

Chapter 1

Saskatchewan Distance Learning Corporation

1.0 MAIN POINTS

For the year ended August 31, 2024, the Saskatchewan Distance Learning Corporation prepared reliable financial statements. The Corporation had effective rules and procedures to safeguard public resources and complied with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing, except for:

- Documenting Board meetings occurred and decisions made at those meetings
- Obtaining and documenting Board approval of the Corporation's detailed annual budget
- Providing periodic financial forecasts that include written variance explanations to its Board

Establishing formal processes to document board decisions, approve annual budgets, and provide adequate financial forecasts will help ensure the Corporation meets its legislative requirements as well as align with good governance practices.

2.0 INTRODUCTION

In 2022, the Government of Saskatchewan established the Saskatchewan Distance Learning Corporation, a Treasury Board Crown Corporation, responsible for providing centralized, online learning courses for kindergarten to Grade 12 students.¹ The Corporation provides access to free online education for students up to age 22 with adult students also able to access courses by paying tuition for each course.² The Corporation began instructing students in the 2023–24 school year.

The Minister of Education forms the one-member board governing the Corporation.³

Headquartered in Kenaston with an administrative office in Regina, the Corporation has nine regional campuses in Estevan, Moose Jaw, Saskatoon, Swift Current, La Ronge, Neilburg, Nipawin, Prince Albert, and Yorkton.⁴

2.1 Financial Overview

As shown in **Figure 1**, in 2023–24, the Saskatchewan Distance Learning Corporation had revenues of about \$22.5 million and expenses of \$29.2 million. Approximately 80% of the Corporation's expenses relate to salaries and benefits.

¹ Operationally known as the Saskatchewan Distance Learning Centre (Sask DLC).

² *Ministry of Education 2023–24 Annual Report*, p. 5.

³ Order in Council 499-2024.

⁴ www.saskdlc.ca/about-us (20 January 2025).



Figure 1—Financial Overview

	Budget 2023–24	Actual 2023–24
	(in thousands)	
Province of Saskatchewan grant – operating	\$ 18,000	\$ 10,000
Tuition	15,000	11,734
Other grants (e.g., North American Equipment Dealers Association)	–	387
Interest income	–	334
Total Revenue	33,000	22,455
Salaries	27,900	24,119
Operating	4,941	5,010
Amortization	–	58
Total Expenses	32,841	29,187
Annual Surplus (Deficit)	\$ 159	\$ (6,732)

Source: Saskatchewan Distance Learning Corporation's audited financial statements for 2023–24.

3.0 AUDIT CONCLUSIONS

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

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

The Education Act, 1995
The Education Regulations, 2019
The School Division Administration Regulations
The Crown Corporations Act, 1993
The Crown Corporations Regulations, 1993
The Financial Administration Act, 1993
Orders in Council issued pursuant to the above legislation

- **Saskatchewan Distance Learning Corporation 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 Saskatchewan Distance Learning Corporation'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 Corporation's processes for properly preparing and processing payroll, receiving and paying for goods and services, and recording and receiving revenues. It also examined the effectiveness of the oversight provided by the governing body, which is the Corporation's one-member Board.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Documentation of Board Meetings and Decisions Needed

The Saskatchewan Distance Learning Corporation does not document its Board meeting minutes.

Board minutes provide a key record of a board's governance processes and decisions made. The Corporation's legislation requires it to make its Board minutes public—it has not done so.⁵

The Minister of Education is appointed as the sole member of the Corporation's Board. Per discussion with Corporation management, meetings occur occasionally with its Board (i.e., Minister of Education), but these meetings are informal and meeting minutes have not been taken since the Corporation formed in December 2022.

Consistently documenting board meetings and decisions not only provide management with a formal record, but also show the Board's actions align with good governance, such as:

- Setting out the Board's duties and responsibilities as well as the Corporation's strategy to fulfill its mandate
- Approving management's responsibilities and authorities for activities
- Evaluating the performance of the Corporation

Documenting board meetings and decisions and making them public support the Corporation in fulfilling its legislative requirements, as well as demonstrate that the Board provides proper oversight of the affairs and business of the Corporation.

1. **We recommend the Saskatchewan Distance Learning Corporation document and make public its Board meeting minutes including resulting decisions.**

4.2 Formal Approval of Budget and Forecasts Required

The Saskatchewan Distance Learning Corporation's Board did not formally approve the budget for the Corporation's 2023–24 fiscal year, nor did it receive periodic forecasts.

⁵ Section 48(1) of *The School Division Administration Regulations* requires the Saskatchewan Distance Learning Corporation's Board minutes to be made public. Section 23 of *The Crown Corporations Act, 1993*, requires the Board to manage the affairs and business of the Corporation.



Obtaining annual budget approvals by those governing the Corporation (i.e., its Board) before the start of a fiscal year aligns with good governance practice. Also, having a formal process to prepare and approve the Corporation's annual budget supports compliance with its legislation.⁶

Per Corporation management, the Corporation was included in the Ministry of Education budget submission for Treasury Board; however, the extent of details related to the Corporation would have been limited. The Corporation could not provide evidence of Board approval for its budget prior to submission to the Ministry.

Additionally, the Corporation has not established a process for periodically reviewing its financial activities compared to budget throughout the fiscal year (i.e., periodic forecasting), which enables management to identify significant variances throughout the year, assess reasons (e.g., incorrectly recorded transactions, unrecorded expenses), and take action.

During our financial statement audit, we found several instances of unrecorded expenses and incorrectly recorded transactions. These errors resulted in delays in completing the audit of the financial statements. Therefore, the Corporation did not table its 2023–24 annual report in accordance with *The Crown Corporations Act, 1993*; the Corporation was supposed to provide audited financial statements to legislators by December 29, 2024, and had not done so by April 2025.

Establishing a robust forecasting process, including assessing variance explanations for any significant deviations from budget, helps management and the Board to better understand the Corporation's financial results when making decisions and allows for effective oversight.

2. **We recommend the Saskatchewan Distance Learning Corporation's Board approve a detailed budget annually.**
3. **We recommend the Saskatchewan Distance Learning Corporation provide periodic financial forecasts that include written variance explanations to its Board.**

⁶ Sections 48(1) and 53.2(1) of *The School Division Administration Regulations* require the Saskatchewan Distance Learning Corporation to submit a Board-approved budget to the Ministry of Education for approval.
