

Chapter 3

Healthcare Affiliates

1.0 MAIN POINTS

The 2024–25 financial statements for each of 33 healthcare affiliates are reliable. There were two additional healthcare affiliates that did not have completed audited financial statements as of October 7, 2025.

For the year ended March 31, 2025, each of 33 healthcare affiliates complied with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. Each had effective rules and procedures to safeguard public resources except for All Nations' Healing Hospital Inc.

All Nations' did not consistently document approval of expense transactions in 2024–25. We found All Nations processed 16 payments without appropriately documented approval of the invoice and/or electronic funds transfer—increasing the risk of processing payments for inappropriate or fraudulent transactions.

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 36 healthcare affiliates.¹ **Appendix 1** of this Report includes a list of the 36 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 36 healthcare affiliates employ approximately 6,800 staff.²

Figure 1 provides the combined financial results of 33 healthcare affiliates for 2023–24 and 2024–25.

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 6**, for the results of the annual audit of the Authority. Two healthcare affiliates (Cupar and District Nursing Home Inc. and Lakeview Pioneer Lodge Inc.) are not included in this chapter due to delayed completion of their annual audits at October 7, 2025—these healthcare affiliates had yet to provide the Authority with the results from their 2024–25 audits as set out in their funding agreements with the Authority.

² Affiliates' staff headcount (i.e., full-time, part-time, casual) provided by the Ministry of Health.

**Figure 1—Healthcare Affiliates' Combined Financial Results**

	2024–25	2023–24
	(in millions)	
Grants from the Saskatchewan Health Authority	\$ 275.1	\$ 237.9
Other Revenue (e.g., Federal Government grants, food service revenue)	71.4	62.4
Total Revenue	346.5	300.3
Total Expenses	310.6	302.1
Annual Surplus (Deficit)	\$ 35.9	\$ (1.8)
Net Financial Assets (Liabilities) ^A	\$ 22.7	\$ (17.3)
Non-financial Assets ^B	\$ 129.4	\$ 133.6

Source: Adapted from audited healthcare affiliates' financial statements for the years ending March 31. **Figure 1** does not include two healthcare affiliates (Cupar and District Nursing Home Inc. and Lakeview Pioneer Lodge Inc.) whose audited financial statements were not available at October 7, 2025. These two healthcare affiliates had combined revenues of \$9.1 million and expenses of \$8.9 million in 2023–24.

^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 Authority paid \$275.1 million in 2024–25 (2023–24: \$237.9 million) to 33 healthcare affiliates.

3.0 AUDIT CONCLUSIONS

Our Office worked with appointed auditors (see **Appendix 2** of this Report) 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, 2025, we found, in all material respects each of the 33 healthcare affiliates:

- **Had effective rules and procedures to safeguard public resources except for the matter related to All Nations' Healing Hospital Inc.**
- **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 Facility Designation Regulations
The Provincial Health Authority Administration Regulations
The Special-Care Homes Rates Regulations, 2011
The Housing & Special-Care Homes Regulations

The Special-Care Homes Regulations, 2024
The Trustee Act, 2009
The Health Labour Relations Reorganization (Commissioner) Regulations
 Orders in Council issued pursuant to the above legislation

- **Had reliable financial statements**

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.

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.

As healthcare affiliates' expenses consist primarily of payroll and other goods and services, each audit included examining processes for preparing and processing payroll, and ordering, paying for, and receiving goods and services.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 All Nations' Healing Hospital Inc.

Inconsistent Approvals of Expense Transactions

All Nations' Healing Hospital Inc. did not consistently document approval of expense transactions during 2024–25.

Audit testing of 33 transactions found All Nations processed 16 payments without appropriately documented approval of the invoice and/or electronic fund transfer. These payments amounted to almost \$43,000 in total expenses. Review and approval of expense transactions prior to processing help to ensure expenses incurred are valid, goods and services are received, and payments are properly authorized.

Without consistent documentation of expense approvals, there is increased risk of All Nations processing payments for inappropriate or fraudulent transactions.

1. **We recommend All Nations' Healing Hospital Inc. appropriately approve expense transactions prior to processing payments.**

No Capital Projects Lacking Minister Approval

We recommended 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—No longer relevant

All Nations' Healing Hospital Inc. did not undertake any capital projects exceeding \$100,000 in 2024–25 and therefore, did not need to obtain Minister approval.



During 2022–23, we found All Nations' 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*.⁵ Without obtaining Minister approval, there is increased risk of money being spent on items not considered a priority to the healthcare system.

Given we found All Nations did not undertake any further capital projects valued at greater than \$100,000 since 2022–23—we deem this recommendation as no longer relevant. We will continue to monitor All Nations' compliance with the capital project approval requirements set out in the Regulations annually.

⁵ The Ministry of Health amended *The Provincial Health Authority Administration Regulations* in August 2025, increasing the threshold requiring healthcare affiliates to seek capital project approval from the Minister of Health from \$100,000 to \$250,000.
