

## Chapter 7 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, 2025. Our audit also assessed the Ministry's progress toward implementing recommendations related to procuring hotel rooms when income assistance or child and family programs' clients require hotel stays.

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

- Publicly disclose payments made to vendors (e.g., hotels) on behalf of its income assistance and child and family programs' clients. Doing so (e.g., within its annual report) can help the Ministry be transparent about its use of vendors and demonstrate accountability for its programs.
- 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, which delays timely overpayment collection. This can limit the Ministry's ability to collect overpayments if clients leave the SIS Program.

During 2024–25, the Ministry maintained sufficient documentation including appropriate rationale to support the selection of hotels needed for its child and family program clients. This allows the Ministry to demonstrate its consideration of best value in its procurement of hotel rooms while treating hotel providers and clients fairly.

In January 2025, the Ministry began to centrally track and monitor the hotels it pays and at what rates for clients from its income assistance and child and family programs. For example, its tracking showed that contracted room blocks were utilized approximately 75% of the time in Saskatoon and approximately 90% of the time in Regina.

The Ministry also evaluated its two hotel pilot projects to procure hotel rooms for income assistance and child and family program clients. Having reliable data allowed the Ministry to determine whether its pilot projects improved its procurement of suitable hotel rooms for program clients efficiently and effectively. As a result of the evaluation, the Ministry decided to continue to contract a block of rooms in one Saskatoon hotel and one Regina hotel.

### 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.<sup>1</sup>

<sup>1</sup> Ministry of Social Services, *Annual Report for 2024–25*, p. 3.



The Ministry provides support through income assistance, child and family programs, affordable housing, and supports for people with disabilities. 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 2024–25, the Ministry of Social Services spent about \$1.58 billion delivering its programs (see **Figure 1**). It also reported revenues totalling about \$55.5 million primarily from Federal Government transfers (e.g., special allowances for children in care).<sup>2</sup>

**Figure 1—Expenses by Program**

	Estimates 2024–25	Actual 2024–25
	(in millions)	
Central Management and Services	\$ 59.0	\$ 63.3
Income Assistance Services	667.9	672.1
Child and Family Services	389.4	429.7
Client Support	13.0	15.1
Housing	74.7	56.7
Disability Programs and Services	<u>340.8</u>	<u>347.3</u>
<b>Total Appropriation<sup>A</sup></b>	<u>1,544.8</u>	<u>1,584.2</u>
Capital Asset Acquisitions	(6.4)	(5.3)
Capital Asset Amortization	<u>6.5</u>	<u>5.4</u>
<b>Total Expenses</b>	<u>\$ 1,544.9</u>	<u>\$ 1,584.3</u>

Source: Ministry of Social Services, *Annual Report for 2024–25*, pp. 22–23.

<sup>A</sup> During 2024–25, the Ministry of Social Services also received \$50 million in Supplementary Estimates and Special Warrant funding.

## 3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2025, 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 Rental Housing Supplement Regulations*  
*The Saskatchewan Assured Income for Disability Regulations, 2012*  
*The Saskatchewan Income Plan Act*

<sup>2</sup> Ministry of Social Services, *Annual Report for 2024–25*, pp. 23–24.

*The Rehabilitation Act*  
*The Rehabilitation Regulations*  
*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 Personal Care Home Benefit Regulations*

*The Seniors Income Plan 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*  
*The Saskatchewan Employment Incentive Regulations, 2024*  
 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 support 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
- Following up on the Ministry’s progress toward addressing our recommendations related to procuring hotel rooms when income assistance or child and family program clients require hotel stays

## 4.0 KEY FINDINGS AND RECOMMENDATIONS

### 4.1 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

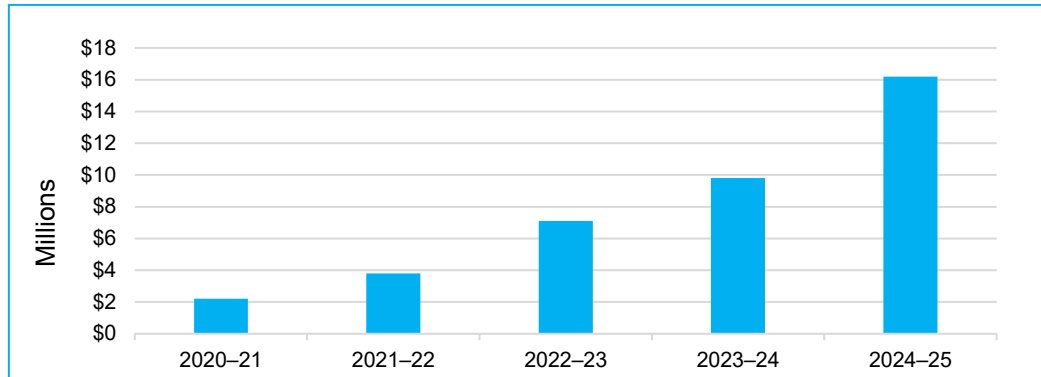
The Ministry of Social Services continued to inconsistently record, and inadequately recover, Saskatchewan Income Support (SIS) Program overpayments during 2024–25.<sup>3</sup> The amount owing for SIS overpayments was over \$16 million at March 31, 2025.

<sup>3</sup> *The Saskatchewan Income Support Regulations* set out circumstances where the Ministry of Social Services should recover overpayment of benefits (e.g., security deposits) from clients.



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 provides incomplete or inaccurate information to the Ministry. As shown in **Figure 2**, the Ministry recorded accounts receivable of \$16.2 million at March 31, 2025, related to SIS overpayments—a 65% increase from 2023–24.

**Figure 2—Accounts Receivable for Saskatchewan Income Support (SIS) Program Overpayments Between 2021 and 2025**



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 and expectation under legislation that clients will repay these benefits beginning the following month after receiving payment.<sup>4,5</sup>

The Ministry's IT system used to administer SIS benefits allow staff to establish automatic payment recovery (beginning the following month) and record the related amount due (i.e., accounts receivable) as 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 or historical income assistance programs) where the Ministry had yet to set up automatic recovery within the IT system.<sup>6</sup>

For 85 SIS client files we tested during 2024–25, we found 13 client files with confirmed overpayment issues:

- Ministry staff did not record the overpayments for three files and did not set up the collection from future benefits through the automatic payment recovery process
- Ministry staff did not set up the automatic payment recovery process for nine files
- Ministry staff set up the recovery for one file, but did not do so timely (i.e., collection started two months after the overpayment occurred)

<sup>4</sup> The Ministry of Social Services considers security deposits to be recoverable payments, which we included with overpayments.

<sup>5</sup> 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.

<sup>6</sup> On August 31, 2021, the Ministry discontinued the Saskatchewan Assistance Program (SAP) and the Transitional Employment Allowance (TEA). The Ministry required any clients remaining on these programs to apply for support from SIS. Any SAP and TEA overpayments carried over when the clients moved to the SIS program.

Overall, there were 12 out of the 13 SIS client files tested where overpayments existed and were not being recovered as expected.

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 overpayment recovery in a reasonable timeframe—it anticipates providing staff with further training in this area during 2025–26.

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

## 4.2 Documentation Maintained to Support Hotel Selections for Child and Family Clients

***We recommended the Ministry of Social Services maintain sufficient documentation to support appropriate selection of hotels needed for its child and family program clients.*** (2024 Report – Volume 2, p. 61, Recommendation 1; Public Accounts Committee agreement October 15, 2025)

**Status**—Implemented

The Ministry of Social Services maintained sufficient documentation to support the selection of hotels needed for child and family program clients.

In 2024–25, the Ministry provided training to staff within the Child and Family Programs Branch about documentation requirements that support the selection of hotels for clients. The training focused on the Ministry's three-quote process and expectations for documenting rationale when selecting a hotel not on the Ministry's price quote list.<sup>7</sup>

The Ministry's price quote list is updated weekly by Ministry staff calling around and checking with at least three participating hotels in various communities as to whether they have rooms available and their weekly hotel rates. As of September 2025, the list included the following:

- 7 hotels in Saskatoon
- 2 hotels in Regina
- 4 hotels Prince Albert
- 6 hotels in Moose Jaw

<sup>7</sup> In 2023–24, we found the Ministry of Social Services set formal requirements for staff to obtain three quotes when procuring hotel rooms for clients. The Ministry maintains a price quote list for hotels in Saskatoon, Regina, Prince Albert, and Moose Jaw that it expects staff to use when arranging hotel stays for clients.



The Ministry contacts various hotels to ask for quotes. Some hotels may choose not to participate in the quote process. Hotels that agree to provide a quote are included on the price list.

We reviewed documentation within the Ministry's case management system for six child and family program clients needing hotel stays and found staff documented appropriate rationale to support the selection of hotels for these clients. Staff selected a hotel from the Ministry's price quote list for one of these clients. For the remaining five clients, staff did not select hotels from the price quote list but appropriately documented their rationale (e.g., hotels on the list were already booked or did not meet the needs of the family). A manager or director appropriately approved the documented rationale in accordance with policy in all five instances.

Sufficient documentation about hotel selection enables the Ministry to demonstrate its consideration for best value and best fit in its procurement of hotel rooms, while also treating hotel providers and clients fairly.

### 4.3 Hotel Payments Centrally Tracked

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***We recommended 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.*** (2024 Report – Volume 2, p. 63, Recommendation 2; Public Accounts Committee agreement October 15, 2025)

**Status**—Implemented

The Ministry of Social Services centrally tracked and analyzed the hotels it pays and at what rates for clients of its income assistance and child and family programs.

In January 2025, the Ministry began requiring Saskatchewan Income Assistance and Child and Family Programs' staff to enter clients' hotel invoices into a central tracking spreadsheet for hotel stays in Saskatoon, Regina, Prince Albert, and Moose Jaw. The Ministry tracked this information to help evaluate its pilot projects related to procuring hotel rooms.

We found the Ministry tracked the following hotel information (overall and by each hotel provider): location, average nightly rates, total hotel payments, and number of stays. This tracking process covered January to September 2025 and included over 4,000 hotel invoices (which could include multiple nights). Overall, the tracking showed various hotels invoiced the Ministry approximately \$1.3 million during this time for those stays.

The tracking also showed that contracted room blocks in Saskatoon were utilized approximately 75% and contracted room blocks in Regina were utilized approximately 90%. The contracted room blocks cost the Ministry about \$480,000 between August 2024 and July 2025—over \$770,000 less than the maximum cost set out in its contracts with the hotels.<sup>8</sup>

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<sup>8</sup> Order in Council 371/2024 limited the Ministry of Social Services' expenditures on the two contracts for contracted room blocks to a maximum of \$1.25 million between August 2024 and July 2025.

Having reliable data allowed the Ministry to determine whether its pilot projects improved its ability to procure suitable hotel rooms for clients efficiently and effectively (see **Section 4.4**).

## 4.4 Evaluation of Hotel Pilot Projects Completed

***We recommended 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.*** (2024 Report – Volume 2, p. 63, Recommendation 3; Public Accounts Committee agreement October 15, 2025)

### **Status**—Implemented

The Ministry of Social Services sufficiently evaluated its pilot projects for procuring hotel rooms for clients in 2025.

In September 2025, the Ministry evaluated its pilot projects to procure hotels rooms for income assistance and child and family program clients—it spent approximately \$1.3 million between January and September 2025 on invoice-based hotel rooms and another \$480,000 on contracted room blocks between August 2024 and July 2025.<sup>9</sup>

We found the Ministry’s evaluation assessed the pilots for its three-quote process and its use of contracted blocked rooms in Regina and Saskatoon. We found the Ministry’s evaluation considered the following:

- Partnerships with hotels (given challenges in securing hotels willing to accommodate certain Ministry clients)
- Efficiencies and opportunities for improvement (e.g., alternative approaches to obtaining updated rates for hotel stays)
- Comparison of benefits and costs between both pilot projects (e.g., administrative effort, average nightly costs)
- Utilization patterns of blocked rooms (i.e., approximately 90% in Regina and 75% in Saskatoon)

Overall, we found the Ministry determined both hotel pilots offer advantages, but no single approach meets all the Ministry’s requirements for procuring hotel stays. For example, we found that while the Child and Family Program utilized the three-quote process to procure rooms for its clients, it did not book rooms with hotels from the three-quote list as often as the other income assistance programs due to differences in requirements for hotel rooms between the programs (e.g., requirements to support a family rather than a single person). The Ministry concluded using contracted room blocks was a more cost-effective approach for securing hotel accommodations, while maintaining its three-quote process helped support accountability and flexibility across locations.

<sup>9</sup> Information provided by the Ministry of Social Services.



As a result of the evaluation, the Ministry decided to continue to contract a block of five rooms in one Saskatoon hotel and eight rooms in one Regina hotel each night for one year between October 2025 and September 2026 with options to extend for two additional one-year periods to September 2028 as well as the option to increase up to 30 rooms at the contracted rate on any given night. The Ministry expects this new contract (without increased room usage) to cost approximately \$650,000 annually.<sup>10</sup>

## 4.5 Lack of Transparency Continues as No Changes in Public Reporting

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***We recommended 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.***

*(2024 Report – Volume 2, p. 64, Recommendation 4; Public Accounts Committee agreement October 15, 2025)*

**Status**—Not implemented

The Ministry of Social Services has yet to determine how it could publicly report payments made to vendors on behalf of income assistance and child and family programs' clients. We found not publicly disclosing payments made to vendors on behalf of its clients inconsistent with other Canadian jurisdictions.

In two other Canadian provinces (i.e., Alberta and Manitoba), the Ministry's counterparts report payee details for payments made to vendors (e.g., hotels, grocery stores) on behalf of clients exceeding a specific threshold (e.g., \$10,000 or \$50,000). For example, these jurisdictions would have reported Ministry payments to vendors for hotel stays during the year. Based on its central tracking of hotel invoices, the Ministry indicated it paid 10 hotel vendors more than \$50,000 between January and September 2025 for income assistance child and family programs' clients.<sup>11</sup> Publicly reporting these amounts would make the Ministry more open and accountable for how public resources are spent.

The Ministry indicated it is following payee reporting details consistent with requirements from the Ministry of Finance. It had preliminary discussions with Ministry of Finance staff during 2024–25 to consider options for publicly reporting payments made to vendors on behalf of clients—it expects to continue these discussions in 2025–26.

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

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<sup>10</sup> Order in Council 403/2025 authorizes a maximum of \$1.6 million annually. However, based on its evaluation of the contracted blocked rooms pilot, the Ministry of Social Services indicated it expects to incur annual costs of approximately \$650,000.

<sup>11</sup> Information provided by the Ministry of Social Services.