchewan from logistical, technical, and affordability perspectives.[23] Rather, SaskPower is committed to achieve net-zero greenhouse gas emissions by 2050.[24]

Continuously aligning its long-term supply plan with applicable legislation reduces the risk of non-compliance with legislation when SaskPower selects future generation projects from low and non-emitting energy alternatives.

4.5 Low and Non-Emitting Energy Objectives, Measures and Targets Established

SaskPower documented its strategic priorities relating to low and non-emitting energy sources in its 2023–24 annual report. It also established measures and targets for periodically assessing its progress toward those priorities.

[22] canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/agreements/equivalency/canada-saskatchewan-greenhouse-gas-electricity-producers.html (25 September 2024).
[23] saskpower.com/about-us/our-company/blog/2023/reaching-net-zero-in-saskatchewan (10 October 2024).
[24] *SaskPower Annual Report 2023–2024*, p. 8.

SaskPower set four overarching strategic priorities in its 2023–24 strategic direction.[25] Of these priorities, the one strategic priority clearly relating to future supply planning is to build a cleaner, reliable, modernized electricity system.

In addition, SaskPower's ten-year supply plan outlined six primary supply plan themes:

- Transition from conventional coal
- Leverage natural gas in the short-term
- Expand and integrate renewable resources into the system
- Increase and bolster transmission interconnections to bridge toward the future
- Stage distributed energy resource additions to match the pace of grid modernization
- Advance low or non-emitting supply options for 2035

SaskPower also held consultations throughout the organization to determine key low and non-emitting energy objectives and targets. SaskPower's Board of Directors and the Provincial Government approved the long-term objectives and targets set. SaskPower has set the following measures and targets relating to low and non-emitting energy supply:[26]

- **Renewable Generation Portfolio Capacity Percentage:** Measures SaskPower's capacity from renewable sources as a percentage of total capacity.[27] SaskPower's 2023–24 target was 35.8% (2023–24 actual 35.5%) exceeding the 34% target set in the Canada-Saskatchewan Equivalency Agreement.
- **Greenhouse Gas Emissions Reduction Target** (shown as a % change from 2005 levels): Measures annual greenhouse gas emissions against SaskPower's 2005 greenhouse gas emissions from electricity generated by SaskPower and from electricity supplied from independent power producers.[28] SaskPower's target for 2023–24 was an 8% reduction from 2005 levels (2023–24 actual 4% reduction).
- **Equivalent Availability Factor:** Measures the percentage of time that an energy generating unit is available for producing electricity to show the reliability of SaskPower's power grid. SaskPower set a target for its generation portfolio of equal to or greater than 85% (2023–24 actual 86.9%).

Reporting on these measures and targets is discussed further in **Section 4.10**.

[25] saskpower.com/about-us/our-company/our-strategic-direction (25 September 2024).
[26] *SaskPower Annual Report 2023–2024*, p. 18.
[27] Capacity is the maximum electric output a source can produce, whereas generation is the amount of power actually produced. Generation facilities cannot operate at full capacity 100% of the time because of maintenance, unplanned outages, and other factors and therefore this measure does not evaluate the actual amount of power generated from renewable sources.
[28] An independent power producer refers to individuals or corporations that SaskPower enters into an agreement with to supply power typically for at least a 20-year period.

We found the measures set by SaskPower relating to low and non-emitting energy targets reasonable and aligned with other jurisdictions across Canada and North America.

Setting long-term supply planning objectives, measures, and targets allow SaskPower to consistently track its progress in its transition to low and non-emitting energy alternatives.

4.6 Risk Analysis Conducted and Incorporated Into Planning

SaskPower properly identified and documented its risks as part of its low and non-emitting energy transition. It also identified reasonable strategies to mitigate each of the associated risks.

Some of the key risks SaskPower identified impacting the low and non-emitting energy transition include:

- Federal regulatory uncertainty
- Cost uncertainties
- Aging infrastructure
- Ensuring reliability as intermittent sources of renewable generation are expanded
- Load growth (demand) uncertainties
- More extreme weather arising from climate change
- Technical and financial feasibility associated with adopting certain low and non-emitting energy alternatives

We found SaskPower established reasonable mitigation strategies to reduce the impact of each risk. For example, to balance the risk associated with climate change, SaskPower plans for available alternatives that pair well together during extreme weather such as natural gas when wind or solar are not operating at full capacity during extreme cold, or solar when natural gas cannot operate at full capacity during extreme heat.

SaskPower also considers the risk associated with new and emerging energy alternatives (e.g., nuclear small modular reactors). It has built contingency plans directly into its long-term supply planning process in case future analysis shows a planned new or emerging technology may not be technologically or financially feasible (e.g., one potential energy supply pathway plans for over 45% of total production to come from nuclear power by 2050, while another pathway plans for less than 10% to come from nuclear power by 2050).

By identifying and planning mitigation strategies for key risks, SaskPower increases the likelihood it will meet its long-term goals and objectives.

4.7 Comprehensive Range of Energy Alternatives Evaluated

When preparing its future supply plans, SaskPower appropriately evaluated each energy alternative using four key traits aligned with its overarching goals and objectives. SaskPower evaluated each energy alternative for cost, reliability, environmental impact, and development timelines.

SaskPower uses reasonable modelling and simulation software to help evaluate alternatives. We observed this software incorporated many factors in its analysis including emissions, costs, and energy demand. This software is used by other Canadian jurisdictions.

Cost

SaskPower continually updates its estimated costs of new generation. When SaskPower identifies new information, it updates its costing information. SaskPower uses information from both public (e.g., Lazard from the United States, Environment and Climate Change Canada) and private (e.g., recent bids on existing low or non-emitting energy projects) sources to inform its costing.[29] SaskPower also considers and includes life cycle costs during this analysis (e.g., periodic maintenance costs, costs to decommission at the end of an asset's useful life). Overall, from a low and non-emitting energy source perspective, SaskPower estimates wind and solar cost less than nuclear and hydro.

Reliability

SaskPower also evaluates the reliability of energy alternatives. As mentioned in **Section 4.2**, SaskPower uses Expected Unserved Energy and a Planning Reserve Margin to help ensure the reliability of its power grid (meaning it builds in increased supply capacity so actual energy generated will meet demand, even at peak times). It also considers whether energy alternatives are dispatchable or intermittent. For example, natural gas can be switched on or off depending on need, whereas wind and solar may not be available depending on the weather conditions.

Environmental Impact and Development Timeline

SaskPower evaluates energy alternatives for environmental impacts (e.g., greenhouse gas emissions) and the development timeline to produce that energy alternative (i.e., how long it would take for SaskPower to design and implement that type of energy facility).

For example, SaskPower's evaluation found a new hydro facility takes approximately 12 years to develop and costs significantly more than a wind facility. In addition, wind project construction can be completed in a much shorter time frame (e.g., Bekevar Wind Project began construction in summer 2023 with expected completion prior to the end of 2024—less than two years). Both wind and hydro are non-emitting energy sources, and therefore rank better for environmental impact. However, wind is not a dispatchable energy alternative compared to hydro, thereby making hydro more desirable from a reliability perspective.

[29] Lazard is a financial advisory and asset management firm that engages in investment banking, asset management, and other financial services, primarily with institutional clients.

We found SaskPower assessed several different energy alternatives (e.g., hydro, natural gas, natural gas with carbon capture, wind, solar, nuclear, biomass, geothermal) against each of the four traits. It also conducted pilot projects to better assess the feasibility of new and emerging energy alternatives. Recent pilot projects completed by SaskPower took place around battery energy storage systems (BESS), biomass, and geothermal technologies. These projects assisted SaskPower by providing real life examples to assess the current value of these emerging alternatives against the four traits.

Traits considered by SaskPower were consistent with good practice and were similar to those used in other Canadian jurisdictions.

We also found SaskPower assessed energy alternatives considered in other jurisdictions (i.e., Ontario, Alberta, and New Brunswick). We did not identify any energy alternatives considered in other jurisdictions that SaskPower had not evaluated.

Comprehensive assessment of the different energy alternatives available to SaskPower is important so that SaskPower selects energy alternatives that maximize the reliability of the power grid while reducing greenhouse gas emissions and controlling costs. Making selection decisions timely is important given longer development timeframes for certain energy alternatives.

4.8 Analyze Further Expansion of Distributed Energy Resources

While SaskPower considered and incorporated distributed energy resources into its long-term supply planning process, it should analyze additional ways distributed energy resources could assist in alleviating some of the strain associated with future load growth uncertainty.

Distributed energy resources often refer to smaller generation units located on the consumer's side of the meter. An example of a renewable distributed energy resource that can be installed is roof-top solar photovoltaic units.[30] Other examples include home battery storage and distribution-connected generation coming from resources such as a wind farm.

As noted in **Section 4.5**, one of SaskPower's six supply plan themes is to stage distributed energy resource additions to match the pace of grid modernization.

SaskPower currently offers a variety of smaller, distribution-system connected generation options to its customers. These include a Net Metering Program where SaskPower compensates customers 7.5 cents per kWh for any excess electricity sent to the grid.[31] In 2023–24, 3,700 customers enrolled in the program supplied a total available generating capacity of approximately 67 MW to the grid (65 MW from customer-generated solar capacity and 2 MW from customer-generated wind capacity).[32]

As noted in **Figure 3**, SaskPower's total available generating capacity as of March 31, 2024, was 5,355 MW, meaning the net metering customer-generated locations supplied approximately 1.25% of total generating capacity.

[30] aemc.gov.au/energy-system/electricity/electricity-system/distributed-energy-resources#:~:text=Distributed%20energy %20 resources%20(DER)%20refers,battery%20storage (26 September 2024).
[31] Information provided by SaskPower.
[32] *SaskPower Annual Report 2023–2024*, p. 117, and additional information provided by SaskPower.

In its long-term supply plan, SaskPower assumed small expansions from distributed energy resources, primarily through its Net Metering Program. In comparison to other jurisdictions, Alberta has developed a distributed energy resources roadmap and had 625 MW of distributed energy resources in 2020.[33] Ontario completed a study in 2022 concluding significant economic potential existed for distributed energy resources to meet its emerging needs, with potential capacity for 10,000 MW.[34] SaskPower should also analyze further expansion of distributed energy resources.

Distributed energy resources could be a greater component to SaskPower's long-term supply plan. Analyzing additional ways to further expand its distributed energy resources programs could alleviate some of the strain associated with future load growth uncertainty as it transitions to low and non-emitting energy alternatives.

1. **We recommend SaskPower analyze further expansion of distributed energy resources to help it transition to low and non-emitting energy alternatives.**

4.9 Different Pathways Evaluated Toward 2035 and 2050

SaskPower appropriately identified and evaluated four separate supply pathways as part of its long-term supply planning. The supply pathways contain various mixes of low and non-emitting energy alternatives.[35] As of August 2024, SaskPower was operating with net-zero 2050 as the most likely pathway to 2035 and 2050.

Below are the four separate pathways SaskPower evaluated to 2035 and 2050:

- **Net-Zero 2050** features a diverse mix of supply options including natural gas with carbon capture, solar, wind, hydro, and nuclear and aims for 75% greenhouse gas emissions reduction from 2005 levels by 2035. It gets SaskPower to net-zero emissions by 2050.
- **Diverse Mix (net-zero 2035)** aims to achieves net-zero emissions by 2035 and utilizes a diverse mix of supply options (e.g., wind and imports) which shifts to an import focus by 2050.
- **Natural Gas Bridge (net-zero 2035)** aims to achieves net-zero emissions by 2035 by utilizing a blend of natural gas generation as a transition path to nuclear energy.
- **Imports Bridge (net-zero 2035)** aims to achieves net-zero emissions by 2035 and utilizes imported energy as a transition path to nuclear.

SaskPower estimated all four pathways would cost in excess of $50 billion.[36]

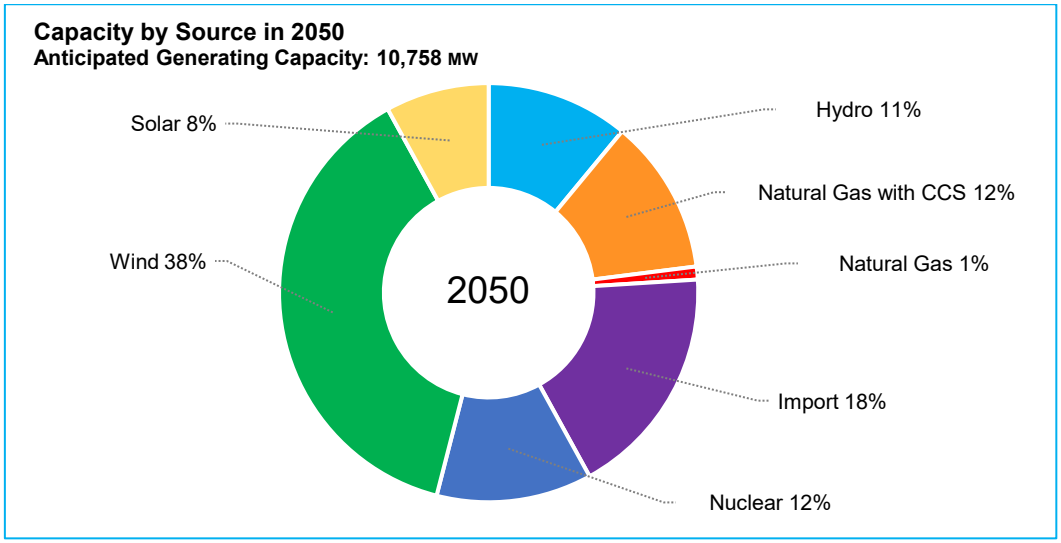
[33] aeso.ca/assets/Uploads/DER-Roadmap-2020-FINAL.pdf (26 September 2024).
[34] ontario.ca/page/powering-ontarios-growth (26 September 2024).
[35] saskpower.com/ourpowerfuture/creatingacleanerpowerfuture/futuresupplyplanning/whatwehaveheard (26 September 2024).
[36] Ibid.

Based on its theoretical analysis, SaskPower determined that the last three pathways are not currently feasible from a cost and reliability perspective. SaskPower projected the Net-Zero 2050 pathway as the lowest cost. According to SaskPower, renewable supply options are often associated with a lack of reliability. Reliance on imports was also a common area of concern identified through public consultations.[37]

SaskPower is currently using the net-zero 2050 pathway to make investment decisions. Under this pathway, SaskPower would not be compliant with the draft federal Clean Electricity Regulations by 2035. SaskPower may need to adjust its pathway once the Clean Electricity Regulations are finalized.

Figure 5 highlights the expected mix of energy alternatives under this pathway in 2050 as shared with the public during consultations from September 2023—January 2024. Approximately 11% of available generating capacity would come from hydro, 8% from solar power, and another 38% from wind by 2050—all renewable resources. Other low and non-emitting energy sources such as nuclear (12%) and natural gas with carbon capture and storage (12%) are also utilized. In total, 99% of generating capacity would come from low and non-emitting energy alternatives by 2050.

Figure 5—SaskPower Anticipated Capacity By Source in the Year 2050 under Net-Zero 2050 Pathway



Source: Adapted from SaskPower Stage 3 Public Consultation Report – What We Heard. CCS stands for carbon capture and storage.

We found SaskPower also incorporates varying levels of forecasted power demand (i.e., electrification) into its long-term supply plan. The plan considers the expansion of the use of different items such as electric vehicles, electric heat, and electric water heaters. SaskPower projects growth in these areas at different levels and builds this into its long-term planning decisions. For example, it is projecting a provincial population of 1.4 million by 2030 and significant growth in electric vehicles, as well as electrification of recreational vehicles and construction and farm equipment. In the most aggressive scenario (i.e., full electrification), SaskPower projects the demand for energy will more than double from current levels by 2050.

[37] saskpower.com/ourpowerfuture/creatingacleanerpowerfuture/futuresupplyplanning/whatwehaveheard (26 September 2024).

We found SaskPower's power supply planning analysis reasonably considered different scenarios and pathways. It also considered feedback from its public consultation sessions (e.g., public preference to produce power within the province as opposed to placing heavy reliance on imports).

Modelling and evaluating potential pathways and varying levels of power demand allows SaskPower to explore cost, feasibility, and risk. It also allows SaskPower to select a pathway and adjust for changes like new regulatory requirements or technologies.

4.10 Need Clear Plans to Address When Short-term Targets Not Met

SaskPower periodically reported its progress toward meeting low and non-emitting energy targets. However, SaskPower did not always meet its short-term targets relating to low and non-emitting energy, and reports did not outline clear action plans to address not meeting these targets.

SaskPower reports regularly on its progress toward its low and non-emitting energy targets (e.g., reduction of greenhouse gas emissions, renewable generation capacity—see **Figure 6**). Periodic reporting informs senior management, the Board, and the public on progress made. SaskPower senior management receives monthly updates on key metrics, and its Board receives quarterly updates as part of the Corporate Balanced Scorecard. SaskPower reports publicly on key metrics each year in its annual report and Corporate Sustainability Report.[38]

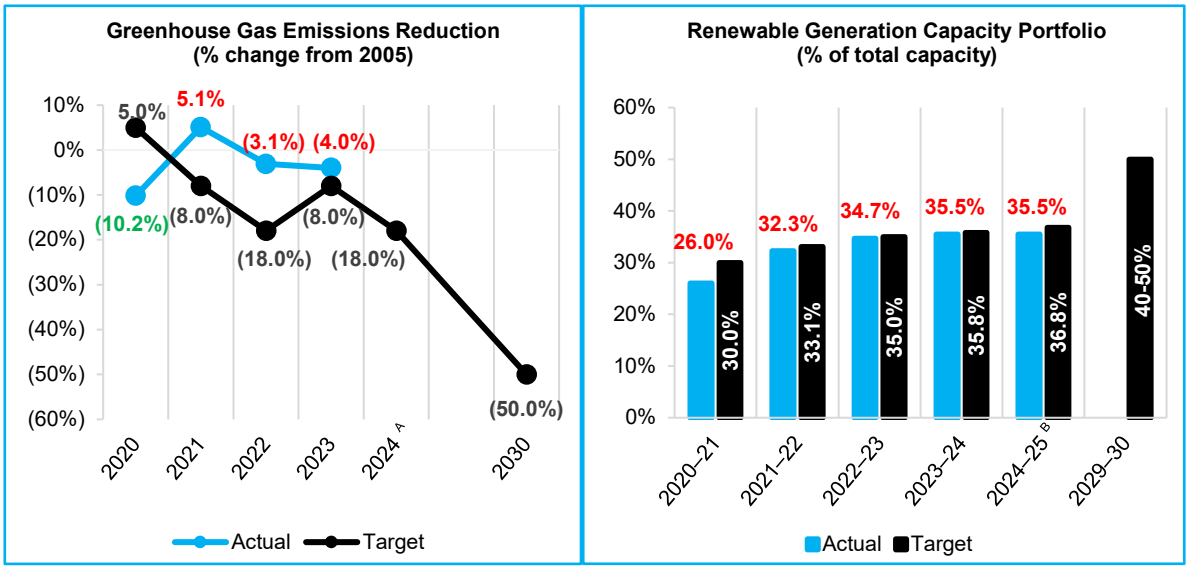
We found SaskPower consistently prepared and reviewed reports as expected. **Figure 6** shows the reported results of key targets relating to low and non-emitting energy for the past five years. SaskPower's analysis found it did not always meet its key targets relating to the low and non-emitting energy transition. However, reports did not include clear action plans to address shortfalls.

Figure 6 shows, in 2023, SaskPower planned to reduce greenhouse gas emissions by 8% during the year. Instead, greenhouse gas emissions in 2023–24 decreased by 4% compared to 2005 levels. By 2030, SaskPower expects to decrease its greenhouse gas emissions by 50% compared to 2005 levels.

In 2023–24, as shown in **Figure 6**, SaskPower planned for a renewable generation percentage of 35.8%, but fell just short with an actual total of 35.5%. By 2029–30, SaskPower expects to increase its renewable generation capacity to 40–50% of its total portfolio.

[38] saskpower.com/about-us/our-company/current-reports (8 October 2024).

Figure 6—SaskPower Low and Non-Emitting Energy Targets Compared to Actual Results 2020 to 2024



Source: Adapted from SaskPower annual reports and corporate balanced scorecards.
Actual results are highlighted in **red** when they fall short of target.
[A] Actual – Not yet available
[B] Actual – Results as of June 30, 2024

SaskPower management indicated its short-term targets are incremental stretch targets as it works toward 2030 and 2050, and that it consistently met and even performed better than the requirements of the Canada-Saskatchewan Equivalency Agreement (i.e., requires a minimum of 34% of electricity generation to come from non-emitting sources by December 31, 2024—SaskPower already has 35.5% as of June 30, 2024). Having short-term targets, which align with good practice, allow SaskPower to monitor progress and adjust strategies sooner for identified concerns (i.e., incremental targets not met).

SaskPower indicated external factors contributed to falling slightly short of its annual targets in recent years, such as construction delays as a result of the COVID-19 pandemic, funding delays, and unfavourable market conditions. However, we found reports did not outline the actions SaskPower planned to get back on track to meeting its targets. For example, plans to increase support for lagging projects or intentions to advance other low- or non-emitting energy projects that could help offset shortfalls.

Continually falling short of annual targets relating to low and non-emitting energy increases the risk SaskPower is not transitioning to low and non-emitting energy alternatives fast enough to meet its 2030 targets. Outlining clear action plans to address not meeting incremental low and non-emitting energy targets demonstrates SaskPower's intent to take prompt action so long-term targets are not missed.

2. We recommend SaskPower clarify its action plans to address when annual low and non-emitting energy targets are not being met.

5.0 SELECTED REFERENCES

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Chapter 15
Corrections, Policing and Public Safety—Inmate Segregation

1.0 Main Points

The Ministry of Corrections, Policing and Public Safety provides inmate care, control, and supervision for inmates at all four provincial correctional centres, which includes placing inmates on administrative segregation. Administrative segregation is used in correctional centres to keep an inmate away from the general population for safety or security reasons.

By August 2024, the Ministry implemented five of the seven recommendations we first made in 2022.

The Ministry implemented regular refresher training (i.e., every three years) for correctional centre staff about administrative segregation. We found the training included all requirements of the Ministry's Administrative Segregation Policy and key legislative requirements. Since the new training's implementation, we found appropriate correctional centre staff began properly authorizing administrative segregation placement decisions and quality assurance results improved.

Correctional centre staff improved in documenting daily reviews when placing inmates on administrative segregation. However, we found staff did not complete all daily reviews where required for three of five inmates tested. Not completing the daily activity reviews could result in Correctional Facility Managers missing key pieces of information when deciding to continue an inmate on administrative segregation.

The Ministry improved its quality assurance reviews to include all key information. We found the Ministry communicated deficiencies identified during quality assurance reviews to correctional centre staff. Informing correctional centre staff of deficiencies identified during quality assurance reviews allows staff to correct deficiencies going forward, reducing the risk of continued non-compliance with policies.

Finally, the Ministry began the process of revising its legislation to allow independent adjudicators to review inmate appeals.

Effective processes to administratively segregate inmates contribute to the safety and wellbeing of inmates, staff, and the public.

2.0 Introduction

2.1 Background

Under *The Correctional Services Act, 2012,* the Ministry of Corrections, Policing and Public Safety is responsible for processes to administratively segregate inmates in its adult secure-custody correctional centres.[1]

[1] *The Correctional Services Act, 2012*, s. 4(2).

The Ministry uses its adult secure-custody correctional centres to restrict and monitor the movements and activities of inmates, while supporting the delivery of rehabilitation programs. Saskatchewan's four adult secure-custody correctional centres are:

- Prince Albert Correctional Centre
- Regina Correctional Centre
- Saskatoon Correctional Centre
- Pine Grove Correctional Centre (for women)

Administrative segregation is a status within a correctional centre (i.e., not a designated location or security rating). It is a temporary, non-punitive measure that does not include disciplinary segregation or temporary confinement pending a disciplinary hearing.[2]

The Ministry uses administrative segregation as a last resort to contribute to the safety of inmates, staff, and the public, and to assist in maintaining the security of a correctional centre. For example, inmates may be placed on administrative segregation for situations such as violence, aggressive behaviour, disruptive or non-compliant behaviour, or at an inmate's request for their own safety.

2.2 Focus of Follow-Up Audit

This chapter describes our first follow-up audit of management's actions on the recommendations we made in 2022.

We concluded the Ministry of Corrections, Policing and Public Safety had, other than in the areas of our seven recommendations, effective processes to administratively segregate inmates in its adult secure-custody correctional centres for the 12-month period ended May 31, 2022.[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. Ministry management agreed with the criteria in the original audit.

To carry out our follow-up audit, we tested a sample of files for inmates subject to administrative segregation to ensure corrections staff documented relevant information in accordance with its administrative segregation policy. We also examined evidence of training provided to staff and reviewed information reported to senior management and the public about inmate administrative segregation statistics.

[2] The Ministry of Corrections, Policing and Public Safety, *Policy No. 405—Administrative Segregation*, p. 1.
[3] *2022 Report – Volume 2*, Chapter 8, pp. 55–73.

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, 2024, and the Ministry of Corrections, Policing and Public Safety's actions up to that date.

3.1 Training Plan Related to Administrative Segregation Established

We recommended the Ministry of Corrections, Policing and Public Safety develop a training plan to regularly provide refresher training to correctional centre staff involved in administrative segregation. (*2022 Report – Volume 2,* p. 60, Recommendation 1; Public Accounts Committee agreement February 26, 2024)

Status—Implemented

In November 2023, the Ministry of Corrections, Policing and Public Safety implemented a training plan to regularly (i.e., every three years) provide refresher training to staff involved in administrative segregation.

Upon hiring, the Ministry provides all new correctional centre staff (e.g., managers, correctional officers, nurses) 11 weeks of training, which includes a module on administrative segregation. The Ministry now requires staff to take refresher training every three years.

We reviewed the content of the online learning modules released in November 2023 and found it consistent with the Ministry's Administrative Segregation Policy and relevant legislative requirements.

Directors at each correctional centre track who has taken the training sessions and send status updates weekly to Ministry staff. At July 2024, training completion rates reported to the Ministry were:

- 92% of full-time correctional officers
- 93% of full-time nurses
- 100% of permanent correctional centre management

Providing regular refresher training to those involved in administrative segregation processes reduces the risk of inappropriately placing inmates on administrative segregation, which reduces the potential impact on inmate health and wellbeing.

3.2 Placement Decisions Properly Authorized

We recommended the Ministry of Corrections, Policing and Public Safety have appropriate correctional centre staff authorize administrative segregation placement decisions. (*2022 Report – Volume 2,* p. 62, Recommendation 2; Public Accounts Committee agreement February 26, 2024)

Status—Implemented

The Ministry of Corrections, Policing and Public Safety properly completed assessments and approved decisions for inmates placed on administrative segregation.

Designated correctional centre staff may order an inmate placed on administrative segregation if there are reasonable grounds as defined by *The Correctional Services Act, 2012* (see **Figure 1**).

Figure 1—Reasonable Grounds for Administrative Segregation as Defined by Legislation

- Inmate has acted, has attempted to act, or intends to act in a manner that jeopardizes the security of the correctional centre or the safety of inmates, staff or the public AND the continued presence of the inmate in the general inmate population would jeopardize the security of the correctional centre or the safety of inmates, staff, or the public
- The continued presence of the inmate in the general inmate population would interfere with an investigation that could lead to a criminal charge or a charge of a major disciplinary offence
- The inmate's continued presence in the general population would jeopardize the inmate's own safety

Source: Adapted from the Ministry of Corrections, Policing and Public Safety's Administrative Segregation Policy.

The Ministry requires correctional centre managers to complete an assessment prior to placing an inmate on administrative segregation or within 24 hours of placement.

The assessment guides staff through a series of questions to determine whether an inmate's placement on administrative segregation is justified. The assessment includes:

- Reason for assessment (e.g., initial placement or review of placement, legislative reason)
- Establishing the facts (e.g., behaviour witnessed by staff and/or reported by multiple sources)
- Risk assessment (e.g., severity of threat that could materialize if an inmate is not placed on administrative segregation)
- Consideration of alternatives (e.g., informal resolution, behavioural management contract, unit transfer, facility transfer)

Of the five inmates placed on administrative segregation between April 2023 to July 2024, all were appropriately approved by Correctional Facility Managers. Additionally, in all five cases, staff used the Administrative Segregation Assessment Tool, and completed initial placement forms.

Having appropriate staff completing and approving administrative segregation placement decisions decreases the risk of inappropriately placing inmates on administrative segregation.

3.3 Daily Reviews Not Always Completed

We recommended the Ministry of Corrections, Policing and Public Safety follow its policy requirements (i.e., reviews, healthcare assessments) for inmates placed on administrative segregation. (*2022 Report – Volume 2,* p. 63, Recommendation 3; Public Accounts Committee agreement February 26, 2024)

Status—Partially Implemented

Correctional centre staff do not always complete daily administrative segregation reviews, but do complete healthcare assessments as required by the Administrative Segregation Policy.

The Ministry of Corrections, Policing and Public Safety set specific requirements for various reviews and assessments in its Administrative Segregation Policy. **Figure 2** outlines the policy's established requirements.

Figure 2—Administrative Segregation Reviews and Assessments

Review/Assessment	Description
Initial placement review (i.e., 2-day review)	Once an inmate is placed on administrative segregation, the Ministry requires correctional centre managers to conduct a 2-day review to assess whether the placement was justified.
Healthcare assessments	As part of the initial placement and 14-day review, nurses are to complete, and correctional centre managers are required to review, a current healthcare assessment. Nurses complete these assessments to evaluate the inmate's mental and physical ability to cope with administrative segregation and identify risk factors that may present concerns (i.e., suicidal ideations).
Daily reviews	The Ministry requires correctional centre staff to meet daily with inmates placed on administrative segregation and document discussions with inmates on reasonable alternatives to administrative segregation, document the inmate's daily activities (e.g., time out of cell, exercise, phone calls, programming), and monitor for any physical or mental health changes.
Long-term reviews (i.e., 7-day and 14-day)	The Ministry expects correctional centre staff to complete a new justification assessment for the inmate to remain on administrative segregation, review updated healthcare assessments performed by nurses, discuss placement with the inmate, and discuss whether any reasonable alternatives are now feasible and whether the inmate should remain on administrative segregation.

Source: Adapted from the Ministry of Corrections, Policing and Public Safety's Administrative Segregation Policy.

For the five inmate files we tested, we found three instances where some daily reviews were not completed and documented by correctional centre staff. Staff performed all other reviews and assessments in compliance with the Administrative Segregation Policy.

Not completing the daily activity reviews could result in Correctional Facility Managers missing key pieces of information when deciding to continue an inmate on administrative segregation.

3.4 Appeals Not Independently Reviewed Yet

We recommended the Ministry of Corrections, Policing and Public Safety have appeals by inmates placed on administrative segregation reviewed by independent adjudicators. (*2022 Report – Volume 2,* p. 9, Recommendation 4; Public Accounts Committee agreement February 26, 2024)

Status—Not Implemented

The Ministry of Corrections, Policing and Public Safety maintains an appeal process for inmates placed on administrative segregation; however, it needs to amend its legislation to allow an independent adjudicator to make appeal decisions.

Inmates placed on administrative segregation can appeal their placement decision. Correctional centre staff are required to provide a decision on an appeal within five business days.

Good practice recommends an independent adjudicator (e.g., Ministry staff, staff at another correctional centre), external to the correctional centre, make the appeal decision. The Ministry indicated it is working on having its legislation amended.

Having an independent adjudicator make appeal decisions helps to ensure fair oversight and reduces the risk of biased decisions.

3.5 Quality Assurance Process Improved

We recommended the Ministry of Corrections, Policing and Public Safety broaden its administrative segregation quality assurance process to include assessment of all key policy requirements. (*2022 Report – Volume 2,* p. 70, Recommendation 5; Public Accounts Committee agreement February 26, 2024)

Status—Implemented

The Ministry of Corrections, Policing and Public Safety improved its quality assurance process to monitor compliance with administrative segregation legal and policy requirements.

The Ministry's Director of Standards and Compliance is responsible for the quality assurance process around administrative segregation. Each week, the Director reviews all active administrative segregation files and documents the results of the review in a tracking sheet. The tracking sheet includes information such as the inmate's number, name, demographic information (e.g., age, ethnicity), start and end date of placement, reason for placement (e.g., safety of inmate, security of inmates/centre/others), and whether the correctional centre met the Administrative Segregation Policy requirements outlined in **Figure 2**.

We found the Director identified two instances where correctional centre staff did not perform the required daily review. We saw evidence of the Director communicating these deficiencies to correctional centre staff.

Reviewing all key policy requirements during the administrative segregation quality assurance process decreases the risk that quality assurance reviews do not identify key areas for improvement. Informing correctional centre staff of deficiencies identified during quality assurance reviews allows staff to correct deficiencies going forward, reducing the risk non-compliance with policies continues.

3.6 Reporting and Analysis of Administrative Segregation Enhanced

We recommended the Ministry of Corrections, Policing and Public Safety enhance its written reports to senior management about the use of administrative segregation in its adult secure-custody correctional centres.

(*2022 Report – Volume 2,* p. 72, Recommendation 6; Public Accounts Committee agreement February 26, 2024)

Status—Implemented

The Ministry of Corrections, Policing and Public Safety reports the results of its quality assurance reviews to senior management with reports that include key additional information.

Each year, senior management receives a report that includes statistics on inmates placed on administrative segregation, three-year trend information, and some analysis.

During our original audit, we found the Ministry's reports lacked key information, which is now incorporated into its annual reports. Annual reports now include:

- Number of inmates placed on administrative segregation for more than 15 days
- Analysis of the required reviews and quality assurance results (e.g., whether correctional centre staff properly completed reviews on time)
- Reporting and analysis of inmate appeals

Staff provided the 2023 annual report to senior management in January 2024. It showed all inmates were placed on administrative segregation for less than 15 days.

Quality assurance results in the annual report indicated that for the 12 instances of inmates placed on administrative segregation:

- 11 inmates had initial placement reviews fully completed (one initial placement review did not have all of the questions completed), nine of which were completed within two days of placement. All of these reviews were completed by a correctional centre manager.

- Nine placements required daily reviews. Two instances did not have daily reviews completed, and seven instances the review was partially completed, which is a significant improvement from 2022 when 68% of placements did not have a daily review completed.
- Six placements required a seven-day review, and all were completed.
- One placement required a 14-day review, which was completed.
- Eight placements had healthcare assessments completed for initial placement.[4]

Having information and analysis on its administrative segregation processes help senior management identify potential issues with the use of administrative segregation that need to be addressed.

3.7 Public Reporting on the Use of Administrative Segregation

We recommended the Ministry of Corrections, Policing and Public Safety publicly report key information about the use of administrative segregation

(*2022 Report – Volume 2,* p. 72, Recommendation 7; Public Accounts Committee agreement February 26, 2024)

Status—Implemented

In 2023, the Ministry of Corrections, Policing and Public Safety released its first report about the use of administrative segregation to the public.[5]

This report related to administrative segregation included:

- Number of placements/inmates
- Reason for placement (e.g., security of inmates/facilities/other, safety of inmate, interference with investigation)
- Average length of stay
- Demographic information (e.g., age, ethnicity)
- Incarceration status (i.e., sentences, remand)
- Security threat group (i.e., gang affiliated, non-affiliated)

Publicly reporting about the use of administrative segregation helps the Ministry to demonstrate its commitment to reducing the over-use of segregation, as well as enhance accountability, and encourage oversight.

[4] Healthcare assessments were required for nine of the 12 instances of inmates placed on administrative segregation.
[5] Ministry of Justice and Attorney General, *Administrative Segregation Statistics 2023*, publications.saskatchewan.ca/#/products/123606 (7 October 2024).

Chapter 16
Corrections, Policing and Public Safety—Rehabilitating Adult Inmates

1.0 Main Points

Research indicates inmates participating in rehabilitation programs have lower re-offending rates than inmates who do not receive treatment or participate in programs.[1] Rehabilitated inmates have more opportunities to return to work and contribute to their community upon release.

Under *The Correctional Services Act, 2012*, the Ministry of Corrections, Policing and Public Safety is responsible for providing correctional services and programs, including adult inmate rehabilitation programming.

By March 2024, the Ministry completed the majority of risk assessments of sentenced inmates and their case plans within required timeframes. It also developed a process to monitor the status of inmates' risk assessments and case plans weekly to support follow-up with frontline case managers where completion was not done timely.

Timely determination of inmates' needs and case plans helps the Ministry to identify inmates with the highest risk in re-offending and get them into rehabilitation programming promptly to address their needs before their release back into the community.

The Ministry also developed a strategy to evaluate the outcomes of its rehabilitation programs based on inmate recidivism rates. The Ministry evaluated five programs in 2022. We found the Ministry appropriately utilized program results to improve its delivery of rehabilitative programming. For example, while the Ministry aims to provide programming to all inmates, we found the Ministry prioritized inmates with the highest risk of re-offending to attend rehabilitation programs with high success rates.

Conducting program evaluations and analysis of recidivism can help the Ministry determine successful rehabilitation programs and make adjustments, if necessary.

2.0 Introduction

2.1 Background

The Ministry of Corrections, Policing and Public Safety operates the provincial correctional facilities housing inmates sentenced for terms of less than two years. In 2022–23, the average sentence length for inmates on the daily count was 12.5 months, while the average time served was about 8.3 months after reductions for good behaviour.

As shown in **Figure 1**, approximately 12,000 inmates were admitted to custody in Saskatchewan correctional facilities in each of the last couple years.

[1] www.publicsafety.gc.ca/cnt/rsrcs/pblctns/prnpls-rhbltn/index-en.aspx (25 April 2024).

Figure 1—Total Custodial Admissions in Saskatchewan Correctional Facilities, 2018–23

	2018–19	2019–20	2020–21	2021–22	2022–23
Total custodial admissions[A]	13,160	12,779	10,726	11,773	12,106

Source: As of April 2024, www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510001401 (25 April 2024).
[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 834 during 2022–23.

Figure 2—Sentenced (Overall) as a Percentage of Annual Average Daily Counts in Saskatchewan Correctional Facilities, 2018–23

	2018–19	2019–20[B]	2020–21[B]	2021–22	2022–23
Annual average daily count[A]	1,923	1,948	1,689	1,924	2,046
Sentenced	940	990	738	864	834
% on sentence	49%	51%	44%	45%	41%

Source: As of April 2024, www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510015401 (25 April 2024).
[A] 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.
[B] The Ministry of Corrections, Policing and Public Safety indicated the COVID-19 pandemic impacted annual average daily counts for 2019–20 and 2020–21.

The Ministry, through its two Divisions—Custody Services and Supervision and Rehabilitation Services—designs and delivers programs for sentenced inmates aimed at reducing re-offending and reintegration into their communities, such as addictions support, employment, and cognitive behavioural programs.

To reduce the risk of recidivism 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 reintegrating into the community.

2.2 Focus of Follow-Up Audit

This chapter describes our sixth follow-up audit of the Ministry of Corrections, Policing and Public Safety's actions on the recommendations we made in 2008.

We assessed the Ministry's processes to rehabilitate sentenced adult inmates within provincial correctional centres as of January 31, 2008, and made four recommendations.[2] By March 2021, the Ministry implemented two recommendations and made progress on the other two 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. Ministry management agreed with the criteria in the original audit.

[2] *2008 Report – Volume 1*, Chapter 2, pp. 26–35.
[3] *2010 Report – Volume 1*, Chapter 4, pp. 33–37; *2011 Report – Volume 2*, Chapter 4, pp. 93–97; *2015 Report – Volume 2*, Chapter 47, pp. 327–329; *2018 Report – Volume 2*, Chapter 30, pp. 221–224; and *2021 Report – Volume 2*, Chapter 20, pp.171–176.

To conduct this follow-up audit, we interviewed staff responsible for rehabilitation of adult inmates. To test key aspects of the rehabilitation processes, we reviewed policies, assessed reports, analyzed inmate data, and reviewed the Ministry's 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, 2024, and the Ministry of Corrections, Policing and Public Safety's actions up to that date.

3.1 Improved Completion of Inmate Needs Assessments and Case Plans

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—Implemented

The Ministry of Corrections, Policing and Public Safety improved its processes to assess inmates' needs and used these assessments to plan relevant programs (i.e., set case plans) as required by its policy.

The Ministry updated its case management policy in 2023. The policy requires correctional staff to complete an assessment of a sentenced inmate's risks and needs within 35 days of their admission to a secure custody facility.[4] The policy designates case managers at each correctional facility responsible for completing these needs assessments. Relevant programming (e.g., addictions support, employment) does not begin until a case manager completes a risk assessment and case plan; high-risk offenders with an earlier release date compared to other offenders get programming first.

If case management activities cannot be completed within the required 35 days, the Ministry's updated policy requires staff to document reasons (e.g., due to safety or security concerns, inmate transferred).

In fall 2022, the Ministry implemented weekly case-management dashboard reporting and provided training to frontline staff, managers, and directors on monitoring the status of case management activities (e.g., completed, upcoming or overdue risk assessments and case plans).

We analyzed the Ministry's weekly case-management dashboard reports and found a 24% decline in the number of inmates without or having incomplete risk assessments and case plans between 2023 and 2024 (see **Figure 3**). This improvement shows staff are using the

[4] The Ministry of Corrections, Policing and Public Safety's previous policy required staff to complete inmate risk assessments within 28 days of their custodial sentence, but this extended to 35 days during the COVID-19 pandemic. The Ministry continues to use 35 days for all inmate risk assessments to accommodate any public health advisories or other disease outbreaks (if any).

dashboard reports to follow up on inmates' outstanding risk assessments and case plans. As noted in **Figure 2**, the average daily number of sentenced inmates in Saskatchewan's correctional facilities was 834 during 2022–23, meaning roughly 80% of sentenced inmates had completed case plans.

Figure 3—Number of Inmates Without Risk Assessments or Case Plans at 2023 and 2024

Category	As of February 27, 2023	As of February 26, 2024
Cases with expired or no risk assessments	89	70
Cases with current risk assessments but no current case plan	73	53
Total	**162**	**123**

Source: Adapted from the Ministry of Corrections, Policing and Public Safety's records.

Completing inmates' risk assessments enables the Ministry to identify inmates with the highest risk of re-offending. Completing case management activities within required timeframes enables inmates to access and participate in timely rehabilitation programming, which can help reduce risks to re-offend, and contribute to safer communities.

3.2 Rehabilitation Programs and Re-offending Rates Monitored

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—Implemented

The Ministry of Corrections, Policing and Public Safety monitored inmate re-offence rates and evaluated whether its rehabilitation programs helped reduce recidivism.

In 2020, the Ministry created a new role—Director, Program Integrity and Evaluation—responsible for program evaluation and program audits. In 2022–23, the Director along with other Ministry staff developed the Offender Services Program Evaluation Strategy. The Strategy prioritized evaluating Ministry-delivered rehabilitation programs (e.g., cognitive behavioural, addictions support, employment programs) in its correctional facilities over programs delivered in collaboration with other partners such as the Ministry of Education. The Ministry plans to set criteria to evaluate these other programs (e.g., cultural, spiritual) targeting educational and employment skills, depending on available resources in 2024–25.

By March 2024, the Ministry evaluated five programs at its Saskatoon Correctional Centre (based on inmate data from 2001–19) and found program results showed evidence of recidivism reduction for all five programs (see **Figure 4**). Results from these evaluations would also be relevant for the Ministry's other correctional centres with similar programming. The Ministry made no changes to the five rehabilitation programs as a result of this evaluation.

Figure 4—Ministry Evaluation of its Inmate Rehabilitation Programs

Program	Description	Results[A]
A) Cognitive-Behavioural		
i. Thinking for a Change	A 25-session skill-based program primarily addressing pro-criminal attitude and antisocial pattern risk/needs. Focuses on cognitive restructuring and social skill interventions to reduce risky choices.	**48%** of offenders who completed this program returned to custody compared to **63%** who were waitlisted and did not attend
ii. Living Without Violence	A 10-session program intended to help participants distinguish between anger and violence, to analyze the sources of anger, and identify non-violent ways of expressing or resolving anger	**61%** of offenders who completed the program returned to custody compared to **68%** who were waitlisted and did not attend. (26% of offenders classified as high risk to violently re-offend who completed the program violently re-offended and returned to custody compared to 50% who were waitlisted and did not attend)
B) Addictions Support		
iii. Offender Substance Abuse Prevention Program	A 26-session cognitive-behavioural substance abuse intervention program to address substance abuse	**63%** of offenders who completed the program returned to custody compared to **67%** who were waitlisted and did not attend.
iv. Urban Camp Addictions Program	A four-week recovery program focusing on addictions and the effects of chemical dependency, recovery planning, and relapse prevention strategies	**49%** of offenders who completed the program returned to custody compared to **61%** who were waitlisted and did not attend
C) Employment		
v. Employment Essentials Program	A 15-session program to strengthen employment readiness and provide training activities for offenders while incarcerated	**53%** of offenders who completed the program returned to custody compared to **55%** who were waitlisted and did not attend

Source: *Programming and Recidivism at Saskatoon Correctional Center: A Review and Findings from an Outcome Evaluation* (2022).
[A] Return to custody means inmates who re-offended and were sentenced within two years of their release.

The Ministry's evaluation also found offenders are less likely to return to custody (46%) if they completed any three of the five evaluated programs listed in **Figure 4** during their sentence compared to 68% of those who did not attend similar programming.

We found the Ministry appropriately utilized program results to improve rehabilitative programming processes. For example, the Ministry prioritized inmates with the highest risk of re-offending to attend rehabilitation programs, such as its Thinking for a Change program.

Conducting program evaluations and analysis of recidivism in its correctional facilities can help the Ministry determine successful rehabilitation programs and make adjustments, if necessary.

Chapter 17
eHealth Saskatchewan—Securing Portable Computing Devices

1.0 Main Points

eHealth Saskatchewan is responsible for managing critical IT services used to administer and deliver healthcare services in Saskatchewan, which includes configuration and security of portable computing devices accessing the eHealth IT network. Portable computing devices (e.g., laptops, smartphones) create security risks because they may become infected with viruses or malware and are easy to lose.[1] As of August 2024, almost 32,000 portable computing devices can access the eHealth IT network.

By August 2024, eHealth made some progress toward securing portable computing devices, but it still needs to:

- Implement adequate configuration settings on all eHealth-managed laptop devices with access to the eHealth network
- Complete implementation of a central mobile device management system, which can help to reduce the risk of inconsistent configuration settings on mobile devices that expose the devices and the eHealth IT network to viruses and malware
- Sufficiently control and monitor access to the eHealth IT network to detect and prevent malicious activity to help mitigate the impact of security breaches

eHealth also needs to work with its health sector partners to improve its tracking of lost or stolen devices so eHealth can ensure it appropriately removes all portable devices from the network. Not properly wiping or removing portable devices from the eHealth IT network if lost or stolen increases the risk of unauthorized access to confidential health information on the device and the network.

2.0 Introduction

2.1 Background

eHealth Saskatchewan 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 IT systems in use at the Saskatchewan Health Authority, Saskatchewan Cancer Agency, 3sHealth, and the Ministry of Health.[2]

[1] Malware is software specifically designed to disrupt, damage, or gain unauthorized access to computing devices.
[2] In January 2017, the Minister of Health directed eHealth to consolidate IT services into a single service that the Saskatchewan Health Authority, Saskatchewan Cancer Agency, and 3sHealth previously provided. eHealth also hosts IT systems used at the Ministry of Health.

Almost 32,000 portable computing devices can access the eHealth IT network.[3] Portable computing devices include devices such as smartphones and laptops.

As of August 2024, eHealth employed about 786 staff.[4] eHealth is responsible for the configuration and security settings applied to portable computing devices it manages. In addition, it is responsible for monitoring the security of the eHealth IT network housing critical IT health systems and data essential to the management and delivery of provincial health services along with a significant amount of other private and confidential data (e.g., provincial health card information).

2.2 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on the six recommendations we made in 2020.

We concluded eHealth Saskatchewan had effective processes, except in the areas identified in our seven recommendations, to secure health information on portable computing devices used in delivery of Saskatchewan health services from unauthorized access for the 12-month period ended August 31, 2019.[5] By June 2022, eHealth implemented one recommendation.[6,7]

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate eHealth's progress toward meeting our recommendations, we used the relevant criteria from the original audit. eHealth management agreed with the criteria in the original audit.

To complete this follow-up audit, we discussed actions taken with management. We reviewed policies related to portable device security (e.g., password policy, lost or stolen device policy) and examined network security logs and scans eHealth used to monitor its IT network. In addition, we used an external consultant to assess network access controls and system configuration for a sample of portable computing devices (i.e., laptops and smartphones) against good practice.

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 15, 2024, and eHealth Saskatchewan's actions up to that date.

[3] Information provided by eHealth Saskatchewan.
[4] Ibid.
[5] *2020 Report – Volume 1*, Chapter 6, pp. 47–63.
[6] *2022 Report – Volume 2*, Chapter 15, pp.175–182.
[7] In 2023, we followed up on two of the seven recommendations within our annual integrated audit of eHealth. By March 2023, eHealth had partially implemented the two recommendations about IT network access controls and monitoring. *2023 Report – Volume 2*, Chapter 1, pp. 13–18.

3.1 Laptop Configuration Still Includes Some Unaddressed Risks

We recommended eHealth Saskatchewan implement a written risk-informed plan to protect laptops with access to the eHealth IT network from security threats and vulnerabilities. *(2020 Report – Volume 1*, p. 56, Recommendation 2; Public Accounts Committee agreement January 12, 2022)

Status—Partially Implemented

eHealth Saskatchewan implemented its standard laptop configuration, including encryption, with almost all its laptops using a supported operating system as of August 2024. However, eHealth continued to permit unrestricted use of USB ports in laptops—it planned to implement a pilot program to mitigate these risks by March 2025. eHealth also needs to restrict the users' ability to access a laptop's BIOS settings.[8]

We found eHealth made progress in implementing its standard laptop configuration—at August 2024, about 99% of its laptops used a supported operating system (e.g., Windows 10) that includes encryption. Configuring laptops with supported operating systems and encryption helps to protect devices against known vulnerabilities and reduces the risk of compromise in the event a laptop is lost or stolen.

However, we also found eHealth's standard laptop configuration continued to permit unrestricted use of USB ports in laptops. eHealth plans to pilot restricted use of laptop USB ports at one agency by March 31, 2025, and expand to other agencies on the eHealth IT network after the pilot. Management indicated that as certain health sector partners use USB ports to deliver clinical services, eHealth needs to take a phased approach to restricting the use of USB ports to minimize service disruptions. Blocking the USB ports can prevent devices from downloading data or uploading malicious software or tools.

In addition, our review of the standard configuration found users continue to have access to the BIOS settings—permitting users to control device settings at the hardware level. At August 2024, eHealth decided to restrict access to BIOS settings and was working on a plan to implement this as a standard configuration setting. Access to BIOS settings allow users to change hardware configurations, increasing the risk of security vulnerabilities if they make unauthorized changes.

3.2 Central Mobile Device Management Coming

We recommended eHealth Saskatchewan standardize the configuration settings for mobile devices with access to the eHealth IT network to mitigate associated security threats and vulnerabilities. *(2020 Report – Volume 1*, p. 59, Recommendation 3; Public Accounts Committee agreement January 12, 2022)

Status—Partially Implemented

[8] BIOS (basic input/output system) is the program a computer's microprocessor uses to start the computer system after it is powered on. It also manages data flow between the computer's operating system and attached devices, such as the hard disk, video adapter, keyboard, mouse, and printer. BIOS security is a component of cybersecurity that organizations should manage to prevent hackers from executing malicious code on the operating system. techtarget.com/whatis/definition/BIOS-basic-input-output-system (16 October 2024).

We recommended eHealth Saskatchewan analyze the cost-benefits of use of a central mobile device management system to secure and monitor mobile devices with access to the eHealth IT network. *(2020 Report – Volume 1*, p. 59, Recommendation 4; Public Accounts Committee agreement January 12, 2022)

Status—Implemented

eHealth Saskatchewan selected a central mobile device management system to help secure and monitor mobile devices (e.g., smartphones). While eHealth appropriately configured the central device management system in accordance with good practice, eHealth has only transitioned 14% of its mobile devices to the central system—resulting in the configuration settings for many mobile devices not aligning with good practice in several areas (e.g., password requirements, blocking jailbroken or rooted devices, containerization).[9,10]

At August 2024, eHealth is responsible for almost 8,000 mobile devices. eHealth's configuration of mobile devices differs based on health sector agency (e.g., eHealth, Saskatchewan Health Authority) and location. Since 2019, eHealth uses three mobile-device management systems to manage mobile devices with access to the eHealth network. Since our last follow-up audit, eHealth selected one of these systems for implementation as its central system for all health sector agencies by 2025–26.

Fully implementing a central mobile device management system and requiring staff to register their mobile devices on that system can help ensure only authorized users have access to corporate emails, contacts, or calendars.

We tested eHealth's standard configuration settings for mobile devices and found:

- **Password settings do not align with good practice for most devices**. Good practice suggests mobile device passwords require six characters, restrict the use of sequential characters, and restrict the use of repetitive characters.

At August 2024, eHealth's policy requires a password to be at least six characters in length and prohibits the use of sequential and repetitive characters (e.g., 000000), which aligns with good practice. However, eHealth only enforces this policy on one of its three mobile-device management systems for 14% of the mobile devices eHealth manages. Password requirements not in alignment with good practice increase the risk of compromised mobile devices.

- **Not all jailbroken/rooted devices blocked**. Good practice suggests blocking the use of jailbroken/rooted devices for corporate usage as staff may use these devices to bypass manufacturer restrictions and security protections, exposing the device and the eHealth IT network to vulnerabilities.

[9] Jail Break/Rooting: Bypassing the restrictions placed on the mobile device by the manufacturer. With a jailbroken mobile device, users can install apps and change settings not authorized by the manufacturer. Additionally, it removes the default security protections built into the mobile device by the manufacturer.
[10] Containerization creates a secure and segregated user profile from the staff's personal profile. This approach isolates applications and data specific to the organization from the staff's personal applications and data.

- **Containerization not consistently used**. Good practice suggests the use of containerization to separate personal usage of mobile devices from corporate usage. Lack of containerization increases the risk of attack from personal use of mobile devices.

- **Not all devices restrict application downloads**. Good practice suggests restricting downloads on mobile devices to only corporate-approved applications and stores.

At August 2024, eHealth configured two of its three mobile-device management systems to restrict jailbroken and rooted devices on the eHealth IT network, application downloads, and to segregate corporate and personal applications and data. However, we found these restrictions only applied to 46% of the mobile devices that eHealth manages.

eHealth indicated it plans to transition all mobile devices to its central mobile device manager by March 31, 2026.

Inconsistent configuration settings on mobile devices result in increased security risks. Well-configured security settings can protect the eHealth IT network from malicious software by limiting what users can access on their mobile devices through containerization, and applying restrictions on applications.

3.3 Need to Centralize Incident Management and Track All Lost or Stolen Portable Devices

We recommended eHealth Saskatchewan take appropriate action to minimize the risk of security breaches when a portable computing device is reported lost or stolen. *(2020 Report – Volume 1*, p. 60, Recommendation 5; Public Accounts Committee agreement January 12, 2022)

Status—Partially Implemented

eHealth Saskatchewan implemented a process to centrally track lost or stolen portable computing devices with access to the eHealth IT network, but we found eHealth's tracking spreadsheet incomplete as it did not include all lost or stolen devices. In addition, eHealth has yet to adopt a centralized incident management process for all devices accessing its IT network.

eHealth uses information from its ticketing system to manually update a spreadsheet about lost or stolen devices. Between January 2023 and August 2024, we found eHealth recorded 12 incidents that resulted in 18 lost or stolen devices.

Using information obtained from the Saskatchewan Health Authority, we found six additional lost or stolen devices managed by eHealth not included in its tracking spreadsheet. While we tested two of these devices and found eHealth appropriately disabled the devices and removed them from the network, eHealth may not know the full extent of lost or stolen portable computing devices at the health sector agencies to which it provides services.

Additionally, we found eHealth does not have a centralized incident management process for all devices accessing its IT network. It does not have authorization to disable all of the Authority's mobile devices for Saskatoon and surrounding area (i.e., the Authority has almost 2,400 mobile devices in Saskatoon)—these device owners must contact their cell phone provider to disable lost or stolen devices. eHealth is responsible for taking appropriate action to minimize the risk of security breaches by removing a device from the network, disabling a device, and wiping a device, if applicable. eHealth indicated it is working with the Authority to obtain authorization to disable these devices when necessary to do so—it expects to obtain such authorization by March 31, 2026.

Not having complete information about lost or stolen devices, or a centralized incident management process, increases the risk of lost or stolen portable computing devices not being appropriately removed from the network and those devices being compromised, putting personal health information at risk.

3.4 Enhanced Network Access Controls Still Needed

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 agreement January 12, 2022)

Status—Partially Implemented

eHealth Saskatchewan needs to implement its plan to control network access.

eHealth is working toward centralized controls for network access for all health sector agencies and network access ports.[11] eHealth planned to pilot network access controls in one medium and one large healthcare facility (e.g., hospitals) by March 31, 2023, but paused the pilot project in August 2023 to focus its efforts on data centre network controls.

eHealth indicated it is developing a plan for establishing network access controls for all health sector agencies.

Without network access controls, eHealth does not sufficiently control access to the eHealth IT network, and it does not restrict where users and devices can go on or what they can do on the eHealth IT network.

Establishing IT network access controls to restrict user access to only what they need at any given time makes it much harder for attackers to escalate privileges and take aim at vital assets (in the event a portable device is compromised). Good practice also suggests the use of network segmentation to limit movement across a network in the event an attacker gains unauthorized access to a network.

Without adequate security on network access ports, the eHealth IT network may be vulnerable to attack through these open ports. Controlling IT network access helps to mitigate the risk of security breaches, and the extent of breaches.

[11] Network Access Control (NAC) is the process of restricting unauthorized users and devices from gaining access to a corporate or private network. NAC ensures that only authenticated users and devices that are authorized and compliant with security policies can enter the network. fortinet.com/resources/cyberglossary/what-is-network-access-control (16 October 2024).

3.5 Progress on Network Access Monitoring

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 agreement January 12, 2022)

Status—Partially Implemented

eHealth Saskatchewan began using a service provider in May 2023 to help monitor and manage the security of its IT network; however, it has yet to transfer responsibility for monitoring all aspects of the network to service providers as planned.

eHealth continues to monitor pieces of the eHealth IT network, including endpoint protection and real-time scanning from key points in the eHealth network, but it does not scan all areas of the IT network and analyze results to detect malicious activity.

Service providers can bring additional tools needed to effectively detect, prevent, and control malicious activity on the eHealth IT network—such as extended detection and response solutions and 24/7 monitoring of the eHealth IT network.[12] At August 2024, eHealth had yet to transfer responsibility for monitoring all aspects of the network to service providers as planned.

Without effective IT network monitoring, eHealth may not detect malicious activity and mitigate risks of a successful attack on its corporate network within sufficient time to prevent a security breach.

[12] Extended detection and response collects and automatically correlates data across multiple security layers—email, endpoint, server, cloud workload, and network—allowing for faster detection of threats and improved investigation and response times through security analysis. trendmicro.com/en_in/what-is/xdr.html#:~:text=XDR%20(extended%20detection%20and%20response,XDR (16 October 2024).

Chapter 18
Finance—Monitoring the Fuel Tax Exemption Program

1.0 Main Points

Tax expenditures (exemptions) reduce the amount of taxes that select individuals and/or corporations pay, resulting in lower revenues for the Government. Because of these lower revenues, legislators need to clearly understand what tax expenditure programs (such as the fuel tax exemption program) are expected to achieve and whether these programs achieve desired results.

By August 2024, the Ministry of Finance implemented the three remaining recommendations we first made in our 2016 audit of its processes to monitor the fuel tax exemption program.

We found the Ministry documented its detailed review of one tax expenditure program as part of the Provincial Budget, given changes to the program. This provided adequate support for the Ministry's program recommendation to Treasury Board and allowed for informed decisions. We also found the Government reported on the achievements related to this tax expenditure program in a public annual report, promoting government accountability for results achieved by this program.

The Ministry measures the success of its fuel tax exemption program, which applies to marked diesel fuel purchased by permit holders, by publicly reporting how much farmers save annually through the program. The annual Provincial Budget shows the actual or estimated amount of forgone revenue because of the fuel tax exemption program—saving farmers $114 million in 2023–24 and staying relatively consistent over the past four years.

2.0 Introduction

2.1 Background

Tax expenditures reduce the amount of taxes that certain individuals or corporations pay to the government through exemptions, deductions, tax credits, preferential tax rates, or deferrals.[1] These tax expenditures assist a variety of individuals and businesses, including farmers, families, seniors, and small businesses.[2] Tax expenditures result in less revenue for governments. In 2023–24, the Government had about $4.5 billion in forgone revenue because of tax expenditures.[3]

[1] Examples of tax expenditures include exemptions for basic groceries and reading materials from provincial sales tax, deductions for registered retirement savings plan contributions for personal income tax, and credits for investing in manufacturing and processing activities for corporate income tax.
[2] Government of Saskatchewan, *Saskatchewan Provincial Budget 24–25*, p. 68.
[3] Ibid., pp. 70–71.

The Government of Saskatchewan, like other governments, uses tax expenditures to achieve policy objectives, such as certain social or economic goals, or to encourage desired behaviours, without incurring direct costs. Because the use of tax expenditures results in lower revenues, the Government must know what it expects to achieve by using tax expenditures, and whether these expenditures are achieving the intended result.

The fuel tax exemption program applies to marked diesel fuel purchased by permit holders. Those eligible to become permit holders are qualified farmers, primary producers of renewable resources (e.g., commercial fishers, trappers, and loggers) and heating fuel consumers. The program allows those permit holders to purchase fuel tax-free for specified activities (e.g., to operate machinery used in farming operations).[4] The fuel tax exemption program has not changed substantially since established in 1987.

2.2 Focus of Follow-Up Audit

This chapter describes our third follow-up audit of management's actions on the recommendations we made in 2016.[5]

We concluded the Ministry of Finance had effective processes, except in the areas of our six recommendations, to monitor whether its fuel tax exemption program is achieving program objectives for the 12-month period ended July 31, 2015. By August 2022, the Ministry implemented three of our six recommendations.[6]

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 carry out our follow-up audit, we discussed actions taken since the last follow-up audit in 2022 with Ministry management. We reviewed Ministry documentation related to addressing the areas of our recommendations, including annual budget documents.

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, 2024, and the Ministry of Finance's actions up to that date.

[4] The Minister of Finance is responsible for *The Fuel Tax and Road Use Charge Act*. The Act imposes a tax on persons importing or purchasing fuel in Saskatchewan. The Act also allows for certain individuals to purchase tax-exempt fuel.
[5] *2016 Report – Volume 1*, Chapter 8, pp. 69–83.
[6] *2019 Report – Volume 1*, Chapter 24, pp. 257–262 and *2022 Report – Volume 2*, Chapter 17, pp. 193–197.

3.1 Tax Expenditure Reviews Documented through the Budget Process and Achievements Periodically Reported

We recommended the Ministry of Finance require staff to sufficiently document tax expenditure program reviews to support the result of its reviews. (*2016 Report – Volume 1,* p. 79, Recommendation 4; Public Accounts Committee agreement September 21, 2017)

Status—Implemented

We recommended the Ministry of Finance periodically publish the achievements of its key tax expenditure programs. (*2016 Report – Volume 1,* p. 79, Recommendation 6; Public Accounts Committee agreement September 21, 2017)

Status—Implemented

The Ministry of Finance reviews tax expenditure programs through the annual Provincial Budget process, and does a more thorough analysis when there are proposed changes to programs or a new program is recommended.

The Ministry develops and implements tax policy for the Government of Saskatchewan, including the Government's use of tax expenditures. It also administers most of the Government's tax expenditure programs, including the fuel tax exemption program.

The Ministry reviews expenditure programs as part of its process to prepare the annual Provincial Budget. The Ministry includes a brief summary of tax expenditure programs in the information it provides to Treasury Board as part of the budget approval process, along with the Ministry's analysis and recommendations on any changes proposed to tax expenditure programs. According to the Ministry, the last time it changed the fuel tax exemption program was 2017–18.

We found the Ministry sufficiently documented the results of its review for one tax expenditure program (Saskatchewan Technology Startup Incentive) examined during the 2024–25 budget preparation process and included detailed analysis and support on intended benefits.[7] The analysis also included the Ministry's recommendation with regards to the program. Once the tax expenditure was approved by Treasury Board, the Provincial Budget outlined the new tax expenditure program, intended purpose, and impacted parties.

Sufficient review documentation about new or changed tax expenditure programs gives adequate support for Ministry recommendations made and allows for informed decisions.

We found the 2023–24 annual report for Innovation Saskatchewan outlined achievements related to the Saskatchewan Technology Startup Incentive. For example, the annual report outlined the number of investors and technology companies impacted, the extent of private investment, and the number of jobs created by the incentive.

[7] The Saskatchewan Technology Startup Incentive is designed to encourage investments in early-stage technology startups that bring new products to market and create jobs. The program offers a tax credit to Saskatchewan-based investors who invest in these start-ups.

Providing information on tax expenditure program achievements promotes government accountability for results achieved by those programs.

3.2 Fuel Tax Exemption Program Measures How Much Farmers Saved

We recommended the Ministry of Finance set out how it plans to measure the success of each component of its fuel tax exemption program. (*2016 Report – Volume 1,* p. 79, Recommendation 1; Public Accounts Committee agreement September 21, 2017)

Status—Implemented

The Ministry of Finance measures the success of its fuel tax exemption program by publicly reporting how much farmers save annually through the program.

The Ministry states its objectives for each component of the fuel tax exemption program publicly in the annual Provincial Budget. The objectives include:

- Providing tax relief to key economic sectors and ensuring tax competitiveness with other jurisdictions by providing reduced fuel tax rates to farmers and primary producers
- Ensuring consistent tax treatment with the PST exemption for natural gas used for heating by also exempting heating fuels from the fuel tax[8]

See **Figure 1** for a summary of the planned achievements for the fuel tax exemption program outlined by Ministry management. We looked at whether Ministry rationale provided as part of the annual budget process reported information (results) related to the planned achievements for the fuel tax exemption program.

As part of its 2024–25 annual budget process, the Ministry summarized the general purpose of the fuel tax exemption program, the amount of estimated tax relief, fuel tax rates compared to other jurisdictions (e.g., Alberta, Manitoba), and the number of farmers participating in the program.

Figure 1—Planned Achievements for the Fuel Tax Exemption Program

Planned Achievement	Results Reported
Interjurisdictional competitiveness	Fuel tax rate compared to other relevant jurisdictions (e.g., Alberta and Manitoba)
Broad Farmer Uptake	Number of farmers participating in the program and the approximate amount saved per individual as a result of participating in the program
Farmer Savings	Past and projected fuel tax exemption program expenditures

Source: Adapted from information provided by the Ministry of Finance.

[8] Government of Saskatchewan, *Saskatchewan Provincial Budget* 24–25, p. 68.

In 2023–24, the Ministry collected $475.3 million in fuel tax revenues and had $114 million in forgone revenue as a result of the fuel tax exemption program.[9,10]

Figure 2 shows the actual or estimated amount of forgone revenue because of the fuel tax exemption program for the last four years, indicating the amounts remained relatively consistent. The Ministry of Finance reports these amounts publicly in the annual Provincial Budget.

Figure 2—Value of Fuel Tax Exemption Program Expenditures

	2021 Actual	2022 Revised[A]	2023 Revised[A]	2024 Estimate
Fuel Tax Exemption Program	$111.1 million	$110.0 million	$114.0 million	$116.7 million

Source: Government of Saskatchewan, *Saskatchewan Provincial Budget 24–25*, pp. 70–71.
[A] The Ministry of Finance updates its actual amounts each year as new or additional information becomes available.

Publicly reporting actual compared to planned expenditures through the fuel tax exemption program gives legislators insights into how much farmers have saved and how much revenue the Government has forgone each year.

[9] Government of Saskatchewan Public Accounts, *2023–24 Volume 1*, schedule 14.
[10] Government of Saskatchewan, *Saskatchewan Provincial Budget 24–25*, p. 70.

Chapter 19
Health—Preventing Diabetes-Related Health Complications

1.0 Main Points

At March 2023, there were about 101,000 Saskatchewan residents with diabetes.[1]

By September 2024, the Ministry of Health implemented the three remaining recommendations we first made in 2012 about preventing diabetes-related health complications.

The Ministry collected and analyzed care information related to diabetes and diabetes-related complications. For example, it continues to increase physician use of its Chronic Disease Management—Quality Improvement Program IT system. This system collects data from participating physicians about key healthcare services and programs provided to people with diabetes. Using this data, the Ministry began producing monthly chronic disease reports, as well as clinic reports for Saskatchewan Health Authority-operated clinics. These reports help inform priorities for service improvement.

The Ministry also collects and tracks data on diabetes-related complications and uses this information to assist with program planning (e.g., changes in demand and delivery for dialysis and chronic disease programs).

Preventative measures and better disease management can reduce the prevalence of diabetes-related complications and the impact of the disease on quality of life, and lead to lower healthcare costs.

2.0 Introduction

2.1 Background

The Ministry of Health is responsible for ensuring people with chronic diseases, such as diabetes, receive appropriate care. Diabetes is a chronic condition that occurs when the body does not produce enough insulin or when it cannot use it effectively, resulting in high blood glucose (sugar) levels.

The Ministry works in partnership with various agencies (e.g., Saskatchewan Health Authority, eHealth Saskatchewan) to deliver diabetes-related programs and monitor the incidence and prevalence of the disease in the province.

[1] March 2023 was the latest available information from the Ministry of Health as of September 2024.

2.2 Focus of Follow-Up Audit

This chapter describes our fourth follow-up audit of management's actions on the three outstanding recommendations we first made in 2012.

We concluded, for the year ended March 31, 2012, the Ministry of Health did not have effective strategies for preventing diabetes-related health complications.[2] We made 12 recommendations. By August 2020, the Ministry implemented nine 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. Ministry management agreed with the criteria in the original audit.

To carry out our follow-up audit, we interviewed Ministry staff and examined IT systems and relevant documentation such as monthly chronic disease reports and clinic reports.

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 13, 2024, and the Ministry of Health's actions up to that date.

3.1 Information Collected and Analyzed to Help Adjust Programs

We recommended the Ministry of Health collect and analyze information to assess whether services delivered by physicians and care providers are effective and if they provide needed services to people with diabetes to prevent diabetes-related health complications. *(2012 Report – Volume 2;* p. 269, Recommendation 10*;* Public Accounts Committee agreement September 9, 2014)

Status—Implemented

We recommended the Ministry of Health work with the Saskatchewan Health Authority to ensure resources on a regional basis are effectively deployed to manage diabetes and diabetes-related health complications. *(2012 Report – Volume 2;* p. 267, Recommendation 7*;* Public Accounts Committee agreement September 9, 2014)

Status—Implemented

[2] *2012 Report – Volume 2,* Chapter 32, pp. 256–278.
[3] *2015 Report – Volume 1,* Chapter 23, pp. 257–264; *2017 Report – Volume 2,* Chapter 33, pp. 239–244; and *2020 – Volume 2,* Chapter 32, pp. 241–247.

We recommended the Ministry of Health collect and analyze information to assess the effectiveness of the Saskatchewan Health Authority's programs to manage diabetes and the prevention of diabetes-related health complications. *(2012 Report – Volume 2;* p. 270, Recommendation 11*;* Public Accounts Committee agreement September 9, 2014)

Status—Implemented

The Ministry of Health collects and analyzes information related to diabetes and diabetes-related complications and uses this information to assess and modify programs to help people with diabetes.

Advancing Data Collection

The Ministry of Health primarily collects data about individuals with chronic health conditions from physicians through an IT system—CDM-QIP. This system tracks key healthcare services (e.g., whether physicians test A1C blood levels twice a year) provided to people with chronic conditions such as diabetes.

CDM-QIP enables physicians actively using the system to monitor the services they provide and identify improvements in patient outcomes. Physicians can also use this information to help ensure they deliver consistent service across their practice. Early detection and appropriate management of potential issues reduce the risk of developing serious health complications from a chronic disease.

In January 2024, the Ministry's Primary Care team began providing monthly chronic disease reports (from CDM-QIP) to other branches of the Ministry (e.g., Medical Services Branch) to assist with their understanding of program utilization by physicians and nurses. The reports include information such as the number of active patients by condition (e.g., diabetes, coronary artery disease, chronic obstructive pulmonary disease), number of active providers, total number of monthly visits, and number of new and returning patients. The reports also provide graphs with trend information back to 2012.

Since our 2020 follow-up audit, we found the Ministry obtained more information about individuals living with chronic health conditions, including diabetes, through increased use of CDM-QIP. For example, we found at May 2024:

- The system included about 42,000 active patients with diabetes—representing about 42% of people living with diabetes in Saskatchewan (March 2020: 37%)[4]
- 900 physicians and nurse practitioners using CDM-QIP compared to 791 using the system at July 2020

[4] At March 2023, approximately 101,000 people live with diabetes in Saskatchewan.

The Ministry also plans to further increase the use of CDM-QIP through a new physician payment model. In April 2024, the Ministry, in consultation with the Saskatchewan Medical Association and the Saskatchewan Health Authority, implemented a new voluntary blended payment model for eligible Saskatchewan physicians called the Transitional Payment Model. It combines the existing fee-for-service model with a new payment model (based on patient contacts and panel size).[5] It has four main deliverables as shown in **Figure 1**.

Figure 1—Transitional Payment Model Deliverables

1. Establish a longitudinal relationship with patients, by providing ongoing family medicine services to a dedicated patient panel, which includes screening, prevention activities, chronic disease management, and comprehensive care
2. Commitment to transition toward the Patient's Medical Home framework[A]
3. Commitment to address multiple relevant patient issues/concerns during one visit
4. Physicians commit to assist the Saskatchewan Medical Association and the Ministry of Health to achieve improvements in longitudinal community-based family medicine delivery and patient outcomes

Source: Adapted from the Ministry of Health's *Transitional Payment Model (TPM) Deliverables*.
[A] The College of Family Physicians of Canada developed the Patient Medical Home framework, which describes how family physicians work in teams with other healthcare professionals to provide accessible, high-quality care for their patients.

The Ministry expects physicians enrolled in the new payment model to use CDM-QIP. Since April 2024 to September 2024, an additional 162 physicians use the system.

The Ministry is also working with eHealth Saskatchewan to establish a data sharing agreement to enable the Ministry to monitor how individuals and groups of physicians enrolled in the new payment model use CDM-QIP (e.g., how many diabetic patients receive quality care). The Ministry indicated it expects to finalize this data sharing agreement in 2024–25.

Having access to CDM-QIP data will allow the Ministry to know whether physicians sufficiently monitored patients living with diabetes or if patients received best practice interventions to reduce their risk of developing diabetes-related health complications.

Reporting Used to Inform Programming

In March 2024, the Ministry of Health began piloting the provision of clinic reports to the Saskatchewan Health Authority for clinics (e.g., health centres) it operates in one area of the province. Through the trial, the clinic reports evolved to include data about diabetic patient rates at the clinic compared to the area (e.g., Regina, Saskatoon, North East).

In September 2024, the Ministry provided clinic reports to all 90 Authority-operated diabetes clinics across Saskatchewan. Management indicated that once it signs the data sharing agreement with eHealth Saskatchewan, it expects to improve the reports with more CDM-QIP information including specific information on number of patients with diabetes and how many receive appropriate care.

[5] Patient contact represents each time a physician provides primary care (in-person or via virtual care). A patient panel is a group of patients assigned to one specific physician.

Providing reporting outlining variations in health needs and services among clinics can help to inform priorities for diabetes-related service improvement.

The Ministry also collects and tracks data on diabetes-related complications and uses this information to assist with program planning. For example, each quarter, the Authority provides the Ministry with the number of diabetic clients at its Kidney Health Clinics and in the Dialysis and Transplant Programs. The Ministry compiles the fiscal year statistics and provides them to the Authority, which allows the Ministry and the Authority to monitor changes in demand for dialysis and chronic disease programs.[6]

Using this information, the Ministry and the Authority assessed the need for an additional hemodialysis unit in North East Saskatchewan. As a result of the analysis, in 2023–24, the Ministry and the Authority started the mobile Point-of-Care Testing pilot project in North East Saskatchewan, which has four goals as shown in **Figure 2**.

Figure 2—Point-of-Care Testing Pilot Project Goals

- Perform primary screening and risk prediction for kidney failure on at-risk individuals in their own community using point-of-care testing
- Use point-of-care testing to allow instant feedback to those individuals screened about their results, their level of risk, and what measures they can take to decrease risk and prolong their kidney health
- Provide results and treatment recommendations/actions to local primary care providers with consent of the individual screened
- Increase public awareness and education about chronic kidney disease, risk factors, and possible treatments (including home-based dialysis)

Source: Ministry of Health.

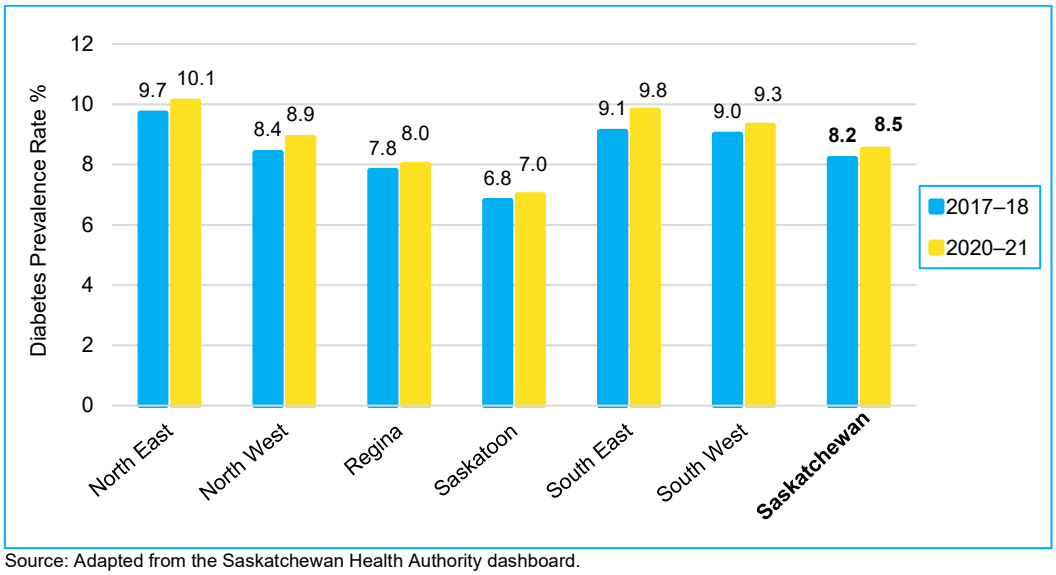
The Ministry also provides the Authority with chronic disease information organized by geographic area, prevalence, and age-standardized prevalence. Beginning in January 2024, the Authority used this information to generate an online dashboard.[7] The dashboard includes information on the diabetes prevalence rate by area (e.g., Regina, Saskatoon, North East), health network (each area is broken down into health networks), and communities within each health network.

According to the Authority's dashboard, as shown in **Figure 3**, the overall diabetes prevalence rate increased from 8.2% in 2017–18 to 8.5% in 2020–21. The North East (e.g., includes communities such as La Ronge, Creighton, Big River) has the highest prevalence rate at 10.1% and Saskatoon has the lowest at 7%. However, the Authority has not updated its dashboard with current information (i.e., beyond 2021), although it continues to work on the dashboard (e.g., current data, access, content).

[6] The Kidney Foundation of Canada notes people with diabetes are at increased risk of kidney disease that may require dialysis. kidney.ca/Kidney-Health/Newly-Diagnosed/Risk-Factors (4 October 2024).

[7] Prior to implementing the dashboard, the Authority produced health network profile reports but production of reports stopped with the COVID-19 pandemic.

Figure 3—Diabetes Prevalence Rate by Area Comparing 2017–18 to 2020–21



Source: Adapted from the Saskatchewan Health Authority dashboard.

Having data on the prevalence of diabetes across the province can help the Authority and Ministry determine areas with greatest need for resources.

Treating diabetes-related complications is a significant cost to the healthcare system. Using its analysis, along with the Authority's dashboard information, can help the Ministry determine whether programs to manage diabetes and diabetes-related complications are designed correctly and where more support may be needed.

Chapter 20
Health—Using Critical Incident Reporting to Improve Patient Safety

1.0 Main Points

In healthcare, a critical incident is a serious adverse health event that did or could have resulted in serious harm or death of a patient. Critical incident reporting is a recognized tool in improving patient safety in the healthcare sector.

In 2023–24, healthcare organizations (e.g., Saskatchewan Health Authority, Saskatchewan Cancer Agency) reported 215 critical incidents (2022–23: 145 critical incidents) to the Ministry of Health.[1]

Since our original audit in 2021, the Ministry made some improvements to its critical incident reporting processes, but further work remains.

The Ministry still needs to:

- Sufficiently assess planned corrective actions and contributing factors in critical incident reports to help ensure the actions effectively address causes of critical incidents. We found 17 of the 20 reports we tested had weak planned corrective actions. We also found 10 reports did not describe why the incident happened limiting the healthcare organizations' ability to identify contributing factors and develop appropriate actions to address them.

- Monitor and enforce compliance with critical incident reporting deadlines set in *The Critical Incident Regulations, 2023*. The Ministry continues to frequently receive critical incident reports from healthcare organizations later than the timeframes required by law. In 2023–24, we found the Ministry received 62% (2019–20: 44%) of initial notifications later than the three-day requirement. We also found the Ministry received 90% (2019–20: 73%) of the critical incident reports later than the 60-day requirement.

- Regularly confirm the critical incident listings with planned corrective actions received from the Saskatchewan Health Authority are complete and accurate to enable effective monitoring of the implementation status of corrective actions; we found six incidents were not included in the Authority's listing. The Ministry also reported 340 outstanding corrective actions as of June 30, 2023, with 94% noted as not yet implemented by the Authority.

- Effectively determine when to issue a patient safety alert and monitor the alert's effectiveness. The Ministry has not issued any patient safety alerts since September 2019. Management indicated the Ministry plans to use its new guidance for two potential patient safety alerts—it plans to issue the alerts by December 2024.

- Further analyze critical incidents and use the Ministry's framework to implement system-wide improvements.

[1] Ministry of Health, *2023–24 Annual Report*, p. 31.

By June 2024, the Ministry expanded the list of adverse health events it requires healthcare organizations to report as critical incidents to fully align with good practice, confirmed critical incident reporting forms are complete, and compared specific critical incidents to other health data sources (e.g., Canadian Institute for Health Information).

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

2.0 Introduction

2.1 Background

Critical incident reporting refers to reports healthcare organizations must, by law, make to the Ministry of Health about a serious adverse health event, including, but not limited to, the actual or potential loss of life, limb, or function related to a health service provided by the organization.[2,3]

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

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

2.2 Focus of Follow-Up Audit

This chapter describes our first follow-up audit of management's actions on the recommendations we made in 2021.

We concluded that, for the 12-month period ended December 31, 2020, the Ministry of Health had effective process for using critical incident reporting to improve patient safety except for the areas reflected in our 10 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. Ministry management agreed with the criteria in the original audit.

To carry out our follow-up audit, we interviewed key Ministry staff and examined relevant documentation such as guidelines, critical incident IT system and data, critical incident listings, and critical incident reporting. We tested a sample of critical incident reports received and reviewed by the Ministry. We also consulted with an independent consultant with subject matter expertise in the area.

[2] Ministry of Health, *Saskatchewan Critical Incident Reporting Guideline, 2023*.
[3] Healthcare organizations include the Saskatchewan Health Authority, healthcare affiliates (e.g., long-term care operators) contracted by the Saskatchewan Health Authority, the Saskatchewan Cancer Agency, eHealth Saskatchewan, and Health Shared Services (3sHealth).
[4] *2021 Report – Volume 1*, Chapter 6, pp. 51–75.

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, 2024, and the Ministry of Health's actions up to that date.

3.1 Requirements for Reporting Adverse Health Events Aligned with Good Practice

We recommended the Ministry of Health reassess the types of adverse health events it requires healthcare organizations to report as critical incidents. (*2021 Report – Volume 1,* p. 58, Recommendation 1; Public Accounts Committee agreement January 11, 2022)

Status—Implemented

The Ministry of Health expanded the list of adverse health events it requires healthcare organizations to report as critical incidents to fully align with good practice.

In spring 2022, the Ministry conducted a review of the Saskatchewan Critical Incident Reporting Guideline, which included a comparison to other provinces (e.g., Manitoba, British Columbia), European countries (e.g., England, Scotland, Ireland), and good practice (e.g., Canadian Patient Safety Institute).[5]

In May 2023, the Ministry updated the Guideline to fully align with good practice, including updating its definition of critical incidents to provide clarity on what serious adverse events require reporting. The Guideline now requires healthcare organizations to report all 'never events' including:[6]

- Patient death or serious harm due to uncontrolled movement of a ferromagnetic object in an MRI area (e.g., moving metal projectiles such as a pair of scissors)
- Patient death or serious harm resulting from transport of a frail patient or patient with dementia where staff did not follow protocols to ensure they left these patients in a safe environment

The Ministry also updated the Guideline to require healthcare organizations to report deaths from healthcare associated infections (e.g., pneumonia, sepsis, post-procedural infections). We found the Ministry appropriately updated its critical incident IT system to capture the changes to the Guideline (e.g., expanded categories for critical incident events).

We found the Ministry clearly communicated these updates to the Guideline with all healthcare organizations and conducted various education/training sessions with the organizations' patient safety staff and leadership prior to implementing the changes.

[5] The Canadian Patient Safety Institute (CPSI) was a not-for-profit organization funded by Health Canada. In 2023, CPSI and Canadian Foundation for Healthcare Improvement amalgamated into Healthcare Excellence Canada.
[6] Never events are patient safety incidents resulting in serious patient harm or death and are preventable using organizational checks and balances. CPSI created *The Never Events for Hospital Care in Canada* in September 2015. www.healthcare excellence.ca/media/eceoshdc/never-events-for-hospital-care-in-canada.pdf (2 May 2024).

Guidelines that include all adverse events outlined in good practice will help Saskatchewan healthcare organizations report a broadened scope of critical incidents to the Ministry, should they occur. When made aware of these expanded critical incidents, the Ministry can assess whether healthcare organizations do enough to protect patients from these types of events.

3.2 Criteria Used to Assess Critical Incident Reports But Reporting Needs Improving

We recommended the Ministry of Health ask healthcare organizations to include root causes of the incident when reporting critical incidents. (*2021 Report – Volume 1,* p. 59, Recommendation 2; Public Accounts Committee agreement January 11, 2022)

Status—Partially Implemented

We recommended the Ministry of Health (or responsible healthcare organization) apply consistent criteria to assess whether planned corrective actions effectively address causes of critical incidents. (*2021 Report – Volume 1,* p. 67, Recommendation 6; Public Accounts Committee agreement January 11, 2022)

Status—Partially Implemented

The Ministry of Health's Critical Incident Review Committee used criteria to assess critical incident reports, but reports do not always include sufficient corrective actions or explain why the incident happened to effectively address causes of critical incidents.

When completing a critical incident report, the Ministry requires healthcare organizations to document recommended actions for improvement to address contributing factors (i.e., causes) identified. In May 2023, the Ministry added documentation guidance to the Saskatchewan Critical Incident Reporting Guideline, which provides additional information about each field required in a critical incident report, including a description for contributing factor and recommended action, as shown in **Figure 1**. We found these changes align with good practice.

Figure 1—Contributing Factor and Recommended Action Documentation Guidance

Contributing Factor: A statement identifying any current practice, procedure or factor involved in the provision of the health service or the operation of the program that:

a) Contributed to the occurrence of the critical incident; and

b) If corrected or modified, may prevent the occurrence of a similar critical incident in the future.

This will be the basis for developing recommended actions.

Recommended Action: Recommended action that the reporting organization will implement to address the identified root cause. Implementation of the action should be likely to prevent the incident or mitigate the harm.

Considerations should be given to the hierarchy of effectiveness [A] and system-level response.[B]

Actions should be written using the "SMART" format:

- Specific – tackle a clearly defined issue and have a clear scope
- Measurable – can demonstrate impact on process and outcomes
- Attainable – can be achieved with available resources
- Realistic – do a reality check to predict if it will be accepted, implemented
- Timely – have a timeframe for implementation

Source: Ministry of Health, *Critical Incident Report: Documentation Guidelines*.
[A] Recommended actions have varying degrees of effectiveness (e.g., removing a product that may cause a patient significant harm is more effective than training people to use it better, if other safer product options exist). Healthcare organizations should choose the most effective solution that is reasonable and/or possible. Good practice, recommended by the Canadian Patient Safety Institute, includes using the hierarchy of effectiveness (see **Figure 3**) to aid in determining whether a corrective action will be strong enough to modify behaviour and improve patient safety.
[B] Recommended actions should be targeted at the right system level (e.g., consider whether the contributing factor affects only a specific department at specific hospital or all healthcare organizations in the province) and ensure the action is appropriate for that level.

The Ministry's Critical Incident Review Committee reviews all reported incidents for compliance with the Guideline. The Committee meets weekly and is comprised of Ministry staff from different disciplines (e.g., medical advisor, nurse, pharmacist) and subject matter experts (e.g., long-term care, mental health) are invited to attend the review of incidents in specialized areas. Its review includes assessing contributing factors identified and whether the recommended actions will sufficiently address those factors and prevent or mitigate future harm. In winter 2023–24, the Ministry created a new form for the Committee to document the results of its review.

The Committee reviews each critical incident report using the criteria described in **Figure 2**—all criteria must be met before a critical incident can be closed.

Figure 2—Critical Incident Report Review Criteria

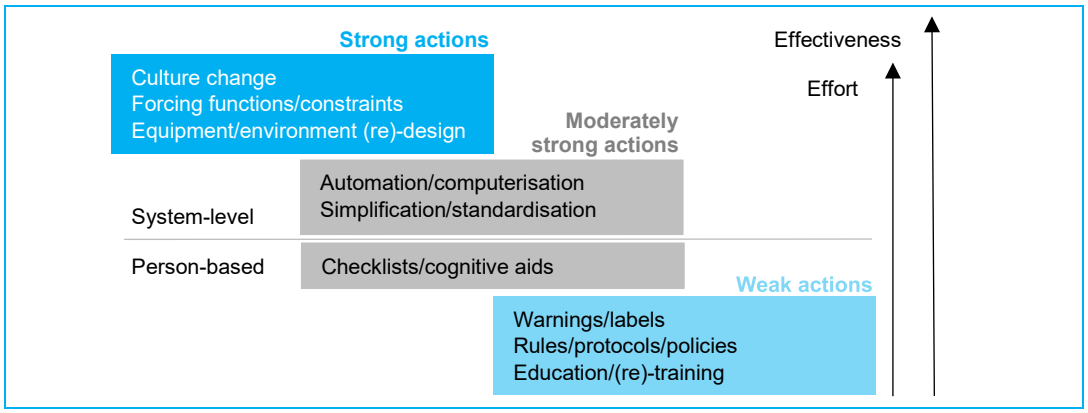
- Contributing factors contain items that:
  a) Contributed to the occurrence of the critical incident
  b) If corrected or modified, may prevent the occurrence of a similar critical incident in the future
- Recommended actions contain items that will address identified contributing factors when implemented, and should be likely to prevent the critical incident from occurring again or mitigate the harm
- Identified data indicator(s) for measuring effectiveness after implementation will provide reasonable confirmation that implementing corresponding recommended actions result in a desired and sustainable outcome

Source: Adapted from the Critical Incident Review Committee Record of Decisions.

The Committee requests follow-up with the reporting healthcare organization if a report is incomplete or clarification is required. The Ministry will follow up with healthcare organizations on behalf of the Committee. We found the Ministry often seeks clarification or suggests improvements to proposed corrective actions from healthcare organizations in critical incident reports and notes this on their review form. However, the Ministry does not always require the reporting healthcare organizations to change the details (e.g., corrective actions) in the final critical incident reports to align with the Ministry's concerns.

Good practice, recommended by the Canadian Patient Safety Institute, includes using the hierarchy of effectiveness (see **Figure 3**) to aid in determining whether a corrective action will be strong enough to modify behaviour and improve patient safety. Our assessment of 20 critical incident reports found 17 reports with weak planned corrective actions (e.g., protocol, education/training) based on the hierarchy of effectiveness.

Figure 3—Hierarchy of Effectiveness



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

For example, our review of critical incident reports found:

- For one report tested, the planned corrective action was review and re-educate staff about guidance and documentation related to stroke screening and alert processes but did not include consideration of using electronic health record triage assessments to automatically flag conditions for stroke alert.

- For another report tested, the planned corrective action was to implement a policy prohibiting anyone from bringing in prohibited items (e.g., weapons) to the emergency department. The action will not reduce the risk of the same or similar incident occurring again. Stronger actions may include the use of metal detectors or pat downs. While the Committee inquired whether the Saskatchewan Health Authority considered stronger actions to prevent individuals bringing concealed weapons into the emergency department, the Committee did not require the Authority to revise its planned actions.

We also found in 10 reports, healthcare organizations did not explain why the incident happened. For example, incident reports stated that staff did not complete a form or an assessment but did not explain why not (e.g., lack of understanding, other tasks prioritized). Without this information, the healthcare organization may not identify all contributing factors and develop appropriate actions to address them.

Using formal criteria to assess causes of critical incidents and planned corrective actions aids in determining whether healthcare organizations adequately assess and report critical incidents. It should also help the Ministry determine whether planned corrective actions will sufficiently address contributing factors or require further actions.

3.3 Incident Reporting Forms Complete

We recommended the Ministry of Health obtain missing critical incident information from reporting healthcare organizations. (*2021 Report – Volume 1,* p. 60, Recommendation 3; Public Accounts Committee agreement January 11, 2022)

Status—Implemented

The Ministry of Health confirms critical incident reporting forms are complete and follows up to obtain missing information from the reporting healthcare organization, when required.

The Ministry requires healthcare organizations to notify it of critical incidents in accordance with *The Saskatchewan Critical Incident Reporting Guideline, 2023*. Critical incident notifications must include key information such as:

- Region awareness date (i.e., the date the reporting healthcare organization classified the event as a critical incident)
- Location of incident (e.g., hospital, long-term care)
- Patient outcome (e.g., disability/harm, death)

The Ministry's Provincial Quality of Care Coordinators within its Quality and Safety Unit review critical incident reports when submitted to ensure the reports contain the required information (e.g., region awareness date, location of incident), prior to review by the Critical Incident Review Committee.

We tested a sample of 25 critical incident files and found the reporting healthcare organizations reported the required information to the Ministry in the initial notification.

We also reviewed data for all critical incident notifications submitted to the Ministry between April 1, 2022, and March 31, 2024, and found that the system data was reasonably complete. All 340 critical incident files contained a region awareness date and patient outcome. We found only six of 340 (1.8%) critical incident notifications during this period did not include the location of the incident. This is a significant improvement from our 2021 audit where 26% did not include a region awareness date and 12% of files were missing a location.

Having complete data on all critical incidents allows the Ministry to reliably analyze and conclude about whether systemic issues exist that may impact patient safety, as well as whether planned actions are sufficient and put in place within a reasonable time to reduce the risk of similar incidents.

3.4 Critical Incident Reports Continue to Be Late

We recommended the Ministry of Health follow up when receipt of critical incidents reports are beyond established reporting deadlines. (*2021 Report – Volume 1,* p. 62, Recommendation 4; Public Accounts Committee agreement January 11, 2022)

Status—Not Implemented

The Ministry of Health does not monitor or enforce compliance with the reporting deadline dates set in *The Critical Incident Regulations, 2023*. It continued to frequently receive critical incident reports from healthcare organizations later than the timeframes required by law.

The Regulations set out timeframes for a healthcare organization to notify and report the results of its investigation to the Ministry (see **Figure 4**).

Figure 4—Regulatory Timeframes for Reporting Critical Incident Reports to the Ministry

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

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

Source: Adapted from *The Critical Incident Regulations, 2023*.

Our analysis of reported critical incidents over the past two years found most incidents reported to the Ministry came from the Saskatchewan Health Authority. From April 1, 2022, to March 31, 2024, the Authority reported 334 critical incidents to the Ministry and the Saskatchewan Cancer Agency reported six critical incidents.

We analyzed initial notifications of critical incidents, as shown in **Figure 5**, and found the Ministry continues to receive notifications later than the three business days required by law. This issue has worsened since our original audit—62% of initial notifications were late in 2023–24 compared to 44% in 2019–20. Management indicated many initial notifications were late as the Authority's critical incident investigation and documentation process is manual and staff are adjusting to the requirements in the updated Guideline.

Figure 5—Critical Incident Notifications Later than Required by Law

Fiscal Year	Critical Incident Notifications	Notifications Later than Three Business Days	% of Notifications Received Late
2019–20[A]	231	101	44%
2022–23	146	83	57%
2023–24	194	120	62%

Source: Critical incident report data provided by the Ministry of Health.
[A] Statistics at time of original audit.

During our testing of 25 critical incidents, we found the Ministry received 18 critical incident notifications late—ranging from 1–374 days late. Healthcare organizations did not provide reasons for the delays.

As shown in **Figure 6**, we found the Ministry receives most final reports for completed investigations later than the 60 days required by law. In 2023–24, the Ministry received 90% of final reports after 60 days, with 12% of these reports taking longer than 180 days.

Figure 6—Critical Incident Final Reports Received Later than Required by Law

Fiscal Year	Total Incident Reports Received	Final Reports Received Later than 60 Days but Less than 180 Days			Final Reports Received Later than 180 Days		
		Final Reports	% of Final Reports Received	Average Days to Submit Final Reports	Final Reports	% of Final Reports Received	Average Days to Submit Final Reports
2019–20[A]	290	129	44%	107	85	29%	314
2022–23	134	69	51%	106	42	31%	394
2023–24	69	54	78%	98	8	12%	307

Source: Critical incident report data provided by the Ministry of Health.
[A] Statistics at time of original audit.

During our testing of 25 critical incidents, we found the Ministry received 16 final reports 68–627 days after the region awareness date. The Ministry had yet to receive the final report for five critical incidents tested—these reports were 305–947 days past the region awareness date (at June 2024).

The Ministry prepared a 2022–23 annual report on critical incidents, which it shared with its senior and executive management, the Saskatchewan Health Authority, the Saskatchewan Cancer Agency, and 3sHealth. We found the report reasonable as our analysis on compliance with reporting timelines determined similar results.

The Ministry indicated it does not follow up with the Authority to determine why it takes longer than the required deadline of three business days to notify it of a critical incident. In addition, we found the Ministry does not follow up on final critical incident reports not received within 60 days of the notification of the incident. The Ministry indicated it is focusing on improving the quality of the reports and implementation of recommended actions. Once it sees improvements in those areas, it expects to focus on timeliness of reporting.

In December 2023, the Ministry notified healthcare organizations that starting April 1, 2024 (i.e., 11 months after implementation of the new Guideline), the Committee would only review critical incident reports that included all components (e.g., details on measuring and monitoring recommended actions).

From April 1–May 31, 2024, we found the Saskatchewan Health Authority filed only three critical incident reports with the Ministry. As shown in **Figure 7**, the Authority filed significantly fewer reports than in previous years over the same period. The Authority informed the Ministry to expect delays in critical incident reporting as its operational leaders had yet to complete training on measuring and monitoring corrective actions.

Figure 7—Reported Critical Incidents from April 1–May 31, 2024

2021	2022	2023	2024
36	31	15	3

Source: Information provided by the Ministry of Health.

One of the main purposes of critical incident notification is to inform senior and executive management within the Ministry timely about serious harm or death of a patient in care. Delays in receipt of initial notifications of critical incidents cause delay in the Ministry becoming aware of the most serious events of harm to patients in the healthcare sector.[7]

The critical incident reports received by the Ministry include results of investigated incidents, such as contributing factors and planned corrective actions to reduce the likelihood of serious harm or death occurring to another patient in the healthcare system. Delays in receiving investigation results mean the Ministry does not undertake timely assessment of planned actions for improvement, which increases the risk that factors contributing to a critical incident continue to exist and similar patient harm events reoccur.

[7] When the Ministry of Health's Provincial Quality of Care Coordinators receive notification of a new critical incident, they prepare and distribute a notification email to certain individuals in the Ministry (e.g., Deputy Minister, Associate and Assistant Deputy Ministers). The Provincial Quality of Care Coordinators typically send these emails the same day or next day following initial notification.

3.5 Monitoring of Critical Incident Corrective Actions Needs Strengthening

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

(*2021 Report – Volume 1,* p. 68, Recommendation 7; Public Accounts Committee agreement January 11, 2022)

Status—Partially Implemented

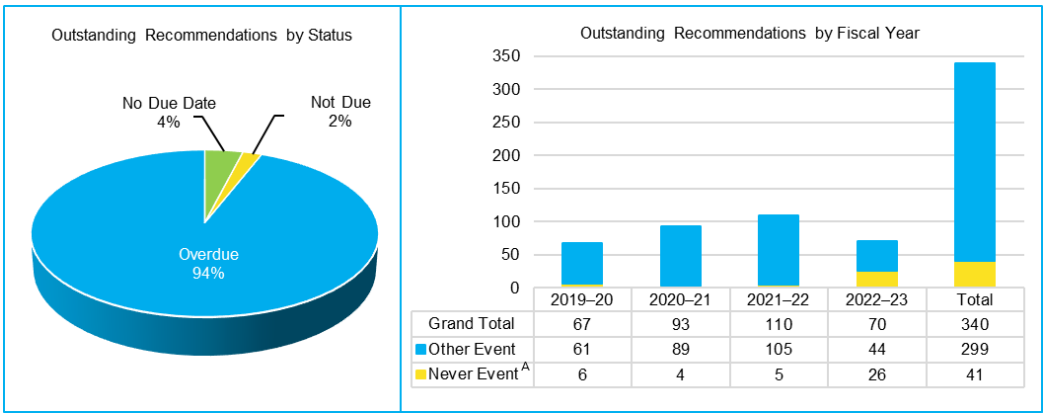
The Ministry of Health monitored the status of corrective action implementation set out in critical incident reports by receiving quarterly critical incident listings from the Saskatchewan Health Authority that include the status of corrective actions. The listings show the Authority did not implement the corrective actions timely, and the Ministry did not act. Also, the Ministry does not regularly confirm the listings provided are complete and accurate.

In September 2022, the Ministry began receiving quarterly critical incident listings from the Authority that included the number of corrective actions (i.e., recommendations), the due date, and status (e.g., complete or incomplete) for each incident.

Based on the information provided by the Authority, the Ministry analyzes and summarizes the Authority's outstanding recommendations. We found the Ministry periodically reports the results to senior management of the Ministry and the Authority but does not take steps to advance timely implementation of corrective actions. However, the Ministry included targets for the implementation of recommendations in its 2024–25 accountability letter to the Authority. For example, by March 31, 2025, 80% of recommendations for critical incident events (excluding 'never events') should be fully implemented by the due date.

In its 2022–23 annual critical incident report, the Ministry reported 340 outstanding recommendations as of June 30, 2023, with 94% noted as not implemented and past the planned implementation date provided by the Authority (see **Figure 8**).[8]

Figure 8—Status and Number of Saskatchewan Health Authority Critical Incident Outstanding Recommendations at June 2023



	2019–20	2020–21	2021–22	2022–23	Total
Grand Total	67	93	110	70	340
Other Event	61	89	105	44	299
Never Event[A]	6	4	5	26	41

Source: Ministry of Health's 2022–23 Critical Incident Summary Report.
[A] Never events are patient safety incidents resulting in serious patient harm or death and are preventable using organizational checks and balances.

[8] At the time of our audit, the Ministry of Health had yet to complete its 2023–24 annual critical incident report.

Based on our analysis of the Authority's critical incident listing at March 31, 2024, we found 58 recommendations still outstanding from the Authority's 2022–23 critical incidents. Of these 58 outstanding recommendations:

- 54 recommendations were past due ranging from 1–394 days late (on average 209 days late)
- One recommendation did not have a due date
- Three recommendations were not yet due as of March 31, 2024

The Ministry also does not regularly confirm whether the information provided by the Authority is complete and accurate. We identified six critical incidents that the Authority reported to the Ministry but were not included in the March 31, 2024, listing.

Without verifying the information provided by reporting healthcare organizations, the Ministry cannot effectively monitor and follow up on the planned corrective actions to determine whether organizations address actions timely. Delays in implementing planned corrective actions may lead to the same critical incident occurring again, resulting in patient harm or death.

3.6 Patient Safety Alert Guidance Not Complete

We recommended the Ministry of Health (and/or responsible healthcare organization) utilize criteria to determine when to issue patient safety alerts.
(*2021 Report – Volume 1,* p. 71, Recommendation 8; Public Accounts Committee agreement January 11, 2022)

Status—Partially Implemented

We recommended the Ministry of Health work with the Saskatchewan Health Authority to monitor the effectiveness of patient safety alerts.
(*2021 Report – Volume 1,* p. 74, Recommendation 10; Public Accounts Committee agreement January 11, 2022)

Status—Not Implemented

The Ministry of Health developed criteria to determine when to issue a patient safety alert, but had not used it yet and does not have guidance for monitoring an alert's effectiveness. In October 2023, the Ministry drafted criteria for when to issue patient safety alerts, which the Provincial Patient Safety Executive Committee approved in December 2023.[9] Following a critical incident review, the Ministry determines whether a patient safety alert may be required if all the following criteria are met:

- There is potential for the issue to exist at other reporting healthcare organizations

[9] The Provincial Patient Safety Executive Committee was established in November 2022. Its purpose is to set strategic direction and provide oversight for system initiatives that promote excellence in public safety. It is comprised of members from the Ministry of Health, the Saskatchewan Health Authority, the Saskatchewan Cancer Agency, and 3sHealth.

- There is a risk of death, permanent harm, or severe and/or temporary harm
- Issue can be rapidly addressed by the source (e.g., healthcare organization), with actions to prevent or reduce errors
- Issue is new or under-recognized, and constructive organization-level actions that would reduce the risk exist, or the issue is not new or under-recognized, but there are new or under-recognized resources or interventions to consider

When a critical incident meets the above criteria, the Ministry then conducts further analysis and issues a patient safety alert when:

- The Ministry compiles a summary of past critical incidents in the same category and their corresponding recommended actions, along with a literature review on current good practices
- Partners from the Ministry and reporting organizations, as well as content experts (e.g., surgery, pharmacy) assess the required actions for feasibility, effectiveness, unintended consequences, equality impact, and cost justification
- Required actions are specific, measurable, achievable, realistic, and timely
- Other recognized sources (e.g., medical device manufacturers, drug companies) have not issued a patient safety alert with similar content in the last two years, or the safety alert requires updating based on new good practices

We found the above criteria and rationale for issuing patient safety alerts align with good practice.

The Ministry has not issued any patient safety alerts since September 2019.[10] Management indicated the Ministry will use its new guidance on two potential patient safety alerts—it plans to issue the alerts by December 2024.

The Ministry also had yet to develop guidance for assessing the effectiveness of patient safety alerts—it plans to do so in 2024–25. Timely assessment, after allowing time for the alert to have impact, can determine whether reported critical incidents in the area improved, if updates are required, or if an alert is no longer applicable as the issue has been resolved.

Using standard criteria to determine when a patient safety alert is warranted reduces the risk that an alert is made for a minor or localized issue. Moreover, criteria help to ensure that an alert addresses systemic issues with higher recurrence. Without follow up on patient safety alerts, the Ministry cannot determine whether they are implemented and successful.

[10] The Ministry of Health makes its patient safety alerts available to the public at www.ehealthsask.ca/services/resources/Pages/Patient-Safety.aspx (20 June 2024)

3.7 Critical Incident Framework for Systemic Issues Not Yet Implemented

We recommended the Ministry of Health analyze critical incidents for systemic issues. (*2021 Report – Volume 1,* p. 73, Recommendation 9; Public Accounts Committee agreement January 11, 2022)

Status—Partially Implemented

We recommended the Ministry of Health analyze the nature and types of critical incidents reported as compared to other health data sources. (*2021 Report – Volume 1,* p. 64, Recommendation 5; Public Accounts Committee agreement January 11, 2022)

Status—Implemented

The Ministry of Health analyzed reported critical incidents and identified certain systemic issues, and created a framework for implementing system-wide improvements to address these issues. However, it had yet to use its new framework to make improvements.

In 2022, the Ministry began preparing annual reports on critical incidents using information from its critical incident IT system and the Saskatchewan Health Authority's quarterly critical incident listings (see **Section 3.5**) to summarize and analyze incident information by areas such as:

- Organization/Area (e.g., Saskatchewan Health Authority [Saskatoon, Regina, South East, etc.], Saskatchewan Cancer Agency)
- Program/Department (e.g., long-term care, emergency, surgery)
- Patient Outcome (e.g., disability/harm, death)
- Category (e.g., surgical event, care management event)
- Subcategory (e.g., retention of foreign object, medication error)

In each area, the Ministry provides trend information for a five-year period. As shown in **Figure 9**, the number of critical incidents decreased significantly in 2022–23.

Figure 9—Critical Incidents Reported to the Ministry of Health from 2018–24

Category	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24
Surgical Events (e.g., retention of a foreign object in a patient after surgery)	9	14	3	11	9	12
Product and Device Events (e.g., use or function of a device in patient care in which the device is used or functions other than as intended)	5	6	5	9	1	7
Patient Protection Events (e.g., patient disappearance, patient suicide or attempted suicide)	47	42	34	22	18	37

Category	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24
Care Management Events (e.g., medication or fluid error, error in diagnosis, Stage 3 or 4 pressure ulcers acquired after admission to a facility)	108	191	117	160	91	125
Environmental Events (e.g., patient death from a fall, delay or failure to reach a patient for emergent or scheduled services)	44	35	33	25	19	18
Criminal Events (e.g., sexual or physical patient assault)	8	2	3	4	7	16
Total Critical Incidents Reported	**221**	**290**	**195**	**231**	**145**	**215**

Source: Ministry of Health, *2023–24 Annual Report*, pp. 28–31.

The Ministry's report on critical incidents noted the decrease is not necessarily an indication the healthcare system is safer, rather organizations may not be reporting all critical incidents. The Ministry corroborated incidents are under-reported through its comparisons of reported incidents to other healthcare data sources.

We found the Ministry compared its own critical incident report data to Canadian Institute of Health Information (CIHI) data on retained foreign object events.[11] The analysis showed that prior to 2021–22 there were more retained foreign object events reported to CIHI by healthcare organizations (e.g., Saskatchewan Health Authority) than critical incidents reported to the Ministry. We found the Ministry also compared other critical incident data (e.g., suicides) to other health sources on an ad hoc basis to support its analysis of critical incidents.

The Ministry's annual reports on critical incidents highlighted certain systemic issues, identified through its trend analysis. For example, in both its 2021–22 and 2022–23 reports, the Ministry noted the two most common 'never events' were critical incidents related to an unintended foreign object left in a patient following a procedure and stage 3 or 4 pressure ulcers acquired after admission to a healthcare facility.

The Ministry selected one systemic issue (e.g., unintended foreign objects left in a patient following a procedure) and began analyzing the critical incidents that occurred because of this issue, including comparing to other health data sources.

In January 2023, the Ministry created the *Framework for Implementing Critical Incident System-Wide Improvements*. The Framework includes various steps such as identifying an area for improvement, collecting data, developing strategies, implementing strategies, and monitoring effectiveness. The Ministry, along with the Saskatchewan Health Authority, plans to trial the Framework on the unintended foreign objects left in a patient following a procedure. Management expects to begin this work in 2024–25.

Analyzing reported critical incidents and corrective actions enables the Ministry to identify systemic issues in healthcare and improve patient safety.

[11] Canadian Institute of Health Information is a not-for-profit organization that provides health data and information to improve healthcare and population health across Canada.

Chapter 21
Immigration and Career Training—Coordinating English-language Programs

1.0 Main Points

By June 2024, the Ministry of Immigration and Career Training fully implemented our two outstanding recommendations on coordinating English-language programs made in our 2015 audit.

Five of Saskatchewan's regional colleges across the province deliver English-language programming on behalf of the Ministry, including: Carlton Trail, Southeast, Great Plains, North West and Suncrest (merger of Cumberland and Parkland in 2023).

The Ministry developed a policy manual for delivering English-language programs. This policy manual outlines information regional colleges should consider when performing local analysis to forecast the demand for English-language programs. The colleges submit their forecast assessments of demand for regional English-language programs to the Ministry in their annual business plans. We found all regional colleges submitted business plans as expected, and the Ministry used that information to allocate funding accordingly.

Since 2023, the Ministry formally assesses whether regional colleges meet the Ministry's program delivery expectations by reviewing each college's business plan (expectations) and semi-annual reporting of results. We found the colleges reported on their achievements to the Ministry . For three regional colleges we tested, two colleges met their English-language program delivery expectations in 2022–23 and the Ministry granted a delay in reporting to the other.

Clearly assessing student needs and whether provincial programs meet those needs informs the Ministry where English-language programs are needed and whether programs are effectively delivered to assist newcomers in improving their English-language skills.

2.0 Introduction

2.1 Background

The Ministry of Immigration and Career Training helps individuals prepare for, obtain and maintain employment; and leads activities to assist employers with the development, recruitment and retention of workers. This includes providing effective English-language programs to assist newcomers in securing jobs and contributing to the provincial economy.

The Ministry spends about $550,000 per year funding English-language programs at regional colleges for temporary residents over the age of 18. In 2022–23, Saskatchewan welcomed more than 25,000 newcomers. Approximately 383 full-time seats (each person taking English-language training does not attend full time) were funded for newcomers to Saskatchewan in 2022–23. The Ministry provides these programs to newcomers at no cost.

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 2015.[1]

We assessed the Ministry of Immigration and Career Training's (formerly the Ministry of the Economy) processes for coordinating English-language programs to assist in employment and settlement of recent newcomers, over the age of 18 in Saskatchewan for the 12-month period ended December 31, 2014. We concluded the Ministry had effective processes other than in the areas of our five recommendations. By January 2021, the Ministry implemented three recommendations.[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. Ministry management agreed with the criteria in the original audit.

To carry out our follow-up audit, we interviewed key Ministry staff responsible for coordinating English-language programs. We also assessed relevant documents such as policies and regional colleges' business plans and reports.

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 15, 2024, and the Ministry of Immigration and Career Training's actions up to that date.

3.1 English-language Demand Assessed

We recommended the Ministry of Immigration and Career Training (formerly the Ministry of the Economy) develop a formal methodology, including regional analysis, for assessing the demand for English-language program needs. (*2015 Report – Volume 1*, p. 70, Recommendation 1; Public Accounts Committee agreement September 15, 2016)

Status—Implemented

The Ministry of Immigration and Career Training monitors demand for English-language program information through business plans from regional colleges.

We found the five regional colleges submitted business plans for 2023 outlining their forecasted English-language demand for the year. They considered factors such as number of hours learners attend, immigration and employment status of learners, and the specific needs of the region the college serves.

[1] *2015 Report – Volume 1*, Chapter 8, pp. 63–76.
[2] *2017 Report – Volume 1*, Chapter 16, pp. 213–216, *2019 Report – Volume 1*, Chapter 29, pp. 293–296 and *2021 Report – Volume 1*, Chapter 19, pp. 223–226.

The Ministry's policy manual outlines the information required to assess demand for English-language programs (e.g., annual regional college business plans, English-language learner profiles, information from regional colleges outside of standard reporting).

For two regional colleges we tested, both colleges assessed their English-language demand reasonably in 2022–23 and 2023–24. For example, Carlton Trail determined it required 32 full-time seats funded by the Ministry in 2022–23, and 49 seats in 2023–24 to accommodate additional Ukrainian newcomers settling in that region.

The Ministry sets funding based on the demand forecasts from each college. In 2022–23, regional colleges fully used the Ministry funding to deliver English-language programs.[3]

The Ministry indicated it reviews the English-language demand in the business plans for reasonableness. We found the Ministry did not document its review, but we were able to see evidence of Ministry staff meeting with regional colleges and conducting site visits. We observed meetings scheduled between Ministry staff and each regional college to discuss business plans. We suggest the Ministry should document its assessment of regional college information.

Also, we observed the Ministry making adjustments year to year because of changes in student needs. For example, the Ministry approved one regional college to use some of its reserve to increase English-language programming to better serve the influx of Ukrainian newcomers.

Consistent analysis of English-language program demand assists the Ministry in funding English-language programs in the right locations.

3.2 Assessing English-language Program Delivery

We recommended the Ministry of Immigration and Career Training (formerly the Ministry of the Economy) formally assess whether regional colleges that deliver English-language programs meet its expectations as set out in its Regional Colleges' Policy Manual. (*2015 Report – Volume 1*, p. 75, Recommendation 5; Public Accounts Committee agreement September 15, 2016)

Status—Implemented

The Ministry of Immigration and Career Training assesses whether regional colleges meet its delivery expectations through each college's business plan and semi-annual reporting.

We found in our review of all five regional colleges' business plans, the plans identified consistent outcomes and how to measure outcomes. For example, the Ministry expects an outcome that 80% of enrolled English-language students would achieve growth in at least one Canadian Language Benchmark (CLB) skill level and each business plan had this outcome.[4] The business plans also identified that colleges would measure this outcome by comparing learner intake English-language levels to exit levels to identify advancement in CLB levels.

[3] Regional colleges track excess funds in a reserve fund to be used with approval by the Ministry of Immigration and Career Training in future years if demand increases.
[4] Canadian Language Benchmarks are recognized as the official Canadian standard for describing, measuring, and recognizing the language proficiency of adult newcomers and prospective newcomers in both English and French.

The Ministry communicates its requirements for reporting to regional colleges (e.g., reporting outcomes semi-annually) in its budget letters and in its policy manual.

We reviewed the annual reports for 2022–23 of three regional colleges and found in two instances the regional colleges appropriately reported on expected outcomes. For example, these two colleges reported that at least 80% of enrolled learners achieved growth of at least one CLB level. The third regional college requested, and the Ministry granted, an extension to reporting detailed results until October 2024.

We found the Ministry also reviewed the budget to actual dollars spent by each regional college.

We observed Ministry staff appropriately documented its review of results received when it compiled the results of all five regional colleges' semi-annual outcome reporting. The Ministry also held regular meetings with regional colleges to monitor the colleges' progress on achievements compared to their respective business plans.

Actively monitoring and assessing whether regional colleges' English-language programs meet its expectations allows the Ministry to know whether its funding achieves expected results.

Chapter 22
Northern Lights School Division No. 113—Purchasing Goods and Services

1.0 Main Points

Northern Lights School Division No. 113 purchases various goods and services to deliver educational services to students in northern Saskatchewan. In 2022–23, the Division bought more than $23 million of goods and services.[1]

By July 2024, of the 14 recommendations we first made in 2019, the Division implemented four recommendations, partially implemented seven recommendations, and made limited progress on three recommendations.

In September 2022, the Division approved and implemented a revised purchasing policy that sets out requirements for different purchasing methods, use of contracts, and segregation of incompatible duties. However, we found the Division did not always follow the updated requirements. Staff did not:

- Ensure tenders comply with external trade agreements
- Document rationale and approval for single or sole source purchases
- Initiate purchases in accordance with policy
- Consistently document evaluation of suppliers
- Provide suppliers with the minimum amount of time to respond to tenders
- Restrict who can add new suppliers to the financial system
- Validate suppliers and keep the supplier listing up to date

The Division also needs to implement updated credit card guidelines to align with good purchasing practices, actively monitor cardholders' adherence with its purchase card guidelines, and agree purchases on monthly fleet card invoices to supporting receipts prior to making payment.

Strong processes to purchase goods and services support transparency, fairness, and achievement of best value in purchasing activities.

[1] Northern Lights School Division No. 113, *Annual Report 2022–23*, p. 74.

2.0 Introduction

2.1 Background

Northern Lights School Division No. 113 is a rural school division located in northern Saskatchewan serving a predominantly First Nations and Métis school population. The Division has 22 schools located in 17 communities with more than 3,900 students, and a staff of about 697 full-time equivalent positions.[2]

The Division buys various goods and services such as office supplies, learning resources (e.g., textbooks, library books, equipment), student transportation, maintenance, and other supplies and materials necessary for course instruction, and to provide education services.

2.2 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on the recommendations we made in 2019.

We concluded that, for the 12-month period ended November 30, 2018, Northern Lights School Division No. 113 did not have effective processes to purchase goods and services. We made 14 recommendations.[3] By 2022, the Division partially implemented eight recommendations, and had not made progress toward implementing six other 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 Division's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Division management agreed with the criteria in the original audit.

To carry out our follow-up audit, we discussed actions taken with Division management. We assessed the Division's purchasing process by examining purchasing documentation (e.g., policies, administrative procedures, tender documents, purchase orders, contracts, invoices). We tested various purchases including tenders, single and sole source purchases, heating fuel purchases, and purchase card transactions to assess the operating effectiveness of the Division's processes.

3.0 Status of Recommendations

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at July 15, 2024, and the Northern Lights School Division's actions up to that date.

[2] Northern Lights School Division No. 113, *Annual Report 2022–23*, pp. 8, 33-35.
[3] *2019 Report – Volume 1*, Chapter 8, pp. 121–140.
[4] *2022 Report – Volume 1*, Chapter 15, pp. 177–187.

3.1 Purchasing Policies Updated and Approved, But Not Fully Implemented

We recommended Northern Lights School Division No. 113 update its purchasing requirements to:

- ***Align with applicable external trade agreements;***
- ***Establish requirements for staff involved with purchases to declare real or perceived conflicts of interest;***
- ***Set out requirements for the use of different purchasing methods; and***
- ***Incorporate expectations for use of contracts.***

(*2019 Report – Volume 1*, p. 127, Recommendation 1; Public Accounts Committee agreement January 12, 2022)

Status—Partially Implemented

We recommended Northern Lights School Division No. 113 set out, in writing, its requirements for using single or sole source purchasing. (*2019 Report – Volume 1*, p. 128, Recommendation 2; Public Accounts Committee agreement January 12, 2022)

Status—Partially Implemented

We recommended the Board of Education of Northern Lights School Division No. 113 approve the Division's key policies related to the purchases of goods and services. (*2019 Report – Volume 1*, p. 131, Recommendation 6; Public Accounts Committee agreement January 12, 2022)

Status—Implemented

Northern Lights School Division updated and approved its purchasing requirements; however, the Division needs to ensure it follows these purchasing requirements.

In September 2022, the Division implemented its revised purchasing policy, *Administrative Procedure 515—Purchasing*, that included the following guidance:

- Requirements and thresholds for the use of different purchasing methods such as quotes and tenders
- Expectations for use of purchase orders and contracts
- Conditions when staff can use single and sole source purchasing, such as when an emergency condition exists or when goods or services are only available from a sole source, and the required approvals for such a purchase

The updated policy also includes expectations that purchases comply with applicable trade agreements (e.g., *New West Partnerships Trade Agreement, Canada Free Trade Agreement*), and that Division staff involved in purchasing decisions declare any real or perceived conflicts of interest (e.g., staff ownership interest in a supplier). The Division also

set out these expectations in *Board Policy 16—Purchasing* in October 2020. The Board approved the updated administrative procedure (policy) in September 2022.

However, we found the Division did not comply with its updated purchasing policy as follows:

- We tested five tenders and found for four tenders, the Division's tender documents did not outline which trade agreement(s) applied to the tender. Further, for three tenders, we found the Division did not publicly post contract award notices in accordance with the trade agreements.[5,6]

  The Division may be in violation of external trade agreements when it does not consider or follow the requirements within all trade agreements, which increases the risk of unfair or unequal treatment of suppliers.

- We tested 36 purchases and found the Division did not initiate two purchases in accordance with its policy (e.g., did not obtain a purchase order when it would have been reasonable to do so).

  Following established guidance about the use of different purchasing methods will help the Division purchase goods and services in a consistent, appropriate manner. Purchase orders allow for the approval of purchases before commitments are made for the goods or services.

- We tested two single and sole source purchases and found the Division did not:
  - Document consideration of alternate procurement methods.
  - Document justification for the purchases. The Division subsequently provided us with reasonable rationale for its decision for the purchases. The Division could have obtained the services from other suppliers.
  - Approve the procurement method.

  By not following established requirements when using single or sole source purchasing methods, the Division is at risk of not demonstrating fair and equitable treatment of suppliers, and may not obtain best value when making purchasing decisions.

  Good purchasing practices also require organizations to track the use of single and sole source purchases for additional monitoring; the Division has not implemented a process to do so.

We also found further instances of non-compliance with the Division's updated purchasing administrative procedure—see **Sections 3.6, 3.9, and 3.10** (e.g., following standard tendering time, validating new suppliers).

[5] SaskTenders is the primary gateway for public sector tender notices in Saskatchewan; it is administered by the Ministry of SaskBuilds and Procurement (www.sasktenders.ca).
[6] Requirements include the successful supplier's name and address, contract award value, and award date.

3.2 Updated Credit Card Guidelines Not Implemented and Active Monitoring of Staff Compliance Needed

We recommended Northern Lights School Division No. 113 revise its purchase card guidelines to align with good purchasing practices (e.g., required approvals, processes for changing transaction limits, restrictions on use). (*2019 Report – Volume 1*, p. 130, Recommendation 3; Public Accounts Committee agreement January 12, 2022)

Status—Partially Implemented

We recommended Northern Lights School Division No. 113 actively monitor adherence of cardholders with its purchase card guidelines. (*2019 Report – Volume 1*, p. 130, Recommendation 4; Public Accounts Committee agreement January 12, 2022)

Status—Not Implemented

Northern Lights School Division made improvements to its purchase card guidelines; however, the Division needs to ensure it implements the revised guidance, and actively monitor cardholders' adherence to the guidelines.

In July 2024, the Division drafted revised purchase card guidelines setting out the process for new cardholders to obtain a purchase card, required approvals for transactions, processes for changing transactions limits, and restrictions for card use. The Division expects to implement its revised purchase card guidelines in September 2024.

For the 10 purchase card statements we tested, we found:

- One cardholder did not submit their monthly reconciliation to the Division office.
- For three purchase card statements, reconciliations were missing one or more supporting receipts.

  When staff do not submit their monthly purchase card reconciliations, the Division is unable to assess the appropriateness of transactions incurred by cardholders (e.g., Amazon purchase).
- One purchase card statement was not approved by an authorized signer.

  Not following controls over purchase card approvals increase the risk of inappropriate transactions, or misuse of Division funds.

Our testing also identified one transaction where the cardholder split the purchase as the total transaction was over the cardholder's individual purchase limit. The Division expects supervisors of cardholders to monitor compliance, and follow up with cardholders about identified non-compliance with its purchase card guidelines. The Division was unaware of the deficiencies we found in our testing.

We also tested seven cardholder limit changes and found the Division maintained support of approval for the changes.

The Division continues to have purchase cards issued in the name of schools instead of the name of cardholders, which does not align with good practice. At July 2024, the Division assigned 15 of its 49 purchase cards to schools. Between June 2023 and July 2024, the Division spent about $249,000 on purchases on these cards amounting to approximately 25% of its total spending on purchase cards during that period. Assigning cards to schools reduces the Division's ability to hold specific staff accountable for their purchasing decisions and increases the risk of misuse.

3.3 Fleet Card Purchases Not Reconciled Prior to Making Payment

We recommended Northern Lights School Division No. 113 agree purchases on monthly fleet card invoices to supporting receipts prior to making payment. (*2019 Report – Volume 1*, p. 131, Recommendation 5; Public Accounts Committee agreement January 12, 2022)

Status—Not Implemented

Northern Lights School Division does not agree purchases on monthly fleet card invoices against supporting receipts before making payment.

The Division's school transportation fleet policy requires staff to complete a monthly travel log for each van, detailing its use (e.g., date, destination, purpose of trip) and supported by fuel receipts. The Division has not implemented a process to agree purchases on monthly fleet card statements to supporting receipts.

We found the Division does not monitor the receipt of the monthly travel logs for each passenger van. In addition, staff do not agree or attach individual fuel receipts to the monthly fleet card statements.

Not agreeing fleet card receipts to purchases on monthly fleet card statements prior to payment increases the risk of the Division paying for inappropriate purchases, and not promptly detecting fleet card misuse.

3.4 Supplier Evaluations for Tenders Not Completed Consistently

We recommended Northern Lights School Division No. 113 consistently document its evaluation of suppliers when tendering for the purchase of goods and services. (*2019 Report – Volume 1*, p. 133, Recommendation 7; Public Accounts Committee agreement January 12, 2022)

Status—Partially Implemented

Northern Lights School Division did not consistently document its evaluation of suppliers when tendering for the purchase of goods and services.

The Division's purchasing policy requires the Division to evaluate suppliers using the criteria outlined in tender documents. We found for two of five tenders we tested, the Division did not document its evaluation of suppliers. In these two instances, the Division only received one bid on each tender, and indicated it informally evaluated the bid. Consistent with good purchasing practices, the Division should still document its evaluation of the bids it receives to ensure the supplier can meet the Division's needs, and it receives fair value.

When the Division does not document its evaluation of bids, it is not complying with its purchasing policy. Also, the Division cannot sufficiently support its supplier selection decision and demonstrate achievement of best value for purchasing decisions.

3.5 Tender Communications with Suppliers Maintained

We recommended Northern Lights School Division No. 113 maintain appropriate documentation of its tender communications with suppliers.

(*2019 Report – Volume 1*, p. 134, Recommendation 8; Public Accounts Committee agreement January 12, 2022)

Status—Implemented

Northern Lights School Division complied with expectations to maintain documentation of its tender communications with suppliers.

The Division's updated purchasing policy requires it to send letters of regret and intent to award to all bidders. For the five tenders tested, we found the Division maintained timely communication on tender awards with suppliers.

When the Division maintains appropriate documentation of its communications with suppliers, it can help to demonstrate the Division's purchasing process is fair and transparent.

3.6 Standard Tendering Time Established But Not Followed

We recommended Northern Lights School Division No. 113 establish a standard minimum amount of time to allow suppliers to respond to tenders.

(*2019 Report – Volume 1*, p. 135, Recommendation 9; Public Accounts Committee agreement January 12, 2022)

Status—Partially Implemented

Northern Lights School Division set a minimum amount of time to allow suppliers to respond to tenders, but it did not follow its policy.

The Division's updated purchasing administrative procedure sets out a minimum of 21 calendar days to allow suppliers to respond to tenders, as well as provides guidance on using a shorter timeframe. The Division considered guidance outlined in the external trade agreements in determining its standard minimum tendering time.

For the five tenders we tested, the Division did not allow a tendering time of at least 21 days for one tender (allowed 16 calendar days). We further analyzed tenders issued by the Division between May 2023 and July 2024. We found the Division issued 11 other tenders in this timeframe and used a shorter tendering time on two tenders (allowed 12 and 16 calendar days). The Division had sufficient rationale to support the use of a shortened response time for one tender, but not for the other tenders.

Not providing suppliers with sufficient time to prepare tender responses increases the likelihood of suppliers choosing not to respond, resulting in the Division having fewer options to acquire goods or services. Fewer options may increase the risk of not achieving best value. Using a standard minimum time also helps ensure the Division treats suppliers fairly and equitably.

3.7 Purchase Order Template Not Sufficiently Robust

We recommended Northern Lights School Division No. 113 periodically assess the robustness of the service contract and purchase order templates used for purchasing goods and services. (*2019 Report – Volume 1*, p 136, Recommendation 10; Public Accounts Committee agreement January 12, 2022)

Status—Partially Implemented

The Northern Lights School Division purchase order template does not include all clauses necessary in a sound contract.

While we found, in our first follow-up, the Division updated its service contract template, it has not yet updated its purchase order template to include provisions typically necessary when purchasing goods and services. The purchase order does not include terms and conditions pertaining to delivery (e.g., timeliness, goods must meet specifications), liability (e.g., limited liability upon purchaser if goods not accepted), or authorization of changes to terms and conditions.

Not having a robust template increases legal or financial risks where purchase arrangements do not sufficiently address relevant purchase terms.

3.8 Contracts and Purchase Orders Properly Authorized

We recommended Northern Lights School Division No. 113 maintain complete documentation of properly authorized contracts with suppliers before the Division receives the related goods or services. (*2019 Report – Volume 1*, p. 136, Recommendation 11; Public Accounts Committee agreement January 12, 2022)

Status—Implemented

Northern Lights School Division maintained complete documentation of contracts and approved contracts in accordance with its purchasing policy.

The Division's Chief Financial Officer or Superintendent of Facilities centrally maintain copies of contracts and purchase orders. We tested five purchases (made through tenders and single or sole source purchases) and found the Division signed contracts timely (e.g., before the goods or services were received), approved contracts in accordance with the purchasing policy, and maintained complete contract documentation (e.g., contract signed by both the Division and the supplier).

Following controls over contract authorization decrease the risk of unknown financial liabilities or commitments, or misuse of Division funds.

3.9 Incompatible Purchasing Duties Not Fully Separated

We recommended Northern Lights School Division No. 113 separate incompatible purchasing duties (e.g., initiating purchases, tendering, receiving goods or services, approving invoices for payment, adding supplier to the financial system), and closely monitor transactions where it is not feasible to do so. (*2019 Report – Volume 1*, p. 137, Recommendation 12; Public Accounts Committee agreement January 12, 2022)

Status—Partially Implemented

Northern Lights School Division's updated purchasing policy requires staff to segregate incompatible purchasing duties, but the Division has not appropriately restricted who can add suppliers to its financial system.

In September 2022, the Division implemented its updated purchasing policy to separate responsibilities of those managing the purchasing processes (e.g., purchase initiation, receipt of goods) from those responsible for approving the purchase.

We tested 36 purchases and found the Division appropriately segregated purchasing duties (e.g., segregated receipt of goods from approval). However, the Division has not appropriately restricted who can add new suppliers to its financial system. We found the Division, through its assignment of IT user access, gave two individuals incompatible responsibilities; these individuals can approve invoices for payment and add suppliers to the Division's financial system.

Not segregating incompatible purchasing duties between different individuals increases the risk of fraud, and not detecting errors.

3.10 Validity Check of Supplier Information Needed

We recommended Northern Lights School Division No. 113 document its due diligence procedures used to validate suppliers before entering them into its financial system, and keep the supplier listing in its financial system up to date. (*2019 Report – Volume 1*, p. 139, Recommendation 13; Public Accounts Committee agreement January 12, 2022)

Status—Not Implemented

Northern Lights School Division neither documented due diligence procedures to validate suppliers prior to entering them into the financial system nor properly maintained its listing of suppliers included in its financial system.

In September 2022, the Division implemented its updated purchasing policy that requires staff to validate vendors prior to purchasing goods or services from that vendor through completion of a Supplier Certification Application Form. We found the Division does not use this form; staff informally assess the validity of suppliers upon receipt of invoices for payment (i.e., after suppliers provide goods or services). Further, the form does not include steps Division staff should take to verify the legitimacy of new vendors (e.g., phone call, internet search).

We tested 16 new suppliers in the Division's financial system and assessed the validity of each supplier through internet searches and review of invoices. We found each supplier valid.

Not carrying out sufficient due diligence processes to confirm the validity of suppliers before entering them into the financial system increases the risk of making payments to fictitious suppliers.

The Division also does not monitor the supplier listing in its financial system and remove suppliers that are no longer relevant, or remove duplicate suppliers. Through our testing of supplier validity, we identified two newly added suppliers that already existed in the financial system. At July 2024, the Division's supplier list included over 9,400 vendors, with the oldest last-paid date of November 2005 for one vendor.

Periodic maintenance of suppliers listed in the Division's financial system reduces the risk of duplicate or fraudulent payments and helps monitor the existence of fictitious suppliers.

3.11 Receipt of Heating Fuel Purchases Documented

We recommended Northern Lights School Division No. 113 require staff to document the receipt of heating fuel purchases and to adhere to its delegation of authority when approving invoices for payment. (*2019 Report – Volume 1*, p. 139, Recommendation 14; Public Accounts Committee agreement January 12, 2022)

Status—Implemented

Northern Lights School Division consistently documented the receipt of goods for heating fuel purchases.

As discussed in **Section 3.9**, the Division implemented its updated purchasing policy to separate responsibilities of those managing the purchase processes (e.g., purchase initiation, receipt of goods) from those responsible for approving the purchase. We tested 60 heating fuel payments and found the Division appropriately approved invoices and documented evidence of goods received.

When the Division documents receipt of purchases, there is a decreased risk of the Division paying for goods and services it did not receive.

Chapter 23
Northlands College—Purchasing Goods and Services

1.0 Main Points

Northlands College has more work to do to improve its processes for purchasing goods and services. Of the nine outstanding recommendations from our 2019 audit, the College implemented one and partially implemented eight recommendations.

The College updated its purchasing policy outlining requirements for using single source purchasing, declaring conflicts of interest when involved with purchasing transactions, establishing tendering timeframes, segregating incompatible purchasing duties, and using purchase orders and contracts.

However, College staff did not always follow the purchasing policy, which increases the risk the College is not facilitating fair and equitable treatment of suppliers and not detecting fraudulent or erroneous purchases. Further, because the College is not utilizing robust purchase templates, it can be exposed to increased legal or financial risks.

While the College set transaction limits for individual purchases on its credit cards, we found it did not restrict cardholders' ability to make purchases over established transaction limits in its credit card system. Additionally, we found instances of staff splitting credit card purchases to make purchases over established transaction limits.

Finally, the College does not document its due diligence procedures to validate new suppliers before entering them into its financial system, or document approved changes to existing suppliers (such as a change in banking information). This increases the risk of making payments to fictitious suppliers.

We also made a new recommendation related to the College's non-compliance with established policies for travel expense claims and corporate credit cards. For example, we found two instances where a corporate credit card was used for personal reasons (the individual later reimbursed the College). We also found senior management incurred travel expenses without adequate support or prior approval, including an international trip costing the College roughly $19,000. Lack of appropriate support and approval increases the risk of inappropriate or fraudulent purchases by staff.

2.0 Introduction

2.1 Background

Northlands College is one of six regional colleges operating in Saskatchewan. It provides educational programs and services in health and wellness, university studies, trades and technology, and flexible learning.[1]

[1] *Northlands College Strategic Plan 2023–2028*, p. 2.

Northlands College operates in northern Saskatchewan, with campuses in Buffalo Narrows, La Ronge, Air Ronge, and Creighton; its head office is in Air Ronge. The College employs just over 100 full-time equivalent positions serving about 1,000 students each year. In 2022–23, the College bought roughly $7 million in goods and services.[2]

The Regional Colleges Act makes Boards of Directors of regional colleges responsible for developing policies about administration, operations, and financial administration.[3] The Ministry of Advanced Education oversees regional colleges and may provide direction to regional colleges regarding their operations or programs.

2.2 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on the nine recommendations we first made in 2019.

We concluded Northlands College had effective processes to purchase goods and services for the 12-month period ending November 30, 2018, other than the areas of our 11 recommendations.[4] By March 2021, the College implemented two recommendations.[5]

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the College's progress toward meeting our recommendations, we used the relevant criteria from the original audit. College management agreed with the criteria in the original audit.

To carry out our follow-up audit, we discussed actions taken with College management. We assessed the College's purchasing processes by examining purchasing documentation (e.g., policies, tendering documents, purchase orders, contracts, invoices). We tested a sample of purchases to assess the operating effectiveness of the College's processes.

3.0 Status of Recommendations

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at June 30, 2024, and Northlands College's actions up to that date.

3.1 Purchasing Guidance Established But Not Always Followed

We recommended Northlands College update its purchasing requirements so that they align with applicable external trade agreements, establish requirements for staff involved with purchases to declare real or perceived conflicts of interest, and incorporate expectations for use of contracts.

(*2019 Report – Volume 1,* p. 146, Recommendation 1; Public Accounts Committee agreement September 6, 2022)

Status—Partially Implemented

[2] Schedule 3 (Agency Contracts, Operating, Facilities, Equipment & Information Technology), *Northlands College 2022–23 Annual Report*, p. 63.
[3] *The Regional Colleges Act*, section 12.
[4] *2019 Report – Volume 1*, Chapter 9, pp. 141–157.
[5] *2021 Report – Volume 1*, Chapter 21, pp. 231–240.

Northlands College updated its purchasing policy in November 2021 to:

- Align with applicable external trade agreements
- Require purchasing decision-makers to submit written declarations of any real or perceived conflicts of interest prior to procuring any goods or services
- Set out expectations for when contracts should be used in procurement transactions

However, we found staff did not always comply with the updated policy.

We tested 38 purchase transactions. Staff did not declare any conflicts of interest for these purchasing decisions.

However, we found one instance where the College entered into a 12-month lease agreement with one of its staff who owned the leased building and was potentially involved in the purchasing decision. College management was not only unable to provide any written documentation showing a declared conflict of interest for this lease transaction, but management was also unable to provide documented rationale for choosing this property to lease (i.e., a sole source purchase).

Staff with real or perceived conflicts of interest may be biased in their decision-making, increasing the risk of the College not treating potential suppliers fairly and equitably or obtaining the best value for College purchases.

We also found for seven out of 38 purchases tested, staff did not utilize either a contract or purchase order and one instance where staff created a purchase order after the goods were purchased. Purchase orders and contracts allow for appropriate approvals before committing to purchase goods or services.

3.2 Single and Sole Source Purchases Not Always Rationalized

We recommended Northlands College set out, in writing, its requirements for using single or sole source purchasing. (*2019 Report – Volume 1,* p. 147, Recommendation 2; Public Accounts Committee agreement September 6, 2022)

Status—Partially Implemented

Northlands College has set out, in writing, requirements for staff use of single source purchasing, but not for sole source purchasing.[6] While its policy does include a definition of sole source purchasing, it does not specify associated requirements. We expect the requirements for sole source purchases to be similar to those for single source purchases. The College did not always rationalize single source and sole source purchases.

Per discussion with College management, and from the policy for single source, staff are expected to document their rationale and obtain authorization from the Vice President of Finance and Operations or the President & CEO when making a single source purchase.

[6] Single source purchasing is defined as choosing a supplier from several options without requesting quotes while sole source purchasing is choosing the only available supplier for the required good or service.

Expectations for sole source purchasing should be clearly outlined in policy, otherwise there is a risk of staff not following the informal policy as intended.

We tested 47 purchases and found 30 items where documentation, including quotes or tendering, could not be provided. Management was also unable to provide any documented rationale or approval for the purchase method used. By not maintaining formal documentation, the College may not have obtained best value when making purchasing decisions. For example, of the 30 items, a number of purchases could have been obtained from various suppliers (e.g., maintenance contracts).

Of the 30 purchases lacking documentation, eight were for training service agreements.[7] College management noted that with proper approval of the training service agreement, formal documentation for selecting the specific training vendor is not required. However, this contradicts the College's procurement policy, which states the procurement method for training services will be clearly documented when the methods for procurement do not follow policy guidelines (e.g., obtaining quotes).

Management also noted they have yet to implement a tracking system for single and sole sourced purchases.

Not maintaining and following clear requirements for single or sole sourced purchases puts the College at risk of not facilitating fair and equitable treatment of suppliers and not obtaining the best value when making purchasing decisions.

3.3 Fleet Card Statements Not Always Reconciled Prior to Making Payment

We recommended Northlands College agree purchases on monthly fleet card statements to supporting receipts prior to making payment. (*2019 Report – Volume 1,* p. 148, Recommendation 3; Public Accounts Committee agreement September 6, 2022)

Status—Partially Implemented

Northlands College established an expectation to agree purchases on monthly fleet card statements to receipts prior to making payments, but this expectation is neither documented in the College's fleet usage policy nor consistently met.

While we found evidence of purchase reconciliations taking place, staff reconciled four monthly fleet card statements after the College paid the statement balance.

Additionally, we tested two monthly statements and found seven transactions missing receipts. We corroborated the appropriateness of four transactions by reviewing the fleet vehicle booking logs, which the College uses as the sign-out process for fleet vehicles and cards. However, for the remaining three transactions, we were unable to confirm the appropriateness of the purchases because the College assigned the fleet vehicle to a specific College employee and they did not use the fleet vehicle booking log.

[7] Training service agreements are contracts for programs delivered by an outside agency for the College.

Not agreeing fleet card receipts to purchases on the monthly fleet card statements prior to payment increases the risk of the College paying for inappropriate purchases and not promptly detecting misuse of fleet cards.

3.4 Transaction Limits on Credit Cards Not Enforced

We recommended Northlands College establish transaction limits for individual purchases made on college-issued credit cards. (*2019 Report – Volume 1,* p. 149, Recommendation 4; Public Accounts Committee agreement September 6, 2022)

Status—Partially Implemented

Northlands College established transaction limits in its updated policies for individual purchases made on its credit cards, but it did not properly enforce the established limits.

College management noted they have an informal process where credit card purchases exceeding established limits could be made when prior approval was obtained.

We reviewed the credit card system and found the College set up electronic transaction limits with its credit card supplier, but the College had not blocked purchase amounts above defined transaction limits. As a result, cardholders could make purchases in excess of their approved limits.

We tested nine credit card transactions and did not find any transactions exceeding the established limit without documented prior approval. However, we found two instances where payment was split to avoid going over the established transaction limit. These two instances did not have prior approval to exceed the established limit. College management was unaware of these split transactions until we identified them.

Setting up and enforcing transaction limits on individual purchases prevents staff from making purchases outside of their authorized transaction limits.

3.5 Established Standard Tendering Time Set and Followed

We recommended Northlands College establish a standard minimum amount of time to allow suppliers to respond to tenders. (*2019 Report – Volume 1,* p. 153, Recommendation 7; Public Accounts Committee agreement September 6, 2022)

Status—Implemented

Northlands College included a minimum amount of time (i.e., 30 days) in its procurement policy for tenders to remain open to suppliers.

For three tenders tested, we found the College used the standard minimum time established for keeping the tender open for suppliers.

Providing suppliers with sufficient time to prepare tender responses result in the College having better options to acquire goods or services it needs.

3.6 Purchase Templates Not Robust

We recommended Northlands College assess the robustness of the contract template it uses for purchasing goods and services. (*2019 Report – Volume 1,* p. 154, Recommendation 8; Public Accounts Committee agreement September 6, 2022)

Status—Partially Implemented

Northlands College's standard services template continues to not contain clauses about performance requirements and evaluation, or how to implement amendments.

Management indicated it uses its contract template for services such as facilities maintenance and renovations. Clauses related to performance and amendments are important to ensure suppliers complete work as expected.

Additionally, we found the College's purchase order template does not contain terms or conditions related to delivery, purchase authorization, or changes to originally agreed upon terms or conditions.

Not having robust templates increases legal or financial risks where purchase arrangements do not sufficiently address relevant purchase terms.

3.7 Contract Documentation Not Always Timely or Authorized Appropriately

We recommended Northlands College maintain complete documentation of contracts with suppliers, and finalize them before receiving the related goods or services. (*2019 Report – Volume 1,* p. 154, Recommendation 9; Public Accounts Committee agreement September 6, 2022)

Status—Partially Implemented

Northlands College established a policy for when to use contracts in procurement. However, the College did not always complete its contracts timely or obtain authorization in accordance with its delegation of authority.

The College's accounting department was able to provide all but one contract requested during audit testing.

For the 20 contracts we tested, we found:

- 14 contracts were not signed in accordance with the delegation of authority
- Two contracts were not signed until after the term began; one of these contracts was not signed by the vendor until the contract term had expired

If contracts are not finalized prior to the term beginning, vendors may not fully understand their responsibilities to the College, potentially resulting in vendors not meeting the College's needs. Not authorizing contracts appropriately increase the risk of unknown financial liabilities or commitments, and misuse of College funds.

3.8 Validation of Supplier Information Not Yet Documented

We recommended Northlands College document its due diligence procedures carried out to validate suppliers before entering them into its financial system, and keep the supplier listing in its financial systems up-to-date. (*2019 Report – Volume 1,* p. 156, Recommendation 10; Public Accounts Committee agreement September 6, 2022)

Status—Partially Implemented

Northlands College has not documented a process for staff to either confirm the validity of suppliers prior to entering the suppliers' information into the College's financial system or to maintain the current supplier listing.

Per discussion with College management, staff may research the validity of new suppliers; however, this process is not documented or completed consistently. The College was unable to provide documentation to support supplier validation. For 27 new suppliers tested, we were able to confirm their validity.

College management was unable to provide evidence of verifying supplier information changes (e.g., banking information) in the financial system. Checking the authenticity of a supplier and a requested change is important to mitigate the loss of public funds (e.g., transferring funds to a fraudulent bank account).

The College also does not monitor the supplier listing in its financial system to remove suppliers that are no longer relevant, or to remove duplicate suppliers.

Not following due diligence procedures to confirm suppliers' validity prior to entering them into the financial system increase the risk of making payments to fictitious suppliers. Additionally, the lack of periodically updating the supplier listing in the financial system increases the risk of making duplicate or fraudulent payments.

3.9 Support Showing Segregation of Incompatible Purchasing Duties Not Documented

We recommended Northlands College separate incompatible purchasing duties (e.g., initiating purchases, receiving goods or services, approving invoices for payment, adding suppliers to the financial system), and closely monitor transactions where it is not feasible to do so. (*2019 Report – Volume 1,* p. 157, Recommendation 11; Public Accounts Committee agreement September 6, 2022)

Status—Partially Implemented

Northlands College's procurement policy has provisions to segregate the purchase and receipt of goods and services from payment approval, but staff do not always maintain support to show appropriate segregation.

We tested 38 purchases of goods and services and found:

- For 34 purchases, the College did not have documentation of who received the goods or services and could not demonstrate appropriately segregating receipt of goods or services from the payment approval
- 14 purchases where the College did not approve the purchase in accordance with its delegation of signing authority (i.e., wrong level of staff approved the purchase)

Additionally, in reviewing the user access listing for its financial systems, we found three staff with access to create a vendor/supplier and initiate payment.

We also found instances where one senior management staff directed credit card purchases be made by a subordinate on their credit card. This senior management staff member is responsible for reviewing and approving the subordinate staff's credit card purchases, resulting in inappropriate segregation as there is no independent review and approval for these credit card purchases.

Segregating incompatible purchasing duties between different individuals decrease the risk of fraud, and not detecting errors.

3.10 Travel Expense and Credit Card Policies Not Followed

Staff are not complying with Northlands College's travel and expense claims, and corporate credit cards policies.

The College established a travel and expense claims policy where all travel and expenses incurred are eligible for reimbursement when they are:

- Preauthorized by a supervisor
- Aligned with rates of the Saskatchewan Public Service Commission
- Supported by receipts

During the audit, we tested 18 reimbursed senior management expense claims and found they did not fully comply with the College's policy. Non-compliance included:

- Claims approved without adequate support attached (e.g., meal expenses claimed for meetings with no indication of who attended the meeting or the business purpose, car rental claimed for multiple days with no invoice or receipt)
- Overnight travel without evidence of prior board approval, with one international trip claimed costing the College about $19,000[8]

[8] The Board subsequently approved this May 2024 trip at its September 21, 2024 meeting.

- Use of personal vehicle for travel instead of one of the College's fleet vehicles without evidence of prior approval
- Per diems claimed for the same day multiple times or per diem claimed along with a receipt for a meal claimed on the same day
- One instance of the same receipt for a laptop purchase used as support for two separate business expense claims
- Three expense claims with no evidence of approval or when approval occurred (we were unable to ascertain whether approval occurred before payment)

Additionally, Northlands College's corporate credit card policy states that credit cards are not to be used for personal transactions. We found two instances where a corporate credit card was used for personal reasons. For these two items, the individual reimbursed the College.

Not following the College's established travel and expense claims policy, and credit card policy, increases the risk of fraudulent or inappropriate purchases as well as creates a culture of tolerated non-compliance.

1. **We recommend Northlands College comply with its established policies for travel and business expense claims and for corporate credit cards.**

Chapter 24
Saskatchewan Arts Board—Awarding Grants Impartially and Transparently

1.0 Main Points

The Saskatchewan Arts Board provides funding and support to the arts sector by awarding grants to professional artists, art organizations, and art communities. Examples of its major grant programs include Artists in Communities, Indigenous Peoples Art and Artists, and the Professional Arts Organization Program.

By April 2024, the Arts Board implemented the one outstanding recommendation we first made in 2018 related to awarding grants.

The Arts Board implemented a documented scoring process for its 10 grant programs and provided its grant application reviewers with consistent evaluation criteria and scoring guidance. Applicants also have access to evaluation criteria on the Arts Board website.

Well-documented, consistent evaluation criteria and well-designed scoring tools are crucial for assessing grant applications impartially and ensuring a fair evaluation process.

2.0 Introduction

2.1 Background

Established in 1948, the Saskatchewan Arts Board, now operating as SK Arts, is the oldest public arts funder in North America, and second oldest in the world after the Arts Council of Great Britain.[1] A Cabinet-appointed Board of Directors, with at least one-third nominated by the arts community, governs the Arts Board under *The Arts Board Act, 1997.* It receives the majority of its revenue from the Ministry of Parks, Culture, and Sport.

The Arts Board provides grants, programs, and services to individuals and groups whose activities have an impact on the arts in Saskatchewan and ensures that opportunities exist for Saskatchewan residents to experience all art forms.

Figure 1 summarizes grant funding provided between 2019 and 2023. The Arts Board is responsible for establishing review processes to ensure qualified persons assess grant applications.

[1] www.sk-arts.ca/about/about/who-we-are.html (10 May 2024).

Figure 1—Saskatchewan Arts Board Grant Funding for 2019–23

Program	Frequency of Adjudication	Type of Rubric (scoring tool) Used	Funding per Fiscal Year				
			2023	2022	2021	2020	2019
			(in thousands)				
Professional Arts Organizations Program	Triennial	Single-Point	$ 3,595	$ 3,540	$ 3,591	$ 3,591	$ 3,591
SaskFestivals	Triennial	Single-Point	840	771	754	842	860
Independent Artists	Semi-annual	Single-Point	901	901	900	901	696
Indigenous Peoples Art and Artists	Semi-annual	Single-Point	410	232	250	200	200
Artists in Communities	Triennial	Single-and Multi-Point[A]	290	290	285	339	355
Artists in Schools	Triennial	Single-and Multi-Point[B]	188	194	176	249	255
Scholarships	Annual	Single-Point	25	25	25	25	25
Equipment Purchase Fund	Annual	N/A – Lottery[C]	99	50	-	-	-
Micro-Grant Program	Monthly	Single-Point	120	120	118	120	120
75th Anniversary	N/A[D]	N/A[E]	44	-	-	-	-
Other granting initiatives	Various		70	70	70	70	71
Grants returned			(6)	(19)	(2)	(68)	(36)
Total			**$ 6,577**	**$ 6,174**	**$ 6,166**	**$ 6,271**	**$ 6,137**

Source: Adapted from information provided by Saskatchewan Arts Board.
[A] One stream of this program, Artists in Communities-Residencies, still uses multi-point scoring tool.
[B] One stream of this program, Artists in Schools-Residencies, still uses multi-point scoring tool.
[C] No assessment for this program. Artists apply and are chosen through a lottery selection process.
[D] Special Edition celebration of the 75th Anniversary of the Saskatchewan Arts Board.
[E] No assessment for this program. One-time grant to foster the future of art in Saskatchewan. Seventy-five emerging young artists were nominated by established artists from Saskatchewan to receive the grant.

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 2018.

We assessed the Saskatchewan Arts Board's processes to award grants impartially and transparently for the 18-month period ended June 30, 2018, and concluded that the Arts Board had effective processes except for the areas reflected in our six recommendations.[2] By May 2021, the Arts Board implemented five of six 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 Arts Board's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Arts Board management agreed with the criteria in the original audit.

To carry out our follow-up audit, we interviewed Arts Board staff responsible for awarding grants. We examined management's grant policies and records, including program review meeting notes, and guidance for scoring grant applications 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.

[2] *2018 Report – Volume 2*, Chapter 22, pp. 119–134.
[3] *2021 Report – Volume 2*, Chapter 31, pp. 229–234.

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 April 30, 2024, and the Saskatchewan Arts Board's actions up to that date.

3.1 Application Evaluation Criteria Established and Scoring Guidelines Communicated

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—Implemented

The Saskatchewan Arts Board provided adjudicators (panel reviewers) with consistent evaluation criteria and scoring guidelines to use while adjudicating applications for its grant programs. Applicant guidance is also made available on the Arts Board website.

After conducting research, a jurisdictional scan and consultations, the Arts Board adopted evaluation scoring tools as a standard for its grant programs (see **Figure 1**). In the spring of 2021, the Arts Board began implementing a single-point scoring tool into its panel review process for its various grant programs (e.g., micro-grants).[4] The Arts Board also provided panel reviewers with its updated scoring guidance and other relevant information.

We tested whether Arts Board staff provided panel reviewers with evaluation information for 10 program panels conducted in 2023–24. We also examined how 18 panel reviewers adjudicated six applications for five different grant programs. In all those panels, staff ensured panel reviewers had all the information necessary for the adjudication process (e.g., scoring tool, scoring guidelines, panel review manuals). For all grant applications tested, panel reviewers assessed the applications based on the scoring tool established by the Arts Board and properly used the scoring system to score applications.

Grant applicants have access to evaluation criteria through application guidelines on the Arts Board's website. Information includes the criteria panel reviewers will be using, covering categories such as quality, impact, and achievability.

Well-documented, consistent evaluation criteria and well-designed scoring tools are crucial for assessing grant applications impartially and ensuring a fair evaluation process.

[4] A single-point scoring tool defines one performance metric category (middle-point) for a particular program. The Arts Board's single-point scoring tool has three ratings (e.g., does not meet standard, met standard for this assessment, exceeds standard) for its categories.

Chapter 25
Saskatchewan Cancer Agency—Cancer Drug Supply Management

1.0 Main Points

The Saskatchewan Cancer Agency is responsible to deliver effective and sustainable research, education, prevention, early detection, treatment, and supportive care programs for the control of cancer in Saskatchewan.[1] The Agency purchased over $175 million of cancer drugs in 2023–24.

By June 2024, the Agency implemented all five recommendations we made in our 2022 audit of its processes to manage its supply of cancer drugs.

The Agency documented its process for updating the approved list of cancer drugs (i.e., formulary) to treat cancer patients and established a timeframe (i.e., five business days) for making decisions on physicians' requests for exception cancer drugs (e.g., certain cancer drugs not listed on the approved formulary). At September 2024, the Agency had over 200 approved cancer drugs on its list.

The Agency also documented and considered relevant factors when deciding to purchase cancer drugs directly (through tendering or sole/single sourcing) rather than using group purchasing methods.[2] It directly purchased over $15 million of cancer drugs in 2023–24 using tenders or single/sole sourcing methods. We found it maintained appropriate documentation to support its purchases of cancer drugs, including when and who completed potential supplier evaluations when tendering for cancer drugs (which helps mitigate conflict of interest).

Effective processes to manage cancer drugs contribute to the safety and wellbeing of cancer patients in Saskatchewan. Good purchasing processes facilitate the fair and equitable treatment of suppliers and the Agency receiving best value when purchasing cancer drugs.

2.0 Introduction

2.1 Background

The Saskatchewan Cancer Agency maintains a list of approved cancer drugs for cancer patients in Saskatchewan through its drug formulary and administers most cancer treatments at its two main centres—the Allan Blair Cancer Centre in Regina and the Saskatoon Cancer Centre.[3] At September 2024, the Agency had over 200 approved cancer drugs on its list (September 2022: over 180 approved cancer drugs).

[1] *The Cancer Agency Act*, s. 9.
[2] Group purchasing methods can help organizations realize the benefits from nationally negotiated prices for cancer drugs.
[3] The Allan Blair Cancer Centre is located at the Pasqua Hospital in Regina, and the Saskatoon Cancer Centre is located at the Royal University Hospital in Saskatoon.

The Agency receives funding from the Ministry of Health to prepare, dispense, and administer cancer drug treatments at no cost to patients. It uses three main methods for acquiring its cancer drugs:

- Contracts originating from terms negotiated by the pan-Canadian Pharmaceutical Alliance (pCPA). The pCPA uses the combined negotiating power of its members (i.e., federal, provincial, and territorial governments) to conduct joint negotiations for brand name and generic drugs in Canada and obtain greater value for patients and publicly funded drug programs.[4] In 2023–24, the Agency purchased over $155 million of cancer drugs under this method.

- Contracts negotiated directly by the Agency. In 2023–24, the Agency purchased over $15 million of cancer drugs under this method.[5]

- Contract established by Health Shared Services Saskatchewan (3sHealth) with a national group purchasing organization (i.e., HealthPRO) for mostly generic cancer drugs and support medications (e.g., anti-nausea).[6,7] In 2023–24, the Agency purchased approximately $5 million of these drugs under this method.

2.2 Focus of Follow-Up Audit

This chapter describes our first follow-up audit of management's actions on the recommendations we made in 2022.

We concluded that, for the 12-month period ended June 30, 2022, the Saskatchewan Cancer Agency had, other than the areas reflected in our five recommendations, effective processes to manage its supply of cancer drugs.[8]

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. Agency management agreed with the criteria in the original audit.

To carry out our follow-up audit, we interviewed key Agency staff, examined relevant policies and procedures, and tested a sample of formulary changes, exception drug requests, and drug purchases.

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, 2024, and the Saskatchewan Cancer Agency's actions up to that date.

[4] www.pcpacanada.ca/about (11 September 2024).
[5] Information provided by the Saskatchewan Cancer Agency (amounts reported are before rebates and discounts).
[6] 3sHealth is responsible for facilitating the purchase of goods and services on behalf of its member agencies (i.e., shared procurement), including the Saskatchewan Cancer Agency, the Saskatchewan Health Authority and its affiliates. We did not audit cancer drug purchases made by 3sHealth, as we audited 3sHealth's shared procurement processes in our *2015 Report – Volume 2*, Chapter 34, pp. 185–203.
[7] HealthPRO brings together the national buying power and expertise of over 1,300 member organizations to deliver contracts for high-quality products and services, saving both time and money for healthcare institutions across Canada. www.healthprocanada.com/about-us (19 September 2024).
[8] *2022 Report – Volume 2*, Chapter 10, pp. 99–115.

3.1 Process for Maintaining Cancer Drug Formulary Documented

We recommended the Saskatchewan Cancer Agency formally document its processes for updating the approved list of cancer drugs (i.e., formulary) available to treat cancer patients. (*2022 Report – Volume 2,* p. 105, Recommendation 1; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Implemented

The Saskatchewan Cancer Agency documented its process for updating the cancer drug formulary within the terms of reference for its Drugs & Therapeutics Committee.

The Agency's Drugs & Therapeutics Committee is responsible for oversight and management of the cancer drug formulary. We found the Agency updated the Committee's terms of reference in March and August 2024 to clearly establish the frequency for updating the formulary (i.e., at least annually, or when it adds new cancer drugs to the list). The terms of reference also include documentation and approval requirements (e.g., Committee, management) for various types of formulary changes, including:

- Recommendations for new drugs from a national drug expert review committee requiring provincial consideration of drug funding and implementation[9]
- Requests for new treatments not reviewed by a national drug expert review committee
- Adding a historical standard of care (e.g., past treatment practices) to the drug formulary
- Updated clinical criteria and/or treatments reflecting current clinical practice
- Removal of existing treatments from the drug formulary that no longer reflect clinical practice
- Minor housekeeping changes or changes in language to enhance clarity of the drug formulary without material changes in eligibility criteria

The Agency made nine changes to the formulary since July 2023 (e.g., cancer drug additions, administrative changes such as names of cancer drugs). We tested a sample of three drug formulary changes and found the Agency met the documentation and approval requirements outlined in the terms of reference.

A documented process for updating its cancer drug formulary helps those involved in the process be aware of and fully understand the process and desired results. This may also reduce the risk of delays in cancer drug availability for treating patients.

[9] Canada's Drug Agency (CDA), previously known as Canada's Drug and Health Technology Agency, has a national drug expert review committee to bring consistency and clarity to the assessment of drugs in Canada. CDA is created and funded by Canada's federal, provincial, and territorial governments to provide Canada's health system leaders with independent evidence and advice to make informed decisions about drug and health technology. www.cda-amc.ca/about-us (18 September 2024).

3.2 Timeframe Set for Exception Cancer Drug Decisions

We recommended the Saskatchewan Cancer Agency establish a timeframe for making decisions on physician requests for exception cancer drugs. (*2022 Report – Volume 2,* p. 106, Recommendation 2; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Implemented

The Saskatchewan Cancer Agency established a reasonable timeframe for making decisions on physicians' requests for exception cancer drugs.

The Agency maintains a case-by-case review program for exception drug requests (i.e., on an individual patient basis). The program is intended for a small group of patients with rare types of cancer.

The Agency's Case-By-Case Review Program Policy outlines a standardized and transparent process for Agency staff to follow when physicians request the use of cancer medications outside of the Agency's approved formulary. In March 2023, the Agency updated its policy to include a target to approve or deny exception drug requests within five business days.

We tested a sample of 13 exception drug requests and found the Agency made its decisions on these requests (i.e., nine approved, four denied) within five business days.

Timely decisions on exception drug requests help to ensure all patients have access to the cancer drugs needed to support their treatment.

3.3 Relevant Factors Considered and Approved When Deciding on Direct Purchasing

We recommended the Saskatchewan Cancer Agency set out, in writing, relevant factors it expects staff to consider when deciding to purchase cancer drugs directly rather than using group purchasing methods. (*2022 Report – Volume 2,* p. 108, Recommendation 3; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Implemented

We recommended the Saskatchewan Cancer Agency document its rationale, and seek approval, when purchasing cancer drugs using the single or sole source purchasing methods. (*2022 Report – Volume 2,* p. 109, Recommendation 4; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Implemented

The Saskatchewan Cancer Agency documented and considered relevant factors before approving the purchase of cancer drugs directly through tendering or single/sole sourcing, rather than using group purchasing methods.

As described in **Section 2.1**, the Agency uses three main methods for acquiring cancer drugs. The Agency purchases the majority of its cancer drugs using group purchasing methods (i.e., pCPA, HealthPRO). However, it directly purchased over $15 million of cancer drugs in 2023–24 using tenders or single/sole sourcing methods.

We found the Agency approved a document in January 2024 outlining each drug acquisition pathway, including factors for staff to consider when purchasing cancer drugs directly. Factors include:

- Clinical needs of the specific patient population (e.g., patient intolerance to a certain drug)
- Availability of marketed generic drug
- Supply interruptions
- Financial considerations (e.g., impact on associated costs of cancer drugs based on existing utilization patterns)
- Quantity of cancer drugs needed
- Manufacturer declines to participate in group purchasing

We tested one tender and one sole source cancer drug purchase the Agency made and found staff appropriately documented the factors supporting the decisions to purchase directly (e.g., anticipation of at least similar or better pricing than is currently in place in Saskatchewan), and senior management approved those decisions.

Maintaining documented rationale and approval for cancer drug purchases help the Agency facilitate a fair and equitable procurement process and obtain best value when making purchasing decisions.

3.4 Supplier Tender Evaluation Documented

We recommended the Saskatchewan Cancer Agency formally document when and who completed potential supplier evaluations when tendering for cancer drug purchases. (*2022 Report – Volume 2,* p. 110, Recommendation 5; Public Accounts Committee has not yet considered this recommendation as of November 4, 2024)

Status—Implemented

The Saskatchewan Cancer Agency maintained adequate documentation of when and who completed potential supplier evaluations when tendering for cancer drug purchases.

The Agency uses an evaluation matrix to score each bid received for a tender. Members of the Agency's pharmacy team (i.e., Director, Managers) complete the evaluations and provide an overall score for each proposal.

In May 2023, the Agency prepared a work standard for evaluating and awarding tenders to potential suppliers, including requirements for all evaluation committee members to declare their independence. Additionally, the Agency requires all members to sign an award submission form documenting the evaluation committee's final award decision.

We tested one tender for cancer drugs and found the Agency formally documented when and who completed evaluations of the potential suppliers, including having all evaluation committee members declare their independence.

Maintaining adequate evidence to support an independent supplier evaluation and award decision prepares the Agency to defend against potential conflict of interest allegations or challenges to the tendering process and the award decision.

Chapter 26
Saskatchewan Health Authority—Analyzing Surgical Biopsies in Regina and Saskatoon Labs

1.0 Main Points

The Saskatchewan Health Authority is responsible for providing lab services that include analyzing surgical biopsies at its Regina and Saskatoon labs. In 2023, those labs analyzed over 417,000 tissue samples or about 100,000 cases.

By May 2024, the Authority implemented one of the three remaining audit recommendations we first made in 2018 related to analyzing surgical biopsies.

The Authority began consistently monitoring the completion of preventive maintenance on lab equipment in Saskatoon used to support analysis of surgical biopsies. In April 2024, the Authority updated its maintenance log policy in Saskatoon, including requiring staff to explain maintenance delays. Our testing of maintenance logs found lab staff completed maintenance as required and reviewed maintenance logs in accordance with policy (within five business days of submission at the beginning of each month).

The Authority approved a new surgical biopsy requisition form and guidance for healthcare providers (e.g., family physicians) in September 2022 but had yet to implement it by May 2024. We found the Authority approved additional revisions to the requisition form in June 2024 and was developing a plan to start training healthcare providers on using the new requisition form. In 2023, Regina labs received incomplete requisitions 23% of the time, supporting the need for training.

Also, the Authority had yet to fully implement a consistent approach for prioritizing and issuing timely diagnosis reports for surgical biopsies. In March 2024, the average turnaround time for diagnosis reports was over 11 days at the Saskatoon labs, and over 28 days at the Regina labs. Further, the surgical biopsy backlog in Regina was 5,600 cases at March 2024. We found the Authority drafted priority targets and expected turnaround times for diagnosis reports (e.g., 24–72 hours for urgent cases), but had not approved these targets by May 2024.

Having effective processes for performing analysis of surgical biopsies helps the Authority to provide timely results to healthcare providers so they can provide timely treatment options to patients.

2.0 Introduction

2.1 Background

The Provincial Health Authority Act makes the Saskatchewan Health Authority responsible for planning, organizing, delivering, and evaluating provincial health services. As part of this mandate, the Authority is responsible for providing lab services, including surgical

biopsies. A surgical biopsy is a procedure involving the surgical removal of tissue for laboratory analysis by pathologists to identify the existence of disease.

The Authority has eight labs that analyze surgical biopsies for diagnostic purposes (e.g., potential cause of a disease)—three labs in Saskatoon; two labs in Regina; and one lab each in Prince Albert, North Battleford, and Moose Jaw. The Authority's labs in Regina and Saskatoon employ about 101 full-time equivalent staff.

In 2023, Regina and Saskatoon labs analyzed over 417,000 tissue samples or about 100,000 cases. In March 2024, the surgical biopsy backlog in Regina was 5,600 cases and 1,694 cases in Saskatoon.[1]

The labs in Saskatoon and Regina are also referral centres for surgical biopsies; in that, they receive biopsies collected from other lab locations (e.g., other labs in and outside the province) for analysis. As a result, the Saskatoon and Regina labs analyze the majority of surgical biopsies done in Saskatchewan. Our original audit in 2018 focused on the Saskatoon and Regina labs.

2.2 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of the Saskatchewan Health Authority's actions on the recommendations we made in 2018.

We concluded for the 12-month period ended July 15, 2018, the Authority had, other than the areas identified in our seven recommendations, effective processes to analyze surgical biopsies efficiently in laboratories located in Regina and Saskatoon.[2] By 2022, the Authority implemented four 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 Authority's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Authority management agreed with the criteria in the original audit.

To complete this follow-up audit, we interviewed key Authority staff responsible for lab services. We also assessed relevant documentation such as lab equipment maintenance logs, forms, guidance, and biopsy turnaround times.

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, 2024, and the Saskatchewan Health Authority's actions up to that date.

[1] In 2023, patients waited up to 33 days for surgical biopsy diagnosis in Regina and 12 days in Saskatoon, largely due to the back log.
[2] *2018 Report – Volume 2*, Chapter 23, pp. 135–149.
[3] *2022 Report – Volume 2*, Chapter 19, pp. 207–214.

3.1 Consistent Turnaround Targets for Diagnosis Reports Not Yet in Place

We recommended the Saskatchewan Health Authority implement a consistent approach for prioritizing and issuing timely diagnosis reports for surgical biopsies. (*2018 Report – Volume 2*, p. 144, Recommendation 3; Public Accounts Committee agreement March 1, 2022)

Status—Partially Implemented

The Saskatchewan Health Authority is working on implementing a consistent approach for prioritizing and issuing timely diagnosis reports for surgical biopsies.

The Authority continues to have varying turnaround times for processing requests to analyze surgical biopsies as well as to issue diagnosis reports at its Regina and Saskatoon labs. The Authority uses targeted turnaround times between 2–14 days for various priority levels in Saskatoon, and a target of 5 days in Regina. Regina does not have documented priority levels.

The Authority has set an internal quality target striving to complete 80% of diagnosis reports in eight days—Regina and Saskatoon labs are not meeting this target.[4] For instance, in March 2024, the average completion time for diagnosis reports was over 11 days in Saskatoon, and over 28 days in Regina. The Authority decided to strive for 80% in eight days to get the provincial turnaround times to a more reasonable level.

Good practice indicates target turnaround times for issuing diagnosis reports should be between 24 hours to 5 business days based on urgency. The Authority's draft priority targets and expected turnaround times for diagnosis reports are set out in **Figure 1**. These turnaround times were not approved at May 2024.

Figure 1—Draft Surgical Biopsy Turnaround Time Expectations

Priority Type	Turnaround Time[4]
Priority 1: Urgent	24–72 hours
Priority 2: Small	3–6 days
Priority 3: Routine	8 days
Priority 4: All others	8 days

Source: Information provided by Saskatchewan Health Authority.

The Authority expects to approve the priority turnaround times in June 2024.

Having inconsistent prioritization guidelines in Regina and Saskatoon for analyzing specimens may result in some patients and healthcare providers waiting longer than others for diagnosis results, which may delay needed medical treatment. Consistently assessing the issuance of diagnosis reports against standard provincial targets will also allow the Authority to take appropriate actions where it is not meeting targets (e.g., Regina average turnaround time).

[4] Lab management calculates turnaround time as the time between the entry of a requisition into the lab information system and completion of a pathologist's diagnosis report (it does not include weekends and statutory holidays).

3.2 Roll Out and Training Needed on Surgical Biopsy Requisition Forms for Healthcare Providers

We recommended the Saskatchewan Health Authority educate healthcare providers on properly completing surgical biopsy requisitions for Regina and Saskatoon labs. (*2018 Report – Volume 2*, p. 147, Recommendation 6; Public Accounts Committee agreement March 1, 2022)

Status—Partially Implemented

While the Saskatchewan Health Authority approved a new surgical biopsy requisition form, it has yet to roll out the form or educate healthcare providers on how to properly complete it.

As indicated in our 2022 audit, the Authority approved a new surgical biopsy requisition form and guidance for healthcare providers in September 2022. Though, we found it had yet to implement the form and approved additional revisions to the form in June 2024. This form sets out key sections that healthcare providers must complete such as patient clinical history, list of all samples and tissues, sample removal time; guidance explains how to complete the requisition properly. At May 2024, Authority management indicated it was developing a plan to start training on the new form.

Incomplete requisitions can result in diagnosis delays. In 2023, the Regina labs received 242 incomplete requisition forms from healthcare providers or an average of 23% (Saskatoon labs did not track or report on incomplete requisitions).[5]

Having one provincial requisition form, along with guidance and training, will help healthcare providers include consistent information to assist in prioritizing surgical biopsies. This may help reduce the risk of incomplete requisitions and possible delays in diagnosing patients' biopsies.

3.3 Required Preventative Maintenance Consistently Documented

We recommended the Saskatchewan Health Authority require its labs to keep records of preventative maintenance completed by technical staff on its surgical biopsy equipment. (*2018 Report – Volume 2*, p. 149, Recommendation 7; Public Accounts Committee agreement March 1, 2022)

Status—Implemented

The Saskatchewan Health Authority implemented a process to consistently track and monitor the completion of preventive maintenance on surgical biopsy equipment (e.g., microtomes [tissue slicers], water baths, eye wash stations) in Saskatoon.

In April 2024, the Authority updated its policy and process for reviewing equipment maintenance logs in Saskatoon.[6] This policy establishes responsibility for laboratory staff to regularly conduct and record maintenance activities in a log (e.g., daily or weekly). It also

[5] These incomplete requisitions were submitted using the previous version of the form.
[6] During our 2018 audit, we found the Regina labs kept adequate equipment maintenance records.

sets out timing for monthly review and sign off of the maintenance logs by the medical laboratory technologist. When staff do not complete equipment maintenance timely, the Authority requires them to complete a deviation form explaining the reasons for the delay, contributing factors, and actual or potential impacts on patients' diagnosis reports.

We tested 20 maintenance logs from April and May 2024 and did not find significant issues with lab staff completing the equipment maintenance as required. Additionally, we found a medical laboratory technician reviewed and signed off on the logs monthly in accordance with policy.

Timely maintenance of laboratory equipment is essential to prevent disruptions that could impact turnaround times or produce inaccurate analysis/diagnosis of biopsies.

Chapter 27
Saskatchewan Health Authority—Efficient Use of MRIs in Regina

1.0 Main Points

Effective MRI services involve patients receiving quality scans within an appropriate timeframe, and physicians appropriately using MRIs as diagnostic tools after obtaining reliable interpretations of the scans within a reasonable timeframe.

By September 2024, the Saskatchewan Health Authority implemented the three remaining recommendations we originally made in 2017 about the efficient use of MRIs in Regina.

The Authority implemented a peer review IT system to formally and systematically assess the quality of MRI services that its radiologists provide. It will also require contracted private MRI operators to participate in the peer reviews. The Authority expects to have all radiologists, including private operators, using the peer review IT system by the end of 2024. It will report results from peer reviews to senior management to support monitoring of the quality of MRI services.

Having quality MRI services help to facilitate appropriate diagnosis, treatment plans, and help to improve patient outcomes.

2.0 Introduction

2.1 Background

Under *The Provincial Health Authority Act*, the Saskatchewan Health Authority is responsible for the planning, organization, delivery, and evaluation of the health services that it provides. This includes provision of magnetic resonance imaging (MRI) services.

The Authority has eight MRI scanners in six Saskatchewan hospitals located in:

- Moose Jaw Dr. F.H. Wigmore Regional Hospital
- Regina General Hospital (two)
- Saskatoon City Hospital
- Royal University Hospital (two)
- St. Paul's Hospital in Saskatoon
- Lloydminster Hospital[1]

In 2023–24, the six hospitals provided almost 39,000 MRI scans.[2] In addition, the Authority contracted with two licensed private-imaging operators to supplement hospital-based MRI services in Regina and Saskatoon. The contracts require the private operators to conduct a total of 10,000 MRI scans each year. In July 2024, the Saskatchewan Health Authority contracted a third licensed private-imaging operator in Regina to provide an additional 5,500 MRI scans each fiscal year.

[1] Patients in Lloydminster can receive MRI services at the community-based scanner provided through a contract between the Saskatchewan Health Authority, Alberta Health Services, and Lloydminster Medical Imaging.
[2] www.saskatchewan.ca/residents/health/accessing-health-care-services/medical-imaging/medical-imaging-wait-times#supply-and-demand (15 July 2024).

At June 30, 2024, Regina had 5,412 patients waiting for MRI scans (compared to 2,610 patients at the time of our 2017 audit).

Since 2016, *The Patient Choice Medical Imaging Act* gives Saskatchewan residents the option of personally paying for MRI services through a licensed private operator. The Act requires private operators to provide a free MRI scan to an individual on the public MRI waitlist for each scan personally paid for by residents (i.e., one-for-one model). In 2023–24, the Authority received 1,858 MRI scans through the one-for-one model.

2.2 Focus of Follow-Up Audit

This chapter describes our third follow-up audit of management's actions on the recommendations we first made in 2017.

In 2017, we assessed the Saskatchewan Health Authority's processes for efficient use of MRIs in Regina. We concluded the Authority had effective processes other than the areas identified in our seven recommendations.[3] By February 2022, the Authority implemented four of the seven 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 Authority's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Authority management agreed with the criteria in the original audit.

To complete this follow-up audit, we interviewed key staff at the Authority and examined the Authority's IT systems, MRI reports, and other relevant documents related to MRI services.

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 30, 2024, and the Saskatchewan Health Authority's actions up to that date.

3.1 Quality of MRI Services Being Assessed and Will Be Reported to Senior Management

We recommended the Saskatchewan Health Authority formally and systematically assess the quality of MRI services that radiologists provide.

(*2017 Report – Volume 1*, p. 143, Recommendation 4; Public Accounts Committee agreement June 13, 2018)

Status—Implemented

[3] *2017 Report – Volume 1*, Chapter 10, pp. 133–146.
[4] *2020 Report – Volume 1*, Chapter 25, pp. 247–255 and *2022 Report – Volume 1*, Chapter 19, pp. 201–206.

We recommended the Saskatchewan Health Authority regularly monitor the quality and timeliness of MRI services that contracted private MRI operators provide. (*2017 Report – Volume 1,* p. 144, Recommendation 6; Public Accounts Committee agreement June 13, 2018)

Status—Implemented

We recommended the Board of the Saskatchewan Health Authority receive periodic reports on the timeliness and quality of MRI services, including actions taken to address identified deficiencies. (*2017 Report – Volume 1*, p. 146, Recommendation 7; Public Accounts Committee agreement June 13, 2018)

Status—Implemented

The Saskatchewan Health Authority formally and systematically assesses the quality of MRI services provided by its radiologists using its new peer review IT system. It will require contracted private MRI operators to participate in peer reviews by the end of 2024. Results of all peer reviews will also be reported to senior management by the end of 2024.

In June 2024, the Authority implemented a peer review IT system for diagnostic services (e.g., MRI scans, CT scans). We found the system requires radiologists to peer review and assess diagnostic reports based on quality aspects (e.g., issues with scan quality, interpretations of scans) and clinical significance, as well as to propose actions to address identified deficiencies. Radiologist assessments are based on a standardized rating scale (see **Figure 1**). We found the rating scale aligned with good practice.

Figure 1—Standardized Rating Scale for Radiologist Peer Reviews of Diagnostic Reports

Rating Scale

1. Concur with interpretation
2. Discrepancy in interpretation—correct interpretation not ordinarily expected to be made (understandable miss)
3. Discrepancy in interpretation—correct interpretation should be made most of the time

Clinical Significance

When assigning scores of 2 or 3, radiologists will choose one of the following:

a) Unlikely to be clinically significant
b) Likely to be clinically significant

Source: Adapted from information provided by the Saskatchewan Health Authority.

As of September 2024, about 10 of the Authority's radiologists across the province used the IT system to conduct peer reviews. The Authority plans to have new service agreements with private operators by the end of 2024. We found the draft service agreement includes the requirement for each radiologist to participate in peer reviews. The Authority expects to have all radiologists (about 130 total), including private operators, using the system by the end of 2024.

The Authority also hired a coordinator in May 2024 to review adjudication issues and cases requiring arbitration. Authority management indicated that although the coordinator uses information from the peer review IT system for education/feedback purposes to radiologists, they do so informally as of September 2024. The Authority expects to formalize the education/feedback process by the end of 2024.

The Authority continues to use detailed reports, also provided to senior management, to help staff analyze data about timeliness of MRI services provided by the Authority and contracted private MRI operators.[5] In 2023–24, the Authority contracted the private MRI operator in Regina for 5,500 MRI scans—it delivered 5,792 scans.

The reports to senior management do not yet include information on the quality aspects of the MRI services provided by the Authority and contracted private MRI operators. However, we observed a report provided to the Executive Director of Diagnostic Imaging outlining the number of radiologist peer reviews and their associated ratings. For example, in July 2024, radiologists conducted 91 peer reviews, with almost 95% concurring with the interpretation. The Authority expects to report on MRI service quality (i.e., peer review results) to senior management by the end of 2024.

By formally and systematically assessing the quality of MRI services that radiologists provide, the Authority can assess whether it provides reliable MRI services. Accurate interpretation of MRI scans can be crucial to proper diagnosis and treatment for patients.

[5] The Saskatchewan Health Authority revised its reporting in 2022, so its Board no longer receives and reviews periodic reports on MRI services. Rather, this is now the responsibility of Authority senior management, which is reasonable.

Chapter 28
Saskatchewan Legal Aid Commission—Providing Legal Aid Services

1.0 Main Points

By August 2024, Saskatchewan Legal Aid Commission implemented the two outstanding recommendations we first made in 2016.

The Commission is using its electronic case management system to accurately record the status of legal aid cases including file closures. Accurately capturing the status of cases can help the Commission monitor and manage lawyer caseloads.

In addition, the Commission conducts annual staff performance evaluations of its lawyers as required by its Performance Management Policy. Where the Commission did not complete evaluations within the specified timeframe, it provided reasonable explanations (e.g., staff on leave). Completing performance evaluations as expected allows the Commission to take timely corrective action, and promotes a supportive culture of professional engagement.

Effective processes to deliver legal aid services help ensure clients receive timely assistance to address their legal issues and protect their rights.

2.0 Introduction

2.1 Background

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 to assess requests for legal services. 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]

The Commission provides legal aid services primarily through staff at its head office and 13 area offices located in 11 communities across Saskatchewan.[2] At March 31, 2024, the Commission employed 174 staff positions throughout the province who handled over 18,000 legal aid cases. In 2023–24, the Commission spent about $34 million providing legal aid services.[3]

[1] *The Legal Aid Act,* s. 6 and 7.
[2] Area offices include: Battlefords, Meadow Lake, Melfort, Moose Jaw, Prince Albert, Regina, Saskatoon, Swift Current, Yorkton, rural areas surrounding Saskatoon and Regina, as well as Northern and South East areas.
[3] *Legal Aid Saskatchewan 2023–2024 Annual Report*, pp. 7, 17, and 30.

As shown in **Figure 1**, the Commission closed 30,871 cases in 2023–24 from all its 13 area offices.

Figure 1—Total Number of Case Files Closed in 2023–24 by Type from all 13 Area Offices

	Criminal Adult	Criminal Youth	Duty Counsel Adult	Duty Counsel Youth	Therapeutic Courts	Family	Child Apprehension	Total
Staff	10,728	1,303	8,611	647	735	5,079	676	27,779
Private Bar	2,349	178	0	0	26	402	137	3,092
Total	**13,077**	**1,481**	**8,611**	**647**	**761**	**5,481**	**813**	**30,871**

Source: Saskatchewan Legal Aid Commission records.

Timely access to legal aid services improves the effectiveness of the justice system (e.g., may reduce time held in custody, may resolve cases faster).

2.2 Focus of Follow-Up Audit

This chapter describes our third follow-up audit of management's actions on the recommendations we made in 2016.

We concluded the Saskatchewan Legal Aid Commission had, other than the areas of our five recommendations, effective processes to provide legal services to eligible persons for the period of February 1, 2015, to January 31, 2016.[4,5] By August 2021, two of the five recommendations were not fully implemented.[6]

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. Commission management agreed with the criteria in the original audit.

To complete this follow-up audit, we reviewed related policies and procedure manuals and interviewed key Commission staff. We examined case files for individuals receiving legal aid services from the Commission and staff performance evaluations.

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 15, 2024, and the Saskatchewan Legal Aid Commission's actions up to that date.

[4] Eligible persons are those who meet Saskatchewan Legal Aid Commission eligibility criteria as set out in *The Legal Aid Act*, and *The Legal Aid Regulations, 1995*.
[5] *2016 Report – Volume 1*, Chapter 16, pp. 201–217.
[6] *2018 Report – Volume 2*, Chapter 41, pp. 275–281 and *2021 Report – Volume 2*, Chapter 34, pp. 247–252.

3.1 More Accurate Case Status in Electronic 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—Implemented

Saskatchewan Legal Aid Commission more accurately captures the status of legal aid cases in its electronic case management system and closes files timely after the last case activity (e.g., a final court decision).

We observed the Commission completed an internal review of closed files to promote and ensure compliance with its file-closing policy, which came into effect on April 1, 2023. The internal review considered 208 closed files across the main four file types (i.e., Duty Counsel, Criminal, Child Apprehension, and Family) from all 13 area offices between April to December 2023. The review appropriately considered the following questions:

- Did lawyers complete a closing form?[7]

  We found the Commission's review determined its lawyers consistently completed closing forms as expected, except at two area offices. We observed emails management sent to staff from those two area offices summarizing the review's results and plans to improve compliance.

- Did lawyers complete a closing form as soon as possible, and not more than seven days after the conclusion of the case?

  We found the Commission's review determined its lawyers completed a closing form within seven days after the conclusion of the court work about 80% of the time (ranged from 76–90%), which is reasonable compliance. Management's review noted lower completion percentages for Criminal and Family case files due to complexity and staff often waiting for Court orders or further legal services on these files beyond seven days.

- Did administrative staff close the file in the electronic case management system as soon as possible, and not more than two days from receiving the concluded file from the lawyer?

  We found the Commission's review determined administrative staff closed files in the electronic case management system after receiving the closing form about 89% of the time.

[7] Staff lawyers use the closing form to document and approve client case-file closures after the last case activity (e.g., final court decision) for all case file types.

We assessed the Commission's approach to its internal review including sampling decisions and considered it reasonable.

In addition, we sampled four files that were part of the Commission's review to assess accuracy of the results. For all four files tested, applicant information and case closing dates in the electronic case management system matched information on the legal aid paper applications and closing forms. We found staff closed the four files within 7–9 days; a similar result to the Commission's internal review.

Accurate and timely capture of legal aid case statuses in the electronic case management system helps ensure efficient allocation of resources and effective case tracking, which is crucial for providing timely legal assistance. Additionally, it supports data-driven decision-making to improve overall service delivery.

3.2 Staff Lawyer Performance Evaluations Completed

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—Implemented

Saskatchewan Legal Aid Commission conducts performance reviews of its staff lawyers annually.

The Commission developed a Performance Management Policy in April 2021 and updated it in April 2023. Overall, the policy appropriately provides detailed guidance on how the Commission should assess staff lawyers' performance, including evaluation frequency. For example, the policy states annual performance reviews take place from September 1 through November 30, and appraising managers will send a completed, signed form to the employee and to Human Resources by December 15.

We found the Commission conducted annual performance reviews using standardized templates within timeframes specified by its Performance Management Policy. Where the Commission did not conduct an evaluation within the specified timeframe, we found it had reasonable explanations (e.g., staff on leave).

The Commission appropriately maintains a central tracking spreadsheet that helps it monitor timely completion of lawyers' performance evaluations. We reviewed the tracking sheet and found the Commission completed all 2022–23 evaluations for lawyers who were eligible to be assessed (e.g., completed probation) except in certain instances (e.g., on extended leave).

The Commission had 78 staff lawyers as of July 12, 2024. We tested evaluations of five staff lawyers and found the Commission conducted annual performance reviews within policy timeframes except as follows:

- Two lawyers had performance evaluations completed late (January and June 2024). Management provided reasonable explanations for these delays. For example, offices where these staff work had management understaffed or staff were on leave during the stipulated timeframe for evaluation.

- One lawyer's performance evaluation was not completed because the lawyer was on extended personal leave. We observed evidence of this extended leave.

Completing performance evaluations allow for timely corrective action and promote a supportive culture of professional engagement.

Chapter 29
Saskatchewan Liquor and Gaming Authority—Regulating Commercial Permittees' On-Table Sale of Liquor

1.0 Main Points

By June 2024, the Saskatchewan Liquor and Gaming Authority improved its processes to regulate commercial permittees' on-table sale of liquor. It implemented the two outstanding recommendations we first made in 2017.

The Authority consistently monitors inspectors complete inspections as planned of permitted establishments (e.g., restaurants, pubs) or obtain rationale for any delayed inspections.

Consistently inspecting permittees' establishments in the province as planned helps minimize public health and safety risks associated with the service and consumption of liquor.

The Authority also implemented trend reporting to identify and assess key trends of non-compliance annually, which helps to better understand gaps in the liquor regulatory process and propose corrective actions, where necessary. For example, two key non-compliance issues—minor-aged employees left alone with access to alcohol or serving alcohol, and special occasion events associated with serving minors—showed significant reduction in non-compliance in 2023–24.

Conducting trend analysis of key non-compliance issues from inspections completed annually assists the Authority in allocating regulatory resources to address non-compliance.

2.0 Introduction

2.1 Background

The Saskatchewan Liquor and Gaming Authority is responsible for regulating and controlling the possession, sale, and delivery of beverage alcohol (liquor) in Saskatchewan by any person.[1] This includes regulating on-table sales of liquor. On-table sale is liquor sold in open containers (e.g., glasses, open bottles) for consumption at permitted establishments (commercial permittees such as restaurants or pubs).

The Authority's Regulatory Services Division is responsible for permitting and monitoring commercial permittees. It regulates commercial permittees' on-table sale of liquor to the public by issuing permits, inspecting permitted establishments, enforcing permit requirements, and educating permittees. The Division works with various law enforcement agencies (e.g., Regina Police Service) to enforce its terms and conditions and related laws.

[1] *The Alcohol and Gaming Regulation Act, 1997*, s. 12(c).

At June 2024, approximately 20 staff (including eight inspectors) carried out the Division's responsibilities, including inspecting commercial permittees.

2.2 Focus of Follow-Up Audit

This chapter describes our third follow-up audit of management's actions on the recommendations we made in 2017.

We assessed the effectiveness of Saskatchewan Liquor and Gaming Authority's processes, for the 12-month period ended October 31, 2016, to regulate the on-table sale of liquor by commercial permittees to the public.[2] We concluded the Authority had, other than matters reflected in our six recommendations, effective processes. By 2021, the Authority implemented four recommendations and partially implemented two 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 Authority's progress toward meeting our recommendations, we used the relevant criteria from the original audit. Authority management agreed with the criteria in the original audit.

To complete our follow-up audit, we interviewed Authority management and reviewed key documentation related to liquor inspections. We also tested a sample of inspection and investigation reports.

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 14, 2024, and Saskatchewan Liquor and Gaming Authority's actions up to that date.

3.1 Inspections Appropriately Monitored

We recommended Saskatchewan Liquor and Gaming Authority monitor that its staff complete, when planned, inspections of permitted establishments that sell liquor for on-premise consumption, and obtain reasons for delayed inspections. (*2017 Report – Volume 1*, p. 153, Recommendation 3; Public Accounts Committee agreement June 13, 2018)

Status—Implemented

The Saskatchewan Liquor and Gaming Authority consistently monitored whether its inspectors complete inspections as planned of permitted establishments selling liquor for on-premise consumption, and obtained rationale for delayed inspections.

[2] *2017 Report – Volume 1*, Chapter 11, pp. 147–160.
[3] *2019 Report – Volume 1*, Chapter 36, pp. 329–334 and *2021 Report – Volume 1*, Chapter 25, pp. 267–270.

In 2021, the Authority implemented a report from its IT system to manage inspections. The IT system utilizes a risk management matrix that assigns inspections into different category groups based on risk of non-compliance.

The Director of Liquor Licensing and Inspection Services Branch produces appropriate monthly reports from the IT system outlining the number of inspections completed by each inspector. We found the Director maintained evidence of review of these monthly reports, including documenting any deficiencies (e.g., number of planned inspections not completed) and obtaining and assessing reasons (e.g., inspector on sick leave) for missed inspections.

We also found the Director discusses inspections completed with managers monthly. For the 12 months we reviewed up to May 15, 2024, we found six months where some inspectors did not meet the minimum expected 17 monthly inspections. We found management appropriately documented reasons why and made sure inspectors completed the missed inspections in subsequent months.

We tested 20 inspection reports and found all inspections were appropriately reviewed by a manager and the Director of Liquor Licensing and Inspection Services Branch. We also found these inspections were appropriately included in the monthly inspection reports reviewed by the Director.

Appropriately reviewing whether permittee inspections are carried out as planned minimizes public health and safety risks associated with the service and consumption of liquor at permitted establishments.

3.2 Key Non-Compliance Trends Analyzed and Reported

We recommended Saskatchewan Liquor and Gaming Authority analyze and report on key trends of non-compliance with requirements for selling liquor for consumption in permitted establishments. (*2017 Report – Volume 1,* p. 158, Recommendation 5; Public Accounts Committee agreement June 13, 2018*)*

Status—Implemented

The Saskatchewan Liquor and Gaming Authority implemented trend reporting where staff identify and assess key trends of non-compliance annually. This helps the Authority to better understand gaps in the liquor regulatory process and propose corrective actions, where necessary.

In 2022–23, the Liquor Licensing and Inspections Services Branch of the Authority established an annual report of key non-compliance trends, which it submits to the Authority's Executive Committee (i.e., CEO, directors) for review and approval. This first report analyzed four trends identified from regulatory activities. For example, the Authority analyzed trends from its Minors as Test Shoppers Program, observing improvements in compliance rates from 2019–20, but determined the need to continue operating the Program.

We found the Authority continued to evaluate non-compliance trends in its 2023–24 report, increasing the number of trends assessed to seven, and rationalizing why it no longer planned to assess two trends from the 2022–23 report. For example, it summarized and assessed non-compliance trends it continues to find at U-Brew/U-Vin businesses.[4] Consequently, the Authority planned to continue to inspect all U-Brew/U-Vin businesses annually.

Further, the Authority again assessed the results of its Minors as Test Shoppers Program, indicating the compliance rate decreased in 2023–24. It analyzed regulatory options to improve the compliance rate, such as increasing the fine for the first offence of selling liquor to minors.

We observed from our review of the 2023–24 report that two previously key non-compliance issues (i.e., minor-aged employees left alone with access to alcohol or serving alcohol, and special occasion events associated with serving minors) showed a significant reduction in non-compliance. For both issues, the Authority noted that despite the significant reduction in these trends, it will continue to educate permittees on these issues and escalate enforcement when required.

Conducting trend analysis of key non-compliance issues from inspections completed annually assists the Authority in allocating resources to address non-compliance.

[4] U-Brew/U-Vin businesses are liquor-permitted businesses that sell ingredients and services to make wine, beer, coolers and cider for private consumption. Saskatchewan has 15 permitted U-Brew/U-Vin businesses.

Chapter 30
SaskPower—Maintaining Above-Ground Assets Used to Distribute Electricity

1.0 Main Points

Reliable electricity is critical to economic growth and security, as well as for Saskatchewan residents to maintain their expected quality of life. Saskatchewan Power Corporation is responsible for maintaining its infrastructure to provide customers with safe, reliable power sources and to reduce unplanned power outages.

By July 2024, we found SaskPower implemented the final two recommendations we first made in 2018 about its processes to maintain above-ground distribution assets (e.g., voltage regulators).

SaskPower formally assessed and reported to senior management about the consequences of not completing planned maintenance for above-ground assets (e.g., risk of power outage or safety issues). Senior management signed off on maintenance deferrals with potentially significant impact—there were two such deferrals in 2023–24.

Formally assessing and reporting the consequences of not completing planned maintenance helps to ensure the right maintenance is done at the right time.

2.0 Introduction

2.1 Background

Saskatchewan Power Corporation is the principal supplier of electricity in Saskatchewan, under the mandate and authority of *The Power Corporation Act.* Each year, it generates, transmits, and distributes power to more than 550,000 customers over approximately 652,000 square kilometers.[1]

SaskPower is responsible for the maintenance and capital replacement/refurbishment of assets used to distribute electricity—both above and below ground. At March 31, 2024, it recorded a net book value for distribution assets of about $3.2 billion, including around 145,000 circuit kilometers of distribution lines (i.e., average of three customer accounts per circuit kilometre).[2]

Figure 1 describes the above-ground assets used to distribute electricity included in our follow-up audit.[3]

[1] *SaskPower 2023–24 Annual Report*, p. 11.
[2] Ibid., pp. 5 and 78.
[3] We excluded wood poles from this follow-up audit as we did not find significant gaps in SaskPower's maintenance processes relating to this asset category in our original audit.

Figure 1—Description of Above-Ground Distribution Assets Included in Follow-up Audit

Asset Type	Purpose
Voltage Regulator	• Continually adjusts (raises or lowers) the voltage on the distribution system to ensure customers receive power within acceptable limits
Recloser	• Automatically isolates the distribution system to protect the public and prevent irreparable damage to assets from a sustained short circuit • Improves service continuity by automatically isolating and restoring power to power lines during momentary interruptions, such as from lightning or wildlife contacts
Overhead Switch	• Enables isolation of a power-line section, resulting in fewer customers affected when an outage is required for scheduled maintenance or repairs; allows customers to be serviced from different feeders during a power outage so electricity can be restored while repairs are ongoing
Capacitor Bank	• Stores electrical energy to help tune and optimize the operation of the distribution network, thereby deferring the need and expense of additional capacity on the electrical delivery system
Poletop Transformer	• Transforms higher voltages from distribution power lines down to a useable voltage that end users can utilize; provided as close to customers' sites as possible to avoid energy losses amplified at lower voltages
Power-Line Conductor	• Electrical wires and associated hardware that transmit electrical energy along long distances; consists of one or more conductors (i.e., physical wire) suspended by towers or poles, often in groups of three.

Source: Office of the Provincial Auditor of Saskatchewan from SaskPower records.

Planning for and completing required maintenance is essential for providing customers with a reliable source of power in a safe and cost-effective way.

2.2 Focus of Follow-Up Audit

This chapter describes our second follow-up audit of management's actions on the two remaining recommendations we made in 2018.[4]

We concluded Saskatchewan Power Corporation had effective processes for the period ended April 30, 2018, except in the areas of our seven recommendations, to maintain above-ground assets used to distribute electricity. By March 2022, SaskPower implemented five of our seven recommendations.[5]

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate SaskPower's progress toward meeting our recommendations, we used the relevant criteria from the original audit. SaskPower management agreed with the criteria in the original audit.

To perform this follow-up audit, we discussed with management actions taken relating to the outstanding recommendations and examined supporting documents (e.g., maintenance deferral assessments, reports to senior management).

3.0 Status of Recommendations

This section sets out each recommendation including the date on which the Standing Committee on Crown and Central Agencies agreed to the recommendation, the status of the recommendation at July 5, 2024, and Saskatchewan Power Corporation's actions up to that date.

[4] *2018 Report – Volume 2*, Chapter 25, pp. 169–189.
[5] *2022 Report – Volume 1*, Chapter 25, pp. 239–248.

3.1 Consequences Assessed for Deferred Maintenance

We recommended 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. (*2018 Report – Volume 2,* p. 185, Recommendation 6; Crown and Central Agencies Committee agreement September 17, 2019)

Status—Implemented

Saskatchewan Power Corporation formally assessed the consequences of not completing planned corrective maintenance for above-ground distribution assets.

By July 2024, SaskPower required quarterly comparisons of planned and completed corrective maintenance. Staff from its asset planning and operations divisions discussed reasons for maintenance behind or ahead of schedule, and adjusted plans to complete maintenance accordingly. At the end of the fiscal year, they recorded decisions to defer maintenance to another year and the consequences of not completing the maintenance as planned (e.g., risk of power outage or safety issues). If the deferred maintenance exceeded pre-established thresholds (e.g., change greater than 10% of overall planned work for a geographical area), the divisions required approval from senior management (e.g., relevant vice-president) for the change.

We found SaskPower documented incomplete maintenance, consequences of not completing planned maintenance as of March 31, 2024, and actions required to address the incomplete maintenance. We also found senior management approved, as required, the two maintenance deferrals that exceeded its pre-established thresholds.

Formally assessing and determining the consequences of not completing planned corrective maintenance decreases the risk of distribution asset failure. Such failures can contribute to more and/or longer unplanned power outages and higher costs for repairing or replacing assets.

3.2 Reports to Senior Management Outline Maintenance Activities and Deferral Consequences

We recommended Saskatchewan Power Corporation 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. (*2018 Report – Volume 2,* p. 188, Recommendation 7; Crown and Central Agencies Committee agreement September 17, 2019)

Status—Implemented

Saskatchewan Power Corporation reported quarterly to its senior management on the status of maintenance activities, including all maintenance activities completed for above-ground distribution assets and the consequences of not completing planned maintenance.

In 2023, SaskPower established a policy and related procedures setting out maintenance reporting requirements. Its procedures require quarterly reports to its Operations Executive Committee showing planned to actual and forecasted activity, along with explanations for differences. The procedures also require details for added, cancelled, and deferred maintenance activities with documented consequences for the changes.

SaskPower documented its processes for preparing reports to senior management to support consistent reporting over time, including thresholds for when to explain variances between planned and actual results.

We found SaskPower prepared reports for senior management for all four quarters in 2023–24 as expected, which included all types of preventative and corrective maintenance applicable to above-ground distribution assets. The fourth quarterly report provided details of incomplete maintenance deferred to the next year with explanations of the consequences of deferring such maintenance.

Comprehensive reports to senior management about maintenance completed and consequences of not completing expected maintenance help senior management assess whether the right maintenance is done at the right time.

Chapter 31
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 group homes and approved private service homes to provide accommodation, meals, and care to about 1,700 adults with intellectual disabilities (i.e., clients). At April 2024, the Ministry licensed about 280 group homes and 180 approved private service homes in Saskatchewan.[1]

By April 2024, the Ministry made some progress in monitoring the quality of care provided to clients living in group and approved private service homes, but more work remains.

The Ministry developed a centralized tracking system for monitoring group homes' licensing information (e.g., licence expiry dates) and planned to update its system to also include licensing details for approved private service homes. We found the Ministry appropriately monitored home operators' resolution of deficiencies set out in conditional licences—at March 31, 2024, 18% of group homes and 20% of approved private service homes had conditional licences, compared to 45% and 70% in 2021 respectively.[2] The Ministry maintained regular contact with home operators who had conditional licences.

We found the Ministry implemented a revised home inspection checklist for group homes in April 2024 to include assessment of additional key risk areas (e.g., safety plans for clients at risk of wandering). However, it had yet to make similar updates to its inspection checklist for approved private service homes. Additionally, we found the Ministry continues to not inspect each group home annually, inconsistent with good practice, to assess whether each home meets minimum program standards for quality care.

Further, we continued to find inconsistencies in the Ministry's review of clients' person-centred plans (e.g., plans non-existent or outdated) and the Ministry lacked regular contact with clients. We also found the Ministry has yet to verify completion of periodic criminal record checks (including vulnerable sector checks) for staff working at group and approved private service homes.

While the Ministry developed a dashboard to better track serious incidents and now requires Ministry staff to document the physical address of where incidents occur, we found it needs to conduct further analysis to identify homes with more persistent concerns. In addition, the Ministry did not consistently follow up with home operators on implementing recommendations from serious incident reports.

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.

[1] At March 2021, the Ministry of Social Services licensed 253 group homes and 206 approved private service homes providing spaces for about 1,600 clients.
[2] During the COVID-19 pandemic, the Ministry of Social Services 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.

2.0 INTRODUCTION

2.1 Background

The Ministry of Social Services provides support for people with intellectual disabilities. *The Residential Services Act, 2019,* and *The Residential Services Regulations* give the Ministry authority to license, fund, and monitor residential service facilities (group homes and approved private service homes) providing services to people with intellectual disabilities.

The Ministry funds and partners with community-based organizations and other service providers across the province to deliver day programs such as supportive living programs and residential services. These partnerships include group homes, approved private service homes, and group living homes.[3]

For adults with intellectual disabilities, the Ministry, along with the individual, their family and other key people in the person's life determine a housing option suited to the individual based on their assessed need. Typically, adults living in Ministry-funded group and approved private service homes require greater care needs, often on a 24/7 basis.

In 2023–24, the Ministry spent about $134 million on funding for group and approved private service homes. At March 2024, the Ministry licensed 282 group homes (with 1,318 spaces) and 181 approved private service homes (with 421 spaces) for adults with intellectual disabilities.[4,5] The Ministry had 100 staff (e.g., case managers) involved in working directly with these homes and the adults they care for.

A group home operator, often referred to as an agency, service provider, or community-based organization, may operate a number of group homes. For the purposes of this chapter, unless otherwise specified, home operator refers to both agencies running group homes and individuals or families operating approved private service homes.

Providing safe housing and quality support for adults with intellectual disabilities contributes to a meaningful quality of life.

2.2 Focus of Follow-Up Audit

This chapter describes our first follow-up audit of management's actions on the recommendations we first made in 2021.

In 2021, we assessed 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 and concluded the Ministry had effective processes, other than the areas reflected in our nine recommendations.[6]

[3] A 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. Supportive living programs provide adults living in their own homes with limited support and supervision so they can live as independently as possible.
[4] Data provided by the Ministry of Social Services.
[5] At March 2021, the Ministry of Social Services licensed 253 group homes (with 1,206 spaces) and 206 approved private service homes (with 398 spaces).
[6] *2021 Report – Volume 2,* Chapter 18, pp. 143–164.

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 carry out our follow-up audit, we discussed actions taken with management, reviewed relevant documentation (e.g., inspection checklists, policies), and analyzed data about licensed group and approved private service homes. We also examined client records, serious incident records, and the Ministry's monitoring of homes with conditional licences.

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 April 30, 2024, and the Ministry of Social Services' actions up to that date.

3.1 Improved Tracking and Monitoring of Licensing Information

We recommended the Ministry of Social Services use a central system to track key information about group and approved private service homes. (*2021 Report – Volume 2,* p. 155, Recommendation 4; Public Accounts Committee agreement February 27, 2023)

Status—Partially Implemented

We recommended the Ministry of Social Services monitor resolution of deficiencies stated in conditional licences for group and approved private service homes within a reasonable timeframe. (*2021 Report – Volume 2,* p. 151, Recommendation 1; Public Accounts Committee agreement February 27, 2023)

Status—Implemented

The Ministry of Social Services created a central system to track licensing information for group homes and planned to incorporate information about approved private service homes in 2024–25. It appropriately monitored home operators' resolution of deficiencies set out in conditional licences (e.g., missing current fire inspection report).

The Ministry annually licenses homes providing care for adults with intellectual disabilities. It issues conditional licences when deficiencies or delays in receipt of required documentation occur during the annual licence renewal process. The Ministry issues conditional licences for a period up to six months, as management deems six months a reasonable timeframe for home operators to resolve deficiencies. We agree with this rationale. There are circumstances where the Ministry continues to issue conditional licences when deficiencies persist but monitors these circumstances closely.

In April 2024, the Ministry implemented a system dashboard to summarize licensing information for group homes. The dashboard includes details of homes' licensing activity (e.g., current licences, expired licences, conditional licences including information about outstanding requirements).

However, the Ministry had yet to incorporate similar information about licences for approved private service homes. It plans to update the system and create a dashboard during 2024–25 for approved private service homes, as well as include further information about all licensed homes, such as information about inspections (e.g., inspection dates, identified deficiencies, remediation dates).

We found the Ministry's system dashboard generates a monthly report identifying group homes with annual or conditional licences expiring during the month. The Ministry then communicates with relevant group home operators about meeting licensing requirements.

Our analysis of licensing data for group and approved private service homes between April 1, 2023, and March 31, 2024, found:

- The majority of homes had conditional licences on average about six months—194 of 282 group homes had at least one conditional licence, with an average length of six months; and 148 of 181 approved private service homes had at least one conditional licence, with an average length of five months

- 51 group homes (18%) and 37 approved private service homes (20%) had conditional licences at March 31, 2024—this is an improvement from our 2021 audit, where we found 45% and 70% of group and approved private service homes respectively had conditional licences

Additionally, we tested 15 homes operating with conditional licences and found:

- Ministry staff appropriately followed up timely with home operators before licence expiration to obtain required reports (e.g., fire inspection report) or updates on resolution of deficiencies.

- Nine homes held conditional licences due to delays in providing required documentation for annual licences (e.g., fire inspection report). On average, these homes held conditional licences for three months.

- Four homes held conditional licences for six months or less due to delays in addressing deficiencies identified during inspections (e.g., minor deficiencies with sprinkler systems).

  We found two additional homes, operated by the same home operator, were on conditional licences for more than six months due to the homes undergoing extensive renovations—we found the Ministry appropriately maintained regular contact (i.e., every two weeks) with the operator regarding the progress of renovations, including Ministry-led inspections of the homes.

Effective monitoring of homes' compliance with licensing requirements helps ensure clients live in safe homes. Having a centralized system to track steps completed in the home

licensing process can help with monitoring licence expiration, completion of inspections, along with receipt and review of required documentation. It also allows the Ministry to collate and analyze common data about each licensed home and identify any persistent issues that may impact client care.

3.2 Home Inspection Checklist Updated, But Each Group Home Not Assessed Annually

We recommended the Ministry of Social Services update home inspection checklists to cover key risk areas at group and approved private service homes. (*2021 Report – Volume 2,* p. 153, Recommendation 2; Public Accounts Committee agreement February 27, 2023)

Status—Partially Implemented

We recommended the Ministry of Social Services annually inspect each group home to assess if it meets the minimum program standards requirements. (*2021 Report – Volume 2,* p. 154, Recommendation 3; Public Accounts Committee agreement February 27, 2023)

Status—Not Implemented

The Ministry of Social Services updated its home inspection checklist for staff to examine key risk areas at group homes, but had yet to update its home inspection checklist for approved private service homes. It continues to not require its staff to visit each group home at least annually to assess whether each home meets minimum program standards; there are 282 group homes with spaces for over 1,300 clients.

The Ministry conducts a program standards inspection as its primary tool to assess aspects of care for group home clients, such as meals provided, personal care, and the proper storing of personal records. In 2023, the Ministry developed a new program standards checklist for assessing whether group homes meet established program standards. It piloted the checklist for one group home operator in May 2023 and expected to start using it for all group homes' licence renewals starting in May 2024.

We found the Ministry's updated inspection checklist for group homes sufficiently addressed key risk areas such as the handling of medication (e.g., protocols for safe disposal of medication), maximum water temperature for clients' use (e.g., not to exceed 49 degrees Celsius), and safety measures for clients at risk of wandering (i.e., safety plans established).

The Ministry continues to use a separate checklist for annual inspections of approved private service homes, but it had yet to update this checklist to address key risk areas. The Ministry indicated it expects to develop a similar checklist for approved private service homes as it uses for group homes by October 2024.

Having comprehensive checklists to assess key home safety areas potentially impacting clients' health and safety is necessary to determine deficiencies and correct them before serious incidents occur.

One group home operator may operate more than one home (e.g., one group home operator in Regina operates 15 group homes). While the new program standards checklist for group homes acknowledges it is good practice to visit all licensed group homes for each operator annually, we found the Ministry continues to require a program standards inspection for a single home operator (at a minimum) and not of each home they operate.[7] The Ministry indicated it continues to look for opportunities to increase the number of group homes it reviews annually through establishment of a quality assurance unit. In 2023–24, the Ministry inspected 104 out of 282 group homes.

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).

3.3 No Verification of Completed Periodic Criminal Record Checks

We recommended 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. (*2021 Report – Volume 2,* p. 155, Recommendation 5; Public Accounts Committee agreement February 27, 2023)

Status—Not Implemented

The Ministry of Social Services does not verify completion of periodic criminal record checks for staff working at group and approved private service homes.

The Residential Services Regulations came into effect on January 1, 2023. The Regulations require group home operators to establish policies requiring criminal record and vulnerable sector checks for management, staff, and volunteers working with clients.[8] The Regulations also require approved private service home operators to provide the Ministry with the results of criminal record and vulnerable sector checks for operators and other adults in the homes.

The Regulations do not outline requirements for periodic updates to criminal record checks.

The Ministry requires group home operators to establish policies requiring criminal record and vulnerable sector checks for management, staff, and volunteers working with clients. It also requires approved private service homes to present a criminal record check and a vulnerable sector check for all adults living in the home upon initial licensing. However, the Ministry indicated it is working to determine how often to require periodic criminal record and vulnerable sector checks for people providing services to people with intellectual disabilities in group and approved private service homes. It expects to establish a process to verify completion of periodic criminal record checks during 2024–25.

[7] In our 2021 audit, we found the Ministry of Social Services annually inspects all approved private service homes, in contrast to requiring annual group home inspections for a single home operator and not of each home they operate.
[8] A vulnerable sector check is a police information check to see whether a person has a record suspension (pardon) for sexual offences. rcmp-grc.gc.ca/en/types-criminal-background-checks (24 June 2024).

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.

3.4 New Standards to Assess Quality and Fulfillment of Person-Centred Plans in Development

We recommended 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. (*2021 Report – Volume 2,* p. 158, Recommendation 6; Public Accounts Committee agreement February 27, 2023)

Status—Partially Implemented

We recommended 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. (*2021 Report – Volume 2,* p. 158, Recommendation 7; Public Accounts Committee agreement February 27, 2023)

Status—Partially Implemented

The Ministry of Social Services has yet to adjust its standards for providing person-centred case management to adults with intellectual disabilities that not only directs Ministry staff to periodically assess person-centred plans, but also to meet with adults with intellectual disabilities (i.e., clients) about their plans.

We found the Ministry drafted standards for providing person-centred case management to adults with intellectual disabilities based on their assessed needs, desires, and goals.

As described in **Figure 1**, the draft standards establish three case management tiers to help the Ministry determine the frequency and level of client support it provides, including the expectation for Ministry staff (i.e., case managers) to review clients' person-centred plans every two years. We found the Ministry's draft standards include a checklist and examples to help its staff assess clients' progress toward meeting goals outlined in their person-centred plans.

Figure 1—Draft Case Management Tiers

Tier	Description	Timing and Frequency of Case Plans
Tier 1	Clients require minimal case management support from their case manager, are stable in services, and are unlikely to have planned or unplanned changes or have an emerging need within one year.	Case managers contact clients annually by telephone, email or mail to confirm their planning and support needs. Case managers should also review the person-centred plan every two years. Contact is documented in the case plan annually at minimum.
Tier 2	Clients require more active case management support from their case manager. These clients' supports are generally stable, but they may have a planned or unplanned change or have an emerging need within one year. They may have some multi-sector involvement but typically do not require their case manager to coordinate their case for more than one service.	Case managers have annual face-to-face contact with clients to discuss wellbeing, whether current services are meeting their person-centred needs, or whether they require new or different support. Case managers should also review the person-centred plan every two years. Contact is documented in the case plan annually at minimum.

Tier	Description	Timing and Frequency of Case Plans
Tier 3	Clients are in an unstable situation that requires the case manager's greatest focus. These clients may have employment but have not been working for a long period of time. They are likely to have planned or unplanned changes and typically have emerging needs within a year. There is likely to be multi-sector involvement requiring the case manager to actively coordinate services with them.	Case managers are in frequent contact with clients and their support network. The case plan will be updated with the most recent information regularly—a minimum of twice a year.

Source: Adapted from information provided by the Ministry of Social Services.

The Ministry indicated it plans to pilot these draft case management standards during 2024–25. Following the pilot, the Ministry expects to evaluate the standards, make necessary adjustments, and finalize the standards across the province in 2026.

Until implementation of the new standards, we found the Ministry continues to expect 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 case managers may provide support in developing person-centred plans.

Additionally, we found the Ministry continues to expect its case managers to have at least once a year contact with clients living at group homes and once every quarter with clients living in approved private service homes.

We tested 30 client records at the Ministry and found:

- Three client records did not include any person-centred plans
- Four client records had existing plans over two years old—with the oldest plan developed in 2015 and the most recent plan developed in 2022
- 14 client records did not have evidence of Ministry staff reviewing clients' person-centred plans or outcomes
- 11 client records indicated Ministry staff did not have regular contact with the clients (i.e., no contact within the last year)

Without periodically reviewing the person-centred plans and meeting with clients, the Ministry does not know whether clients receive quality care to live fulfilling lives. Furthermore, the Ministry may not know whether any issues or concerns exist if Ministry staff do not periodically visit or contact clients.

3.5 Further Analysis of Serious Incidents Needed

We recommended 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. (*2021 Report – Volume 2,* p. 163, Recommendation 9; Public Accounts Committee agreement February 27, 2023)

Status—Partially Implemented

The Ministry of Social Services developed a serious incident dashboard to better track serious incidents by location. However, the Ministry needs to conduct further analysis to identify homes with more frequent or persistent concerns.

Home operators self-report any serious incidents that impact clients' health and safety to Ministry staff. The Ministry investigates any allegations of abuse and/or neglect while tracking other serious incidents (e.g., illness) for informative purposes. As shown in **Figure 2**, each year, homes report various types of serious incidents to the Ministry.

Figure 2—Serious Incidents in Group Homes and Approved Private Service Homes, 2021–24

Incident type	Group Homes			Approved Private Service Homes		
	2021–22	2022–23	2023–24	2021–22	2022–23	2023–24
Denial of Opportunity[A]	4	2	16	7	6	6
Disease Outbreak	170	271	40	40	14	2
Disruption of Services	9	12	5	4	4	2
Emotional Abuse	18	39	43	9	9	9
Expected Death[B]	13	13	9	1	-	3
Fall	56	64	44	5	4	6
Medication Abuse	255	365	333	-	4	3
Missing/Wandering Person	39	35	39	8	8	5
Motor Vehicle Accident	4	1	1	-	1	-
Neglect	22	36	52	17	17	10
Other Injury	48	49	34	2	5	3
Physical Abuse	24	21	37	-	3	4
Poisoning	1	5	-	-	2	-
Property Abuse	2	6	4	6	-	2
Sexual Abuse	3	1	11	1	-	1
Suicide Attempt	3	15	21	-	-	2
Unexpected Death	15	17	22	1	1	2
Unexpected Illness	249	231	269	34	41	34
Total	**935**	**1,183**	**980**	**135**	**119**	**94**

Source: Adapted from information provided by the Ministry of Social Services.
Shaded rows indicate serious incidents the Ministry considers more critical and warrant an investigation. All these categories for group homes increased from 2021–22 to 2023–24.
[A] Denial of opportunity is a form of abuse when homes' staff prevent a client from accessing some preferred activity for no valid reason. For example, staff purposefully stopping a client from joining other housemates in a pre-planned activity (e.g., swimming), 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.

Since our 2021 audit, we found the Ministry developed a serious incident dashboard providing some analysis of serious incidents at group and approved private service homes. For example, the dashboard enables its staff to review the number of serious incidents by home operator, along with incident descriptions. In May 2024, the dashboard began sending weekly automated emails to Ministry management about serious incidents by home operator.

In addition, we found the Ministry implemented a new form for reporting serious incidents in April 2024. The new form requires Ministry staff to document the physical address of where the incident occurred—such information can help the Ministry to better identify homes with more frequent or persistent concerns when analyzing serious incidents.

While the Ministry currently has limited data to inform analysis by physical address, staff indicated they will comparably analyze incident data in 2024–25 of the various homes providing services to clients. Such analysis may consider the size of each home operator, location of incidents, and whether serious incidents reported are more concerning than others (e.g., emotional abuse versus unexpected illness) to identify homes with more or persistent issues. In the meantime, the Ministry relies on regional management (i.e., community services supervisors and managers) to identify homes with concerns on an ad hoc basis.

Limited or ad hoc analysis risks the Ministry not identifying homes with persistent issues, increasing the risk of missing homes providing unsuitable services for adults with intellectual disabilities that should not be licensed.

3.6 Implementation of Serious Incident Investigation Recommendations Not Sufficiently Monitored

We recommended 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. (*2021 Report – Volume 2,* p. 162, Recommendation 8; Public Accounts Committee agreement February 27, 2023)

Status—Partially Implemented

The Ministry of Social Services does not consistently follow up with home operators on their implementation of recommendations from serious incident reports. It plans to enhance its serious incident dashboard to help with monitoring recommendation implementation.

Consistent with our 2021 audit, Ministry case managers investigate allegations of abuse or neglect at approved private service homes, and support group home operators in investigating allegations at group homes. Upon completion of investigations, the Ministry receives a final report outlining conclusions and recommendations to address the incidents.

We tested eight serious incidents from 2023–24 that warranted an investigation and found:

- Staff from the Ministry or group home operators investigated all eight serious incidents and prepared final reports
- Six of the final reports included recommendations, however, not all recommendations included expected timelines for implementation

- Two of the final reports did not include recommendations—these related to incidents involving one group home operator with serious incidents involving several clients. In the case of this group home operator, we found it reasonable that the Ministry chose to closely monitor the operator for about six months (at the time of our testing), including unannounced visits to the homes and regular meetings with the group home operator's senior management

- Ministry staff did not properly follow up with three home operators regarding timely implementation of recommendations (e.g., no evidence of follow up with home operators)

The Ministry indicated it plans to enhance its serious incident dashboard by adding more details about investigations, such as the status of implementation of recommendations, to help improve its monitoring and consistent follow up with home operators.

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 about whether it needs to further support the home to prevent specific types of incidents from occurring.

Standing Committees

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Chapter 32
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.[1] 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.

At September 2024, the Committee had yet to review five chapters in our Reports related to CIC and its subsidiaries.

CIC and its subsidiary corporations' implementation of the Committee's recommendations related to our audit work remains strong. As of September 2024, the Government fully implemented 93% of the Committee's recommendations made during the previous five years.

At September 2024, the Committee had not reviewed the 2022–23 and 2023–24 annual reports of CIC and its subsidiaries. The 2022–23 annual reports were available July 2023.

Timely review of our Reports' chapters and annual reports demonstrates the Committee undertakes appropriate scrutiny and holds agencies accountable.

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 between October 2023 and September 2024. 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.

2.1 Committee Role and Responsibilities

The Standing Committee on Crown and Central Agencies is one of the Legislative Assembly's four policy field committees.[2] 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.

[1] CIC's subsidiary corporations include Lotteries and Gaming Saskatchewan Corporation, Saskatchewan Government Insurance, Saskatchewan Power Corporation, Saskatchewan Telecommunications Holding Corporation, Saskatchewan Water Corporation, and SaskEnergy Incorporated.
[2] Policy field committees include the Standing Committee on Crown and Central Agencies, Standing Committee on the Economy, Standing Committee on Human Services, and Standing Committee on Intergovernmental Affairs and Justice.

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.

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: legassembly.sk.ca/media/1877/currentruleswithdestinations.pdf#Policyfieldcommittees (11 September 2024).

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.[3] 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.[4] 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.[5]

- 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 at September 30, 2024.

Figure 2—Standing Committee on Crown and Central Agencies' Members at September 30, 2024

Member Name	
Ken Cheveldayoff, Chair Doyle Vermette, Deputy Chair Steven Bonk Fred Bradshaw	Noor Burki Terry Jenson Dana Skoropad

Source: legassembly.sk.ca/legislative-business/legislative-committees/crown-and-central-agencies/ (30 September 2024).

[3] Section 14.1(8) of *The Provincial Auditor Act* and rule 145(3) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.
[4] The Standing Committee on Crown and Central Agencies 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.
[5] Rule 145(4) of *The Rules and Procedures of the Legislative Assembly of Saskatchewan*.

2.2 Frequency and Purpose of Committee Meetings

For the period from October 1, 2023, to September 30, 2024, the Standing Committee on Crown and Central Agencies met eight times (prior period: 11 times) with the purpose of reviewing bills (proposed laws), the 2023–24 Supplementary Estimates, and the 2024–25 Estimates related to agencies within its subject area.

During this period, the Committee made three reports to the Legislative Assembly:

- On November 30, 2023, the Committee presented the *Eighth Report of the Twenty-Ninth Legislature* outlining the 2023–24 Supplementary Estimates considered, and the resolutions adopted by the Committee
- On December 5, 2023, the Committee presented the *Ninth Report of the Twenty-Ninth Legislature* outlining the 2023–24 Supplementary Estimates considered
- On April 25, 2024, the Committee presented the *Tenth Report of the Twenty-Ninth Legislature* outlining the 2024–25 Estimates and 2023–24 Supplementary Estimates considered, and the resolutions adopted by the Committee

In November 2023, the Committee received one significant transaction report regarding the transfer of conduct and management responsibilities for lotteries and gaming in the province from the Saskatchewan Liquor and Gaming Authority to the Lotteries and Gaming Saskatchewan Corporation.

3.0 Status of Committee Work

3.1 Committee Work Related to Our Audits

Even though the Standing Committee on Crown and Central Agencies did not consider any chapters from our Reports from October 1, 2023, to September 30, 2024, it is relatively current in its review of our Report chapters related to audits of CIC and/or its subsidiaries.

As shown in **Figure 3**, as at September 30, 2024, the Committee had not yet considered five chapters from our Reports. The oldest chapter is from our *2022 Report – Volume 2* released in December 2022.

Figure 3—Chapters the Committee Had Not Yet Considered as of September 30, 2024

Agency	Report	Chapter	New Recommendations to be Considered
Saskatchewan Government Insurance[A]	*2022 – Volume 2*	11	2
Standing Committee on Crown & Central Agencies	*2022 – Volume 2*	26	-
Saskatchewan Water Corporation	*2023 – Volume 1*	22	-
Standing Committee on Crown & Central Agencies	*2023 – Volume 2*	31	-
Saskatchewan Gaming Corporation[B]	*2024 – Volume 1*	16	-

[A] At September 30, 2024, the Standing Committee on Crown and Central Agencies had not yet considered two recommendations from our chapter about Saskatchewan Government Insurance's processes to license commercial drivers.
[B] Effective June 1, 2023, Saskatchewan Gaming Corporation became a subsidiary of Lotteries and Gaming Saskatchewan Corporation.

The Committee last reported to the Legislative Assembly about its review of our chapters on March 21, 2023 (i.e., *Sixth Report of the Twenty-Ninth Legislature*). This report contained seven recommendations resulting from its review of relevant chapters for the period from November 17, 2021, to March 21, 2023.[6]

3.2 Implementation of the Committee's Audit-Related Recommendations Remains Strong

CIC and its subsidiaries' implementation of the Standing Committee on Crown and Central Agencies recommendations related to our audit work remains strong. By September 30, 2024, they fully implemented 93% of the Committee's 29 recommendations made during the previous five years and partially implemented 50% of the remaining two recommendations.[7,8]

Figure 4 sets out the two outstanding recommendations agreed to by the Committee and their status at September 30, 2024.

Figure 4—Status of Committee Recommendations Not Fully Implemented at September 30, 2024

Outstanding Recommendation by Corporation[A]	Status
Saskatchewan Power Corporation—Planning to Shut Down and Decommission Boundary Dam (*2020 Report – Volume 2*)	
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.	Not yet followed up
Saskatchewan Gaming Corporation—Preventing Cyberattacks (*2024 Report – Volume 1*)	
17-1 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.	Partially Implemented (as of February 28, 2024)

[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

Annual reports are key accountability documents. As a policy field committee, the Standing Committee on Crown and Central Agencies is responsible for examining annual reports including related financial statements of agencies within its subject area (e.g., CIC and its subsidiary corporations).

Each year, CIC and its subsidiary corporations prepare annual reports and financial statements. Each summer, the annual reports are tabled at the Legislative Assembly and available for Committee review.

[6] The Standing Committee on Crown and Central Agencies previous report to the Legislative Assembly resulting from its review of our Reports was the *Second Report of the Twenty-Ninth Legislature* tabled on November 16, 2021.

[7] The Standing Committee on Crown and Central Agencies asked our Office to assess and report on the status of the recommendations it makes and reports to the Legislative 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.

[8] Calculations are based on the Standing Committee on Crown and Central Agencies recommendations made in the previous five years—up to and including the *Tenth Report of the Twenty-Ninth Legislature*.

As of September 30, 2024, the Committee had not reviewed either the 2022–23 annual reports or the 2023–24 annual reports of CIC and its subsidiary corporations. The 2022–23 annual reports were tabled with the Committee in July 2023, and the 2023–24 annual reports came out publicly in July 2024.[9]

[9] Committee's Branch, Legislative Assembly Service, Standing Committee on Crown and Central Agencies, *Business Referred to Committee*.

Chapter 33
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 declined slightly on an overall basis. As of September 2024, the Government fully implemented 54% (September 2023: 56%) of Committee recommendations made during the previous five years, and it partially implemented 59% (September 2023: 61%) of the remaining recommendations.

Between October 1, 2023, and September 30, 2024, the Committee met eight times and is relatively up to date in its review of our chapters in our Reports. At September 30, 2024, the Committee had not yet reviewed 88 chapters (September 2023: 82). The Committee reviewed the *Public Accounts 2022–23 Volume 1* in February 2024.

Timely review of our Reports' chapters and the Public Accounts demonstrates the Committee undertakes appropriate scrutiny and holds agencies accountable.

2.0 Introduction

This chapter provides an overview and brief description of the Standing Committee on Public Accounts' 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 *2023 Report – Volume 2*, Chapter 32.[1]

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.

[1] *2023 Report – Volume 2*, Chapter 32, pp. 265–271.

3.0 Role and Responsibilities Overview

3.1 Committee Composition

At the beginning of each Legislature, the Legislative Assembly appoints members to the Standing Committee on Public Accounts including 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, 2024.

Figure 1—Members of the Standing Committee on Public Accounts at September 30, 2024

Members' Name		
Trent Wotherspoon, Chair Hugh Nerlien, Deputy Chair	Todd Goudy Daryl Harrison Delbert Kirsch	Lisa Lambert Jim Lemaigre Aleana Young

Source: legassembly.sk.ca/legislative-business/legislative-committees/public-accounts/ (30 September 2024).

3.2 Responsibilities Include Reviewing Public Accounts and Our Reports

Because of the Standing Committee on Public Accounts' role to scrutinize the Government's management of public resources and review our Reports, we view it as the audit committee for the Legislative 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.[2] 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.[3]

[2] 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.
[3] saskatchewan.ca/government/government-structure/ministries/finance#programs-and-services (25 September 2024).

- 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.

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.[4] 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 Standing Committee on Public Accounts

The Standing Committee on Public Accounts' reports include its findings and recommendations resulting from its review of our Reports.

Typically, the Committee reports to the Legislative Assembly at the end of each legislative session. Its reports, once tabled in the Assembly, are publicly available on the Committee's website.[5]

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, 2023, to September 30, 2024, the Committee made one report to the Assembly. On May 8, 2024, the Committee presented the *Fourth Report of the Twenty-Ninth Legislature*. This report detailed the work of the Committee for the period from May 10, 2023, to May 8, 2024.

[4] Status updates are tabled with the Standing Committee on Public Accounts.
[5] legassembly.sk.ca/legislative-business/legislative-committees/public-accounts/ (25 September 2024).

4.0 Status of Committee Review of our Reports

The Standing Committee on Public Accounts remains relatively up to date in its review of chapters in our Reports.

Between October 2023 and September 2024, the Committee met eight times. It reviewed 51 chapters from eight of our Reports at five of its meetings.[6] These Reports included the results of our examinations of the Government and its agencies, including recommendations for improvement. The Committee also considered the *Public Accounts 2022–23 Volume 1* at its February 5, 2024, meeting. At another meeting, the Committee also considered our *Annual Report on Operations for the Year Ended March 31, 2023*, and our *Business and Financial Plan for the Year Ended March 31, 2025*.

As shown in **Figure 2**, the Committee is relatively current in its review of chapters from our Reports. As of September 30, 2024, the Committee had not yet reviewed 88 chapters, which is similar to the number of outstanding chapters in 2023.

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	PAC Meetings	Meetings that PAC Considered Our Reports	Chapters Not Yet Reviewed by PAC
2024	8	5	88
2023	5	3	82
2022	10	5	71
2021[A]	5	2	148

Source: Office of the Provincial Auditor of Saskatchewan (30 September 2024).
[A] Due to the COVID-19 pandemic, the Standing Committee on Public Accounts cancelled a meeting in March 2021.

Figure 3 sets out as at September 30, 2024, the chapters from our Reports the Committee has not yet completed its review of. For example, the Committee had four chapters to review from our *2021 Report – Volume 2*. The majority of outstanding chapters are from our *2022 Report – Volume 2* (released December 2022) or later Reports.

Figure 3—Chapters Not Yet Reviewed by the Standing Committee on Public Accounts as at September 30, 2024

Provincial Auditor Report	Total Chapters	Chapters Not Yet Reviewed by PAC
2021 Report – Volume 2	38	4
2022 Report – Volume 1	23	5
2022 Report – Volume 2	25	14
2023 Report – Volume 1	25	15
2023 Report – Volume 2	31	26
2024 Report – Volume 1	24	24

Source: Office of the Provincial Auditor of Saskatchewan (30 September 2024).

Timely review of chapters and recommendations in our Reports demonstrates the Committee undertakes appropriate scrutiny and holds agencies accountable.

[6] The Standing Committee on Public Accounts reviewed chapters from the following Reports: 2020 (Volumes 1 and 2), 2021 (Volumes 1 and 2), 2022 (Volumes 1 and 2) and 2023 (Volumes 1 and 2).

5.0 Implementation of Committee Recommendations

5.1 Overall Implementation Rate of Committee Recommendations

The implementation of the Standing Committee on Public Accounts' recommendations by the Government and its agencies declined slightly on an overall basis.

As of September 2024, the Government fully implemented 196 or 54% (September 2023: 56%) of the Committee's 367 recommendations made during the previous five years. The Government partially implemented 59% (September 2023: 61%) of the remaining recommendations. Of the 367 recommendations, there were 47 recommendations considered not implemented, but our Office has not yet assessed the status of implementation of those recommendations at September 2024.

5.2 Status of Previous Committee Recommendations

The following table sets out, by agency, the number of Standing Committee on Public Accounts 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. As noted below, there are 16 chapters at various agencies with recommendations not fully implemented and outstanding for more than six years (since our initial Report) at September 2024 (highlighted grey).

Agency	Chapter Title (Initial PAS Report) [A]	Last PAS Report and Chapter	Committee Recommendations Not Yet Implemented
Government of Saskatchewan:			
	Modernizing Government Budgeting and Financial Reporting (*2013 Special Report*)	*2022 Report – Volume 1*, Chapter 9	2
Ministries and Secretariats:			
Agriculture	Mitigating Pests in Crops and Pastures (*2020 Report – Volume 2*, Chapter 19)	*2023 Report – Volume 2*, Chapter 17	3
Education	Evaluating the Early Learning Intensive Support Program (*2021 Report – Volume 1*, Chapter 5)	*2023 Report – Volume 2*, Chapter 18	1
	School Divisions – Annual Integrated Audits (*2022 Report – Volume 1*, Chapter 1)	*2024 Report – Volume 1*, Chapter 1	1
	Improving Educational Outcomes for Indigenous Students (*2023 Report – Volume 1*, Chapter 3)	*2023 Report – Volume 1*, Chapter 3	5
Energy and Resources	Auditing Producer Returns for Non-Renewable Resources (*2019 Report – Volume 1*, Chapter 4)	*2022 Report – Volume 1*, Chapter 10	5

Agency	Chapter Title (Initial PAS Report) [A]	Last PAS Report and Chapter	Committee Recommendations Not Yet Implemented
Environment	Sustainable Fish Population Management (*2019 Report – Volume 2*, Chapter 21)	*2022 Report – Volume 2*, Chapter 16	1
	Regulating Waste Diversion Through Recycling (*2020 Report – Volume 2*, Chapter 20)	*2023 Report – Volume 2*, Chapter 19	5
Government Relations	Safe Drinking Water in Northern Settlements (*2012 Report – Volume 1*, Chapter 12)	*2024 Report – Volume 1*, Chapter 11	2
Highways	Conducting Winter Maintenance on Provincial Highways (*2023 Report – Volume 1*, Chapter 4)	*2023 Report – Volume 1*, Chapter 4	4
Health	Providing Special Needs Equipment for Persons with Disabilities (*2016 Report – Volume 2*, Chapter 27)	*2023 Report – Volume 2*, Chapter 21	1
	Detecting Inappropriate Physician Payments (*2017 Report – Volume 1*, Chapter 6)	*2024 Report – Volume 1*, Chapter 12	1
	Monitoring Opioid Prescribing and Dispensing (*2019 Report – Volume 1*, Chapter 7)	*2024 Report – Volume 1*, Chapter 13	2
	Monitoring Enforcement of Tobacco and Vapour Product Legislative Requirements (*2021 Report – Volume 2*, Chapter 15)	*2023 Report – Volume 2*, Chapter 20	6
Justice and Attorney General	Supporting Provincial Court of Saskatchewan to Manage Court Workloads (*2014 Report – Volume 1*, Chapter 10)	*2024 Report – Volume 1*, Chapter 15	1
Justice and Attorney General and Corrections, Policing and Public Safety	Implementing Strategies to Reduce Short-Term Remand in Saskatoon and Surrounding Area (*2021 Report – Volume 1*, Chapter 8)	*2023 Report – Volume 1*, Chapter 13	4
Parks, Culture and Sport	Providing Safe Drinking Water in Provincial Parks (*2019 Report – Volume 2*, Chapter 23)	*2022 Report – Volume 2*, Chapter 18	4
Public Service Commission	Advancing Workplace Diversity and Inclusion in Ministries (*2022 Report – Volume 1*, Chapter 4)	*2022 Report – Volume 1*, Chapter 4	6
SaskBuilds and Procurement	Securing the Data Centre (*2019 Report – Volume 1*, Chapter 14)	*2023 Report – Volume 1*, Chapter 24	1
Social Services	Investigating Allegations of Child Abuse and Neglect (*2018 Report – Volume 2*, Chapter 26)	*2023 Report – Volume 2*, Chapter 29	3
	Monitoring Foster Families (*2020 Report – Volume 1*, Chapter 12)	*2024 Report – Volume 1*, Chapter 21	3
Crown Agencies—Saskatchewan Health Authority:			
Saskatchewan Health Authority	Safe and Timely Discharge of Patients from Regina Hospitals (*2015 Report – Volume 1*, Chapter 14)	*2023 Report – Volume 1*, Chapter 19	2
	Delivering Accessible and Responsive Ground Ambulance Services in Southwest Saskatchewan (*2016 Report – Volume 2*, Chapter 25)	*2024 Report – Volume 1*, Chapter 17	1
	Overseeing Contracted Special-Care Homes in Saskatoon and Surrounding Area (*2017 Report – Volume 1*, Chapter 12)	*2023 Report – Volume 2*, Chapter 25	4

Agency	Chapter Title (Initial PAS Report) [A]	Last PAS Report and Chapter	Committee Recommendations Not Yet Implemented
	Minimizing Employee Absenteeism in Kindersley and Surrounding Area (*2017 Report – Volume 2*, Chapter 25)	*2023 Report – Volume 2*, Chapter 24	3
	Providing Timely Access to Mental Health and Addictions Services in Prince Albert and Area (*2018 Report – Volume 1*, Chapter 8)	*2023 Report – Volume 2*, Chapter 26	2
	Preventing and Controlling Hospital-Acquired Infections in the Regina General and Pasqua Hospitals (*2018 Report – Volume 2*, Chapter 24)	*2024 Report – Volume 1*, Chapter 18	2
	Maintaining Saskatoon and Surrounding Area Healthcare Facilities (*2019 Report – Volume 1*, Chapter 12)	*2022 Report – Volume 2*, Chapter 20	8
	Treating Patients at Risk of Suicide in Northwest Saskatchewan (*2019 Report – Volume 2*, Chapter 24)	*2023 Report – Volume 1*, Chapter 20	6
	Purchasing Goods and Services (*2022 Report – Volume 1*, Chapter 5)	*2022 Report – Volume 1*, Chapter 5	8
	Filling Hard-to-Recruit Healthcare Positions (*2022 Report – Volume 2*, Chapter 12)	*2022 Report – Volume 2*, Chapter 12	7
Crown Agencies—School Divisions:			
Saskatoon School Division No. 13	Supporting Students with Intensive Needs (*2018 Report – Volume 1*, Chapter 11)	*2024 Report – Volume 1*, Chapter 20	2
	Monitoring Success in Readying Students for Learning in the Primary Grades When Exiting Kindergarten (*2021 Report – Volume 1*, Chapter 11)	*2023 Report – Volume 1*, Chapter 23	2
Sun West School Division No. 207	Annual Integrated Audit (*2017 Report – Volume 2*, Chapter 2)	*2024 Report – Volume 1*, Chapter 1	1
	Supporting Student Completion of Grades 10 to 12 Distance Education Courses (*2022 Report – Volume 1*, Chapter 8)	*2022 Report – Volume 1*, Chapter 8	7
Crown Agencies—Various:			
3sHealth	Managing Disability Claims (*2022 Report – Volume 1*, Chapter 3)	*2024 Report – Volume 1* Chapter 8	2
Financial and Consumer Affairs Authority	Regulating Vehicle Dealers to Protect Consumers (*2020 Report – Volume 1*, Chapter 7)	*2022 Report – Volume 1*, Chapter 12	2
Saskatchewan Cancer Agency	Delivering the Screening Program for Colorectal Cancer (*2020 Report – Volume 2*, Chapter 21)	*2023 Report – Volume 2*, Chapter 23	6
Saskatchewan Liquor and Gaming Authority	Regulating Recreational Cannabis (*2021 Report – Volume 1*, Chapter 10)	*2024 Report – Volume 1*, Chapter 19	1
	Regulating Locally Manufactured Craft Alcohol (*2022 Report – Volume 1*, Chapter 6)	*2022 Report – Volume 1*, Chapter 6	5
Saskatchewan Public Safety Agency	Detecting Wildfires (*2017 Report – Volume 2*, Chapter 23)	*2023 Report – Volume 2*, Chapter 28	1
Saskatchewan Research Council	Purchasing Goods and Services (*2020 Report – Volume 1*, Chapter 10)	*2023 Report – Volume 1*, Chapter 21	4

Agency	Chapter Title (Initial PAS Report) [A]	Last PAS Report and Chapter	Committee Recommendations Not Yet Implemented
Saskatchewan Workers' Compensation Board	Coordinating Injured Workers' Return to Work (*2016 Report – Volume 2*, Chapter 31)	*2022 Report – Volume 1*, Chapter 22	6
	Administering Psychological Injury Claims (*2022 Report – Volume 1*, Chapter 7)	*2022 Report – Volume 1*, Chapter 7	5
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)	*2024 Report – Volume 1*, Chapter 24	5
	Regulating Water Use (*2020 Report – Volume 1*, Chapter 13)	*2023 Report – Volume 1*, Chapter 26	5

Source: Provincial Auditor of Saskatchewan (October 2024).
[A] PAS – Provincial Auditor of Saskatchewan\
Grey shading indicates agencies with recommendations not fully implemented and outstanding for more than six years since our initial Report.

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 our examinations. We do not delay our Reports to accommodate incomplete audits, but rather include the results in a future Report. We aim to report the results of our 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). We report the results of our follow-up and performance audits in the Report following their completion.

The table below lists the agencies subject to examination under *The Provincial Auditor Act* at September 30, 2024, along with their fiscal year-end. Agencies subject to our examination include ministries, Crown agencies, Crown-controlled corporations, special purpose and trust funds, other agencies that administer public money, and offices of the Legislative Assembly.

For each of these agencies, the table sets out the status of our annual integrated audits at November 4, 2024. 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 November 4, 2024[B]	Matters Reported / Related Report(s)[C]
Government of Saskatchewan—Summary Financial Statements	March 31	Complete	No
Ministries and Secretariats:			
Ministry of Advanced Education	March 31	Complete	No
Ministry of Agriculture	March 31	Complete	Yes/2024 V2
Ministry of Corrections, Policing and Public Safety	March 31	Complete	Yes/2024 V1 & 2024 V2
Ministry of Education	March 31	Complete	Yes/2024 V1
Ministry of Energy and Resources	March 31	Complete	Yes/2024 V1
Ministry of Environment	March 31	Complete	Yes/2024 V1
Ministry of Finance	March 31	Complete	Yes/2024 V2
Ministry of Government Relations	March 31	Complete	Yes/2024 V1
Ministry of Health	March 31	Complete	Yes/2024 V1 & 2024 V2
Ministry of Highways	March 31	Complete	Yes/2024 V2
Ministry of Immigration and Career Training	March 31	Delayed	Yes/2024 V2
Ministry of Justice and Attorney General	March 31	Complete	Yes/2024 V1
Ministry of Labour Relations and Workplace Safety	March 31	Complete	No
Ministry of Parks, Culture and Sport	March 31	Complete	No
Ministry of SaskBuilds and Procurement	March 31	Complete	Yes/2024 V1
Ministry of Social Services	March 31	Complete	Yes/2024 V1& 2024 V2
Ministry of Trade and Export Development	March 31	Complete	No
Executive Council	March 31	Complete	Yes/2024 V2
Firearms Secretariat	March 31	Complete	No

Agency	Fiscal Year-End[A]	Status on November 4, 2024[B]	Matters Reported / Related Report(s)[C]
Public Service Commission	March 31	Complete	No
Crown Agencies:			
Agricultural Credit Corporation of Saskatchewan	March 31	Complete	No
All Nations' Healing Hospital Inc.	March 31	Complete	Yes/2024 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
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/2024 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	Yes/2024 V1
Holy Family Roman Catholic Separate School Division No. 140	August 31	Complete	Yes/2024 V1
Holy Trinity Roman Catholic Separate School Division No. 22	August 31	Complete	No
Horizon School Division No. 205	August 31	Complete	Yes/2024 V1
Île-à-la Crosse School Division No. 112	August 31	Complete	No
Innovation Saskatchewan	March 31	Complete	No
Jubilee Residences Inc.	March 31	Complete	No
Lakeview Pioneer Lodge Inc.	March 31	Complete	No
Law Reform Commission of Saskatchewan	March 31	Complete	No
Light of Christ Roman Catholic Separate School Division No. 16	August 31	Complete	No
Living Sky School Division No. 202	August 31	Complete	Yes/2024 V1
Lloydminster Public School Division No. 99	August 31	Complete	No
Lloydminster Roman Catholic Separate School Division No. 89	August 31	Complete	No
Lumsden & District Heritage Home Inc.	March 31	Complete	No
Lutheran Sunset Home of Saskatoon	March 31	Complete	No
Mennonite Nursing Homes Incorporated	March 31	Complete	No

Agency	Fiscal Year-End[A]	Status on November 4, 2024[B]	Matters Reported / Related Report(s)[C]
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/2024 V1 & 2024 V2
Northlands College	June 30	Complete	Yes/2024 V2
Northwest School Division No. 203	August 31	Complete	Yes/2024 V1
Oliver Lodge	March 31	Complete	No
Operator Certification Board	March 31	Complete	No
Prairie Agricultural Machinery Institute	March 31	Complete	Yes/2024 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	Yes/2024 V1
Providence Place for Holistic Health Inc.	March 31	Complete	No
Provincial Archives of Saskatchewan	March 31	Complete	No
Provincial Capital Commission	March 31	Complete	No
Radville Marian Health Centre Inc.	March 31	Complete	No
Raymore Community Health and Social Centre	March 31	Complete	No
Regina Lutheran Housing Corporation	March 31	Delayed	
Regina Roman Catholic Separate School Division No. 81	August 31	Complete	No
Regina School Division No. 4	August 31	Complete	Yes/2024 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/2024 V2
Saskatchewan Association of Health Organizations Inc.	March 31	Complete	No
Saskatchewan Cancer Agency	March 31	Complete	Yes/2024 V2
Saskatchewan Centre of the Arts	March 31	Complete	No
Saskatchewan Crop Insurance Corporation	March 31	Complete	No
Saskatchewan Distance Learning Corporation	August 31	Complete	No
Saskatchewan Health Authority	March 31	Complete	Yes/2024 V1 & 2024 V2
Saskatchewan Health Research Foundation	March 31	Complete	No
Saskatchewan Healthcare Recruitment Agency	March 31	Complete	No
Saskatchewan Heritage Foundation	March 31	Complete	No
Saskatchewan Housing Corporation	December 31	Complete	Yes/2024 V2
Saskatchewan Impaired Driver Treatment Centre Board of Governors	March 31	Complete	No
Saskatchewan Indigenous Investment Finance Corporation	March 31	Complete	No

Agency	Fiscal Year-End[A]	Status on November 4, 2024[B]	Matters Reported / Related Report(s)[C]
Saskatchewan Legal Aid Commission	March 31	Complete	Yes/2024 V2
Saskatchewan Liquor and Gaming Authority	March 31	Complete	Yes/2024 V1 & 2024 V2
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	March 31	Complete	No
Saskatchewan Polytechnic	June 30	Complete	No
Saskatchewan Public Safety Agency	March 31	Complete	Yes/2024 V2
Saskatchewan Research Council	March 31	Complete	No
Saskatchewan Rivers School Division No. 119	August 31	Complete	Yes/2024 V1
Saskatoon Convalescent Home	March 31	Complete	No
Saskatoon School Division No. 13	August 31	Complete	Yes/2024 V1
SaskBuilds Corporation	March 31	Complete	No
Sherbrooke Community Society Inc.	March 31	Complete	No
SLGA Retail Inc.	March 31	Complete Note 5	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
SRC Nuclear Inc.	March 31	Note 1	
St. Ann's Senior Citizens Village Corporation	March 31	Complete	No
St. Anthony's Hospital	March 31	Complete	No
St. Joseph's Home for the Aged	March 31	Complete	No
St. Joseph's Hospital (Grey Nuns) Gravelbourg	March 31	Complete	No
St. Joseph's Hospital of Estevan	March 31	Complete	No
St. Joseph's Integrated Health Centre Macklin Inc.	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/2024 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
Suncrest College	June 30	Complete	No
Sun West School Division No. 207	August 31	Complete	Yes/2024 V1
Sunnyside Adventist Care Centre	March 31	Complete	No
The Qu'Appelle Diocesan Housing Company	March 31	Complete	No
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/2024 V1
Western Development Museum	March 31	Complete	Yes/2024 V2
Workers' Compensation Board	December 31	Complete	No

Agency	Fiscal Year-End[A]	Status on November 4, 2024[B]	Matters Reported / Related Report(s)[C]
CIC Crown Corporations and related agencies:			
101069101 Saskatchewan Ltd.	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	
CIC Asset Management Inc.	March 31	Complete	No
Coachman Insurance Company	December 31	Complete	No
Crown Investments Corporation of Saskatchewan	March 31	Complete	No
LGS Holdings Incorporated	March 31	Complete	No
Lotteries and Gaming Saskatchewan Corporation	March 31	Complete	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
Saskatchewan Auto Fund	March 31	Complete	No
Saskatchewan Gaming Corporation	March 31	Complete	Yes/2024 V1
Saskatchewan Government Insurance	March 31	Complete	No
Saskatchewan Power Corporation	March 31	Complete	Yes/2024 V2
Saskatchewan Telecommunications	March 31	Complete	No
Saskatchewan Telecommunications Holding Corporation	March 31	Complete	No
Saskatchewan Telecommunications International, Inc.	March 31	Complete	No
Saskatchewan Water Corporation	March 31	Complete	No
SaskEnergy Incorporated	March 31	Complete	No
SaskNuclear Incorporated	March 31	Note 3	
SaskTel International Consulting, Inc.	March 31	Note 1	
SaskTel Investments Inc.	March 31	Note 1	
SGC Holdings, Inc.	March 31	Complete	No
SGI CANADA Insurance Services Ltd.	December 31	Complete	No
Shellbrook Holding Inc.	March 31	Note 1	
Stentor Resource Centre Inc.	March 31	Note 1	
TransGas Limited	March 31	Note 1	
Special purpose and trust funds including pension and benefit plans:			
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 Note 6	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

Agency	Fiscal Year-End[A]	Status on November 4, 2024[B]	Matters Reported / Related Report(s)[C]
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 – General	December 31	Complete	No
Health Shared Services Saskatchewan Disability Income Plan – SEIU	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
King's Printer Revolving Fund	March 31	Complete	No
Liquor Board Superannuation Plan	December 31	Complete	No
Municipal Employees' Pension Commission	December 31	Complete	No
Northern Municipal Trust Account	December 31	Complete	Yes/2024 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 Guardian and Trustee of Saskatchewan	March 31	Complete	No
Public Service Superannuation Plan	March 31	Complete	No
Residential Tenancies, Office of—Director's Trust 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

Agency	Fiscal Year-End[A]	Status on November 4, 2024[B]	Matters Reported / Related Report(s)[C]
Saskatchewan Pension Annuity Fund	March 31	Complete	No
Saskatchewan Pension Plan	December 31	Complete	No
Saskatchewan Power Corporation Designated Employee Benefit Plan	December 31	Complete	No
Saskatchewan Power Corporation Severance Pay Credits Plan	December 31	Complete	No
Saskatchewan Power Corporation Supplementary Superannuation Plan	December 31	Complete	No
Saskatchewan Professional Teachers Regulatory Board	August 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 Technology Fund	March 31	Complete	No
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	Note 4	
Social Services Valley View Centre Grants and Donations Trust Account and Institutional Collective Benefit Fund	March 31	Note 4	
Social Services Valley View Centre Residents' Trust Account	March 31	Note 4	
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	No
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, 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
Other Agencies:			
Pension Plan for the Academic and Administrative Employees of the University of Regina	December 31	Complete	No
Pension Plan for the Eligible Employees at the University of Saskatchewan	December 31	Complete	No
Public Pension and Benefits Administration Corporation	March 31	Complete	No
Saskatchewan Indian Gaming Authority Inc.	March 31	Complete	No

Agency	Fiscal Year-End[A]	Status on November 4, 2024[B]	Matters Reported / Related Report(s)[C]
Technical Safety Authority of Saskatchewan	June 30	Complete	No
University of Regina	April 30	Complete	No
University of Regina Non-Academic Pension Plan	December 31	Complete	No
University of Saskatchewan	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

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: New Crown Agency established September 13, 2024. March 31, 2025 will be the first period end audited.

Note 4: The Ministry of Social Services does not prepare financial statements for these Trusts.

Note 5: SLGA Retail Inc. was dissolved effective March 31, 2024.

Note 6: This agency subsequently disbursed all remaining funds and the last period ended audited by our Office was August 27, 2024.

A

Fiscal Year-end	Year of last completed integrated audit
March 31	2024
April 30	2024
May 31	2024
June 30	2024
August 31	2023
September 30	2023
December 31	2023

B "Complete" – the audit was complete.
"Delayed" – the audit was delayed.

C "No" – no significant issues reported.
"Yes/2024 V1" – significant issues are reported in our *2024 Report – Volume 1*.
"Yes/2024 V2" – significant issues are reported in our *2024 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, 2024, and June 30, 2024.

2.0 BACKGROUND

The Provincial Auditor Act requires the Office of the Provincial Auditor to audit all government agencies, and also retain our overall responsibility for audits of all Crown agencies and Crown corporations. 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 financial audits—we refer to them as annual integrated audits.

To serve the Assembly's needs efficiently and effectively, the Office of the Provincial Auditor, 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 work cooperatively so the Office can report audit results to the Assembly.[1,2] We include the results of annual integrated audits done by appointed auditors in our Reports to the Assembly. As the Task Force Report expects, we provide the Assembly with our views, and identify our 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.

[1] The Task Force recommended the Office of the Provincial Auditor provide the Legislative Assembly a listing of the agencies that it participated in auditing. *Report of the Task Force on Roles, Responsibilities and Duties of Auditors* available at auditor.sk.ca

[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.

The Government's Summary Financial Statements include the financial results of all agencies controlled by the Government. *Public Accounts 2023–24 – Volume 1* includes the Office's independent auditor's report on the Government's Summary Financial Statements for the year ended March 31, 2024.

3.0 The Office's Views on Financial Statements Audited by Appointed Auditors

The table below provides the Office of the Provincial Auditor's views and participation on each financial statement audit completed by an appointed auditor for fiscal years ending between January 1, 2024, and June 30, 2024. As noted below, sometimes the Office varies the extent of its participation.

The table groups agencies and corporations by: healthcare 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 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.	KPMG LLP	March 31	See [A]	Yes
Jubilee Residences Inc.[D]	KPMG 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
Lutheran Sunset Home of Saskatoon[D]	BDO Canada LLP	March 31	See [A]	Yes
Mennonite Nursing Homes Incorporated	Heagy LLP	March 31	See [A]	Yes
Mont St. Joseph Home Inc.	MNP LLP	March 31	See [A]	Yes
Oliver Lodge [D]	Virtus Group LLP	March 31	See [A]	Yes
Providence Place for Holistic Health Inc.	KPMG LLP	March 31	See [A]	Yes
Radville Marian Health Centre Inc.	KPMG LLP	March 31	See [A]	Yes

Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
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]	Delayed
Santa Maria Senior Citizens Home Inc.	KPMG LLP	March 31	See [A]	Yes
Saskatoon Convalescent Home	Baker Tilly SK LLP	March 31	See [A]	Yes
Sherbrooke Community Society Inc.	KPMG LLP	March 31	See [A]	Yes
Société Joseph Breton Inc.	HRO Chartered Professional Accountants	March 31	See [A]	Yes
Spruce Manor Special Care Home Inc.[D]	Jensen Stromberg, Chartered Professional Accountants	March 31	See [A]	Yes
St. Ann's Senior Citizens Village Corporation [D]	KPMG LLP	March 31	See [A]	Yes
St. Anthony's Hospital	KPMG LLP	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	KPMG LLP	March 31	See [A]	Yes
St. Joseph's Hospital of Estevan	KPMG 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	Prairie Strong, Chartered Professional Accountants	March 31	See [A]	Yes
St. Peter's Hospital	KPMG LLP	March 31	See [A]	Yes
Strasbourg and District Health Centre	MNP LLP	March 31	See [A]	Yes
Sunnyside Adventist Care Centre	KPMG LLP	March 31	See [A]	Yes
The Qu'Appelle Diocesan Housing Company	MWC Chartered Professional Accountants 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	KPMG LLP	June 30	See [A]	Yes
Great Plains College	Stark & Marsh CPA LLP	June 30	Yes	Yes
Northlands College	MNP LLP	June 30	Yes	Yes
North West College	Vantage Chartered Professional Accountants	June 30	Yes	Yes
Southeast College	Virtus Group LLP	June 30	See [A]	Yes
Suncrest College	MNP 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
Community Initiatives Fund	Virtus Group LLP	March 31	See [A]	Yes

Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
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	See [A]	Yes
Saskatchewan Crop Insurance Corporation	KPMG 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				
Saskatchewan Indian Gaming Authority Inc.	Deloitte LLP	March 31	Yes	Yes
Technical Safety Authority of Saskatchewan, The	MNP LLP	June 30	Yes	Yes
CIC, its Subsidiary Crown Corporations & Other Related Entities				
Crown Investments Corporation of Saskatchewan (CIC)	KPMG 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	See [B]			
BG Storage Inc.	See [B]			
Many Islands Pipe Lines (Canada) Limited	Deloitte LLP	March 31	Yes	Yes
TransGas Limited	Deloitte LLP	March 31	Yes	Yes
Lotteries and Gaming Saskatchewan Corporation	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 Power Corporation	Deloitte LLP	March 31	Yes	Yes
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
Stentor Resource Centre Inc.	See [B]			

Name of Agency	Appointed Auditor	Year-End Date	PAS* Participated in Audit	Financial Statements are Reliable
Saskatchewan Telecommunications International, Inc.	KPMG LLP	March 31	Yes	Yes
SaskTel International Consulting, Inc.	See [B]			
Battleford International, Inc.	See [B]			
SaskTel Investments Inc.	See [B]			
Manalta Investment Company Ltd	See [B]			
Nokomis Holding Inc.	See [B]			
Shellbrook Holding Inc.	See [B]			
Saskatchewan Telecommunications Pension Plan	KPMG LLP	March 31	Yes	Yes
Saskatchewan Water Corporation	MNP LLP	March 31	Yes	Yes

* 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 that prepare them).

The following are samples of audit opinions formed as part of the annual integrated audits.

1.0 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 toward 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 Management 1* issued by CPA Canada and, accordingly, maintain a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

2.0 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 Management 1* issued by CPA Canada and, accordingly, maintain a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

3.0 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 or material accounting policy information].

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.