



PROVINCIAL AUDITOR
of Saskatchewan

2018 Report - Volume 1

Report of the Provincial Auditor to the
Legislative Assembly of Saskatchewan



June 6, 2018

The Honourable M. Docherty
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour of submitting my *2018 Report – Volume 1*, to be laid before the Legislative Assembly in accordance with the provisions of section 14.1 of *The Provincial Auditor Act*.

Respectfully yours,

A handwritten signature in black ink that reads "Judy Ferguson".

Judy Ferguson, FCPA, FCA
Provincial Auditor

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2018 Report – Volume 1



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Overview by the Provincial Auditor

1.0 REPORT OVERVIEW

This Report (Volume 1) includes the results of our examinations completed by April 25, 2018. Consistent with past reports, we have organized the results of these examinations into three sections—annual integrated audits, performance audits, and follow-up audits.

The following provides an overview of each section of the Report.

Annual Integrated Audits

Integrated audits are annual audits of agencies that examine:

- The effectiveness of their financial-related controls 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 for those agencies that prepare them

Financial-related controls (financial rules and procedures) include processes to plan, evaluate, and co-ordinate the financial activities of an agency. Effective controls help agencies achieve their objectives, and sustain and improve performance.

This section of the Report includes the results of annual integrated audits of almost 60 agencies with fiscal year ends between August 2017 and December 2017. This includes 28 school divisions, 28 pension and benefit plans, and a few Crown agencies. **Appendix 1** lists each agency along with its year-end date, whether matters are reported, and, if so, in which report.

This section highlights deficiencies at only a few agencies—five school divisions, and the Municipal Potash Tax Sharing Administration Board.

Areas of concern include: not reviewing and approving monthly bank reconciliations independent of preparation, not following purchasing policies consistently, not having a complete IT disaster recovery plan, and not obtaining Minister approval of board remuneration rates.

Performance Audits

Performance audits take a more in-depth look at processes related to management of public resources or compliance with legislative authorities.

This section of the Report includes the results of 10 performance audits covering a broad range of topics. This includes four audits that looked at how well the Government carried out its regulatory responsibilities, and four audits that looked at the delivery of health-related services. The following provides a recap of each.



Regulatory Audits

The Government plays a critical regulatory role in assuring public health and safety. In two audits, the Office assessed regulatory processes that are to protect the environment and public safety. In another audit, it assessed the processes to ensure homeschooled students receive a quality education, and in yet another audit, the processes to keep workers safe.

Chapter 12: Water Security Agency—Regulating Drainage: The Water Security Agency is responsible for reviewing and approving existing and new drainage works in a way that encourages effective drainage and protects the environment.

The Office examined the Agency's processes to regulate the drainage of water on agricultural lands in the geographic areas assigned to its Yorkton and Weyburn regional offices. These areas have the highest risk of flooding.

We found that the Agency is working to move away from the historical view that it is a landowner's right to drain their land. Its new strategy requires considering the broader implications of drainage and water flows before approving drainage works. A change of this magnitude will take time and sustained commitment to implement.

We found the Agency was in the early stages of implementing this significantly different strategy for regulating drainage, and has much work to do to bring unapproved drainage works into compliance. The Agency should:

- Finalize its policies for bringing unapproved drainage works into compliance, and broaden them to include policies for assessing water quality and wetland retention.

About one-half of its policies (including its compliance framework) related to assessing drainage works, enforcement, and prioritization processes were not finalized or approved. Our testing of drainage approval applications found staff did not always follow established processes.

Finalized policies provide staff with clear direction. Providing clear direction and prioritization is key when going through significant change.

- Better document its assessments of applications for approval of drainage works.

Our testing of drainage approval files showed that staff did not fully consider the downstream impact of proposed drainage works. Not doing so could result in more water going into a receiving body of water than it can handle.

- Have a prioritization plan to address existing unapproved drainage works in areas at high risk of flooding.

Drainage works are any human-made activity intended to remove or reduce water on land or just below the land surface.

Related Facts:

- Saskatchewan has over 1,800 miles of organized drainage ditches which drain an estimated 4.5 million acres of farmland
- Laws (since 2015) require all drainage works in the province to be approved
- The majority of drainage works in the province are not approved by Water Security Agency
- Some incorrectly think landowners have a right to drain their land

While draft policies prioritized the Agency's efforts on drainage works in areas at higher risk of flooding, they did not include concrete timeframes for bringing these unapproved drainage works into compliance, or for resolving complaints (requests for assistance) about drainage works. Over one-third of the requests for assistance files we tested were outstanding for more than 20 months. Also, as previously noted, the majority of drainage works in the province are unapproved.

Having unapproved drainage works increases the risk of damage to neighbouring farmland and downstream.

- Report on its progress in regulating drainage on agricultural lands.

Senior management, the Board, and the public were not receiving reports on whether regional offices were achieving targets set out in work plans (e.g., resolving requests for assistance within three months) or on success in bringing unapproved drainage works in high-risk areas into compliance.

More robust reporting would help landowners and the public understand the importance of the new strategy and the Agency's progress in implementing it.

Chapter 4: Energy and Resources—Regulating Reported Incidents: Laws exist to

protect the environment, property, and safety of the public with respect to the operations of the oil and gas industry. They require oil and gas industry operators to report incidents to the Ministry of Energy and Resources (formerly part of the Ministry of the Economy). In addition, laws require industry operators to remediate the impacted area to a state to which the Minister is satisfied.

Our Office examined the Ministry's processes to regulate that oil, gas, and pipeline industry operators resolve incidents to protect the public and the environment.

We found the Ministry clearly set out what types of incidents oil and gas operators must report and by when. It actively followed up the receipt of expected information, and took steps to investigate the reported incident to mitigate damage caused by the incident.

The Ministry relies on the expertise of its staff to determine risks a reported incident poses and steps to mitigate those risks. Our Office found the nature and timing of involvement of staff at its four field offices varied for similar incidents, as did its documentation of its decisions and the basis for them.

We identified three key areas for improvement. They include:

- Documenting its classification of risks of reported incidents, and expectations on the nature and timing of Ministry staff involvement to regulate reported incidents.

A formal risk classification process would foster consistent consideration of the consequence of an incident, and the likelihood of it posing an increased risk to the

Reportable incidents are events that oil, gas, and pipeline industry operators must report by law. They generally relate to the uncontrolled release of substances (e.g., spill, release of gas, leaks), fires, and damage to or malfunction of equipment.

Related Facts:

- About 340 oil and gas licensees operated in Saskatchewan in 2016-17
- 66 industry operators reported 657 incidents in 2016-17



environment, and public health and safety. It would also support a consistent approach to handling reported incidents posing similar risks.

- Consistently informing industry operators when the Ministry is satisfied that industry operators have resolved reported incidents. This would avoid the risk that industry operators assume incidents are resolved when they are not.
- Documenting key activities for regulating reported incidents to ensure the Ministry keeps sufficient and complete records of its actions and decisions. Complete records are essential to facilitate supervision and review, and to readily demonstrate sufficient regulatory actions were taken.

Timely action and response to incidents helps protect people and the environment, and mitigate damage caused by the incident.

Chapter 7: Prairie Valley School Division No. 208—Monitoring Progress of Home-

based Learners: Laws give home-based educators both the responsibility for educating their children, and the right to direct their children's education from their home. They also make school divisions responsible for regulating home-based educators to ensure home-based learners receive education appropriate for their age and ability.

Prairie Valley has a large number of home-based learners as compared to the other 27 school divisions in the province. It had 143 home-based learners as of September 30, 2017.

Our Office examined how well Prairie Valley was monitoring the educational progress of home-based learners. We found it did not do enough to fulfill its regulatory role over monitoring the education that home-based learners receive.

Related Facts:

- The number of home-based learners in Saskatchewan has doubled over the last ten years to just under 2,500 learners
- Home-based learners represent just over 1% of total students in the province
- Saskatchewan has the 3rd highest proportion of home-based learners in Canada
- Over three-quarters of them are in Kindergarten to Grade 8

For example, the Division needs to fully exercise its authority to monitor home-based education programs. This includes registering home-based education programs in accordance with established requirements, and taking action to obtain all required program documentation from home-based educators.

Having sufficient information from home-based educators is critical to effective monitoring. Reinforcing registration requirements would help the Division hold home-based educators accountable for the education of home-based learners, and help ensure home-based learners receive an adequate education. Effective monitoring helps ensure home-based programs assist home-based learners in making sufficient educational progress for their age and ability, and provide them with a quality education.

Chapter 6: Labour Relations and Workplace Safety—Implementing Strategies to Reduce Workplace Injury Rates:

Workplace fatalities cause irreversible and immeasurable harm to those affected. Workplace injuries result in time loss that affects the injured workers and their employers, and is a cost to society.

The Ministry of Labour Relations and Workplace Safety is to encourage, promote, and enforce safe work practices and employment standards to ensure healthy, safe, and productive workplaces. Since 2013, it has had a goal to reduce provincial injury rates to 4.32% by 2020 (a reduction of 50% from the 2012 rate).

Our Office examined the Ministry's processes to achieve this goal and found the Ministry's targeted intervention strategies were making a difference. The provincial rate of workplace injuries declined from 8.65% to 5.25% between 2012 and 2017.

The Ministry worked directly with employers identified as having higher than industry average injury rates, proactively and reactively inspected workplaces, implemented key enforcement activities (including issuing summary offence tickets), and promoted the importance of reducing workplace injuries. It has partnered with the Workers' Compensation Board on a number of these strategies.

Effective processes to reduce workplace injuries contribute to fewer Saskatchewan workplaces having unsafe practices that place workers at risk. In addition, lower workplace injury rates (along with lower total days lost) reduce the cost to businesses through lower premiums for workers' compensation insurance.

Related Facts:

- Provincial rate of workplace injuries declined between 2012 to 2017 from 8.65% to 5.25%
- Provincial time-loss injury rates declined almost 1% between 2012 to 2017
- Priority employers are those with workplace injury rates above the provincial average, the industry average, or with over 30 injury claims
- Over 200 priority employers are subject to targeted interventions (Priority Employer Program)
- Total workplace injury rates of all priority employers declined between 2012 to 2016 from 9.48% to 5.38%

Delivery of Health-related Services Audits

Chapter 3: Corrections and Policing—Providing Primary Medical Care in Adult Secure-Custody Correctional Centres:

Primary medical care refers to first-contact care that family physicians, nurses, or other medically trained personnel typically provide.

Our Office examined the Ministry of Corrections and Policing's processes for the provision of primary medical care to adult inmates in Saskatchewan's four adult secure-custody correctional centres.

We identified the following areas of improvement. The Ministry needs to:

- Regularly update provincial medical care policies and adult secure-custody correctional centre medical care directives to keep them relevant and foster a consistent approach to providing medical care.

Related Facts:

- The prevalence rate of infectious diseases in the correctional population is higher than in communities
- The majority of inmates are vulnerable and come from backgrounds that increase the likelihood of declining health; many may enter centres with unmet and untreated health conditions
- Saskatchewan has about 1,800 inmates in its four adult secure-custody correctional centres of which about one-half are sentenced and one-half are on remand



- Require staff to transfer inmate medical files between adult secure-custody correctional centres when inmates move between centres or former inmates re-enter the system. This would facilitate a continuum of care and avoid replication of tests (e.g., blood tests, specialists' reports).
- Promptly respond to adult inmate complaints about medical care and periodically analyze trends in complaints to avoid the risk of jeopardizing inmate health. Analyzing trends could identify systemic or recurring issues in the delivery of medical care within centres, and provide opportunities to adjust.
- Deliver orientation training for the nurse manager positions and monitor the currency of first-aid certifications of correctional staff. Having adequately trained staff helps ensure centres can appropriately respond to medical emergencies.
- Develop and regularly report on measures to evaluate the provision of medical care to inmates to enable assessing whether inmates receive care consistent with its policy (i.e., medical care similar to that experienced by those in the community). In addition, it would help identify areas where its provision of medical care could improve.

Primary medical care received in a correctional centre can play a role in reducing inequality between the health of inmates and the general public, and reducing the risk of introducing diseases into the community.

Chapter 8: Saskatchewan Health Authority (PA Parkland) — Providing Timely Access to Mental Health and Addictions Services:

In mental health services, ready access to continuity of care is essential for good client outcomes for those with severe and persistent mental illness. Continuity of care is associated with improved quality of life, community functioning, and satisfaction with services.

The former PA Parkland had the third highest (as compared to other regions) admission rates for alcohol and drug treatments, and number of injection drug users and active outpatient mental health clients.

Our Office examined how timely the Saskatchewan Health Authority provided access to mental health and addiction services in the former PA Parkland Health Region.

PA Parkland was in the early stages of using a model that better matched appropriate services to mental health and addiction clients' needs. Expanded use of this model would allow the system to provide appropriate care while better managing resources.

However, we found demand for mental health and addictions services was outpacing PA Parkland's capacity to supply them. PA Parkland did not always provide mental health and addictions services in a timely manner. For example, its mental health inpatient beds were frequently full; it regularly and increasingly turned away clients seeking detox services; and mental health outpatients

Related Facts:

- Over 10% of Saskatchewan residents struggle, to some degree, with a mental illness or addiction
- The former PA Parkland Health Region had the second highest spending per capita on mental health in the province after the former Prairie North Health Region
- In the province, PA Parkland had the third highest:
 - Admission rates for both youth and adults for alcohol and drug treatment
 - Usage rate of addictions outpatient services
 - Number of injection drug users, and of active outpatient mental health clients
- PA Parkland became part of the Saskatchewan Health Authority and is within the Northeast integrated service area

increased 20% over prior year. At the same time, its funding of mental health and addiction services remained flat.

Doing a comprehensive reassessment of client demand relative to mental health and addictions services available will support getting the right services at the right place at the right time.

We found between one-tenth to over one-third of mental health and addiction clients did not show up for scheduled appointments or treatments.

Missed appointments disrupt services and waste service capacity. Assessing alternatives (such as reminding clients or identifying reasons for not showing up [e.g., sought treatment elsewhere]) would help decrease the number of no-shows. Recovery is less likely if people quit therapy too early.

Also, PA Parkland kept manual records of services provided to its mental health clients, at times, keeping multiple files for the same client. In addition, it did not have access to information about mental health services provided by other publicly funded health care providers (e.g., family physicians, other service areas) to its clients to enable co-ordination of services.

PA Parkland was starting to implement a new single provincial mental health IT record. Establishing a provincial integrated mental health record system and developing a strategy to collect key mental health and addictions client information from healthcare professionals would help ensure timely information is readily available for client care, and facilitate continuity of client care.

In addition, although PA Parkland provided, on average, eligible clients with access to the Ministry of Social Services' residential spaces sooner than elsewhere, mental health clients waited in hospitals for residential spaces.

Collaborating with the Ministry of Social Services can enhance access to housing options for mental health and addictions clients. Stable housing can lead to better outcomes for people living with complex mental health and addictions issues and avoid using costly hospital-based care when such care is no longer necessary.

Ready access to mental health and addictions services when most needed helps minimize and avoid adverse events. Long waits can lead to people's conditions getting worse, and in some cases, waits can even contribute to death.



Chapter 9: Saskatchewan Impaired Driver Treatment Centre—Delivering the Impaired Drivers Treatment Program:

The Centre provides a residential treatment alternative to incarceration for adults convicted of a second or subsequent impaired driving offence. This is the only program in Canada that focuses solely on treating repeat impaired drivers. Each year, it spends about \$1 million to operate.

Our Office examined the Centre's processes to deliver its impaired driver treatment program to reduce recidivism (i.e., drive impaired again).

We identified the following areas of improvement. The Centre needs to:

- Regularly review its program objectives (last set in 2005), and set measurable expectations to evaluate the program's success. This would allow the Centre to know and show whether its treatment program is effective and whether its activities are reducing recidivism.
- Regularly refresh its treatment program to incorporate relevant good practices. For example, instead of applying the same treatment program to all clients, it could offer some customized treatment based on needs of certain populations (e.g., client gender and cultural background). In 2016-17, almost three-quarters of the Centre's clients were male, almost two-thirds of them were between the ages of 25 and 44, and just less than three-quarters of them were Indigenous.

Offering customized treatment would reduce the risk of the program not effectively supporting clients in permanently changing their behaviour.

- Consistently collect and complete client information to inform treatment. For example, our testing of client files found one-third of them did not have complete intake information (e.g., information on health issues that may complicate treatment), about one-third did not have complete assessment information, and none of them contained information about one-on-one counselling or prior treatment results. In addition, the Centre did not assign the same identification number to repeat clients—almost 13% of its clients repeat the program.

This information would allow the Centre to provide the appropriate treatment that will help clients to not drive impaired again after leaving the Centre.

- Actively connect clients with specific support upon completion of the treatment program. This would reduce the risk of client relapse and repeated impaired driving.

Related Facts:

- Saskatchewan had the highest provincial impaired driving rate in Canada with 575 impaired driving incidents per 100,000 people in 2015
- Saskatchewan had seen the smallest decline in impaired driving rates over the past 30 years as compared to other provinces
- About 16% of people charged with impaired driving in Canada had a previous charge within the last 10 years
- Impaired drivers who caused death or harm were more likely (20%) to have had a prior charge for impaired driving
- The Impaired Driver Treatment Centre:
 - Runs a three-week treatment program in Prince Albert
 - Accommodates up to 28 co-ed clients
 - Receives, as clients, adult offenders referred as part of their court sentence for an impaired driving related charge (three-quarters of clients) or offenders serving impaired driving offences in provincial correctional facilities
 - Has a five to eight month wait list

An effective impaired driver treatment program can reduce the rate of repeated impaired driving in Saskatchewan.

Chapter 11: Saskatoon School Division No. 13—Supporting Students with Intensive

Needs: Saskatchewan school divisions are required, by law, to accommodate students with intensive needs in the regular program of instruction or provide special programming to meet those students' learning needs.

Saskatoon Public offers various learning supports (e.g., staff, programs, services) in its 49 elementary schools and its specialized school (John Dolan School) to Kindergarten to Grade 8 students with intensive needs. The number of those students is increasing.

Our Office examined how well Saskatoon Public supported the learning of students with intensive needs. We found that it needs to do more.

Saskatoon Public needs to:

- Formally estimate the future enrolment of Kindergarten to Grade 8 students with intensive needs; analyze trends in the number of Kindergarten to Grade 8 students with intensive needs and their categories of intensive needs; and determine staff needed to support them.

We found that its assumed rate of increase in future enrolment of students with intensive needs underestimated actual enrolment. Formally estimating changes in future enrolment of students with intensive needs would allow Saskatoon Public to confirm it has the right amount of resources necessary to support those students.

- Give staff guidance on expected timelines for completing requested intensive-needs assessments of Kindergarten to Grade 8 students.

We found timeframes to complete assessments took longer than good practice of 10 school days (out of the 195-day school year). For example, speech language assessments took between 20 to 30 school days to complete, and psychologist assessments took 30 to 50 school days. Times varied depending on caseloads, additional testing, and time of year.

Having expected timeframes to complete assessments would help avoid delays in implementing learning supports for students with intensive needs.

- Keep documentation of key consultations, discussions, decisions and steps taken for supporting Kindergarten to Grade 8 students with intensive needs including agreement on their learning plans, and assessment information.

Students with intensive needs are those assessed as having a capacity to learn that is compromised by a cognitive, social-emotional, behavioral, or physical condition.

Related Facts:

- About 7% of Saskatoon Public's over 16,000 Kindergarten to Grade 8 students were identified as having intensive needs.
- From 2015-16 to 2017-18, the number of Kindergarten to Grade 8 students:
 - Identified as having intensive needs increased over 9%
 - With multiple disabilities increased over 18%
 - Requiring one-on-one support from an educational assistant increased by over 30% (increase of 49 students)
- From 2015-16 to 2017-18, staff supporting students with intensive needs increased 8.5% overall



Our testing of student files found 13% did not include learning plans, 17% did not have parent-signed learning plans, and about 33% had no evidence of discussions with parents.

Keeping complete documentation would help ensure continuity of supports provided and reduce the risk of repeated, overlooked or forgotten actions to support a student's learning needs. Maintaining assessment information in student cumulative files allows this information to be assessable to parents and staff.

Also, not having documented evidence of parental agreement on the students' learning plans and with students' progress increases the risk of differences of opinion on student's progress. Parental support is important to student achievement.

- Regularly monitor progress in achieving learning goals of Kindergarten to Grade 8 students with intensive needs, and centrally monitor whether schools sufficiently support these students to enable progress towards their learning goals.

About one-half of the student files we tested did not have properly signed year-end progress reports, and almost two-thirds of them did not contain a 2017-2018 first term progress report.

Regular monitoring would allow the Division to evaluate deployment of resources and determine whether it is providing sufficient support to students with intensive needs.

- Give senior management and the Board of Education enough information to determine the sufficiency of learning supports for Kindergarten to Grade 8 students with intensive needs. This would enable senior management and the Board of Education to evaluate whether the Division is providing students with educational services that are consistent with that student's educational needs and abilities.

Research shows the academic achievement of many students with intensive needs can be similar to their peers when given access to the same educational content with specially designed instruction, supports, and accommodations when needed.

Other Performance Audits

Other topics that the Office examined include purchasing of goods and services at Saskatchewan Water Corporation (**Chapter 10**), and recommending infrastructure projects for federal-provincial funding at Ministry of Government Relations (**Chapter 5**).

Audit Follow Ups

Audit follow-ups are assessments of the sufficiency of actions taken to address recommendations made in our past performance audits, and those made by standing committees on Public Accounts and on Crown and Central Agencies from their review of our reports. We do the first follow-up either two or three years after our initial audit, and every two or three years thereafter until the recommendations are implemented or identified as no longer relevant.

This section of the Report includes the results of 20 follow-ups. The Office systematically assesses the status of outstanding audit recommendations to determine whether agencies have made recommended improvements.

The Office continues to be pleased, on an overall basis, with the progress of agencies in making improvements. For this Report, agencies had implemented three-quarters of the 104 recommendations the Office followed up, and were making good progress on implementing the remaining. This pace of implementation is similar to that reported in our *2016 Report – Volume 2*, and a bit higher than the rate reported in our 2017 Reports (Volume 1 and 2).

The pace of implementation at a few agencies is notable. For example, the former Prairie North Regional Health Authority implemented all 12 recommendations made in our *2015 Report – Volume 2* related to preventing falls in its long-term care facilities. In addition, both the North East and Prairie South school divisions implemented all or almost all recommendations related to increasing Grade 3 Students Reading at Grade Level, and Equipping the Board with Knowledge and Competencies to Govern, respectively. Also, Tourism Saskatchewan implemented three of four recommendations related to managing its use of social media. It relies heavily on the use of social media to achieve its mandate.

Although statistics give a useful indication of progress, the Office recognizes some recommendations may take longer to implement (e.g., implemented in conjunction with other changes, or require the co-operation or involvement of multiple organizations). However, for a few agencies, the pace of implementation was slower than we anticipated.

For example, the former Kelsey Trail Regional Health Authority was not yet maintaining medical equipment consistent with its policy or in accordance with manufacturer standards. We first reported this concern in our *2010 Report – Volume 2*. Our testing identified numerous instances where maintenance was later or less frequent than manufacturer requirements. In addition, its record keeping of maintenance needed improvement. Not maintaining medical equipment in accordance with manufacturer requirements increases the risk that equipment will not work properly or safely when needed. This can have a serious impact on a patient's treatment.

Also, the Ministry of Social Services has only partially implemented three of four recommendations made in 2015 related to minimizing employee absenteeism. It was making some progress in reducing employee absenteeism but more work remains. Only one-third of its supervisors took attendance-support training. Its supervisors continued not to receive sufficient support to determine efficiently the reasons for unplanned absences of employees with higher-than-average unplanned absences. Such information is essential to help staff address the reasons for those absences.

The Ministry was working with the Public Service Commission in this area. Excessive employee absenteeism affects service delivery and staff morale and well-being, and increases costs.

Statistics on the pace of implementation of recommendations provide insight into the culture and attitude towards improving administration and management of public money. The following table summarizes the status of recommendations by agency by follow-up.



Chapter Name	Related Report ^{A,B}	Number of Recommendations Outstanding	Status of Recommendations			
			Implemented	Partially Implemented	Not Implemented	No longer Relevant
Initial Follow-Ups						
Ch. 13 - Advanced Education—Working with Advanced Education Sector	2015 Report – V1	2	1	1		
Ch. 20 - Finance—Use of Continuous Improvement Processes	2015 Report – V1	6	6			
Ch. 21 - Government Relations—Co-ordinating Emergency Preparedness	2015 Report – V1	4	1	2	1	
Ch. 22 - Highways and Infrastructure—Addressing Road Safety Concerns on Existing Highways	2015 Report – V2	4	3	1		
Ch. 23 - North East School Division No. 200—Increasing Grade 3 Students Reading at Grade Level	2016 Report – V1	5	4	1		
Ch. 24 - Prairie South School Division No. 210—Equipping the Board with Knowledge and Competencies to Govern	2015 Report – V1	4	4			
Ch. 25 - Regina School Division No. 4—Promoting Positive Student Behaviour	2016 Report – V1	5	2	3		
Ch. 27 - Saskatchewan Government Insurance—Confirming Only Qualified Drivers Remain Licensed	2016 Report – V1	5	4	1		
Ch. 29 - Saskatchewan Health Authority (Prairie North)—Preventing Resident Falls in Long-Term Care Facilities	2015 Report – V2	12	12			
Ch. 31 - Social Services—Minimizing Absenteeism	2015 Report – V2	4		3	1	
Ch. 32 - Tourism Saskatchewan—Managing the Use of Social Media	2015 Report – V2	5	4	1		
Initial Follow-Ups Subtotal		56	41	13	2	0
Subsequent Follow-Ups ^C						
Ch. 14 - Education Ministry and School Divisions—Transporting Students Safely	2012 Report – V2 2014 Report – V2	22	22			
Ch. 15 - eHealth Saskatchewan—Implementing Electronic Health Records	2009 Report – V3 2012 Report – V2 2016 Report – V1	1	1			
Ch. 16 - eHealth Saskatchewan—Procuring IT Services	2010 Report – V1 2012 Report – V2 2016 Report – V1	2	2			
Ch. 17 - Energy and Resources—Managing Future Cleanup of Oil and Gas Wells	2012 Report – V2 2015 Report – V1	6	4	2		
Ch. 18 - Environment—Regulating Landfills	2013 Report – V2 2015 Report – V2	7	4	3		
Ch. 19 - Finance—Internal Audit in Ministries	2012 Report – V2 2014 Report – V2	4	3		1	
Ch. 26 - Saskatchewan Crop Insurance Corporation—Determining AgriStability Benefits	2013 Report – V1 2015 Report – V2	2	1			1

Chapter Name	Related Report ^{A,B}	Number of Recommendations Outstanding	Status of Recommendations			
			Implemented	Partially Implemented	Not Implemented	No longer Relevant
Ch. 28 - Saskatchewan Health Authority (Kelsey Trail)—Maintaining Medical Equipment	2010 Report – V2 2012 Report – V2 2015 Report – V2	3	2	1		
Ch. 30 - Saskatchewan Health Authority (Sun Country)—Administering Medications in Hospitals	2013 Report – V2 2015 Report – V2	1		1		
Subsequent Follow-Ups Subtotal		48	39	7	1	1
Overall Total		104	80	20	3	1

Source: Compiled by 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 the Office last reported on the status of implementation of outstanding recommendations (for subsequent follow-ups).

^C For Subsequent Follow-Ups, the Number of Recommendations is the number of recommendations that remained not implemented after the previous follow-up.

2.0 ACKNOWLEDGMENTS

The Office appreciates and thanks the staff and management of all government agencies along with their appointed auditors (if any) for the co-operation it received in the completion of the work included in this Report.

In addition, as Provincial Auditor, I thank the Provincial Auditor team for their diligence, commitment, and professionalism. Only through their hard work can we fulfill our mission—*We promote accountability and better management by providing Legislators and the public with an independent assessment of the government's use of public resources.*

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3.0 ABOUT THE OFFICE OF THE PROVINCIAL AUDITOR

Through *The Provincial Auditor Act*, the Provincial Auditor is responsible for auditing the Government of Saskatchewan, including all of its agencies. The Provincial Auditor, the Office, and its staff are independent of the Government.

The Office uses Canadian professional auditing standards published by CPA Canada to carry out its 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.

It provides legislators with two key accountability reports each year—its business and financial plan, and its annual report on operations. These include a description about the Office, including its purpose, accountability mechanisms, staffing, and key systems and practices. These reports are available on its website. For these reports and further detail about the Office of the Provincial Auditor, see www.auditor.sk.ca.



Annual Integrated Audits

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Chapter 1

Municipal Potash Tax Sharing Administration Board

1.0 MAIN POINTS

The Municipal Potash Tax Sharing Administration Board's 2017 financial statements were reliable and it had effective rules and procedures to safeguard public resources. The Board complied with authorities governing its activities related to financial reporting and safeguarding public resources, other than it did not submit its financial statements within the required timeframes nor obtain Minister approval of board remuneration rates.

2.0 INTRODUCTION

The Municipal Potash Tax Sharing Administration Board administers the municipal potash tax-sharing program established under *The Municipal Tax Sharing (Potash) Act* (Act).¹ Under this program, the Board redistributes municipal property taxes on potash mines to eligible rural and urban municipalities within the areas of influence of a potash development—a 20 mile radius of a potash mine's shaft and head frame.²

The Board determines the amounts to redistribute using the formula prescribed in regulations to the Act.

A three-person Cabinet-appointed board administers the program.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended December 31, 2017:

- **The Municipal Potash Tax Sharing Administration Board had effective rules and procedures to safeguard public resources**
- **The Municipal Potash Tax Sharing Administration Board 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 related to submitting financial statements within the required timeframes and Minister approval of board remuneration rates:**

The Municipalities Act (Section 272)
The Municipal Tax Sharing (Potash) Act
 General Regulations under *The Municipal Tax Sharing (Potash) Act*
The Executive Government Administration act
 Orders in council pursuant to the above

- **The Municipal Potash Tax Sharing Administration Board had reliable financial statements**

We used standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001) to conduct our audit. We used the control framework published by CPA Canada to make our judgments about the effectiveness of the Board's

¹ The Board was established under section 3 of *The Municipal Tax Sharing (Potash) Act*.

² www.saskatchewan.ca/government/municipal-administration/taxation-and-service-fees/municipal-potash-sharing, (13 February 2018).



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 efforts on the Board's processes for making tax-sharing distributions to rural municipalities. We verified amounts paid by potash mines and amounts received by municipalities.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Timely Submission of Financial Statements Needed

The Board did not submit its audited financial statements for tabling in the Legislative Assembly within the timeframes required by law.

The law requires the Board to report its activities to the Minister of Government Relations.³ By law, its financial statements must be tabled within 120 days of its year-end.⁴

The 2016 financial statements were tabled on September 7, 2017, instead of by April 30, 2017, as required by law. The Board indicated personnel issues caused a delay in the submission of its financial statements for tabling.

1. We recommend that the Municipal Potash Tax Sharing Administration Board submit its audited financial statements within the timeframes required by *The Municipal Tax Sharing (Potash) Act*.

4.2 Minister's Formal Approval of Board Remuneration Rates Required

The Municipal Potash Tax Sharing Administration Board did not obtain formal approval from the Minister of Government Relations of board member per diem remuneration rates as required by law. Section 6 of *The Municipal Tax Sharing (Potash) Act* requires the Minister to approve board member remuneration rates and expense rates. The Act expects these rates to be based on those fixed by the Saskatchewan Association of Rural Municipalities.

During 2017, the Board paid board per diems totalling \$2,820 using rates set by the Saskatchewan Association of Rural Municipalities.

Although the Board made the Minister aware of the rates used to determine per diems, it did not receive formal ministerial approval of those rates prior to making payments. Thereby, the Board made and is making these payments without proper approval.

2. We recommend that the Municipal Potash Tax Sharing Administration Board obtain the Minister responsible's written approval of the remuneration and expense rates it pays its board members. It should obtain this approval prior to changing remuneration rates.

³ Section 11 of *The Municipal Tax Sharing (Potash) Act*.

⁴ Section 13 of *The Executive Government Administration Act* requires agencies to submit reports to their Minister responsible within 90 days of their fiscal year end. The Minister responsible must table the report in the Legislative Assembly within 120 days of the fiscal year end.

Chapter 2

School Divisions

1.0 MAIN POINTS

This chapter reports the results of the annual audits of the 28 school divisions for the year ended August 31, 2017. The 2016-17 financial statements of each of these school divisions are reliable, and each complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

Twenty-three school divisions had effective rules and procedures to safeguard public resources. We recommend improvements to five school divisions. Ile a la Crosse needs to independently review and approve monthly bank reconciliations. Prairie Spirit needs to independently review and approve purchase card transactions. Prince Albert Roman Catholic and Saskatoon need to follow their purchasing policies. Sun West needs to complete documentation of its IT disaster recovery plan. In addition, in 2016-17 two school divisions improved their financial-related controls (see **Section 5.0**).

2.0 INTRODUCTION

Over 182,000 students attend more than 770 provincially funded schools each day.¹ *The Education Act, 1995* and related regulations set out the roles and responsibilities of the Ministry of Education and Saskatchewan's 28 school divisions.

Elected boards of education (school boards), including the Conseil scolaire fransaskois (French language schools), are responsible for administering and managing provincially funded schools (i.e., public, separate, or French language). **Figure 1** provides the combined financial results of the 28 school divisions for 2015-16 and 2016-17. See **Appendix 2** for a listing of the school divisions.

Figure 1—School Divisions' Combined Financial Results

	2016-17	2015-16
	(in billions of \$)	
Net Financial Assets	<u>0.2</u>	<u>0.2</u>
Non-financial Assets (e.g., capital assets such as schools)	<u>2.5</u>	<u>2.3</u>
Ministry of Education Grants	1.5	1.6
Property Taxes	0.7	0.7
Other Revenue (e.g., school generated funds, tuition)	<u>0.2</u>	<u>0.2</u>
Total Revenue	<u>2.4</u>	<u>2.5</u>
Expenses	<u>2.1</u>	<u>2.1</u>
Annual Surplus	<u>0.3</u>	<u>0.4</u>

Source: Audited school division financial statements for years ending August 31.

¹ www.publications.gov.sk.ca/documents/11/104736-2017%20Provincial%20Enrolment%20Statistics.pdf (22 January 2018); Saskatchewan schools do not include schools under the responsibility of First Nations or private schools.



3.0 AUDIT CONCLUSIONS AND SCOPE

Our Office worked with appointed auditors (see **Appendix 2**) to carry out the annual integrated audits of the school divisions. 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 August 31, 2017:

- **Each school division complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Education Act, 1995
The Education Regulations, 1986
The Financial Administration Act, 1993 (section 38)
The Pension Benefits Act, 1992 (section 44)
The Pension Benefits Regulations, 1993 (section 38)
Pension Benefit Standards Regulations, 1985 (Canada) (sections 9[1], 11[1])

- **The financial statements of each school division are reliable**
- **Each school division had effective rules and procedures to safeguard public resources except for the matters related to the following school divisions: Ile a la Crosse, Prairie Spirit, Prince Albert Roman Catholic, Saskatoon, and Sun West**

We used standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001) to conduct our audits. We used the control framework published by CPA Canada to make our judgments about the effectiveness of each school division'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 school divisions' 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. Also, as each school division uses IT systems to operate, we examined school divisions' processes to safeguard financial-related IT systems and data.

4.0 KEY FINDINGS BY SCHOOL DIVISION

4.1 Ile a la Crosse School Division No. 12

Independent Review and Approval of Bank Reconciliations Needed

Ile a la Crosse School Division No. 12 did not follow its policy to prepare, and independently review and approve monthly bank reconciliations during the year. The school division only prepared bank reconciliations at the end of the year.

² See our website at www.auditor.sk.ca.

Regular 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 that Ile a la Crosse School Division No. 12 independently review and approve monthly bank reconciliations.

4.2 Prairie Spirit School Division No. 206

Independent Review and Approval of Purchase Card Transactions Needed

Prairie Spirit School Division No. 206 utilizes purchase cards (i.e., credit cards) to pay for certain expenditures. Audit testing of purchases identified that school principals had authority to approve their own purchase card transactions. Further, there was no independent review and approval of their monthly purchases. This increases the risk of inappropriate purchases being made, or misappropriation of assets.

2. We recommend that Prairie Spirit School Division No. 206 independently review and approve all purchase card transactions.

4.3 Prince Albert Roman Catholic Separate School Division No. 6

Compliance with Purchasing Policy Needed

Prince Albert Roman Catholic Separate School Division No. 6 did not consistently follow its purchasing policy during the year. The school division's policy requires that for purchases over \$500 staff complete a purchase order. Audit testing found three instances where the school division did not complete purchase orders as expected. This increases the risk the school division may acquire unnecessary goods or services or not obtain best value.

3. We recommend that Prince Albert Roman Catholic Separate School Division No. 6 follow its purchasing policy.

4.4 Saskatoon School Division No. 13

Compliance with Purchasing Policy Needed

During 2016-17, Saskatoon School Division No. 13 did not consistently follow its purchasing policy. The school division's purchasing policy requires approval of purchases prior to payment. Audit testing found that the school division did not approve the purchase of a tangible capital asset prior to payment. This increases the risk the school division may acquire unnecessary goods or services or not obtain best value.

4. We recommend that Saskatoon School Division No. 13 follow its purchasing policy.



4.5 Sun West School Division No. 207

Documented Disaster Recovery Plan Needed

We recommended that Sun West School Division No. 207 formally document its IT disaster recovery plan. (2017 Report – Volume 1; Public Accounts

Committee had not yet considered this recommendation as of April 25, 2018)

Status – Partially Implemented

During 2016-17, Sun West School Division No. 207 documented some of its procedures for IT disaster recovery. The school division had not completed its IT disaster recovery plan. A formal documented disaster recovery plan would assist the school division in carrying out proper procedures in the event of a disruption or damage to its IT systems (e.g., accounting system) or if key IT staff were to leave the organization.

5.0 IMPLEMENTED RECOMMENDATIONS BY SCHOOL DIVISION

Figure 2 sets out, by school division, past recommendations and highlights key actions taken to implement each of them during 2016-17.

Figure 2—Implemented Recommendations by School Division

Past Recommendation (Initial PAS Report, Date of Agreement of PAC) ^A	Key Actions Taken During 2016-17 to Implement Recommendations
Holy Family Roman Catholic Separate School Division No. 140	
We recommended that Holy Family Roman Catholic Separate School Division No. 140 follow its policy for recording amounts (i.e., journal entries) in its accounting records including independent review and approval. (2017 Report – Volume 1; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)	During 2016-17, Holy Family followed its policy for recording journal entries, including independent review and approval.
Northern Lights School Division No. 113	
We recommended that Northern Lights School Division No. 113 approve and test its information technology disaster recovery plan. (2013 Report – Volume 1; Public Accounts Committee agreement February 13, 2015)	By August 2017, Northern Lights tested its approved IT disaster recovery plan.

^A PAS – Provincial Auditor of Saskatchewan

PAC – Standing Committee on Public Accounts



Performance Audits

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Chapter 3

Corrections and Policing—Providing Primary Medical Care in Adult Secure-Custody Correctional Centres

1.0 MAIN POINTS

The Ministry of Corrections and Policing's policy on *Healthcare Standards in Provincial Correctional Centres* states the quality of care that offenders receive in a provincial correctional centre should be similar to that experienced by those in the community.^{1,2}

This chapter reports the results of our audit of the Ministry's processes for the provision of primary medical care to adult inmates in Saskatchewan's four adult secure-custody correctional centres.³ Other than the following areas, the Ministry had effective processes, for the provision of primary medical care to adult inmates in its secure-custody correctional centres. The Ministry needs to:

- Regularly update provincial medical care policies and adult secure-custody correctional centre medical care directives. Regularly updating policies and directives keeps them relevant and fosters the use of a consistent approach to providing medical care that aligns with the Ministry's current priorities and strategic direction.
- Require staff to transfer inmate medical files between adult secure-custody correctional centres when it moves inmates between centres or former inmates re-enter the system. Having an inmate's complete medical file available at the correctional centre in which an inmate resides facilitates a continuum of care and avoids replication of tests (e.g., blood tests, specialists' reports).
- Respond to adult inmate complaints about medical care within timeframes required by *The Correctional Services Regulations, 2013*; and periodically analyze adult inmate complaints for trends. Providing timely responses may avoid the risk of an inmate's health being jeopardized, and helps keep inmates informed. Also, assessing trends in complaints could identify systemic or recurring issues in the delivery of medical care within centres, and provide opportunities to adjust processes.
- Deliver orientation training for the nurse manager positions and monitor the currency of first-aid certifications of correctional staff. Having trained staff helps ensure centres can appropriately respond to medical emergencies.
- Work with centres to develop and regularly report on measures to evaluate the provision of medical care to inmates. Through using measures, the Ministry would know whether inmates receive care consistent with its policy (i.e., medical care similar to that experienced by those in the community), and be better positioned to identify areas where its provision of medical care could improve.

¹ Saskatchewan Corrections and Public Safety Adult Corrections Branch Policy, *Healthcare Standards in Provincial Correctional Centres*, (2004).

² Providing inmates with primary medical care similar to that which the inmate would receive in the community is a requirement of the UN Nelson Mandela Rules. In 1975, Canada endorsed these standards and committed to implementing them.

³ Adults are individuals of 18 years of age or older. An inmate is a person who has been sentenced to a term of imprisonment and admitted to a correctional centre to serve the sentence or is otherwise lawfully detained or confined in the correctional centre. Sentenced inmates are those sentenced to imprisonment in an adult correctional centre for a term of less than two years (*Criminal Code*, s. 743.1(3)). They do not include remand inmates. Remand inmates are those lawfully detained (e.g., arrested) or confined and are awaiting trial or sentencing by the courts (*The Correctional Services Act, 2012*, s.2(p)).



The prevalence rate of infectious diseases in the correctional population is higher than in communities. Many inmates may enter the facility with unmet and untreated health conditions as they may have had little or no regular contact with health services before incarceration. Also, the majority of inmates are vulnerable and come from backgrounds that increase the likelihood of declining health. Primary medical care received in a correctional centre can play a role in reducing this health inequality, and the risk of introducing diseases into the community.

2.0 INTRODUCTION

On February 2, 2018, Cabinet split the Ministry of Justice into two separate ministries: the Ministry of Justice and the Ministry of Corrections and Policing.

2.1 Defining Primary Medical Care

Primary medical care refers to first-contact care that family physicians, nurses, or other medically trained personnel typically provide.⁴ It includes medical care provided to inmates upon their admission to correctional centres, urgent care, health promotion and disease prevention, and follow-up care (e.g., screening for reproductive health in the female correctional centre, appointment requests made by inmates). It may include referral by the medical staff in the secure-custody correctional centre to a specialist or an emergency department. It does not include specialized health care (e.g., cardiac rehabilitation programs, chronic disease management programs).

2.2 Ministry Responsibility for Providing Medical Care to Inmates

The Minister of Corrections and Policing is responsible for the establishment, administration, maintenance, and operation of correctional facilities.⁵ Although there is no expressed reference to medical care services in *The Correctional Services Act, 2012*, the Ministry acknowledges that administration and operation of correctional centres includes the provision of medical services, such as treatment, care, and medication for inmates in correctional centres.

2.3 Saskatchewan's Secure-custody Correctional Centres

The Ministry has 12 provincial correctional facilities located throughout the province. It has two types of correctional centres for adult inmates: secure-custody centres and reduced-custody centres.⁶ Adult secure-custody centres are designed to restrict and monitor the movements and activities of inmates, while supporting the delivery of rehabilitation programs.

⁴ www.med.uottawa.ca/sim/data/primary_care.htm (12 October 2017).

⁵ Section 4 of *The Correctional Services Act, 2012*.

⁶ Reduced-custody centres are facilities for holding sentenced individuals, who have been assessed as low risk, and are therefore offered increased freedom in order to seek employment, education, or programming in the community while completing their sentence.

Saskatchewan's four adult secure-custody correctional centres are:

- Prince Albert Provincial Correctional Centre
- Regina Provincial Correctional Centre
- Saskatoon Provincial Correctional Centre
- Pine Grove Correctional Centre (women only)

These facilities house adult offenders sentenced under the Criminal Code of Canada for a term of less than two years, or inmates on remand (lawfully detained or confined and are awaiting trial or sentencing by the courts).

In 2016-17, the Ministry spent over \$143 million on custody services.⁷ At October 2017, Saskatchewan had about 1,800 inmates in the adult secure-custody correctional centres of which about one-half are sentenced and one-half are on remand.

2.4 Medical Care Risks in Correctional Centres

There is a higher prevalence rate of infectious diseases in the correctional population than in communities. If these are not addressed prior to inmates' release to the community, a risk of new diseases and untreated conditions could decrease the wellbeing of the community.

The majority of inmates are vulnerable and come from backgrounds that increase the likelihood of declining health, and the primary care received in a correctional centre can play a role in reducing this health inequality.⁸ Many inmates may enter the facility with unmet and untreated health conditions as they may have had little or no regular contact with health services before incarceration.⁹ Also, the prevalence of disease among inmates is significantly higher than that of the general population. Furthermore, in common with the increased average age of Canadians, the average age of inmates admitted to custody has increased. Admissions to provincial/territorial custody of adults 50 years or older in 2015-16 increased 7% from five years earlier.¹⁰

As our *2016 Report – Volume 2* (Chapter 28) indicated, Saskatchewan is experiencing problems with crowding in its adult secure-custody correctional centres. This can put pressure on the medical care provided to inmates in custody, increase the risk of timely medical care being available to inmates, and increase the risk of illness for inmates.

Serious health issues may arise without timely and appropriate primary medical care; these issues may become life threatening if not addressed. Effective primary medical care in correctional centres can improve the health of the overall community by resulting in less transmittable diseases and reduced crime by treating mental health problems.¹¹

⁷ Ministry of Justice, *Annual Report for 2016-17*, p. 19.

⁸ World Health Organization, *Prisons and Health*, (2014).

⁹ *Annual Report of the Office of the Correctional Investigator 2014-15*. www.oci-bec.gc.ca/cnt/rpt/annrpt/annrpt20142015-eng.aspx#s3 (25 October 2017).

¹⁰ www.statcan.gc.ca/pub/85-002-x/2017001/article/14700-eng.htm (11 October 2017).

¹¹ www.stmichaelshospital.com/media/detail.php?source=hospital_news/2015/20150225_hn (20 September 2017).



3.0 AUDIT CONCLUSION

We concluded that, for the 12-month period ended November 30, 2017, the Ministry of Corrections and Policing had effective processes, except for the following areas, for the provision of primary medical care to adult inmates in its secure-custody correctional centres. The Ministry needs to:

- Deliver orientation training for the nurse manager positions and monitor the currency of first-aid certifications of correctional staff
- Regularly update provincial medical care policies and adult secure-custody correctional centre medical care directives
- Require staff to transfer inmate medical files between adult secure-custody correctional centres when it moves inmates between centres or former inmates re-enter the system
- Respond to adult inmate complaints about medical care within timeframes required by the Regulations
- Periodically analyze adult inmate complaints for trends and take corrective action as needed
- Work with adult secure-custody correctional centres to develop and regularly report on measures to evaluate the provision of medical care to inmates

Figure 1—Audit Objective, Criteria, and Approach

Audit Objective:

To assess whether the Ministry of Corrections and Policing had effective processes for the provision of primary medical care to adult inmates in its secure-custody correctional centres for the 12-month period ended November 30, 2017.

The audit did not examine the appropriateness of medical care decisions or services (e.g., dental, acute care) including those made at secure-custody correctional centres or external facilities or care after discharge. In addition, our audit did not examine the maintenance or use of medical equipment within centres.

Audit Criteria:

Processes to:

1. Support the delivery of primary medical care to adult inmates
 - 1.1 Keep staff of adult correctional centres informed of Ministry policy changes
 - 1.2 Maintain primary medical care procedures for adult correctional centres that align with Ministry policies
 - 1.3 Inform inmates of their right to medical care
 - 1.4 Set measures to evaluate provision of medical care to inmates (timeliness, referral to hospital)
2. Deliver timely primary medical care to adult inmates
 - 2.1 Use appropriate medical personnel (training, suitable skills)
 - 2.2 Educate adult correctional centre staff about assessing primary medical care needs
 - 2.3 Assess inmate health at intake
 - 2.4 Use treatment plans to document medical care needs of inmates and provision of care
 - 2.5 Conduct regular preventative medical care
 - 2.6 Appropriately respond to emergent medical needs (e.g., transfer to hospitals)
3. Monitor provision of primary medical care services
 - 3.1 Assess compliance with primary medical care policies
 - 3.2 Respond to inmate complaints
 - 3.3 Evaluate delivery of primary medical care against measures
 - 3.4 Report results to senior management of the Ministry and provincial adult correctional centres

Audit Approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry'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 Ministry's management agreed with the above criteria.

We examined the Ministry's criteria, policies, and procedures that relate to the provision of primary medical care to adult inmates in secure-custody correctional centres. We assessed the Ministry's processes by testing a sample of provincial policies, local directives, inmate medical files, medical complaints, and first-aid certifications. We interviewed key personnel at the Ministry and adult secure-custody correctional centres and consulted with an independent consultant with subject matter expertise. The consultant helped us identify good practice. We assessed controls over key IT applications and tested key aspects of the Ministry's processes.

4.0 KEY FINDINGS AND RECOMMENDATIONS

Ministry staff refers to staff at the head office at the Ministry of Corrections and Policing. Correctional centre staff refers to staff at the adult secure-custody correctional centres.

4.1 Adequate Medical Personnel Available to Inmates

Each of the four adult secure-custody correctional centres contract doctors (general practitioners) and medical specialists (e.g., dentists) and employ nursing staff to provide medical care to inmates within the centres. They each also contract external partners to provide additional services (e.g., substance abuse counselling, laboratory services).

Each centre has a general practitioner on site between 6 and 11.5 hours a week.

Nursing staff are a key element of the medical unit and tend to inmate medical needs from 7 a.m. to 11 p.m. daily. Nursing staff includes a nursing manager, nurses, and clinical administration staff. Nursing staff are responsible for responding to medical issues within each centre, scheduling appointments for inmates to see a doctor or specialist, distributing medication, and other tasks to deliver adequate medical care. A nurse manager leads the medical unit at each centre.

The nursing staff schedule inmate appointments with doctors based on their assessments of the inmate's medical needs. Inmates assessed as having urgent issues see a doctor quicker than those assessed as having non-urgent medical issues (e.g., acne treatment). Each centre had an average wait time of about a month to see a general practitioner.

Correctional centres use external health partners or contract directly to provide additional medical services (e.g., lab services, substance abuse programs, infectious disease clinics, dental, optometry, and sexual health clinics).

For all of the 120 inmate medical files we tested at the four adult secure-custody correctional centres, inmates accessed external health partners when referred by the correctional centre's general practitioner.



4.2 Nurse Manager Orientation Needed

New nurse managers at all four adult secure-custody centres do not receive sufficient orientation for their position. A nurse manager is a critical position to help the medical unit provide quality care to inmates.

Each centre has a nurse manager and staffs this position with a Registered Nurse or Registered Psychiatric Nurse.¹² Each provides the nursing staff with access to ongoing training to keep their nurse certification. The nature and type of training varies depending on the individual nurse's self-directed learning plan.

We found that each of the four correctional centres staffed the nurse manager positions with appropriately qualified medical personnel, who had adequate experience for the positions and to lead the nursing staff. However, the nurse managers we interviewed noted they only received a brief orientation or no orientation at all when they first started. They noted the correctional centre expected them to learn the role on the job. At November 2017, most of the nurse managers had been in their position less than two years.

Without comprehensive initial orientation training, unprepared nurse managers may struggle in this key role in a correctional centre. The working environment of a secure-custody correctional centre differs from a hospital. This can lead to staff turnover.

1. **We recommend that the Ministry of Corrections and Policing deliver orientation training for the nurse manager positions in adult secure-custody correctional centres.**

4.3 Consistent Monitoring of Currency of First-Aid Training Needed

The Ministry is not consistently monitoring whether correctional staff maintain current first-aid certification.

The Ministry requires all correctional staff to hold a current first-aid certification. First-aid certificates are valid for three years with cardiopulmonary resuscitation (CPR) / automated external defibrillator (AED) training recommended annually. Regular first aid training helps correctional staff possess sufficient skills and abilities to readily respond and deal with emergencies when correctional centre medical staff is unavailable. This is particularly critical because medical staff at each centre do not work during the night.

Each of the four centres formally track when each correctional staff was last certified for first aid, and the certification expiry dates.

We found that one correctional centre was not adequately monitoring whether its staff maintain their first-aid certification. This correctional centre reported having approximately 65% of their staff certified as of November 1, 2017. The other three correctional centres

¹² At November 2017, the Saskatoon Provincial Correctional Centre filled, on a temporary basis, the nurse manager position with an employee who was not a nurse. A Registered Psychiatric Nurse holds the permanent nurse manager position and was seconded to the Ministry during our audit period.

we examined were actively monitoring the currency of their staff's first-aid certification; they had between 85% and 99% of staff certified as of November 1, 2017.

Not monitoring whether staff maintain current first-aid certification increases the risk that the centre does not have correctional staff trained in the latest medical emergency procedures.

2. We recommend that the Ministry of Corrections and Policing monitor the currency of first-aid certifications of correctional staff from adult secure-custody correctional centres.

When non-medical correctional staff are hired, they receive training on local medical procedures, addictions, suicide awareness, and other medical-related topics relevant to their position. Local medical procedures are those specific to a centre.

4.4 Routine Review of Medical-care Policies, Directives, and Analysis of Gaps Needed

Lack of Routine Review of Medical-care Policies and Analysis of Policy Gaps

The Ministry does not have complete policies to provide correctional centres with overall direction for some important medical care situations. In addition, it does not routinely review and update its policies for medical care to make sure they remain relevant and current. The Ministry's policies set the overall direction for all of its correctional centres.

The Ministry has policies related to medical care in adult secure-custody correctional centres (e.g., identifying medical needs at intake) but they are not complete. The policies in effect at November 2017 have limited information on the following topics:

- Psychiatric care and treatment plans
- Medical management of drug-addicted inmates
- Preventative care (e.g., routine blood tests)
- Self-administration of medication (e.g., inhalers)
- Inmate fasting
- Private clinicians visiting inmates
- Do not resuscitate orders

While the Ministry tracks its 21 medical policies that are due for review and rates them according to priority, it is not reviewing them at least every three years. We found that at November 2017:

- Five of its six high-priority policies were in the review process and one was awaiting review. The Ministry expected to complete its review of the high-priority policies by August 2018.



- Nine medium-priority policies and three low-priority policies were also due for review. The Ministry expected to complete its review of these policies by February 2019.
- The Ministry implemented the remaining three policies (e.g., administration of naloxone) in 2017.

We found that the Ministry effectively communicated new policies and updates to existing policies through emails to correctional centre staff.

However, for the five policies we tested, the Ministry had not reviewed 60% of the policies in over ten years. Overall, the Ministry had updated only three policies related to medical care since 2016; the Ministry updated the rest between 1996 and 2006. This increases the risk that the policies direct staff to follow medical procedures that are not current.

Effective policies provide current overall direction on key areas. Regular reviews help identify whether policy remains relevant and give current direction for the correctional centres to use in daily operations and decision-making. This helps foster a consistent approach that aligns with the Ministry's current priorities and strategic direction.

3. We recommend that the Ministry of Corrections and Policing regularly update medical care policies for adult secure-custody correctional centres.

Routine Review of Correctional Centre Medical-care Directives Needed

All four adult secure-custody correctional centres do not routinely review and update directives related to medical care. Two of four centres did not have directives on the medical admission process—a key process.

The Ministry expects each correctional centre to develop directives that help them put the Ministry policies into operation. The Ministry recognizes delivery of correctional services may differ between the women's and men's facilities and because of the differing make up of inmate populations in each of its facilities.

Of the 38 medical-care directives we tested, correctional centres had not reviewed over 60% of them within the last one to thirteen years.

Not having directives for medical admission increases the risk that nurses do not assess inmates' medical needs consistently at intake. Lack of or out-of-date directives increases the risk of inmates not receiving consistent and up-to-date medical care.

4. We recommend that the Ministry of Corrections and Policing have adult secure-custody correctional centre staff regularly update medical care directives.

4.5 Staff Comply with Medical Care Policies

Management of each of the four adult secure-custody correctional centres monitor whether staff comply with medical-care policies and handle issues of non-compliance appropriately.

The Ministry makes correctional centre management responsible for policy compliance. Each centre's nurse manager is responsible for making centre staff aware of the Ministry policies and correctional centre directives related to medical care, and for monitoring compliance with them in day-to-day operations and decision-making.

We found correctional-centre staff are aware of policies and directives related to medical care. Medical staff confirm they regularly use policies and directives in daily operations and decision-making.

Correctional centre management deal with issues of non-compliance. They align the consequence to the severity of the infraction. The consequence may involve performance monitoring, coaching sessions, verbal or written reprimand, suspension, or termination of staff. While each correctional centre has the authority to make these decisions, the centres inform the Ministry of severe infractions.

We found that each correctional centre has processes to identify and appropriately resolve issues of non-compliance with medical policies.

4.6 Inmates Informed of Availability of Medical Care

Each of the four adult secure-custody correctional centres adequately inform inmates of the availability of medical care. The Ministry is drafting a manual to further communicate key information to inmates.

Nurses verbally inform inmates of the availability of medical services during their intake assessment. Upon admission to a correctional centre, nurses assess inmates' health using a standard admission assessment form. Assessing includes taking an inmate's vital signs, and information on an inmate's allergies, medications, substance use, and mental health conditions. Inmates have the right to refuse this initial assessment. At this time, nurses advise inmates of the availability of care such as prevention of and testing for sexually transmitted and communicable diseases.

We found each correctional centre reminds inmates of the availability of medical care. It makes medical request forms available in each inmate living unit. Inmates are to request medical care using these forms. Nurses administer medication to inmates up to four times daily, which offers them an opportunity to request medical care.

In addition, we found that two of four centres provide inmates with handbooks that outlined their access to medical care. Also, at November 30, 2017, the Ministry had drafted an inmate orientation manual to inform inmates of their rights, responsibilities, and entitlements. It is to include a section on available health care services. The Ministry expects to complete the manual in September of 2018.

Of the 120 inmate files we tested at the four correctional centres, 91% had completed admission assessment forms. The inmates who did not have an admission assessment form had refused the initial assessment.

We found that the majority of these refusals were inmates from the same correctional centre. Staff at this correctional centre indicated that many inmates refuse the initial assessment due to a lack of confidential space for nurses to perform the assessment at intake. In our *2016 Report – Volume 2* (Chapter 28), we recommended that the Ministry



promptly complete its analysis of alternatives to meet needs for adult correctional facility space, including those alternatives that do not require major construction or renovation of the facilities.

4.7 Transferring of Inmate Medical Files Needed for Continuity of Care

None of the four adult secure-custody correctional centres transfer complete medical files when inmates move from one Saskatchewan centre to another, or when a past inmate re-enters the correctional system into another centre.

Each centre maintains manual medical files on their inmates. Each inmate is assigned a unique number upon entering the centre. This number is reused in the event a past inmate re-enters the provincial correctional system.

The provincial correctional system routinely moves inmates between centres. These moves may occur due to court requests for inmates to be closer to family or when former inmates re-enter the correctional system in another centre.

In event of an inmate moving between centres, each centre only transfers nurse-to-nurse notes instead of the entire medical file or copy thereof. We found, at November 2017, the nurse at the transferring centre wrote brief notes to the nurse at the receiving centre about the moving inmate's current medical care and conditions. While these notes provide information about current treatment, they do not inform the receiving correctional centre about all past treatments, observations, and medical history.

Past medical history is valuable in assessing and providing ongoing care.

Having an inmate's complete medical file available at the correctional centre in which an inmate resides facilitates a continuum of care and avoids replication of tests (e.g., blood tests, specialists' reports). Electronic health records may be an efficient way to accomplish this. Transfer of inmate medical files must respect provisions of *The Health Information Protection Act*.

Also, inmates may be reluctant to repeat their entire medical history during their initial assessment at the receiving correctional centre. Not transferring complete inmate medical files increases the risk that inmates receive inefficient or inappropriate medical care putting their health at risk.

5. **We recommend that the Ministry of Corrections and Policing require staff to transfer inmate medical files between adult secure-custody correctional centres when it moves inmates between centres or former inmates re-enter the system.**

4.8 Assessed Medical Needs and Care Documented

Medical staff within each of the four adult secure-custody correctional centres consistently document the assessed medical needs of inmates and care provided. In addition, these centres provide escorts (i.e., correctional staff) to transfer inmates to hospitals or external appointments.

Medical staff develop inmate treatment plans for inmates assessed as requiring medication or additional medical attention. The Ministry does not require a standard format to document these treatment plans; rather the medical unit within each centre developed a system that works for that centre.

When inmates require an external medical appointment or hospital visit, escorts must transport them to the appointment. In these cases, the correctional centre sends an escort sheet for the specialist or hospital to document medical information.

For each of the 120 inmate medical files we tested, where staff assess a need for medical treatment, staff document in the inmate's medical file the care needed and the administration of care provided. For 20 inmate files we tested that included an external appointment, we found those medical files include medical treatment information of specialists and/or hospitals informing correctional centre staff of the medical care treatment and recommendations for further care.

For 3 of the 20 inmate medical files we tested that included an external appointment, an escort was not initially available because of a shortage of correctional staff and more emergent priorities. Files showed that each centre had rescheduled those appointments (e.g., x-rays, dentist) and inmates later attended them with escort staff.

Other than making flu shots generally available, each of the four centres make preventative medical care available to inmates upon their request. In 2017, each centre made the flu shot available to inmates. Of the 120 inmate medical files we tested, over one-third of inmates received some form of preventative medical care. For the remaining two-thirds, we did not see information in those medical files that the inmates had requested any preventative care.

4.9 Procedures for Medical Emergencies Established

Each correctional centre has documented procedures for medical emergencies related to inmates.

During a medical emergency, the correctional staff call a code, which alerts available medical staff to respond and bring the nearest trauma bag. The trauma bag includes items such as bandages, first aid supplies and gloves. Part of the emergency response may include transferring the inmate to the hospital, or calling an ambulance. Correctional staff escort inmates to the hospital.

For each of the inmate medical files we tested that required emergent care, escorts were available to transfer them to a hospital.

4.10 More Timely Response to Inmate Complaints About Medical Care Required

The Ministry and the four adult secure-custody correctional centres are not consistently responding to inmate complaints about medical care within the timeframe required by law.



The Correctional Services Regulations, 2013 requires the Ministry and correctional centres to respond to inmate complaints within five business days of their receipt.¹³

Also, the Ministry and those correctional centres are not tracking whether they give inmates interim responses when they cannot provide a final response to the complaint within the five business days.

The Regulations require providing inmates with interim responses if the Ministry/centre cannot reach a final decision within five business days of receipt of the complaint. In these cases, written interim responses notify the complainant that the complaint cannot be resolved within the mandated timeframe, and the complaint continues to be investigated. Interim responses help keep inmates informed of the status of their complaint.

Inmates are to address all formal complaints to their correctional centre director. The director normally assigns any complaints related to medical care to the centre's nurse manager. Each centre's nurse manager is responsible for responding to and resolving medical complaints with inmates. If the inmate does not accept the initial resolution by the nurse manager, the inmate can appeal the decision to the director. Further appeals go to the Ministry and then the Saskatchewan Ombudsman.

The Ministry and the four adult secure-custody correctional centres received almost 300 inmate complaints related to medical care (e.g., medication, medical requests, medical staff) during the 12-month period ended November 30, 2017.

We found that information on the nature and level of detail tracked about those complaints varied (i.e., explanations of complaint ranged from just 'medical services' to detailed explanations of the actual issue reported by inmate). Each of the centres and the Ministry track inmate complaints received, and the date they formally respond to the inmate. At November 2017, only two of the four centres tracked if staff sent an interim response to an inmate.

Also, we found responses to inmate complaints related to medical care were late. In our review of the almost 300 inmate medical complaints, we found staff were late responding to inmates almost 30% of the time, with an average response time of eight business days. For five complaints we tested, staff were late responding to inmates' complaints 80% of the time.

Not providing timely responses, including interim responses, to inmate complaints about medical care is not consistent with *The Correctional Services Regulations, 2013* and may lead to inmates' health being jeopardized.

6. We recommend that the Ministry of Corrections and Policing formally respond to adult inmate complaints about medical care within timeframes required by *The Correctional Services Regulations, 2013*.

¹³ Sections 48 and 49.

4.11 Further Analysis of Inmate Complaints about Medical Care Required

The adult secure-custody correctional centres and the Ministry do not periodically analyze inmate complaints about medical care to identify areas to improve its delivery of medical care.

We found that about 40% of the almost 300 complaints about medical care were regarding medication (e.g., inmate complaints about not receiving medication or complaints that they want specific medications). Since the Ministry has not analyzed these complaints for trends, it does not know if any corrective action is required.

By not assessing trends in the type of complaints to identify systemic or recurring issues in the delivery of medical care, staff may miss opportunities to adjust processes or improve communication.

7. We recommend that the Ministry of Corrections and Policing periodically analyze complaints about medical care from adult inmates in its secure-custody correctional centres for trends and take corrective action as needed.

4.12 Measures Needed to Evaluate Provision of Inmate Medical Care

Neither the Ministry nor the correctional centres have documented measures for the provision of medical care.

Other than information tracked for a three-month period, we did not find evidence of tracking of key medical care activities or measures (e.g., number of intake assessments completed, wait time for medical care, number of inmates per medical staff). In 2016, as part of a Ministry health-services review of adult correctional centres, it tracked some data (e.g., number of intake assessments completed, wait time for medical care) for a three-month period.

The medical units at each of the four centres do not have measures to evaluate the medical care they provide to inmates, so staff do not record evaluative information for overall medical care.

Evaluative information is limited to results from nursing staff's individual work plans. Each year, each centre's nursing staff (nurses and nurse manager) maintain individual work plans that outline their personal work objectives and training goals. These work plans require the nursing staff to develop annual work objectives and assess their results at mid-year and year-end.

Without measures to evaluate the provision of medical care, the Ministry does not know whether inmates receive care consistent with its policy (i.e., medical care similar to that experienced by those in the community). Also without measures, the medical units cannot identify areas of provision of medical care that they could improve.



8. We recommend that the Ministry of Corrections and Policing, working with the adult secure-custody correctional centres, develop measures for evaluating the provision of medical care to inmates.
9. We recommend that the Ministry of Corrections and Policing receive regular reports from adult secure-custody correctional centres on the provision of medical care to inmates.

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Chapter 4

Energy and Resources—Regulating Oil, Gas, and Pipeline Industry Incidents

1.0 MAIN POINTS

Saskatchewan has a significant oil and gas industry. Saskatchewan has over 35,000 oil wells, which produce in excess of 450,000 barrels of oil a day.

During the production and transportation of oil and gas (e.g., operating oil wells, moving products using pipelines) unwanted events occasionally occur, known as incidents. Incidents generally relate to the uncontrolled release of substances (e.g., spill, release of gas, leaks), fires, and damage to or malfunction of equipment. These incidents may contaminate the air, soil, or water, and pose a threat to human health, public safety, property, and the environment, as well as domestic and wild animals.

The Ministry of Energy and Resources is responsible for licensing and regulating the oil, gas, and pipeline industry. Regulating reportable incidents is one part of the Ministry's overall regulatory structure for regulating oil and gas activities in Saskatchewan.

This chapter reports on the results of our audit of the Ministry's processes to regulate that oil, gas, and pipeline industry operators resolve incidents to protect public safety and the environment. The Ministry needs to improve its regulatory processes in the following three key areas:

- Document its classification of risks of reported incidents, and its expectations on the nature and timing of its involvement to regulate reported incidents. A formal process to classify the risks of reported incidents fosters consistent consideration of the consequence of an incident, and the likelihood of it posing an increased risk to the environment, public health, and safety. Taking the right action at the right time reduces the risk that industry operators fail to resolve immediate safety risks to the public or environment or fail to complete required reclamation work.
- Consistently inform industry operators when it is satisfied that industry operators have resolved reported incidents. Having a consistent approach for informing industry operators as to whether the Ministry is satisfied with the resolution of the incident will promote consistent communication and reduce the risk that industry operators may assume incidents are resolved when they are not.
- Set expectations for documenting its key activities for regulating reported incidents. Setting clear expectations for staff to follow would help ensure the Ministry keeps sufficient and complete records of its actions and decisions to regulate reported incidents.



2.0 INTRODUCTION

This chapter sets out the results of our audit of the processes the Ministry of Energy and Resources (formerly the Ministry of the Economy)¹ uses to regulate reportable oil, gas, and pipeline incidents in Saskatchewan. **Section 6.0** is a glossary of technical terms used in this chapter.

2.1 Responsibility for Regulating Reportable Incidents

Saskatchewan was the second highest oil producer among Canadian provinces, accounting for 13% of Canada's oil production. In 2016, Saskatchewan had an estimated 900 million barrels of crude oil reserves and an estimated 1.7 trillion cubic feet of natural gas reserves.² The province had approximately 105,500 kilometres of pipelines and flowlines.³

The Ministry of Energy and Resources is responsible for licensing and regulating the oil, gas, and pipeline industry. The Ministry regulates these areas under *The Oil & Gas Conservation Act* and *The Pipelines Act, 1998*.

A primary purpose of *The Oil & Gas Conservation Act* is to protect the environment, property, and safety of the public with respect to the operations of the oil and gas industry.⁴

Regulating reportable incidents is one part of the Ministry's overall regulatory structure for regulating oil and gas activities in Saskatchewan. The Ministry's regulatory structure also includes:

- Licensing oil, gas, and pipeline industry operators for activities such as drilling and operating wells, and constructing and operating pipelines
- Inspecting licensed industry operations to monitor and determine whether industry operators operate consistent with licence requirements
- Regulating that industry operators reclaim sites to original condition once industry operations are finished

A reportable incident is an event that oil, gas, and pipeline industry operators must report by law. Reported incidents generally relate to the uncontrolled release of substances (e.g., spill, release of gas, leaks), fires, and damage to or malfunction of equipment.

Saskatchewan's regulatory structure places the onus on the industry operator of a well, facility, pipeline, or flowline to be the first to notify the public and/or landowners of immediate risks to public safety when such incidents occur (e.g., when the industry operator activated their emergency response plan).⁵

¹ On February 2, 2018, the Government of Saskatchewan discontinued the Ministry of the Economy and created three separate ministries: the Ministry of Energy and Resources, the Ministry of Trade and Export Development, and the Ministry of Immigration and Career Training (Orders in Council #49/2018 to 53/2018 each dated February 2, 2018).

² www.capp.ca/canadian-oil-and-natural-gas/industry-across-canada/saskatchewan (14 February 2018).

³ Ministry of Energy and Resources records.

⁴ *The Oil & Gas Conservation Act*, section 3(1)(f).

⁵ www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/environmental-protection/incident-management-and-reporting (14 February 2018).

Various laws require industry operators to notify and report incidents to the Ministry.⁶ In addition, laws require the industry operators to remediate the impacted area to a state to which the Minister is satisfied.

The Ministry has four field offices located at Lloydminster, Kindersley, Swift Current, and Estevan, and a head office in Regina. Field offices are responsible for delivering programs and enforcing the requirements specified under the legislation and related directives including those related to regulating reported oil and gas incidents.

2.2 Importance of Response to Reportable Incidents

Oil, gas, and pipeline incidents have the potential to contaminate the air, soil, or water. They can pose a threat or risk to human health, public safety, property, and the environment, as well as domestic and wild animals.

Incidents that require reporting to the Ministry occur, on average, multiple times per day (see **Figure 1**). The source, nature, location, frequency, and severity of those incidents can vary.

Figure 1 – Number of Incidents Reported to the Ministry from 2012-13 to 2016-17

Fiscal Year	Number of Incidents Reported to the Ministry	Number of Industry Operators Reporting Incidents
2016-17	657	66
2015-16	644	72
2014-15	802	82
2013-14	888	80
2012-13	847	118

Source: Ministry of Energy and Resources records, www.publications.gov.sk.ca/redirect.cfm?p=78193&i=87695 (14 February 2018).

Historically in Saskatchewan, incidents that cause significant damage (e.g., to the environment) occur infrequently. Such incidents can have significant consequences for human health, the environment, wildlife, and oil company profitability.

For example, the Husky Maidstone oil spill in July 2016 released an estimated 225 cubic metres of crude oil blended with condensate with about 60% of this volume contained on land and about 40% entering the North Saskatchewan River.⁷ This affected the drinking water supply of nearby residents, as the North Saskatchewan River is the primary source of drinking water for the cities of Prince Albert and North Battleford. The Government is assessing and monitoring the oil spill's effect on the water, shoreline, fish, and other aquatic wildlife.⁸

Timely action and response to incidents helps protect people and the environment, and mitigate damage caused by the incident. Determining whether industry operators report and take appropriate actions as laws require helps limit damage to the environment (e.g.,

⁶ *The Oil and Gas Conservation Regulations, 2012, The Pipelines Act, 1998, and The Pipelines Regulations, 2000.*

⁷ www.saskatchewan.ca/business/environmental-protection-and-sustainability/hazardous-materials-and-safe-waste-management/husky-maidstone-oil-spill (21 March 2018).

⁸ *Ibid.*



air and water pollution) and reduce threats to human health and property when these incidents occur.

3.0 AUDIT CONCLUSION

We concluded that for the 12-month period ended September 30, 2017, the Ministry of Energy and Resources had, except in the following areas, effective processes to regulate that oil, gas, and pipeline industry operators resolve incidents to protect public safety and the environment.

The Ministry needs to:

- **Set expectations for documenting its key activities for regulating reported incidents**
- **Document its classification of risk of reported incidents and its expectations on the nature and timing of its involvement to regulate reported incidents**
- **Consistently inform industry operators when it is satisfied that industry operators have resolved reported incidents**

This conclusion does not extend to the Ministry's regulation of the July 2016 Husky Maidstone oil spill. As explained in **Figure 2**, our audit work on its regulation of this incident was limited as certain information related to this incident was with the Ministry of Justice. At the time of our audit, the Ministry of Justice was determining whether charges under the province's environmental protection legislation were warranted. In late March 2018, various charges were laid against Husky under *The Environmental Management and Protection Act* (Saskatchewan), the *Fisheries Act* (Canada), and the *Migratory Birds Convention Act* (Canada). As of April 9, 2018, these matters were before the courts.

Figure 2—Audit Objective, Criteria, and Approach

Audit Objective:

The objective of this audit was to assess whether the Ministry of Energy and Resources (formerly the Ministry of the Economy) had effective processes, for the 12-month period ended September 30, 2017, to regulate that oil, gas, and pipeline industry operators resolve incidents to protect public safety and the environment.

Audit Criteria:

Processes to:

1. Maintain guidance to regulate that industry operators resolve incidents
 - 1.1 Establish incident reporting requirements
 - 1.2 Establish criteria on what the Ministry considers as a satisfactory resolution to incidents
 - 1.3 Maintain risk-based framework to guide staff
 - 1.4 Use qualified and properly trained personnel
2. Monitor reported incidents
 - 2.1 Track key information about incidents
 - 2.2 Investigate concerns received other than incidents reported from industry operators
 - 2.3 Investigate incidents within a reasonable period
 - 2.4 Act based on documented results of investigation
 - 2.5 Co-ordinate with other regulating agencies when necessary (e.g., Ministry of Environment, National Energy Board, etc.)
3. Report impact of incidents timely
 - 3.1 Notify industry operator when incident resolved to the Ministry's satisfaction

- 3.2 Report significant risks or implications to senior management and Minister within a reasonable period
- 3.3 Report promptly to public when incidents pose a threat to public safety

Audit Approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry's processes, we used the above criteria based on related work, reviews of literature including reports of other auditors, and consultations with management. Ministry management agreed with the above criteria.

We examined the Ministry's relevant strategies, policies, and procedures. We observed incident sites at two field offices and tested a sample of incident reports, complaints, and investigations completed by the Ministry. We consulted with an independent consultant with subject matter expertise. We also reviewed the Ministry's directives and reporting expectations for industry operators.

Our audit work to evaluate the Ministry's regulatory activities of the Husky Maidstone oil spill was limited to avoid impacting on the integrity of the judicial process. At the time of our audit, the Ministry of Justice was determining if charges under the province's environmental protection legislation were warranted. We considered information the Ministry made publicly available (e.g., updates, and reports on its website about the incident). We did not examine any records the Ministry gave to the Ministry of Justice related to the Husky Maidstone oil spill. This included detailed records that documented the results of the Ministry's investigation of this incident. Upon the advice of the Ministry of Justice, we did not interview any employees or contractors who may be a witness to the related prosecution about the incident. We obtained written evidence from the Ministry of Justice that all records the Ministry provided to the Ministry of Justice were confidential and could not be shared without risking the integrity of the judicial process.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Qualified Staff Used to Regulate Incidents

The Ministry used qualified staff in its four field offices to regulate incidents, and clearly defined their roles and responsibilities.

The Ministry has approximately 30 field office staff. A manager leads each field office. Each field office is assigned a portion of the province. As shown in **Figure 3**, the number of incidents each field office handles varies.

Figure 3—Number of Incidents Reported to the Ministry by Field Office from 2012-13 to 2016-17

Ministry Field Office Location	Number of Incidents Reported to the Ministry				
	2016-17	2015-16	2014-15	2013-14	2012-13
Estevan	291	247	361	346	363
Swift Current	109	136	160	196	164
Lloydminster	91	131	164	194	177
Kindersley	166	130	117	152	143
Total	657	644	802	888	847

Source: Ministry of Energy and Resources records, www.publications.gov.sk.ca/redirect.cfm?p=78193&i=87695 (14 February 2018).

The Ministry clearly defined the qualifications expected, and roles and responsibilities of field office staff in job descriptions.

For example, it expected field office technologists to have a mix of formal training (e.g., University degree in Engineering or Geology), on-the-job experience (e.g., a thorough



knowledge of operations of area spill-response units), and certain industry certifications (e.g., CPR, H₂S Alive training).⁹

Field offices deliver programs and enforce laws and Ministry directives including those related to regulating reported oil and gas incidents. Some of their key tasks that relate to regulating incidents include the investigation and approval of: spill response and notification; regulating oil and gas site decommissioning and reclamation; developing spill prevention programs; establishing training priorities; and co-ordinating spill-responders training.

The Ministry primarily uses on-the-job training to develop critical skills and experience necessary to regulate incidents. It provides additional staff training and certifications to increase staff knowledge of the oil and gas industry.

For the qualifications and experience of 15 field office staff we reviewed, we found each had qualifications and suitable expertise to complete the work they were assigned. We found that, on average, field office staff had 11 years of experience with experience ranging from 0.5 to 38 years.

For training of 15 field office staff we reviewed, we found during the 12-month period ending September 2017, each had completed training in areas such as geotechnical training, thermal camera imaging, and incident command training, along with other relevant courses. In addition, each had up-to-date H₂S certification, as the Ministry expects.

Furthermore, we found the Ministry provided staff with the equipment required to complete their work (e.g., sour gas detection and monitoring equipment).

In addition, the Ministry may involve other agencies with regulatory responsibility in resolving incidents, depending on the nature of the incident. For example, the Ministry of Environment may be involved when an oil spill occurs near water (e.g., a river). Having processes to co-ordinate its response with other agencies, and leverage expertise of others helps the Ministry make sure industry operators resolve incidents satisfactorily.

4.2 Regulatory Direction about Incidents Sufficient

The Ministry, through directives, gives oil, gas, and pipeline industry operators sufficient and clear direction as to their responsibilities for reporting and addressing oil, gas, and pipeline incidents.

Directives have the force of law. The Ministry has four directives key to regulating reportable oil, gas, and pipeline incidents. They are:

- Directive PNG014 *Incident Reporting Requirements* - sets out the Ministry's requirements for regulating the notification and reporting of spills and other incidents related to wells, facilities, pipelines, and flowlines. For example, it identifies incidents that industry operators must report. It gives specific detail on when, how, and what

⁹ An industry certification required for any worker who may be exposed to Hydrogen Sulfide (H₂S, sour gas). It requires successful completion of a practical skills and written exam. The certification is valid for three years.

information to report. In addition, it defines consequences of non-compliance with these requirements (e.g., suspend well licence).¹⁰

- Directive S-01 *Saskatchewan Upstream Petroleum Industry Storage Standards* - requires industry operators to submit up-to-date copies of their corporate emergency response plans to the Ministry and be a member in good standing of an Area Spill Response Unit.
- Directive PNG001 *Facility Licence Requirements* - requires industry operators to submit up-to-date copies of their corporate emergency response plans to the Ministry and gives additional guidance on requirements for emergency response plans.
- Directive PNG016 *Acknowledgement of Reclamation Requirements* - provides requirements for reclaiming impacted areas (e.g., refers industry operators to specific guidelines of the Saskatchewan Petroleum Industry/Government Environmental Committee).

Besides directives, the Ministry gives industry operators further information and support. For example, it gives industry operators access to its online business IT system (Integrated Resource Information System [IRIS]) used to regulate Saskatchewan's energy and resources industry. It expects industry to report incidents through this IT system. Its IRIS help desk is available 24/7 to provide assistance. In addition, it provides detailed instructions on how to complete each report in IRIS. It makes its directives and guidance available on the Ministry website and has a Petroleum and Natural Gas Services support line.

We found the directives and further information understandable and readily accessible.

In addition, we found the Ministry requires industry to report similar types of incidents as Alberta and British Columbia.

We found the reporting it requires from industry operators provides the Ministry with sufficient information to assess the immediate impact of the reported incident (e.g., identify immediate hazards to the environment or public that need to be contained), and to determine the Ministry's next regulatory steps (e.g., visit the site of the incident).

Also, the Ministry consulted with industry operators when considering changes or revisions to the incident reporting requirements. For example, we observed it asked industry operators in September 2017 to give input on proposed changes to the Ministry's incident reporting requirements.

4.3 Incident Reporting Timelines Reasonable

The Ministry's incident reporting requirements set reasonable timeframes for industry operators to report incidents to the Ministry.

¹⁰ The Directive provides industry operators with specific guidance on actions required if the incident occurs at an industry operators' leased site or elsewhere.



The Ministry sets the following reporting timelines:

- Phone Notification – Immediate (for incidents meeting certain criteria in the incident reporting requirements)
- Initial Incident Notification – 5 days
- Detailed Incident Report – 90 days
- Incident Reclamation Report – 6 months from completion of reclamation

These reporting timelines give industry operators sufficient time to obtain detailed and accurate information to provide to the Ministry (e.g., spill volumes) about the incident. In addition, it gives industry operators reasonable amounts of time to complete the required reports.

4.4 Incident Reporting Thresholds Reasonable

The Ministry set reasonable incident reporting thresholds for releases of substances.

As shown in **Section 5.0**, for incidents involving substances like oil, salt water, gases, and wastes, the Ministry requires industry to report when escapes or releases of these substances exceed certain thresholds (i.e., concentration, volumes). We found these thresholds reasonable and consistent with the risks posed to the environment and human health.

We noted the Ministry improved, in 2015, its incident reporting requirements by requiring industry operators to report incidents where any volume of sour gas that poses a danger to human health, domestic animals, wildlife, or the environment is released from wells or facilities. This change expanded reporting required from industry operators. Before this change, the Ministry only required industry operators to report releases of sour gas concentrations that exceeded 1,000 parts-per-million.

Sour gas, a natural gas that contains significant amounts of H₂S, is associated with the production of oil and gas. It is poisonous to humans, animals, and the environment.¹¹ Gases containing concentrations of H₂S in excess of 100 parts-per-million are immediately dangerous to life and health.¹²

4.5 Guidance on Classifying Risks of Incidents Needed

The Ministry did not give its staff or industry operators guidance on classifying risks of reportable incidents or steps it expects staff to take to regulate reportable incidents. It expects staff to use their knowledge and experience to make these determinations. This results in inconsistent decisions on the nature and timing of Ministry involvement of incidents presenting similar risks.

In addition, the Ministry does not document its informal assessments of risks posed by incidents or decisions on its involvement. The Ministry does not require staff to do so.

¹¹ www.ucalgary.ca/envirophys/sgimpacts2 (14 February 2018).

¹² <https://ohsonline.com/articles/2011/09/01/monitoring-h2s-to-meet-new-exposure-standards.aspx> (22 March 2018).

Based on discussions with staff and review of incident files, we identified staff informally carry out the following key steps when notified of an incident:

- Determine whether the reported incident fully falls within the Ministry's regulatory responsibilities, within Ministry of Environment regulatory responsibilities (e.g., where spill flows into a water body), or jointly.
- Identify and evaluate potential severity and risks of reported incidents. They use this risk assessment to determine the nature and level of their involvement.

Staff do this initially and then at varying stages throughout the regulatory process. They consider factors such as the proximity of the incident to water, type of substance released, and ability to contain and recover it. They use information received at each reporting stage from industry operators (via phone notification, initial incident notification, and detailed incident report) and from their own activities.

Our review of incident reporting guidance of other jurisdictions (e.g., Alberta) found they have a written risk assessment process to guide staff and industry in classifying incidents (e.g., high, moderate, low risk). High-risk incidents would be situations where the operator will likely need assistance to bring the situation under control, and address the consequences of the incident. These situations warrant faster action and a higher level of involvement of regulatory staff. Whereas low-risk incidents could be where a spill is contained and does not pose health or safety issues. These situations allow for lesser direct involvement of regulatory staff (e.g., monitor receipt of reports from industry and review them).

For all 30 incidents we tested, the Ministry did not document its risk assessment of the incident. From discussions with relevant staff (i.e., regional managers, technologists), we found they informally assessed the risk of each incident and used that assessment to determine their involvement. We found they were aware of the major risks incidents pose. For 16 of 30 incidents we tested, the Ministry did not investigate the incident in that it assessed the risk associated with those incidents as low. For 15 of those 16 incidents, we considered its assessments to be reasonable.

For 1 of the 16 incidents we tested with no on-site visits, we thought an investigation would have been useful given the nature of the incident (i.e., approximately 60 m³ of oil spilt with at least 5 m³ of that going into a slough). Due to the spill affecting a water body, we thought the Ministry would have conducted an investigation.

For 14 of 30 incidents we tested with investigations, we noted the timing of the initial on-site visits varied significantly even though staff had assessed the incident as presenting a similar level of risk. We found this variance often linked to the field office responsible for the incident. One field office frequently did initial on-site visits the same day or the day after the industry operator reported the incident. For similar incidents we tested, other field offices did initial on-site visits weeks or months after the incident was reported. Field office staff noted variances were due primarily to workload. As shown in **Figure 3**, the number of incidents reported in each field office vary significantly.

While the risks associated with each reported incident vary, use of a risk matrix helps industry and staff identify and classify risks on a more consistent basis. It does not replace staff using their knowledge and experience when making decisions about Ministry involvement. Rather it fosters consistent consideration of the consequence of an incident,



and the likelihood of it posing an increased risk to the environment, and public health and safety. Taking the right action at the right time reduces the risk that industry operators fail to resolve immediate safety risks to the public or environment or fail to complete required reclamation work.

In addition, documenting the classification of the risk of reported incidents, and decisions on Ministry involvement needed gives managers the ability to supervise whether staff make reasonable and supportable decisions.

1. **We recommend that the Ministry of Energy and Resources document its classification of risk of reported incidents in relation to oil and gas wells, facilities, pipelines, and flowlines, and its expectations on the nature and timing of Ministry involvement.**

At March 2018, we observed the Ministry had started to develop a process to guide initial responses to reported incidents. This draft process includes the use of a matrix to classify the risks of reported incidents.

4.6 Reclamation Standards and Guidelines Clear

The Ministry had clear reclamation guidelines for industry operators to follow when completing reclamation work resulting from incidents in Saskatchewan.

The Ministry, through its directives, requires industry operators to treat or dispose of any contaminated material and remediate, or where necessary, reclaim the impacted area to the satisfaction of the Ministry. It expects industry to use reclamation guidelines when completing reclamations of sites. Also, it requires a third-party expert to complete the reclamation report for any incident that occurs off-lease. Off-lease is outside of the area of a well or facility site that is surrounded by a berm or a dike, or is outside a contoured area that would contain a release of liquid, semi-solid, or solid. Use of a third party expert increases the likelihood that the reclamation work is appropriate and that the site is restored to its previous state.

In addition, the Ministry uses its involvement in the Saskatchewan Petroleum Industry/Government Environmental Committee to maintain documented reclamation guidelines for industry operators to follow.¹³ The Committee consists of representatives from provincial agencies (e.g., ministries of Environment, Energy and Resources, etc.) as well as industry associations (e.g., Canadian Association of Petroleum Producers, Petroleum Services Association of Canada).¹⁴ It establishes reclamation guidelines and keeps them current.

4.7 Industry Operators Generally Reporting to Ministry As and When Required

Industry operators are reporting incidents to the Ministry in the manner the Ministry expects and generally within the timeframes specified in directives.

¹³ The Committee was formed to respond to the need for government and industry to work co-operatively to resolve provincial environmental issues that the petroleum industry presents. Its overriding goal is to ensure the continued growth of the oil and natural gas industry with development proceeding in a manner that minimizes adverse environmental effects.

¹⁴ www.environment.gov.sk.ca/Default.aspx?DN=e29a4131-5a56-481b-a4fa-5cfaabf218f5 (9 March 2018).

The Ministry uses IRIS to record key information about all oil, gas, and pipeline incidents and to manage its processes to regulate incidents. It gives the oil and gas industry access to IRIS. Industry operators can directly enter information into IRIS about their business activities and regulatory tasks including reports about incidents.¹⁵

IRIS had the capability, security features, and tools to track industry operators' incident reports. We noted that reports submitted into IRIS were consistent with directive requirements. These reports provided Ministry staff with the information necessary to monitor the status of reported incidents and to monitor reclamation work.

We found that IRIS had the tools and contained sufficient information to allow both Ministry staff and industry operators to view and edit work completed to resolve the incident as necessary. Our work found the Ministry's controls in IRIS to secure information operated effectively.

IRIS automatically monitors industry operators' submission of incident reports. When industry operators do not meet the incident reporting requirement deadlines, IRIS reminds the industry operator to submit outstanding reports. In addition, IRIS can automatically inform industry operators of missing information.

For almost all of the 30 reported incidents we tested, industry operators submitted required reports into IRIS within the timeframes specified in the Ministry's incident reporting requirements. For the 30 reported incidents we tested, industry operators submitted 27 of 30 initial reports, and 23 of 30 detailed reports within the Ministry's specified timeframe.

For all incidents we tested where industry operators did not submit the detailed reports on time (e.g., the report was not provided within the required 90 days after the incident occurred), IRIS sent a notification to the industry operator and the industry operator subsequently provided the missing reports.

For all 30 incidents we tested, the industry operator was a member of an Area Spill Response Unit as required. For the industry operators we tested, we found the Ministry had updated copies of operators' emergency response plans as expected.

4.8 Sites Affected by Incidents Reclaimed as Required

Industry operators are reclaiming sites as required.

For all 21 incidents we tested requiring reclamation, industry operators followed accepted reclamation standards or guidelines. For 20 of the 21 incidents we tested requiring reclamation, operators followed Saskatchewan Petroleum Industry/Government Environmental Committee #4 guidelines.¹⁶ The other incident followed standards set by the Ministry of Environment (i.e., the Saskatchewan Environmental Quality Guidelines).

Also, 20 of 21 incidents we tested requiring reclamation had reclamation reports completed by a third party (i.e., external engineering firm or environmental reclamation expert). For the other incident, an employee of the industry operator completed the reclamation report. This was acceptable under the incident reporting requirements

¹⁵ www.saskatchewan.ca/iris (14 February 2018).

¹⁶ www.publications.gov.sk.ca/details.cfm?p=75538 (12 March 2018).



because the spill occurred entirely on-lease (i.e., the spill was contained within a contoured area).

4.9 Documentation of Key Regulatory Activities Needed

The Ministry has not set expectations of what minimum information it expects staff to document about its regulatory activities related to reported incidents. It does not always keep records of its key activities to regulate reported incidents. Also, while IRIS is designed and readily available to document activities, the Ministry did not consistently use it to record them.

For reported incidents that Ministry staff assess as low risk to the environment, property, and the public, Ministry involvement and activities include monitoring the receipt of the required reporting from the industry operator (initial incident notification, detailed incident report, and incident reclamation report [as needed]), and reviewing the reports.

At each stage, staff decide whether on-site visits/investigations are warranted.

For incidents other than low risk, field office staff investigate on-site. During on-site investigations, staff interact with both industry operators and landowners. They may attend the site of the incident multiple times.

They may initially visit the site to gather additional information about the incident (e.g., volume and extent of a spill) or to corroborate information obtained from the site operator. They carry out additional on-site investigations depending on their informal assessment of risks the incident poses, the progress of the operator in containing and addressing the situation, and to confirm proper reclamation was done. They use on-site investigations to determine whether industry operators are taking appropriate and timely actions, and have satisfactorily resolved the incident.

For 14 of 30 incidents we tested, the Ministry completed an on-site investigation. For some of these incidents, the Ministry did more than one on-site investigation. For each of these incidents, we found the field office staff that completed the investigation had appropriate expertise and training. We found that the Ministry acted appropriately on the results of investigations (e.g., continued follow up until expected work was completed).

However, for these 14 incidents with investigations we tested, the documentation of these investigations varied significantly.

- For 5 of the 14 incidents we tested with investigations, the Ministry did not use IRIS to record the results of its investigations.

We found field offices did not always keep good or complete records of their investigation activities of incidents. For example, for one of these five incidents, initially in response to our query, the Ministry indicated it did not investigate the reported incident; it had accepted the operator's reports without carrying out additional steps as it had assessed the incident as low risk. Later, after our further inquiries, the Ministry gave us information on its investigation activities of this incident.

- For the other nine incidents we tested with investigations, the amount of documentation recorded in IRIS varied significantly. For example, for some incidents, IRIS simply indicated the investigation was complete and the industry operator's resolution of the incident was either satisfactory or unsatisfactory. For other incidents, IRIS included detailed notes of regulatory activities completed and the investigation results.

The Ministry does not provide staff with written expectations to guide them when completing on-site investigations and to assist them in determining what key information to document. Rather it expects staff to use their discretion and judgment. We found significant variances in documentation of investigations. Some were very detailed and easy to follow. Others had limited details (e.g., did not document who inspected, when, and/or the investigation results).

Also, use of IRIS to record incident regulatory activity varied by field office. We found certain field offices would use IRIS to primarily record satisfactory investigations (e.g., 87% of the Lloydminster field office investigations in IRIS were satisfactory), while other offices would use IRIS to only record unsatisfactory investigations (e.g., 100% of investigations the Estevan and Kindersley field offices entered in IRIS were unsatisfactory).

Setting clear expectations for all field office staff of what key regulatory activities the Ministry expects staff to document will help ensure it has sufficient and complete records of its regulatory activities. Not recording information about key regulatory activities (e.g., results of investigations) in a consistent way could result in information being lost (e.g., corporate knowledge may be lost in the event of staff turnover) and not completing key regulatory activities (e.g., if staff need to follow up on outstanding work).

In addition, using IRIS to record its regulatory activities would facilitate sharing of information within the Ministry and with industry operators. Capturing information about its key activities to regulate reported incidents and decisions reached may provide the Ministry with useful information to assist in its other regulatory activities (e.g., when planning annual inspections).

- 2. We recommend that the Ministry of Energy and Resources set expectations for documenting key activities for regulating reported incidents of spills or other incidents relating to oil and gas wells, facilities, pipelines, and flowlines.**

4.10 Complaints Associated with Reportable Incidents Not Always Well Documented

The Ministry has not set expectations of what information it expects staff to document when handling complaints related to reportable incidents. Field offices did not always document the receipt and resolution of these complaints well.

The Ministry was unable to tell us how many complaints it received related to reportable incidents; it does not track that information.

Field office staff are responsible for handling all public or landowner complaints made to their offices. This includes complaints about incidents of oil and gas spills or in relation to



oil and gas wells, facilities, pipelines, and flowlines. We found each field office documents its receipt and handling of complaints differently.

For all eight complaints we tested related to reportable incidents, the Ministry completed sufficient work to resolve the complaint, and informed the complainant about the resolution. We found the documentation of the Ministry's activities varied significantly between field offices. One field office maintained separate files of complaints; others did not. Some field offices completed formal memos to the regional manager outlining the results of the staff member's assessment of the public or landowner complaint and actions taken. Some field offices used a standard template to document the complaint and resolution. Others used e-mails primarily with the public or landowner to document their work, with little or no reporting to the regional manager.

We found field offices inconsistently used a feature available in IRIS (i.e., feature available when recording an investigation in IRIS) to indicate that the source of the investigation was a public complaint and to record their related activities. Use of IRIS to record complaints related to incidents would enable the Ministry to track these types of complaints and their resolution.

Setting clear expectations for all field office staff of what key activities the Ministry expects staff to document with respect to complaints related to reportable incidents will help ensure it has sufficient and complete records. See **Recommendation 2** about expectations for documenting key activities.

4.11 Ministry Needs to Notify Industry Operators when it is Satisfied that Industry did Sufficient Work to Resolve Incidents

The Ministry did not consistently notify industry operators whether industry operators resolved incidents to the Ministry's satisfaction.

When industry operators finish incident reclamation work, the industry operator indicates in IRIS that it has fulfilled its reporting requirements to the Ministry (e.g., it submitted its reclamation report). Ministry field staff determine whether they are satisfied that the operators have taken sufficient and appropriate actions to treat or dispose of any contaminated materials and remediate, or where necessary, reclaim the area impacted by the incident. Ministry field staff do this through reviews of reports submitted and/or visits to the site to determine actions taken and their sufficiency.

Through our discussions with field office staff and testing of 14 incidents with investigations, we found that the Ministry did not always advise industry operators as to whether the industry operator had resolved the incident to the Ministry's satisfaction. In addition, when it did, it did not always document doing so.

For four of nine incidents we tested with investigations documented in IRIS, there was no record of the Ministry advising industry operators as to whether the Ministry was satisfied. Ministry staff from one field office indicated they call the operators but do not keep records of their calls. Staff from another field office indicated they take an exception basis approach; that is they only notify industry operators if they were not satisfied. Whereas, for five of nine incidents we tested with investigations, field office staff used IRIS to advise

industry operators that they were satisfied (e.g., entered information into IRIS about the satisfactory results of their investigation(s); IRIS then sends a notification to the industry operator).

Many industry operators have activities in more than one of the Ministry's field office regions. Having an inconsistent approach to informing operators as to whether the Ministry is satisfied with the resolution of the incident may cause confusion. It may cause operators to assume incidents are resolved (closed) when they are not.

Not formally informing industry operators as to whether industry operators had resolved the incident to the Ministry's satisfaction increases the risk that industry operators may not know the status of the Ministry's investigation of the incident and may leave incidents unresolved longer than necessary.

3. We recommend that the Ministry of Energy and Resources consistently inform industry operators that the Ministry is satisfied that industry operators have resolved reported incidents of spills or other incidents relating to oil and gas wells, facilities, pipelines, and flowlines.

4.12 Senior Management Notified of Significant Issues

Ministry field office staff notify senior management and keep them informed of significant matters related to incidents. Senior management keeps the public informed of incidents.

We found Ministry field office staff used different methods to communicate to various senior management (e.g., phone call, e-mail), and who field staff communicated this information to varied. While significant matters related to incidents were infrequent, we observed that senior management received adequate information about the incident to determine if further Ministry action was needed (e.g., issuing a news release).

Setting expectations for field office staff to notify senior management of significant matters related to incidents will help ensure consistency. See **Recommendation 2** about expectations for documenting key activities.

None of the 30 reported incidents we tested posed an immediate risk to public safety. For four of these incidents, field office staff informed senior management of the risks posed by the incident, and appropriately kept them informed.

Each week the Ministry updates a public listing of all incidents within the province on its website.¹⁷ This listing included basic information on each incident such as the type of infrastructure (e.g., pipeline, well, facility), type and volume of substance released (e.g., oil, gas), and status of the incident (e.g., whether reclamation work is ongoing or has been completed).

For incidents that the Ministry views as posing an immediate or on-going risk to health or as being more sensitive, it uses various mechanisms (e.g., website, news releases) to inform the public of any incidents.

¹⁷ www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/environmental-protection/incident-management-and-reporting (19 April 2018).



We found no discrepancies between the industry operator reports submitted in IRIS and the information the Ministry made public.

5.0 INCIDENTS SUBJECT TO NOTIFICATION AND REPORTING

The following table lists types of incidents that industry operators must report to the Ministry.

Type of Operation	Incident	Substance	Location	Description
General Field Operations	Fire	All	All	Any fires resulting from the operation of a licensed well, facility, pipeline, or flowline
	Release or Spill	Naturally Occurring Radioactive Materials (NORM)	All	Any volumes
		Oil by-products or oily produced sands	All	Any volume released that is not approved under GL97-02
	Blow-out	All	All	Any uncontrolled release of gases or fluid from a well
	Kicks	All	All	Any controlled diversion of gases or fluid from the well to a flare tank
Pipeline or Flowline Operation	Contact Damage	All	All	Any contact damage to a flowline or pipeline
	Break	All	All	Any break to a flowline or pipeline
	Leak, malfunction of any equipment, or a worker error resulting in the escape or release of a substance	Oil, salt water, condensate, or other product	Off Lease	Any volume
			On Lease	All releases that are > 2.0 cubic metres (m ³) of fluid
		Gas Containing Hydrogen Sulfide (H ₂ S)	All	Any volume at any concentration
Horizontal Directional Drilling (Pipeline/ Flowline Installation)	Release, Spill or Frac-Out	Drilling Fluid	All	Any volume
	Release or Spill	Drilling wastes	All	Any volume released that is not approved under GL99-01
		Fracturing Wastes	All	Any volume released that is not approved under GL2000-01
		Refined Chemical	On-lease	All volumes >= 0.5 m ³ or 500 litres
Well or Facility Operation	Break, leak, malfunction of any equipment, or intentional or unintentional action resulting in an escape or release	Oil, salt water, condensate, oil and gas waste, emulsion or product	On-lease	All volumes >=2.0 m ³ or 2000 litres requires reporting but only volumes >= 10.0 m ³ or 10,000 litres require notification
			Off-lease	Any volume
		Refined Chemical	On-lease	All volumes >= 0.5 m ³ or 500 litres

Type of Operation	Incident	Substance	Location	Description
	Escape or Release	Gas Containing H ₂ S	All	Any volumes where: 1. The concentration of H ₂ S exceeds 0.1 % or 1000 ppm or 1.0 mole H ₂ S/kilomole from solids, liquids, or gas during production or transportation (truck or transmission via pipeline/flowline); 2. The released volume poses a danger to human health, domestic animals, wildlife, or the environment.

Source: Ministry of the Economy, Directive PNG014 *Incident Reporting Requirements*.

6.0 GLOSSARY

Area Spill Response Unit – An oil and gas industry affiliated organization whose mandate is to provide communication, training, and contingency planning to minimize the risks and environmental damage in the event of a major oil spill.

Directive – Establishes requirements under the governing legislation (i.e., Act and Regulations). Directives are more technical in nature compared to associated Regulations.

Facility – *The Oil & Gas Conservation Regulations, 2012* defines a facility as any building, structure, installation, equipment, or appurtenance that is connected to or associated with the recovery, development, production, storage, handling, processing, treatment, or disposal of oil, gas, water, products, or other substances, that are produced from or injected into a well, but does not include a pipeline.

Flowline – Per *The Pipelines Act, 1998*, it is a pipeline connecting a wellhead with an oil battery facility, a fluid injection facility, or gas compression or processing facility, and includes a pipe or system of pipes for the transportation of fluids within any of those facilities.

Incident – Reportable spills or other events (e.g., unintentional release of substance, fires, damage to or malfunction of equipment, etc.) that are subject to notification and reporting requirements of Directive PNG014.

Industry – Refers to oil and gas production industry, which includes all operators.

Inspection – Routine well, pipeline, and facility site visits that Ministry staff complete as a part of daily operations. Distinction from investigations is that such site visits are not in response to a reported incident.

Investigation – The regulatory work completed by the Ministry in response to a reported incident. This involves visiting the incident site and regulating the cleanup and/or reclamation work.

Landowner – The legal owner of the property on which a well site or pipeline exists.

On-Lease – As defined in Directive PNG014, the area of a well or facility site that is surrounded by a berm or a dike or that is within a contoured area so that any release of liquid, semi-solid, or solid is contained within the described area. Also includes a pipeline terminal.

Off-Lease – Means any location that is not located on-lease.



Operator – As defined in Directive PNG014, means an operator of a well or facility as defined in *The Oil and Gas Conservation Regulations, 2012*, or the operator of a pipeline, including a flowline, as defined in *The Pipeline Regulations, 2000*.

Pipeline – Per *The Pipelines Act 1998*, is a pipe or system of pipes for the transportation of liquid hydrocarbons (e.g., crude oil, liquid petroleum products, natural gas liquids), gaseous hydrocarbons (e.g., natural gas), water, steam (used in the production of crude oil or natural gas), and carbon dioxide. It also includes the following, that are used in connection with the pipelines: tanks, tank batteries, loading facilities, etc.

Reclamation – Per *The Oil & Gas Conservation Regulations, 2012*, is the process of decontaminating, excavating, and removing the contaminants in the soil or water so that they no longer pose a threat or risk to human health, public safety, property, or the environment.

Sour Gas – A natural gas that contains significant amounts of hydrogen sulfide (H₂S). It is associated with oil and gas activities. It is poisonous to humans, animals, and the environment.

Well – Per *The Oil & Gas Conservation Regulations, 2012*, is any opening in the ground from which any oil, gas, or other hydrocarbons is, has been, or is capable of being produced from a reservoir.

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Chapter 5

Government Relations—Recommending Infrastructure Projects for Funding

1.0 MAIN POINTS

The Ministry of Government Relations administers, on behalf of the Provincial Government, various federal-provincial infrastructure funding agreements. As part of this administration role, it recommends infrastructure projects to the Federal Government for federal-provincial funding. The Ministry uses the same basic recommendation process for all federal-provincial infrastructure agreements it administers.

For the 12-month period ended January 31, 2018, the Ministry had, other than the following areas, effective processes to recommend eligible projects for funding under two federal-provincial infrastructure agreements. The Ministry needs to:

- Consistently document rationale for key decisions made (e.g., decisions on why a project is recommended over others). Documented rationale can help the Ministry defend its key judgements and readily show it treated applicants for funding fairly and equitably.
- Make publicly available the factors it uses to determine which eligible projects to recommend for funding. Making this information available helps the Ministry demonstrate that it has transparent processes and helps it ensure processes are sustainable (i.e., in the event of key personnel turnover).
- Independently review project ratings. Project ratings are a critical component of the Ministry's processes to recommend projects for funding. Independent review can help reduce the risk of projects being rated inconsistently or incorrectly. In addition, it would help the Ministry continue its processes in the event of key personnel turnover.
- Have a strategy to notify unsuccessful applicants. Without timely communication, the applicant's ability to make timely decisions about their projects may be impaired.

2.0 INTRODUCTION

This chapter provides the results of our audit of the Ministry of Government Relations' processes to recommend eligible projects for funding under federal-provincial infrastructure agreements.

The Ministry of Government Relations is responsible for municipal relations, public safety, and First Nations, Métis, and northern affairs. Its responsibilities include planning for and responding to opportunities and challenges of growth; providing leadership and direction so that integrated public services are available to communities and their residents; and supporting responsible governments.^{1,2}

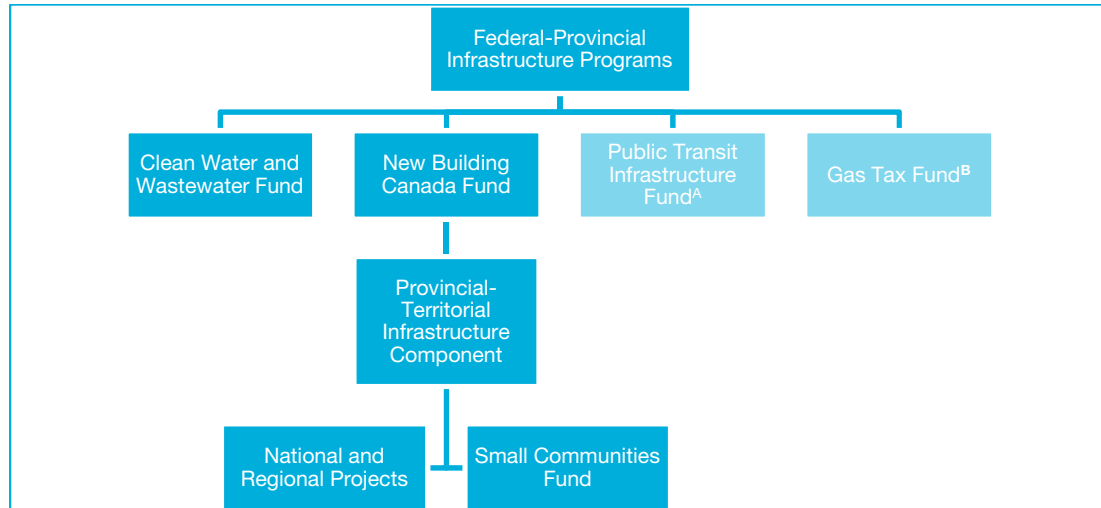
¹ *The Ministry of Government Relations Regulations* established under *The Executive Government Administration Act*.

² *The Ministry of Government Relations Plan for 2017-18*, p. 5; and the *Government of Saskatchewan 17-18 Estimates*, p. 69.



The Ministry administers, on behalf of the Provincial Government, various federal-provincial infrastructure funding agreements.^{3,4} See **Figure 1** for agreements and related programs in effect in 2017.

Figure 1 – Ministry of Government Relations 2017 Federal-Provincial Infrastructure Programs



Source: Provincial Auditor Saskatchewan based on infrastructure agreements and various public communications.

^AThere is no provincial funding under the Public Transit Infrastructure Fund. The Federal Government has committed \$29 million. Decisions on the funding recipients for the Public Transit Infrastructure Fund were reached prior to February 2017. As a result, this program is not included within the scope of this audit.

^BThe Federal Gas Tax Fund will provide an estimated \$613 million over the next ten years to help local municipalities. Saskatchewan's allocation is \$292.7 million from 2014-15 to 2018-19. The Gas Tax Fund is not included in the scope of this audit as this is an ongoing program with the Federal Government.

Saskatchewan faces aging infrastructure and infrastructure deficits requiring significant investments over time. An October 2016 report by The Institute of Certified Management Consultants of Saskatchewan estimates that *Saskatchewan will require public infrastructure investments of \$51 billion in the next ten plus years.*^{5,6}

The Ministry funds Saskatchewan municipalities and other agencies to support municipal priorities and infrastructure.⁷ The Ministry leverages federal funding available through federal-provincial agreements to support programs throughout the province. Under these agreements, the Provincial Government agrees to fund a portion of the costs of federally approved projects.

The following federal-provincial infrastructure programs support the construction, renewal, and enhancement of basic infrastructure:

- The Clean Water and Wastewater Fund—Provides funding to provincial and municipal governments or other entities that provide designated water or wastewater services

³ The Ministry can provide funding (via grants) to municipalities under *The Municipal Grants Regulations*, section 49 and enter into agreements with funding recipients under *The Executive Government Administration Act*, sections 18 and 21, and *The Government Relations Administration Act*, section 3.

⁴ The Minister of Government Relations signs related federal-provincial agreements, as the representative of the Government of the Province of Saskatchewan.

⁵ The CMC report includes all levels of government in its report (e.g., provincial, municipal).

⁶ <https://higherlogicdownload.s3.amazonaws.com/CMCCANADA/6ae61369-ed65-4d46-87b4-976096e78fa2/UploadedImages/Think%20Big%202%20report.pdf> (11 December 2017).

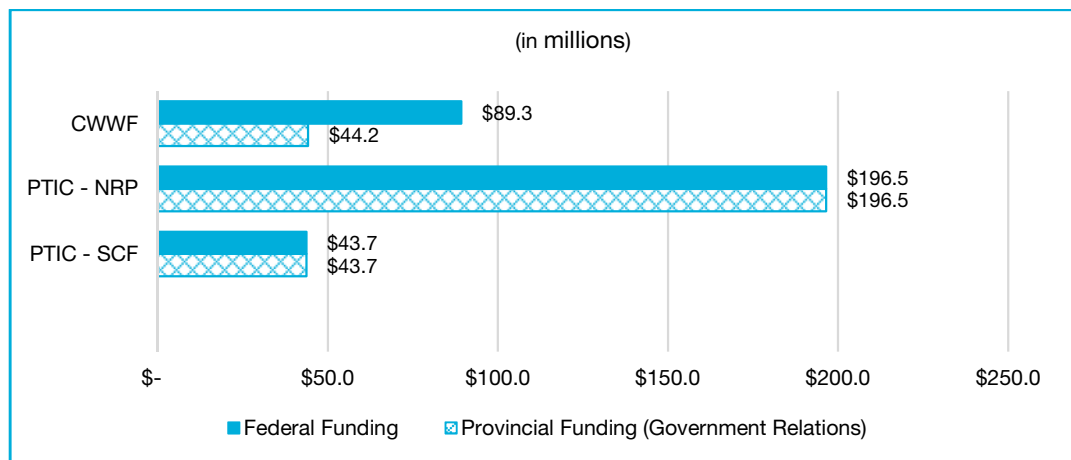
⁷ Other agencies could include First Nations band councils, public sector bodies, and public or not-for-profit institutions that deliver post-secondary courses.

- The Provincial-Territorial Infrastructure Component—Provides funding to provincial and municipal governments for projects eligible under either of its two components:
 - National and Regional Projects
 - Small Communities Fund

See **Section 5.0** for further detail on these infrastructure programs.

As shown in **Figure 2**, a total of \$613.9 million combined federal and provincial funding was available through the portion of these infrastructure programs that the Ministry administered.

Figure 2—Federal and Provincial Funding Available through Certain Federal-Provincial Infrastructure Programs Administered by Ministry of Government Relations



Source: Provincial Auditor Saskatchewan based on infrastructure agreements and various public communications.

CWWF: Clean Water and Wastewater Fund.

PTIC: Provincial-Territorial Infrastructure Fund Component; NRP: National and Regional Projects; SCF: Small Communities Fund.
 Note: Amounts shown are only those related to the aspects of the program that the Ministry of Government Relations administers. They do not include matching amounts that successful applicants must contribute.

In general, the Ministry's responsibilities for these federal-provincial infrastructure programs include receiving applications of proposed projects from parties interested in obtaining funding, assessing eligibility of projects, and deciding under which program the project best fits.

In addition, for each program, the Ministry is responsible for recommending projects to its Minister, and submitting minister-recommended projects to the Federal Government for approval. The Federal Government decides which projects to approve for funding based on the Ministry's recommendations.

For federal-approved projects, the Ministry enters into funding agreements with successful applicants, and monitors each recipient's compliance with the funding requirements.

Based on its experience with past federal-provincial programs, the Ministry recognizes requests for funding exceed available funding. As a result, it must choose which projects to recommend for funding, and under which program to make the recommendation.

The Ministry having to choose increases the importance of having fair, equitable, and transparent processes for selecting eligible projects to recommend. In addition, these processes must consider the best interests and needs of the public affected by the proposed projects.



3.0 AUDIT CONCLUSION

We concluded that, for the period from February 1, 2017 to January 31, 2018, the Ministry of Government Relations had effective processes, other than in the following areas, to recommend eligible projects for funding under the following federal-provincial infrastructure agreements: the Clean Water and Wastewater Fund and the Provincial-Territorial Infrastructure Component.⁸

The Ministry needs to:

- Consistently document rationale for key decisions made (e.g., decisions on why a project is recommended over others)
- Make publicly available factors (e.g., ability to meet deadlines) used to determine projects to recommend for funding
- Independently review project ratings
- Develop a strategy to notify unsuccessful applicants

Figure 3—Audit Objective, Criteria, and Approach

Audit Objective:

The objective of this audit was to assess the effectiveness of Ministry of Government Relations' processes, for the 12-month period February 1, 2017 to January 31, 2018, to recommend eligible projects for funding under federal-provincial infrastructure agreements.

Audit Criteria:

Processes to:

1. Establish a framework for recommending infrastructure projects that aligns with agreed-upon funding arrangements
 - 1.1 Approve framework for proposing infrastructure projects (e.g., policies, procedures)
 - 1.2 Establish infrastructure project application requirements (e.g., deadlines, information required, format)
 - 1.3 Communicate key information on potential funding to applicants (e.g., description of funding available, deadlines, information to include in application)
 - 1.4 Develop criteria to allocate applications to appropriate funding programs
 - 1.5 Develop assessment criteria to prioritize infrastructure project proposals (applications)
 - 1.6 Keep framework current (e.g., periodically determine whether changes are required; align with related federal-provincial agreement and provincial priorities)
2. Evaluate infrastructure project applications within reasonable timeframe
 - 2.1 Manage receipt of project applications and necessary supporting information (e.g., municipality financial statements, funding from other sources, evidence of incremental spending)
 - 2.2 Assign eligible project applications to the appropriate funding program based on approved criteria
 - 2.3 Assess project applications against approved assessment criteria
 - 2.4 Rank eligible applications based on established framework
3. Propose infrastructure projects for approval
 - 3.1 Independently review projects to recommend for approval
 - 3.2 Advise appropriate party (i.e., federal ministry) of projects recommended for approval
 - 3.3 Communicate infrastructure project proposal status and decisions and rationale (e.g., within Ministry, to funding recipients, to unsuccessful applicants)

Audit approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry's processes, we used the above

⁸ The Provincial-Territorial Infrastructure Component consists of two programs—National and Regional Projects and Small Communities Fund.

criteria based on our related work, reviews of literature including reports of other auditors, and consultation with management. The Ministry's management agreed with the above criteria.

We examined the Ministry's criteria, policies, and procedures that relate to processes to recommend eligible projects for funding under federal-provincial infrastructure agreements. We interviewed Ministry staff responsible for recommending eligible projects for funding under federal-provincial infrastructure agreements, and reviewed documentation related to the Ministry's processes (e.g., administrative guides, rating sheets, agreements, project listings, emails). We assessed controls over the key IT system used and tested key aspects of the Ministry's processes, including testing samples of applications the Ministry received.

4.0 KEY FINDINGS AND RECOMMENDATIONS

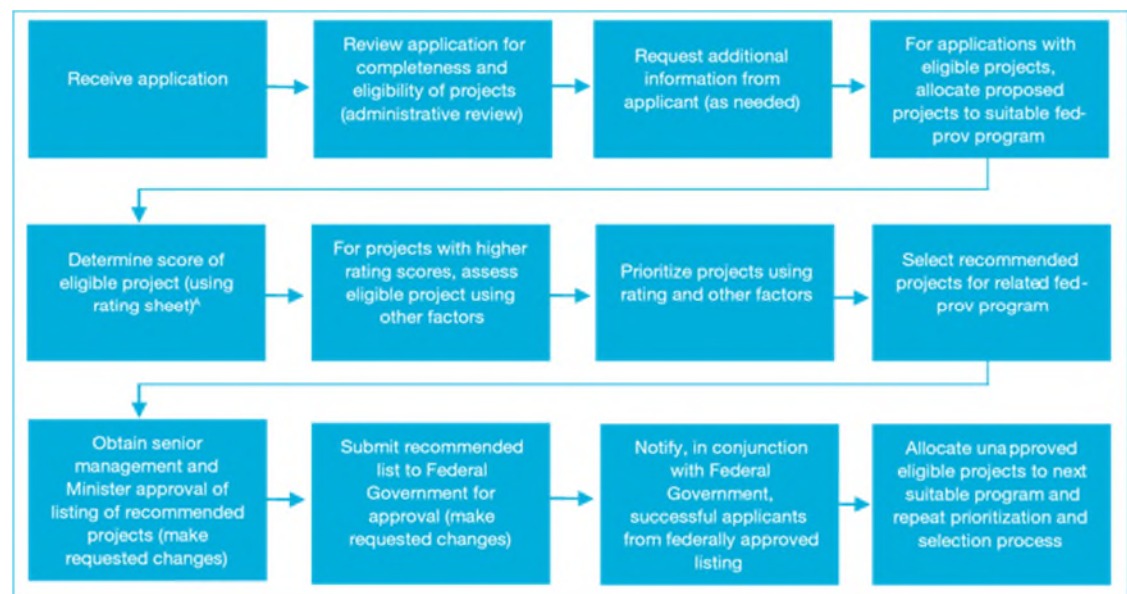
4.1 Recommendation Process Well Established But Not Fully Transparent

The Ministry has a well-established and up-to-date process for recommending projects for federal-provincial infrastructure funding. Most, but not all of this process is sufficiently communicated or documented.

The Ministry assigns responsibility for the recommendation process set out in **Figure 4** to three staff in its Municipal Infrastructure and Finance Branch. This process is one aspect of their responsibilities.

We found that these individuals were knowledgeable and appropriately qualified. Each had worked in this area for many years, and demonstrated a good understanding of the expected process. We noted one individual with past technical engineering experience in municipal systems was responsible for reviewing applications, determining eligibility of projects, and assigning project ratings. This knowledge and experience was essential given judgements necessary in assessing applications and rating projects.

Figure 4—Summary of Ministry Process to Recommend Projects for Approval (Recommendation Process)



Source: Provincial Auditor Saskatchewan based on information from the Ministry.

^A Cabinet may assign a portion of available program funding to specific applicants or groups of applicants (provincial priority areas); these eligible projects are not typically scored.



Application and Allocation Process

The Ministry sufficiently documented and communicated to potential applicants the processes for applying and allocating project applications. It does the following:

- The Ministry uses program funding requirements set in federal-provincial agreements to set application requirements, determine project eligibility, select program to which to allocate the project, and set deadlines (e.g., receipt of applications, completion of projects, submission of recommended listing to the Federal Government).

We found the agreements set out clear deadlines. The Ministry aligned the timing of its processes (e.g., application deadlines; rating and prioritizing projects) based on each program's requirements. For example, the Ministry completed its rating and prioritization process for the Clean Water and Wastewater Fund program between February and March 2017 in order to meet the federal deadline of March 15, 2017, to submit minister-recommended projects. For the Provincial-Territorial Infrastructure Component programs, the Ministry was working towards the federal deadlines of April 1, 2018, and March 31, 2018, for the National and Regional Project component and Small Communities Fund component, respectively.

- The Ministry maintains a detailed application guide and key information about the programs and application process on its website. The Ministry has designed its application process to allow applicants to propose projects that may be eligible for both infrastructure programs. It limits each applicant to two proposed projects, and asks them to state their preferred project. The guide outlines information that an applicant must submit.

We found the guide and website contained sufficient information to enable both applicants and staff to understand and apply application requirements. The webpage includes information on how the programs work, who is eligible for funding, how to apply, how the applications and proposed projects will generally be assessed, project approvals, and links to Federal Government information.⁹

Also, we found that the Ministry used public news releases, emails (e.g., to municipalities), and presentations to stakeholders (e.g., Association of Consulting Engineering Companies, and Saskatchewan Association of Rural Water Pipelines Incorporated) to explain available programs and provide tips on completing applications.¹⁰ For example, publications on its webpage noted that certain project types were priority areas for infrastructure funding for the province.¹¹ One news release noted that online applications for the Clean Water and Wastewater Fund and the Provincial-Territorial Infrastructure Component had to be submitted by February 1, 2017.¹²

We found the information aligned with requirements set out in the agreements.

- The Ministry uses the following two criteria to allocate applications to the suitable program—project type and expected project completion date.

⁹ www.saskatchewan.ca/government/municipal-administration/funding-finances-and-asset-management/funding/nbcf#how-does-it-work (2 April 2018).

¹⁰ Association of Consulting Engineering Companies advise/work with applicants on projects, including determining what to build, cost estimates, and may also help in writing applications.

¹¹ The Provincial Government determined that projects related to drinking water, wastewater, highways and roads, and disaster mitigation were priority areas for infrastructure funding for the province.

¹² The original application deadline was January 23, 2017, but was subsequently extended by the Ministry to February 1, 2017. www.saskatchewan.ca/government/news-and-media/2016/december/07/infrastructure-funding (2 April 2018).

Rating and Prioritization Process

Other than not documenting or publicly communicating all factors used to prioritize projects to recommend, the Ministry sufficiently documented and communicated to potential applicants the processes for rating and prioritizing projects. It does the following:

- Where Cabinet allocates portions of funding available under the infrastructure programs to specific applicants or groups of potential applicants that it regards as having the highest impact and/or need (provincial priority areas), the Ministry reviews the eligibility of projects that those applicants propose. In these cases, eligible projects from these applicants do not compete for funding unless the total of projects they propose exceeds the Cabinet-approved maximum allocation for that applicant's category.

For example, in 2017-18, Cabinet allocated \$54.2 million of \$133.5 million of funding available under the Clean Water and Wastewater Fund to the cities of Regina and Saskatoon and to Northern Saskatchewan.¹³ In 2017, the estimated costs of eligible projects from applicants in Northern Saskatchewan did not exceed the Cabinet approved maximum allocation of \$9.9 million of the Clean Water and Wastewater Fund.

- The Ministry maintains detailed rating sheets to score each project. The sheets contain detailed guidance for rating a project out of 100 points. The Ministry assigns numeric values in 11 categories (e.g., health, capacity, and safety).

The Ministry developed the rating sheets through consultation with relevant stakeholders, including internal Ministry management, external experts (e.g., Saskatchewan Water Security Agency), and other external stakeholders (e.g., Saskatchewan Urban Municipalities Association, Saskatchewan Association of Rural Municipalities).

We found the sheets were understandable and relatively easy to follow. The rating sheets also aligned with federal program requirements.

- Ministry staff scores each project using the rating sheets.
- The Ministry maintains spreadsheets of eligible projects that include rating scores. It initially prioritizes projects using the rating scores. Then Ministry staff use the rating scores along with expected project costs to identify projects to assess further.
- The Ministry considers other factors when prioritizing eligible projects, and deciding which projects to recommend. The Ministry indicated that it had developed these factors based on verbal direction from federal and provincial governments, and its experience with past federal-provincial infrastructure programs. The Ministry considers the other factors listed in **Figure 5** for projects with higher rating scores.

¹³ The Clean Water and Wastewater Fund allows the Provincial Government to use approximately \$0.8 million of federal funds to pay for administrative costs associated with the program.

**Figure 5—Factors Used to Prioritize Projects**

1. Provincial-priority areas
 2. Project scores determined by Ministry staff using rating sheets
- Other factors:**
3. Likelihood of project meeting completion deadlines
 4. Whether the applicant has multiple projects being considered for funding (typically only one project is proposed for funding per applicant)
 5. Whether the applicant has received significant funding from past federal-provincial funding arrangements
 6. Financial stability of the applicant and ability to fund project
 7. Rural and urban representation of projects^A
 8. Maximizing use of federal funding available^A

Source: Provincial Auditor Saskatchewan based on discussions with the Ministry. The Ministry uses a combination of the above assessment factors to determine the projects to recommend to the Federal Government.

^AThe Ministry considers this factor for the overall project list. It considers the other factors on a project-by-project basis.

We found that the Ministry did not document or make public all of the factors that it uses to determine which projects to recommend to its Minister and in turn to the Federal Government.

In addition, while we found the use of these factors was evident in documentation supporting its recommended projects, the Ministry has not formally defined these factors nor the information it expects staff to use when assessing them. For example, it has not documented what is significant funding, or what key data is used to determine an applicant's financial stability.

Not making publicly available all factors used to select recommended projects increases the risk that the Ministry may be viewed as not using transparent processes in determining which projects to recommend for federal-provincial infrastructure funding. Furthermore, not documenting the factors used increases the risk of the processes not continuing as expected in the event of key staff turnover.

1. **We recommend that the Ministry of Government Relations make publicly available the factors it uses to determine which eligible projects to recommend for federal-provincial infrastructure funding.**

4.2 Recommendation Process Kept Up-to-Date

The Ministry kept its process for recommending projects for federal-provincial infrastructure funding up-to-date.

The Ministry uses the same basic recommendation process for the various federal-provincial infrastructure agreements that it administers. As shown in **Section 5.0**, the federal-provincial agreements, in most cases, are in effect for specific periods. In some cases, programs are renewed or continued.

To keep the process current, the Ministry used its past experience with federal-provincial infrastructure programs to identify and improve its process. For example, it kept track of questions from applicants and related responses. It used information from these to update its written guidance and streamline responses to applicants.

In addition, it shares key information with the Federal Government for its consideration when developing future programs or extending existing ones. In addition, it shares

relevant applicant feedback with the Federal Government (e.g., difficulties related to proposing projects for programs with tight project completion deadlines).

We found the Ministry's process to recommend projects aligned with infrastructure program requirements and provincial priorities.

Keeping the recommendation process current helps the Ministry make sure it aligns with the infrastructure programs currently in effect.

4.3 Application Data Appropriately Managed

The Ministry systematically and electronically tracks project applications and other information received from applicants.

In February 2017, the Ministry received applications for both infrastructure programs through an online application tool.¹⁴ As shown in **Figure 6**, the Ministry received 420 applications for funding for projects worth over \$1 billion. \$133.5 million of federal-provincial funding was available under the Clean Water and Wastewater Fund program, and \$480.4 million under the Ministry-administered Provincial-Territorial Infrastructure Component program.

Figure 6—Applications Received by Ministry through Online Applications

Project Type	Number of Applications	Value of Applications (millions)
Clean water and wastewater	291	\$880.0
Highways and roads	49	\$94.6
Recreation	35	\$42.1
Other ^A	30	\$43.2
Solid Waste	15	\$21.9
Total	420	\$1,081.8

Source: Provincial Auditor Saskatchewan based on information from the Ministry's system.

^A Other includes categories such as civic assets, storm water, culture, tourism, short line rail, and innovation.

We found that the Ministry kept each application and related documents in its own electronic folder. It appropriately restricted electronic access to this information to maintain its integrity.

For 42 applications we tested, Ministry staff reviewed each application for completeness. For a few of these applications, the Ministry requested additional information to determine whether proposed projects met the eligibility requirements of the Clean Water and Wastewater Fund program. For applications tested, it received most of the needed information with the application, and appropriately rejected projects where the applicant did not provide sufficient information about the submitted project.

¹⁴ Clean Water and Wastewater Fund and Provincial-Territorial Infrastructure Component programs.



4.4 Projects Eligibility Determined But Reasons Not Always Documented

The Ministry consistently uses two criteria to allocate applications to specific funding programs, and used program requirements to determine project eligibility; but it did not consistently document the basis of its decisions.

Because the Clean Water and Wastewater Fund agreement had an earlier deadline for completion of projects, it allocated projects first to this program.¹⁵

For all 30 applications we tested, the Ministry consistently considered project type (e.g., sewage treatment lagoons, sewage pumps, drinking water supply system upgrades) and expected project completion date of the proposed project listed on the application.¹⁶ The Ministry appropriately disqualified projects where the project type was not eligible for funding, and/or the project had timelines that did not meet required timelines.

For 20% of 30 applications we tested, the Ministry decided proposed projects were not eligible under the Clean Water and Wastewater Fund program, and did not score them. These had anticipated project completion dates prior to March 31, 2018—the project completion deadline.

Ministry staff indicated that, for these applications, the Ministry had determined the applicant's project timelines were unrealistic and the applicant would not complete the project by March 31, 2018. While we found this rationale reasonable given the type and size of project, the Ministry did not record the reason for its decision. See **Recommendation 3** about documenting rationale for decisions made.

4.5 Independent Review of Project Score Ratings Needed

The Ministry did not review the determination of the score of each eligible project nor always document the basis of its ratings.

As noted in **Section 4.1**, the score of each eligible project is used as the starting point to prioritize projects.

We found one staff member determines rating scores for all eligible projects, and calculates the overall rating score. This individual manually and electronically maintains the data used to score and prioritize projects. There is no process for periodic review of rating scores or their determination (e.g. on a risk or sample basis).

For 4 out of 132 individual rating scores tested (related to 12 projects), we found errors (e.g., adding errors) that resulted in the project having an inaccurate overall score.¹⁷ The Ministry did not detect these errors. We determined the extent of error for each project was not large enough to impact the final listing of recommended projects sent to the Federal Government.

¹⁵ March 31, 2018 (or, if the Federal Government approves, March 31, 2019). As of February 2018 management told us that it was in the process of negotiating with the Federal Government to extend these completion deadlines.

¹⁶ Clean Water and Wastewater Fund and Provincial-Territorial Infrastructure Component programs.

¹⁷ We tested the rating sheet related to the project listed on 12 applications for the Clean Water and Wastewater Fund. Each rating sheet had 11 categories resulting in 132 categories tested.

In addition, for 19 out of 132 ratings tested, the Ministry did not have documentation to support the rating score given. 26% of the 19 ratings related to one of the more complex rating categories (i.e., capacity). The capacity category is one of the highest percentages of available points in the rating sheet.

Project ratings are a critical component of the Ministry's processes to recommend infrastructure projects for funding. The lack of an independent review process increases the risk of errors occurring or ratings not being sufficiently supported. This could result in projects not being rated consistently or impartially. In addition, having more than one person involved in the rating process would help the Ministry continue its processes in the event of key personnel turnover.

2. **We recommend that the Ministry of Government Relations require an independent review of project rating scores used to select projects to recommend for federal-provincial infrastructure funding.**

4.6 Consistent Support for Projects on Recommended Listing Necessary

The Ministry follows its established process to assess and prioritize eligible projects but does not consistently record the reasons for its selection decisions.

With respect to determining rating scores, we found for 12 applications we tested:

- The Ministry manually completed rating sheets for each.
- 19 out of 132 individual rating scores we tested did not have documentation to support the rating given. When we inquired about the rationale for the rating scores given, management provided us with reasonable verbal explanations.

With respect to prioritizing projects based on rating scores and results of other assessed factors, we found:

- The Ministry sorted rating scores on its spreadsheets from highest rating to lowest rating to identify projects to assess further using the other factors in **Figure 5**.
- Ministry staff met to discuss the assessment and prioritization of projects to recommend for funding, and they documented the results of their discussion.
- For 8 of 27 projects not recommended even though they had ratings equal to or greater than another recommended Clean Water and Wastewater Fund program project, verbal reasons for those projects not being recommended were reasonable and showed consistent application of the other factors. However, the Ministry had not documented those reasons.

The Ministry announced the approval of 75 projects in a news release on June 2, 2017.¹⁸ With respect to the listing of 75 recommended projects, we found:

- It included 8 projects consistent with provincial-priority areas

¹⁸ www.saskatchewan.ca/government/news-and-media/2017/june/02/wastewater-projects-in-saskatchewan (2 April 2018).



- It included 67 projects recommended based on the Ministry's prioritization process
 - For the majority of these projects, projects had rating scores higher than other projects.
 - Other than the 8 items noted above, the remaining projects had clear documentation explaining why they were recommended over a higher rated project. For example, the Ministry selected an applicant's preferred project where the applicant had two eligible projects that scored high. In another example, it rejected a project based on financial instability of the applicant (i.e., there was a risk that the applicant did not have sufficient resources to finance its share of the project).

Not consistently documenting the basis of judgements made in determining the rating scores or applying other factors used to select projects to recommend for funding decreases the ability of management to supervise the appropriateness or basis of the judgements. In addition, this increases the risks of making inappropriate conclusions and not being able to readily show it treated applicants fairly and equitably.

Not consistently documenting decisions made can also increase difficulty in defending decisions (especially in the event of key personnel turnover, or to respond to potential questions of the Federal Government). This can result in inefficient use of limited resources (e.g., time spent reassessing a project to redetermine why it was [was not] selected for recommendation).

3. We recommend that the Ministry of Government Relations consistently document rationale for key decisions made when recommending infrastructure projects for federal-provincial infrastructure funding.

4.7 Federal Submission Deadlines for Recommending Projects for Clean Water and Wastewater Fund Program Met

The Ministry met the Federal Government submission deadline of March 15, 2017, for submitting minister-recommended Clean Water and Wastewater Fund projects.

The Ministry focused on allocating and assessing projects that could be eligible for the Clean Water and Wastewater Fund because of the earlier deadline for submitting recommended projects to the Federal Government (i.e., March 15, 2017). The federal submission deadlines for the Provincial-Territorial Infrastructure Component, National and Regional Projects and Small Communities Fund components are April 1, 2018, and March 31, 2018, respectively.

Prior to submitting its recommended projects listing to the Federal Government, we found Ministry management and the Minister reviewed and approved the list as expected.

As shown in **Figure 7**, as of January 2018, the Federal Government had approved funding for 163 infrastructure projects under the Clean Water and Wastewater Fund and the two components of the Provincial-Territorial Infrastructure Component (PTIC).

Figure 7—Summary of Federal-Provincial Projects Approved through Ministry of Government Relations at January 31, 2018

Funding Program	Number of projects approved	Federal Commitment	Provincial Commitment	Combined Federal & Provincial Commitment
(in millions)				
Clean Water and Wastewater Fund	110	\$88.5	\$44.2	\$132.7
PTIC-National and Regional Projects	17	\$71.4	\$71.4	\$142.8
PTIC-Small Communities Fund	36	\$16.6	\$16.6	\$33.2
Total Projects	163	\$176.5	\$132.2	\$308.7

Source: Provincial Auditor Saskatchewan based on information from www.infrastructure.gc.ca/map-carte/projects-list-liste-de-projets-eng.html?pt=sk (29 March 2018), federal-provincial program agreements, and information from Ministry of Government Relations news releases (www.saskatchewan.ca/government/news-and-media?ministry=F9140CE6186E4AE98F23C8E08C8EDC3F&page=3 (4 Apr 2018)).

Note: Amounts shown are only those related to the aspects of the program that the Ministry of Government Relations administers. They do not include amounts successful applicants must contribute, funding for administrative purposes, or funding that flows through the provincial Ministry of Highways and Infrastructure.

As of January 2018, management indicated it was on track to meet the deadlines for submitting recommended projects for PTIC.

4.8 Strategy for Communicating to Unsuccessful Applicants Not Yet Developed

Only successful applicants were advised of approved funding for eligible projects under the Clean Water and Wastewater Fund. The Ministry does not have a documented plan for advising applicants not successful in securing funding under both infrastructure programs.

With the permission of the Federal Government, the Ministry sends a standard letter to formally communicate with applicants successful in getting funding for their projects. For the 12 projects with approved funding we tested, each received the standard letter in 2017 as expected.

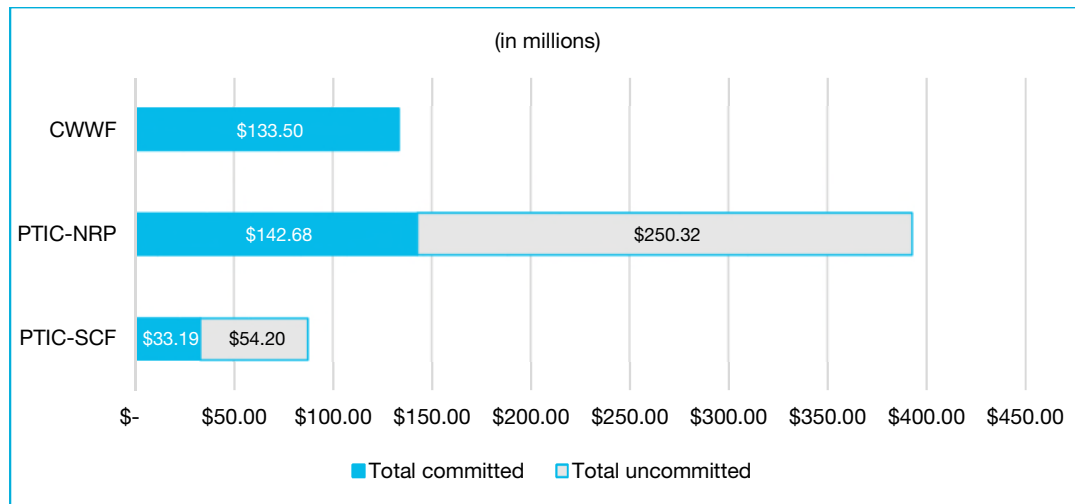
The Ministry also uses news releases to inform the public and applicants of approved projects. For example, it issued a news release on June 2, 2017, announcing 75 new water and wastewater projects approved for Saskatchewan—74 Clean Water and Wastewater Fund projects, and one project under the Provincial-Territorial Infrastructure Component – National and Regional Projects.¹⁹ The news release lists specific projects approved and includes the location, project name, and federal and provincial funding amounts.

As shown in **Figure 8**, at January 31, 2018, available funding under the Clean Water and Wastewater Fund program was fully committed. Whereas, almost 50% (\$304 million) of available Provincial-Territorial Infrastructure Component program funding was not yet committed to a specific project.

¹⁹ www.saskatchewan.ca/government/news-and-media/2017/june/02/wastewater-projects-in-saskatchewan (2 April 2018).



Figure 8—Summary of Ministry-Administered Federal and Provincial Infrastructure Funding Committed at January 31, 2018



Source: Provincial Auditor Saskatchewan based on information from www.infrastructure.gc.ca/map-carte/projects-list-liste-de-projets-eng.html?pt=sk (29 March 2018).

CWWF: Clean Water and Wastewater Fund

PTIC: Provincial-Territorial Infrastructure Component; NRP: National and Regional Projects; SCF: Small Communities Fund.

Note: Amounts shown are only those related to the aspects of the program that the Ministry of Government Relations administers. They do not include amounts that successful applicants must contribute.

Management told us that it would consider whether any projects not approved for funding under the Clean Water and Wastewater Fund are eligible for funding under the Provincial-Territorial Infrastructure Component and that it intends to recommend projects to the Federal Government to use all of this available funding.²⁰

The Ministry did not formally contact applicants not successful in securing funding under the Clean Water and Wastewater Fund. It decided not to do so as it was considering projects in the February 2017 applications eligibility under the Provincial-Territorial Infrastructure Component. The Ministry noted it informs (usually via phone or email) applicants who contact it directly about their application about potential eligibility for funding under Provincial-Territorial Infrastructure Component programs. It also advises them it will complete this determination for funding in 2018-19.²¹

As of January 2018, the Ministry had not documented its strategy to notify applicants not successful in obtaining funding for proposed projects in either infrastructure program (after this determination is made).

Not notifying applicants within a reasonable timeframe or at all can negatively impact the ability of applicants to make decisions about their projects (i.e., result in delayed or canceled projects for applicants), and thus harm the government's relationships with applicants.

4. We recommend that the Ministry of Government Relations determine a written strategy for notifying, within a reasonable timeframe, applicants who are unsuccessful in obtaining funding under federal-provincial infrastructure programs.

²⁰ Project proposals under these programs are due to the Federal Government on March 31, 2018, and April 1, 2018, and were outside of our audit period.

²¹ The Ministry developed stock email replies to use to keep communications consistent when answering applicant questions about the status of their applications.

5.0 SUMMARY OF MINISTRY OF GOVERNMENT RELATIONS- ADMINISTERED FEDERAL-PROVINCIAL INFRASTRUCTURE PROGRAMS

Program Name / Description	Term of Agreement in Effect	Federal Commitment	Provincial Commitment	Municipal / Recipient Commitment	Project Submission Deadline
Clean Water and Wastewater Fund					
Provides funding to provincial and municipal governments or other entities that provide water or wastewater services designated by the provinces and territories or municipalities	From September 15, 2016 to March 31, 2020	Up to 50% of approved project costs to a total of \$89.3 million from 2016 to 2020	Up to 25% of approved projects costs to a total of \$44.2 million from 2016 to 2020	Up to 25% of approved project costs to a total of \$44.2 million, plus any cost overruns, from 2016 to 2020	March 15, 2017
Provincial-Territorial Infrastructure Component					
National and Regional Projects - Projects must be for construction, renewal, rehabilitation, or material enhancement of infrastructure for public use. Provides funding for nationally and regionally (provincial/ municipal) significant projects (predominantly medium and large scale in nature). ^c	No formal agreement in place as of December 2017	Up to 33.33% of approved project costs to a total of \$196.5 million from 2014 to 2024 ^a	Up to 33.33% of approved project costs to a total of \$196.5 million from 2014 to 2024 ^b	Up to 33.33% of approved project costs to a total of \$196.5 million, plus any cost overruns, from 2014 to 2024	April 1, 2018
Small Communities Fund - Projects must achieve program objectives related to: economic growth; a clean environment; and stronger communities. Provides funding for nationally and regionally (provincial/ municipal) significant projects, specifically for municipalities with fewer than 100,000 residents. ^d	From April 28, 2015 to March 31, 2024	Up to 33.33% of approved project costs to a total of \$43.7 million from 2015 to 2024	Up to 33.33% of approved project costs to a total of \$43.7 million from 2015 to 2024	Up to 33.33% of approved project costs to a total of \$43.7 million, plus any cost overruns, from 2015 to 2024	March 31, 2018

Source: Provincial Auditor Saskatchewan based on infrastructure agreements and information provided by management.

^a An additional \$196.5 million in federal NRP funding is administered by the Ministry of Highways and Infrastructure.

^b An additional \$196.5 million in provincial NRP funding is administered by the Ministry of Highways and Infrastructure.

^c www.infrastructure.gc.ca/plan/nrp-pnr-prog-eng.html (8 December 2017).

^d www.infrastructure.gc.ca/plan/sc-cp-eng.html (8 December 2017).



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Chapter 6

Labour Relations and Workplace Safety—Implementing Strategies to Reduce Workplace Injury Rates

1.0 MAIN POINTS

By November 2017, the Ministry of Labour Relations and Workplace Safety's targeted intervention strategies were making a difference. The Ministry has a goal to reduce provincial injury rates to 4.32% by 2020 (reduction of 50% from 2012 rate). The provincial rate of workplace injuries has declined from 8.65% to 5.25% between 2012 and 2017.

Since 2013, the Ministry's targeted intervention strategies include working directly with employers identified as having higher than industry average injury rates, proactively and reactively inspecting workplaces, implementing key enforcement activities (including issuing summary offence tickets), and promoting the importance of reducing workplace injuries. It has partnered with the Workers' Compensation Board on a number of these strategies.

Our Office found that the Ministry had effective processes to implement strategies to reduce provincial workplace injury rates, other than it needs to issue summary offence tickets for workplace violations faster. Promptly issuing summary offence tickets reinforces to employers with workplace violations the importance of addressing the identified violations.

Effective processes to reduce workplace injuries contribute to fewer Saskatchewan workplaces having unsafe practices that place workers at risk. In addition, lower workplace injury rates (along with lower total days lost) reduce the cost to businesses through lower premiums for workers' compensation insurance.

2.0 INTRODUCTION

This chapter sets out the results of our audit of the Ministry's processes to implement strategies to reduce provincial workplace injury rates to 4.32 per 100 full-time workers by 2020.

2.1 Workplace Safety Responsibilities Set in Law

The Ministry's mandate is to encourage, promote, and enforce safe work practices and employment standards to ensure healthy, safe, and productive workplaces.¹ *The Saskatchewan Employment Act* governs the responsibilities of the Ministry related to occupational health and safety. The Ministry is responsible for:

- Creating, developing, and implementing policies and strategies respecting occupational health and safety

¹ *Ministry of Labour Relations and Workplace Safety Annual Plan for 2017-18*, p. 5.



- Preparing and maintaining data on occupationally-related injury and illness respecting both workers and the self-employed
- Promoting and conducting studies and research projects relating to the health and safety of workers
- Encouraging or conducting educational programs for promoting the health and safety of workers²

In 2016-17, the Ministry's Occupational Health and Safety (OHS) division spent almost \$8 million on projects including education, training, inspections, investigations, and enforcement of workplace safety standards (2017-18: \$8.5 million budgeted).³ As of February 2018, the Ministry employed 83 full-time equivalent positions including 58 occupational health and safety officers. The Ministry's OHS division offers programs and services for workers and employers to help ensure safer workplaces and improve the culture of safety in Saskatchewan.⁴

Under *The Saskatchewan Employment Act*, an employer is required to:

- Provide a safe and healthy workplace
- Ensure managers and supervisors are trained, supported and held accountable for fulfilling their workplace health and safety requirements as well as oversee their health and safety performance
- Ensure workers have appropriate training, certification, and experience to do their jobs safely as well as provide medical/first aid facilities
- Establish and maintain an effective health and safety program in co-operation with internal occupational health committees as well as other external parties, and keep minutes of meetings on file and readily available

2.2 The Costs of Workplace Injury Rates

Fatalities cause irreversible and immeasurable harm to those affected. Injuries result in time loss that affects the injured workers, their employers, and is a cost to society.

For example, in 2016 in Saskatchewan, there were 31 fatality claims accepted⁵ and 7,813 time loss claims.⁶ On average, in 2016, 43 days were lost for these time loss claims.

As shown in **Figure 1**, the average duration of time loss (in days) has fluctuated between 2012 to 2016 from almost 39 days in 2012 to just over 43 days in 2016. Over this same period, the average duration of time loss has increased overall. Also, over the same period, as shown in **Figure 2**, the number of fatalities has decreased from 56 in 2012 to 31 in 2016.

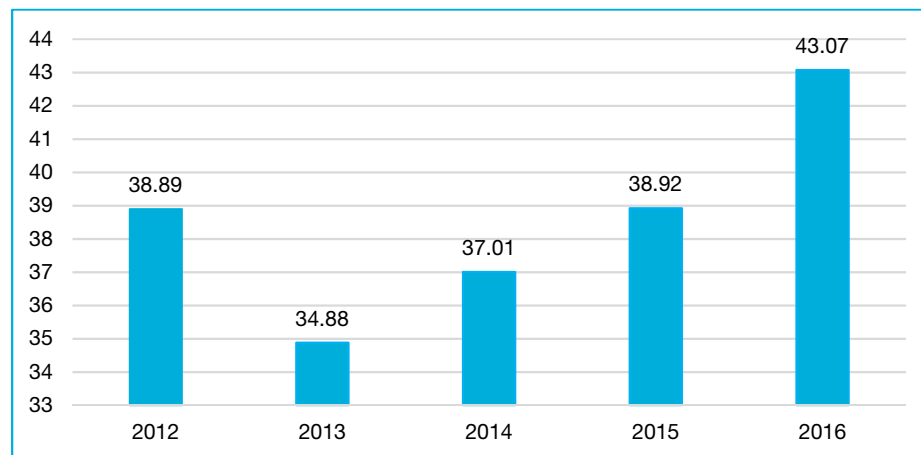
² *The Saskatchewan Employment Act*, s. 3-2(2).

³ <http://www.finance.gov.sk.ca/budget17-18/2017-2018Estimates.pdf> (1 June 2017).

⁴ *Ministry of Labour Relations and Workplace Safety Annual Report for 2016-17*, p. 3.

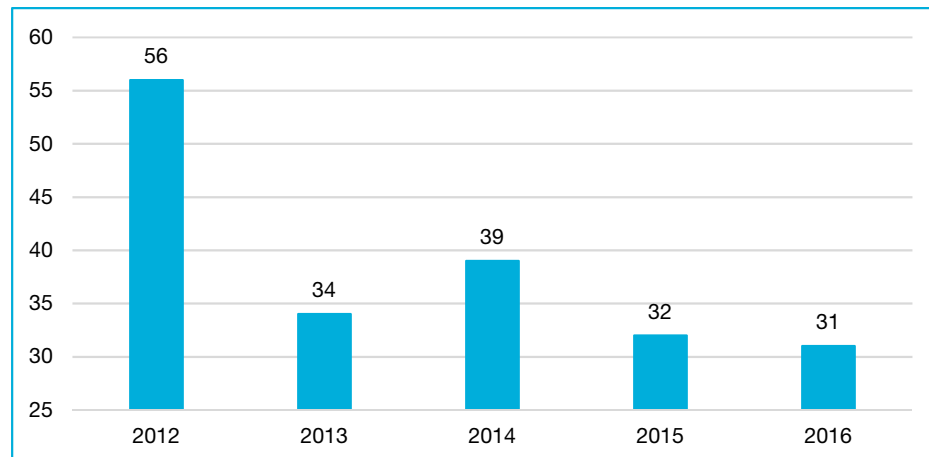
⁵ Claim accepted under *The Workers' Compensation Act*, 2013.

⁶ *Saskatchewan Workers' Compensation Board Statistical Supplement 2016*, p. 4.

Figure 1—Average Number of Days of Claim Duration^A from 2012 to 2016

Source: Saskatchewan Workers' Compensation Board Statistical Supplement 2016.

^A Average claim duration in days equals total days lost divided by claims with time lost.

Figure 2—Workplace Fatality Claims Accepted^A from 2012 to 2016

Source: Saskatchewan Workers' Compensation Board Statistical Supplement 2016.

^A Accepted claim where worker died due to workplace injury. Total includes claims reported prior to the year but accepted by WCB in the year.

The Ministry initiated its targeted intervention strategy to reduce the rate of workplace injuries in 2013.⁷ In 2012, Saskatchewan's total workplace injury rate was 8.65 per 100 full-time workers.

In its *2015-16 Annual Plan*, the Ministry set a goal to reduce provincial workplace injury rates by 50% by 2020—that is, reduce total workplace injury rate to 4.32 per 100 full-time workers by 2020. At December 2016, Saskatchewan's total workplace injury rate was 5.55 per 100 full-time workers. As noted in its *2017-18 Annual Plan*, the Ministry continues to have this goal.⁸

Without the Ministry having effective processes to reduce workplace injuries, workplaces may continue to have unsafe practices, placing workers at risk. High workplace injury rates may negatively affect Saskatchewan's reputation as a place to work, as well as

⁷ Ministry of Labour Relations and Workplace Safety Annual Report for 2016-17, p. 5; Ministry of Labour Relations and Workplace Safety Plan for 2012-13, p. 3.

⁸ Ministry of Labour Relations and Workplace Safety Annual Plan for 2017-18, p. 5.



negatively affect Saskatchewan's economy through increased health/social costs. Lower workplace injury rates (along with lower total days lost) would reduce the cost to businesses through lower premiums for workers' compensation insurance.

3.0 AUDIT CONCLUSION

We concluded that for the 15-month period ended November 30, 2017, the Ministry of Labour Relations and Workplace Safety had, except in the following area, effective processes to implement strategies to reduce provincial workplace injury rates to 4.32 per 100 full-time workers by 2020.

The Ministry needs to issue summary offence tickets under occupational health and safety legislation consistent within its policy (within one calendar month from date of the workplace offence).

Figure 3—Audit Objective, Criteria, and Approach

Audit Objective:

To assess the effectiveness of the Ministry's processes, for the 15-month period ended November 30, 2017, to implement strategies to reduce provincial workplace injury rates to 4.32 per 100 full-time workers by 2020.

Audit Criteria:

Processes to:

1. Identify strategies to reduce injury rates
 - 1.1 Identify root causes for injury rates
 - 1.2 Select strategies to address root causes
 - 1.3 Set expectations (i.e., incremental targets, action plans)
2. Support implementation of strategies to reduce injury rates
 - 2.1 Engage key stakeholders to support strategies (e.g., WCB, employers)
 - 2.2 Allocate resources for strategies (e.g., tools, training, support)
 - 2.3 Monitor implementation of strategies
3. Determine if strategies reduce injury rates
 - 2.1 Measure progress regularly
 - 2.2 Analyze successes and barriers
 - 2.3 Adjust strategies as required
 - 2.3 Keep key stakeholders informed of progress

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

We examined the Ministry's relevant strategies, policies, and procedures. We observed a worksite inspection and tested a sample of priority employers, worksite inspections, and summary offence tickets.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Partnered with WCB on Prevention Strategy – WorkSafe

To reduce injury rates, the Ministry has identified Saskatchewan Workers' Compensation Board (WCB) as a key stakeholder. It actively and collaboratively works with WCB on strategies to promote workplace health, safety, and prevention.

In 2002, the Ministry entered into a memorandum of understanding (MOU) with WCB to partner in a prevention initiative called WorkSafe Saskatchewan (WorkSafe). In 2008, the MOU expanded to include further collaboration, such as setting targets for the reduction in the lost time injury rate and targeted inspections. See **Figure 4** for details on the mission of WorkSafe. This collaboration facilitates their mutual goal of reduced workplace injuries.⁹

Figure 4—WorkSafe Saskatchewan Mission

To ensure the execution of an integrated provincial prevention strategy, WorkSafe will:

- Promote the continuing collaborative development of the partnership
- Promote health, safety, and prevention
- Harmonize the planning process
- Share and maximize available resources and information
- Engage all stakeholders from all sectors of our economy, in active participation
- Facilitate education and training
- Use standardized data, research, and analysis to focus the prevention effort

Source: *WorkSafe Saskatchewan 2015-2017 Strategic & Operational Plan*, p. 2.

The WorkSafe MOU requires regular collaboration of the Ministry and WCB on provincial strategies and initiatives. It creates a steering committee and working group made up of representatives from the Ministry and WCB. It requires the steering committee and working group to meet regularly.¹⁰

WorkSafe promotes collaborative strategies and sharing of resources. It maintains a website that includes information about its key initiatives. For example, each year, it issues awards to a best practice employer who builds safety into every task (Safe Employer Award), and to workers who go beyond the expectations of their position to make their workplace safer and increase awareness for others (Safe Worker Award).¹¹ It makes posters promoting workplace safety available free of charge. WorkSafe gives employers information on common workplace injuries, and how to prevent them. Also, through use of the University of Regina, it surveys workplaces on safety culture and publishes the results. These results provide employers with insight into their safety performance relative to their peers. The most recent report is dated June 2016.¹²

We found that the Ministry was an active participant and contributor to WorkSafe. It worked jointly with WCB on developing and implementing provincial strategies (e.g., the priority employer program) as the MOU expects.

⁹ www.worksafesask.ca/wp-content/uploads/2013/12/WSS-MOU.pdf (14 February 2018).

¹⁰ Ibid., (14 February 2018).

¹¹ <http://www.worksafesask.ca/> (20 February 2018).

¹² www.worksafesask.ca/wp-content/uploads/2013/11/SK-Leadership-Charter-Project_Final-Report_final-version.pdf (20 February 2018).



4.2 Injury-rate Reduction Strategies Based on Data Analysis

The Ministry designed its injury-rate reduction strategies based on analysis of Saskatchewan statistical data about workplace injuries (evidence-based).

The Ministry obtains statistical injury data from WCB monthly and the University of Saskatchewan periodically. Data from WCB includes injury claim details, total injury rate, time-loss injury rate,¹³ occupations, cause of injury, and nature of injury. The University studies farm injuries through its Saskatchewan Farm Injury Project. The purpose of this Project is to gain further understanding into the potential causes and consequences of farm injuries.¹⁴

The Ministry indicated that it does not receive certain detailed information on the injuries. For example, it does not receive detailed information about location within the facility or the employee's task at time of the injury. It recognizes that additional detail on the injuries may enable refined identification of injury root causes.

We found the data it received was robust and up-to-date, and comparable to that available in other jurisdictions.

We found that the Ministry regularly and systematically analyzed injury data. To analyze the data, the Ministry developed its own IT program (ProfileBuilder). It took steps to keep the data within this program complete and accurate.

Using this program, the Ministry identified common factors (root causes) of workplace injuries (e.g., occupations with higher injuries, most common type of injury). It considered injury rates by specific employer, industry class, industry group, and industry rate code. See **Figure 5** for examples of industry classifications. It used its routine analysis to inform its decisions about injury-rate reduction strategies and workplace inspections.

Figure 5—Examples of Industry Classification

Classification of Industries	Examples
Industry Class	Agriculture Building construction Transportation, warehousing
Industry Group	Light agricultural operations Residential construction Commercial air transportation
Industry Rate Code	Riding academies, stables Fence erection Water bombing

Source: Saskatchewan Workers' Compensation Board 2018 Assessment Rate Classification of Industries.

The Ministry's regular analysis of current statistical injury data allows it to make timely adjustments to strategies and effectively focus efforts.

¹³ Time-loss injury rate refers to the number of lost time injuries that occurred in the workplace that resulted in an employee's inability to work the next full workday.

¹⁴ www.cchsa-ccssma.usask.ca/skfarminjuryproject/index.html (23 February 2018).

4.3 Targeted Strategies Reduce Injury Rates

The Ministry identified several key strategies to reduce injury rates; it developed some of these strategies as part of its WorkSafe partnership. It uses them to target workplaces with high injury rates. It refers to these strategies as targeted interventions.

Its strategies include:

- Directly working with employers with high injury rates (the Priority Employer Program)
- Inspecting workplaces proactively and reactively
- Levying charges against employers with workplace offences
- Promoting the importance of reducing injury rates

Each year, the Ministry confirms its strategies to address its goal of reducing the provincial total injury rate during its strategic planning process. During planning, the Ministry also identifies risks to achieving its goals and adjusts its strategies to mitigate them. The Ministry identified incremental targets each year until 2020 to help it assess its progress towards its injury reduction target.

Various acts and regulations identify the Ministry's responsibilities and provide it with the authority to carry out its strategies to reduce workplace injuries. For example, *The Saskatchewan Employment Act* and *The Summary Offences Procedures Regulations, 1991* give the Ministry the authority to inspect workplaces and levy charges against employers with workplace offences.

As shown in **Figure 6**, the Ministry's public annual plan sets out its overall strategies, related key actions, and annual target (i.e., to reduce total provincial injury rate to 5.1% at March 31, 2018).¹⁵ The actual total provincial injury rate was 5.5% at March 31, 2017.¹⁶

Figure 6—2017-18 Annual Plan for Reducing Workplace Injuries

Ministry Goal

Reduce provincial total injury rate by 50 per cent by 2020.

Strategy

Expand the targeted intervention strategy to reduce workplace injuries.

Expand evidence-based and sector-specific inspections.

Continue *WorkSafe Saskatchewan* partnership to focus on injury rate reduction.

Key Actions

- Continue to target larger employers with higher-than-average injury rates and expand to smaller employers with higher-than-average injury rates.
- Continue to work with targeted employers whose injury rates have declined to ensure the reduction can be sustained.
- Review and report on *WorkSafe Saskatchewan's* detailed plan of initiatives and target deadlines.

Performance Measures

Total Injury Rate—Reduce the total provincial injury rate to 5.1 per cent at March 31, 2018.

Source: *Ministry of Labour Relations and Workplace Safety Annual Plan for 2017-18*, p. 3.

¹⁵ *Ministry of Labour Relations and Workplace Safety Annual Plan for 2017-18*, p. 3.

¹⁶ *Ministry of Labour Relations and Workplace Safety Annual Report for 2016-17*, p. 4.



WorkSafe Priority Employer Program Targeting Employers with High Injury Rates

Since 2013, the Ministry effectively uses the Priority Employer Program to target certain employers with high injury rates, and works with them directly to reduce their injury rates. The priority employer program is part of the WorkSafe Saskatchewan partnership between the Ministry and WCB.

The Ministry and WCB maintain a manual for the Program. We found the manual was up-to-date and understandable. It clearly sets out the Program's purpose, and provides detail on delivering the program (including who is responsible for what, key metrics [e.g., compliance to applicable occupational health and safety legislation], and tools [e.g., compliance matrix]).

The manual describes each of the Program's three phases and objectives for each phase:

- Phase 1 – Regulatory Compliance and Injury Reduction is to ensure compliance with occupational health and safety legislation, and reduce workplace injuries and incidents; Ministry staff are primarily responsible for interventions in this phase
- Phase 2 – Improvement in the Employer's Safety Management System (SMS) is to see improvement in the employer's processes to measure and track their safety efforts and performance; WCB staff are primarily responsible for the interventions in this phase
- Phase 3 – Sustainability of the Employer's SMS is to review an employer's statistics and ensure items on the employer's action plan continue to be implemented; WCB staff are primarily responsible for the monitoring

Each employer is typically in the Program between 36 and 48 months.

The Ministry identifies employers with high injury rates using a standard definition of priority employers and through analysis of the up-to-date injury data. WorkSafe defines priority employers as those with injury rates above the provincial average, the industry average, or with over 30 injury claims.

Once identified, the Ministry assigns each employer to an occupational health officer. It provides its officers with training in-house. We found this training focused on the technical knowledge needed to do occupational health and safety investigations and inspections.

Officers, using WCB data, analyze the workplace history of assigned employers. This includes analyzing the injury rate history for the past five years against the related industry and provincial rates, and the most common types and causes of injuries and occupations affected. Officers use this analysis to focus their intervention efforts on common injuries.

Officers then systematically inspect assigned worksites using a compliance matrix before including the employer in the Priority Employer Program. The matrix helps the officer measure an employer's compliance with applicable regulations based on the officer's on-worksite observations.

The Ministry uses the results of inspections to decide whether to include the employer in the Program. About annually, the Ministry identifies new potential priority employers. At

that time, the Ministry compiles the officers' recommendations for all the new priority employers and suggested next steps (e.g., continue to complete inspections). If it decides to include the employer in the Program, it informs the employer of its decision in writing. At February 2018, there were over 200 priority employers in the Program.

As part of the Priority Employer Program, the enrolled employer must create an Employer Health and Safety Improvement Plan. The Plan is to outline actions the employer will take to address the specific causes and types of injuries occurring in the workplace.

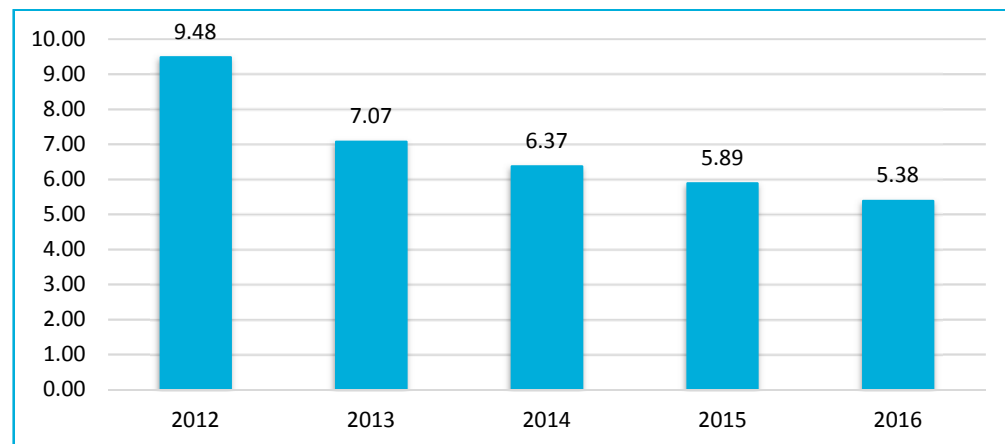
For each priority employer, the Ministry completes a minimum of three worksite inspections, continues to assess the employer using the compliance matrix, and monitors progress in reducing injury claims.

The Ministry decides when a priority employer is ready to pass into the second phase of the Program. Employers must pass the compliance matrix assessment, and have reduced injury claims by 25%. The Ministry advises the employer and WCB, in writing, of employers ready for the second phase.

Our testing of six priority employers found that the Ministry followed its established process for all of them.

Statistics on injury rates suggest that the Program is helping reduce the rate of workplace injuries at priority employers. As shown in **Figure 7**, the total injury rates of all priority employers declined from 9.48% in 2012 to 5.38% in 2016. Also, from 2012 to 2015, the workplace injury rates for 24 priority employers with the highest injury rates across the province was roughly double that of the Saskatchewan average. During that period, the injury rates of those 24 priority employers declined from 20.22% in 2012 to 12.23% in 2015.^{17, 18}

Figure 7—Total Injury Rate Per 100 Full-Time Workers in Saskatchewan for All Priority Employers^{A, B}



Source: Ministry of Labour Relations and Workplace Safety Annual Report for 2016-17, p. 5.

^A Annual injury rate is for January 1 to December 31

^B The 2017 injury rate for priority employers was not available at February 20, 2018.

¹⁷ 2016 information for these priority employers is not available.

¹⁸ Ministry of Labour Relations and Workplace Safety Annual Plan for 2015-16, p. 5.



Worksite Inspections Strategy Includes Proactive and Reactive Inspections

Since 2013, the Ministry uses worksite inspections to identify worksites that present unsafe working conditions and assess their compliance with *The Saskatchewan Employment Act* and *The Occupational Health and Safety Regulations, 1996*.

The Ministry selects employers for inspection in two different ways—directed inspections and occupational health officer-initiated inspections.

- For directed inspections, similar to the WorkSafe Employer Priority Program, the Ministry takes a targeted approach. It identifies specific employers and industry classifications with high injury rates through analysis of the injury data. It assigns each employer to an occupational health officer.
- For officer-initiated inspections, the Ministry does unplanned worksite inspections both reactively and proactively. It reactively inspects in response to a public concern or an accident. It proactively inspects when an occupational health officer completes a directed inspection in close proximity to another employer.

Each year, the Ministry sets its annual targets for the number of worksite inspections, and, each month, it monitors its progress. In 2016-17, OHS performed about 3,832 worksite inspections (2015-16: 2,491 inspections; 2014-15: about 1,220 inspections).¹⁹ It expects to complete about 4,200 inspections in 2017-18 (comprised of about 1,800 directed, 700 priority employer, 1,100 reactive, and 600 proactive).

The Ministry provides staff with well-defined policies and procedures about types of interventions, inspecting, investigating, collecting evidence, and issuing notices or stop work orders. We found that these policies clearly assigned responsibility.

Occupational health officers use standard checklists specific to the industry (e.g., residential construction) to gather data during worksite inspections. The checklists list regulations from *The Occupational Health and Safety Regulations, 1996* specific to the industry for the officer to consider and assess compliance with during the inspection.

When the occupational health officer identifies an employer is contravening relevant laws, the officer can require the employer to complete remedial action within a specified period (i.e., require a compliance undertaking) or stop work (i.e., issue a notice of contravention or stop work order).²⁰ In 2016-17, the Ministry issued 1,064 notices of contravention (2015-16: 596), 328 compliance undertakings (2015-16: 372), and 185 stop work orders (2015-16: 57).²¹

Our testing of 30 inspections found that, in all cases, the Ministry followed its established process for inspections, including giving employers the inspection results report.

Faster Issuance of Summary Offence Tickets Needed

The Ministry uses summary offence tickets²² as an additional enforcement strategy to prevent future injury. However, it does not consistently issue them as fast as its policy

¹⁹ Ministry of Labour Relations and Workplace Safety Annual Report for 2016-17, p. 4.

²⁰ The Saskatchewan Employment Act.

²¹ Ministry of Labour Relations and Workplace Safety Annual Report for 2016-17, p. 4.

²² A summary offence ticket is a penalty for an employer, contractor, or employee who contravenes a particular provision of legislation. A summary offence is not a criminal charge.

expects. The Ministry's policy is to issue tickets within one calendar month of the date of the offense.²³

Under *The Summary Offences Procedures Regulations, 1991*, the Ministry has the authority to penalize employers for contravening *The Saskatchewan Employment Act*. The Ministry may issue a summary offence ticket before or after an injury occurs. Fines range from \$250 to \$1,000 depending on the offence.²⁴ The Ministry can issue summary offence tickets for 12 offences listed in the Regulations. For example for:

- Failing to supply approved personal protective equipment
- Failing to ensure that workers use personal protective equipment
- Failing to ensure that workers use a fall protection system where a worker may fall three metres or more
- Failing to ensure that any opening or hole is covered and clearly marked or otherwise protected

Under *The Summary Offences Procedure Regulations, 1991*, the Minister of Labour Relations and Workplace Safety can appoint occupational health officers as peace officers with authority to issue summary offence tickets for offences under occupational health and safety legislation. At November 2017, six occupational health officers were appointed as peace officers.

The Ministry maintains policies and procedures that detail the circumstances under which an officer designated as a peace officer can issue a summary offence ticket. For example, it requires officers to consider the use of other enforcement tools (e.g., compliance undertakings, notices of contravention) before issuing a summary offence ticket.

Also, the policy requires officers to issue summary offence tickets within one calendar month from the date of the offence. This is quicker than the requirement under *The Summary Offences Procedure Act, 1990*. The Act requires issuance of summary offence tickets within six months of the offence.

As of February 2018, the Ministry issued 24 summary offence tickets in 2017-18 (2016-17: 34) and levied fines totalling \$20,050 (2016-17: \$24,450). Also in 2016-17, the Attorney General used the Ministry's work to initiate 38 prosecutions related to workplace safety with 25 prosecution convictions resulting in \$870,996 in fines.

For ten summary offence tickets issued between September 1, 2016 and November 30, 2017 we tested, the Ministry issued all of them consistent with *The Summary Offences Procedure Act, 1990* and issued tickets within four calendar months. However, for three of ten tickets we tested, the Ministry did not issue them within one calendar month from the date of the offence as its policy requires.

Prompt issuance of summary offence tickets reinforces the importance to employers of addressing the identified violation. A summary offence ticket issued prior to an injury would assumedly have a higher likelihood of injury prevention.

²³ The Ministry updated its policy to 20 business days effective August 31, 2017 (i.e., one calendar month).

²⁴ www.saskatchewan.ca/business/safety-in-the-workplace/enforcements-prosecutions-and-investigations/summary-offence-ticketing#step-1 (20 February 2018).



1. We recommend that the Ministry of Labour Relations and Workplace Safety issue its summary offence tickets under occupational health and safety legislation consistent with its policy.

4.4 Prevention and Reduction of Injuries Actively Promoted

The Ministry actively promotes the importance of reducing workplace injuries primarily through the WorkSafe partnership.

WorkSafe highlights industry-specific risks to employers (e.g., health care—back-related injuries and strains), tips and tools for employers, and access to training. WorkSafe also promotes the importance of reducing injury rates through speaking engagements (e.g., regional WorkSafe workshops)²⁵ and advertising (e.g., Mission Zero commercials, radio advertisements).

4.5 Strategies to Reduce Injury Rates Monitored

The Ministry regularly measures and reports both internally and to the public on its progress in reducing workplace injury rates.

Ministry staff meet monthly to review and discuss progress of priority employers, number of inspections completed, quarterly workplace injury rates, and other monthly statistics (e.g., number of stop work orders issued, training course participants). To engage its staff about its progress, the Ministry posts key statistics and workplace injury rates (e.g., provincial time loss injury rates) on a wall in its office. It updates this information quarterly.

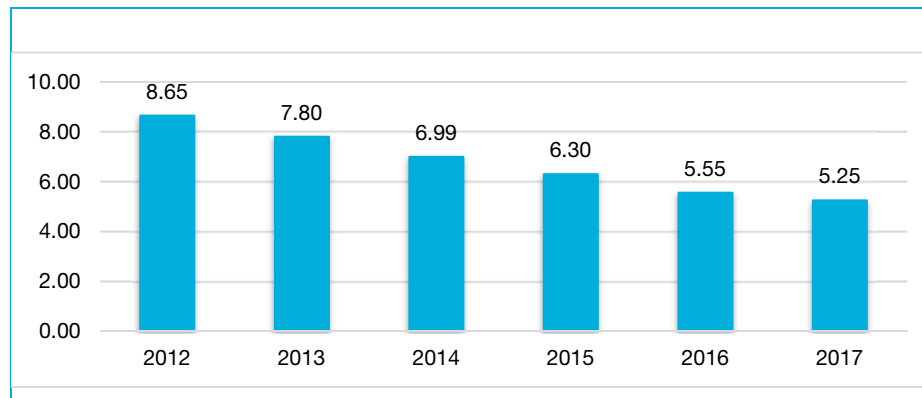
The Ministry gives monthly statistics to the Deputy Minister. This includes various information, such as information on priority employers, inspections, prosecutions, and public inquiries.

The Ministry surveys priority employers for their level of satisfaction with the Priority Employer Program on a quarterly basis. The survey identifies, for example, if the priority employers understand the expectations of the Program and if they are satisfied with the Program. Generally, the survey indicates positive results from the priority employers.

In the Ministry's annual report, the Ministry reports the progress made on reducing workplace injuries. The report includes a comparison of the actual provincial total annual injury rate to the annual target. It indicates that the total number of claims for priority employers and the total injury rate significantly decreased since the Ministry implemented targeted intervention (in 2013).

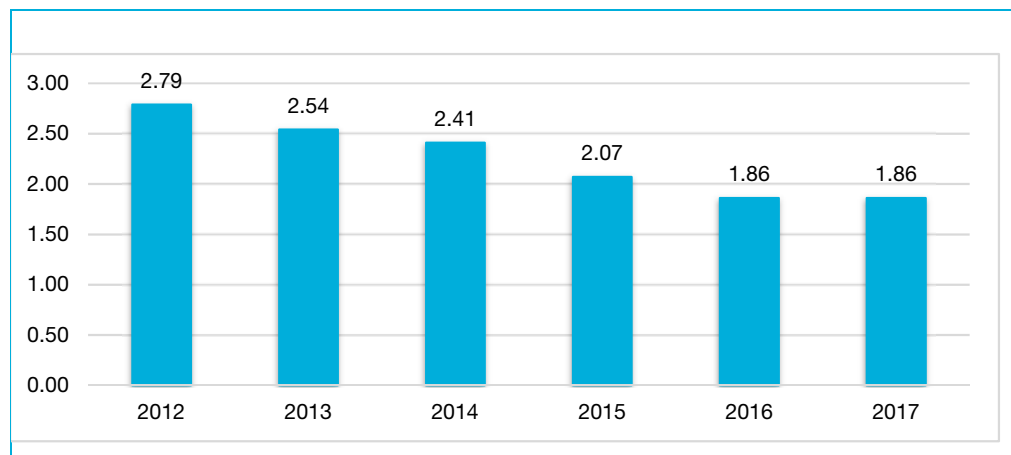
In addition, statistics on injury rates suggest that the Ministry's targeted strategy to reduce injury rates is making a difference. As shown in **Figure 8**, the provincial rate of workplace injuries has declined from 8.65% to 5.25% between 2012 and 2017. As well, as shown in **Figure 9**, over the same period, the provincial time-loss injury rate has declined from 2.79% to 1.86%.

²⁵ <http://worksafesask.ca/worksafe-regional-workshop/> (20 February 2018).

Figure 8—Provincial Injury Rate Per 100 Full-Time Workers in Saskatchewan^A

Source: Ministry of Labour Relations and Workplace Safety Annual Report for 2016-17, p. 5; www.wcbssask.com/saskatchewan-2017-total-workplace-injury-rate-declines-again/ (26 February 2018).

^A Annual injury rate is for January 1 to December 31

Figure 9—Provincial Time Loss Injury Rate Per 100 Full-Time Workers in Saskatchewan^A

Source: Saskatchewan Workers' Compensation Board Annual Report for 2016, p. 3; <http://www.wcbssask.com/saskatchewan-2017-total-workplace-injury-rate-declines-again/> (26 February 2018).

^A Annual injury rate is for January 1 to December 31

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Chapter 7

Prairie Valley School Division No. 208—Monitoring Progress of Home-based Learners

1.0 MAIN POINTS

In Saskatchewan, home-based educators have both the responsibility for educating their children, and the right to direct their children's education from their home. School divisions are responsible for registering and administering home-based education programs. This responsibility includes assessing programs' compliance with the law and related policies, and assessing the progress of learners in relation to the home-based education plans and learners' age and ability.

Prairie Valley School Division No. 208 is responsible for monitoring home-based education programs for almost 150 home-based learners. Over three-quarters of its home-based learners are in elementary and middle school grades (i.e., Kindergarten to Grade 8), with the remaining learners in high school grades (i.e., Grades 9 to 12).

Prairie Valley did not have effective processes to monitor the educational progress of home-based learners. To improve its monitoring processes, the Division needs to:

- Fully exercise its authority to monitor home-based education programs and make sure home-based learners receive education appropriate for their age and ability.
- Register home-based education programs in accordance with established requirements. Reinforcing registration requirements would help the Division hold home-based educators accountable for the education of home-based learners, and help ensure home-based learners receive an adequate education.
- Take action to encourage home-based educators to submit all required program documentation. This would help ensure the Division has sufficient information to monitor effectively.
- Better align forms, templates, and checklists with home-based education requirements. This would help home-based educators comply with legislative and Ministry requirements, and help the Division show how it has fulfilled its regulatory role.
- Maintain all correspondence with home-based educators, and consistently give them feedback on their learners' annual progress reports. This would enable Division staff to better support home-based educators and learners.

Effective monitoring of home-based education programs is key to Prairie Valley fulfilling its regulatory role. It helps ensure home-based programs assist home-based learners in making sufficient educational progress for their age and ability, and provide them with a quality education.



2.0 INTRODUCTION

This chapter sets out the results of our audit of Prairie Valley School Division's processes to monitor the educational progress of home-based learners. Home-based learners are students between the ages of 6 and 18 years enrolled in home-based education programs initiated by and under the direction of a parent or guardian to provide instruction at home.¹ This chapter uses the terms learner and student interchangeably.

2.1 Home-based Education in Saskatchewan

While home-based learners represent a small percentage of total students in the province, Saskatchewan has the third-highest proportion of home-based learners in Canada (approximately 1.2%).² This number has grown significantly over the past decade. As of September 30, 2017, Saskatchewan had 2,483³ home-based learners compared to 1,222⁴ in 2006-07 — a 103% increase.

Figure 1—Saskatchewan Home-based Education Enrolments for 2015 to 2017

Home-based Education Enrolments As of September 30	Total	% in elementary or middle school ^A	% in high school ^B
2015	2,240	80.0%	20.0%
2016	2,364	79.7%	20.3%
2017	2,483	81.6%	18.4%

Source: Ministry of Education.

^A Elementary and middle school grades are Kindergarten to Grade 8.

^B High school grades are Grades 9 to 12.

As **Figure 1** illustrates, over three-quarters of Saskatchewan's home-based learners are in the elementary or middle school grades (i.e., Kindergarten to Grade 8). Enrolment of home-based learners in high school is lower likely because they must earn secondary credits through the provincial education system (in Grades 10 through 12) to earn a high school diploma. The Ministry of Education provides several options for home-based learners to earn secondary level credits and/or enter post-secondary educational institutions. These include:

- Completing secondary credits recognized by the Ministry of Education (e.g., courses at high schools in school divisions, distance learning courses)
- Challenging Grade 12 provincial departmental exams for 100% of the final mark⁵
- Completing other Grade 12 equivalency courses (e.g., Prior Learning Credit - Adult 12 Program, General Educational Development [GED])⁶

¹ *The Education Act, 1995*, section 2.

² <https://www.fraserinstitute.org/blogs/homeschooling-in-canada-continues-to-grow> (28 February 2018).

³ Information provided by the Ministry of Education.

⁴ Fraser Institute, *Home Schooling in Canada: The Current Picture—2015 Edition*, (2015), p. 23.

⁵ The Ministry of Education administers provincial departmental exams for Grade 12 students instructed by non-accredited teachers, for home-based education students, and for adults wishing to earn Level 30 credits in eight Grade 12 subjects. www.saskatchewan.ca/residents/education-and-learning/departamental-exams (03 March 2018).

⁶ The Adult Grade 12 is considered equivalent to a regular Grade 12 standing and is recognized by colleges and universities for admission. The GED is accepted by most employers and some post-secondary institutions but does not meet the required prerequisites for admission to Saskatchewan's universities.

- Satisfying special admission procedures of some post-secondary education institutions for home-based education students that do not earn a high school diploma

2.2 Responsibilities for Home-based Education

In Saskatchewan, home-based educators have both the responsibility for educating their children, and the right to direct their children's education from their home.⁷ Also, Saskatchewan boards of education (school divisions) are responsible for monitoring the progress of home-based learners.⁸ See **Section 5.0** for goals of education for Saskatchewan.

Laws make school divisions responsible for registering and administering home-based education programs.⁹ This includes assessing programs' compliance with the law, relevant policies, and procedures; and assessing the progress of home-based learners in relation to education plans and learners' age and ability.¹⁰

The Ministry of Education's manual—*Saskatchewan Home-based Education: Policy and Procedures Manual*—sets out policies and procedures for operating and monitoring home-based education programs in Saskatchewan. It includes detailed expectations of school divisions and home-based educators (e.g., parents). For example, home-based educators must administer their children's home-based education programs, and give their school division specific documentation (e.g., program registration, written education plans, annual student progress reports within prescribed timeframes) to enable school division monitoring.

Inadequate monitoring of home-based education programs can increase the risk of home-based learners not receiving a proper education, negatively affecting their ability to succeed and reach their full potential in the future. Effective monitoring of the delivery of home-based education programs is key to school divisions making sure home-based learners receive a quality education and progress as expected.

2.3 Home-based Education in Prairie Valley School Division

Prairie Valley School Division No. 208 is one of 28 Saskatchewan school divisions. Prairie Valley is a rural school division located in the southeast area of the province consisting of towns, villages, resort villages and rural municipalities, with no urban centre.¹¹

Prairie Valley had 143 home-based learners as of September 30, 2017 (140 as of September 30, 2016).¹² It has a large number of home-based learners as compared to the other 28 school divisions in the province. Over three-quarters of its home-based learners are in elementary and middle school grades (i.e., Kindergarten to Grade 8), with the remaining learners in high school grades (i.e., Grades 9 to 12).

⁷ Ministry of Education, *Saskatchewan Home-based Education: Policy and Procedures Manual 2016-17*, p. 1.

⁸ Ibid.

⁹ Section 85(1) of *The Education Act, 1995* and *The Home-based Education Program Regulations, 2015*.

¹⁰ *The Home-based Education Program Regulations, 2015*, section 12(1).

¹¹ Prairie Valley School Division, *2016-2017 Annual Report*, (2017), p. 3.

¹² Information provided by the Ministry of Education.



The Division employs a Home-based Education Consultant that spends part of his or her time monitoring home-based education programs operating in the Division. It reimburses home-based educators (families) for certain eligible costs associated with providing home-based education programs (e.g., supplies, textbooks, distance-learning course fees), up to a maximum per student each year. In 2016-17, the Division reimbursed over \$60,000 for home-based education programs (2015-16: over \$25,000).

3.0 AUDIT CONCLUSION

Prairie Valley School Division No. 208 did not have effective processes, for the 12-month period ended January 31, 2018, to monitor the educational progress of home-based learners. The Division needs to:

- **Fully exercise its authority to monitor home-based education programs and make sure home-based learners receive education appropriate for their age and ability**
- **Register home-based education programs in accordance with established requirements**
- **Take action to encourage home-based educators to submit all required program documentation**
- **Better align forms, templates, and checklists with home-based education requirements**
- **Maintain all correspondence with home-based educators and consistently give them feedback on their learners' annual progress reports.**

Figure 2—Audit Objective, Criteria, and Approach

Audit Objective: to assess whether Prairie Valley School Division No. 208 had effective processes, for the 12-month period ended January 31, 2018, to monitor the educational progress of home-based learners. Home-based learners are students between the ages of 6 and 18 years enrolled in home-based education programs initiated by and under the direction of a parent or guardian to provide instruction at home.[^]

Audit Criteria:

Processes to:

1. Provide a framework for monitoring home-based education programs
 - 1.1 Maintain policies and procedures consistent with legislation and Ministry of Education policies
 - 1.2 Provide home-based educators with supports (e.g., guidance, learning resources)
 - 1.3 Keep home-based educators and learners informed of expectations
2. Hold home-based educators accountable for the educational progress of home-based learners
 - 2.1 Register home-based learners consistent with policies and procedures
 - 2.2 Assess whether home-based education plans adhere to legislation and policies
 - 2.3 Assess the educational progress of home-based learners
 - 2.4 Take action as necessary (e.g., require improvement plans, cancel home-based education programs, communicate with stakeholders)

Audit Approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (CSAE 3001). To evaluate Prairie Valley's processes, we used the above criteria based on related work, reviews of literature including reports of other auditors, and consultations with management. Prairie Valley's management agreed with the above criteria.

We examined the Division's policies and procedures for monitoring the educational progress of home-based learners. We interviewed relevant staff responsible for monitoring home-based education programs. We examined documentation for a sample of home-based learners to assess the operating effectiveness of Prairie Valley's processes to monitor the educational progress of home-based learners.

^A The Education Act, 1995, Section 2.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Home-based Education Policies Well Established and Consistent with Law and Ministry Requirements

Prairie Valley has up-to-date and clear policies to regulate home-based education programs operating in its Division. In addition, it has clear procedures to register, monitor, and support the delivery of home-based education programs.

Prairie Valley routinely reviews and updates its Administrative Procedures that it uses to manage its operations. The Director of Education approves significant changes and presents them to the Board of Education for information and review.

The Division's Administrative Procedures include a policy specific to home-based education—AP 2700. It makes its Home-based Education Consultant responsible for monitoring the home-based education programs registered with the Division.

AP 2700 provides a brief overview of requirements for registering and monitoring home-based education programs. It augments expectations set out in the Ministry's *Saskatchewan Home-based Education Policy Manual*.¹³ AP 2700 establishes deadlines for key activities relevant to home-based education programs. See **Figure 3** for the annual process for registering and monitoring home-based education programs.

Figure 3—Annual Process For Registering and Monitoring Home-based Education Programs

Timeline	Events and Requirements
August 15	<p>Deadline for home-based educators to register or renew home-based education programs. When registering their programs, educators must provide the school division with the following forms (or equivalent information):</p> <ul style="list-style-type: none"> ➤ Home-based Education Program Registration form The registration form includes the name and contact information of the educator, demographic information of the learner(s) and last grade completed, and the starting date of the home-based education program. ➤ Written education plan for each learner The written education plan for each learner must include: <ul style="list-style-type: none"> ➤ The reason for and the philosophical approach of the home-based education program. ➤ A minimum of three broad annual goals in each of the four areas of study—language arts, science, social studies, and mathematics. These goals must be consistent with the <i>Goals of Education for Saskatchewan</i>—see Section 5.0. ➤ The means that the educator will use to assess the educational progress of the learner.

¹³ The Ministry's Manual provides more in-depth information and requirements concerning the roles and responsibilities for school divisions and home-based educators.



Timeline	Events and Requirements
	<ul style="list-style-type: none"> ➤ The services that the educator intends to access from the school division.
Within 30 days of receiving the registration	<p>The Division's Home-based Education Consultant must:</p> <ul style="list-style-type: none"> ➤ Review the registration form and the written education plan to assess compliance with requirements of the Act, Regulations, and the policies (e.g., that education plan is appropriate for learner's age and ability) ➤ Register the home-based education program once it complies ➤ Send written notification of registration to the home-based educator <p>Prairie Valley is to use a checklist to assess the registration's compliance with requirements of the Act, Regulations, and policies prior to granting registration.</p>
September 30	Deadline for school divisions to submit student enrolment numbers, including those for home-based education programs, to the Ministry of Education.
September to June (school year)	Home-based educators are responsible for directing the home-based education programs consistent with submitted education plan.
June 30 (end of school year)	<p>Home-based educators must provide an annual progress report for each learner. Educators have two options to submit an annual progress report, including:</p> <ul style="list-style-type: none"> ➤ Test results of the learner who has taken a nationally normed standardized achievement test ➤ A portfolio of work including sufficient detail of the educational progress of the home-based learner (includes a periodic log of activities performed throughout a school year; and either a detailed summative record,^A or samples of work, or both)
June to August	<p>The Division's Home-based Education Consultant must review and assess each learner's educational progress in relation to the written education plan and the learner's age and ability. This review is to include assessing the home-based education program's compliance with the Act, Regulations, and policies.</p> <p>Prairie Valley is to use a checklist to assess the educational progress of a learner. Typically, it sends educators feedback to acknowledge the Division's acceptance of the reports.</p>

Source: Developed from Prairie Valley School Division No. 208's *Administrative Procedure 2700 Home-Based Education* and the Ministry of Education's *Saskatchewan Home-based Education: Policy and Procedures Manual 2016-17*.

^A A summative record is a record of the educational progress of a home-based learner in relation to a written education plan. It is a statement of a learner's academic achievement at the end of a unit, project, course, program, or school year.

The Division has standard forms, templates, and checklists for the home-based program (e.g., registration form, education plan template, and periodic log template to document educational progress of the learners). Educators can use these or submit information using other formats, as long as they submit the required information.

We found AP 2700 aligns with the Regulations and the Ministry's *Saskatchewan Home-based Education Policy Manual* other than for the following area. AP 2700 does not provide processes for cancelling home-based education programs. If such a need arises, management indicated it would follow the detailed program cancellation process set out in the Ministry's manual.

The Division makes home-based education program information easily accessible on its website and through direct communications with home-based educators.¹⁴ Its website includes AP 2700, its forms and templates, and a link to the Ministry's Manual. We also found that Prairie Valley emailed program information (e.g., documentation requirements, deadlines) directly to registered or interested home-based educators.

¹⁴ <http://www.pvsd.ca/Pages/default.aspx> (5 March 2018).

Well-established policies surrounding home-based education help the Division and its home-based educators understand their respective responsibilities.

4.2 Some Forms, Templates, and Checklists Not Fully Aligned with Requirements

While Prairie Valley has standard forms, templates, and checklists for registering and monitoring home-based education, a few do not align well with legislative and Ministry requirements.

Even though home-based educators are not required to do so, our testing of 30 student files found most educators use some form of templates (i.e., the Division's, or those publicly available from other organizations).¹⁵ This emphasizes the importance of templates being understandable and prompting educators for all necessary information.

When comparing the Division's forms, templates, and checklists to the legislative and Ministry requirements and other publicly available templates,¹⁶ we found:

- The registration form does not require educators to document the start date of their home-based education programs as required by the Ministry's policy.
- The education plan template does not specifically require educators to identify three broad goals for each of the four areas of study (i.e., language arts, science, social studies, and mathematics)—three is the minimum number of goals that the Ministry's policy requires.
- The checklist Prairie Valley uses to assess education plans and the educational progress of learners does not require documentation of the Consultant's assessments against related legal and policy requirements. The Consultant must assess the consistency of the education plan with the *Goals of Education for Saskatchewan* and the appropriateness of the plans/progress reports for the age and ability of home-based learners. The Division's checklist only requires a check mark to indicate whether an education plan or progress report incorporates a sufficient number of goals.
- Annual maximums for eligible costs in the financial reimbursement guidelines communicated to educators (i.e., \$600 per registered Grades 1 to 12 students, \$300 for Kindergarten students) did not agree with rates in the AP 2700 (September 2015: \$300 per student, \$150 per Kindergarten student), or maximums last approved by the Board (September 2016: \$500 per student, \$250 per Kindergarten student).

Our testing of seven financial reimbursements found the Division reimbursed each home-based educator for eligible costs based on maximums communicated directly to educators. In February 2018, Division management revised AP 2700 to correspond with the financial reimbursement guidelines communicated to educators and obtained the Board's approval for this level of reimbursement.

¹⁵ The Home School Legal Defence Association of Canada and Saskatchewan Home-Based Educators have templates and forms publicly available for educators' use. We determined these templates are consistent with legislation and the Ministry's policy manual.

¹⁶ Ibid.



Also, unlike some other school divisions,¹⁷ the Division does not provide templates for preparing a complete portfolio of work when educators chose this method for submitting annual student progress reports. Educators must submit portfolios of work by June 30.

Complete and well-designed forms help home-based educators comply with legislative and Ministry requirements. Having forms and templates aligned with requirements prompts educators to provide all required information. The Division needs this information to assess the educational progress of home-based learners, and the programs' compliance. Also, having checklists that prompt documenting results of the Division's assessments would help the Division show how it has fulfilled its regulatory role when registering and monitoring home-based education programs.

1. We recommend that **Prairie Valley School Division No. 208** revise its home-based education templates, forms, and checklists to better align with the Ministry of Education's policy requirements.

4.3 Supports Readily Available to Home-based Educators but Limited Use of Non-financial Supports

Use of the wide array of available Division materials and services is limited, even though home-based educators frequently use available financial supports.

Through its website and activities of the Home-based Education Consultant, the Division routinely advises home-based educators about materials, services, and financial supports that are readily available to them. **Figure 4** lists those materials, services, and financial supports. The Home-based Education Consultant directly advises educators of available services and supports through emails sent at the beginning of the school year and periodic informational meetings held during the year. These meetings give home-based educators an opportunity to connect with other home-based families and to learn about materials and services they can access from the Division. Only just over one-quarter of home-based education families attended an informational meeting during 2016-17. We noted the families involved in home-based education within the Division remains relatively constant from one year to the next.

Figure 4—Prairie Valley Materials, Services, and Financial Supports Available for Home-based Educators

Available materials and services include:

- Provincial curriculum guides
- Textbooks and learning resources used in the Division
- Access to Division resource centres
- Access to individual courses in a school through application to the Director of Education/CEO or designate
- Assessment tools
- Assessment, consultative support, and approved technical aids for students with diverse and intensive needs
- Participation in extra-curricular activities (the home-schooled student must meet the same participation criteria that are applied to students enrolled in regular school programs at the school)
- Driver education

¹⁷ Other school divisions, such as Regina Public Schools and Prairie Spirit School Division, provide educators with templates to prepare a complete portfolio of work (i.e., periodic log and summative record).

Available financial supports are:

- Reimbursement of approved actual eligible costs of educational materials and services to an annual maximum per registered home-based student. Examples of eligible costs include books, curriculum, museum memberships, tickets to historic tours, online classes, electronic devices used for education purposes, or dance classes. Educators must submit requests for reimbursement of eligible costs by June 30.
- Payment for distance learning courses.

Source: Prairie Valley School Division No. 208's *Administrative Procedure 2700 Home-Based Education*.

Only a few home-based educators access available materials and services. At the request of the Division, they indicate when registering their programs which materials and services, if any, they intend to access from the Division. Our testing of 30 home-based learners for the 2016-17 school year found very few educators requested materials or services from the Division. Only three requested standardized assessment tests, and four requested other available services (e.g., distance learning courses, physical education, band). We found that the Division provided the services when requested.

Most home-based educators accessed financial support from the Division. As described in **Figure 4**, the Division reimburses home-based educators up to annual maximums for eligible costs. We found that almost 80% of families with home-based learners requested financial reimbursement of eligible costs from the Division during 2016-17.

4.4 Some Home-based Education Program Registrations Inappropriately Renewed for 2017-18 School Year

Prairie Valley inappropriately renewed registration of some 2017-18 home-based education programs.

Home-based educators must register their programs and students with the Division each year. They must submit completed registration forms and education plans (or equivalents) by August 15.¹⁸ The Division must determine whether the submitted information complies with the law and related policies, and request additional information as necessary.¹⁹ The Ministry's policy allows a school division to renew a home-based education program if the educator provides an updated registration form and education plan. Also, a program cannot be renewed unless a student's annual progress report demonstrated satisfactory educational progress during the previous year of the program.

The Division tracks registered home-based learners using a spreadsheet. It tracks its receipt of key information like registration, education plans, and annual student progress reports. It reconciles registered learners to the Ministry's student enrolment data.

The Division's spreadsheet was not current for about one quarter of its 140 learners registered for the 2016-17 school year. We identified 39 learners in the 2016-17 spreadsheet where, according to the Division, educators did not submit progress reports for their home-based students. Our testing of these 39 learners found educators had submitted progress reports for 7 learners, and did not for 32 learners.

¹⁸ While Prairie Valley has an established registration deadline of August 15 for home-based education programs, the Division accepts registrations up to September 30 (which is the final date for the Division to submit enrolment information to the Ministry).

¹⁹ *The Home-based Education Program Regulations* (Section 5) and the *Ministry of Education Saskatchewan Home-based Education: Policy and Procedures Manual 2016-17*, pp. 7-8.



Also, the Division renewed the 2017-18 program registrations for 21 of the learners without receiving their previous school year's annual student progress reports. Of the 21 learners inappropriately registered, the Division registered four learners without receiving updated registration forms and education plans (or equivalents).

The Division cannot effectively regulate home-based educators if it renews program registrations before assessing the educational progress of learners in the previous school year, and before determining whether proposed programs comply with the law and related policies. This could result in the Division not holding home-based educators accountable for the education of home-based learners, and some home-based learners not receiving an adequate education.

2. We recommend that Prairie Valley School Division No. 208 only renew the registration of a home-based education program after it receives all required documentation from the home-based educator and confirms that the program complies with the law and related policies.

Management confirmed that the Division did not follow up on the status of the missing annual student progress reports or take steps to obtain the missing information for the 21 learners inappropriately registered in 2017-18. The Ministry's policy includes escalation procedures that school divisions can use to address home-based educators' non-compliance with legislation and policy requirements. This includes instances where educators fail to submit required information like annual student progress reports.

During the 2017-18 registration period, the Division experienced turnover of staff responsible for monitoring home-based education. The Division inappropriately registered these learners due to new staff not having a full appreciation of their new roles and duties or awareness of authority or procedures to obtain missing information. See **Recommendation 5** about the Division's authority to monitor home-based education.

4.5 Written Confirmation of Registration Provided Inconsistently

Prairie Valley did not consistently give educators written confirmation of annual registration of their home-based education programs as required.

Once satisfied that the program meets legislative and policy requirements for home-based education, the Division must give educators a written notice of program registration within 30 days of receiving the request for registration. The written notice of registration advises an educator that their home-based education program is legally registered. Also, the Division must maintain all correspondence with the educators related to registering, renewing, and monitoring home-based education programs within the learners' permanent records.²⁰

We found that the Division actively monitors whether learners registered in the previous year continue with their programs in the following year. For example, the Home-based Education Consultant communicated with educators of previously registered learners when the Division had not received registration forms within a reasonable timeframe. If an

²⁰ *The Home-based Education Program Regulations* (Section 11).

educator withdrew a home-based education program (e.g., learners enrolled in a school, the family moved), the Division documented this information in its tracking spreadsheet.

For all 30 home-based learners' files we tested, we could not determine whether the Division gave educators notice of 2016-17 program registration within 30 days of receipt of registration forms as required. The receipt date of registration information was not evident in the learners' files (e.g., information was not date stamped, and the files did not include emails or letters from the educators). In addition, for five of those files, Prairie Valley did not give educators a written notice of program registration.

Notices of registration inform educators that their home-based education programs meet related legal and policy requirements, and they can proceed with delivering the program. Not issuing notices promptly, or at all, increases the risk of home-based learners receiving education programs that are inconsistent with the *Goals of Education for Saskatchewan* or inappropriate for their age and ability.

3. We recommend that Prairie Valley School Division No. 208 give home-based educators written confirmation of program registration within the required time.

Not maintaining all correspondence with home-based educators is not only a violation of the Regulations, but it also increases the risk of Division staff not having information to monitor home-based education programs. In addition, it may make it harder for the Division to support home-based educators or learners, especially during times of staff turnover.

4. We recommend that Prairie Valley School Division No. 208 maintain correspondence with home-based educators about the registration, monitoring, and renewal of home-based education programs.

4.6 Division Not Effectively Exercising Authority to Monitor Education Plans and Progress Reports

While Prairie Valley has established processes to monitor the receipt and assessment of home-based education plans and annual student progress reports, the Division did not follow its processes or effectively exercise its authority to monitor.

As shown in **Figure 5**, our testing of 30 home-based learners for the 2016-17 school year identified numerous instances where the Division did not follow its established processes. For example, it did not obtain required information (e.g., annual student progress reports, complete learner education plans), or identify deficiencies in information obtained. Therefore, it did not take any actions to remedy these issues.



Figure 5—Testing Results of 30 Home-based Learners related to 2016-17 Education Plans and Progress Reports

Home-based Education Plans

- Seven plans lacked documentation of the reason for and the philosophical approach to the home-based education program.
- Thirteen plans did not include a minimum of three broad goals in each of the four areas of study. Issues ranged from the educators not documenting any goals, too few goals, or using the same goals for all learners in a program (which is prohibited by the Ministry's policy).
- Nine plans lacked documentation of the means of assessing and recording the educational progress of learners.
- For three plans, the Home-based Education Consultant did not assess them using the Division's assessment checklist.

Annual Student Progress Reports

- The Division did not receive progress reports for eight learners, with the Division following up on the status for only one of these learners.
- Nine progress reports did not meet the requirements set out in the Ministry's policy. Issues ranged from the lack of periodic logs to the reports not addressing learners' progress for each of the four areas of study.
- For seven learners, the Division did not provide educators with feedback on the learners' progress reports.

Source: Provincial Auditor Saskatchewan.

Laws and Ministry policies make Prairie Valley responsible for determining whether home-based programs comply with legislation and established policies, and whether home-based learners receive education appropriate for their age and ability. As described in **Section 4.1**, Prairie Valley has well-established policies and procedures to do this. If Prairie Valley finds that an educator is not complying with the requirements, laws give it the authority to contact the educator to discuss the steps necessary to achieve compliance.²¹ If necessary, it has the authority to cancel the home-based education program. As of January 2018, Division management communicated it has never cancelled a home-based education program.

We found, through interviews with Division staff, they were hesitant to question information that home-based educators submitted. Further, we found they did not have a good understanding of the extent to which they can question that information when exercising their authority to regulate home-based education. The results of our testing support this finding.

If the Division does not fully understand the extent of school division authority to monitor home-based education, it cannot effectively hold educators accountable for complying with the related legislation and policy requirements. In addition, it increases the risk of home-based learners not receiving education appropriate for their age and ability. Prairie Valley may wish to work with the Ministry and other school divisions to improve its understanding of school division authority to monitor home-based education.

5. We recommend that Prairie Valley School Division No. 208 obtain a better understanding of the extent of school division authority to monitor home-based education.

As indicated in **Figure 5**, the Division did not always provide educators with feedback on learners' annual student progress reports.

Effective monitoring involves actively assessing information submitted and obtaining missing required information. Ineffective monitoring can result in the Division not providing

²¹ *The Home-based Education Program Regulations, 2015, Section 12.*

home-based educators with timely feedback concerning their home-based education program. Ineffective monitoring processes can also result in learners not attaining sufficient educational progress for their age and ability.

6. We recommend that Prairie Valley School Division No. 208 actively assess whether home-based education plans and annual student progress reports meet the requirements established by legislation and the Ministry of Education when registering programs and monitoring learner educational progress.
7. We recommend that Prairie Valley School Division No. 208 promptly give educators feedback for all home-based learners following review of learners' annual progress reports.

4.7 Potential Opportunity to Improve Home-based Educators' Compliance with Requirements

Unlike some other Saskatchewan school divisions, Prairie Valley does not use incentives to encourage home-based educators to submit all required documentation.

In discussions with Ministry staff, we learned that some school divisions implement incentives to encourage educators to submit all required information for their home-based education programs. For example, some school divisions do not provide educators with full reimbursement of eligible educational expenses associated with their programs until the educators submit all required information to the division.

Implementing incentives to encourage educators to comply with all home-based education requirements can foster educators' compliance. This can reduce the level of resources needed to follow up with educators on missing or insufficient required documentation.

8. We recommend that Prairie Valley School Division No. 208 consider the use of incentives to encourage educators to comply with all home-based education documentation requirements.

4.8 Board of Education Informed About Home-based Education

Prairie Valley periodically provides its Board and senior management with key information about home-based education programs operating within its Division and its related monitoring activities.

During the 12-month period ending January 2018, the Home-based Education Consultant began periodically reporting the following information to the Board and senior management:

- Enrolment data (registered learners)
- Legislative requirements



- Availability and use of supports and financial reimbursement for educators
- Options for secondary home-based education (i.e., Grades 10 to 12)
- Educator feedback obtained during informational meetings held during the year

Going forward, management indicated it intends to include home-based education information within its quarterly school instruction and operation report (for all Division programming) to the Board. As described in **Section 4.6**, the Division did not identify deficiencies with information submitted by home-based educators. Management indicated that when it identifies educators' non-compliance with home-based education requirements, it intends to provide such information to the Board.

Other than enrolment data, the Ministry does not require Prairie Valley to provide specific information about the Division's monitoring of home-based education programs. The Ministry receives home-based learners' academic results for credit-level classes (Grades 10 to 12) through its student data system—this is the same information the Ministry receives for students enrolled in the public education system.

5.0 GOALS OF EDUCATION FOR SASKATCHEWAN

Goals of education in Saskatchewan should direct efforts to develop the potential of all students in the province. Education should affirm the worth of each individual and lay the foundation for learning throughout life. Students benefit from exposure to learning in a variety of situations. Attainment of the goals is a venture the school shares with the student, the home, the church, and the community. Although the degree of school responsibility will vary from community to community, the school has some responsibility for each goal. A body of knowledge and a range of skills and attitudes are necessary to function in a changing world. It is intended, then, that education will enable Saskatchewan students to do the following to the best of their abilities:

BASIC SKILLS

1. Read, write, and compute.
2. Acquire information and meaning through observing, listening, reading and experiencing.
3. Process information through intellectual and technological means.
4. Solve problems by applying basic principles and processes of the sciences, arts, and humanities.
5. Communicate ideas through written and spoken language, mathematical symbols, and aesthetic expression.

LIFE-LONG LEARNING

1. Seek and value learning experiences.
2. Act as self-reliant learners.
3. Base actions on the knowledge that it is necessary to learn throughout life.

UNDERSTANDING AND RELATING TO OTHERS

1. Act on the belief that each individual is worthwhile.
2. Base actions on the recognition that people differ in their values, behaviours, and life styles.
3. Interact and feel comfortable with others who are different in race, religion, status, or personal attributes.
4. Develop a sense of responsibility toward others.

SELF CONCEPT DEVELOPMENT

1. Perceive themselves in a positive way.
2. Appreciate their own abilities and limitations.
3. Set and work toward personal goals.
4. Assess praise and criticism realistically.
5. Present themselves with confidence.

SPIRITUAL DEVELOPMENT

1. Seek an understanding of the purpose and worth of human existence.
2. Develop a knowledge of God.
3. Respect family, religion, and culture in a pluralistic society.

CAREER AND CONSUMER DECISIONS

1. Develop an awareness of career opportunities.
2. Develop interests and abilities in relation to vocational expectations.
3. Adapt to shifts in employment patterns and technology.
4. Make informed consumer decisions.

MEMBERSHIP IN SOCIETY

1. Assume responsibility for their own actions.
2. Work with others to achieve individual and group goals.
3. Participate in the democratic processes of government and perform the duties of citizenship.
4. Respect the rights and property of others.
5. Act with honesty, integrity, compassion, and fairness.
6. Develop a sense of national pride and acknowledge the need for international understanding.
7. Work toward greater social justice.
8. Assume responsibility for dependent persons in a manner consistent with their needs.
9. Respect law and authority.
10. Exercise the right of dissent responsibly.

POSITIVE LIFE STYLE

1. Practice appropriate personal hygiene, engage in sufficient physical activity, and maintain a nutritionally balanced diet.
2. Avoid harmful use of alcohol and other drugs.
3. Cultivate interests that may be the basis for personal development and leisure pursuits.
4. Recognize the importance of productive activity.
5. Display initiative and pursue tasks diligently.
6. Maintain a safe and healthful community.
7. Respect and seek to enhance the environment.
8. Appreciate beauty in its many natural and constructed forms.
9. Express themselves creatively.

GROWING WITH CHANGE

1. Work toward immediate and long-term goals
2. Base actions on an understanding that change is a natural process in society.
3. Select workable alternatives in response to changing conditions.
4. Develop confidence in making decisions that involve risk.

Source: Ministry of Education, *Saskatchewan Home-based Education: Policy and Procedures Manual 2016-17*, p. 62.

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Chapter 8

Saskatchewan Health Authority (Prince Albert Parkland)—Providing Timely Access to Mental Health and Addictions Services

1.0 MAIN POINTS

This chapter sets out the results of our audit of the processes that the Saskatchewan Health Authority had for providing timely access to mental health and addiction services in the former Prince Albert (PA) Parkland Health Region.

PA Parkland provides three types of mental health and addiction services: inpatient (services provided in a hospital), outpatient (services provided outside a hospital), and community rehabilitation and residential, with most services offered in the city of Prince Albert.

In mental health services, ready access to continuity of care has long been considered to be essential for good clients outcomes for those with severe and persistent mental illness. Continuity of care is associated with improved quality of life, community functioning, and satisfaction with services. Mental health and addictions clients getting the right treatment at the right time is important to recovery.

For the 12-month period ending January 31, 2018, the Saskatchewan Health Authority had, other than in the following areas, effective processes for providing timely access to mental health and addiction services in the former PA Parkland Health Region. It needs to:

- Formally assess whether mental health and addictions services are meeting client demand and adjust where necessary.

Demand for its mental health and addictions services is outpacing PA Parkland's capacity to supply them. Consequently, PA Parkland did not always provide mental health and addictions services in a timely manner. Doing comprehensive reassessments of client demand relative to mental health and addictions services available will support getting the right services at the right place at the right time.

- Establish a provincial integrated mental health record system and develop a strategy to collect key mental health and addictions client information from healthcare professionals. This will help ensure timely information is readily available for client care.
- Collaborate with the Ministry of Social Services to enhance access to housing options for mental health and addictions clients. Stable housing can lead to better outcomes for people living with complex mental health and addictions issues and avoid using costly hospital-based care when such care is no longer necessary.
- Use a model to assist staff in better matching appropriate services to mental health and addiction clients' needs.



Treating clients at the lowest appropriate service tier in the first instance, only 'stepping up' to intensive/specialist services as clinically required will move PA Parkland towards having the right service in the right place, at the right time delivered by the right person.

- Assess alternatives to decrease the number of clients that do not show up for scheduled appointments or treatment, and document evidence of follow-up when clients do not maintain their scheduled mental health and addictions treatment. Recovery is less likely if people wait too long for their first appointment, or quit therapy too early.

Ready access to mental health and addictions services when most needed helps minimize and avoid adverse events. Long waits can lead to people's conditions getting worse, and in some cases, waits can even contribute to death.

2.0 MENTAL HEALTH AND ADDICTIONS SERVICES

2.1 Introduction

Every year, approximately one in five Canadians experience a mental illness (a disorder affecting mood, thinking, and/or behaviour).¹ Some of the more common illnesses are depression, anxiety, and substance abuse disorders. Mental illnesses and addictions are associated with distress and impaired functioning. Those affected can use significant resources from health and social systems.

In 2014, about 220,000 Saskatchewan residents were struggling to some degree with a mental illness or addiction.² In Saskatchewan, persons with mental health or addiction issues can seek help in a variety of ways. For example, they may access care through:

- Friend and family supports
- Self-help groups
- Privately funded addictions or mental health services
- General practitioners under a fee-for-service arrangement (who may provide clients with mental health or addictions care or refer them to the care of others)³
- Psychiatrists under a fee-for-service arrangement
- Services provided by the health region

¹ Canadian Institute for Health Information, *Community Mental Health and Addiction Information: A Snapshot of Data Collection and Reporting in Canada*, (2017), p. 6.

² Commissioner, Mental Health and Addictions Action Plan, *A 10 Year Mental Health and Addictions Action Plan for Saskatchewan*, (2014), p. 8.

³ Under the fee-for-service arrangement, the Ministry of Health directly compensates a physician at a pre-set rate for each specific insured service provided to a Saskatchewan resident.

Many mental health and addiction clients are likely to need ongoing care throughout their life. While not everyone affected with mental illness requires treatment from health care professionals, for those who do, timely access to quality services is important.⁴

In 2014, a government-appointed Commissioner identified access to mental health and service capacity as the area in most need of improvement.⁵

2.2 Responsibility for Mental Health and Addictions Services

Under *The Mental Health Services Act*, the Minister of Health is responsible for the strategic direction of the mental health system in the province, and for establishing regions in which to organize and provide mental health services.

Until December 4, 2017, the PA Parkland Health Authority was responsible for planning, organizing, delivering, and evaluating mental health and addictions services for its health region. It was also responsible for providing specialist services (e.g., surgery, psychiatry, and certain diagnostics) to residents of the northeast and northern part of the province.

The Provincial Health Authority Act came into effect on December 4, 2017, amalgamating the existing health regions (including PA Parkland) into one, the Saskatchewan Health Authority.⁶

The Provincial Health Authority Act continues to make the Minister of Health responsible for the strategic direction of the provincial health care system, and makes the Saskatchewan Health Authority responsible for planning, organizing, delivering, and evaluating health care services, including mental health and addictions services.

Post amalgamation, the PA Parkland Health Region and its services form part of the Saskatchewan Health Authority. During the transition period, staff employed by the former PA Parkland Health Region continued to deliver mental health and addictions services that were previously the responsibility of that Region.

The Saskatchewan Health Authority plans to establish six integrated service areas within Saskatchewan for the delivery and management of health services as permitted by *The Provincial Health Authority Act*. The former PA Parkland Health Region will be part of the Northeast integrated service area.

2.3 Focus on Better Access to Mental Health and Addictions Services

Since 2012, the Ministry of Health has focused on providing better access to health services as a key strategy in its health system improvement initiatives.⁷ In 2014, a government-appointed Commissioner developed a 10-year action plan to guide the Provincial Government in providing mental health and addictions services to better

⁴ Commissioner, Mental Health and Addictions Action Plan, *A 10 Year Mental Health and Addictions Action Plan for Saskatchewan*, (2014), p. 8.

⁵ Commissioner, Mental Health and Addictions Action Plan, *A 10 Year Mental Health and Addictions Action Plan for Saskatchewan*, (2014), p. 8.

⁶ Order-in-Council 535-2017 proclaims the Act into law.

⁷ Ministry of Health, *Annual Report for 2016-17*, (2017), p. 16.



address the needs of clients and their families.⁸ The Commissioner made 16 recommendations for improvement in the 2014 *10-Year Saskatchewan Mental Health and Addictions Action Plan*.⁹

The Government notes that *addressing and improving mental health and addictions services across many sectors is complex, and will take the efforts of many ministries and organizations collaborating together*.¹⁰ It recognizes fee-for-service general practitioners and psychiatrists provide a portion of mental health and addictions care.

The Ministry developed initiatives in response to the recommendations in the 2014 10-Year Action Plan.¹¹ For example, working with the former health regions, it set improvement targets for timely client access to a number of service areas, including mental health and addictions. It has performance targets for measuring timely access to initial outpatient mental health and addictions and psychiatry services (i.e., time from assessment to initial appointment).

In its 2016-17 *Annual Report*, the Ministry reported on its goal of *increased access to quality mental health and addictions services and reduced wait times for outpatient and psychiatry services* and on its partial success in reducing wait times. It reported:

- For outpatient mental health and addiction services, 10 of 13 health regions met the timeliness benchmark for first appointment for adult mental health outpatient services, and for adult and child and youth addictions outpatient services.¹² Whereas 8 of 13 regions met the timeliness benchmark for first appointment for child and youth mental health services.^{13,14}
- For outpatient psychiatrist access, five of seven health regions with psychiatrists met the timeliness benchmark for adults.¹⁵ Neither of the two health regions with child psychiatrists met the timeliness benchmark for children and youth.¹⁶

2.4 Mental Health and Addictions Services in Former PA Parkland

Located in central Saskatchewan, the former PA Parkland Health Region covered an area of about 29,000 square kilometres with Prince Albert being the major city in the region. Prince Albert is the third largest city Saskatchewan, with a population around 40,000 people. It is the last major centre along the way to northern Saskatchewan.

According to the 2015-2016 *Community Program Profile* report prepared by the Ministry of Health, PA Parkland had the third highest number of active outpatient mental health

⁸ The Government of Saskatchewan announced a Commission with a single Commissioner in May of 2013. www.saskatchewan.ca/government/news-and-media/2013/may/07/government-to-develop-provincial-action-plan-for-mental-health-and-addictions (1 November 2017).

⁹ Commissioner, Mental Health and Addictions Action Plan, *A 10 Year Mental Health and Addictions Action Plan for Saskatchewan*, (2014), p. 7. Action Plan is available at: www.saskatchewan.ca/government/health-care-administration-and-provider-resources/saskatchewan-health-initiatives/mental-health-and-addictions-action-plan (02 April 2018).

¹⁰ www.saskatchewan.ca/government/health-care-administration-and-provider-resources/saskatchewan-health-initiatives/mental-health-and-addictions-action-plan (02 April 2018).

¹¹ Ministry of Health, *Annual Report for 2016-17*, (2017).

¹² The 13 regions were comprised of the 12 regional health authorities and the Athabasca Health Authority.

¹³ The Ministry established benchmark targets for wait times for four triage levels—very severe, severe, moderate, and mild.

¹⁴ Ministry of Health, *Annual Report for 2016-17*, (2017), p. 16.

¹⁵ Not all regions employ psychiatrists.

¹⁶ Regina Qu'Appelle, Saskatoon, and PA Parkland health regions are the three regions that have child psychiatrists. Regina Qu'Appelle did not report mental health and addiction timeliness data to the Ministry, therefore two regions reported.

clients (after Regina and Saskatoon).^{17,18} PA Parkland's mental health clients accounted for approximately 11% of total clients across the province (3,969 of 35,196).¹⁹

In 2016-17, PA Parkland spent \$13.2 million on mental health. PA Parkland had the second highest spending per capita on mental health in the province after the Prairie North Health Region.²⁰

In addition, in 2015-16, PA Parkland had the third highest alcohol and drug treatment admission rates for both youth and adults, the third highest rate of injection drug users, and the third highest rate of addictions outpatient service use.

Ready access to mental health and addictions services when most needed, particularly for children, helps minimize and avoid adverse events. Long waits can lead to people's conditions getting worse, and in some cases, waits can even contribute to death.

3.0 AUDIT CONCLUSION

We concluded that, from February 1, 2017 to January 31, 2018, the Saskatchewan Health Authority had, other than in the following areas, effective processes to provide timely access to mental health and addiction services in the former PA Parkland Health Region. For mental health and addictions services, the Authority needs to:

- **Formally track and assess whether mental health and addictions services are meeting client demand and make service adjustments where necessary**
- **Implement a provincial mental health record system and determine a strategy to collect key client information for the system**
- **Collaborate with the Ministry of Social Services to enhance access to housing options for mental health and addictions clients**
- **Use a care model to aid staff in better matching appropriate treatment to client needs**
- **Assess alternatives to decrease the number of clients that do not show up for scheduled appointments and document evidence of follow-up**
- **Better connect addiction clients with post-detox support**
- **Accurately track and report wait times to access outpatient mental health and addictions services**

¹⁷ The Ministry of Health annually prepares the Community Program Profile report and provides it to the health regions. The report provides information on the expenditures, resource utilization and services delivered by the Ministry, regional health authorities, and related organizations, including information on mental health and addictions services. The information and data comes from a variety of sources including the Ministry and health regions' databases, eHealth, and consultations with health sector personnel.

¹⁸ 2016-17 data was not used as Regina Qu'Appelle's data was not included.

¹⁹ Ministry of Health, *2015-16 Community Program Profile*, p. 7.

²⁰ Ministry of Health, *2016-17 Community Program Profile*.

**Figure 1—Audit Objective, Criteria, and Approach**

Audit Objective: to assess whether the Saskatchewan Health Authority had effective processes, for the 12-month period ending January 31, 2018, for providing timely access to mental health and addiction services formerly the responsibility of the PA Parkland Regional Health Authority.

The scope of our audit did not extend to mental health and addiction services provided by fee-for-service general practitioners or fee-for-service psychiatrists. Rather, our audit focused on the mental health and addiction services delivered directly by the Saskatchewan Health Authority, specifically within the former PA Parkland Health Region.

Audit Criteria:

Processes to:

Plan for timely access to mental health and addictions services

- 1.1 Understand demand and supply (e.g., population needs, trends, availability of services)
- 1.2 Set timeliness guidelines and targets for services
- 1.3 Assign appropriate resources

Deliver timely services

- 2.1 Assess severity of illness and urgency of service in accordance with timeliness guidelines
- 2.2 Specify treatment and associated service timelines (e.g., time from assessment to time of treatment)
- 2.3 Co-ordinate treatment in accordance with specified plan
- 2.4 Address factors inhibiting timely treatment

Monitor performance of mental health and addictions services

- 3.1 Systematically share performance information on services (e.g., wait times and complaints)
- 3.2 Compare results to planned performance
- 3.3 Address areas where performance falls short

Audit Approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). The criteria is based on related work, reviews of the literature including reports of other auditors, and consultation with management in the Authority. The Authority's management agreed with the above criteria.

We examined the Authority's policies and procedures, system data, and reports that relate to mental health and addiction services. We interviewed staff responsible for mental health and addictions services, and selected and tested a random sample of 30 mental health and 30 addictions client files.

4.0 KEY FINDINGS AND RECOMMENDATIONS

Throughout this chapter, we refer to the former PA Parkland Health Region as PA Parkland.

4.1 Demand for Mental Health and Addictions Services Greater than Available Services

PA Parkland offers a range of mental health and addictions services with most of these services offered in the city of Prince Albert. However, demand for its mental health and addictions services is outpacing its capacity to supply them.

Range of Mental Health and Addiction Services Available

PA Parkland provides three types of mental health and addiction services: inpatient (services provided in a hospital), outpatient (services provided outside a hospital), and community rehabilitation and residential. See **Figure 2** for further details.

Prince Albert is Saskatchewan's most northern city with an adult, child, and youth inpatient mental health unit. The unit has a combined 39 beds (see **Figure 2**). It serves primarily a northeastern Saskatchewan population of about 150,000. Child and youth inpatient units are also located in Regina and Saskatoon.

PA Parkland offers both inpatient and outpatient addictions services given the high rate of alcohol and drug use in northern Saskatchewan.²¹

Inpatient addiction services include a Family Treatment Centre for women (with dependent children) who are dealing with alcohol and drug issues, and a Brief and Social Detox Centre for short-term stays. Both Centres are located in the city of Prince Albert and are open 24/7.

PA Parkland also has outpatient walk-in mental health and addictions centres open Monday to Friday during the day. Clients can walk-in to see counsellors or make an appointment for another time. It also provides outreach mental health and addiction services (e.g., in four schools located outside of Prince Albert) from Monday to Friday during the day.

In addition, PA Parkland has a team of nurses that support long-term mentally ill clients living in the community (e.g., provide injections, monthly visits).

PA Parkland routinely tracks the key information about the use of each of its services (e.g., number of new clients, readmits).

Figure 2—Mental Health and Addictions Services Offered in PA Parkland

Type of Service	Service Description	Services Available
Inpatient Services		
Mental Health Inpatient Unit	Diagnostic and treatment services provided on acute inpatient units in designated facilities (i.e., hospitals); services are designed to restore a person's capacity to live in the community.	Open 24/7 - Hospital Inpatient Unit Two inpatient units are located in the hospital in Prince Albert: one child and youth unit with 10 child and youth beds and one adult unit with 29 adult beds.
Addictions Brief and Social Detox Centre	Offers brief detox and social detox with case management, including goal setting and treatment planning. Brief detox is an alternative to overnight incarceration or admission to emergency rooms (one-night stay). Clients can self-refer to brief detox by walk-in or phone. Social detox is a recovery-based program focusing on the management of physical withdrawal symptoms while engaging in the recovery process (usually about a one week stay).	Open 24/7 Brief and Social Detox Centre is located in Prince Albert (built in 2009) with 14 beds.

²¹ Ministry of Health, 2016-17 Community Program Profile, p. 14.



Type of Service	Service Description	Services Available
Family Treatment Addictions Centre	<p>Six-week addictions treatment program</p> <p>Clients receive life skills coaching and parenting support during their inpatient stay.</p> <p>Provincial resource for women with dependent children; referrals come from an addictions counsellor.</p>	<p>Open 24/7</p> <p>Programing runs Monday to Friday</p> <p>The Family Treatment Centre is a provincial resource located in Prince Albert (opened in 2013) with eight bedrooms (space for eight clients and up to 20 of their children).</p>
Outpatient Services		
Mental Health Outpatient Services	<p>Direct clinical and counselling services are available through walk-in clinics, by appointment, or through internet-based therapy.</p> <p>Direct services include diagnosis and treatment of a wide variety of mental health problems, as well as counselling and support for community clients.</p> <p>Services available through clinics include: intake, group therapy, individual counselling, and education.</p>	<p>Open Monday to Friday 9 am to 5 pm</p> <p>Mental health outpatient clinic is located in Prince Albert</p>
Addictions Outpatient Services	<p>Walk-in & appointment counselling service</p> <p>Direct services include diagnosis and treatment of a wide variety of addictions problems, as well as counselling and support for community clients.</p>	<p>Open Monday to Friday 9 am to 5 pm</p> <p>Addiction outpatient clinic is located in Prince Albert</p>
Mental Health and Addictions Outreach Services	<p>Walk-in & appointment counselling service</p>	<p>Addictions and mental health outreach counsellors are available at four primary care sites (in Shellbrook, Big River, Spiritwood, and Kinistino), five schools in Prince Albert, and four schools located in Birch Hills, Kinistino, Meath Park, and Big River.</p> <p>Services are also provided in three correctional centres and at the Prince Albert hospital.</p>
Rehabilitation and Residential Services		
Community Rehabilitation and Residential Services (Outpatient)	<p>Assists long-term mentally ill clients through nursing services and supports to secure housing in the form of group and approved homes, as well as independent living options.</p> <p>Nurses support clients in the community; referrals often come from mental health inpatient unit.</p> <p>Services available to rehabilitation clients include: intake, case management, residential services, and family education and support.</p> <p>Other services available through contracted service providers include day activity and recreational programs, family respite and education, and crisis management to support clients and their families.</p>	<p>Nurses work Monday to Friday 8 am to 5 pm</p> <p>Residential services include: 1 group home located in Prince Albert with capacity for 6 clients, apartments with capacity for 18 clients, and 36 approved homes with capacity for 149 clients located throughout the region.</p>

Source: Provincial Auditor Saskatchewan.

Indicators Suggesting Demand Outpaces Supply of Services

The following indicators suggest that the demand for mental health and addictions services offered by the health region is outpacing its ability to meet demand:

- Its mental health inpatient beds are frequently full. Statistics show PA Parkland's occupancy for mental health inpatient services was higher than some other health regions in 2015-16 (not all health regions have inpatient mental health wards). See **Figure 3**.

Figure 3—Occupancy Rates for Inpatient Mental Health Wards in Saskatchewan 2015-16 by Former Regional Health Authorities

Former RHA	Facility	# of Beds	Occupancy Rate %
Cypress	Swift Current Mental Health Centre	10	64.1%
Five Hills	Moose Jaw Mental Health Centre	12	73.9%
Prairie North	Battlefords Mental Health Centre	22	79.5%
Prince Albert Parkland	Prince Albert Mental Health Centre – Adult	29	83.5%
	Prince Albert Mental Health Centre – Adolescent	10	94.7%
Regina Qu'Appelle	Regina General Hospital – Adult	50	99.4%
	Regina General Hospital – Adolescent	10	91.9%
Saskatoon	Saskatoon Dube Centre – Adult	54	106.0%
	Saskatoon Dube Centre – Adolescent	10	91.4%
Sun Country	Weyburn Mental Health Centre	10	69.2%
Sunrise	Yorkton Mental Health Centre	15	45.7%
Total		232	88.6%

Source: Ministry of Health, 2016-17 Community Program Profile.

For its 29 adult beds, the average daily census showed 25 or more beds full from September 2016 to September 2017 with beds at full utilization for four of those months.^{22,23}

For its 10 child and youth beds, the average daily census showed six or more beds full from September 2016 to September 2017 with beds at full utilization for three of those months.

- Its detox services regularly and increasingly turn away both brief and social detox clients due to capacity issues (see **Figure 4**). The PA Parkland Detox Centre, a 14-bed facility, is usually full. Demand for detox services has increased from 2015 to 2017. In 2017, staff refused detox service to over 2,500 clients as compared to almost 600 in 2015. The majority of PA Parkland addictions clients (over 80%) are addicted to alcohol and about one-third of its addictions clients also abuse opioids or crystal methadone.

²² September 2017 was the most current data available at January 2018.

²³ Figures come from the hospital admission system.



Figure 4—Total Number of Clients Serviced or Refused at the Brief and Social Detox Centre

Calendar Year	2015	2016	2017
Total Clients Serviced	3,135	3,118	3,220
Total Clients Refused	570	1,584	2,510
Total Demand for Detox Services	3,705	4,702	5,730
% refused	15%	33%	44%

Source: PA Parkland management.

- Visits to PA Parkland mental health outpatient services in 2016-17 increased over 20% from the prior year (2016-17: 60,334 total visits; 2015-16: 49,456 visits).²⁴

Clients may leave outpatient addictions services before receiving the first-come-first-served services because clinicians are not available. Addictions Outpatient and Outreach Services indicated, for the nine-month period ending December 2017, 290 clients left before accessing services because a clinician was unavailable.

Feedback from some clients and families indicate the need for more flexible hours including evening and weekend outpatient services. Outpatient services are only available Monday to Friday during the day.

- General awareness that the PA Parkland funding model may not fully address needs of the broader client base served. A number of its mental health and addictions clients come from outside the health region.

Findings of a 2007 Ministry of Health program evaluation indicated PA Parkland was under-resourced both from a general clinician perspective (e.g., counsellors) as well as from specialized services (e.g., psychiatrists). The 2007 program evaluation was of the PA Parkland mental health and addiction services. This was the most recent program evaluation completed of this area as of January 2018.

Staff indicated to address increased demand for mental health and addiction services, that PA Parkland must primarily reallocate funds from other mental health and addictions services (e.g. changes in extent, type, and location of services) as availability of additional funding is limited. In 2016-17, PA Parkland spent \$13.2 million (2015-16: \$13.7 million) on mental health.²⁵ In 2016-17, PA Parkland budgeted for 157.06 (2015-16: 156.35) full-time equivalent employees to provide mental health and addiction services. While demand for is increasing, spending has remained fairly constant and there has been minimal increases in staffing.

Furthermore, as previously noted, its inpatient services are only offered in Prince Albert, and its outpatient services are offered in limited locations outside of the city. Inpatient mental health and addiction services require more resources and infrastructure to deliver than outpatient services, and must be located where specialized staff are available. PA

²⁴ Prince Albert Parkland Regional Health Authority, *2016-2017 Annual Report*, p. 9.

²⁵ These figures come from Ministry of Health Community Program Profiles and include the region's costs of providing service to clients in the hospital and in the community, as well as administration costs and contracted psychiatrist salaries.

Parkland was unable to show us how the current locations of its outpatient services aligned with the demand for mental health and addictions services.

A periodic comprehensive assessment for determining whether resources meet program objectives is good practice. Not doing a comprehensive reassessment of client demand relative to mental health and addictions services available increases the risk of not providing those with mental health illnesses and addictions with timely access to service. In addition, an updated review of resource allocations may be warranted given the move to a provincial health authority.

1. **We recommend that the Saskatchewan Health Authority formally assess whether mental health and addictions services are meeting client demand and make adjustments where necessary in its Northeast integrated service area.**

4.2 Integrated Client Files Needed

PA Parkland manually records services it provides to mental health and addiction clients; its clients can have multiple files. Not having a single file that includes all mental health and addiction services provided to a client can impede treatment for mental health and addictions clients and may create inefficiencies in the provision of care.

Many of PA Parkland's clients access more than one of its service areas (e.g., detox, mental health inpatient, mental outpatient, addiction outpatient) on a regular basis.

While it assigns a single client file number to each client, PA Parkland keeps separate manual files located at the different services areas for services a client accesses. PA Parkland manually tracks assessments and care provided to its mental health and addictions clients in the files. It does not share the content of manual files between its service areas. For clients who are referred to its services, it provides the referring source (e.g., school) information upon request.

In January 2018, PA Parkland was participating in Phase 1 implementation of a new IT system.²⁶ Certain service areas (e.g., mental health outpatient services) were using the system for documenting some client information. The new Mental Health and Addiction Information System is to serve as a complete electronic health record for mental health and addictions clients and help match levels of care needed to existing services. The Ministry has yet to determine when this IT system will be in use province-wide.

Having separate manual client files does not allow staff in the various service areas to access complete client information for consideration. Establishing one client file in electronic format would ensure relevant and timely information is readily available for client care.

2. **We recommend that the Saskatchewan Health Authority implement a provincial integrated mental health record system to record services provided to mental health and addictions clients.**

²⁶ The IT system is called MHAIS—mental health and addictions information system. The system includes a level of care utilization tool that will help clinicians determine the level of care needed for clients.



As previously noted, individuals may seek mental health and addiction services from other sources including fee-for-service general practitioners and psychiatrists, and the Health Service 811 line.²⁷ In 2016-17, fee-for-service psychiatrists provided services to over 1,900 clients in PA Parkland and almost 12,000 clients saw general practitioners for mental health concerns.²⁸ A number of these clients may not seek services from the health region. Every month, HealthLine 811 fields an average of 6,716 health-related calls from across the province.²⁹

PA Parkland does not have access to information about the provision of all mental health and addictions services to its clients (e.g., those provided by fee-for-service general practitioners and psychiatrists), even though these services are publicly funded.

Effectively sharing information is integral to the co-ordination of mental health and addictions services. The completeness of a provincial record is contingent upon the willingness of those with client information (e.g., general practitioners, psychiatrists) to share and use it.

3. **We recommend that the Saskatchewan Health Authority develop a strategy to collect key mental health and addictions client information from healthcare professionals for the provincial integrated mental health record system.**

4.3 Need to Analyze Frequent Mental Health and Addiction Service Users

PA Parkland has not assessed how it can best address the needs of clients who frequently use its mental health and addiction services.

PA Parkland has a number of clients that frequently use its mental health and addictions services. Our review of PA Parkland statistics found:

- It readmits the same clients multiple times into the Detox Centre. For example, it admitted 48 brief detox clients more than 10 times each in 2017, and 36 social detox clients more than 2 times each in 2017.
- About 11% of the mental health and addictions clients (excluding detox clients) accessed more than one mental health or addiction service in 2017. This can be appropriate for some clients given the complexity of illness.
- In 2016-17, PA Parkland had 169 mental health clients readmitted to the hospital within 30 days of discharge; nearly one in ten mental health patients returned to the hospital within a month.

PA Parkland management indicated that they do not analyze how to reduce the number of readmissions.

²⁷ HealthLine 811 employs registered psychiatric nurses, registered nurses, and social workers who can offer crisis support and strategies to someone in a mental health crisis, or give someone suffering from mental health or addictions issues information about resources in their community. <http://publications.gov.sk.ca/documents/13/104236-MHAAP-Newsletter-Oct-2017V2.pdf> (02 April 2018).

²⁸ Ministry of Health, *Mental Health Program Data for 2016-17*, p. 23.

²⁹ <http://publications.gov.sk.ca/documents/13/104236-MHAAP-Newsletter-Oct-2017V2.pdf> (02 April 2018).

Better addressing the needs of users with high overall usage of mental health and addictions services may reduce their usage and improve their health outcomes.

4. We recommend that the Saskatchewan Health Authority identify and analyze clients who frequently use mental health and addictions services to determine how they may be better served in its Northeast integrated service area.

4.4 Guidelines for Timely Service Set

PA Parkland has guidelines that set out desired timeframes for delivering mental health and addictions services to clients for most of its services. This includes timeframes for clients accessing services through emergency departments, outpatient clinics, or psychiatry services.

For clients accessing services through emergency departments (ER), PA Parkland uses the ER CTAS triage scoring guidelines to prioritize mental health and addiction services to these clients (see **Figure 5**).³⁰ A healthcare provider should see a CTAS Level I patient immediately, while a provider should see a CTAS Level V patient within 120 minutes. In 2016-17, over 3,300 clients presented to the ER with mental health issues.³¹

Figure 5—CTAS Levels and Time Goals

CTAS Level	Severity of Condition	Goal to be seen or reassessed by healthcare provider
CTAS I	Resuscitation	Immediate
CTAS II	Emergent	15 minutes
CTAS III	Urgent	30 minutes
CTAS IV	Less Urgent	60 minutes
CTAS V	Non-Urgent	120 minutes

Source: CTAS Implementation Guidelines.

For clients accessing services through outpatient clinics or psychiatry services, PA Parkland, along with other health regions and the Ministry of Health, has developed triage guidelines for addictions and mental outpatient services. The guidelines set the suggested maximum length of client wait to first offered service based on seriousness of the presenting symptoms (acuity level, illness severity level). Clients assessed as having more medically urgent conditions are to be seen before those with less urgent conditions.

As shown in **Figure 6**, the wait-time guidelines include four triage urgency levels. Each level is assigned a suggested maximum wait time before services are provided (i.e., the client gets first appointment to a counsellor or psychiatrist).

³⁰ Canadian Triage Acuity Score (CTAS) is a tool that helps emergency departments to prioritize or rank patient care needs based on illness conditions.

³¹ Based on data provided by PA Parkland.

**Figure 6—Target Timeframes for Outpatient and Psychiatry Services**

Acuity	Service Response Target
T1 - Very Severe	Client seen within 24 hours
T2 - Severe	Seen within 5 days
T3 - Moderate	Seen within 20 business days
T4 - Mild	Seen within 30 business days

Source: Ministry of Health, 2016-17 Community Program Profile.

As the Ministry of Health expects, PA Parkland uses these target timeframes for prioritizing new clients (children, youth, adults) accessing outpatient clinic or psychiatry services.

PA Parkland does not need formal guidelines to prioritize services provided to clients who access its detox programs (e.g., Family Treatment Centre and Brief and Social Detox Centre) or community rehabilitation and residential services.

Rather for the Family Treatment Centre, it accepts clients referred by an addictions counsellor in the province on a first-referred-first-served basis. According to management, at January 2018, there was no waitlist for the Family Treatment Centre.

The Detox Centre allows clients to self-refer (via phone or walk-in). It serves them on a first-come-first-serve basis. As previously noted, its detox services regularly and increasingly turn away both brief and social detox clients due to capacity issues.

For its rehabilitation and residential services, client referrals are required through a psychiatrist. A community health nurse visits clients between once a month and once a quarter depending on needs.

4.5 Services Not Always Timely

PA Parkland does not always provide mental health and addictions services in a timely manner. Ongoing vacancies in psychiatry positions in PA Parkland and its ability to recruit and retain health care providers including specialists providing mental health and addiction services have affected its ability to provide timely services.

Inpatient Services

For two of eight mental health and addiction client files we tested of clients who accessed care through the ER, mental health clients appeared to have waited a long time before being admitted to the mental health inpatient unit. In one instance, PA Parkland did not admit a client with CTAS Level II to the mental health inpatient unit for five hours. In another instance, PA Parkland did not admit a client with a CTAS Level IV to the mental inpatient unit for nine hours. These clients may have had their medical condition regularly re-assessed in the ER in a timely manner. However, long waits in the ER for clients with mental health issues can create additional challenges and may result in clients leaving before they receive necessary treatment.

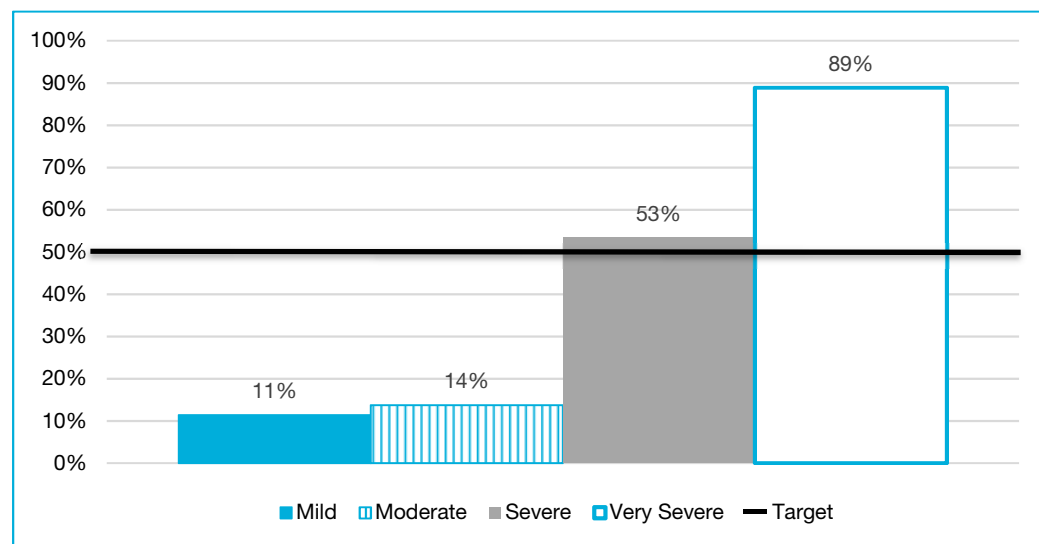
To alleviate these challenges for clients, PA Parkland has created a quieter space (separate room) for mental health clients to wait in the ER. PA Parkland also allows ER physicians to admit mental health clients to the mental health inpatient unit (unlike other ER departments in the province).

Outpatient Services

For the 2017 calendar year, PA Parkland struggled to meet the wait-time target for adults and children wanting to see a psychiatrist.^{32,33} With three vacancies in its psychiatry positions at March 31, 2017, PA Parkland found it difficult to meet its service response targets.

Figure 7 shows, in 2017, PA Parkland did not provide timely initial appointments to psychiatrists for adult clients rated with mild and moderate illness severity levels (e.g., mild—11% had appointments within 30 days; 89% did not). In 2017, 503 adult clients saw psychiatrists.

Figure 7—Percentage of Wait Times Met (from Assessment to Initial Psychiatrist Appointment) vs Target for Adult Clients by Illness Severity Level for 2017



Source: PA Parkland Health Region data.

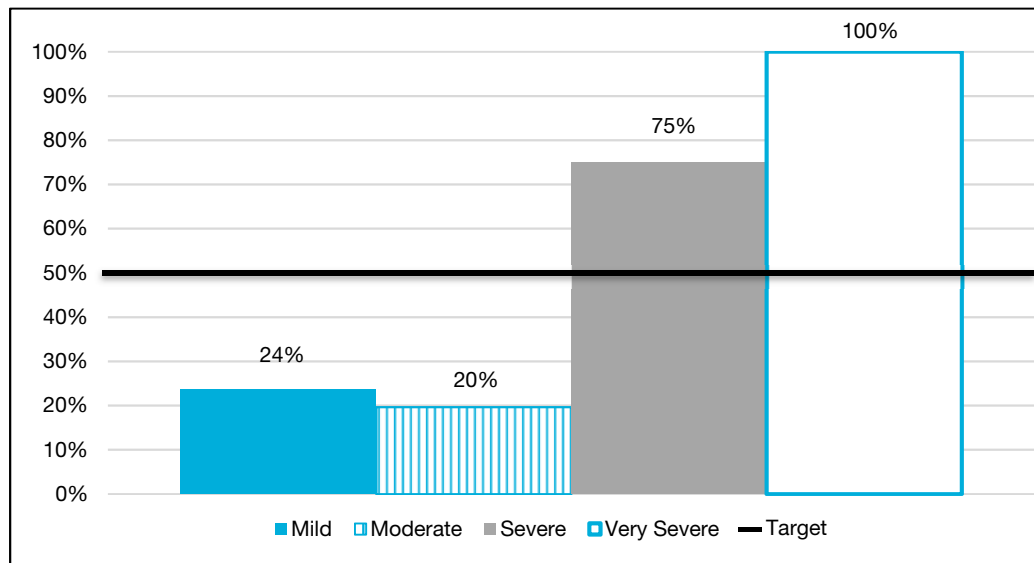
PA Parkland filled two of the three psychiatrist vacancies in September 2017 but continued to have difficulties recruiting a child psychiatrist. Consequently, PA Parkland has difficulties providing timely psychiatrist appointments for children and youth. **Figure 8** shows, in 2017, PA Parkland did not provide timely first appointments to psychiatrists for child and youth clients rated with mild and moderate illness severity levels (e.g., moderate—20% had appointments within 20 days; 80% did not). In 2017, 325 child and youth clients saw psychiatrists.

³² The target for March 31, 2017, was for clients to see psychiatrists within the time guidelines (see **Figure 6**) 50% of the time — see the 50% line in **Figures 7** and **8**.

³³ Prince Albert Parkland Regional Health Authority, *2016-2017 Annual Report*, p. 18.



Figure 8—Percentage of Wait Times Met (from Assessment to Initial Psychiatrist Appointment) vs Target for Child and Youth Clients by Illness Severity Level for 2017



Source: PA Parkland Health Region data.

For 14% of the 28 mental health client files we tested of clients accessing outpatient services, the client waited longer to receive outpatient mental health services than the triage rating would suggest. For four files we tested, the first appointment was not booked for the client within the timing required by their triage rating; and each file did not indicate why. The lateness in booking the first appointment for these four clients ranged from 17 to 79 days late. These clients called to book an appointment instead of visiting a walk-in clinic (clients walking in can see a counsellor right away if they wait).

Because PA Parkland does not track the time between first and second appointments of outpatients seeking mental health and addiction services, we could not determine whether PA Parkland provided timely outpatient services beyond the first appointment.

Many individuals with mental illness or addictions need ongoing care and support. Receiving timely services after the first appointment is equally important to the health and well-being of these individuals and their families. Our testing of 60 mental health and addictions files found certain clients do not show up for second appointments. See **Recommendation 9** about documenting evidence of follow-up when clients do not show up for scheduled appointments.

Not providing outpatient and inpatient mental health and addiction services when clients require them can create additional challenges for clients with mental health and addictions issues. Not providing timely access can result in significant human and economic costs. See **Recommendation 1** about formally assessing whether mental health and addiction services are meeting client demand and making adjustments where necessary.

Rehabilitation and Residential Services

PA Parkland encounters some challenges finding places for those mental health and addictions clients who need supported housing resulting in longer than necessary stays for clients in hospital beds.

How fast mental health and addiction clients with housing needs can access suitable residential spaces varies across the province. **Figure 9** shows the approximate average wait times in 2016-17 for various residential spaces for mental health clients offered through the health regions. PA Parkland uses a standard set of criteria to match clients to residential spaces—this includes the willingness of facility owners to accept the client (who may have mental health issues that can be difficult to manage). The Ministry of Social Services also offers supported housing for adults with intellectual disabilities or mental health challenges.

Figure 9—Wait Times for Residential Spaces 2016-17 by Former Regional Health Authority

Former RHA	Group Homes	Apartments	Approved Homes
Number of Weeks (wks) or Months (mos)			
Cypress		<2 wks	2-4 wks
Five Hills		5-8 wks	5-8 wks
Kelsey Trail			<2 wks
Prairie North	3-6 mos	5-8 wks	5-8 wks
Prince Albert Parkland	2-4 wks	5-8 wks	<2 wks
Regina Qu'Appelle		3-6 mos	<2 wks
Saskatoon	5-8 wks	<6 mos	<2 wks
Sun Country	9-12 wks	9-12 wks	5-8 wks
Sunrise		<2 wks	<2 wks

Source: Ministry of Health, 2016-17 Community Program Profile.

Not all health regions have these types of accommodations. The grey shaded areas indicate no such spaces available at that region.

Figure 9 indicates PA Parkland provided, on average, access to residential spaces sooner or similar to other regions, in any given month. However, we found PA Parkland also provided hospital-based care to several mental health clients who no longer needed those services. These clients were waiting to be discharged to a residential facility.

According to PA Parkland, between April 2016 and March 2017, the mental health inpatient unit had 14 clients that each stayed in a hospital for longer than 60 days. Based on PA Parkland's tracking, the reason for these long-term stays is often difficulty in finding alternate places for these mental health clients to live. For example, PA Parkland identified that 3 of the 14 clients waiting in hospital longer than 60 days would qualify for supported housing through the Ministry of Social Services; 6 of the 14 clients were waiting for a long-term care bed; and 2 of the 14 clients needed a longer length of stay in order to stabilize. PA Parkland had difficulty in finding a place for the other three long stay clients because they have co-occurring disorders that have high risk behaviour (addiction, aggression/violence) that has prevented them from being placed.

In addition, PA Parkland is aware that some of its detox clients with addictions issues have nowhere to go to sleep. For 2016-17, it had 802 detox stays where clients identified as homeless.³⁴

The Saskatchewan Health Authority and the Ministry of Social Services working together to provide stable housing can lead to better outcomes for people living with complex mental health and addictions issues. In addition, providing stable housing outside of a hospital would avoid using costly hospital-based care when such care is not warranted.

³⁴ The figure may include multiple stays of a single homeless client.



5. We recommend that the Saskatchewan Health Authority collaborate with the Ministry of Social Services to enhance access to housing options for mental health and addictions clients.

4.6 Moving Towards a New Care Model

PA Parkland uses one-to-one treatment sessions for most of its mental health and addictions clients, which may not effectively match service to client needs or reflect current good practice.

At January 2018, PA Parkland's mental health and addiction outpatient clinics focused on providing one-to-one counselling for all clients. While it has internet-based cognitive behavioral therapy available, its clients' use of internet-based therapy was limited to date. Only 17 clients used internet-based therapy in 2016-17.³⁵ In general, PA Parkland did not use group therapy for treating outpatients.

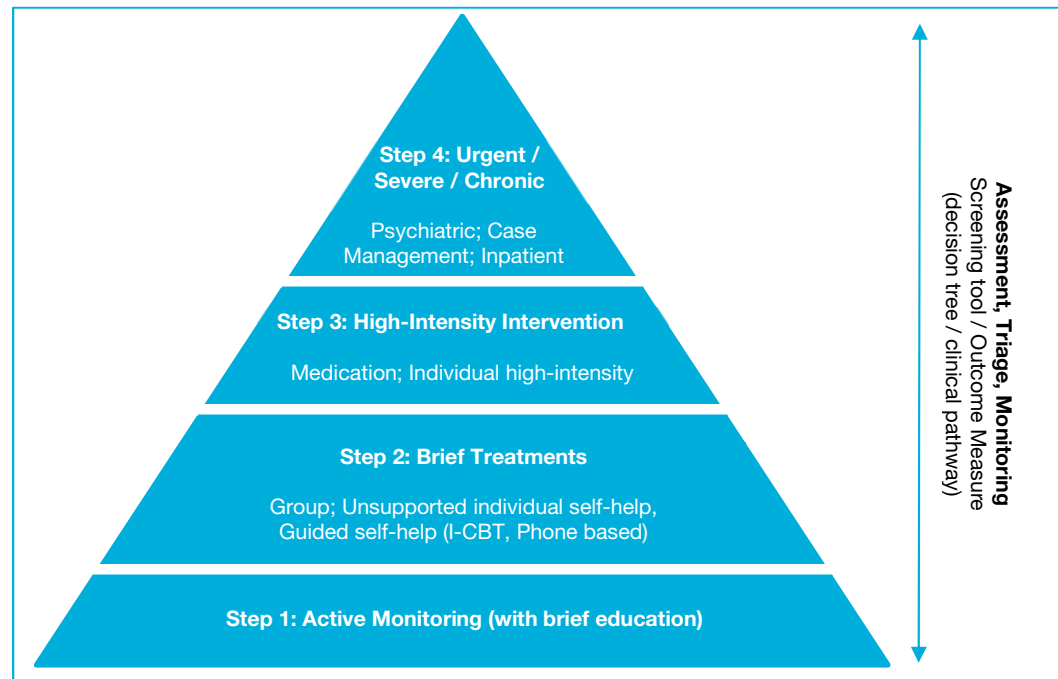
PA Parkland participated in a provincial committee to address province-wide changes in the delivery of mental health and addiction services. The committee included Executive Directors across health regions and staff from the Ministry of Health. It prepared an annual work plan to guide its ongoing initiatives. The work plan included an initiative to move to a stepped care approach (see **Figure 10**).

Since 2017, PA Parkland has been using the new Mental Health and Addiction Information System developed by the Ministry of Health. This new IT system incorporates the stepped care model. It includes tools to aid staff in determining clients' severity and needs, and matching them to the resources available.

As of January 2018, PA Parkland was early stages of using the stepped care model. The model reflects current good practice.³⁶ It matches clients' needs to the most appropriate mental health and addictions services. Under this model, services could include walk-in treatment, group therapies, one-to-one treatment, and internet-based treatment. See **Figure 10**.

³⁵ Internet-based behavioural therapy (I-CBT) is an online therapy program led by the University of Regina that was initially developed in Australia. The program allows therapists to provide online clinic treatment to adults suffering from anxiety and depression. The program's online capability allows clients from across the province to get help they need in a timely manner without having to commute for in-office treatment supports.

³⁶ The model has been designed by the American Association of Community Psychiatrists (2009).

Figure 10—Stepped Care for Mental Health and Substance Abuse

Source: Ministry of Health.

A stepped care model seeks to treat clients at the lowest appropriate service tier in the first instance, only 'stepping up' to intensive/specialist services as clinically required. This may allow the system to provide appropriate care while better managing resources.

- 6. We recommend that the Saskatchewan Health Authority use a model to assist staff in better matching appropriate services to mental health and addiction clients' needs in its Northeast integrated service area.**

4.7 Post-Detox Support Needed

While the PA Parkland Detox Centre admits clients and detoxes them, PA Parkland does not always guide clients to further treatment support after completion of this detox treatment program.

PA Parkland indicated it relies on provincially contracted services for stabilization programming and 28-day inpatient treatments for many its social detox clients.³⁷ During 2017, the provincially contracted service did not run all of its contracted programs. As a result, PA Parkland could not refer clients to those services. It did not identify alternate services.

PA Parkland has guidelines for staff to follow when discharging social detox clients. However, for all of the 13 files of clients who accessed the detox program we tested, we did not see evidence that PA Parkland connected detox clients with further addictions services (e.g., stabilization programs, counsellors close to clients' homes, inpatient treatment). We realize the utilization of further addictions services is dependent on a

³⁷ Stabilization program helps to support physical, mental, spiritual, and emotional stability in a safe setting. It is a 7 to 14 day social detox service.



client's willingness to undertake treatment. Staff connecting clients with post-treatment support will increase the likelihood that clients access and continue with drug or alcohol rehabilitation.

As noted in **Section 4.3**, the same clients access the detox program multiple times in a year. The region saw 48 brief detox clients more than 10 times each in 2017, and 36 social detox clients came more than 2 times each in 2017.

Successful addictions treatment has several steps beyond just detoxification, including behavioral counselling and long-term follow-up to prevent relapse. Lack of planned post-detox support can increase the number of client readmissions and substance use relapses.

- 7. We recommend that the Saskatchewan Health Authority require staff to document the post-detox support arranged for detox clients in its Northeast integrated service area.**

4.8 Clients Not Showing Up for Appointments Impacts Capacity

Mental health and addiction clients not showing up for scheduled appointments/treatments adversely affects staff's ability to deliver PA Parkland's mental health and addiction services efficiently.

PA Parkland does not take into account no-shows when scheduling appointments. It expects clients to attend scheduled appointments or treatments. However, as shown in **Figure 11**, between 12% to 39% of clients do not show up for scheduled appointments or treatments. We found similar results in our client file testing (8 of 30 mental health clients and 5 of 15 addiction clients we tested declined further services by not showing up for their second scheduled appointment).

Figure 11—Number of Clients Not Showing up for Scheduled Appointments

Service Area	Related Period	# of no-show clients	% of no-show clients
Addictions Outpatient and Outreach Services	2016-17	1,842	15
Mental Health Outpatients Services – new clients	2017		39
Mental Health Outpatients Services – follow-up clients	2017		22
Addictions Inpatient Services - Family Treatment Centre	2016-17	10	15
Addictions Inpatient Services – Social Detox	Apr – Dec 2017	98	12

Source: Adapted from PA Parkland records.

Number of no-show clients not readily available from PA Parkland in shaded cells.

Clients with chronic conditions, like addictions and mental health issues, have an increased tendency of not showing up for scheduled appointments. Some may have socioeconomic reasons (e.g., homelessness). Some cannot afford the costs to travel to an appointment, or live in a rural area far from where the addictions centre is located and access to transportation is difficult. Also, challenges associated with their condition can make it difficult to maintain a time commitment.

PA Parkland management could consider possible alternatives to decrease the number of client no-shows and staff waiting for clients that do not show up. These include contacting clients to remind them of their scheduled appointments by using text messages, live phone calls, and automated phone calls.

Missed appointments disrupt schedules, potentially leaving staff with gaps during the workday and wasting capacity.

8. **We recommend that the Saskatchewan Health Authority assess alternatives to decrease the number of mental health and addiction clients that do not show up for scheduled appointments or treatment in its Northeast integrated service area.**

Losing contact with clients has been problematic for PA Parkland.

PA Parkland regularly deals with a number of clients who do not show up for their scheduled outpatient appointments and who do not interact with the region until months after their scheduled appointments. In certain instances, the client is readmitted to the hospital for care. We did not consistently see staff documenting evidence of follow-up with clients who missed their scheduled appointment in the 60 files we tested.

Timely follow-up to assess health status can avoid future hospital visits and reduce overall costs to the client and healthcare system.

9. **We recommend that the Saskatchewan Health Authority document evidence of follow-up when clients do not maintain their scheduled mental health and addictions treatment in its Northeast integrated service area.**

4.9 More Accurate Tracking of Outpatient Wait Times Required

PA Parkland does not accurately track wait time to first appointment for mental health and addictions outpatient services.

PA Parkland reports that it meets outpatient triage benchmarks 100% of the time because it can provide same-day counselling appointments through its outpatient walk-in addictions and mental health clinics. Other health regions with walk-in services report to the Ministry of Health in the same manner. The Ministry of Health *Community Program Profile* report, the Ministry of Health annual report, and PA Parkland's annual report include this outpatient wait time.

As noted in **Section 4.5**, for 4 of 28 files of clients accessing outpatient services we tested, PA Parkland provided mental health and addiction outpatient services later than the service response targets set out in **Figure 6**. These clients called to book an appointment.

Not accurately determining the length of time outpatient clients wait for treatment increases the risk of patients not being treated in a timely manner, and using incorrect information to make decisions about outpatient services. Also, not accurately determining these wait times results in inaccurate public reporting of outpatient wait times.



10. We recommend that the Saskatchewan Health Authority accurately track and report wait times to access outpatient mental health and addictions services in its Northeast integrated service area

4.10 Incidents and Complaints Analyzed

PA Parkland systematically records and responds to incidents and complaints including those related to its mental health and addiction services.

PA Parkland follows the Ministry's processes for reporting and addressing critical incidents. This process is well established and understood.

A critical incident is a serious adverse health event including, but not limited to, the actual or potential loss of life, limb, or function related to a health care service provided by a regional health authority or health care organization.

When reporting, PA Parkland must categorize the severity of each incident (e.g., a near miss, critical incident).³⁸ Management must follow-up each incident and report to the Ministry the results of the follow-up of critical incidents.

For all of the reported incidents we reviewed, they were properly reported, investigated and acted upon.

PA Parkland risk management staff review complaints and assess the significance of risk to residents. Based on the risk level of these complaints, staff escalate matters to management as necessary. PA Parkland's Client Representative works with management and the complainant as necessary.

PA Parkland also conducts client surveys and summarizes results to determine changes to mental health and addictions services needed. In 2017, it formed a client/family mental health advisory council to improve the experience for clients accessing mental health and addictions services.

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³⁸ Near miss is an incident that did not result in an injury or damage but had the potential to do so.

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Chapter 9

Saskatchewan Impaired Driver Treatment Centre— Delivering the Impaired Driver Treatment Program

1.0 MAIN POINTS

This chapter sets out the results of our audit of the processes that the Saskatchewan Impaired Driver Treatment Centre used to deliver its impaired driver treatment program to reduce recidivism (i.e., drive impaired again).

The Centre provides a residential treatment alternative to incarceration for adults convicted of a second or subsequent impaired driving offence. The Centre runs a three-week treatment program and can accommodate up to 28 co-ed clients.

For the 12-month period ended November 30, 2017, the Centre had, other than the following, effective processes to deliver the treatment program to reduce recidivism. The Centre needs to:

- Regularly review its program objectives and set measurable expectations to evaluate and report on the success of the program. This would allow the Centre to know whether its treatment program is effective and whether its activities are reducing recidivism.
- Regularly refresh its treatment program to incorporate relevant good practices (e.g., components based on client gender and cultural background). This would reduce the risk of the program not effectively supporting clients in permanently changing their behaviour.
- Consistently collect and complete client information to inform treatment (e.g., intake information, assessments, prior treatment information, individualized treatment plans, and relapse prevention plans). This information would allow the Centre to provide the appropriate treatment that will help clients to not drive impaired again after leaving the Centre.
- Actively connect clients with specific support upon completion of the treatment program. This would reduce the risk of client relapse and repeated impaired driving.

2.0 INTRODUCTION

2.1 Impaired Driving in Saskatchewan

Impaired driving can have serious consequences. Saskatchewan Government Insurance (SGI) reported alcohol involvement as a leading contributing factor in collisions in 2016 causing 57 deaths and 441 injuries.¹ See **Figure 1**.

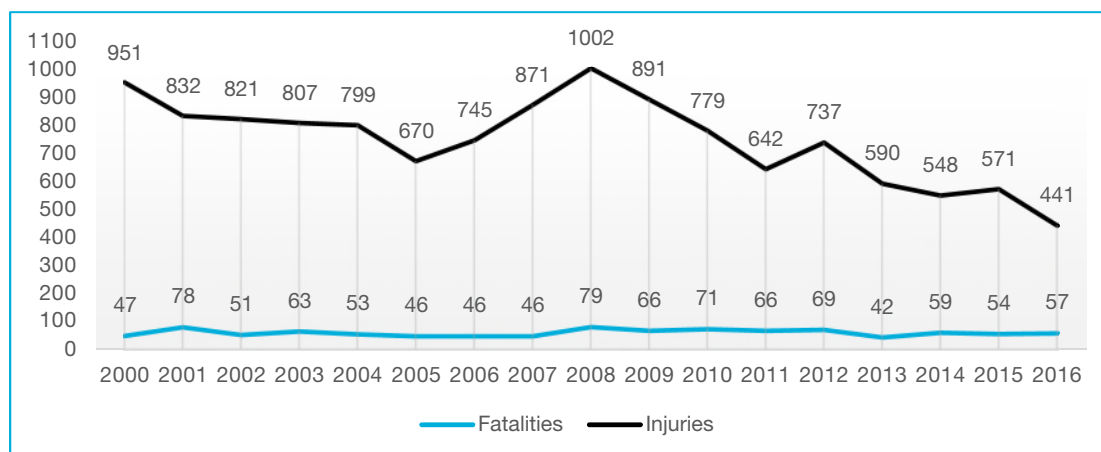
¹ SGI, *2016 Saskatchewan Traffic Accident Facts*, p. 68.



Saskatchewan had the highest provincial impaired driving rate in Canada with 575 of impaired driving incidents per 100,000 people in 2015. Alberta is the next highest with 314 incidents per 100,000. While all provinces had seen a substantial decline in impaired driving rates in the past 30 years, Saskatchewan had seen the smallest decline.²

Impaired drivers may drive impaired again. Nationally, about 16% of people charged with impaired driving had a previous charge within the last 10 years. Impaired drivers who caused death or harm were more likely (20%) to have had a prior charge for impaired driving.³

Figure 1 – Number of Saskatchewan Driving Fatalities and Injuries Involving Alcohol From 2000 to 2016^A



Source: SGI, 2016 Saskatchewan Traffic Accident Facts, p. 68.

^A Most recent data available at February 13, 2018.

An effective impaired driver treatment program can reduce the rate of recidivism and, in turn, can increase the public's safety.

2.2 The Saskatchewan Impaired Driver Treatment Centre

Since 1979, the Saskatchewan Impaired Driver Treatment Centre has provided a residential treatment alternative to incarceration for adults convicted of a second or subsequent impaired driving offence.⁴ This is the only program in Canada that focuses solely on treating repeat impaired drivers. The Centre is located in Prince Albert. The Centre is a designated correctional facility under *The Correctional Services Act*.⁵ This enables individuals found guilty of impaired driving to serve all, or part, of their sentence in the Centre.

Its Cabinet-appointed Board of Governors oversees the Centre. The Board includes representation from the ministries of Justice and Health.

Each year, the Centre spends about \$1 million to operate. Wages and benefits account for 75% of its spending. The Ministry of Health funds the Centre.

² www.statcan.gc.ca/pub/85-002-x/2016001/article/14679-eng.htm. (31 January 2018). This was the latest available data.

³ Ibid.

⁴ The Centre was established on February 1, 1979, under authority of *The Public Health Act* by Order in Council 165/79.

⁵ The Centre is designated as a correctional facility by Order of the Minister of Justice pursuant to section 20 of *The Correctional Services Act*.

The Centre can accommodate up to 28 co-ed clients. About three-quarters of its clients are adult offenders referred to the Centre as part of their court sentence for an impaired driving related charge. In 2016-17, 354 (77%) of its clients were sentenced to the Centre through the courts (when given a minimum 30-day sentence).⁶ The remaining one-quarter of its clients are offenders from provincial correctional facilities who are typically serving a sentence of longer than three weeks for an impaired driving related offence.

The Centre runs a three-week treatment program with nine to ten new clients beginning every Friday. In 2017, the treatment program had a wait time between five to eight months.

During 2016-17, the Centre admitted 460 clients and provided 9,660 treatment days (2015-16: 450 clients, 9,450 treatment days).⁷ In 2016-17, almost three-quarters of the Centre's clients were male, almost two-thirds of them were between the ages of 25 and 44, and just less than three-quarters of them were Indigenous.⁸

3.0 AUDIT CONCLUSION

We concluded that, from December 1, 2016 to November 30, 2017, the Saskatchewan Impaired Driver Treatment Centre had, other than in the following areas, effective processes to deliver the treatment program to reduce recidivism. The Centre needs to:

- **Regularly refresh its treatment program to incorporate relevant good practices (e.g., components based on client gender and cultural background) into its treatment program**
- **Regularly review its program objectives and set measurable expectations to evaluate and report on the success of the program**
- **Consistently collect and complete client information to inform treatment (e.g., intake information, assessments, prior treatment information, individualized treatment plans, and relapse prevention plans)**
- **Actively connect clients with specific support after completing the treatment program**

Figure 2—Audit Objective, Criteria, and Approach

Audit Objective: to assess the effectiveness of the processes that the Saskatchewan Impaired Driver Treatment Centre used for the period December 1, 2016 to November 30, 2017, to deliver the impaired driver treatment program to reduce recidivism.

Audit Criteria:

Processes to:

1. Design program based on best practices
 - 1.1 Establish policies and procedures that align with best practice
 - 1.2 Set measurable outcomes for program and for clients (e.g., percentage completing program, percentage of no alcohol-related offences after X to Y years)
 - 1.3 Maintain adequately trained staff
2. Operate program
 - 2.1 Screen clients for acceptance into the program

⁶ Saskatchewan Impaired Driver Treatment Centre, *2016/2017 Annual Report*, pp. 7-8.

⁷ Ibid., pp. 4-5.

⁸ Ibid., p. 11.



- 2.2 Use validated tool to determine appropriate treatment for clients (e.g., determine severity of substance-use problems)
- 2.3 Select treatment plan suitable for client
- 2.4 Assess client's progress throughout treatment
- 2.5 Adjust treatment plan based on client's progress
3. Monitor results
 - 3.1 Track key information for measurable outcomes
 - 3.2 Analyze key outcome information
 - 3.3 Report key results to the Board, stakeholders (i.e., ministries of Health and Justice), and the public
 - 3.4 Periodically evaluate success, on overall basis, of program

Audit Approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). The criteria is based on related work, reviews of the literature including reports of other auditors, consultation with an independent consultant with subject matter expertise in the area, and in consultation with management at the Centre. The Centre's management agreed with the above criteria.

We used the above criteria to evaluate the Saskatchewan Impaired Driver Treatment Centre's processes. We examined the Centre's related program criteria, policies, and procedures. We interviewed key Centre staff, consulted with an independent consultant with subject matter expertise, and tested a sample of 33 client files. The consultant helped us identify good practice.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Measurable Expectations to Evaluate Treatment Program Needed

The Centre has not set measurable outcomes to monitor its progress in achieving the Centre's program objectives. The Board had not regularly reviewed or updated those objectives.

In 2005, the Board set the following six objectives for the Centre:

- Provide a caring, healthy, and supportive environment where the change process is initiated and/or continued
- Provide effective, research-based, and skills-based intervention that is shown to reduce risk to drink and drive
- Assist in increasing motivation to change substance abuse behaviour
- Facilitate change through group process using guided learning methods as well as adult learning principles
- Maintain positive public relations and co-ordination with other agencies
- Provide educational and therapeutic information and materials for clients⁹

The Board has not reviewed or updated these objectives since they were developed in 2005.

⁹ Saskatchewan Impaired Driver Treatment Centre, www.saskidtc.com/home.html (23 June 2017).

Not reviewing program objectives regularly (e.g., every five to ten years) increases the risk of them not aligning with current good practice.

1. We recommend that the Saskatchewan Impaired Driver Treatment Centre regularly review its program objectives.

In addition, the Centre has not set formal program success measures and/or related targets. Program success measures enable tracking and monitoring of progress towards achieving program objectives; they go beyond the level of activity within a program (e.g., number of and types of clients). Targets set out results or level of activity expected and by when. Examples the Centre could use include:

- An average of A% increase in B (e.g., problem solving, social skills) from pre- to post-treatment
- An overall recidivism rate of less than Y% at the one-year mark of a client completing the treatment program and Z% at the five-year mark of a client completing the treatment program

Without setting expectations and measuring success, the Centre cannot know whether its treatment program is effective and whether its activities are reducing recidivism of driving impaired.

2. We recommend that the Saskatchewan Impaired Driver Treatment Centre set measurable expectations to use in evaluating and reporting on the success of its treatment program to reduce impaired driving.

4.2 Regular Program Refresh Needed

While the Centre's treatment program makes use of some research-supported good practices, there is no regular refresh of the program to include current or emerging good practices.

The Centre utilized research-supported good practices to initially design, and redesign its treatment program.¹⁰ As shown in **Figure 3**, the Centre significantly redesigned the program in 2005, and last made program enhancements in 2009. Its last internal review of the program did not result in changes to the program.

Figure 3—Key Events in Treatment Program Redesign and Updating

2005:	The Centre's treatment program underwent a significant redesign in 2005 to structure it according to good practices at the time. It set the program objectives as noted in Section 4.1 .
2007:	An external evaluation concluded, among other things, that the program met good practices.
2009:	The program length was extended from two weeks to three weeks in 2008 when the <i>Criminal Code of Canada</i> lengthened the minimum mandatory sentence from two to three weeks. The Centre used this as an opportunity to make program enhancements (e.g., expanding topic areas) in 2009.
2015:	The Centre completed an internal review of its program. The review did not result in adjusting the program.

Source: Adapted from Saskatchewan Impaired Driver Treatment reports.

¹⁰ Primary sources of good practices were Health Canada and Correctional Services Canada.

The program continues to use a number of current good practices. For example, the program uses motivational interviewing and five stages of change (see **Figures 4 and 5**) to help clients self-assess and permanently change their behaviour.¹¹

Figure 4—Brief Summary of Treatment Program

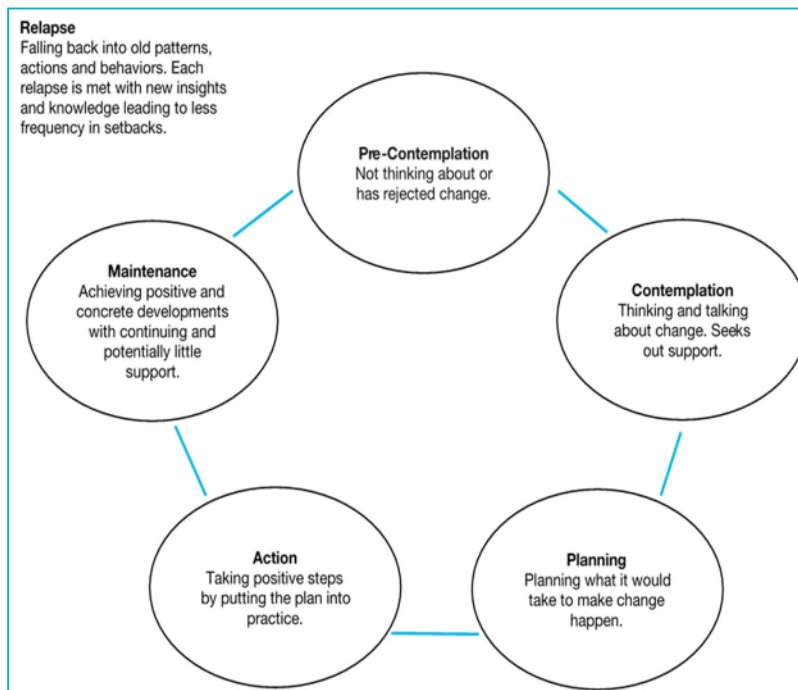
The three-week treatment program emphasizes personal responsibility and choice. It uses the Social Learning Model, a cognitive-behavioral approach including the Transtheoretical Model of Change, motivational interviewing, skills acquisition, and relapse prevention planning. It uses standardized assessment tools to have each client self-assess their level of problems related to substance use.

The Program is delivered using a combination of mandatory group modules, and one-on-one counselling sessions.

Upon program completion, it actively encourages clients to connect with community support (e.g., community addiction counsellors).

Source: Adapted from Saskatchewan Impaired Driver Treatment reports.

Figure 5—Five Stages of Change



Source: www.kvccdocs.com/KVCC/2015-Fall/MHT218/Lessons/L-05/lesson-online.html (28 January 2018).

However, we found that some of the Centre's treatment practices used, such as certain videos and exercises, are no longer considered good practice. Also, we could not determine how a few program sessions (e.g., sexual health workshops) relate to reducing recidivism of impaired driving.

Also, contrary to good practice, the Centre uniformly applies the same treatment program to all clients. It does not adjust its modules for the unique needs of individual clients or groups of clients. For example, the Centre has not integrated into the core of the program its cultural-specific modules (e.g., visits by an elder). Good practice recommends individualization or customization of treatment based on needs of certain populations (e.g., gender, differences in cultural backgrounds).¹²

¹¹ Ministry of Health, *Clinical Principles for Alcohol and Drug Misuse Services in Saskatchewan*, (2012), p. 11.

¹² *Ibid.*, p. 12.

Not using all relevant good practices in its program increases the risk of the program not doing enough to effectively support clients in permanently changing behaviour (e.g., controlling problematic substance use). Effectively helping clients make and sustain changes are key to reducing the risk of them driving impaired again.

3. **We recommend that the Saskatchewan Impaired Driver Treatment Centre regularly refresh its treatment program to incorporate relevant good practices to help reduce clients from driving impaired again.**

4.3 Staff Adequately Trained

The Centre uses adequately trained staff to deliver the treatment program.

To deliver the treatment program, the Centre employs four permanent addiction counsellors and one casual counsellor (to cover holidays).¹³ The Centre requires its addiction counsellors to hold a bachelor's degree (e.g., psychology, social work) or a two-year diploma in addictions counselling.

Direct treatment program staff maintain CPR and first-aid training. The Director of the Centre also receives regular notices from various organizations (e.g., Canadian Centre on Substance Use and Addiction) about upcoming conferences and events.

We found that staff continue their professional development by attending conferences (e.g., addictions, mental health).

4.4 Individual Client Progress Monitored

The Centre systematically tracks and monitors the progress of individual clients.

The Centre monitors client progress from pre-treatment (i.e., on admission to the program) to post-treatment (i.e., the end of the program) using a number of client self-assessment tests. Clients complete the same written assessments at the start and at the end of the program. The Centre uses these assessments to measure various skills focused on in treatment (e.g., social, problem solving, decision-making skills).

4.5 Consistent Collection and Documentation of Client Information Needed

As described below, the Centre collects and documents client information (e.g., client referrals, client assessments, treatment plans, and relapse prevention plans) inconsistently.

Good practices outline that having consistent and relevant client file information is key to inform treatment. Relevant client information includes:

- Referral information—prior treatment/criminal history/security rating

¹³ At November 2017, the Centre had staff in 11 full-time equivalent permanent positions, 5 part-time permanent positions, and 8 casual positions.



- All current client assessments about substance abuse and readiness to change
- Treatment plans including monitoring of client progress and counsellor meetings
- Client relapse plans to respond to risk of driving impaired again

No Client Intake Policy or Consistent Collection of Information

The Centre does not have policies or guidance outlining who best to take into the program, or what client intake information it needs to inform treatment.

The Centre does not prioritize admission into the program based on the risk of the individual having another impaired driving offence even though it has an admission-wait time of five to eight months. The Centre does not have policies or guidance to help determine suitable clients and to guide intake and screening processes. Rather the Centre accepts clients on a first come, first serve basis. It relies on the justice system and staff in corrections to refer suitable clients using Ministry of Justice policies.

Furthermore, it does not have policies or guidance that sets out what minimum intake information it requires upon intake of new clients to help it determine treatment. For example, intake information should include details of current and past driving offences, driving record, the complete criminal history of the client, etc.

We found the Ministry of Justice's policies were not specific to the Centre. Instead, they were generic to community treatment centres. Also, they were over a decade old (e.g., the intake and placement policies were from 2007, and eligibility criteria policies were from 2004).

For some of the 33 client files that we tested, intake information (e.g., client history, criminal and treatment history) was incomplete and inconsistent. We found:

- About one-third (39%) of them did not include complete intake information such as information on whether the client had health issues that may complicate treatment or had completed prior treatment
- Nearly half (48%) of them did not include a completed client intake information report (e.g., circumstances and summaries of current and past offences)
- Most (70%) of them did not include the client's security rating (i.e., low, medium, or high)

Centre space is limited (i.e., only 28 beds) and the demand for the program exceeds the supply (i.e., the wait time is five to eight months).

Without working with the Ministry of Justice to set policies or guidance outlining criteria for client intake (suitable clients to refer and intake information required to inform treatment), the justice system and the Ministry of Justice may refer clients into the impaired driving treatment program, and it may not fit the clients' needs.

4. We recommend that the Saskatchewan Impaired Driver Treatment Centre work with the Ministry of Justice to develop guidance for who to take into the program and information needed to inform treatment.

Reconsideration of Use of Client Identification Number Needed

The way the Centre assigns client identification numbers impedes treatment for repeat clients.

Upon admission, the Centre assigns a unique identification number to each client. It assigns returning clients a new identification number each time they return. It manually maintains information about clients using these numbers.

This practice of assigning new identification numbers makes it difficult for staff to identify repeat clients and to easily pull their former records for consideration. For the nine-month period to November 2017, the Centre had 12.9% repeat clients (fiscal 2016-17: 13.10%).

In addition, during our testing of client files, we found cases of misspelled names in client logs and client files. Misspelled names can further complicate searches for prior treatment files.

By not assigning the same identification numbers to repeat clients, the Centre is not readily able to review prior treatment files and adjust current treatment accordingly.

5. We recommend that the Saskatchewan Impaired Driver Treatment Centre assign the same identification numbers to repeat clients.

Client Assessment Information Not Always Complete

The Centre does not consistently complete client assessment information and prior treatment results in client files.

When a client is admitted to the Centre for treatment, staff are to assess them using valid tests measuring, for example, a client's level of substance abuse and readiness for change.

For the 33 client files that we tested, we found:

- Not all tests were done or fully completed—about one-third (33%) of client files tested were missing some or all of the assessments or had incomplete assessments; these files did not include reasons for missing or incomplete assessments
- All of the files where the client had prior treatment did not contain evidence showing the counsellors' use of prior treatment results (e.g., previous relapse prevention plans) to help inform current treatment

Without complete client assessment information on file, counsellors may not have sufficient information to select interventions or treatments appropriate for the client.

6. We recommend that the Saskatchewan Impaired Driver Treatment Centre consistently complete client assessment information to support treatment.



No Documented Evidence of Individualization of Client Treatment or Client Progress Kept

The Centre could not show us that it individualizes treatment for its clients; it does not keep records of individualized treatment or one-on-one counselling sessions during the program.

The three-week program consists of a combination of mandatory modules, and providing clients with an opportunity for one-on-one counselling sessions (see **Figure 6**). The Centre does not vary the modules or content thereof based on substance abuse history, gender, cultural background, educational level/comprehension ability of individual clients, or groups of clients in attendance. The Centre does not develop treatment plans for each individual client.

Figure 6—Brief Summary of Structure of Treatment Program

Clients are admitted to the Centre for 21 continuous days. The three-week program runs from Monday to Friday with about one-third of the clients being admitted each Friday. It delivers structured modules on weekday mornings, and provides time for counselling clients on weekday afternoons. The Centre does not offer programming during the weekend. A counsellor is available on call on weekends and after hours for any crisis/issue.

All clients must attend the structured modules each morning. There are 15 modules. Each module covers specific topics. For example, on day one, counsellors discuss the stages of change and the physical effects of alcohol/drugs with the clients.

In the afternoons, clients attend various workshops/presentations (e.g., RCMP – police perspectives). In addition, clients can, at their discretion, initiate and participate in one-on-one sessions with their counsellors. For each three-week treatment program, the Centre made a total of 90 hours of one-on-one sessions available to the clients in the program (based on 4 addiction counsellors, 1.5 hours per afternoon; maximum client capacity: 28). Generally, each one-on-one session ranges between 15 to 60 minutes.

Source: Adapted from Saskatchewan Impaired Driver Treatment information and staff interviews.

In addition, while management expects staff to monitor each client's progress throughout treatment, it does not formally require staff to keep any information from one-on-one counselling sessions (e.g., dates of sessions, results of sessions).

For all of the client files that we tested, we did not find documentation that showed staff monitored client progress (e.g., counsellor's notes from one-on-one sessions or observations from the client's participation in the group sessions) during the program.

The lack of documentation from the one-on-one counselling sessions increases the risk that clients may not receive appropriate treatment based on their individual needs. In addition, not keeping such documentation reduces the ability of the Centre to monitor the delivery of treatment to clients. It also means this information is not available to counsellors when making treatment decisions for current and repeat clients.

7. We recommend that the Saskatchewan Impaired Driver Treatment Centre require its staff to document the results of one-on-one counselling sessions with clients.

Because the Centre does not keep records of whether counselling sessions are held with individual clients or the results of those sessions, it could not show us whether treatment was tailored or individualized within these sessions to align with the particular needs of the client. Furthermore, without records, we could not determine to what extent clients

participated in one-on-one sessions. Centre staff advised us that the four counsellors were not always fully booked for sessions each afternoon.

While individualizing all aspects of treatment for each client would be difficult in a three-week program, an opportunity to customize some module program content for different clients and sub-groups or to provide additional treatment and support to clients exists for the following reasons:

- The Centre does not provide programming on the weekends (other than the sessions with an elder every second weekend), that is, no programming on 6 of the 21 days of the three-week program
- Some afternoon time is generally available each week because not all clients initiate one-on-one counselling sessions

The Centre could use some of this available time to actively encourage more one-on-one sessions, or hold breakout sessions designed to tackle unique needs common to individuals or groups of clients in the program (e.g., females, Indigenous clients, or clients with similar substance abuse risk factors, levels, or history).

Without a treatment plan that focuses on the specific unique needs of each client or groups of clients in the program, the Centre may not provide treatment that will most help clients from not driving impaired again after leaving the Centre.

8. We recommend that the Saskatchewan Impaired Driver Treatment Centre customize its treatment program to focus on the specific unique needs of individual clients or groups of clients in the program.

Preparation of Client Relapse Plans Inconsistent and Incomplete

Client relapse prevention plans were not consistently prepared and were often incomplete.

The Centre requires clients to develop written relapse prevention plans during their time in the program. Management indicated that each client's counsellor is to review these plans.

Relapse prevention plans are key documents that clients take with them when they complete treatment to help them reduce the risk of driving impaired again. Developing such plans is consistent with good practice. They help clients identify their personal goals, situations, and triggers that could increase their risk of relapse, ways to cope, and where to go for support to respond positively to a relapse. Management indicated each client is at a different stage of change and it is up to the client to determine the level of detail included in the relapse prevention plans.

We found that counsellors did not always make sure their clients prepared the relapse prevention plans or that prepared plans were complete. For the client files that we tested, we found:

- Half of the files tested (51%) had incomplete relapse prevention plans (e.g., missing details in their goals or steps)



- 6% of them did not include any relapse prevention plans.

Without complete client relapse prevention plans, clients may be at greater risk of driving impaired again after being released from the Centre.

9. We recommend that the Saskatchewan Impaired Driver Treatment Centre have clients consistently complete relapse prevention plans before leaving the Centre.

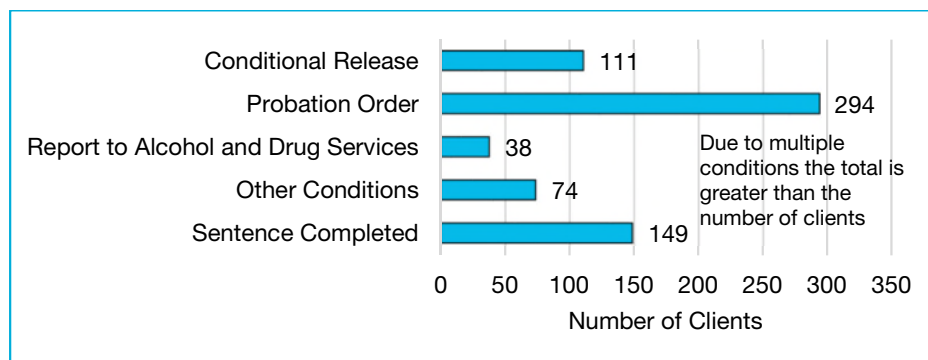
4.6 Post-Treatment Support Needed

The Centre does not have procedures to guide staff in encouraging clients to seek post-treatment support.

Good practice recommends one key to sustaining change in behaviour is the ability to access support (e.g., support meetings, mental health, addictions or general counselling) after the completion of a formal treatment program. It suggests programs actively connect clients with the necessary post-program support information (e.g., referring them to specific services, and helping them access those services). We expected the Centre to arrange for post-program support.

Some of the Centre's clients have conditions upon their release from the program. As set out in **Figure 7**, in most cases, the courts or probation officers set the conditions (e.g., conditional release, probation order), and are responsible for monitoring whether they are met.

Figure 7 – Number of Clients with Conditions of Release for the 2016-17 Year



Source: Saskatchewan Impaired Driver Treatment Centre, 2016/2017 Annual Report, p. 10.

Conditional Release is a part of the client's court sentence (e.g., abstain from the use of drugs or alcohol). A Probation Order is set by probation staff (e.g., client must report to probation officer every X days). These conditions of release are outside the responsibility of the Centre. Management indicated that if the client is being discharged with conditions to report to probation officers, then the discharge report would be sent to probations.

Probation or the client can set the condition to Report to Alcohol and Drug Services. If set by probation, these conditions are outside the responsibility of the Centre and discharge reports are provided to probations.

Other Conditions are self-directed conditions that the client has identified during relapse planning (e.g., see an addictions counsellor, attend Alcoholics Anonymous).

Once a Sentence is complete, there are no conditions.

As part of completing their relapse prevention plans in the treatment program, staff indicated that they actively encourage clients to connect with community support (i.e., clients may "self set" conditions). For example, clients would report to alcohol and drug services that the Saskatchewan Health Authority offers.¹⁴ Management indicated that staff

¹⁴ <http://www.rqhealth.ca/departement/addiction-services/addiction-services-in-regina>. (07 February 2018).

is to identify the community support required for the client in the final report (i.e., discharge report).

We found staff's documentation of community support for clients was inconsistent (e.g., not always identified in the final reports).

Without successfully connecting clients to post-treatment support, there is an increased risk that a client will not access post-treatment support. If clients do not access this support, it increases the risk of client relapse and repeated impaired driving.

10. We recommend that the Saskatchewan Impaired Driver Treatment Centre actively connect clients with specific support upon completion of the treatment program.

4.7 Monitoring and Reporting of Program Success Needed

Although the Centre routinely monitors and reports many program activities, it has limited monitoring and reporting on whether the program is achieving its six objectives.

The Centre does not regularly report its progress towards achieving those objectives to its Board, funders, or the public (e.g., through annual report or website). As noted in **Section 4.1**, it has not set measurable expectations to use in evaluating or reporting on its success.

Rather, each quarter, the Centre gives its Board and the Ministry of Health a report that summarizes program activity for that quarter.¹⁵ The report includes:

- Statistics of the program (e.g., number of admissions, patient days for the admissions to the program, occupancy rate)
- Operational items underway (e.g., draft suicide prevention protocol, performance evaluations)
- Methods used to evaluate clients (e.g., pre- and post-testing tools, program evaluations)
- Program development needs of staff within the Centre (e.g., training opportunities)
- Financial information (e.g., details on costs)

In addition, the report provides a breakdown of the clients' self-assessed pre- and post-program test score changes (i.e., how many client test scores increased, decreased, stayed the same). For example, clients self-assessed an increase in their readiness to change in a range of 73% to 88% dependent upon the category (e.g., social skills, problem solving, decision-making skills) for the period of July 1 to September 30, 2017.¹⁶

¹⁵ Under the funding agreement with the Ministry of Health, the Centre is required to provide the Ministry of Health with quarterly reports.

¹⁶ *Saskatchewan Impaired Driver Treatment Centre Quarterly Report*, October 2017.



Management views changes in scores from client's self-assessments as an indicator of program performance. However, there is no evidence of any analysis of this information beyond a simple calculation of changes in client-assessed scores.

The Centre does not post its annual report on its website to make it readily accessible to the public.

Although the Centre recognizes recidivism is an important indicator of success, its process as to when and how to calculate recidivism rates of its clients is not well defined or documented. Recidivism rate is the rate at which its clients are charged with driving impaired again after completion of the program.

The Centre expects staff to calculate an overall recidivism rate for past clients, and the recidivism of each client at the one-year mark of leaving treatment.¹⁷

However, we found, in practice, the timing of this check varied. Some took place at the one-year mark (the expected timing) while others occurred later (e.g., 19 months). Also, at November 2017, the Centre had determined only 2014 overall recidivism statistics and was still working on determining the 2015 and 2016 one-year recidivism statistics.

In 2014, for 431 clients at their one-year mark of completing the program, 34 (7.8%) had new charges for a breathalyzer-related charge, 36 (8.3%) had new charges for driving while disqualified, and 114 (26.4%) had new charges.¹⁸

The Centre does not determine recidivism rates for longer periods (e.g., three to five years), even though this information is available and may provide insight into whether its clients sustained changes they made during the program. Also, recidivism rates at the one-year mark do not capture some clients who are still serving their sentence in a correctional facility.

In addition, the Centre does not share the overall recidivism rate or changes in rates with its Board or ministries of Justice and Health.

Without receiving measurable information about the results of the program, the Centre's management, the Board, and stakeholders cannot assess the Centre's progress towards achieving its program objectives and reducing the risk of clients driving impaired again. See **Recommendation 2** about setting measurable expectations to evaluate and report on its treatment program's success.

5.0 SELECTED REFERENCES

Andrews, D.A. (2000). *Principles of Effective Correctional Programs. Compendium 2000 on Effective Correctional Programming, Chapter 2*. Ottawa: Correctional Service Canada. www.csc-scc.gc.ca/research/com2000-chap_2-eng.shtml (18 July 2017).

Health Canada. (2004). *Best practices: Treatment and Rehabilitation for Driving While Impaired Offenders*. Ottawa: Author.

¹⁷ The Centre can check the Ministry of Justice's provincial database to determine if past clients have any new offence charges, in general or specific to impaired driving.

¹⁸ Note these categories are not mutually exclusive, some had both a breathalyzer and driving while disqualified charge.

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Chapter 10

Saskatchewan Water Corporation—Purchasing Goods and Services

1.0 MAIN POINTS

Over 100 Saskatchewan Water Corporation staff, located throughout the province, are involved in purchasing goods and services. In 2016-17, SaskWater purchased over \$45 million of goods and services.

This chapter sets out the results of our audit on the Saskatchewan Water Corporation's processes to purchase goods or services over \$25 thousand.

In 2017, SaskWater had generally effective processes to purchase goods or services over \$25 thousand. It needs to make improvements in the following areas.

- Clarify its policies over the use of sole sourcing methods of procurement, and report on the use of those methods. Sole sourcing is a non-competitive method of buying goods and services. Clear policies identify when it is appropriate to use this method, and require staff to document reasons for use of non-competitive methods. This helps ensure potential suppliers are treated fairly and consistently.
- Consistently follow its established procurement policies when approving the purchase of goods and services. This includes obtaining prior written approval of the procurement decision, and attaching support for the procurement decision to the invoice submitted for payment. This enables monitoring of compliance with procurement policies.
- Require SaskWater staff involved in buying goods and services to confirm, each year in writing, compliance with its conflict of interest policy. Annual confirmation of staff's compliance with its conflict of interest policy helps reinforce the importance of identifying and avoiding conflicts of interest, and reminds staff to declare conflicts.
- Track supplier performance in a way that makes this information available for future purchasing decisions.

Strong processes to buy goods and services supports transparency, fairness, and achievement of best value in purchasing activities.

2.0 INTRODUCTION

2.1 SaskWater's Responsibilities

SaskWater is Saskatchewan's Crown water utility that helps communities, First Nations, and industry gain access to reliable and professional water and wastewater services.¹ Its mandate is to construct, acquire, manage, or operate water works.^{2,3}

¹ *Saskatchewan Water Corporation 2016-17 Annual Report*, p. 1.

² Section 2 of *The Saskatchewan Water Corporation Act* defines works as infrastructure/facilities used in the supply of water; treatment, storage, transmission, or distribution of water; or collection or treatment of sewage or disposal of sewage effluent.

³ *The Saskatchewan Water Corporation Act*, section 5.



As of March 31, 2017, SaskWater provides water and wastewater services to 62 communities, 8 rural municipalities, 83 rural pipeline groups, 16 industrial, and approximately 242 commercial and domestic end-user customers. It owns 9 water treatment plants, 3 wastewater facilities, 140 kilometres of canal, 935 kilometres of pipeline, and owns or leases 42 booster and pump stations.⁴ These are located throughout the province.

SaskWater's head office is in Moose Jaw. Its staff of about 130 full-time equivalents are located across the province.

2.2 SaskWater Purchasing

Under *The Saskatchewan Water Corporation Act*, the Board of Directors is responsible for managing the business and affairs of SaskWater. This includes overseeing the purchase of necessary goods and services.

SaskWater purchases a variety of goods and services including professional services, materials and supplies, and repairs and maintenance. The amount it purchases fluctuates from year-to-year primarily depending on the extent to which it is expanding or maintaining the infrastructure used to deliver its water and wastewater services (e.g., wastewater facilities, pipelines). **Figure 1** shows SaskWater's purchases of goods and services from 2015 to 2017.

Figure 1 – Three-year History – SaskWater's Purchases

	2016-17	2015-16	2014-15
	(in millions)		
Capital items & projects	\$ 23.6	\$ 53.3	\$ 75.0
Operations, maintenance & administration	12.7	16.1	11.8
Bulk water purchases ^A	9.1	9.1	6.4
Total	\$ 45.4	\$ 78.5	\$ 93.2

Source: SaskWater financial records.

^A SaskWater purchases bulk water from municipalities such as the City of Saskatoon and provides it primarily to other municipalities that do not have their own supply of drinking water.

SaskWater has distributed the authority to make purchases throughout the corporation, with over 100 of its staff involved in purchasing goods and services.

Its Business Development & Corporate Services Division is responsible for making purchases related to administration (e.g., office supplies, insurance, audit services and IT services).

Its Operations & Engineering Division is responsible for making purchases related to infrastructure and maintenance. This Division has two units. The Engineering unit is responsible for making purchases related to capital projects (e.g., infrastructure projects); this include purchases with values over \$100 thousand. The Operations unit is responsible for making purchases related to maintenance activities (e.g., repairing water infrastructure).

⁴ *Saskatchewan Water Corporation 2016-17 Annual Report*, p. 1.

The Government of Saskatchewan announced in 2016-17 that it expects government agencies, including SaskWater, to reduce and control costs.⁵ SaskWater must achieve this while using purchasing processes that are transparent, fair, and achieve best value. Not having solid purchasing processes increases the risk of not using public resources wisely and placing SaskWater's reputation at risk.

3.0 AUDIT CONCLUSION

We concluded that for the 12-month period ended December 31, 2017, the Saskatchewan Water Corporation had, other than for the following areas, effective processes to purchase goods or services over \$25 thousand. SaskWater needs to:

- **Clarify its policies over sole sourcing procurement methods, require documented rationale for use, and require reporting of sole source transactions to senior management and the Board**
- **Have staff involved in purchasing goods and services confirm, each year in writing, compliance with its conflict of interest policy**
- **Follow its established procurement policies when approving the purchase of goods and services**
- **Track performance problems with suppliers and make the information available for future purchase decisions**

Figure 2—Audit Objective, Criteria, and Approach

Audit Objective:

The objective of this audit was to assess the effectiveness of the Saskatchewan Water Corporation's processes, for the 12-month period ending December 31, 2017, to purchase goods or services over \$25 thousand.

Audit Criteria:

Processes to:

1. Set policies for the purchase of goods and services
 - 1.1 Maintain approved and clear policies for purchasing goods and services, and for monitoring and reporting on compliance
 - 1.2 Align policies with externally-imposed requirements (e.g., New West Partnership Trade Agreement,^A Agreement on Internal Trade,^B CIC Crown Sector Procurement Preference Policy)
 - 1.3 Keep staff and suppliers informed of purchasing policies
2. Define the needs and specifications for required goods and services
 - 2.1 Define the need in sufficient detail for suppliers' and agency's understanding (e.g., business plan)
 - 2.2 Define specifications to encourage open and effective competition
 - 2.3 Specify other requirements (e.g., warranty, delivery, packaging, performance guarantees)
 - 2.4 Use specifications that support government and agency policies
3. Treat potential suppliers equitably and fairly
 - 3.1 Identify feasible sources of supply
 - 3.2 Document basis of supplier sourcing decision (e.g., sole source, invited bid)
 - 3.3 Obtain appropriate authorization to initiate purchase (e.g., approval to tender)
 - 3.4 Obtain quotations fairly

⁵ www.saskatchewan.ca/government/news-and-media/2016/november/22/mid-year-report (04 April 2018).



4. Select suppliers for required goods and services
 - 4.1 Evaluate potential suppliers for best value
 - 4.2 Document decision for supplier selection
 - 4.3 Obtain appropriate prior approval to buy goods and services
 - 4.4 Inform bidders of competitive purchasing decisions
 - 4.5 Obtain written contractual agreements
5. Manage suppliers
 - 5.1 Validate suppliers
 - 5.2 Pay suppliers in accordance with written contracts
 - 5.3 Track performance of key suppliers
 - 5.4 Report performance problems to supplier
 - 5.5 Address supplier performance problems promptly

Audit Approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Saskatchewan Water Corporation's processes, we used the above criteria based on our related work, reviews of literature including reports of other audits, and consultations with management. The Saskatchewan Water Corporation's management agreed with the above criteria.

We examined the Saskatchewan Water Corporation's policies and procedures that relate to purchasing goods and services for the 12-month period ended December 31, 2017. We interviewed staff responsible for the procurement of goods and services, including senior management. We assessed the Saskatchewan Water Corporation's purchasing processes by examining procurement files, purchase orders, and invoices. We tested a sample of purchases over \$25 thousand.

^a The New West Partnership Trade Agreement is an accord between the Governments of British Columbia, Alberta, Manitoba, and Saskatchewan that creates Canada's largest, barrier-free, interprovincial market. www.newwestpartnershiptrade.ca/the_agreement.asp (6 November 2017).

^b The Agreement on Internal Trade (AIT) is an intergovernmental trade agreement signed by Canadian First Ministers that came into force in 1995. Its purpose is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investment within Canada to establish an open, efficient, and stable domestic market. www.ait-aci.ca/wp-content/uploads/2017/06/Consolidated-with-14th-Protocol-final-draft.pdf (6 November 2017).

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Policies for Purchasing Goods and Services Comprehensive, With A Few Revisions Needed

SaskWater's procurement policies are current and comprehensive, other than for use of the sole sourcing method of procurement.

Procurement Methods Clearly Defined

SaskWater's procurement policies set out the procurement methods it expects staff to use when buying goods and services. The policies require the use of competitive procurement methods for purchases over specified dollar amounts.

For example, the procurement policy requires:

- For goods and services estimated at \$10 million or greater, and construction estimated at \$20 million or more, use of a multi-stage procurement process and contracts⁶

⁶ Multi-stage procurement process requires the use of a pre-qualification stage to select the supplier. This is the preliminary stage in a bidding process where it is determined if an interested supplier has the capacity, qualifications, and expertise needed to complete the job as required. Only potential suppliers that meet the requirements set out at this stage proceed to the next stage (request for proposal).

- For contractual services estimated at \$100 thousand or over, procurement opportunity must be posted on SaskTenders⁷
- For contractual services between \$25 thousand to under \$100 thousand, three quotes/proposals (where possible)
- For goods over \$25 thousand, a public tender using SaskTenders

For other purchases, staff can select the desired procurement method. For example, they can use p-cards (corporate credit cards), purchase orders, or sole sourcing for goods costing less than \$25 thousand. SaskWater uses the term sole sourcing to describe both sole or single sourcing.⁸

The policy indicates all procurement shall be based on the best value approach. The best value approach requires consideration of all factors, not just price, in making purchase decisions. Factors include cost, supplier timeframe to provide goods or complete the project, and past experience with the supplier (e.g., quality of work, was the project on time and budget).

In addition, we found its procurement policies align with external requirements (e.g., New West Partnership Trade Agreement, Agreement on Internal Trade, Priority Saskatchewan Policy, CIC sector policies, etc.).⁹

Delegation of Authority to Approve Purchases and Monitor Compliance with Procurement Policies Clear

SaskWater has given staff clear authority to make purchases (including approval of the selected procurement method and supplier). In addition, it assigns, in writing, responsibilities to specific positions for monitoring compliance with procurement policies.

It gives specified staff positions within each of its Divisions and its Financial Services Branch the authority to initiate and approve the purchase of goods and services. It appropriately bases their authority on the estimated value of the goods and services to be bought at the time of purchasing decisions.

For example, the Vice Presidents of Business Development & Corporate Services and Operations & Engineering can approve the purchase of goods and services with values up to \$100 thousand. The President approves purchases in excess of \$100 thousand. It requires the Board to approve any changes to these authorization limits. We found that the Board approved the policy as expected.

Policies Kept Current and Readily Available

SaskWater periodically reviews and updates its policies.

⁷ The Ministry of Central Services administers the SaskTenders website (www.sasktenders.ca).

⁸ The Chartered Institute of Procurement and Supply defines single source as purposely choosing a single supplier even though others are available (e.g., small purchases, emergency purchases). Sole source is when only one supplier for the required item is available. SaskWater uses the term sole source to include both situations. www.cips.org/en-sg/knowledge/procurement-topics-and-skills/strategy-policy/models-sc-sourcing--procurement-costs/single-sourcing-vs-sole-sourcing/ (28 March 2018).

⁹ SaskWater is a subsidiary of the Crown Investments Corporation of Saskatchewan (CIC) and is subject to CIC policies.



We found that SaskWater's procurement policies were current. For example, SaskWater last updated its procurement policy in 2016 to include Priority Saskatchewan's requirement to use the best-value approach when buying goods and services.¹⁰

For any changes to its policies, SaskWater informs staff promptly (e.g., by email) and trains them on key changes.

SaskWater makes its policies and procedures documents readily available for staff on its internal website.

SaskWater makes policies relevant to suppliers (e.g., vendor code of conduct and conflict of interest) available on its website, and provides a link to the SaskTenders website.¹¹ This website facilitates government purchases of goods and services that use a competitive process.

In addition, SaskTenders makes copies of government-wide policies on tendering publicly available. For example, it includes copies of the government's best value procurement policy, procurement code of conduct policy, and vendor debriefing policy. SaskWater uses SaskTenders to make purchases that use a competitive method of purchase (e.g., tenders, requesting multiple quotes).

Clearer Direction on Use of Sole Sourcing Procurement Method Needed

SaskWater's procurement policy does not provide sufficient guidance on use of sole sourcing to facilitate appropriate use of this procurement method. In addition, staff are not always selecting the sole sourcing method of procurement consistent with the policy, or documenting the basis for selecting this method.

Consistent with good procurement practice, SaskWater limits the use of the sole sourcing as a method of procurement to the following situations:

- For goods and contractual services below \$25 thousand
- To engage consultants for services less than \$25 thousand for small projects, routine and repetitive work, where there is only one firm in the province or region supplying the service required; or where a firm has previously been involved in the work and has established knowledge of the project
- In emergency circumstances with no expenditure limitations, subject to internal approval as set out in its delegation of authority¹²

SaskWater does not provide further guidance either in its policy or elsewhere as to what constitutes emergency circumstances.

For 7 of the 11 purchases (each over \$25 thousand) we tested that were made using the sole sourcing procurement method, rationale for the use of sole sourcing procurement method was not attached to the purchase order submitted for approval of the purchase, or to information supporting the related request for payment.

¹⁰ Priority Saskatchewan is a branch of SaskBuilds Corporation that is responsible for ensuring procurement across ministries and the Crown sector is fair, open, transparent, and based on international best practice.

¹¹ Information for suppliers is at www.saskwater.com/services/industry_and_partners/information_for_vendors.php (05 April 2018).

¹² SaskWater Goods and Services Procurement Policy, p. 4.

Although each of these purchase orders were approved consistent with SaskWater's delegation of authority, the individual approving the purchase did not have the rationale for the selection of the procurement method when approving the order. Upon our request, staff subsequently provided us with its documentation to support their procurement method decision.

In addition, for 2 out of the above 7 purchases (each over \$25 thousand), in our view, use of the sole sourcing method was not consistent with SaskWater's procurement policy (i.e., not an emergency purchase). We found:

- One purchase was for cleanup work related to a booster station. Management told us that if work was not completed within the next few months, there was a risk that water flow would be reduced.
- One purchase was for a factory rebuild of equipment (pump). Supporting information only noted that rebuild was less costly than replacement.

For both of these purchases, SaskWater did not have evidence of emergency circumstances, and as such, the basis for using sole sourcing.

Not having written guidance on emergency circumstances increases the risk of inappropriately selecting the sole sourcing method of procurement. Use of sole sourcing (a non-competitive procurement method) does not necessarily result in best value and may not comply with external purchasing requirements (e.g., New West Partnership Trade Agreement, Agreement on Internal Trade).

1. We recommend that the Saskatchewan Water Corporation clarify its procurement policy to set out when it is appropriate to use the sole sourcing method of procurement.

We noted SaskWater's procurement policy does not specifically require staff to document their reasons for selecting non-competitive procurement methods (purchases that have been sole sourced) for purchases of goods or services of over \$25 thousand. Without documented rationale, the individual responsible for approving the purchase order cannot properly review the procurement method decision. Also, this impedes the ability of those assigned responsibility to monitor compliance with procurement policies to fulfill their assigned monitoring role.

2. We recommend that the Saskatchewan Water Corporation require staff to include documented rationale for selecting non-competitive procurement methods for purchases over \$25 thousand on purchase orders submitted for approval.

In addition, SaskWater's procurement policy does not specify a requirement to track, monitor, and report on sole source transactions. Given these transactions do not give suppliers an equal chance to provide a good or service, it is important to monitor sole source purchases to ensure that they are appropriate.

Without this, management or the Board may not be aware of the level of use of sole sourcing and may not know if these transactions align with SaskWater's procurement policies. An excess number of these transactions may indicate a potential bias in the selection of suppliers providing goods and/or services to SaskWater.



3. We recommend that the Saskatchewan Water Corporation require its staff to report regularly on purchases using sole sourcing to senior management and the Board.

4.2 Confirmation of Staff Compliance with Conflict of Interest Policy Needed

SaskWater does not require its purchasing staff to periodically disclose potential conflicts of interest, or confirm, in writing, that they have complied with its conflict of interest policy.

SaskWater's conflict of interest policy documents employee responsibilities and disclosure requirements. The policy requires its employees to disclose potential conflicts of interest:

- Upon commencing employment, and
- When they become aware of them during employment

Inconsistent with good practice, SaskWater does not require staff to annually confirm, in writing, their awareness of the conflict of interest policy, or that they have complied with it. None of the documentation of the 43 purchases we tested (each over \$25 thousand) had any indications of a conflict of interest.

As previously noted, over 100 SaskWater staff are involved in purchasing goods and services. Many of these are long-term employees.

Annual confirmation helps remind staff of the policy and reinforces its importance. Without periodic confirmation, there is a risk that potential conflict of interest situations may arise and staff may forget to identify or disclose them. Failure to identify and resolve conflicts of interest may result in staff making purchase decisions that do not treat all potential suppliers equitably and fairly. This increases the risk of loss of suppliers' and the public's confidence in SaskWater's procurement process.

4. We recommend that the Saskatchewan Water Corporation require staff involved in purchasing goods and services to confirm, each year in writing, compliance with its conflict-of-interest policy.

4.3 Needs and Specifications for Required Goods and Services Adequately Defined

SaskWater has a well-defined process to determine its purchasing needs and to define the specifications for those purchases.

SaskWater uses maintenance plans to assist it in determining when it requires certain goods and services. For example, the maintenance plan sets out when pumps used in its pipelines are to be replaced. In addition, it has five-year capital expenditure forecasts that set out its estimated costs of maintenance and capital projects.

Senior management and the Board receive updated forecasts each quarter.

In addition, SaskWater has templates to support each of its different types of procurement methods (e.g., purchase orders, request for qualifications, request for proposals, request for quotes). It makes these templates available on its internal website. These templates assist SaskWater's employees in clearly documenting its purchasing needs.

We found these templates aligned with SaskWater's purchasing policies, and staff used them as intended.

In addition, for tendered purchases, SaskWater requires review and approval of the tender package prior to posting it on the SaskTenders website. This review assesses if needs are adequately defined and the purchase meets SaskWater's policy.

For all five tendered purchases we tested, the tender package was appropriately reviewed and approved by staff in accordance with the delegation of authority.

For the five contract items, the six purchase order items, and the three long-term contracts we tested (each over \$25 thousand), SaskWater adequately set out specifications and other requirements (e.g., warranty, delivery, etc.) using the appropriate template. The specified requirements were in sufficient detail for the potential suppliers' understanding and were not overly restrictive.

4.4 Contract Templates Need Periodic Review

SaskWater does not have its contract templates periodically reviewed by legal counsel to confirm their currency.

SaskWater's contract templates (e.g., long-form contract, short-form contract) were last reviewed when they were initially prepared (over ten years ago). Management notes that when individual contracts differ significantly from the contract templates, it consults with its legal counsel to determine if the amendments are suitable prior to finalizing the contract. However, these requests are not a comprehensive review of the template.

Having templates for standard wording for contracts is good practice, and helps ensure consistent inclusion of key terms and conditions when entering into contractual arrangements.

However, situations and circumstances can arise (such as changes in interprovincial trading requirements, or changes in contract law) that can make standard provision wording in contract templates outdated. Outdated wording in contracts may pose business risks. Having legal counsel periodically review templates (e.g., every five years) minimizes those risks.

5. We recommend that the Saskatchewan Water Corporation have periodic legal reviews of its contract templates for purchases.

4.5 Procurement Policy Not Always Followed

SaskWater did not always follow its procurement policies when purchasing goods and services.



We found:

- For 1 out of the 43 purchases (each over \$25 thousand) we tested, the purchase order was not approved by the appropriate staff level. The dollar value of the purchase was higher than the assigned authority of that individual.
- For 5 of the 15 purchases made through purchase orders (each over \$25 thousand) that we tested, SaskWater approved the purchase order after goods and services were received instead of before as its policy requires.
- For 4 purchases (2 tenders and 2 requests for quotes, each over \$25 thousand) we tested, evidence that SaskWater's procurement policy was followed (e.g., evidence that SaskWater obtained three quotes, evidence that the best value approach was used) was not attached to the purchase order submitted for approval of the purchase, or to information supporting the related request for payment.

For all of these purchases, SaskWater's processing of payments did not identify non-compliance with SaskWater's procurement policy.

When purchases are not approved by the appropriate authority, there is a risk that purchases may not follow all SaskWater's approved processes, may not be appropriate in the circumstances, and may not attain best value. Without the appropriate approval before the purchase is made, there is a risk that SaskWater may be committed to purchasing a good or service that it did not authorize or that may not align to its procurement policies.

Furthermore, without having documented rationale of key purchasing decisions, the individual responsible for making the purchase decision (e.g., approving the selection of a supplier) cannot properly review the request. This impedes the ability of those assigned responsibility to monitor compliance with procurement policies to fulfill their assigned monitoring role.

6. We recommend that the Saskatchewan Water Corporation follow established procurement policies when approving the purchase of goods and services.

4.6 Tenders Used Consistent with Policy

SaskWater used tenders consistent with its procurement policy. As shown in **Figure 3**, it had well-defined processes to evaluate tenders, formally document evaluation decisions, and notify bidders of supplier selection.

Figure 3—Brief Description of Process to Evaluate Bids and Notify Bidders

Evaluate Supplier Bids: SaskWater uses internal department experts or third party consulting firms to evaluate supplier bids received. The evaluators use the evaluation criteria set out in the tender documents to evaluate the supplier bids. Once the evaluations are complete, SaskWater documents its evaluation including documenting the bidder's evaluation scores, the successful bidder, the contract price, and the rationale for the selection of the successful bidder. SaskWater summarizes all of the evaluation information in a memo and seeks approval at the level set out in its delegation of authority.

Notification of bidders: Subsequent to the approval of the memo, SaskWater notifies both the successful bidder and the unsuccessful bidders of its decision. Upon request, SaskWater also provides the unsuccessful bidders with a debrief session. This session provides feedback on their bid submission (e.g.,

strengths, weaknesses, areas of improvement, etc.). SaskWater provides its staff with written guidance for holding debrief sessions. SaskWater does not retain documentation of the debrief sessions held.

SaskWater retains the tender documentation in accordance with its record retention policy.

SaskWater prepares contracts for all tendered procurements using standard contract templates.

For the five tenders (i.e., request for proposals) we tested, we found:

- The procurement methods used were consistent with policy and appropriate approval occurred prior to communicating with the preferred supplier (i.e., vendor with highest evaluation score).
- SaskWater used SaskTenders to communicate procurement information to potential bidders.
- SaskWater provided potential bidders with sufficient information to bid including setting out specifications, technical requirements, timelines, evaluation criteria, terms of reference, etc. We found the information provided had sufficient detail to encourage open and effective competition.
- SaskWater gave potential suppliers sufficient time to submit their bids. While SaskWater's policy does not include guidance on the timeframes to submit bids, management indicated that they were in the process of revising the policy to include this.
- SaskWater used an evaluation checklist, which aligned with the requirements set out in the request for proposal.
- SaskWater notified both the successful bidder and the unsuccessful bidders of its selection decision, in writing, on timely basis.
- SaskWater appropriately approved the contract.

Four of the five tenders we examined required a multi-stage process (as described in **Section 4.1**). We found that SaskWater followed its policy for these types of procurements.

4.7 Validity of Suppliers Adequately Confirmed

SaskWater has adequate processes to confirm validity of suppliers prior to using them.

SaskWater performs checks to verify the validity of the suppliers (e.g., Information Services Corporation search, internet search) before approving contracts with them and registering them into its vendor database.¹³ The vendor database contains details about each supplier (name, address, key contact information, type of business) and is used for issuing purchase orders and paying suppliers.

SaskWater appropriately limits user access to its vendor database. Once a year, SaskWater staff reviews its vendor database to ensure all changes had the appropriate approval.

¹³ Information Services Corporation maintains a corporate registry of legal entities, businesses, and non-profit organizations registered in Saskatchewan.



4.8 Suppliers Paid Appropriately

SaskWater paid its suppliers consistent with approved purchase orders and contracts.

SaskWater's Corporate Services Division processes supplier invoices. It paid suppliers after it matched invoices to approved purchase orders/contracts, and verified the receipt of goods and/or services.

SaskWater documents compliance with contracts for projects through sign-off of a progress payment certificate by an engineer. This signed certificate verifies the level of completion of the project and that the progress is in accordance with the terms and conditions in the contract. SaskWater uses the signed certificate as the basis of payment. If performance issues exist, the engineer does not sign the certificate, and SaskWater does not make payment until the issues are resolved.

Where SaskWater needs to make changes to the work specified in the original contract, SaskWater requires a change order approved consistent with its delegation of authority.

For all 43 of the supplier invoices we tested, goods and services were received, and appropriately paid for.

However, as noted in **Section 4.5**, SaskWater is not identifying non-compliance with its procurement policies when processing payments. Also as noted in **Section 4.5**, we found:

- One instance where the purchase order was not approved by the appropriate level
- Five instances where the purchase order was approved after the goods and services were received
- Four instances where the invoice submitted for payment did not include evidence that quotes were obtained consistent with SaskWater's procurement policy.

SaskWater expects staff to monitor compliance with procurement policies. Staff responsible for processing payments can play an important role in detecting non-compliance with procurement policies and reinforcing their importance. See **Recommendation 6** about following established procurement policies.

For all five contracts (each over \$25 thousand) that we tested, all had approved progress payment certificates. One of those five contracts required a change order. We found SaskWater properly approved the change order.

4.9 Suppliers Managed but Performance Tracking Needed

SaskWater has processes to appropriately deal with supplier performance issues, but it does not formally track their performance.

For other than projects, SaskWater primarily relies on its process to receive goods and services to detect supplier performance issues. For projects, engineers assigned to the project monitor the performance of the supplier.

SaskWater escalates issues concerning the performance of its suppliers, if any. Escalation procedures include raising the issue with senior management. If the compliance or performance issue cannot be readily resolved, the President informs the Board through a written President's report. President reports are provided at each Board meeting.

If the issue requires an increase in budget, management must obtain prior Board approval. It makes requests to the Board, in writing, detailing the issue and the required budget increase.

None of the purchases we tested had significant supplier performance problems. Management noted that issues with supplier performance on purchases over \$25 thousand are infrequent.

Management identified two 2017 projects with significant performance problems. We found SaskWater dealt with these appropriately. In both instances, SaskWater issued a Notice of Non-Compliance to each contractor. In both instances, each contractor took corrective action and eventually completed the work to a satisfactory level. SaskWater staff kept senior management and the Board appropriately informed.

However, SaskWater does not track supplier performance issues in a centralized location (e.g., a spreadsheet).

Not tracking supplier performance centrally increases the risk that SaskWater uses suppliers with known performance problems and is contrary to the best values approach. The use of a best values approach requires consideration of past supplier performance. With staff located throughout the province initiating purchasing, centrally keeping and making information available on suppliers' performance would enable SaskWater to use this information when making future procurement decisions.

7. We recommend that the Saskatchewan Water Corporation track performance problems with suppliers in a way that this information is available to staff making purchasing decisions.

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Chapter 11

Saskatoon School Division No. 13—Supporting Students with Intensive Needs

1.0 MAIN POINTS

In Saskatchewan, school divisions are required to accommodate students with intensive needs in the regular program of instruction or provide special programming to meet those students' learning needs. Students with intensive needs are those assessed as having a capacity to learn that is compromised by a cognitive, social-emotional, behavioral, or physical condition.

In 2016-17, 7.3% of Kindergarten to Grade 8 students in Saskatoon School Division No. 13 (Saskatoon Public or Division) were students identified as having intensive needs. The number of its Kindergarten to Grade 8 students with intensive needs is increasing.

Saskatoon Public had, other than the following, effective processes to support the learning of students with intensive needs. Saskatoon Public needs to:

- Formally estimate future enrolment of the Kindergarten to Grade 8 students with intensive needs; analyze trends in the number of Kindergarten to Grade 8 students with intensive needs, and their categories of intensive needs; and determine staff needed to support Kindergarten to Grade 8 students with intensive needs. This would allow Saskatoon Public to confirm it has the right amount of resources necessary to support students with intensive needs.
- Maintain documentation of the key consultations, discussions, decisions, and steps taken for supporting Kindergarten to Grade 8 students with intensive needs; retain evidence of agreement on learning plans for those students; and also maintain their assessment information in the student cumulative files. This would help ensure continuity of supports provided and reduce the risk of repeated, overlooked or forgotten actions to support a student's learning needs.
- Give staff guidance on expected timelines for completing requested intensive-needs assessments of Kindergarten to Grade 8 students. This would help avoid delays in implementing learning supports for students with intensive needs.
- Regularly monitor progress in achieving learning goals of Kindergarten to Grade 8 students with intensive needs, and centrally monitor whether schools sufficiently support these students to enable progress towards their learning goals. This would include agreement on the students' learning plans and with students' progress. As well, it would allow the Division to evaluate deployment of resources and determine whether it is providing sufficient support to students with intensive needs.
- Give senior management and the Board of Education enough information to determine the sufficiency of learning supports for Kindergarten to Grade 8 students with intensive needs. This would enable evaluating whether the Division provides students with educational services consistent with those students' individual educational needs and abilities.



2.0 INTRODUCTION

This chapter sets out the results of our audit of Saskatoon School Division No. 13's processes for supporting learning of Kindergarten to Grade 8 students with intensive needs. Students with intensive needs are those assessed as having a capacity to learn that is compromised by a cognitive, social-emotional, behavioral, or physical condition.¹

2.1 Responsibility for Educating Students with Intensive Needs

The Education Act, 1995 gives boards of education (school boards) the responsibility for administration and management of schools, with oversight from the Ministry of Education.² It makes school boards responsible for exercising general supervision and control over the schools in their school division.

The Act makes school boards legally obligated to provide appropriate education to all students. It also makes school boards responsible for providing students with educational services that are consistent with that student's educational needs and abilities.³

The Act requires school boards to reasonably accommodate students with intensive needs in the regular program of instruction.⁴ In addition, if school boards cannot accommodate these students in regular programming, the Act expects them to provide special programming to meet those students' learning needs.

The Education Regulations, 2015 place further expectations on school divisions in identifying students with intensive needs, and providing them with services. For example, upon request the Director of Education of a school division must direct that an assessment be conducted to determine if the student has intensive needs.⁵

Boards of education are responsible for making programs and supports available to pupils with intensive needs, at no cost to parents, and using qualified individuals to provide programs/supports.⁶

2.2 Ministry of Education Approach for Supporting Students with Intensive Needs

The Ministry provides school divisions with an approach for supporting students' intensive needs through varied methods of instruction, intervention, and support.⁷ As set out in **Figure 1**, the approach includes three escalating stages of interventions progressing from school-wide and classroom-based initiatives to interventions specific to the individual student. It combines collaborative problem solving, with both family and community

¹ Section 178(1) of *The Education Act, 1995*.

² Section 85(1) of *The Education Act, 1995*.

³ Section 178(4) of *The Education Act, 1995*.

⁴ Section 178(9) of *The Education Act, 1995*.

⁵ Section 54(5) of *The Education Regulations, 2015*.

⁶ Section 56(1) of *The Education Regulations, 2015*.

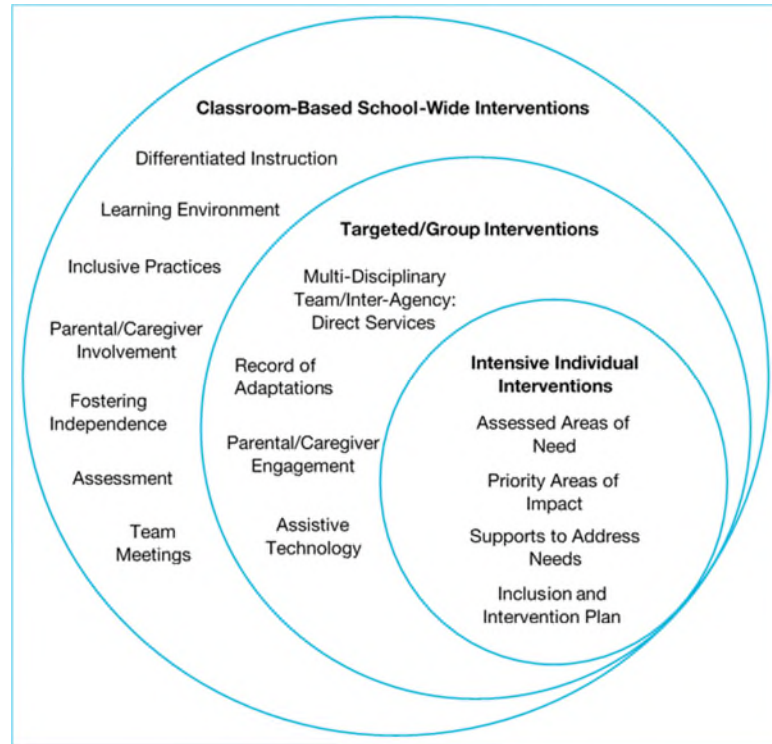
⁷ Saskatchewan Ministry of Education, *Actualizing a Needs-Based Model*, (2015).

<http://publications.gov.sk.ca/documents/11/87218-Actualizing%20a%20needs-based%20model.pdf> (22 March 2018).

involvement. The approach expects those that know the student best (e.g., parents, teachers), as well as professionals with specific expertise develop student-support plans.⁸

The Ministry of Education makes other resources available to assist divisions.⁹ For example, it provides them with intensive need categories that reflect specific diagnoses (see **Figure 2**).

Figure 1 – Approach to Supporting Students at School



Source: Adapted from information provided by the Ministry of Education.

Figure 2 – Ministry of Education Intensive Need Categories

Blind or Visual Impairment: measured loss of central visual acuity that is 20/70 or less in the better eye with proper correction; or field of vision is not greater than 20 degrees at the widest diameter.

Deaf or Hard of Hearing: hearing loss greater than 34 decibels in the better ear; or a unilateral hearing loss which is 50 decibels or more; and, a significant delay in speech and language.

Intellectual Disability: a disorder that includes both intellectual and adaptive functioning deficits in conceptual, social, and practical domains.

Bipolar, Depressive, Anxiety, or Related Disorders: includes Selective Mutism, Obsessive-Compulsive Disorder, Psychotic Disorders, etc.

Orthopaedic Disability: mobility is significantly impacted; limitations are documented in self-care (e.g., feeding, dressing, toileting), and specialized transportation is required.

Autism Spectrum Disorder: includes the previously diagnosed Asperger's Syndrome and Pervasive Developmental Disorder. Also includes Autism Spectrum Disorder associated with a known medical or genetic condition (e.g., Rett's Disorder, Childhood Disintegrative Disorder) or environmental factor (lead paint exposure, acquired brain injury).

Physical Health Impairment: school attendance is limited for at least three months secondary due to physical health issues, or supervision is required to ensure health and safety with personal care (e.g. managing medications, provision of medical procedures).

⁸ Saskatchewan Ministry of Education, *Inclusion and Intervention Plan Guidelines*, (2017).

⁹ Resources available at: <http://publications.gov.sk.ca/deplist.cfm?d=11&c=2435> (22 March 2018).



Neurodevelopmental Disorder associated with prenatal substance exposure: includes Fetal Alcohol Spectrum Disorder (FASD), related disorders, or documentation of prenatal exposure to substances.

Substance-related and Addictive Disorders: includes substance use or a substance induced disorder.

Other Diagnosed Condition: diagnosed condition not included above (e.g., severe language delays, learning disabilities).

Other Undiagnosed Condition: no diagnosed condition exists but individual requires intensive supports.

Source: <http://publications.gov.sk.ca/documents/11/82982-intensive-supports-categories.pdf> (26 March 2018).

2.3 Students with Intensive Needs in Saskatoon School Division

Saskatoon School Division No. 13 is one of 28 Saskatchewan school divisions. Saskatoon Public is an urban school division located in the city of Saskatoon. It has just over 2,500 full-time equivalent (FTE) staff, including 1,455 FTE classroom teachers, and 575 FTE educational staff in other positions (e.g., educational assistants, speech language pathologists).¹⁰

Saskatoon Public Budget Report 2017-18 includes as one of its 46 priorities—*Continue to ensure inclusive learning environments and supports for all children with intensive needs and learning challenges*.¹¹

The Division has about 25,000 students of which almost two-thirds are Kindergarten to Grade 8 students.¹² It operates 49 elementary schools in Saskatoon.¹³ The Division also has a specialized school (John Dolan School) that provides a range of services for students from Kindergarten to Grade 12 with multiple disabilities.¹⁴ John Dolan School is organized by student need instead of by grade as other schools.

The number of its Kindergarten to Grade 8 students with intensive needs is increasing. As shown in **Figure 3**, Saskatoon Public had 1,167 Kindergarten to Grade 8 students with intensive needs in 2017-18 as compared to 1,069 in 2015-16. At December 31, 2017, Saskatoon Public had about 7.3% of its Kindergarten to Grade 8 students identified as having intensive needs.

¹⁰ *Saskatoon Public S.D. #13 Board of Education Annual Report – 2016-17*, p. 46.

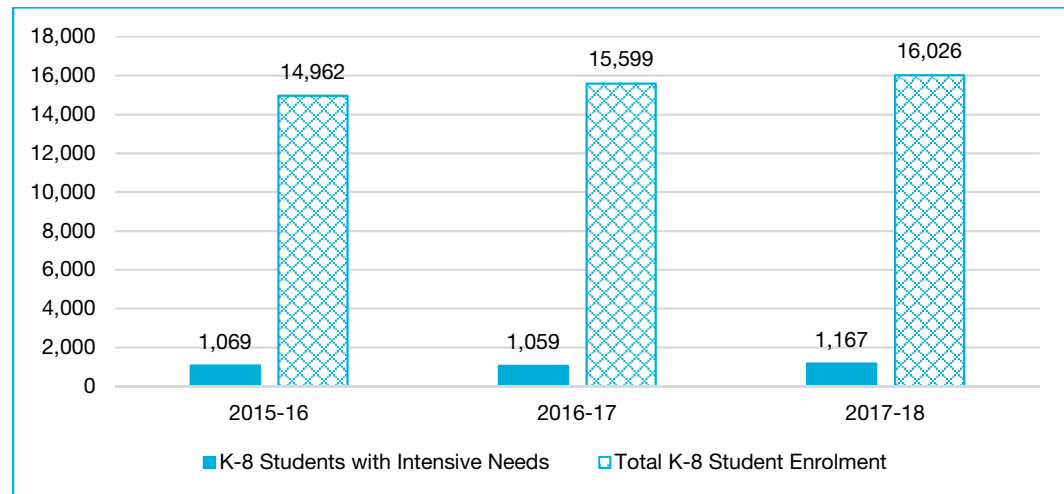
¹¹ www.spsd.sk.ca/division/reportsandpublications/Documents/FINAL%20BUDGET%20DOCUMENT%202017_2018.pdf (22 March 2018).

¹² *Saskatoon Public Schools Budget Report 2017-2018*, p. 26.

¹³ www.spsd.sk.ca/Schools/Pages/default.aspx (9 April 2018).

¹⁴ www.spsd.sk.ca/Schools/specialEd/faqs/Pages/default.aspx (9 April 2018).

Figure 3—Saskatoon Public's Number of Kindergarten to Grade 8 Students with Intensive Needs Compared to Total Kindergarten to Grade 8 Enrolment^A



Source: Adapted from information provided by Saskatoon School Division No. 13.

^A Enrolment data is of September of applicable school year. Number of students with intensive needs is for school year (at April 2018 for 2017-18).

2.4 Importance of Supporting Students with Intensive Needs

Research shows the value of early intervention in improving students' educational outcomes.¹⁵ It indicates that the academic achievement of many students with intensive needs can be similar to their peers when given access to the same content with specially designed instruction, supports, and accommodations when needed.¹⁶ A solid education equips students in succeeding, contributing to society, and, for some, living independently and caring for themselves.

As learning is a cumulative process, difficulties early on can have a cascading effect throughout a student's education, resulting in having to play catch-up for years to come.¹⁷

3.0 AUDIT CONCLUSION

We concluded that, for the 12-month period ended December 31, 2017, Saskatoon School Division No. 13 had effective processes, except in the following areas, to support the learning of students in Kindergarten to Grade 8 with intensive needs. The Division needs to:

- **Formally estimate the future enrolment of Kindergarten to Grade 8 students with intensive needs; analyze trends in the number of Kindergarten to Grade 8 students with intensive needs, and their categories of intensive needs; and determine staff needed to support Kindergarten to Grade 8 students with intensive needs**

¹⁵ Questions about Special Education, www.saskatoonpublicschools.ca/Schools/specialEd/faqs/Pages/default.aspx (4 October 2017).

¹⁶ https://nceo.umn.edu/docs/OnlinePubs/Martha_Thurlow-Meeting_the_Needs_of_Special_Education_Students.pdf (07 November 2017).

¹⁷ www.sac-oac.ca/sac-work/early-identification-intervention (31 October 2017).



- **Maintain documentation of the key consultations, discussions, decisions, and steps taken for supporting Kindergarten to Grade 8 students with intensive needs; retain evidence of agreement on learning plans for those students; and also maintain assessment information in the student cumulative files**
- **Give staff guidance on expected timelines for completing requested intensive-needs assessments of Kindergarten to Grade 8 students**
- **Regularly monitor progress in achieving learning goals of Kindergarten to Grade 8 students with intensive needs, and centrally monitor whether schools sufficiently support these students to enable progress towards their learning goals**
- **Give senior management and the Board of Education enough information to determine the sufficiency of learning supports for Kindergarten to Grade 8 students with intensive needs**

Figure 4—Audit Objective, Criteria, and Approach

Audit Objective:

The objective of this audit was to assess the effectiveness of Saskatoon School Division No. 13's processes, for the 12-month period ended December 31, 2017, to support the learning of students in Kindergarten to Grade 8 with intensive needs. Students with intensive needs are those assessed as having a capacity to learn that is compromised by a cognitive, social-emotional, behavioral, or physical condition.

Audit Criteria:

1. Design learning supports for students with intensive needs
 - 1.1 Estimate division-wide intensive learning needs
 - 1.2 Identify resources available (e.g., teachers, qualified professionals, support staff, funding, tools, supports)
 - 1.3 Deploy resources to address priority needs
2. Implement learning plans for students with intensive needs
 - 2.1 Identify students with intensive needs
 - 2.2 Use validated tools to assess the learning needs of those students
 - 2.3 Design student learning plans
 - 2.4 Carry out student learning plans
 - 2.5 Adjust learning plans based on students' progress
3. Monitor results
 - 3.1 Assess delivery of learning supports (e.g., obtain feedback, review complaints, assess tools and supports used)
 - 3.2 Adjust resources as necessary
 - 3.2 Communicate results (e.g., senior management, parents)

Audit Approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Division'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 Division's management agreed with the above criteria.

We examined the Division's criteria, policies, and procedures that relate to providing supports for Kindergarten to Grade 8 students with intensive needs. We assessed the Division's processes by testing a sample of student files at five Kindergarten to Grade 8 schools and at the John Dolan School.^A We interviewed key personnel at the Division office and schools. We assessed controls over key IT applications, tested key aspects of the Division's processes, and consulted with an independent consultant with subject matter expertise. The consultant helped us to identify good practices.

^A John Dolan School is organized by student need instead of by grade.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Resources Supporting Students with Intensive Needs Defined

Saskatoon Public has clearly defined the various learning supports (e.g., staff, programs, services) it offers to Kindergarten to Grade 8 students with intensive needs.¹⁸

The Division has several specialized programs targeted to students with specific needs (e.g., behaviour challenges, intellectual disabilities) (see **Figure 5**). For example, the Division provides some autism diagnostic services for students in the division. Also, it makes assistive technology (e.g., laptop computers) available to students that require it.¹⁹

Figure 5—Special Education Programs Offered in Saskatoon Public

Autism Support Program: designed for students with Autism Spectrum Disorder and challenging behaviours. The goal is to provide an individualized program to develop strategies to meet their social, communication, behavioural, and sensory needs in order to transition successfully back into the neighborhood school.

Behaviour and Learning Accommodation in a Needs-Centred Environment (BALANCE): this program is an individualized, highly structured learning opportunity that utilizes a variety of cognitive behavioral strategies.

Functional Academics: program for elementary students with a mild intellectual disability who also have behaviour challenges.

Functional Life Skills: provides support for students with moderate intellectual disabilities and multiple disabilities to help them become as independent as possible in their daily lives.

John Dolan School: a special school for students with severe or multiple disabilities. Students may attend until age 22. The school houses a multi-sensory environment for students, that fosters relaxation, co-operation and participation through interactive play stations, soothing music, and special lighting (called the Mary Vinish Snoezelen Park).

Source: Adapted from information provided by Saskatoon School Division No. 13.

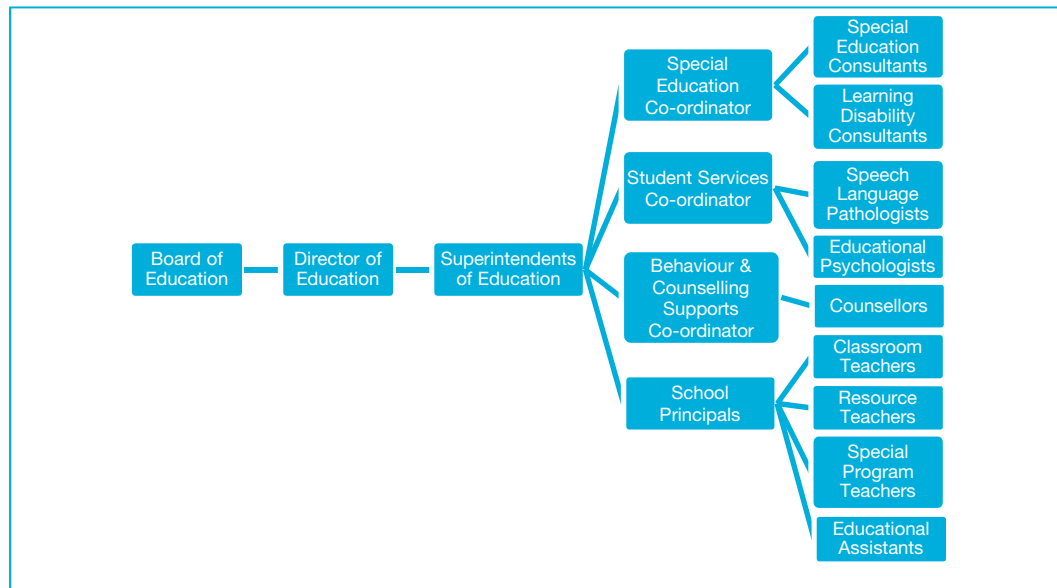
To deliver its programs, the Division employs various types of staff to support classroom teachers in meeting the needs of students with intensive needs. As shown in **Figure 6**, support staff includes resource teachers, special education consultants, professional and specialized staff (speech language pathologists, educational psychologists, counsellors), and educational assistants.

¹⁸ www.spsd.sk.ca/Schools/specialEd/Documents/SpecialEducation.pdf (22 March 2018).

¹⁹ *Saskatoon Public Schools Strategic Direction 2016-2017*, p. 2.



Figure 6—Saskatoon Public’s Organizational Chart for Staff Supporting Students with Intensive Needs



Source: Adapted from information provided by Saskatoon School Division No. 13.

Some staff who support students with intensive needs operate division-wide; whereas others are assigned to specific schools and/or specific students.

The Division centrally assigns each professional (speech language pathologists, educational psychologist) to several schools based on projected caseload for the school year. These professionals may collaborate and help each other in managing workloads throughout the year.

Special education consultants work with a portfolio of schools to assist in identifying students with intensive needs, consult with teachers to support students with intensive needs (e.g., provide materials and instructional strategies), and support implementation of assistive technology.

We found the Division uses a model to guide its allocation of resource teachers to schools. The model uses factors such as the actual number of intensive need students, actual overall student enrolment, and results of student assessments (e.g., reading assessments). The Division indicated that it also considers staff workloads when making resourcing decisions during its annual budgeting process.

For determining the number of educational assistants for an elementary school, the Division considers the school’s special education program needs, and the number and needs of students with intensive needs including those requiring one-on-one support.

Schools can request one-on-one educational-assistant support for a student using a standard request template. The Division places priority on safety concerns, or personal care needs of a student with intensive needs. One-on-one support assigns a specific educational assistant to a student on a full-time basis. The Division processes and approves requests for one-on-one support centrally.

In addition, Saskatoon Public works with other school divisions, other government agencies like the Saskatchewan Health Authority, and various not-for-profit agencies (e.g.,

Autism Services of Saskatoon) to provide further assessment services and/or learning supports to students with intensive needs—see **Figure 7**.

Figure 7—Key Agencies and Partnerships

Autism Services of Saskatoon: offers programs and resources to families with students with autism spectrum disorder.

Child & Youth Mental Health & Addictions Services: services available through the Saskatchewan Health Authority to support students with mental health needs and their families. Services include individual and family counselling, group therapy, and case management for the family.

St. Mary's Wellness Clinic: school-based pediatric clinic that offers comprehensive healthcare and mental health services to disadvantaged patients and families. The program is a partnership between St. Paul's Roman Catholic Separate School Division No. 20, University of Saskatchewan College of Medicine, and Saskatoon Tribal Council. It operates one day a week at WP Bate School (Division school).

Community Living Service Delivery: branch of the Ministry of Social Services that provides support services to students with intellectual disabilities and their families such as counselling, respite planning, and crisis intervention.

Cognitive Disability Strategy: Ministry of Social Services program to support students with cognitive disabilities and their families. Families apply for funding when their children need supports not offered through any other system.

Saskatchewan Association for Community Living: agency offers supports to students with intellectual disabilities and their families such as peer support groups, recreational programs, and advocacy support.

Alvin Buckwold Child Development Program: program through the Saskatchewan Health Authority that provides diagnostic and treatment services to children 0-18 years at risk of developmental, cognitive and/or physical challenges.

Partnerships with Prairie Spirit School Division No. 206 and St. Paul's Roman Catholic Separate School Division No. 20, and Saskatchewan Health Authority (Child & Youth: Mental Health and Addictions Services):

Youth Day Program: a short-term assessment and intervention program to help youth (age 12-18) with severe mental health and substance use issues.

Children's Therapeutic Classroom: short-term assessment and intervention program designed to meet the needs of children who exhibit severe mental health disorders. The function of the program is to support the development of more effective emotional, social, and academic functioning for students in order for them to transition successfully back to their neighborhood schools.

Source: Adapted from information provided by Saskatoon School Division No. 13.

4.2 Qualified Staff Support Students with Intensive Needs

Saskatoon Public employs qualified staff to assist Kindergarten to Grade 8 students with intensive needs.

Saskatoon Public set out credentials for teachers, professionals, and other staff supporting students with intensive needs in job descriptions. Job descriptions clearly outline requirements for education and experience for educational assistants, resource teachers, special education consultants, co-ordinators, speech language pathologists, and educational psychologists. For example, it requires speech language pathologists and educational psychologists to possess a post-secondary degree in their respective fields. It requires educational assistants to possess post-secondary education related to special education programming and related work experience.

We found that the Division supports its teachers in gaining additional education in the special education field (e.g., train to become a resource teacher). It pairs these teachers with experienced resource teachers until they fulfill the educational requirements.



In addition, the Division maintains resource teacher and educational assistant handbooks. These provide key information about assigned responsibilities and day-to-day work with students and staff. We found the handbooks were clear and comprehensive.

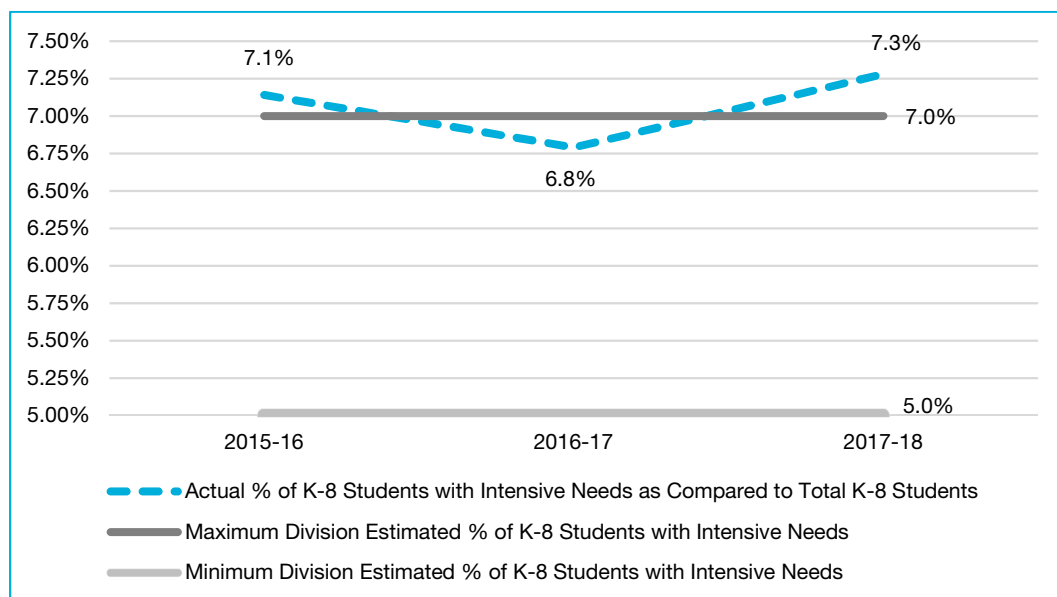
4.3 Better Forecasting and Analysis of the Future Enrolment of Students with Intensive Needs Needed To Support Staffing Decisions

Saskatoon Public does not specifically estimate the future enrolment of Kindergarten to Grade 8 students with intensive needs. Accurate estimates are important for determining support staffing needs. Each 1% difference in estimates of total students equates to about 160 Kindergarten to Grade 8 students with intensive needs (see **Figure 3**).

Each year, Saskatoon Public estimates enrolment for the upcoming year of Pre-Kindergarten to Grade 12 students. While it does not specifically estimate the number of students with intensive needs, Division management indicated that they expect about 5% to 7% of students enrolled to have intensive needs.

We found that the Division's maximum expected enrolment of students with intensive needs of 7% was lower than the actual enrolment numbers of Kindergarten to Grade 8 students in two out of the last three years. As shown in **Figure 8** for Kindergarten to Grade 8 students, the Division's actual enrolment of students with intensive needs as compared to total enrolment was between 6.8% and 7.3% in the last 3 years. Over the same period, the number of Kindergarten to Grade 8 students with intensive needs increased from 1,069 to 1,167 students for a total increase of 9.2% (see **Figure 3**).

Figure 8—Saskatoon Public's Actual % of Kindergarten to Grade 8 Students with Intensive Needs Enrolment Compared to Division Estimated Range



Source: Adapted from information provided by Saskatoon School Division No. 13.

Reliable estimates of future enrolment of students with intensive needs would give Saskatoon Public better information to determine resources (teachers and other supports) to support those students. Without reliable estimates of future enrolment of students with

intensive needs, the Division may not determine the amount of resources it needs to provide students with intensive needs with sufficient support.

1. We recommend that Saskatoon School Division No. 13 formally estimate the future enrolment of Kindergarten to Grade 8 students with intensive needs.

Basis of the Number of Staff Assigned Not Documented

The Division had not documented its determination of the number of staff needed to support Kindergarten to Grade 8 students with intensive needs. The increase in the actual number of students with intensive needs over the last three years has outpaced the increase in the staff providing supports to these students in most cases.

The Division determines staff to support students with intensive needs primarily through its annual budgeting process. The Division indicated that during this process, it decides on the nature and number of support staff, and other tools and supports (e.g., assistive technology) for students with intensive needs. It considers the number of identified students requiring one-on-one support.

However, the Division could not show us how it links increases in support staff to increases in the number of students with intensive needs and the changes in their needs.

As noted in **Figure 9**, our analysis found that the combined increase in staff used to support students with intensive needs has increased 8.5% between 2015-16 and 2017-18, as compared to a 9.2% increase in the number of Kindergarten to Grade 8 students with intensive needs.

Figure 9—Saskatoon Public's Staffing Complement Supporting Kindergarten to Grade 8 Students with Intensive Needs

FTEs (K-8)	2015-16	2016-17	2017-18	% increase in staffing (from 2015-16 to 2017-18)	% increase in K-8 students with intensive needs enrolment (from 2015-16 to 2017-18)
Resource Teachers	82.5	85.6	89.7	8.7%	9.2%
Educational Assistants	308.4	315	336.1	9.0%	
Speech Language Pathologists	14	15	14.8	5.7%	
Educational Psychologists	9	10	10	11.1%	
Counsellors	16.7	17.2	17.2	3.0%	
Special Education Consultants	4.5	4.5	4.5	0%	
Combined	435.1	447.3	472.3	8.5%	

Source: Adapted from information provided by Saskatoon School Division No. 13.



Our analysis also found that the number of Kindergarten to Grade 8 students requiring one-on-one support from an educational assistant has increased by 49 students over the last three years (see **Figure 10**).

Figure 10—Number of Kindergarten to Grade 8 Students Requiring One-on-One Educational Assistant Support

2015-16	2016-17	2017-18	% increase from 2015-16 to 2017-18
155	175	204	31.6%

Source: Adapted from information provided by Saskatoon School Division No. 13.

In addition, we found almost all of the 11 categories of intensive needs increased along with the number of students with intensive needs, and students requiring one-on-one support. As shown in **Figure 11**, between 2015-16 and 2017-18, Saskatoon Public had increases of over 10% in all six categories listed (e.g., mental health disorders and other diagnosed conditions [e.g., severe language delays or learning disabilities]). The number of students with multiple disabilities increased 18.5%.

Figure 11—Saskatoon Public's Categories of Pre-Kindergarten to Grade 12 Students with Intensive Needs

Intensive Needs Categories ^{A, B}	2015-16	2016-17	2017-18	% increase for category (2015-16 to 2017-18)
Deaf or Hard of Hearing	60	73	71	18.3%
Intellectual Disability	323	352	373	15.5%
Bipolar, Depressive, Anxiety, or Related Disorders	184	209	225	22.3%
Autism Spectrum Disorder	285	286	316	10.9%
Physical Health Impairment	222	232	245	10.4%
Other Diagnosed Condition	93	138	151	62.4%
Multiple Disabilities ^B	243	282	288	18.5%

Source: Adapted from information provided by Saskatoon School Division No. 13.

^A See **Figure 2** for a brief description of each category. Table includes categories with increases greater than 10%.

^B Students with multiple disabilities are recorded in multiple categories.

We recognize that a direct relationship between increases in the number of students with intensive needs to the number of teachers is not realistic. The needs of students can vary significantly depending upon their intensive need, category, and severity of their needs. Also, Saskatoon Public can take varied approaches to address those needs.

As well, Saskatoon Public does not analyze its population of students with intensive needs to identify changes or trends (e.g., changes in categories).

Our analysis of records in the Division's student supports IT system found duplicate entries for students (e.g., had more than one student plan), and differences in how the Division entered grade identification for students (e.g., entered Kindergarten four different

ways).²⁰ We also found that prior to the 2017-18 school year, the Division retained records in its IT system on students receiving additional supports at school who were not designated as students with intensive needs. The Division discontinued this practice in the current school year.

The Division retains point-in-time information on its Pre-kindergarten to Grade 12 students with intensive needs. Therefore, the Division could not readily provide us with the number of Kindergarten to Grade 8 students with intensive needs for the 2015-16 and 2016-17 school year. As a result, we conducted our own analysis to determine the number of Kindergarten to Grade 8 students with intensive needs (see **Figure 3**).

Inconsistent entry of student information can make analysis of trends and changes in students with intensive needs difficult. Further, without a documented assessment of students with intensive needs and staff needed to support these students, the Division cannot show that it is making sufficient programs and supports available to students with intensive needs as *The Education Act, 1995* requires.

2. We recommend that Saskatoon School Division No. 13 analyze trends in the number of Kindergarten to Grade 8 students with intensive needs, and their categories of intensive needs.
3. We recommend that Saskatoon School Division No. 13 document its determination of staff needed to support Kindergarten to Grade 8 students with intensive needs.

4.4 Well-defined Approach to Designate Students as Having Intensive Learning Needs But Better Documentation Needed

Saskatoon Public's elementary schools use a well-defined approach to designate Kindergarten to Grade 8 students as having intensive learning needs. However, Saskatoon Public elementary school TEAMS do not consistently record their key decisions and action items. In addition, the Division did not consistently keep intensive-need assessment results in the student's cumulative file (e.g., assessments by speech language pathologist, educational psychologist).

Each school has a group comprised of both school staff (i.e., school administrators, classroom teachers, and resource teachers) and Division professionals and consultants (i.e., speech language pathologist, educational psychologist, counsellors, special education consultant).²¹ Saskatoon Public refers to these groups as TEAMS.

TEAMS at each school are responsible for deciding appropriate intensive learning supports for students identified as potentially having intensive learning needs. TEAMS determine whether division professionals are to conduct assessments to determine if a student has intensive needs. TEAMS meet on a monthly basis.

²⁰ The Division uses a student supports IT system called CLEVR to track key details about students with intensive needs (e.g., name, grade, school, identified need category, learning supports). CLEVR is an online application used for integrated data collection and tracking.

²¹ Division refers to head office-based staff such as superintendents and special education consultants. Division professionals include speech language pathologists, educational psychologists, and school counsellors. School staff refers to staff such as school principals, vice principals, resource teachers, special education teachers, and classroom teachers.



Staff at an elementary school initially identify individual students with learning or behaviour challenges. They discuss possible adaptations or classroom interventions to support the success of identified students. Where a student continues to struggle after use of those adaptations or interventions, the school staff refer the student for discussion at a monthly school TEAMS meeting.

School TEAMS discuss the needs and learning supports suitable and available to each referred students. They may:

- Direct the school to pursue parental approval for Division professionals to formally assess the learning needs of the student
- Refer the student to the Division's autism diagnostic service
- Recommend parents obtain a referral (from family doctor) to external medical or mental health professionals, learning support services, or community partners
- Identify whether a student requires the use of assistive technology (e.g., laptop computer)

School TEAMS also discuss, overall and for individual students, new issues or struggles students with intensive needs may have, changes to classroom strategies to address those needs, student assessment workload, or assistive technology options.

The Division provides staff (e.g., resource teachers, principals) with standard forms (rubrics) to assist them in prioritizing and assessing students (e.g., Impact Profile rubric for one-on-one educational assistant support, Psychoeducational Assessment Prioritization Form, Impact Assessment template).

We found that Division staff used the standard forms as expected for the 36 files of students with intensive needs we tested.

In addition, the Division provides schools with guidance on conducting TEAMS meetings, and what information to review and prepare in advance of the meeting (e.g., interventions already tried, other evidence/data to support the concern). The guidance includes a template for TEAMS to document the concerns, strategies, and updates discussed, as well as the action plan for a student.

All six schools we visited used the Division-supplied IT software (called OneNote) to record information about their school's TEAMS meetings. However, for 11 of the 36 files of students with intensive needs we tested, records of TEAMS discussions and consultations on that student's challenges, options, next steps, and resolutions were incomplete or documentation was minimal. One of five files we tested of students (where the Division was considering designating the student as having intensive needs) had no records of TEAMS discussions on that student.

Incomplete documentation on consultations, decisions, and actions about student support from school TEAMS meetings may result in students not receiving timely support. Consistently documenting these discussions would help ensure continuity of supports provided and reduce the risk of overlooked or forgotten actions to support a student's learning needs.

4. We recommend that Saskatoon School Division No. 13 require schools to consistently document key consultations, decisions, and action items resulting from their meetings for Kindergarten to Grade 8 students with intensive needs.

For each student identified as requiring a formal assessment of potential intensive supports, the Division uses a standard assessment approach (called Impact Assessment Profile). School staff, using standard templates, complete the assessment profile, and consult with Division professionals as needed. The assessment profile documents each student's needs and recommended supports. Special Education Consultants approve the completed profiles to designate a student as having intensive learning needs.

For the 36 files of students with intensive needs we tested, each student had an assessment profile completed and approved by the Division. However, for 2 of the 36 student files we tested, the student cumulative file did not contain the student's assessment information.

A student cumulative file typically contains a student's grades, attendance, standardized assessment reports and other information from a student's educational career. Parents have the right to inspect the file and have copies of any information contained in a student cumulative file. In addition, to assist in continuity of education, divisions transfer student cumulative files when a student transfers to another school.²²

Maintaining assessment information on student cumulative files allows this information to be accessible to parents and to school staff in order to provide sufficient supports to students with intensive needs.

5. We recommend that Saskatoon School Division No. 13 maintain in student cumulative files assessment information related to Kindergarten to Grade 8 students with intensive needs.

The Division uses a student supports IT system to track key details about students with intensive needs (e.g., name, grade, school, identified need category, learning supports). Each December, the Division shared this information with the Ministry of Education.

4.5 Guidance on Expected Timelines for Assessments Needed

Saskatoon Public has not provided guidance on expected timelines for completion of assessments of Kindergarten to Grade 8 students with intensive needs.

Division professionals (e.g., speech language pathologist, educational psychologist) receive referrals for student assessments from elementary schools as directed by the school's TEAMS. The Division indicates caseloads, additional testing, obtaining parental consent, and time of year all affect the timing of completing assessments.

Division professionals track when they receive a request for an assessment, and which assessments are completed but not the date on which the assessment is done.

²² Ministry of Education, The Student Cumulative Record Guidelines ([http://publications.gov.sk.ca/documents/11/83639-Student%20Cumulative%20Records%20Guidelines%202015%20-%20ENG%20\(2\).pdf](http://publications.gov.sk.ca/documents/11/83639-Student%20Cumulative%20Records%20Guidelines%202015%20-%20ENG%20(2).pdf)) (2 April 2018).



Management indicated that it typically takes between:

- Four to six weeks (20 to 30 school days) to complete a speech language assessment
- Six to ten weeks (30 to 50 school days) for a psychologist assessment.

A school year is 195 days. We found that good practices support a quicker assessment time of two weeks (10 school days).

A completed assessment is the prerequisite to identifying intensive learning supports for a student. Delays in completing these assessments cause delays in implementing learning supports for students with intensive needs. These supports are key to students' educational success.

6. We recommend Saskatoon School Division No. 13 provide guidance on expected timelines for completion of assessments of Kindergarten to Grade 8 students with intensive needs.

4.6 Learning Plans Developed as Expected

Saskatoon Public staff develops a learning plan for each Kindergarten to Grade 8 student with intensive needs as expected.

The Division documents a student's goals in the learning plan. School staff develop goals for each student based on areas of need identified in the student's assessment profile.

A student assessment profile identifies a student's level of need in key areas such as independence, personal/social well-being, safety, communication, and academic achievement. The profile also sets out recommended student supports (e.g., resource teacher, educational assistant, and division professionals), and the expected frequency of each support. Frequency is marked as:

- Frequently (e.g., every day or on a regular schedule, at least two to three times a week)
- Occasionally (e.g., scheduled blocks, at least once a week), or
- Periodically (e.g., less than once per week or specific activities in time of need)

Special Education Consultants review assessment profiles and student-learning plans for alignment of the level of need and support indicated, and for realistic and measurable goals.

For all of the 36 files of students with intensive needs we tested, school staff used standard templates to design learning plans for students with intensive needs. The plans outlined the frequency of supports and goals for the school year. In all instances where students we tested were previously designated as intensive needs (e.g., in the 2016-17 school year and prior), school staff used the prior year student plan to help inform the current year plan.

4.7 Agreement on Learning Plans Not Always Documented

Collaboration and agreement between school staff and parents on Kindergarten to Grade 8 student plans is not always documented.

School staff document learning plans for students with intensive needs in the Division's student supports IT system. They are to retain a copy of the learning plan in the student cumulative file. Once the resource teacher drafts the learning plan, school staff are to discuss the plan with the student's parents, and sign-off on agreement with the plan.

We found learning plans missing from 13% of the 36 student cumulative files of students with intensive needs we tested. Also, 17% of the 36 student cumulative files of students with intensive needs we tested had learning plans that were not signed by parents, or were not signed off at all (i.e., missing school staff signatures as well). These files did not contain any indication of disagreement with parents. For all 36 files we tested, school staff documented student plans in the Division's student supports IT system.

Parental involvement and support for their child's education is beneficial for all students but even more important for students with intensive needs. Parents can play a key role in helping with assignments, and encouraging a child's learning and development.

Documenting agreement of the learning plans shows that school staff and parents have discussed the student's learning plan. In addition, it shows that the school staff and parents agree on Saskatoon Public's approach to address the individual student's needs, and their involvement. Not having documented agreement between school staff and parents on the students' learning plans may affect student success.

7. We recommend that Saskatoon School Division No. 13 retain evidence of agreement on learning plans for Kindergarten to Grade 8 students with intensive needs.

4.8 Better Evidence of Monitoring of Student Plans to Support Students with Intensive Needs Needed

The Division did not retain key documentation on actions, discussion, and decisions (with Division staff, school staff or parents) regarding monitoring and adjusting student-learning plans of Kindergarten to Grade 8 students with intensive needs. In addition, it did not consistently document key consultations, decisions, and action items resulting from school TEAMS meetings.

We found that student files lacked documentation on consultations with parents. One-third of the 36 files of students with intensive needs we tested did not contain evidence of discussions with parents. For the other two-thirds of files we tested, the notes of consultations with parents were in the TEAMS meeting notes. The Division does not maintain TEAMS meeting notes in student cumulative files.

Also, the Division did not consistently maintain documentation of its discussions, decisions, and steps taken to implement student-learning plans. Almost one-third of the



36 files of students with intensive needs we tested did not contain evidence of discussions with Division and school staff.

Collaboration between the Division, school staff, and parents are key components to student success at school. Keeping consistent and accessible documentation (e.g., in the student supports IT system) would assist school staff in monitoring steps taken to support students with intensive needs and help avoid repeating intervention strategies found ineffective for students who transfer between schools.

8. We recommend that Saskatoon School Division No. 13 require consistent and accessible documentation of key discussions, decisions, and steps taken to implement learning plans for Kindergarten to Grade 8 students with intensive needs.

Division and school staff do not log or track complaints received from parents of Kindergarten to Grade 8 students with intensive needs. Division staff indicated that for any concerns noted by parents that cannot be resolved at the school level (e.g., by the principal) would be discussed at TEAMS meetings. See **Recommendations 4 and 8** about consistent documentation.

For students with intensive needs, school staff are to regularly monitor student progress at least three times a year. They are to prepare reports on students' progress in achieving goals (progress reports), as set out in the learning plan, three times a year. If a student with intensive needs is struggling to meet their goals, or achieves their goals during the school year, school staff are to adjust the student's goals when assessing student progress.

For all of the 36 files of students with intensive needs we tested, school staff adjusted goals in learning plans. For each of these files, staff developed, for each student, student goals based on student progress between school years.

School staff are to meet with parents to discuss progress of student goals, and sign-off on the progress report. Schools are to retain the signed copy of the progress report in the student cumulative file.

We found that school staff did not consistently complete progress reports on student goals for students with intensive needs as expected. School staff also did not always retain evidence of parent sign-off on progress reports. For the 36 files for students with intensive needs we tested, 52% of 2016-17 year-end progress reports were not signed by parents, or were not signed off at all (i.e., also missing school staff signatures). Further, 63% of files for students with intensive needs we tested did not contain a progress report for the first term of the 2017-18 school year.²³

Without documented progress reports including student progress against goals and documented evidence of parent agreement, there is a risk that there could be a difference of opinion with students with intensive needs' progress.

9. We recommend that Saskatoon School Division No. 13 regularly monitor students' progress in achieving goals set out in learning plans for Kindergarten to Grade 8 students with intensive needs.

²³ Term 1 report cards were to be completed the week of November 20th. We completed testing December 3 to 14, 2017.

4.9 Division Monitoring of Results Needed

Saskatoon Public does not formally monitor on a division-wide basis or on a school-by-school basis whether it is meeting the identified needs of Kindergarten to Grade 8 students with intensive needs. Rather it uses primarily informal mechanisms to assess, monitor, and adjust delivery of learning supports.

The Division prioritizes access to existing resources using the results of student assessment profiles (e.g., the category of intensive needs, type and intensity of support needed, and school). It makes the principal at each school responsible for allocating division-assigned educational assistants to students based on student need (as set out in the student assessment profile) and input from classroom teachers. During the school year, schools are to adjust educational assistant assignments given changes in the number of students requiring support, and in level of need of individual students. Schools requiring additional educational assistant support must make written requests to the Division office for additional resources.

For the 36 files of students with intensive needs we tested, one student was receiving less support than outlined in that student's assessment profile. While the student was assessed as requiring frequent support of an educational assistant, the student did not receive any support from an educational assistant. Upon further examining the allocation of educational assistants within that student's school, we found that the school had not allocated educational assistants based on the assessed needs of its students (that is, it had provided other students assessed as having lesser needs with educational assistants before the student we tested).

The school and Division management noted the school was providing this student with support using other resources (e.g., resource teacher and classroom teacher) because the school did not have enough educational assistant resources to support all of the assessed intensive needs of students. As of December 2017, the school had not specifically requested additional resources for educational assistants.

The Division does not require schools to report whether students with intensive needs are progressing against goals as expected. Such information would help the Division determine whether it is providing sufficient support to students with intensive needs. The information would also help the Division to evaluate deployment of resources to schools to support students with intensive needs.

10. We recommend that Saskatoon School Division No. 13 centrally monitor whether schools sufficiently support Kindergarten to Grade 8 students with identified intensive needs to enable students to progress towards their individual learning goals.

Also, Saskatoon Public deploys assistive technology to help students with intensive needs in the classroom. School staff assign devices to students on a trial basis to assist in finding a device that will be a good fit for students. Examples of assistive technology include:

- Laptops and tablet computers – used for applications such as voice recognition and predictive text, symbol-based communication, and organization of assignments



- FM radio/sound systems – amplifies sound in the classroom for students with hearing loss
- Hokki stools – specialized stool that allows students to keep moving while sitting still
- Slant boards – angled writing surface to help students with proper wrist and hand placement

Midway through the school year, the Division produces a tracking sheet to check which devices (e.g., laptops, tablet computers) are in use, and which devices it can reassign to other students.

The Division assesses delivery of learning supports (staff, assistive technology) through regular communication with its staff. Division branches (e.g., Special Education, Support Services) and Division professionals (e.g., speech language pathologists, educational psychologists) meet monthly to discuss caseloads, professional development opportunities, resource availability, and issues and concerns staff are experiencing.

4.10 Reporting Needed on Key Aspects of Supporting Students with Intensive Needs

Saskatoon Public does not give senior management or the Board enough information to enable them to determine whether the Division is sufficiently supporting Kindergarten to Grade 8 students with intensive needs. Its reports are activity-based instead of results-based.

Division staff communicates high-level activities about its intensive-learning-support programs with senior management through regular meetings. Student Supports and Special Education branches of the Division report, in writing, to the Director of Education quarterly. The quarterly reports focus on high-level program activities and staff professional development.

The Division periodically makes presentations on intensive needs programming at school community council meetings.²⁴

The Board receives periodic reports about specific special education programs the Division offers. For example, in October 2015, it received a report about the EagleEyes program at John Dolan School.²⁵ The report noted the learning opportunities this communication program has provided to non-verbal students at the school. In addition, the Student Supports branch and Special Education branch staff periodically attend Board meetings to discuss special education programs.

The Division communicates activity-based information on its supports for students with intensive needs to the public. The Division publishes a *Report to the Community* annually to update the public on the key activities undertaken for its core strategies, including

²⁴ School Community Councils are school-level advisory bodies that involve parents, students, community members, and school staff, working together on issues that affect student learning and community well-being. www.saskatchewan.ca/residents/education-and-learning/prek-12-education-early-learning-and-schools/school-community-councils-support-centre (27 March 2018).

²⁵ EagleEyes is an eye-controlled technology that helps students with profound physical disabilities interact and communicate with other people through use of a computer.

special education and student services. The report does not indicate whether intensive need support programs are working or are successful.

We found Division staff centrally monitor waitlists for its specialized programs. For example, as of December 2017, the Division's waitlists were as follows; 17 students for the BALANCE program, five students for Functional Life Skills, and four students for the Autism Support Program. The Division uses this information to help determine whether to request additional programming primarily through its annual budgeting process, and to allocate existing learning support staff. It may request approval for additional funding from the Board during the school year. For example, we found that in February 2018, the Division requested funding for additional educational assistants to support students with intensive needs.

However, we found management and the Board do not receive written reports about how Saskatoon Public is managing its waitlists for its specialized programs, or trends in the number of students with intensive needs, or types of their needs. Also, they do not receive reports on whether schools are sufficiently meeting the identified needs of students with intensive needs.

Receiving information on key aspects of intensive learning support programs, periodically, would enable senior management and the Board of Education to evaluate whether the Division is meeting its legal obligations with respect to students with intensive needs. That is, is the Division providing students with educational services that are consistent with that student's educational needs and abilities, and sufficiently accommodating students with intensive needs? Information on its support programs for students with intensive needs could include data on management of waitlists for specialized programs, trends in students with intensive needs (number, types and intensity of needs), and summarized information on the educational progress of these students.

11. We recommend that Saskatoon School Division No. 13 provide senior management and its Board of Education with enough information to determine the sufficiency of learning supports for Kindergarten to Grade 8 students with intensive needs.

In 2017-18, the Division introduced a feedback tool to assist in collecting information from the community regarding what the Division is doing well and what it can improve. The Division plans to use this feedback to inform its current strategic planning process. The information the Division collects through this tool may also be useful when considering adjustments to supporting students with intensive needs.

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Chapter 12

Water Security Agency—Regulating Drainage

1.0 MAIN POINTS

Saskatchewan has over 1,800 miles of organized drainage ditches, draining an estimated 4.5 million acres of farmland. The Water Security Agency estimates approximately 1.6 million to 2.4 million acres of land have unapproved drainage works.

The Agency is responsible for regulating drainage on agricultural lands in Saskatchewan. In 2015, the Agency began implementing a new Agricultural Water Management Strategy to encourage effective drainage while protecting the environment, and bring unapproved drainage works into compliance with the law.

The Agency is in the early stages of implementing its new strategy. It has identified four strategic priorities as critical to its success: strong public education campaign, success in implementing the new strategy in the watershed basins it assessed as highest risk to demonstrate the strategy works, completing and implementing policies that support the strategy, and strategic enforcement.

This chapter reports on the Agency's processes to regulate the drainage of water on agricultural lands in the geographic areas assigned to the Yorkton and Weyburn regional offices. These areas have the highest risk of flooding. While the Agency is doing some things well, this chapter identifies four key areas for improvement. The Agency needs to:

- Finalize, approve, and follow its policies for bringing unapproved drainage works into compliance
- Have robust policies for assessing water quality and wetland retention
- Have a prioritization plan to address existing high-risk unapproved drainage works
- Report its progress in regulating drainage on agricultural lands

Leaving unapproved drainage works in high-risk areas increases the risk of flooding of neighbouring farmland and the receiving water body, water quality issues in the receiving water body, and loss of wetlands.

2.0 INTRODUCTION

Under *The Water Security Agency Act*, the Water Security Agency is responsible for managing, administering, developing, controlling, and protecting water, watersheds, and related land resources in the province.¹ The Agency's goal is to develop an approach to drainage that would allow and facilitate drainage while protecting the environment at the same time.

¹ *The Water Security Agency Act*, s. 5(a).



The Water Security Regulations, which came into effect in 2015, require the Agency to approve all existing and new drainage works in the province. The Regulations allow the Agency to impose terms and conditions on drainage approvals (e.g., approval term length, construction periods, and habitat protection).

Drainage works are any human-made activity intended to remove or reduce water on land or just below the land surface.² This includes deepening, straightening, widening and diversion of the course of a stream, creek or other watercourse; constructing or using dykes, drains, ditches, canals, pipes or tiles for carrying or conducting water; pumping to remove water; infilling or draining wetlands; and consolidating sloughs.³

In 2014, the Agency began developing a new Agricultural Water Management Strategy with the assistance of the Ministry of Agriculture and the Ministry of Environment. The Agency's Integrated Water Services Branch is responsible for regulating drainage. This Branch has five regional offices located in Yorkton, Weyburn, Nipawin, North Battleford, and Swift Current.

2.1 Drainage in Saskatchewan

History of Drainage

Drainage regulation has occurred in the province for the last 100 years, but the enforcement of these regulations was not effective. Historically, it was believed that the only issue drainage presented was whether landowners were flooding their neighbours. There was also a widespread belief in the agricultural community that drainage was a right of land ownership.

In 1981, because of the volume of unapproved drainage works in the province, the Government of the day decided any unapproved drainage works constructed prior to 1981 did not require approval.

The Drainage Control Act implemented the first drainage complaint system in 1981. This complaint system was in place from 1981 to 2015. It allowed anyone whose land experienced negative impacts of drainage to complain, regardless of the year the drainage works were constructed. A series of wet years beginning in 2010 resulted in hundreds of complaints, each costing the Agency between \$10,000 and \$30,000 to investigate, and often taking about two years to resolve.

Importance of Proper Regulation

Saskatchewan has the greatest area of watersheds with no natural outlets in all of Canada. This means agricultural drainage often moves water into local lakes, sloughs, or wetlands instead of river systems. When water remains in a watershed and there is increased precipitation levels, there is an increased risk of high water levels and flooding.⁴

² Water Security Agency, *25 Year Saskatchewan Water Security Plan*, p. 29.

³ *The Water Security Regulations*, s.2(2).

⁴ Water Security Agency, *25 Year Saskatchewan Water Security Plan*, p. 21.

Saskatchewan has over 2,900 km (1,800 miles) of organized drainage ditches, draining an estimated 4.5 million acres of farmland.⁵ As well, Saskatchewan has more arable agricultural land than both Alberta and Manitoba combined.^{6,7}

The majority of drainage works in the province are unapproved. The Agency estimates approximately 1.6 million to 2.4 million acres of land in the province have unapproved drainage works.⁸

In addition, numerous drainage networks exist involving thousands of acres with multiple landowners in different watersheds. These often include unapproved drainage works. For example, the Quill Lakes area has numerous networks of mostly unapproved drainage works. The Quill Lakes have been experiencing significant flooding in the last several years with a corresponding loss of agricultural land adjacent to the Lakes.

Unapproved drainage can reduce wetlands. Wetlands improve water quality by removing sediments, nutrients (e.g., phosphates and nitrogen in the water runoff from farmland), and pathogens before the water reaches main water bodies (e.g., lakes).

It is now understood that flooding your neighbour is not the only drainage issue, and that drainage has a cumulative effect on flooding further downstream, water quality, wetland loss, and increased greenhouse gas emissions. In addition, the drainage network as a whole must be considered when approving drainage works to avoid unintended consequences.

The Agency has identified areas in the province at risk of flooding. See **Figure 1** for areas in the province with a naturally higher risk of flooding, water quality issues, and erosion. Drainage can further increase these risks. Flooding can affect farmland, residential areas, and infrastructure (e.g., roadways).

The darker shading in **Figure 1** shows the eastern portion of Saskatchewan is at higher risk of flooding and drainage issues (i.e., water risk is assessed as high and extreme). The Agency's Yorkton and Weyburn regional offices are responsible for regulating drainage in this area.

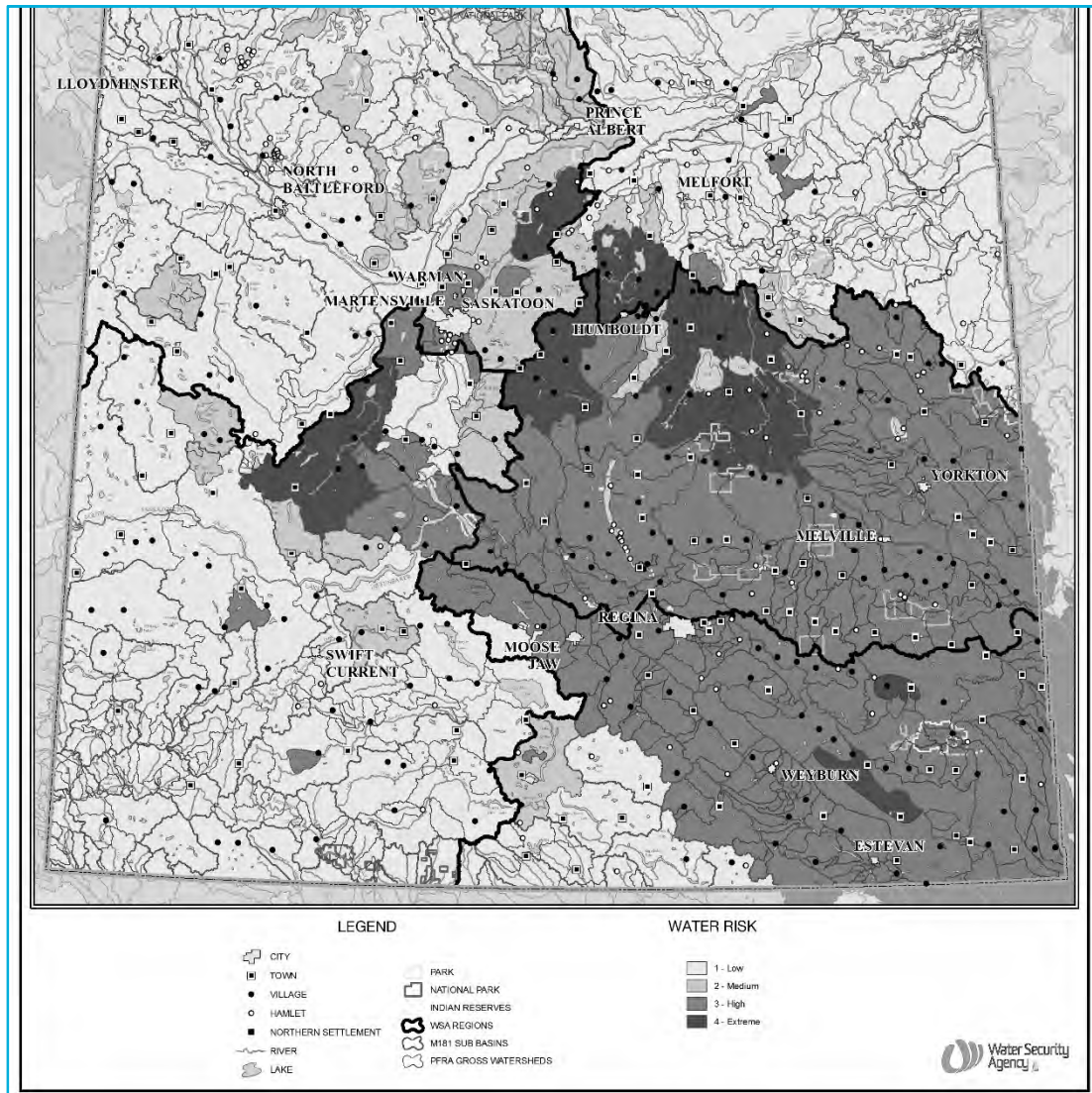
⁵ Water Security Agency, *Conservation and Development Area Authority: The Guide*, (2017), p. 6.

⁶ Arable refers to land used or suitable for growing crops.

⁷ Water Security Agency, *25 Year Saskatchewan Water Security Plan*, p. 29.

⁸ Information provided by Water Security Agency management.

Figure 1 – Saskatchewan Watershed Vulnerability Map at April 2018



Source: Water Security Agency.

While drainage increases arable land for farmers, inappropriate and unauthorized drainage can affect neighbouring landowners and bodies of water, and have unintended downstream impact.⁹ Without proper regulation of drainage, drainage works may flood neighbours' land or add water to a lake that cannot accept further water flows without causing downstream water quality issues or damage.

3.0 AUDIT CONCLUSION

At December 2017, the Agency was in the early stages of implementing its new strategy for regulating the drainage of agricultural land. This strategy reflects a significant change in the regulation of drainage of water in Saskatchewan; it requires a shift from viewing drainage as a landowner's right to considering the broader implications of drainage and water flows. Changes of this magnitude take time to implement.

⁹ Water Security Agency, *25 Year Saskatchewan Water Security Plan*, p. 29.

With this context in mind, we concluded that for the 12-month period ended December 15, 2017, the Water Security Agency had, other than in the following areas, effective processes to regulate the drainage of water on agricultural lands in the geographic areas assigned to the Yorkton and Weyburn regional offices.

The Agency needs to do the following:

- Finalize, approve, and follow its policies for bringing unapproved drainage works into compliance
- Have robust policies for assessing water quality and wetland retention when assessing risks resulting from drainage works, and better document the results of its assessments
- Have a plan that sets by when high-risk existing unapproved drainage works will be in compliance or closed
- Report its progress in regulating drainage on agricultural lands

Figure 2—Audit Objective, Criteria, and Approach

Audit Objective:

The objective of this audit was to assess whether the Water Security Agency had effective processes, for the 12-month period ending December 15, 2017, to regulate the drainage of water on agricultural lands in the geographic areas assigned to the Yorkton and Weyburn regional offices.

Audit Criteria:

Processes to:

1. Promote compliance
 - 1.1 Educate landowners on drainage works requirements and implications of non-compliance
 - 1.2 Co-ordinate drainage works compliance activities with other agencies (e.g., Agriculture, Environment, Government Relations)
2. Establish enforcement requirements
 - 2.1 Set a risk-based enforcement plan (e.g., risk of non-compliance, required resources, enforcement strategies)
 - 2.2 Maintain up-to-date policies for staff (e.g., assignment of responsibilities, key steps with expected timeframes, standardized forms, required qualifications)
 - 2.3 Establish criteria for approval of drainage works
3. Enforce compliance
 - 3.1 Approve drainage works consistent with requirements within reasonable timeframe
 - 3.2 Identify unapproved drainage works based on risk
 - 3.3 Respond to requests for assistance received within reasonable timeframe
 - 3.4 Take timely action on non-compliance (e.g., unapproved drainage works, drainage works constructed incorrectly)
 - 3.5 Escalate actions in event of continued non-compliance within reasonable timeframes
4. Monitor sufficiency of enforcement activities
 - 4.1 Track results of key enforcement activities (e.g., resolution of requests for assistance, identified non-compliance)
 - 4.2 Report results of enforcement activities to senior management
 - 4.3 Report non-compliance information to senior management and the public

Audit Approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Water Security Agency's processes, we used the above criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management. The Water Security Agency's management agreed with the above criteria.

We examined the Water Security Agency's policies, procedures, and records that relate to regulating drainage. We visited the Weyburn and Yorkton regional offices to perform testing and gain an understanding of the processes for regulating drainage. We tested a sample of drainage approvals and requests for assistance files at both regional offices to verify staff appropriately followed the Water Security Agency's processes. We consulted with an independent consultant with subject matter expertise.



4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we describe our key findings and recommendations related to the audit criteria in **Figure 2**. Unless otherwise noted, references to the Agency refer to the Integrated Water Services Branch of the Water Security Agency.

4.1 Agricultural Water Management Strategy Recently Developed

The Agricultural Water Management Strategy

The Agency has adopted a new strategy that provides the Agency with clear direction on its management of water in Saskatchewan. This strategy reflects a significant change in the organizational direction of the Agency.

This new strategy reflects an approach to encourage effective drainage while protecting the environment. The strategy's goal is to streamline the regulatory system, effectively address risks associated with drainage, and develop sustainable drainage works.

This strategy changes how the Agency approves drainage works (new and existing) and changes the prior formal complaint process into requests for assistance.

Under this strategy, the Agency is using a new landowner drainage approval application and review process, and qualified persons to achieve this strategy.¹⁰ Use of qualified persons is a shift from having Agency staff complete all steps of the drainage approval process to use of outside professionals, known as qualified persons, to assist landowners in completing drainage approval applications.

Since 2015, all drainage works, regardless of the year constructed, require approval. Under the new strategy and recent Regulations, the Agency may issue one permit for several landowners to construct drainage works. The Agency can also issue a permit to a Conservation and Development Area Authority or a local watershed association that landowners form.¹¹ For example, in 2017, the Agency approved one permit encompassing 73 landowners and 18,000 acres of land for the Dry Lake Drainage Project.¹² Previously, the Agency generally issued drainage approval permits to each landowner.

As the 2015 Regulations require all drainage works in the province be approved, the Agency has also developed a new request for assistance process to help identify, in part, unapproved drainage works. When completed, the request for assistance process results in approved or closed drainage works. This process changes how the Agency handles complaints about drainage works.

¹⁰ Qualified persons are professional engineers, agrologists, or technologists who assist landowners in the preparation of drainage approval applications.

¹¹ Conservation and Development Area Authorities are individual landowners who form a group with a defined area boundary. These Authorities have the ability to construct, own, and maintain drainage works based on their membership in the Authority. www.wsask.ca/Global/Water%20Programs/Agricultural%20Drainage/Agricultural%20Water%20Management%20Strategy/C%20and%20D%20Development%20Guide%20Final%20low%20res%20for%20web.pdf (29 September 2017).

¹² www.wsask.ca/Water-Program/Agricultural-Drainage-Dry-Lake-Drainage-Project/ (29 September 2017).

Strategic Priorities

The Agency acknowledges it is in the early stages of implementing its new strategy. It began to implement its new strategy in 2017.

To implement the new Agricultural Water Management Strategy, the Agency has identified several strategic priorities to make the strategy a success. The priorities are:

- Strong public education campaign
- Success in implementing the new strategy in the watershed basins it assessed as highest risk, to demonstrate the strategy works
- Completing and implementing policies that support the strategy
- Strategic enforcement

By December 2017, the Agency's focus was the educational component of the strategy, using a risk-based prioritization for resource allocation and network approvals, and resolving requests for assistance in a shorter timeframe (e.g., within three months).

4.2 Strategy Developed but Policies Need Approval and Implementation

The Agency had drafted policies and developed a compliance framework to support the new Agricultural Water Management Strategy, but had not approved and/or implemented many of them. In addition, a few were not yet complete.

The Agency has created policies to address many aspects of processes staff must complete under the new strategy. The most noteworthy policies are around assessing drainage risk and enforcement. For example:

- The Agency's policy on its Drainage Risk Framework helps staff to assess factors such as erosion, flooding, and habitat impacts and assign a risk level to each drainage approval application.

The same policy assisted the Agency in creating the Watershed Vulnerability Map shown in **Figure 1**.

- The Agency's Compliance Framework indicates that the Agency's compliance model is education, prevention, and enforcement. It notes how the Agency plans to move landowners toward compliance (e.g., building public confidence and support for its new drainage approach) and provides some expected targets for buy-in from the public at each stage of the process.

But we found this document was not complete and did not include concrete performance measures (e.g., percentage of compliance to be achieved by a certain date).



- The Agency's enforcement policies acknowledge the limited resources the Agency has and expects the Agency's enforcement to be targeted to the areas of the highest risk (i.e., using the risk assessments from the Drainage Risk Framework Policy).

The enforcement policies note that the Agency is planning to use enforcement (e.g., recommendation for closure) as a last resort and will be relying on voluntary compliance through education of landowners. Also, these policies acknowledge staff's lack of expertise in enforcement protocols and expect staff to work with Ministry of Environment Conservation Officers to receive training on how to work with landowners to obtain compliance.

In addition, one enforcement policy outlines enforcement options available to the Agency, and explains when to use each.

Of the 16 policies we examined, 8 were draft and not approved at February 2018. Also, they did not set out when the Agency expected to review them.

Including a clause stating the frequency of review (e.g., every five years) either within each policy or as a separate policy is good practice. Completing periodic reviews of policies helps to ensure they remain relevant.

Not having approved and/or implemented policies and a compliance strategy increases the risk of not having a consistent or clear direction. The importance of clear direction and prioritization increases when the Agency is going through significant organizational direction change.

1. We recommend that the Water Security Agency approve finalized policies related to its regulation of drainage of water on agricultural lands.

We expect the Water Security Agency to implement its policies related to its regulation of the drainage of water on agricultural lands once finalized and approved.

Staff and Qualified Persons Training Occurring

The Agency is actively training its staff and qualified persons on its new strategy and revised processes.

With the significant change in organizational direction and the new strategy, the Agency has created weekly webinars to train its staff on various components making up the strategy (e.g., preparing drainage approval applications, how to identify all landowners impacted by drainage approval applications). Since the regional office staff at the Agency are located in five regional offices (Yorkton, Weyburn, Swift Current, North Battleford, Nipawin), having webinars allows the Agency to provide consistent information for applying the new strategy across all regions.

The Agency routinely collects information on the number and name of attendants for each webinar. We found they were well attended.

At the time of our audit, although training sessions held to date had not yet addressed all aspects of the new strategy, the Agency had determined future webinar topics to cover the key outstanding areas (e.g., enforcement, use of wetlands to control water flows).

In addition, the Agency is using work plans to reinforce its expectations with respect to implementing the new strategy and revised processes. Each Branch and each Regional Office prepares an annual work plan. Our review of the 2016-17 Integrated Water Services Branch work plan found that it reinforces using the risk-based approach to bring unapproved drainage works into compliance.

To educate potential qualified persons, the Agency has created training sessions throughout the province. These training sessions outline the role of a qualified person in assisting landowners with the steps to complete drainage approval applications. The Agency tracks key information about these sessions (dates, attendees). During the 12-month period ended December 15, 2017 (our audit period), 123 individuals attended training sessions. There were 21 qualified persons in the province at December 15, 2017.

We found these training sessions included all necessary information for qualified persons to complete a drainage approval application, with the exception of information on water quality considerations. See **Recommendation 4** about developing policies on water quality.

Public Education Beginning

The Agency is starting to educate the public on its responsibility to obtain approval for both new and existing drainage works and how to obtain such approval.

Educating the public is important so the public understands the changes under the strategy. It also can help to shift the culture from landowners' thinking that operating unapproved drainage works is acceptable (old system) to making landowners recognize that they must get approval for all drainage works they operate. Landowners must also recognize that they must think beyond their own needs (e.g., consider the downstream impact of drainage works, wetland retention, etc.).

The Agency is aware there is a significant number of unapproved drainage works in the province. The Agency's current focus is to bring unapproved drainage works into compliance by having landowners voluntarily seek approval, preferably through the use of networks as opposed to individual landowner applications.

To educate the public, the Agency has undertaken several avenues to present information on its new strategy. It has posted several documents, called fact sheets, on its website. The fact sheets present information, at a high level, on topics such as explaining the drainage approval process and explaining the consequences of unapproved drainage works.

The Agency has also been meeting with landowners and stakeholders to present its new strategy and answer questions around the strategy. It tracks key details about meetings (dates, purpose/focus, number of attendees). The Agency attended 139 meetings or trade shows to present information on the new strategy during the 12-month period ended December 15, 2017.

The Agency also works with landowners to assist them in forming Conservation and Development Area Authorities when there is interest. It does this by providing guidance to the acting Boards of these Authorities, assisting with detailed analysis to determine the boundaries of the Conservation and Development Area Authorities, assisting in the petition and election process, and once established, providing ongoing planning and



governance support. There were 97 active Conservation and Development Area Authorities at December 2017.

Partners Identified and Assisting in Strategy

The Agency has identified key partners to assist in it achieving its strategy.

As part of its responsibilities, the Agency leads the implementation of its *25 Year Saskatchewan Water Security Plan*. The Plan includes actions related to drainage that the Agency, with assistance from the ministries of Agriculture, Environment, and Government Relations, plans to undertake to effectively address excess water on agricultural land, while maintaining wetlands and water quality. Some of these actions include assessing alternatives to manage drainage, developing a results-based drainage works approval process and enforcement strategy, and developing new strategies to address excess moisture on agricultural lands (e.g., drainage design).¹³

In addition to government ministries, the Agency works with other agencies—for example, Ducks Unlimited, Saskatchewan Conservation and Development Association, and the Saskatchewan Association of Rural Municipalities.

The ministries of Agriculture and Environment are also a part of the Agency's internal committees used to develop policies and create fact sheets to distribute to the public on the new strategy. We noted it consulted with its partners on developing policies and implementation plans.

Management indicated that the Agency also uses these partners to identify unapproved drainage works in the province. We noted that the Agency has informed both the Ministry of Highways and Infrastructure staff and the Ministry of Environment's Conservation Officers on what to look for to identify unapproved drainage works while working in the field.

In addition, the Agency has identified that, as of December 2017, it did not have the enforcement expertise required to exercise new enforcement options presented in its revised Act. To overcome this, the Agency's draft enforcement policies and enforcement strategy include an expectation that the Ministry of Environment assist and educate Agency staff on enforcement. The Agency and Environment have entered into an agreement on enforcement training.

4.3 Policy Improvements Needed to Close Identified Gaps

Risk Assessment Processes Need Improvement

While the Agency has developed a risk assessment framework for identifying higher-risk drainage works, it had not clearly defined key aspects of the framework or approved it.

The risk assessment framework outlines principles for identifying higher-risk drainage works based on expected drainage impacts and known watershed risks related to

¹³ Water Security Agency, *25 Year Saskatchewan Water Security Plan*, (2012), p. 29.

flooding, water quality, and wildlife habitat. The Agency is to use this draft framework when assessing drainage approval applications.

Staff developed this framework using their internal knowledge. However, we found some of the information in this framework is unclear. We found that the risk policy framework had loose definitions (e.g., potential severity of drainage impacts) associated with it, which could result in subjective and at times, inconsistent decisions.

Our testing of 30 drainage approval files found the Agency often considered only the local impact of the proposed drainage works when assessing drainage approval applications. For example, we found it considered the local impact the proposed drainage works would have on the stream in which the draining water would flow (i.e., point of adequate outlet), instead of looking at all drainage works approved in the area and into what body of water the draining water ultimately ends up in. While staff may have considered watershed scale impacts, they did not document this consideration.

It is important for the Agency to consider all aspects of risk, both local and watershed scale, before approving proposed drainage works. Documenting this consideration enables its review. Lack of such consideration may result in the Agency approving proposed drainage that it should not. This could result in more water going to a receiving body of water than it can handle.

2. We recommend that the Water Security Agency require documentation of all aspects of watershed risk before approving applications for drainage works.

The Agency does not have a formal process to update its Watershed Vulnerability Map for key circumstances that affect water flow and levels. The Agency last updated its Watershed Vulnerability Map in April 2018. Its Watershed Vulnerability Map is not only used to assess risk of drainage works seeking approval, but the Agency also uses it to assign its limited resources to high and extreme risk areas.

The Agency used its risk assessment framework to develop the Watershed Vulnerability Map (see **Figure 1**).

Without periodic updates, the Agency may not identify the highest-risk areas and may not effectively allocate resources based on risk. The Watershed Vulnerability Map risk assessment process needs periodic review as circumstances (e.g., precipitation events) may change the risk rating of a particular area.

3. We recommend that the Water Security Agency formalize a process to periodically reassess watersheds in the province for risk of flooding.

Policies on Wetland Retention and Water Quality Needed

Even though the Agency informally considers water quality and wetland retention risks of proposed drainage works when reviewing drainage approval applications, the Agency has limited policies around wetland retention and water quality.



Wetland retention is important because wetlands help improve water quality (e.g., remove sediments from water). In some cases, wetlands help replenish aquifers.¹⁴ It is important to preserve wetlands since the majority of rural Saskatchewan gets its water from aquifers. Wetlands also provide habitat for waterfowl, insects, and aquatic animals (e.g., frogs).

Water quality is also important to consider, as staff should not be approving drainage works where water draining from agricultural land will reduce the water quality of the lake or river where water is being drained (e.g., increasing nutrients).¹⁵

By not having policies on wetland retention and water quality, the Agency increases the risk that staff may not adequately consider these aspects and approve drainage works that may negatively impact water quality and may reduce wetlands.

4. We recommend that the Water Security Agency develop policies on water quality and wetland requirements to use when assessing risks of drainage works.

Once these policies are developed and finalized, the Agency needs to provide training to both its staff and the qualified persons on the requirements.

Request for Assistance Resolution Timeframes Not Clearly Documented

The Agency has not set out clear expected timeframes for resolving requests for assistance about drainage works.

In March 2016, the Ombudsman of Saskatchewan released a report that contained several recommendations on the Agency's processes for dealing with complaints under the old system.¹⁶ While these recommendations relate to the previous complaint system, some are still good practice (e.g., setting expected timeframes for resolving complaints).

Our review of the Agency's policies and manual around requests for assistance found that none of the documents contained timeframes for how quickly staff should resolve requests for assistance received (e.g., order closure of unapproved drainage works). We noted that the 2016-17 work plan of the Integrated Water Service Branch expected staff to resolve requests for assistance in a short timeframe (e.g., within three months).

We did not see evidence that the Agency shared this timeframe with those making the requests for assistance.

Of the 32 request for assistance files we tested, 13 files had requests for assistance that had been outstanding for greater than 20 months. The longest outstanding file we tested had been in progress for 4 years.

Without clear, documented timeframes for resolution of requests for assistance, staff may not complete work to resolve requests for assistance timely. Untimely resolution of requests for assistance increases the risk of further damage to neighbouring farmland and downstream. In addition, keeping the party who requests assistance informed and being transparent during the process increases public confidence in the new strategy.

¹⁴ Aquifers are underground formations that can provide usable quantities of water.

¹⁵ Nutrients, such as phosphates and nitrogen, increase algal blooms causing undesirable consequences in lakes and rivers.

¹⁶ www.ombudsman.sk.ca/news/what-s-new/2016-06-10/delays-in-the-wsa-processing-complaints-about-drainage-disputes (09 November 2017).

5. We recommend that the Water Security Agency publish expected timeframes to resolve requests for assistance on unapproved drainage works.

The Agency noted it becomes aware of unapproved drainage works in the province mainly through the request for assistance process. Reports about unapproved drainage works can also come in through ministerial referrals (e.g., complaints to the Ministry of Environment), local knowledge (e.g., rural municipalities), and staff observations in the field.

We verified that the Agency tracks, by regional office, all requests for assistance it receives. Regional managers review this tracking spreadsheet to monitor progress on files and determine if any files have been outstanding for a significant period.

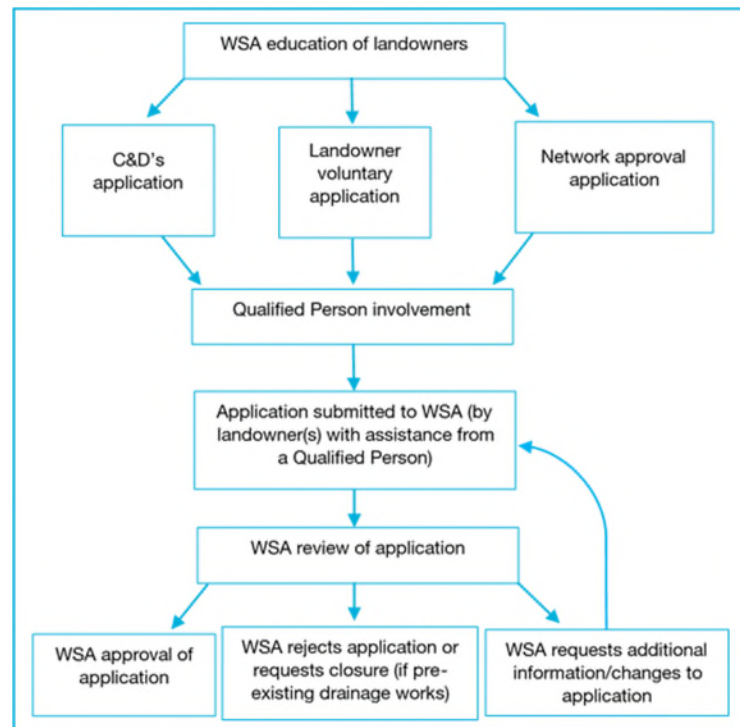
4.4 Policies Not Always Followed

Drainage Approval Processes Not Always Followed

The Agency has a well-defined process for its staff to assess the downstream local impact of a drainage works prior to approving a drainage approval application. However, documentation of the assessment was lacking or not always completed.

As shown in **Figure 3**, as part of the approval process, Agency staff review the application and related documentation. Staff determine if landowners have agreements with all neighbours impacted by the drainage works. Staff also assess if the location into which the water is draining can adequately accept the water being received.

Figure 3—WSA Regulatory System for Approvals under New Water Management Strategy



Source: Adapted by Provincial Auditor Saskatchewan.
WSA: Water Security Agency



The Agency has developed a template (technical review checklist) that staff are supposed to use to document their assessment of the risk of the potential drainage works based on several factors (e.g., erosion risk, surface drainage, watershed vulnerability).

In 11 of the 30 drainage approval applications we tested, we found that not all regional offices were using this template to complete their assessment of risk. We also found that documentation on how staff arrived at the risk level assessed was lacking.

6. We recommend that Water Security Agency staff consistently follow established processes to document risk assessments when reviewing applications for drainage works.

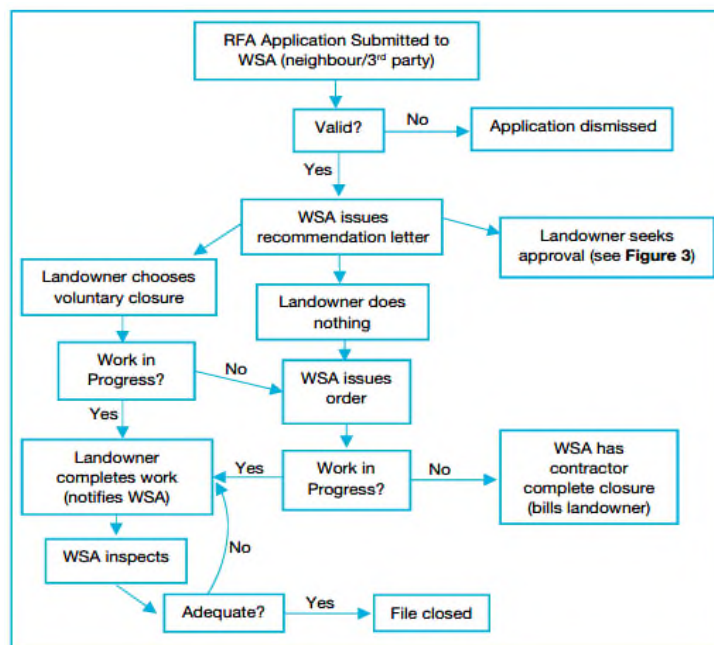
Once Agency staff approve applications for drainage works, the Agency includes operating conditions of the works in the approval. We found these operating conditions (e.g., how deep ditches must be, times of year when flood control gates must remain closed) were appropriate and were revised based on risk level of the works.

Staff Not Always Following Request for Assistance Policies

The Agency has established policies with clear processes to handle requests for assistance, but staff are not always completing the steps outlined in these policies.

As shown in **Figure 4**, when the Agency receives a request for assistance, policy states that staff are to determine if the request is valid (e.g., unapproved drainage works exist). Staff can do this by either performing a site inspection (e.g., going to the location to physically view the drainage works) or using aerial photos to compare water levels from various years. Aerial photos can show water levels declining year-over-year and thus suggest drainage is occurring. If staff cannot validate that there are unapproved drainage works, they are to dismiss the request for assistance.

Figure 4—Request for Assistance Process under the New Water Management Strategy



Source: Adapted by Provincial Auditor Saskatchewan.
WSA – Water Security Agency

The Agency handles past outstanding complaints using the revised request for assistance process.

In 8 of 32 request for assistance files we tested, we found files did not have support to show staff reviewed the validity of the requests. Without performing this review, staff who are already overwhelmed with a backlog of requests for assistance may be spending time and resources on requests that are not valid. For example, at December 2017, the Yorkton regional office had about 200 active request for assistance files. The longest outstanding file had been active for almost five years. Yorkton has eight staff members who are responsible for resolving these files, which means each staff member could have 24 active request for assistance files in addition to drainage approval applications. Staff at regional offices are also responsible for other programs such as assisting in flood mitigation programs.

Another policy requires staff to notify those landowners who have unapproved drainage works about how to obtain compliance (e.g., seek approval or closure including method of closure) via a recommendation letter.

In 4 of 32 request for assistance files we tested, we found files did not contain a recommendation letter. In all 4 instances, staff could not provide justification as to why a letter had not been prepared. Without providing a recommendation letter, landowners do not know the specific steps they must follow to achieve compliance for their unapproved drainage works.

Agency staff are to verify adequate closure of drainage once the landowner has finished.

Our testing of 32 requests for assistance found that Agency staff had not completed closure inspections as expected for five request for assistance files examined. Given the backlog of requests for assistance staff are experiencing, it is important to complete these inspections timely in order to close a file. Timely inspections also verify closure of the works according to requirements so that further damage to neighbouring landowners and the receiving water body will not occur.

7. We recommend that the Water Security Agency consistently follow established processes when assessing requests for assistance on unapproved drainage works.

Staff Not Always Following Enforcement Policies

The Agency developed policies around enforcement, but we found staff did not follow all aspects.

Enforcement policies included key responsibilities (both internal and external to the Agency), expected timeframes for key enforcement steps, and qualifications of staff responsible for enforcement.

Enforcement policies expect the following:

- Staff to take further action if a landowner is not complying with the terms and deadlines set in its recommendation letter (i.e., recommending closing drainage or obtain drainage approval). Staff may put added pressure on landowners to comply by issuing an Order as provided for in Section 62 of its Act.



Orders set a further deadline for landowners to complete work, prior to the Agency closing the drainage.

- Once the Agency issues an Order, staff are to create a Compliance Plan. A Compliance Plan sets out the steps the Agency is to take to try to reach compliance by the landowner (including key dates).

During our testing, we found that one file had an Order issued in June 2016, with a draft Compliance Plan in place at December 2017. We expected, based on the Agency's draft policies, drafting and finalization of Compliance Plans to occur at the same time as Order issuance.

Not taking timely enforcement action on unapproved drainage works increases the risk of landowners not achieving compliance or not changing the culture. In addition, further damage may occur to surrounding landowners and the receiving water body if resolution does not occur timely.

8. We recommend that Water Security Agency staff follow established processes to escalate identified actions on unapproved drainage works within a reasonable timeframe.

4.5 Clearer Timelines for Bringing Unapproved High-Risk Drainage Works into Compliance Needed

While the Agency's policies and 2016-17 work plans reflect a focus on bringing high-risk unapproved drainage works into compliance, the Agency has not set out by when it expects all high-risk drainage works to be in compliance or closed.

With the significant amount of unapproved drainage works in the province (e.g., between 100,000 to 150,000 quarter sections), the Agency must undertake steps to identify unapproved drainage works.

The Agency has also prepared a document where it outlines the number of resources required to complete the new strategy. We noted that the Integrated Water Services Branch 2016-17 annual work plan set out high-risk drainage basins (based on risks outlined in **Figure 1**) on which the Branch expects regional offices to focus.

In practice, as of December 2017, the Agency primarily relied on the request for assistance process or the public reporting of unapproved drainage works to identify those in non-compliance. It did not have a clear timeframe in which it planned to more actively identify high-risk drainage works and take strategic enforcement actions to bring them into compliance or close them.

The Agency has started to use technology (e.g., drones, airplane flights, mapping tools) to collect information (e.g., aerial photographs) on high risk areas. It uses this information when assessing requests for assistance and drainage approval applications. It has not yet started to use this information specifically to identify and take action on unapproved drainage works.

Leaving unapproved drainage works in high-risk areas increases the risk of flooding of neighbouring farmland and the receiving water body, water quality issues in the receiving water body, and loss of wetlands.

- 9. We recommend that the Water Security Agency develop a prioritization plan to identify and bring unapproved high-risk drainage works into compliance.**

4.6 Better Monitoring and Reporting of Actions Taken Needed

While the Agency routinely reports activity-based information to senior management, and periodically reports general information about its implementation of the new strategy, it does not report sufficient information to determine the Agency's progress in regulating high-risk drainage basins and bringing unapproved drainage works into compliance.

The Agency tracks key activity-based information on drainage approvals and requests for assistance (e.g., number of approvals to operate issued by region, number of requests for assistance received, requests for assistance under investigation, number of closed works). It provides this information to management on a monthly basis. Each regional office is responsible for tracking its drainage approval and request for assistance files. Monthly, regional offices send this information to a central contact who summarizes all of the information into a single document to provide to senior management.

Management indicated that it receives periodic verbal updates from staff about meeting targets set out in their annual work plans (e.g., eliminating requests for assistance backlog, processing requests for assistance within three months, processing 400 drainage approvals).

Senior management do not receive written reports on whether regional offices are meeting targets set out in annual work plans, analysis on enforcement activities related to high-risk basins, or the number of unapproved drainage works brought to compliance in high risk basins by location (e.g., through closure or approval). Such reporting would allow senior management to assess the effectiveness of enforcement actions taken and help them make resource allocation decisions.

- 10. We recommend that the Water Security Agency periodically report to senior management on actions taken to address non-compliance of unapproved drainage works.**

The Agency also provides some reporting on its new strategy in its annual report. However, we found this information to be general. We expected the Agency to provide statistics to the public on the number of drainage approval applications received and approved, the number of requests for assistance received and resolved, and the average time to bring drainage works into compliance.

Improved reporting would help senior management determine if its strategies and staff's actions were focused in priority areas as it expects. Improved reporting to the public would help landowners and the public understand the importance of the new strategy and the Agency's progress in implementing its new strategy.



11. We recommend that the Water Security Agency report to the public on its regulation of the drainage of water on agricultural lands.

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Chapter 13

Advanced Education – Working with Advanced Education Sector

1.0 MAIN POINTS

The Ministry of Advanced Education improved its processes to work with the advanced education sector to achieve Ministry strategies by implementing one recommendation, and partially implementing the other recommendation we made in 2015.

By March 2018, the Ministry analyzed its oversight tools and used this analysis to determine how to best engage post-secondary institutions to contribute to meeting sector expectations. The Ministry established a common set of expectations for the advanced education sector, and communicated these expectations to post-secondary institutions.

In September 2015, the Ministry initiated the post-secondary indicators project to establish consistent and comparable sector-wide reporting. The Ministry and post-secondary institutions are establishing indicators for use across the advanced education sector. The Ministry aims to have all institutions report on a common set of indicators by September 2020.

2.0 INTRODUCTION

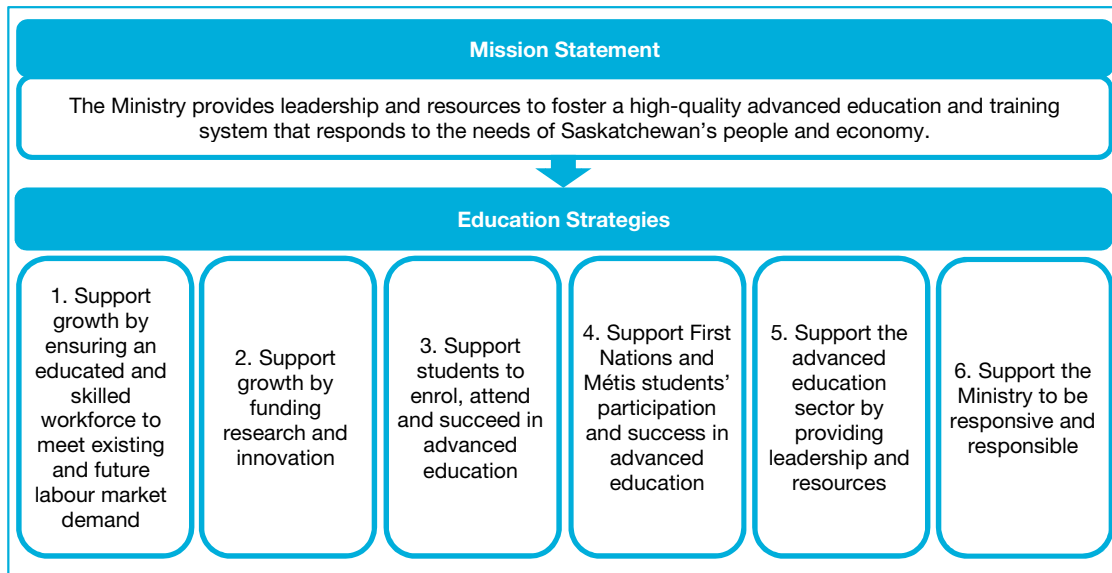
This chapter describes our follow-up of management's actions on the recommendations we made in 2015.

Our *2015 Report – Volume 1*, Chapter 7 concluded that for the 12-month period ended December 31, 2014, the Ministry had, except in the areas of our recommendations, effective processes to work with the advanced education sector to achieve the Ministry's strategies for the sector as set out in the *Ministry of Advanced Education Plan for 2014-15*. We made two recommendations.

As shown in **Figure 1**, the *Ministry of Advanced Education Plan for 2014-15* sets out the Ministry's mission and six related strategies. The Ministry has aligned its strategies with those of the Provincial Government.¹

¹ The Provincial Government's strategies for the advanced education sector, as set out in the *Saskatchewan Plan for Growth – Vision 2020 and Beyond*, include the following:

- Align programs provided by Saskatchewan's training institutes and workforce readiness activities to the current and future needs of employers in the province, while working with employers to increase the number of industry-sponsored training seats in Saskatchewan post-secondary institutions.
- Work with First Nations partners, employers, and post-secondary institutions to build on promising programs underway that assist in transitioning First Nations students moving off reserve to pursue jobs and educational opportunities.
- Make the attraction and retention of international students a cornerstone of the province's international immigration strategy, with a goal of increasing the number of international post-secondary students studying in Saskatchewan by at least 50% by 2020.
- Support science and research activities through the province's post-secondary institutions.

**Figure 1 – Ministry of Advanced Education 2014-15 Mission and Six Strategies**

Source: Adapted from *The Ministry of Advanced Education Plan for 2014-15*.

To conduct this audit follow-up, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Ministry management agreed with the criteria in the original audit.

To perform our follow-up, we discussed actions taken with Ministry management, and reviewed ministry analysis, planning documents, and public 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 March 23, 2018, and the Ministry's actions up to that date. We found that the Ministry had implemented one recommendation and partially implemented the other recommendation.

3.1 Gaps to Achieving Strategies Analyzed

We recommended that the Ministry of Advanced Education analyze gaps in achieving the Ministry's strategies for the Advanced Education sector, and use the analysis to determine how to best engage post-secondary institutions to contribute to the strategies. (2015 Report – Volume 1; Public Accounts Committee agreement January 14, 2016)

Status – Intent of Recommendation Implemented

In 2016-17, the Ministry analyzed its oversight tools (e.g., current practices, agreements, legislation) and identified gaps and opportunities to enhance engagement with post-secondary institutions to contribute to meeting sector expectations. The Ministry used

this analysis to determine how to best engage post-secondary institutions. For example, at March 2018, the Ministry drafted a memorandum of understanding to formalize the financial reporting requirements between it and the federated colleges.²

Since our 2015 audit, the Ministry worked with post-secondary institutions to establish a common set of expectations for the advanced education sector. The expectations are for the sector to be accessible, responsive, accountable, sustainable, and offer high quality standards.

The Ministry's goals, as set out in its annual plan, align with these sector expectations. Per the Ministry's *2017-18 Plan*, its goals are:

- Students succeed in post-secondary education (accessible)
- Meet the advanced education needs of the province (responsive, high quality)
- Saskatchewan's post-secondary education sector is sustainable (accountable, sustainable)

The Ministry communicates sector expectations and encourages post-secondary institutions to align their strategies with the expectations.

3.2 Specific, Measurable Targets and Timelines Needed

We recommended that the Ministry of Advanced Education use specific, measurable targets and timelines to monitor progress towards achievement of its strategies. (2015 Report – Volume 1; Public Accounts Committee agreement January 14, 2016)

Status – Partially Implemented

In September 2015, the Ministry initiated the post-secondary education indicators project. The objective of the project is to support consistent and comparable sector-wide reporting. The Ministry, as well as representatives from various post-secondary institutions, are participating in the project.³ The participants are establishing indicators for use across the advanced education sector. By March 2018, they had developed 14 indicators.

In December 2017, the Ministry collected data on three indicators from three institutions and was analyzing the results. The Ministry told us the following. It plans to release a public report on these indicators in 2018. In addition, it plans to develop additional indicators and continue to collect data from more institutions over the next two years, with the goal of having all institutions report on all indicators by September 2020. At that time, the Ministry plans to conduct additional analysis to set measurable targets and timelines for the sector.

Without specific, measurable targets or timelines, the Ministry is hindered in analyzing and reporting progress towards achieving its strategies.

² Federated colleges include Campion College, Luther College, First Nations University of Canada, St. Thomas More College, and St. Peter's College.

³ University of Regina, University of Saskatchewan, Saskatchewan Polytechnic, Gabriel Dumont Institute, Saskatchewan Indian Institute of Technology, and the seven Regional Colleges.

Chapter 14

Education Ministry and School Divisions—Transporting Students Safely

1.0 MAIN POINTS

By January 2018, the Ministry of Education and the five school divisions (Northwest, Chinook, Good Spirit, St. Paul's Roman Catholic Separate and Prince Albert Roman Catholic Separate) had further improved their processes to safely transport students—they implemented all of the remaining recommendations from our *2014 Report – Volume 2*, Chapter 44 follow-up.

The Ministry took a co-ordination and oversight role in helping school divisions to transport students safely. It established processes for providing all school divisions with a summary of legislation related to the transportation of students. It instructed school divisions who contract transportation services to obtain sufficient information to determine whether their contractor meets legislated requirements for safe student transportation. In addition, the Ministry established a transportation working group to assist in identifying effective strategies to manage the condition of vehicles, the performance of drivers, the behaviour of students on the bus, and collision risks.

The five school divisions have improved their processes to transport students safely. All school divisions provided their contracted transportation providers with all of the applicable transportation-related legislation, set clear expectations, and received reports on safe student transportation. The five school divisions also appraised driver performance, and carried out bus evacuation drills. Such strategies are key to keeping students safe while they are being transported to and from school.

2.0 INTRODUCTION

The Ministry is responsible for all matters related to early learning, elementary, and secondary education. It is to provide leadership and co-ordination in these areas. School divisions are responsible for administering schools and for managing student transportation.

This chapter describes the results of our second follow-up of the Ministry and six school division management's actions on 14 recommendations we first made in our *2012 Report – Volume 2*, Chapter 36—8 recommendations for the Ministry and 6 for the school divisions. We had reported that the Ministry of Education did not effectively oversee school divisions' processes to safely transport students. For that same period, we also reported that six school divisions we audited had, other than the following areas, effective processes to safely transport students. They need to:

- Align transportation policies and practices with legislated requirements
- Manage transportation safety risks related to driver performance (e.g., defensive driver training)



- Monitor the performance of contracted transportation services

In our first follow-up in *2014 Report - Volume 2*, Chapter 44, we reported that, by May 2014, the Ministry had implemented one of eight recommendations and partially implemented another one. We also reported that one of the six school divisions had implemented its recommendation and work remained for the other five school divisions.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry and each school division's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry of Education and the school divisions' management agreed with the criteria in the original audit.

To carry out our audit, we reviewed the relevant policies and examined documentation (e.g., driver appraisals, complaints) maintained by the Ministry of Education and each of the five school divisions.

3.0 STATUS OF MINISTRY OF EDUCATION RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation. It also sets out the status of the recommendations at January 31, 2018, and the Ministry's actions up to that date. We found that the Ministry of Education implemented all seven recommendations.

3.1 Ministry Recommendations Implemented

We recommended that the Ministry of Education provide school boards with a summary of current legislation related to transporting students and request that each School Board review reports showing that its school division complies with legislated transportation requirements.

(2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

Since May 2014 (the time of our last follow-up), the Ministry of Education began providing school divisions with a summary of transportation legislation and began monitoring compliance through its annual survey.

On August 10, 2017, the Ministry gave school divisions an updated document titled *Student Transportation Legislation and Best Practices*.¹ This document compiles relevant legislation and best practices. In this document, the Ministry advised school divisions of its plans to verify their review of legislation and confirm their compliance with the requirements. It expects school divisions to confirm their compliance every year as part of the Ministry's regular fall survey.

¹ The Ministry originally gave school divisions a document titled *Student Transportation Legislation and Best Practices*, dated May 29, 2014. But at that time, it had not asked each school board to confirm its division complied with the legislation transportation requirements.

We recommended that the Ministry of Education work with school divisions to identify key risks to safe student transportation and cost-effective options for managing those risks. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

We recommended that the Ministry of Education require school divisions to report to their school boards the strategies they use to reduce risks related to vehicle condition, driver competence, student behaviour, and collisions. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

The Ministry identified key risks to safe student transportation and strategies to address those risks. It also implemented a board reporting process.

The Ministry is using a transportation working group it established in March 2015 to identify key risks to safe student transportation and best practices to address these key risks. The working group has representatives from the Ministry and seven school divisions.

A March 2015 survey and consultation with this group identified four key risks (driver competence, student behaviour, vehicle maintenance/condition, and external factors) and strategies/best practices to manage these risks. The Ministry expects school divisions to consider and manage cost-effectiveness of strategies through each of their school divisions' budgets.

The Ministry requires school divisions to annually report to their school boards on the strategies they use to reduce related risks. It also confirms this in an annual survey school boards submit to the Ministry.

We recommended that the Ministry of Education establish and provide guidance to school divisions about the distance for students to be transported to school including requesting school boards approve any exceptions to their school divisions' policies. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

The Ministry's revised transportation-funding model outlines guidance to school divisions about transporting students.

The Ministry implemented a new transportation-funding formula for the 2017-18 school year based on its review of the funding for school divisions and consultations with school divisions. It bases the majority of urban transportation funding on walking distances of 0.5 kilometres for Pre-Kindergarten, and one kilometre for Kindergarten to Grade 8. The Ministry recognizes school divisions' need to be adaptive to unique local circumstances, so the walking distances in the transportation-funding formula are not prescriptive.



We recommended that the Ministry of Education work with school divisions to identify relevant student transportation performance information that should be reported to school boards quarterly and annually to help them supervise student transportation. (2012 Report –

Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

The Ministry identified transportation performance information and monitors that this information is reported to school boards.

The Ministry's transportation safety reporting guidelines include a list of relevant performance information (e.g., number of students transported, average one-way ride time, emerging issues) for school divisions to report to their boards quarterly. It developed this list after consulting with the transportation working group. Annually the divisions are to report to their boards on their key risks and how they are managed.

The Ministry established an internal process to follow up and obtain an action plan from a school division on steps to achieve compliance in the event of non-compliance with requirements that it is monitoring.

We found the Ministry followed up with letters to the school divisions who indicated non-compliance in November 2017. The Ministry expects these school divisions to advise it of their plans to achieve compliance.

We recommended that the Ministry of Education provide guidance to school divisions for consistent, written, and timely processes to track and resolve complaints about safe student transportation. (2012 Report –

Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

The Ministry gave school divisions guidance on tracking and resolving complaints about safe student transportation.

The Ministry provided a template and guidance to track and resolve complaints. In addition, the Ministry has developed an internal procedure document that details the procedures for the Ministry to follow if a school division indicates non-compliance with the process.

We recommended that the Ministry of Education require school divisions to provide school boards and the Ministry with written reports about outstanding risks and unresolved complaints. (2012 Report – Volume 2; Public

Accounts Committee agreement January 14, 2015)

Status – Implemented

The Ministry requires school divisions to report to their boards regularly on outstanding risks and unresolved complaints. For example, it requires board reports to include emerging issues such as outstanding risks and unresolved complaints.

The Ministry provided instructions on regular reporting to school boards based on consultations with the transportation working group.

4.0 STATUS OF SCHOOL DIVISIONS' RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation. It also sets out the status of the recommendations at January 31, 2018, and each school division's actions up to that date. We found that since May 2014 they had implemented all five recommendations.

4.1 Northwest School Division No. 203

We recommended that Northwest School Division No. 203 reference all relevant legislation within its busing contracts to align its transportation requirements with legislation and regulations. (2012 Report – Volume 2; Public

Accounts Committee agreement January 14, 2015)

Status – Implemented

Northwest School Division references all relevant transportation legislation in its busing contract.

Northwest School Division has a single contracted bus route; it signed a new agreement with the contracted transportation service provider on July 11, 2016. The agreement references all relevant legislation, and regulations related to transporting students. All drivers are provided with a copy of the legislation and regulations in the driver's handbook and receive updates as needed.

We found that the last updated copy was shared at the October 2017 driver meeting.

4.2 Chinook School Division No. 211

We recommended that Chinook School Division No. 211 reference all relevant legislation within its busing contracts to align its transportation requirements with legislation and regulations. (2012 Report – Volume 2; Public

Accounts Committee agreement January 14, 2015)

Status – Implemented

Chinook School Division references all relevant transportation legislation in its busing contracts.

Chinook has renewed its contracts with the transportation service providers. The agreements are dated February 23, 2017, and reference all relevant legislation and regulations.



We recommended that Chinook School Division No. 211 define what is expected of contractors that provide student transportation services, including required reports. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

Since May 2014 (the time of our last follow-up), Chinook School Division defines contractor expectations.

Chinook, in one of its policies, explicitly establishes requirements for the Manager of Transportation. The requirements include communicating driver roles and responsibilities, monitoring compliance with applicable legislation and regulations, monitoring status of driver abstracts, licences and medicals, investigating and acting on complaints, reporting to the board on general supervision activities, and annually assessing the school division's school bus safety program.

Also, Chinook expects its contractors to comply with all relevant regulations, policies and guidelines set by the Ministry of Education and Saskatchewan Government Insurance (SGI).

We recommended that Chinook School Division No. 211 implement a driver appraisal process. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

Chinook School Division has a driver appraisal process.

Chinook's policy indicates the Manager of Transportation must supervise drivers. This includes monitoring driver abstracts, licensing, and medicals.

Also, Chinook outlines driver requirements in its busing contracts and monitors driver evaluations. It conducts driver evaluations in the instance of new drivers or drivers identified as needing additional supervision.

In our review of two of the five drivers evaluated, Chinook used a standard form which included areas of driver evaluation such as hazards, pre/post trip inspections, road management, and overall feedback to drivers.

We recommended that Chinook School Division No. 211 document complaints about student transportation and how the complaints were resolved. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

Chinook School Division uses a formal process to track and resolve transportation safety complaints. Chinook uses Student Bus Conduct forms and formally tracks all complaints including resolutions. It uses a four-part process to deal with complaints that includes the following steps:

- Complaints are received (in various formats)

- Authorized staff investigate and gather necessary information to fully inform resolution
- Resolution of complaints, which are dependent on the nature and severity, may be resolved at the driver or board level, or escalated to law enforcement
- Follow-up

4.3 Good Spirit School Division No. 204

We recommended that Good Spirit School Division No. 204 provide school bus drivers annually with legislated requirements to transport students safely. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

Good Spirit School Division provides drivers with legislated requirements.

Good Spirit provides school bus drivers with materials setting out legislated requirements to transport students safely at its annual meeting at the beginning of each school year. We found that both regular and substitute driver materials refer to legislated requirements to transport students safely.

We recommended that Good Spirit School Division No. 204 implement a driver appraisal process. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

Good Spirit has implemented a driver appraisal process.

Good Spirit's driver appraisal process includes: driver evaluations, annual SGI driver abstract reviews, and checks on the validity of licences of all drivers.

In our review of three of the six drivers evaluated, we noted Good Spirit had evaluated pre-trip inspections, route information, and vehicle information. Its evaluation process is for new, spare, and regular drivers. Also, it sets re-evaluation dates (if needed) and identifies additional training needs during the driver evaluation.

We recommended Good Spirit School Division No. 204 document student participation in timely bus evacuation drills and driver identified evacuation risks. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

Good Spirit School Division conducts and documents bus evacuation drills.

Good Spirit bus drivers document student participation in bus evacuation drills twice during the school year, once in the fall and once in the spring. Drivers identify and resolve evacuation risks by conducting one bus evacuation, providing feedback to students and then conducting a second bus evacuation.



All 10 bus evacuation forms we reviewed were appropriately signed and indicated the date and the location of the evacuation drill.

We recommended that Good Spirit School Division No. 204 document complaints about student transportation and how the complaints were resolved. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

Good Spirit School Division documents complaints received about student transportation, and resolves them.

We found it sufficiently retains complaint details including the actions taken to resolve the complaint and dates.

4.4 Prince Albert Roman Catholic Separate School Division No. 6

We recommended that Prince Albert Roman Catholic Separate School Division No. 6 reference all relevant legislation within its busing contracts to align its transportation requirements with legislation and regulations. (2012 Report – Volume 2; Public Accounts Committee agreement on January 14, 2015)

Status – Implemented

Prince Albert Roman Catholic Separate School Division references all relevant legislation and regulations in its busing contracts.

Since May 2014 (the time of our last follow up), the school division asked, in writing, the contractor to comply with all laws and also provided the contractor with a copy of the Ministry of Education's *Legislation and Best Practices* document which outlines all applicable legislation. The contractor agreed in writing.

4.5 St. Paul's Roman Catholic Separate School Division No. 20

We recommended that St. Paul's School Roman Catholic Separate Division No. 20 reference all relevant legislation within its busing contracts to align its transportation requirements with legislation and regulations. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

St. Paul's Roman Catholic Separate School Division references legislation and regulations in its busing contracts.

St. Paul's contract with its transportation service provider states that the service provider agrees to comply with all applicable municipal, provincial, federal laws. This contract is dated August 23, 2016.

We recommended that St. Paul's School Roman Catholic Separate Division No. 20 implement processes to monitor its contractor's driver appraisal process. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

St. Paul's Roman Catholic Separate School Division monitors its contractor's driver appraisal process.

St. Paul's implemented a process to monitor its contractor's driver appraisal process. The process requires the contractor to submit annually the safety compliance assessment, and SGI Carrier Profile (which outlines the summary of all accidents). The school division also randomly chooses a route and reviews the driver's file and bus maintenance record. The contractor provides the School Division with those driver appraisals. St. Paul's reviews them. St. Paul's had received five driver appraisals since June 2017.

For two of five drivers' appraisals, we noted the contractor used a standard form which included areas of driver evaluation such as pre/post trip inspections, protocols for safe backing up, loading/unloading, railroad crossing, intersections, etc.

We recommended St. Paul's School Roman Catholic Separate Division No. 20 implement processes to monitor its contractor's vehicle maintenance processes. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

St. Paul's Roman Catholic Separate School Division monitors its contractor's vehicle maintenance process.

St. Paul's implemented a process to monitor its contractor's vehicle maintenance by requesting that the contractor provide SGI vehicle audit reports and preventative maintenance reports for the buses contracted. We noted that St. Paul's is doing this monitoring annually.

We recommend that St. Paul's School Roman Catholic Separate Division No. 20 define expectations and reporting requirements with contractors. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

St. Paul's Roman Catholic Separate School Division defines expectations and reporting requirements with its busing contractor.

We found that St. Paul's receives monthly reports from contractors as expected. It received reports on: bus conduct, route summary by run, late notifications, and number of students transported. In addition, contractors submit quarterly reports on the number



of students transported, routes, age of fleets, average capacity of buses, average ride time, and longest ride time. They submit annual reports on SGI Carrier Profile (outlines any accidents by bus), SGI Bus Inspections (SGI inspects buses annually), and First Student Compliance Audit.²

We recommended that St. Paul's School Roman Catholic Separate Division No. 20 document complaints about student transportation and how complaints were resolved. (2012 Report – Volume 2; Public Accounts Committee agreement January 14, 2015)

Status – Implemented

St. Paul's Roman Catholic Separate School Division documents and resolves complaints.

St. Paul's tracks and documents safety complaints. Each month, drivers compile a monthly summary of complaints. In January 2017, the School Division started maintaining a tracking spreadsheet.

We found the spreadsheet sufficiently documents complaints about student transportation, and briefly explains how complaints were resolved. We noted that all complaints on the spreadsheet were dated, and dealt with in a timely manner (within two weeks).

² First Student conducts a Safety Compliance Audit which includes assessments on items such as shop safety and bus maintenance.

Chapter 15

eHealth Saskatchewan – Implementing Electronic Health Records

1.0 MAIN POINTS

By February 2018, eHealth implemented the one outstanding recommendation we initially made in 2009 related to guiding, monitoring, and reporting on implementation of the electronic health records (EHR) system. eHealth has processes in place to adequately monitor costs and timelines for enhancements to the EHR system.

2.0 INTRODUCTION

eHealth Saskatchewan is responsible for creating an EHR system for patients and providing healthcare professionals access to the system. Patient health information in electronic form is easily and quickly accessible no matter where an individual seeks medical attention. An EHR system can improve the delivery of health care by making the right data available at the right time to the right healthcare professionals.

In 2009, we assessed eHealth's processes to guide, monitor, and report on the implementation of the EHR system.¹ We made four recommendations. Our *2016 Report – Volume 1*, Chapter 22 concluded that eHealth Saskatchewan implemented three of the four recommendations. This chapter describes our third follow up of management's actions on the one outstanding recommendation.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate eHealth's progress towards meeting our recommendations we used the relevant criteria from the 2009 audit. Management agreed with the criteria in the 2009 audit. We inquired on processes to track EHR project timelines and costs as well as reviewed key documents (e.g., three-year priority roadmap, project plans, forecasts, and reports to the Board).

3.0 STATUS OF RECOMMENDATION

This section sets out the outstanding recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at February 28, 2018, and eHealth's actions up to that date. We found that eHealth had implemented the recommendation.

¹ 2009 Report - Volume 3, Chapter 10C.



3.1 Monitoring Costs and Timelines for EHR System

We recommended that eHealth Saskatchewan monitor its overall costs and timelines, compared to its plans, for development and implementation of electronic health records. (2009 Report – Volume 3; Public Accounts Committee agreement June 10, 2010)

Status – Implemented

eHealth has processes in place to monitor costs and timelines for enhancements to the EHR system.

As set out below, the costs to develop, enhance, and maintain the EHR system are not trivial. This increases the importance of monitoring them.

eHealth maintains the following processes to monitor costs and timelines for enhancements to the EHR system:

➤ Preparation of project plan and status reports

Based on the three-year priority roadmap,² a project plan is prepared for each enhancement project with anticipated timelines for project completion and total projected costs to determine total cash-flow needed.

A status report is prepared as the project progresses to monitor the status of the project against its planned timelines.

➤ Preparation and review of project forecast reports

A monthly forecast report is prepared for each EHR enhancement. The report includes a comparison between actual and projected costs, and explains significant variances. Senior management reviews these reports including variance analysis to monitor the costs incurred to date.

The Board also receives quarterly forecast reports for its review.

In October 2014, eHealth completed the last of the core components of the EHR system, as set by Canada Health Infoway (see **Figure 1** for core components).³ At March 31, 2015, eHealth had capital assets worth a total of \$170 million (of which 86% related to IT system development). eHealth spends about \$10 million to \$20 million on capital asset additions each year. At March 31, 2017, eHealth held capital assets worth a total of \$200 million (of which 77% related to IT system development).

² The priority roadmap is designed to guide future investments in IT systems within the provincial EHR system. Future initiatives include further enhancements pertaining to the eHR Viewer, clinical document integrations, and Electronic Medical Record (EMR) interoperability.

³ Canada Health Infoway is an independent, federally funded, not-for-profit organization tasked with accelerating the adoption of electronic health records across Canada.

Figure 1 – Core Components of the EHR system

EHR system core components included IT systems for lab results, drug information, immunization information, diagnostic imaging/reports, discharge summaries, chronic disease information, as well as the integration services.

Integration services include the shared client index/client registry and eHR Viewer.^A Integration services is the glue that connects these systems to present a single view of patient information anywhere in the province.

Source: eHealth Saskatchewan.

^AeHR viewer is an online portal, which enables health practitioners to view patients' health records.

Since 2014 (its completion of core components), eHealth has focused on the stability and sustainability of the EHR IT systems (i.e., keeping systems current and secure). Of eHealth's \$99 million in expenses in 2016-17, 30% related to salaries, 28% to software/hardware and related licensing and maintaining of IT systems, and 16% to amortization of capital assets.

Also since 2014, eHealth continues to expand the information available through the eHR Viewer and increase its use among healthcare providers. For example, in 2016-17, medical imaging information from community-based radiology clinics was added to the EHR system.

Chapter 16

eHealth Saskatchewan—Procuring IT Services

1.0 MAIN POINTS

eHealth Saskatchewan has implemented the two outstanding recommendations from our 2010 audit related to its processes to buy IT services. eHealth assessed its IT vendors' performance, and kept a record of vendors' evaluations.

Systematically assessing and tracking the performance of vendors will assist eHealth in managing existing vendor relationships and making future vendor selection decisions.

2.0 INTRODUCTION

Since 2010, eHealth has been the lead agency for procurement of health-related IT services. In 2016-17, eHealth was tasked with leading the consolidation of IT and information management services provided by regional health authorities (now the Saskatchewan Health Authority), Saskatchewan Cancer Agency, and 3sHealth into a single service.¹

Our *2010 Report – Volume 1*, Chapter 6 reported on the adequacy of eHealth's processes to buy IT services—we made eight recommendations. Our *2012 Report – Volume 2*, Chapter 44 concluded that eHealth had fully addressed six of the eight recommendations. Our *2016 Report – Volume 1*, Chapter 21 indicated that eHealth had made some progress on the two outstanding recommendations.

This chapter describes our third follow up of management's actions on those two recommendations.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate eHealth's progress towards meeting our recommendations, we used the relevant criteria from the 2010 audit. eHealth's management agreed with the criteria in the 2010 audit.

We reviewed eHealth's related approved policies and procedures, and examined vendor performance management documentation. We also interviewed eHealth management.

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 15, 2018, and eHealth's actions up to that date.

¹ eHealth Saskatchewan, *Annual Report 2016-17*, p.5. www.ehealthsask.ca/about/Annual%20Reports/2016-17%20Annual%20Report.pdf (15 March 2018).



3.1 Vendor Performance is Assessed and Tracked

We recommended that eHealth Saskatchewan establish adequate processes for assessing information technology vendors' performance.

(2010 Report— Volume 1; Public Accounts Committee agreement December 8, 2010)

Status – Implemented

We recommended that eHealth Saskatchewan keep records of vendors' performance to help decide future information technology service contracts. (2010 Report— Volume 1; Public Accounts Committee agreement December 8,

2010)

Status – Implemented

eHealth established a standard process for assessing IT service vendors' performance on a periodic basis and keeping track of vendors' performance.

eHealth piloted an evaluation process of overall IT vendor performance on a group of key vendors in 2016. In early 2018, it expanded this process to evaluate all IT service vendors.

Staff use a standard vendor evaluation form to determine a vendor contract score based on the recent performance of IT service vendors. eHealth documents the results for each evaluated vendor. This allows eHealth's management to track the performance of its vendors. Management keeps records and intends to use them in the next round of IT service contract procurements.

Chapter 17

Energy and Resources—Managing Future Cleanup of Oil and Gas Wells

1.0 MAIN POINTS

By law, the oil and gas industry remains responsible for the cleanup of oil and gas wells in Saskatchewan including inactive and legacy wells. The Ministry of Energy and Resources uses four programs to regulate the future cleanup of wells.

By February 2018, the Ministry had improved its processes to regulate the future cleanup of oil and gas wells by implementing four of six remaining recommendations made in our 2012 audit of this area. But more work remains.

Key improvements included:

- Dedicating more resources and skills to manage its oil and gas well cleanup programs, and cleaning up orphan wells sooner.
- Assessing the reasonableness of cleanup work cost estimates it uses to determine the financial risks of licensees (oil and gas companies) not being able to pay for cleanup of wells for which they are responsible. The Ministry uses this risk assessment to determine which licensees should provide security deposits and the amount of the deposit.
- Extending its auditing of licensees' reclaimed well sites to include audits of reclamation reports that did not identify anomalies and/or discrepancies.
- Giving legislators and the public better information about its regulation and management of the risks related to future cleanup of oil and gas wells and facilities.

Key areas where further work is needed include the following:

- Considering how best to address long-term financial risk to industry from the associated environmental risks related to the increasing number of inactive wells and facilities. The total number of inactive wells increased by almost 90% between 2005 and 2017.

As of February 2018, the Ministry had not completed its analysis to determine if its programs adequately protect industry from financial risks related to cleanup of inactive wells. This includes the risk of licensees with financial difficulties passing costs of cleanup onto the rest of the industry.

- Continuing to assess the environmental risks posed by 9,000 legacy well sites to confirm the Ministry's preliminary risk assessment of low. As of February 2018, because assessment work was not yet complete, the environmental risks of legacy well sites are unknown.



2.0 INTRODUCTION

The Ministry of Energy and Resources is responsible for regulating the oil and gas industry under *The Oil and Gas Conservation Act*. The responsibilities of the Ministry include regulating the future cleanup of oil and gas wells. The Ministry estimates that industry's overall future environmental cleanup costs of existing oil and gas well and facilities located in Saskatchewan could exceed \$4 billion.¹

This chapter describes our second follow-up of the Ministry's actions on the recommendations we first made in 2012.² **Section 5.0** is a glossary of technical terms used in this chapter.

Our *2012 Report – Volume 2*, Chapter 31 concluded that, for the period of October 1, 2011 to September 30, 2012, the Ministry did not have effective processes to manage the financial and environmental risks related to the future cleanup of oil and gas wells and related facilities. We made seven recommendations. By February 28, 2015, the Ministry had implemented one recommendation and made progress on six recommendations.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry's progress towards meeting our outstanding recommendations, we used the relevant criteria from the original audit. The Ministry agreed with the criteria in the original audit.

We interviewed Ministry staff responsible for managing its well cleanup programs. We also reviewed various documents including relevant information tracked in the Ministry's related IT systems, status update reports, job descriptions, and organizational charts.

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 February 28, 2018, and the Ministry's actions up to that date.

3.1 Additional Resources and Skills Allocated to Well Cleanup Programs

We recommended that the Ministry of Energy and Resources (formerly the Ministry of the Economy) assess and allocate the resources and skills necessary to effectively carry out the Licensee Liability Rating Program (LLR), the Orphan Abandonment Program (OA) (including the timely cleanup of orphaned wells and facilities), and the Acknowledgement for Reclamation Program (AOR). (2012 Report – Volume 2; Public Accounts Committee agreement December 9, 2013)

Status – Implemented

¹ Information taken from the Ministry of Energy and Resources' records.

² On February 2, 2018, Government discontinued the Ministry of the Economy and created three separate ministries: the Ministry of Energy and Resources, the Ministry of Trade and Export Development, and the Ministry of Immigration and Career Training (Orders in Council #49/2018 to 53/2018 each dated February 2, 2018).

In 2015-16, the Ministry reorganized its Petroleum and Natural Gas Division to focus its activities on regulating the oil and gas industry. The Ministry created the Liability Management Branch (a new branch in the Division). The new branch focuses on operating the Ministry's well cleanup programs (see **Section 4.0** for a brief description of these programs—Licensee Liability Rating, Orphan Abandonment, Acknowledgement of Reclamation, and Care and Custody).

Based on its assessment of resources and skills to carry out its cleanup programs and in conjunction with the reorganization, the Ministry did the following. It updated the job descriptions of individuals responsible for these programs to reflect the responsibilities and required level of skills and experience. Based on these descriptions, it reclassified the positions to align with increased and clarified responsibilities. It added three full-time positions to the Branch to administer these programs.

The Ministry updated job descriptions for the program manager positions. We found the descriptions assigned clear responsibilities for administering these cleanup programs. In addition, we found the Ministry appointed managers for each well cleanup program as planned.

Also, we found the Ministry had improved, since our 2012 audit, the timeliness of its orphan well cleanup program activities (See **Figure 1**). It more systematically determines wells as orphaned, and has done a better job at abandoning and cleaning them up (reclamation) within a reasonable timeframe. Abandoning involves pumping cement into the well hole to prevent any subsurface formation containing gas or fluids from leaking below ground or escaping above ground.

At March 31, 2017, about 200 orphaned wells were in various stages of reclamation. The number of sites requiring reclamation is higher than the number requiring abandonment because the reclamation of a site typically takes between two to three years to complete, compared to abandonment which is much quicker to complete (e.g., days). The Ministry tracks the number of sites requiring reclamation monthly.

Figure 1—Orphan Well Abandonment Activity from 2011-12 to 2016-17

Fiscal Year	Number of Wells		
	Orphaned During the Year	Abandoned During the Year	Remaining to be Abandoned
2016-17	0	76	55
2015-16	121	79	131
2014-15	169	80	89
2013-14	43	45	0
2012-13	6	7	2
2011-12	10	7	3

Source: Ministry of Energy and Resources records

Note: There were also ten orphaned facilities at March 31, 2017; the Ministry had abandoned four and completed reclamation on one facility.

Having sufficient and dedicated resources and clear responsibilities for its cleanup programs will assist the Ministry in the following. It will help it reduce the risk of damage to the environment resulting from wells and facilities where the Ministry cannot locate the



responsible licensees (oil and gas companies), or it has determined the responsible licensees do not have sufficient financial means to pay for the cleanup costs.

3.2 Current Cleanup Cost Estimates and Trends Used

We recommended that the Ministry of Energy and Resources (formerly the Ministry of the Economy) use current estimates and trend analysis to monitor, assess, and report on the risks and associated costs of the future cleanup of wells and facilities. (2012 Report – Volume 2; Public Accounts

Committee agreement December 9, 2013)

Status – Implemented

The Ministry used current estimates to monitor, assess, and report on the current estimated costs of future cleanup of wells and facilities.

Use of Current Cost Estimates

To keep its estimates of costs current, the Ministry periodically compared its estimates of well cleanup costs to actual well cleanup costs it incurred in its Orphan Abandonment Program. Cleanup costs are costs for abandonment and reclamation. For example, in 2017, it estimated reclamation costs of \$22,200 per well in certain areas of the province.³

The Ministry included its estimated abandonment and reclamation costs in its *Saskatchewan Licensee Liability Rating Guidelines*. It uses these costs in its licensee liability rating calculation for each licensee.⁴ It requires licensees with lower ratings to pay the Ministry a security deposit, in the form of an irrevocable line of credit or cash. Lower ratings are where a licensee's well assets are less than the estimated cleanup costs for its wells and facilities.

We found the Ministry completed its 2017 comparison of costs as expected. We also found its 2017 estimates were reasonable—estimates were similar to costs incurred by licensees. In addition, we found the Ministry's IT system contained these cost estimates as expected (e.g., to use when calculating the licensee liability rating).

Use of Current Trend Analysis

The Ministry prepared a status report for its Oil and Gas Orphan Fund each month. The Ministry used the report to update senior management and the Saskatchewan Oil and Gas Orphan Fund Advisory Committee.⁵

The report set out key trends and the Ministry's analysis of costs and key program activities. It included:

- Key monthly financial statistics for the current year and prior year (i.e., total assets, liabilities, security deposits held, provincial licensee liability rating)

³ Ministry of Energy and Resources (formerly Ministry of the Economy), *Saskatchewan Licensee Liability Rating Guideline*.

⁴ The licensee rating is determined using a formula set under *The Oil and Gas Conservation Regulations* and related ministry directive. [http://publications.gov.sk.ca/documents/310/104148-DRAFT%20LLR%20Directive%20\(October%201%202017\).pdf](http://publications.gov.sk.ca/documents/310/104148-DRAFT%20LLR%20Directive%20(October%201%202017).pdf) (08 December 2017).

⁵ The Orphan Fund Advisory Committee provides the Ministry with advice on orphan well abandonment and reclamation. It includes representatives from the Government and industry in Saskatchewan.

- For the current and past eight years, by fiscal year, the number of wells deemed orphaned and abandoned; the amount spent on cleanup, and the amount of levies collected
- Statistics on the number of licensees' wells for that month the Ministry was taking enforcement action on

We found the monthly status report included sufficient information to enable management to identify and understand the key trends and risks related to the future cleanup of wells and facilities.

In addition, the Ministry identified and kept senior management aware of new and emerging risks affecting its oil and gas cleanup programs. For example, the Ministry actively monitored a 2016 court case in Alberta (i.e., Redwater).⁶ This court case ruled that Alberta licensees going through the bankruptcy process in Alberta could use resources obtained from the sale of valuable assets (e.g., oil wells still producing oil) to pay other liabilities before using those resources to clean up oil wells no longer producing oil.

The Ministry documented its analysis of the risks and implications for Saskatchewan of the 2016 court case and the related 2017 appeal. It did its analysis within one month of the appeal—promptly. It discussed risks and options to manage them with the Saskatchewan Oil and Gas Orphan Fund Advisory Committee.

In August 2016, in response to the risks, the Ministry changed its process to review and approve licensee applications to transfer oil and gas wells. The new process considered factors in addition to the licensee liability rating formula when determining whether licensees must provide a security deposit and how much.⁷ While the Ministry was using the new process, it had not been finalized as of February 2018, as the Ministry was in consultation with industry and the Advisory Committee of the Oil and Gas Orphan Fund on whether it represented a viable approach for managing these risks over the long-term.

For each of the well transfer applications after August 2016 we tested, the Ministry followed its new process as expected.

Having and using current estimates of cleanup costs and trend analysis is key to proper management of the risks and associated costs of the future cleanup of wells and facilities. Having current estimates of cleanup costs is essential to properly assessing the risk of licensees potentially not having sufficient financial resources to clean up wells for which they are responsible.

3.3 Audits of Reclamation Reports Extended

We recommended that the Ministry of Energy and Resources (formerly the Ministry of the Economy) assess the need for extending its independent audit practices to sample licensees' well sites whose reclamation reports contained no anomalies and/or discrepancies. (2012

Report – Volume 2; Public Accounts Committee agreement December 9, 2013)

Status – Implemented

⁶ www.osler.com/en/resources/regulations/2017/redwater-revisited-should-the-buck-stop-here (20 July 2017) and www.osler.com/en/resources/regulations/2016/implications-of-the-redwater-decision-where-does (27 September 2017).

⁷ Prior to August 2016, the Ministry only required licensees to provide a security deposit based on the results of the licensee liability rating formula in *The Oil and Gas Conservation Regulations*, 2012, s. 117(1).



The Ministry has extended its practice of auditing licensees' reclaimed well sites to include audits where its review of reclamation reports did not identify anomalies and/or discrepancies.

The Ministry reviews all well-site reclamation reports using a standard checklist to guide and document its review. For each of the past four years, the Ministry audited licensees' well sites where:

- Its desk review of the licensee's well-site reclamation reports identified anomalies or discrepancies.
- Its desk review did not identify anomalies or discrepancies. The Ministry judgementally decided how many and which of these sites to audit. Instead, a statistical approach (e.g., a sampling program, and systematic method to select items to test) would help ensure it audits a sufficient number of items, and gives all items an equal opportunity of selection. This in turn helps test results reflect the area subject to audit.

The Ministry's audit includes engaging environmental specialists to verify that licensees met the requirements after licensees cleaned up oil and gas wells.

Over the past four years, it has audited 72 sites (comprised of 29 sites with identified anomalies and 43 sites without). For both types of reports, its audits found issues (e.g., soil that contained contamination greater than accepted limit):

- In 17% of them where its desk reviews had identified anomalies or discrepancies
- In 9% of them where its desk reviews did not identify anomalies or discrepancies

Although its audits found fewer issues where its desk review did not identify anomalies or discrepancies, the Ministry determined doing these audits was beneficial.

The Ministry is using these audits to determine whether licensees properly restore their sites to the original or similar condition. In addition, audits of sites where licensees report they have completed reclamation provide a way for the Ministry to enforce the provincial requirements related to reclaiming oil and gas wells and facilities.

3.4 Further Work to Confirm Risks of Legacy Well Sites Needed

We recommended that the Ministry of Energy and Resources (formerly the Ministry of the Economy) complete its assessment of the financial and environmental risks arising from legacy well sites, assess its liability, and develop a plan for cleaning up contaminated legacy well sites. (2012

Report – Volume 2; Public Accounts Committee agreement December 9, 2013)

Status – Partially Implemented

The Ministry has not yet completed its assessment of potential risks arising from legacy well sites. See **Figure 2** for a brief description of legacy well sites.

Figure 2—Legacy Wells Sites

Saskatchewan has about 20,000 legacy well sites, of which, about 9,000 were producing wells. At February 2018, the licensees of almost 1,300 of the 9,000 wells have ceased operating in Saskatchewan. Wells that produced may present a higher environmental risk.

Legacy well sites are sites that received a release prior to 2007 from surface owners (e.g., farmers) or certificates issued pursuant to section 56(2) of *The Surface Rights Acquisition and Compensation Act*. The Ministry, in accordance with its legislation at the time, accepted the signed release or the certificate as evidence that the sites were restored to appropriate environmental standards or to the satisfaction of the landowner. The legislation did not require surface owners or licensees to provide the Ministry with independent reports by environmental specialists before the Ministry granted the releases.

Since February 2015 (our last follow-up), the Ministry inspected, in 2015, 36 legacy well sites. None of the 36 sites inspected contained residual contamination or significant issues. For one site inspected, the Ministry identified some tanks requiring removal. Based on these inspections, the Ministry's preliminary assessment is that the environmental risk of these sites is low. Also, because it did not find contamination in these 36 sites, the Ministry had determined no liability or cleanup plan was required for them. For the Ministry's 2015 site investigation reports we tested, the Ministry completed site investigations as expected.

However, the Ministry did not document its basis for the number of sites it inspected in 2015 or how it selected which sites to inspect. It did not use a formal approach to select the number and types of sites it inspected.⁸

Use of an informal approach to select sites to inspect increases the risk that the results of inspections may not be reflective of all legacy well sites or a subset thereof. In our view, environmental and associated financial risks to industry of legacy well sites are unknown because of the informal approach the Ministry used to select the legacy sites for inspection.

Under the Ministry's liability management programs (such as those described in **Section 4.0**), active licensees are responsible for environmental cleanup costs. For sites where licensees are no longer active in the province, its Orphan Abandonment Program is responsible for cleanup. As **Section 4.0** indicates, the Ministry collects levies and security deposits from industry to pay for cleanup costs incurred in the Orphan Abandonment Program.

The Ministry needs to know the risks the wells pose to make certain its liability management programs sufficiently consider those risks, and that it has effectively transferred those risks to the oil and gas industry (e.g., collected sufficient levies from industry).

In February 2018, senior management indicated the Ministry was considering how best to further assess legacy well sites. It was considering taking a targeted approach that would focus on wells that may pose a higher risk (e.g., wells that produced where the licensee no longer operates in the province). Saskatchewan has almost 1,300 legacy wells that produced where the licensee no longer operates in the province. At February 2018, it had not made final decisions and did not have a written plan to guide this work.

⁸ When using a sampling approach to determine the financial and environmental risks of legacy well sites, it must be done using appropriate sampling methods. This includes using sampling methods that help ensure the size of the sample is large enough to get results that reflect the entire population as accurately as needed. In addition, it includes selecting sites for inclusion in the sample in a way that gives all items an equal chance of selection. A population may be segmented based on various factors prior to selecting a sample.



3.5 Complete its Analysis that Programs Manage the Risk of Inactive Wells

We recommended that the Ministry of Energy and Resources (formerly the Ministry of the Economy) manage the financial and associated environmental risks related to the timely cleanup of inactive wells and facilities. (2012 Report – Volume 2; Public Accounts Committee agreement December 9, 2013)

Status – Partially Implemented

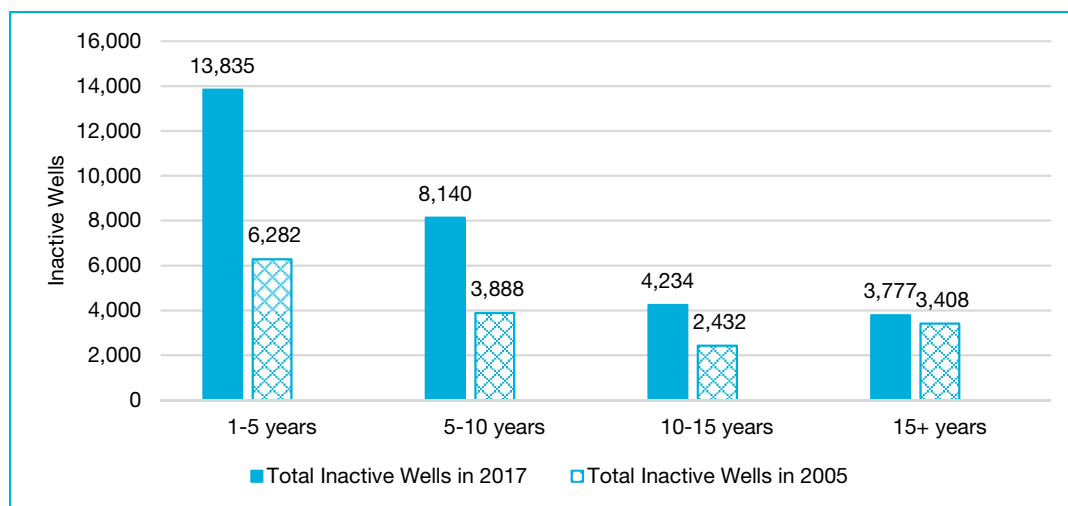
As of February 2018, the Ministry was in the midst of assessing the implications on its liability management programs of increases in the number of inactive wells in Saskatchewan as well as recent changes in the oil and gas industry. It was determining whether its liability management programs are doing enough to mitigate the risk of licensees (including those with inactive wells) not paying for cleanup of the wells they own, thereby passing the costs of cleanup onto the rest of the industry and potentially to taxpayers.

Since our 2015 follow-up, the oil and gas industry has faced two key challenges that have resulted in the number of inactive wells increasing, and potentially may impact who pays for their cleanup.

First, the level of activity in Saskatchewan's oil and gas sector declined significantly in 2015 resulting from significant declines in the global prices of oil and gas. While the sector has partially recovered, the number of inactive wells in Saskatchewan has increased.

As shown in **Figure 3**, the total number of inactive wells in Saskatchewan has increased by almost 90% between 2005 and 2017 to about 30,000.

Figure 3—Number of Inactive Wells by How Long They Have Been Inactive



Source: Ministry of Energy and Resources records.

Second, as noted in **Section 3.2**, the Alberta Redwater court decisions could have significant implications on who pays for the cleanup of abandoned wells. This decision allows receivers in Alberta to renounce uneconomic wells of insolvent companies, resulting in an increased number of orphaned wells and facilities. It pushes the liability for

cleanup on the rest of the industry through orphan abandonment programs.⁹ The Government of Saskatchewan disagrees with this decision and have intervened in the court proceedings. At February 2018, this matter was before the Supreme Court of Canada.

In response, the Ministry has been monitoring the financial viability of the industry, and the implications on inactive wells. In late 2017, the Ministry analyzed inactive wells and facilities in Saskatchewan. Its analysis shows that licensees having a high percentage of inactive wells are more likely to fail (e.g., declare bankruptcy). It found, on average, 60% of those licensees' wells were inactive at least two years prior to failure. Its analysis indicates the risk of more licensees failing increases the risk of the number of orphaned wells increasing. The Ministry is aware that as more licensees fail, the Oil and Gas Orphan Fund levy required from the remaining licensees may need to proportionally increase.

Further to this, its analysis identified that as the percentage of inactive wells a licensee holds increases, the ability of the Ministry to collect security deposits under its Licensee Liability Rating Program decreases. There is an increased risk that these licensees may not sufficiently maintain the sites or have the financial means to clean them up.

As of February 2018, given the uncertainty about the outcome of the Alberta Redwater case, the Ministry was not able to complete its analysis.

Also, based on our research (as set out in **Figure 4**), wells inactive for extended periods may pose risks to the environment albeit less than those posed by active wells. Active wells present the highest and most immediate environmental risk. As shown in **Figure 3**, at May 2017, about 16,000 wells were inactive for more than five years, compared to almost 10,000 in 2005—an increase of 60%.

The Ministry regards inactive wells, regardless of age, as having low environmental risks. It further notes its various programs that check the integrity of wells (e.g., inspection of wells) would identify environmental risks if they did exist. It also noted that it has received few complaints from landowners about inactive wells.

Figure 4—Potential Environmental Risks of Inactive Wells

The well pipe and casing usually prevent the co-mingling of sub-surface liquids (fresh water, salt water and hydrocarbons), or leaks at the surface. However, failures can occur due to corrosion or breakage due to ground shifting. The longer pipes and casings are in the ground, the greater the chance a failure could occur.

Inactive wells may leak methane (a greenhouse gas) and may increase risk of contamination of surface and ground water.

If inactive well and facility sites contain contamination, these sites can threaten wildlife habitat and interfere with agricultural activity.^A Flooding of or soil erosion from contaminated well sites that are not reclaimed may lead to the release of chemicals into the environment (e.g., surface and ground water).^B

The purpose of abandoning (i.e., plugging the well pipe with cement or mud) is to protect the sub-surface environment in the event of pipe failure.^C

^A Research for the Future, *Plugging the Gaps in Inactive Well Policy*, (May 2016), www.rff.org/research/publications/plugging-gaps-inactive-well-policy (28 December 2017).

^B University of Waterloo, *Climate Change and the Preparedness of Canadian Provinces and Yukon to Limit Potential Flood Damage* (October 2016), www.intactcentreclimateadaptation.ca/wpcontent/uploads/docs/Climate%20Change%20and%20the%20Preparedness%20of%20Canadian%20Provinces%20and%20Yukon%20%28Oct%2031%202016%29.pdf (21 December 2017).

^C Society of Petroleum Engineers (George E. King, Randy L. Valencia), *Environmental Risk and Well Integrity of Plugged and Abandoned Wells*, (2014).

⁹ Ministry of Economy, *2016-17 Annual Report*, p. 7.



At February 2018, Saskatchewan had about 30,000 inactive wells that had not been abandoned.

The Ministry is aware that licensees are reluctant to permanently close and clean up inactive wells because, at times, such wells may become productive again. For example, technological changes that reduce drilling or extraction costs, changes in owners, or increases in oil prices may result in an inactive well becoming profitable or producing.

In addition, cleaning up inactive wells (i.e., abandonment and reclamation) is more expensive for a licensee than keeping a well in a prolonged inactive state. As a result, it is in licensees' interest to keep their wells inactive instead of incurring the cleanup costs.¹⁰

However, we found that research predicts that the number of inactive wells that licensees put back into production is low, even if oil prices significantly increased and new technologies are developed.¹¹

While the Ministry takes some steps to encourage licensees to clean up inactive wells (e.g., providing financial incentives such as the Acknowledgement of Reclamation Program), it has not set criteria for requiring abandonment of inactive wells. We noted that some jurisdictions have opted to use this approach.¹² See **Figure 5** for examples.

Figure 5—Examples of Regulatory Requirements of Other Jurisdictions related to Inactive Wells

Example Requirement	Example Jurisdiction
Licensees to abandon wells that have been inactive for a period of time (e.g., 12 months) or that meet certain criteria.	North Dakota requires wells that have not produced any oil or gas in 12 consecutive months to be abandoned. ^A
Licensees to suspend inactive wells	Alberta requires licensees to suspend inactive wells that have been inactive for 12 consecutive months. Suspending inactive wells helps to reduce potential environmental risks by temporarily plugging inactive wells to prevent leakage. Alberta released its well suspension requirements in December 2016. ^B
Licensees to ask the regulator to inspect the well or facility before the regulator accepts the licensee making the well or facility inactive. This assumes that a well or facility that is in good condition before becoming inactive is less likely to harm the environment.	Pennsylvania requires such inspections. ^C
Licensees to provide evidence that the well or facility still has future economic viability before the regulator accepts the licensee making the well or facility inactive.	Texas requires an independent specialist to provide a report on the future viability of the well proposed to become inactive. ^C

^A <http://business.financialpost.com/commodities/energy/north-dakotas-last-orphan-how-canada-needs-a-lesson-on-cleaning-up-an-oil-boom-gone-bust> (26 September 2017).

^B Alberta Energy Regulator *Directive 013 Suspension Requirements for Wells*, www.aer.ca/documents/directives/Directive013.pdf (3 November 2017).

^C Research for the Future, *Plugging the Gaps in Inactive Well Policy*, (May 2016), www.rff.org/research/publications/plugging-gaps-inactive-well-policy (28 December 2017).

¹⁰ Research for the Future, *Plugging the Gaps in Inactive Well Policy*, (May 2016), www.rff.org/research/publications/plugging-gaps-inactive-well-policy (28 December 2017).

¹¹ University of Calgary School of Public Policy, *80,000 Inactive Oil Wells: A Blessing or a Curse?*, (2017), www.policyschool.ca/publications/80000-inactive-oil-wells-blessing-curse-2/ (28 December 2017).

¹² We note various jurisdictions have differing regulatory regimes for inactive wells based on their geology, geography, well design, production, and land and mineral ownership. For example, British Columbia, Alberta, Texas, and Louisiana have regimes similar to Saskatchewan. Pennsylvania and North Dakota have significantly different programs.

In light of the significant increase in the number of inactive wells, the recent decline in the oil and gas industry, and the uncertainty of the outcome of the Redwater Supreme Court case, completing its analysis of the liability management programs is key to confirming if the Ministry's programs adequately protect industry from related financial risks. This includes the risk of licensees with financial difficulties passing costs of cleanup onto the rest of the industry.

3.6 Key Information about Oil and Gas Well Cleanup Programs Reported

We recommended that the Ministry of Energy and Resources (formerly the Ministry of the Economy) report on its effectiveness to the Legislative Assembly and the public in managing the financial and associated environmental risks related to the future cleanup of oil and gas wells and related facilities. (2012 Report – Volume 2; Public Accounts Committee agreement December 9, 2013)

Status – Implemented

The Ministry's Oil and Gas Orphan Fund annual reports publicly reported sufficient information relating to its management of the risks related to future cleanup of oil and gas wells and facilities. Information in the current-year report combined with that of the prior-year report provided sufficient information on the financial and associated environmental risks related to the future cleanup.

The Ministry's *Saskatchewan Oil and Gas Orphan Fund Annual Report for 2016-17* reported key information about three of its cleanup programs (see **Section 4.0** for brief summary of each program). It reported work completed in 2016-17 and planned for in 2017-18. Similarly, the Fund's 2015-16 Annual Report reported work completed in 2015-16 and planned for 2016-17. Combined, this information allows readers to compare planned and actual work completed, see **Figure 6**. Having comparative information in the same report would be easier for readers.

Figure 6—Comparison of Oil and Gas Orphan Fund Planned to Actual Activities

Oil and Gas Orphan Fund Activity	2015-16 Actual	2016-17 Planned	2016-17 Actual
Number of Well Abandonments in Fiscal Year	79	74	76
Number of Site Assessments (i.e., steps required to reclaim well sites) in Fiscal Year	142	75-100	221

Source: *Saskatchewan Oil and Gas Orphan Fund Annual Report for 2016-17* and *Saskatchewan Oil and Gas Orphan Fund Annual Report for 2015-16*.

Examples of other key information published for 2016-17 include:

- Nine-year trends and analysis on the industry-wide estimated unfunded liability.¹³ Unfunded liability is an important measure to help assess how well the Ministry is managing the financial risks related to future cleanup of oil and gas wells.

¹³ Unfunded liability equals, for licensees with a Licensee Liability Rating Program rating less than one, the total estimated cost to clean up wells, less licensee total estimated well asset value, less the amount of security deposits held by the Oil and Gas Orphan Fund.



At March 2017, the unfunded liability has decreased to about \$10 million from \$40 million in 2009.¹⁴

- Nine-year trends and analysis on the industry-wide Licensee Liability Rating. This shows the estimated total cost to industry to clean up oil and gas wells was increasing quicker than estimated total industry well asset value. However, at March 2017 the estimated total industry well asset value was over three times greater than the estimated total cost of industry cleanup costs.
- Total forecasted cost of cleanup activities to the Fund of \$56 million (2015-16: \$51 million).
- Nine-year trend and analysis of the number of licensees required to provide security deposits into the Fund (number of licensees having a licensee liability rating of less than one).

The trend shows that the Ministry held security deposits from about 200 licensees—relatively stable since the inception of the program. There are about 350 licensees in the province.

In addition, the Ministry's *Annual Report for 2016-17* included information on strategic risks considered during 2016-17 (e.g., the Redwater court case referred to in **Section 3.2**) as well as actions taken to address related risks. For example, it reports that in light of risks related to the Redwater court decision, the Ministry:

- Reviewed its licensee transfer policy to determine whether it levies and collects sufficient funds from licensees to cover its costs of future cleanup of orphaned wells
- Started a review of the licensee liability rating formula to determine whether the formula accurately reflects current industry liabilities

Effectively managing the cleanup programs is key to reduce financial and associated environmental risks related to the future cleanup of oil and gas wells and related facilities. Providing legislators and the public with robust information about how well the Ministry manages its cleanup programs and related risks helps them understand the challenges the Ministry faces. In addition, it helps them hold the Ministry to account.

4.0 SUMMARY OF MINISTRY PROGRAMS RELATED TO CLEANING UP OIL AND GAS WELLS AND FACILITIES

Per Ministry regulations, the oil and gas industry remains responsible for the cleanup of oil and gas wells in Saskatchewan. The Ministry uses four programs to regulate the future cleanup of wells. They are the Licensee Liability Rating Program, Orphan Abandonment Program, Acknowledgement of Reclamation Program, and Care and Custody Program.

¹⁴ March 31, 2009 was the first complete fiscal year of the Oil and Gas Orphan Fund.

Licensee Liability Rating Program

The Licensee Liability Program is to help prevent a rapid increase of orphaned well and facility liabilities in the future and to help ensure licensees pay for the future cleanup of their wells and facilities.

Under this Program, the Ministry estimates the productive value of each licensee's wells and facilities (well assets) measured in the value of oil and/or gas produced from their wells and facilities in Saskatchewan compared to their estimated cleanup costs (costs of abandonment and reclamation). It requires higher risk licensees (those with well assets valued at less than the estimated cleanup costs for their wells and facilities) to pay to the Ministry a security deposit, in the form of an irrevocable line of credit or cash.

The purpose of a security deposit is to manage financial risk. If an existing licensee becomes bankrupt or cannot be located in the future, the Ministry uses the licensee's security deposit to cover the costs of cleaning up the licensee's wells and facilities. It is also used to deter a licensee from transferring or selling uneconomic wells and facilities to companies or individuals who do not have the economic means to pay for the cleanup costs.

The amount of the security deposit is the difference between the Ministry's estimated cleanup costs and the value of the licensee's well assets. The Ministry assesses the security deposit each month and when ownership of wells and facilities are transferred. The Ministry holds the security deposits in trust in the Oil and Gas Orphan Fund.

Orphan Abandonment Program

The Orphan Abandonment Program is used to clean up wells and facilities when the Ministry cannot locate the responsible licensees, or it has determined the responsible licensees do not have sufficient financial means to pay for the cleanup costs. It refers to these wells and facilities as orphaned.

Under this Program, the Ministry co-ordinates and pays for the cleanup of wells and facilities using levies collected from all well and facility licensees. The Ministry deposits the levies into the Oil and Gas Orphan Fund. When the Ministry determines a licensee's wells and facilities are orphaned, any security deposits relating to that licensee are forfeited to the Fund.

Acknowledgement of Reclamation Program

The Acknowledgement of Reclamation Program is used to motivate licensees to clean up wells and facilities. Licensees who have cleaned up wells and facilities to the Ministry's satisfaction reduce their future costs of cleanup and provide lower security deposits, if any, to the Ministry under the Licensee Liability Rating Program.

Under the Acknowledgement of Reclamation Program, the Ministry issues a certificate to a licensee when it has cleaned up (or reclaimed) a well or facility in accordance with the Ministry's site remediation standards. The Ministry does not release licensees who receive certificates from any unforeseen long-term environmental liabilities arising from the licensee's wells and facilities.



Care and Custody Program

The intent of the care and custody program is to take over the maintenance of pre-orphaned sites. These are sites that, at the time the work was required, were not officially deemed as orphaned, but the responsible company refused or was unable to meet its obligations. The Ministry's work conducted under this program is typically emergent in nature. For example, the Ministry may complete emergency abandonment of wells, removal of fluid from tanks, disposal of chemicals, etc.¹⁵

5.0 GLOSSARY

Abandonment – abandonment refers to pumping cement into the well hole to prevent any subsurface formation containing gas or fluids from leaking below ground or escaping above ground.

Inactive Wells and Facilities – wells and facilities (equipment and structures) without any reported production, injection, or disposal activities for 12 consecutive months or longer. Inactive wells and facilities are owned by active licensees; licensees remain responsible for the associated cleanup costs. As such, inactive wells and facilities are not orphaned wells and facilities.

Legacy Wells – legacy well sites are sites that received a release prior to 2007 from surface owners (e.g., farmers) or certificates issued pursuant to section 56(2) of *The Surface Rights Acquisition and Compensation Act*.

Orphan Wells – a well or facility in which the owner (i.e., licensee) no longer exists due to insolvency or bankruptcy, or cannot be located.

Reclamation – reclamation of well sites involves abandoning wells, removing facilities (equipment and structures), remediating contaminated soils and/or groundwater, and returning the site to its original or equivalent condition.

¹⁵ *Oil and Gas Regulatory Cost Recovery Levy Annual Report for 2016-17*, s.6.3.
www.publications.gov.sk.ca/details.cfm?p=87610 (8 November 2017).

Chapter 18

Environment—Regulating Landfills

1.0 MAIN POINTS

As of December 2017, the Ministry of Environment had made progress in addressing the seven outstanding recommendations we initially made in our 2013 audit of its processes to regulate landfills. The Ministry had implemented four of seven remaining recommendations and made progress on the other three.

The Ministry moved to monitoring landfills based on the results of environmental risk assessments of the landfills. It requires owners of landfills with assessed risks to monitor groundwater. In addition, the Ministry actively confirmed new constructions, expansions, and landfill closures were done in accordance with its requirements and approved plans. It worked with owners that did not comply with requirements or plans until they achieved compliance or issued sanctions.

The Ministry needs to:

- Finalize and approve guidance for landfill design and operation. Without consistent guidance, landfills may not be built or operated to the required environmental standard.
- Finish the renewal of landfill permits to include requirements for groundwater monitoring. Not monitoring groundwater at landfills increases the risk that groundwater contamination may not be detected in a timely manner.
- Conduct inspections on landfills as scheduled. Timely inspections determine whether landfills operate in compliance with permit requirements and the law.

Clear and consistent guidance for landfill owners along with better monitoring of operating and closed landfills will strengthen the Ministry's processes to regulate landfills and will help to prevent groundwater contamination.

2.0 INTRODUCTION

The Ministry of Environment regulates waste management and enforces landfill and transfer station compliance under *The Environmental Management and Protection Act, 2010*. Municipalities and private companies own and operate landfills throughout the province.

As of February 2018, Saskatchewan had 229 operational landfills, 188 transfer stations,¹ 16 industrial landfills, and 431 closed landfills. Saskatchewan has more landfills per capita than any other Canadian province.² Amongst provinces, Saskatchewan has the second

¹ A transfer station is a facility that is used to temporarily store solid waste before that solid waste is transported to a treatment, recycling, recovery or disposal facility or a landfill.

² Information provided by the Ministry of Environment.



highest waste disposal rate at 897 kilograms per person with only 13% of waste diverted from landfills—the lowest percentage in Canada.³

Landfills must be designed and managed carefully to minimize and mitigate the potential negative effects on the environment, such as the risks of contamination of groundwater, surface water, air, or soil.

This chapter describes our second follow-up of management's actions on recommendations we initially made in 2013. Our *2013 Report – Volume 2*, Chapter 29 concluded that, for the period from September 1, 2012 to August 31, 2013, the Ministry of Environment did not have effective processes to regulate landfills.⁴ By August 2015, the Ministry had implemented two of the nine recommendations and made progress on four others.⁵

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry agreed with the criteria in the original audit.

To perform our follow-up we discussed actions taken with management and reviewed the relevant documents (e.g., Ministry's planning records, landfill closure plans, landfill operating permits, groundwater monitoring 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 as at December 31, 2017, and the Ministry's actions up to that date.

3.1 Plans to Develop Landfill Guidance Document in Progress

We recommended that the Ministry of Environment adopt guidance on landfills from the proposed Environmental Code as operating practice.

(2013 Report – Volume 2; Public Accounts Committee agreement April 30, 2014)

Status – Partially Implemented

The Ministry is developing a solid waste management strategy and plans to review the 1986 *Municipal Refuse Management Regulations* to ensure they align. After this work is completed, the Ministry plans to develop, by the end of 2018-19, a guidance document for landfill design and operation. As of December 2017, the Ministry referred landfill owners to the Ministry's various guidance documents (e.g., Landfill Design Plan Fact Sheet) and to Government of Alberta guidance documents for landfill design and closure as best practices.

³ Ministry of Environment, *Saskatchewan Solid Waste Management Strategy*, Discussion Paper, (2017), pp. 1 and 2.

⁴ The original report regarding these recommendations can be found at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in our *2013 Report – Volume 2* (Chapter 29, pp. 205-217).

⁵ We reported this work in our *2015 Report – Volume 2* (Chapter 45, pp. 319-323).

At the time of our initial 2013 audit, the draft Environmental Code included the Landfill and Transfer Station chapter which set out the Ministry's expectations for landfill site developments. Before *The Environmental Management and Protection Act, 2010* and the Environmental Code came into effect, the chapter was removed from the final Environmental Code because of concerns raised by municipalities. *The Environmental Management and Protection Act, 2010* and the Environmental Code came into effect June 1, 2015.

Without consistent guidance for landfills, landfills may not be built and operated to the same required environmental standard.

3.2 Construction or Expansion Requirements Met

We recommended that the Ministry of Environment obtain evidence, in a timely manner, that landfills are constructed in compliance with approved design plans. (2013 Report – Volume 2; Public Accounts Committee agreement April 30, 2014)

Status – Implemented

The Ministry receives confirmation that construction and expansions of landfills are done as planned.

Upon the completion of construction or expansion of landfills, the Ministry requires the landfill owner to submit “as-built” drawings or a certificate from an authorized third party engineer that supports that the construction has been carried out per the design plan that the Ministry approved. For new landfills, the Ministry issues a permit to operate the landfill after the receipt of the required information.

From August 2015 (the timing of our last follow-up) to December 2017, there were ten new construction and expansion projects. For the three of these construction/expansions we tested, the Ministry properly approved each construction/expansion application. In addition, for all three landfills, the Ministry had received either summary “as-built” drawings or a certificate from an authorized engineer in a timely manner. It used this information to verify that the construction was done as planned.

Proper construction of landfills is essential for storing waste in a manner that protects water resources and the environment.

3.3 New Risk Ranking System Being Used to Amend Permit Requirements

We recommended that the Ministry of Environment amend operating permits for all high-risk landfills to ensure they require appropriate groundwater monitoring. (2013 Report – Volume 2; Public Accounts Committee agreement April 30, 2014)

Status – Partially Implemented



Since the beginning of 2016, the Ministry has been implementing a revised way to evaluate landfills based on contamination risks as opposed to its previous approach based on the size and location of the landfill. It is starting to use this revised process to identify high-risk landfills and set groundwater monitoring requirements in its permits (e.g., frequency of site inspections, use of groundwater monitoring wells) consistent with assessed risks.

The Ministry is using the National Classification System for Contaminated Sites (NCSCS)⁶ to score all new and existing landfills.

The Ministry obtains the NCSCS score from the results of an environmental site assessment (ESA) of a landfill site. Besides assessing the risk of contamination, an ESA determines the need for environmental monitoring and the locations to install groundwater monitoring wells. The Ministry requires landowners to submit ESAs of sites completed by a Qualified Person as follows:^{7,8}

- Immediately at the time of any new construction/expansion of a landfill
- Within five years of the issuance date of an operating permit for a landfill (depending on certain site specifics, the timeframe may be shorter)⁹
- Within five years of the date of a landfill closure (depending on certain site specifics, the timeframe may be shorter)

It may also require an ESA in a short time frame (i.e., less than two years) for a landfill that has been found to burn waste if the Ministry deemed the landfill to be high risk. For each landfill, the Ministry sets a timeframe for owners of the landfill to submit a completed ESA to the Ministry.

As of December 31, 2017, the Ministry had received ESAs for 11 landfills and is aware that ESAs are in progress for another 20 landfills. It has NCSCS scores for the 11 landfills with completed ESAs.

At December 2017, the Ministry was in the process of requiring operating landfills to monitor groundwater. In 2016, the Ministry began issuing permits to require operators of new or existing landfills to conduct groundwater monitoring (unless an ESA determined such monitoring is not necessary). Based on the risk of contamination and the history of a particular landfill, the Qualified Person determines the frequency of the groundwater reporting. By December 2017, the Ministry had required, through permits, nearly half of the 229 operating landfills in Saskatchewan to conduct groundwater monitoring.¹⁰ It expects to complete renewing permits for existing operating landfills by 2021, when the last of the old permits become due for renewal.

For eight of ten landfills with permits requiring groundwater monitoring that we tested, the operator had not yet completed their ESA. Operators of two of the ten landfills had recently completed an ESA. One had determined groundwater monitoring was not necessary. The other had submitted the 2015 and 2016 groundwater monitoring reports showing the

⁶ National Classification System for Contaminated Sites (NCSCS) is a method for evaluating contaminated sites according to their current or potential adverse impact on human health and the environment.

⁷ Under the Environment Code, a Qualified Person is an independent environmental consulting firm. The landowner is responsible for hiring qualified persons.

⁸ An ESA can take several months to complete.

⁹ Permits are typically issued for five-year terms, but may require more frequent permitting if so determined by the Ministry.

¹⁰ As of December 31, 2017, 111 operating landfills had a new or renewed permit issued with a groundwater monitoring requirement.

results of its installed groundwater monitoring wells. At the time of this follow-up, the 2017 report was not yet due.

Not monitoring groundwater at landfills increases the risk that groundwater contamination may not be detected in a timely basis.

3.4 Landfills Appropriately Closed and Assessed for Groundwater Monitoring

We recommended that the Ministry of Environment confirm landfill closures are done in accordance with approved closure plans. (2013 Report

– Volume 2; Public Accounts Committee agreement April 30, 2014)

Status – Implemented

We recommended that the Ministry of Environment perform a risk assessment of closed landfills and require landfill owners to undertake groundwater monitoring where required. (2013 Report – Volume 2; Public

Accounts Committee agreement April 30, 2014)

Status – Implemented

Before approving the closure of a landfill, the Ministry consistently reviews the adequacy of landfill closure plans and final closure documents including risk assessments submitted by the landfill operator's independent environmental consulting firm. It is using the results of risk assessments of closed landfills to determine when to require landfills owners (e.g., town, municipality) to monitor groundwater.

As part of the closure process, the Ministry reviews the owners' applications for landfill closure and either requires the landfill owner to complete specific actions or to create closure plans. Depending on the size, history, and location of the landfill, the Ministry may require an ESA, or both an ESA and a corrective action plan.

Since our August 2015 follow-up, five landfills were closed in Saskatchewan.

For the three closures we tested, each closure was done according to Ministry requirements. We found that each submitted an ESA completed by an independent environmental consulting firm and were monitoring groundwater consistent with their ESAs.

Since 2016, for any landfills closed prior to 2014, the Ministry recommends owners have an ESA on their landfill to determine necessary environmental monitoring, if any. The Ministry does not require formal decommissioning of these landfills. As of December 2017, almost all of the 431 closed landfills were closed before 2014 (pre-2014 closed landfills).

As of December 31, 2017, owners of 39 pre-2014 closed landfills had opted to complete this process including having an ESA conducted. The Ministry has set deadlines by which owners are to submit their ESA.



For five pre-2014 closed landfills we tested, two sites had submitted their completed ESAs and the required 2016 groundwater reporting.¹¹ The ESAs of each of three other pre-2014 closed landfills tested were not due at the time of this follow-up (i.e., ESA was due in either 2018 or 2019). Management indicated that when it does not receive the ESA when expected, it follows up on the status of the ESA with the owner.

Confirming the sufficiency of landfill closure plans and requiring, based on risk assessments, owners of closed landfills to actively monitor groundwater better protects groundwater from the risk of contamination. Groundwater is a key source of drinking water for many Saskatchewan residents.

3.5 Landfills Not Inspected Within Expected Timeframes

We recommended that the Ministry of Environment perform landfill inspections in accordance with its established frequency requirements.

(2013 Report – Volume 2; Public Accounts Committee agreement April 30, 2014)

Status – Partially Implemented

The Ministry is behind schedule on inspecting landfills due to the large number of landfills requiring inspection and its staff size. It is not inspecting landfills consistent with its priority-based inspection strategy.

Since the beginning of 2016-17, the Ministry uses a priority-based inspection strategy to determine when to inspect landfills.¹² See **Figure 1** for details. Using a risk-based strategy for scheduling inspections is consistent with good compliance management and enforcement practices.

Figure 1 – Prioritized List of Landfills Scheduled for Inspections

- Landfills with overdue inspections (the last inspection done more than three years ago)
- Landfills with immediate complaints/issues that arise
- New construction/expansions of landfills
- Landfills with high-risk/numerous non-compliance issues from previous year inspections
- Landfills identified for annual inspection
- Landfills identified for three-year inspection
- Landfills that require an inspection to confirm closure

Source: Ministry of Environment records.

While annual work plans of the Ministry's four environment protection officers scheduled inspections as outlined in **Figure 1**, the number of planned inspections was lower than the number of landfills requiring inspection. It expects each officer to inspect 15 to 20 sites each year. The Ministry augments these inspections by utilizing summer students to inspect lower-risk closed landfills, transfers stations, and other sites. For example:

- In 2017-18, the Ministry expected to inspect about 85 landfills as compared to at least 265 landfills that were due for inspection. At the beginning of 2017-18, based on its priority-based strategy, inspections of 159 landfills and 4 closed landfills were overdue, and 102 landfills were due for their annual or three-year inspections in 2017-

¹¹ As of December 2017, the reports for 2017 were not yet due.

¹² The Ministry previously scheduled inspections of landfills based on landfill size.

18. For the nine-month period ending December 31, 2017, the Ministry had inspected 73 landfills.

- In 2016-17, the Ministry inspected 133 landfills as compared to 191 landfills that were due for inspection. It inspected 33 out of 59 landfills that were overdue, 19 of 51 landfills planned for annual inspection, 18 closed landfills, and 63 landfills for either non-compliance issues, their regular three-year inspection, or new construction or expansion.

At December 2017, the Ministry did not have a plan or strategy to address its growing shortfall in inspection activity.

Also, starting in 2018-19, the Ministry intends to use an Environmental Compliance Management System for all industrial and large or regional landfill sites. It plans to complete this by the end of 2020 and eventually use the system for all operating landfill sites. The system will help it further determine the complexity associated with each landfill and how often to inspect.

Timely inspections determine whether landfills operate in compliance with permit requirements and the law. Permit requirements and laws exist to keep the environment and the public safe. Inspections are a key enforcement tool to assist the Ministry in fulfilling its regulatory role and fostering compliance.

3.6 Addressing Non-Compliance Has Been Improved

We recommended that the Ministry of Environment establish guidelines that will aid staff in consistently addressing landfill owners that do not comply with the law and permit requirements. (2013 Report – Volume 2; Public Accounts Committee agreement April 30, 2014)

Status – Implemented

The Ministry established guidelines for environment protection officers to deal with non-compliance at landfills. Ministry staff follow these guidelines when inspecting landfills and addressing non-compliance issues and violations.

The Ministry has established a compliance framework. The compliance framework provides staff with possible alternatives for communicating and enforcing landfill owner non-compliance issues including documenting issues on inspection reports, issuing verbal warnings and letters of non-compliance, or laying charges.

All ten items of repeated non-compliance we tested were addressed as directed by Ministry guidelines. The Ministry appropriately followed up with the landfill owners until owners achieved compliance, and applied escalation measures as necessary.

Chapter 19

Finance—Internal Audit in Ministries

1.0 MAIN POINTS

By December 2017, the Ministry of Finance strengthened, in part, internal audit in ministries. It implemented all but one recommendation outstanding from our *2012 Report – Volume 2*, Chapter 30 audit on the effectiveness of internal audit activities of government ministries.

Finance evaluated several options for organizing internal audit in ministries. Based on its evaluation, Finance decided to continue with a decentralized internal audit model across ministries.

Finance took a co-ordination role in setting up a Best Practice Focus Group to support and promote the use of internal audit and risk management best practices within ministries. The Group typically met quarterly and shared methodologies and tools to support risk-based internal audit planning.

Government ministries with an internal audit branch have not yet developed effective quality assurance programs for internal audit as suggested in the Government of Saskatchewan's *Financial Administration Manual* and professional standards to ensure continuous improvement in internal audit activity.

2.0 INTRODUCTION

This chapter describes the results of our second follow up of management's actions on recommendations about internal audit in ministries that we first made in our *2012 Report – Volume 2*, Chapter 30.

Internal audit is an important component of sound governance for public sector organizations. Internal audit provides value to governing bodies and senior management by providing an objective source of independent advice. Internal audit function refers to personnel within an organization who perform the roles and responsibilities of an internal auditor.

Ministries in the Government of Saskatchewan use a decentralized internal audit model, that is, they have their own internal audit function as opposed to sharing a centralized internal audit function. See **Figure 1** for a listing of ministries with internal audit functions as of December 2017.

Figure 1—Internal Audit Functions in Ministries as of December 2017

Ministry	Chief Audit Executive	Number of Internal Audit Positions as of December 31, 2017
Advanced Education	Director	3
Central Services	Director	3
Economy	Manager	2
Environment	Internal Auditor	1
Finance	Director	8
Health	Director	2
Justice	Director	2



Our *2012 Report – Volume 2*, Chapter 30 concluded that internal audit in ministries was not following best practices, and as a result, we made seven recommendations to the Ministry of Finance in its role as the lead ministry for improvements to the effectiveness of internal audit activities of the core government.¹ Core government includes all ministries. By June 2014, as reported in our *2014 Report – Volume 2*, Chapter 46, Finance had implemented one of the seven recommendations.²

The Ministry of Finance is the lead ministry for improvements to the effectiveness of internal audit activities of the core government. This is because the Provincial Comptroller (who is part of the Ministry of Finance) has oversight responsibility for the receipt, recording, and proper disposition of public money; the control of disbursements from the General Revenue Fund; and ensuring compliance with Treasury Board orders and directives.³

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate Finance's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Finance's management agreed with the criteria in the original audit.

Our audit approach primarily included interviewing Finance staff and reviewing key documents including meeting minutes of the Best Practices Focus Group. In addition, we surveyed the seven ministries with an internal audit function (see **Figure 1**) about their internal audit function.

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 December 31, 2017, and Finance's actions up to that date. We found that Finance implemented three recommendations but has more work to do to implement the remaining recommendation.

In **Section 3.2**, we grouped three of the six outstanding recommendations together as they were related.

3.1 Assessment of Organization Models for Internal Audit Completed

We recommended that the Ministry of Finance evaluate various organization models for internal audit. (2012 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)

Status – Implemented

In April 2015, Finance evaluated five internal audit organizational models and decided to continue with a decentralized model for ministries. Under the decentralized model of

¹ The original report regarding these recommendations can be found at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in *2012 Report – Volume 2*, Chapter 30, pp. 227-238.

² In *2014 Report – Volume 2*, Chapter 46, pp. 369-372.

³ *The Financial Administration Act*, 1993, Section 10.

internal audit, each ministry has its own internal audit branch responsible for maintaining its own internal audit function, and for work completed including audit planning and reporting.

To evaluate different internal audit models, Finance researched internal audit functions in other jurisdictions (e.g., other provinces, Federal Government) and in use at the Crown Investments Corporation of Saskatchewan. Also, it considered an outside consultant's 2007 recommendations. It analyzed the pros and cons of each of the five different models. Its analysis considered the potential impact on ministries budgets and personnel. It did not analyze, in detail, the associated costs and savings of each model.

As noted in **Section 3.2**, since our 2012 audit, Finance has increased collaboration between its internal audit branch and other ministry internal audit functions through the Best Practices Focus Group.

3.2 Collaborative Work on Internal Audit Structures, Competencies, Methodology, and Risk-Based Planning Implemented

We recommended that the Ministry of Finance and ministries collaborate on methodology and tools to support risk-based internal audit planning.

(2012 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)

Status – Implemented

We recommended that the Ministry of Finance work with ministries to:

- ***Implement appropriate internal audit reporting structures to support effective internal audit***
- ***Ensure that internal auditors have appropriate competencies***
- ***Develop risk-based internal audit plans***

(2012 Report – Volume 2; Public Accounts Committee agreement June 17, 2015)

Status – Implemented

Ministry internal audit leaders regularly collaborate on good practices in internal audit including structures, competencies, methodologies, and risk-based planning primarily through quarterly meetings of the Best Practices Focus Group.

Finance participated in the creation of the Group in 2013. The Group's purpose is to promote the use of internal audit and risk management best practices within all ministries in the field of internal audit and risk mitigation by way of quarterly meetings.⁴ The Group, comprised of ministry internal audit leaders, including Finance, began meeting/collaborating quarterly in September 2013.

By December 2017, this collaboration had resulted in sharing of methodologies and a greater availability of tools to support risk-based audit planning (e.g., ACL Analytics). Also, in January 2014, Finance developed guidelines for internal audit and included these in the

⁴ Executive Government Best Practice Focus Group Terms of Reference—last revised November 26, 2015.



Financial Administration Manual.⁵ These guidelines outline appropriate reporting structures, staff competencies, and risk-based internal audit plans. The guidelines link to The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Six of seven ministries responded to our survey.⁶ We found that:

- All six ministries have an appropriate functional and administrative reporting structure, including having a chief audit executive leading internal audit.
- Four ministries have an audit committee responsible for approving audit plans, charters, and reports. The Provincial Comptroller or delegate approves the audit plans, charters, and reports for the Ministry of Finance. For the Ministry of Advanced Education, a Deputy Minister's committee approves the audit plans, charters, and reports.
- All six ministries' internal audit branches have staff who are Chartered Professional Accountants (CPAs) and/or Certified Internal Auditors (CIAs) in good standing. These ministries indicated that they give their internal audit staff sufficient professional development to enable them to have appropriate competencies.
- All six ministries indicated that they use risk-based audit planning to identify areas of the highest risk to determine where to focus their resources.

Using the results of risk assessments is critical to a successful internal audit function.⁷ They support the development of risk-based audit plans. Risk-based audit plans focus audit resources on the highest risk areas of the ministry. This in turn helps maximize the value of the internal audit function to a ministry.

3.3 Quality Assurance Program Needed

We recommended that the Ministry of Finance implement effective quality assurance programs for internal audit. (2012 Report – Volume 2; Public

Accounts Committee agreement June 17, 2015)

Status – Not Implemented

By December 2017, ministries with an internal audit function had not developed effective quality assurance programs for internal audit as suggested in the Government of Saskatchewan's *Financial Administration Manual* and professional standards.

The guidelines in the *Financial Administration Manual* state that *Internal Audit staff should be guided by the Standards and Guidance of the International Professional Practices Framework issued by The Institute of Internal Auditors, except where superseded by Treasury Board Policy and directives.*

⁵ The purpose of this Manual is to communicate to ministries and public agencies, Treasury Board's policies and the Provincial Comptroller's directives for the control, management and accounting of government financial resources <http://applications.saskatchewan.ca/fam/background%20> (04 April 2018).

⁶ Ministry of the Economy did not respond to our survey.

⁷ Risk assessment encompasses the identification, assessment, prioritization, and mitigation of an organization's risks.

International Professional Practices Framework standards require chief audit executives to develop and maintain a Quality Assurance and Improvement Program that covers all aspects of the internal audit activity. Such a Program evaluates whether the internal audit function operates in a way that meets professional standards for internal auditors. It can also assess the efficiency and effectiveness of the internal audit function and identify opportunities for improvement. This includes assessing internal audit performance for the purposes of continuous improvement and engaging in an external quality assessment review every five years.⁸

Four of six ministries that responded to our inquiries noted that they do not have a formal quality assurance program in place, and all six ministries noted they have not had an external quality assessment review.

Without having a periodic formal quality assurance program, ministry internal audit functions may not maintain an environment of continuous improvement, risk non-compliance with *International Professional Practices Framework* standards, and have inconsistent work methods.

⁸ The Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing*, (2016), pp. 7-8.

Chapter 20

Finance—Use of Continuous Improvement Processes

1.0 MAIN POINTS

By January 2018, the Ministry of Finance had implemented the intent of all of the recommendations first made in our 2015 audit of processes for co-ordinating the use of Lean across government ministries and certain other agencies (e.g., SaskBuilds, school divisions).¹

Since September 2016, Finance is responsible for providing support and guidance to government ministries and those agencies on continuous improvement processes. Lean is now one of many continuous improvement tools available for their use. Using continuous improvement is part of a larger Planning and Accountability Management System.

This System's objective for using continuous improvement processes is to improve government effectiveness, efficiency, and services by embedding continuous improvement as a business practice across the public service. The Government no longer has an objective of achieving a return on its investment in Lean.

Finance trained ministries and certain other agencies on continuous improvement processes based on assessed needs. Also, the ministries of Education and Advanced Education gave agencies in their sectors timely feedback on their efforts in using and promoting continuous improvement.

Finance has set measures and some targets to enable the assessment of the overall success of the use of continuous improvement in ministries and certain other agencies. It gathered information related to these measures and targets, and used it to assess and report on the overall success in implementing the Planning and Accountability Management System.

2.0 INTRODUCTION

Lean is one of many types of continuous improvement processes. Continuous improvement processes involve analyzing processes to identify areas for improvement, carrying out activities intended to achieve those improvements, and monitoring the impact of changes.

This chapter describes our follow-up of management's actions on the recommendations we made in 2015 about processes for co-ordinating the use of Lean across government ministries (other than the Ministry of Health) and certain other agencies.

Our *2015 Report – Volume 2*, Chapter 33 concluded that for the 12-month period ended August 31, 2015, the co-ordination processes for the use of Lean as a continuous improvement process across government ministries (other than the Ministry of Health) and

¹ These certain other agencies include school divisions, certain post-secondary institutions, Saskatchewan Liquor and Gaming Authority, Water Security Agency, SaskBuilds, and Saskatchewan Crop Insurance Corporation.



certain other agencies were effective, except for the areas reflected in our six recommendations.

Use of Lean Not Mandated After 2016—Approach Changed

In 2015, ministries and certain other agencies, as directed by Government, were using Lean. Its purpose was to have a systematic way to improve service delivery and create a culture of continuous improvement. At that time, Cabinet had appointed a Minister Responsible for the Lean initiative and a Deputy Minister Responsible for the Lean Initiative. A Corporate Projects Group, reporting to the Deputy Minister Responsible for Lean, was responsible for the monitoring and reporting of Lean activities and results.

In September 2016, the Government changed its approach to continuous improvement processes in ministries and certain other agencies. It no longer mandated the use of Lean. Rather, instead of requiring the use of a single continuous learning tool, it focused on having ministries and agencies use a continuous learning process. Government ministries and certain other agencies can use a variety of continuous improvement tools, including Lean.²

Effective September 2016, the Ministry of Finance became responsible for providing support and guidance to government ministries and certain other agencies on continuous improvement processes. Continuous learning is part of the Government's Planning and Accountability Management System. Its Office of Planning, Performance, and Improvement co-ordinates this work.

Also in September 2016, the Government established the Deputy Minister Committee on Performance, Accountability, and Improvement. As described in the Committee's terms of reference, this Committee provides oversight for continuous improvement and innovation of programs, services, and administrative processes across government ministries and certain other agencies. Finance supports this Committee.

Continuing Relevance of 2015 Recommendations and Audit Approach

While the recommendations we made in 2015 were specific to the Lean Initiative, the Office made them with recognition that the overall intent of Lean was to create a culture of continuous improvement and promote the use of continuous improvement processes by government ministries and other agencies.

The Office recognizes the importance of having a culture of continuous learning. Governments need continuous learning so they remain relevant, and provide quality and cost-effective services.

As Finance is supporting and guiding the use of continuous improvement processes, including Lean, as of January 2018, for the most part, the intent of the original recommendations remains relevant.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate

² <http://docs.legassembly.sk.ca/legdocs/Legislative%20Committees/PAC/Debates/170921Debates-PAC.pdf> (18 January 2018).

Finance's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Management agreed with the criteria in the original audit.

To perform our follow-up, we discussed actions taken with Finance management and staff. We reviewed Finance's planning documents, internal reports, communications, and training materials. We reviewed meeting minutes and related documents for key committees (e.g., Deputy Minister Committee on Performance, Accountability and Improvement). We discussed and reviewed feedback provided to sector agencies (e.g., school divisions, certain post-secondary institutions) on their continuous improvement projects with key staff at the Ministry of Education and Ministry of Advanced Education.

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 January 31, 2018, and Finance's actions up to that date. We found that Finance implemented the intent of all six of the recommendations.

In this section of the report, we use ministries to describe ministries and the other certain agencies.

3.1 Performance Measures and Targets Used To Assess Use of Continuous Improvement Processes

We recommended that those responsible for the Lean initiative set measures to enable assessment of its overall success. (2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)

Status – Intent of Recommendation Implemented

We recommended that those responsible for the Lean initiative set targets for key measures related to the use of Lean. (2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)

Status – Intent of Recommendation Implemented

We recommended that those responsible for the Lean initiative gather information to assess the overall success of the use of Lean. (2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)

Status – Intent of Recommendation Implemented

Finance, through its Office of Planning, Performance, and Improvement, has set key measures, some related targets, and collects information to enable evaluating ministries use of continuous improvement processes.

As reflected in Finance's *Plan for 2017-18* (see **Figure 1**), Finance provides leadership in implementing across ministries the Government's accountability framework—the Planning and Accountability Management System. Use of continuous improvement



processes is one aspect of this system. The objective for using continuous improvement processes, as established by the Deputy Minister Committee on Planning, Accountability, and Improvement, is to improve government effectiveness, efficiency, and services by embedding continuous improvement as a business practice across the public service.

Figure 1 – Relevant Excerpts from Ministry of Finance Plan for 2017-18

Ministry Goal

Support excellence in governance and management and ensure accountability and compliance through our policies, frameworks, reporting and oversight.

Strategy

The Ministry will provide continuing leadership in implementing the Planning and Accountability Management System across government while also improving internal management reporting, policies and processes to enhance decision making and accountability within Finance...

Key Actions

Work with ministries, agencies, boards and Crowns to help understand and meet the requirements of planning, forecasting, budgeting, continuously improving and reporting within the summary entity.

Implement Planning and Accountability Management System recommendations and work with ministries and oversight bodies to provide reinforcement and ensure compliance.

Implement continuous improvement recommendations of the Planning and Accountability Management System, ensuring continued relevance and usefulness.

Source: *Ministry of Finance Plan for 2017-18*, p. 4.

The Office of Planning, Performance, and Improvement leads the implementation of the Planning and Accountability Management System that it developed. It oversees the implementation in ministries of projects to continuously improve planning, improvement, and reporting functions.³

The Planning and Accountability Management System is designed, in part, to have ministries incorporate continuous improvement projects into their overall planning and reporting processes. Incorporating projects into their processes is to help encourage a culture of continuous improvement, and to establish it as an ongoing practice.

In 2017-18, Finance set seven performance measures and three related targets to measure progress on the use of the System. Measures include the extent of use of the System (determined through a periodic survey), and a performance measure based on a progress implementation report which sets out the progress of projects. Targets include having 100% of ministries use the System, and complete 100% of projects within expected budget and deadlines.

Finance gathered information related to these measures and targets.

- During 2017, Finance surveyed ministries. The survey included questions regarding the depth to which ministries have embedded continuous improvement processes.

Finance compared results to survey responses received in 2015 and 2013. It used this information to assess the overall culture change and success of the System, which includes the overall success of the use of continuous improvement processes.

- Finance receives from ministries regular reports on their progress of continuous improvement plans and events (including continuous improvement projects).

³ *Ministry of Finance Plan for 2018-19*, p. 4.

Reports include expected and actual cost savings, and cost avoidance for each continuous improvement project completed. Finance used this information to assess overall success of the use of continuous improvement and to identify where changes were required.

We found that Finance tracked and used this information to evaluate whether continuous improvement initiatives are succeeding and to identify lessons learned.

We found that Finance assessed the overall success of the use of continuous improvement processes across ministries. At January 2018, Finance was working to establish additional targets for performance measures based on 2017-18 results. For example, Finance plans to establish baselines and targets with ministries to measure their progress in embedding the System in their regular business practices.

3.2 Training Needs Met

We recommended that those responsible for the Lean initiative deliver Lean training to meet assessed needs. (2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)

Status – Intent of Recommendation Implemented

Finance provided training on continuous improvement processes based on assessed needs of ministries.

Finance determined training needs based on feedback received during regular discussions with key individuals responsible for continuous improvement. It sought and received feedback from participants after training events. For example, during 2017, based on the feedback received, Finance identified the need for training related to performance measurement and provided this training in January 2018.

3.3 Timely Feedback Provided to Sector Agencies

We recommended that those responsible for the Lean initiative regularly assess the timeliness and quality of feedback provided on Lean plans and events. (2015 Report – Volume 2; Public Accounts Committee agreement September 21, 2017)

Status – Intent of Recommendation Implemented

Finance encouraged the Ministry of Education and Ministry of Advanced Education to work with the agencies in the education and advanced education sectors on using the Planning and Accountability Management System. This included providing them with feedback on continuous improvement plans and events.

Our 2015 audit found feedback on Lean plans and events was provided timely to ministries and agencies except those agencies in the education and advanced education sectors, which suggested that the lead ministries in these sectors (i.e., Education and Advanced Education) could improve their feedback provided to those agencies.



Since then, Education incorporated continuous improvement into its education sector strategic planning and reporting process. Education meets regularly with a provincial leadership team established for the sector. Each school division provided quarterly reports on continuous improvement projects to Education. Education management reviewed the reports and provided feedback as needed. For example, in August 2017 Education provided feedback to school divisions on how to determine and report cost savings related to continuous improvement projects.

Advanced Education established a sector communication network through its continuous improvement working group. The group shared common improvement priorities and supported the direction of continuous improvement in the sector through discussions on tools, best practices, challenges, and the successful achievement of continuous improvement activities. We found that Advanced Education provided feedback on continuous improvement through these group discussions. Advanced Education also publishes a newsletter designed to help its sector agencies use continuous improvement processes.

3.4 Periodic Reporting to Ministries and Agencies on Results

We recommended that those responsible for the Lean Initiative periodically report to ministries and agencies using Lean, as well as to the public, on the costs of Lean, and on the achievement of the Government's overall goals for its use. (2015 Report – Volume 2; Public Accounts

Committee agreement September 21, 2017)

Status – Intent of Recommendation Implemented; aspect related to reporting costs of Lean is no longer relevant

Since the September 2016 change in approach to using a variety of continuous improvement tools, demonstrating a return on investment in the Lean initiative is no longer part of the Government's objective for using continuous improvement processes.⁴ Also since 2016, ministries do not have dedicated staff for continuous improvement work, or mandatory continuous improvement training and events. For that reason, costs related to continuous improvement are not tracked or separately identifiable. As a result, they are not available to report publicly.

Other than costs, Finance reports to ministries on the results of the use of continuous improvement.⁵

Finance periodically reports to ministries on the overall results of continuous improvement work including challenges, lessons learned, and success stories. For example, such reporting was evident in meeting minutes and presentations to the relevant Deputy Ministers Committee.

⁴ Prior to September 2016, when the use of Lean was mandated, one of the priorities identified for the use of Lean was to demonstrate a return on investment in Lean.

⁵ As described in **Section 3.1**, the objective for using continuous improvement processes is to improve government effectiveness, efficiency, and services by embedding continuous improvement as a business practice across the public service.

In addition, as shown in **Figure 2**, Finance included, in its *2016-17 Annual Report*, key actions and results related to leading the implementation of the Planning and Accountability Management System.

Figure 2—Relevant Excerpts from Ministry of Finance Annual Report for 2016-17

Ministry Goal: Support government decision making with expertise and leadership

Key Actions and Results

Lead, coordinate and support the continued transformation and implementation of the Planning and Accountability Management System and program review across government.

- Use of the Government of Saskatchewan's Accountability Framework, the Planning and Accountability Management System (Framework), began in May 2014.
- The Ministry continues to work with a project team from across government to implement the Framework. Most organizations use the Framework to make better informed decisions and connect improvement, planning, budgeting and reporting work. As part of this implementation, in September, 2016, the Corporate Projects Group and the Planning Accountability and Reporting Branch were brought together in a new branch called the Office of Planning, Performance and Improvement. This branch will continue to support the building of knowledge and skills across government to implement the Framework and improve programs and services for the people of Saskatchewan.
- Fifty per cent of the work to implement the Framework was completed as of year-end 2016-17. This is part of a five-year set of projects to ensure the Framework is well used and provides value to decision makers.

Ministry Goal: Support excellence in governance and ensure accountability and compliance through our policies, frameworks, reporting and oversight

Key Actions and Results

Review current government reporting to ensure it is relevant and meets both user needs and Government priorities.

- The Ministry provided guidelines, templates and consultation for continuous improvement and annual plans, measures and annual reports. Continuous improvement opportunities are being pursued within the Planning and Accountability Management System. The performance management portion of the Management System was developed in 2016-17, with the creation of the Office of Planning, Performance and Improvement in September 2016, and is being worked on for improvement in 2017-18.

Source: *Ministry of Finance Annual Report for 2016-17*, pp. 4, 7.

The Planning and Accountability Management System (government's accountability framework) expects ministries to report the results of continuous improvement processes in their ongoing established reporting processes (e.g., annual reports). Each ministry, including Finance, reports to the public on the results of continuous improvement projects through their annual reports.

We found ministry annual reports included some information on continuous improvement projects and results, as expected. For example, Advanced Education's *2016-17 Annual Report* described how a Value Stream Mapping (Lean) exercise led to three proposed improvements to student loan application forms.⁶

⁶ www.publications.gov.sk.ca/documents/15/101634-2016-17AdvancedEducationAnnualReport.pdf (23 March 2018).

Chapter 21

Government Relations—Co-ordinating Emergency Preparedness

1.0 MAIN POINTS

By January 2018, the Ministry of Government Relations had made some progress in improving its processes to co-ordinate emergency preparedness for provincial emergencies. It had implemented one of four recommendations made in our *2015 Report - Volume 1*, Chapter 12, and was working on implementing the remaining three recommendations.

The Ministry documents deliberations and decisions of its Provincial Emergency Management Committee. It was working with stakeholders to update risk assessments and was developing a process to confirm that stakeholder plans align with the Provincial Emergency Management Plan. The Ministry still needs to give guidance to key stakeholders to help them determine which infrastructure is critical to the province overall.

Having effective processes to coordinate emergency preparedness will help the government respond to emergencies in the province in a timely, efficient, and coordinated manner. This can help reduce the human and financial impact of emergencies and support the recovery process.

2.0 INTRODUCTION

The Ministry of Government Relations is responsible for the province-wide emergency plan, and for co-ordinating emergency preparedness for provincial emergencies.¹

This chapter describes our follow-up of management's actions on the recommendations we made in 2015 about the Ministry's processes to co-ordinate emergency preparedness for provincial emergencies. Our *2015 Report - Volume 1*, Chapter 12 concluded that for the 12-month period ended December 31, 2014, the Ministry had, other than for certain areas, effective processes to co-ordinate emergency preparedness for emergencies in the province. We made four recommendations.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry of Government Relations' progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry agreed with the criteria in the original audit.

To carry out our follow-up audit, we discussed actions taken with management and reviewed key documents provided by management (e.g., meeting minutes, reports).

¹ Emergencies in the province can include those that are widespread (i.e., affect multiple communities), cause significant disruption or delay in services, have a definite and potential widespread threat to life, or cause significant damage to infrastructure. Examples include floods, forest fires, health epidemics, infrastructure failure, or transportation incidents. These emergencies may require support from the province (i.e. one or more of its agencies).



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 January 15, 2018, and the Ministry's actions up to that date. We found that the Ministry implemented one recommendation and has further work to do on the remaining three.

3.1 Deliberations and Decisions Documented

We recommended that the Ministry of Government Relations require the Provincial Emergency Management Committee to keep minutes documenting its deliberations and supporting its decisions. (2015 Report –

Volume 1; Public Accounts Committee agreement September 15, 2016)

Status – Implemented

The Provincial Emergency Management Committee (consisting of representatives from 15 provincial agencies) used a template to record deliberations and decisions made at each of its annual meetings in 2016 and 2017. When the Committee minutes indicated that a follow up action was required, we found that the Ministry fulfilled its responsibility for co-ordinating these actions.

3.2 Annual Update to Risk Information Needed

We recommended that the Ministry of Government Relations follow its established process to work with key stakeholders on identifying and updating, each year, assessments of risks of emergencies requiring provincial assistance. (2015 Report – Volume 1; Public Accounts Committee agreement

September 15, 2016)

Status – Partially Implemented

Since the 2015 audit, the Ministry continued to meet with various stakeholder groups (e.g., Provincial Government agencies, Federal Government, municipalities) annually to review upcoming seasonal risks. In addition, it has communicated with stakeholders about risks requiring provincial assistance.

In January 2018, the Ministry completed a provincial risk assessment of floods and natural hazards. It plans to complete a similar provincial assessment of human-induced and technological disaster risks. It last updated its province-wide risk assessment in 2012.

However, the Ministry has not developed a process to compile and evaluate all significant province-wide risks annually and consider whether changes are needed to the Provincial Emergency Management Plan. For example, the Ministry did not request comprehensive, updated risk information from stakeholders each year, and compile responses. Alternatively, the Ministry did not give its existing province-wide risk assessment to stakeholders and request confirmation of its accuracy.

Without a current province-wide risk assessment, the Ministry may not be aware of all emerging risks or significant changes in risk exposure and as such, may not be prepared to address these risks.

3.3 Guidance for Identifying Critical Infrastructure Needed

We recommended that the Ministry of Government Relations provide key stakeholders responsible for key infrastructure in Saskatchewan with guidance to help them determine which infrastructure is critical to emergency preparedness for the province overall. (2015 Report – Volume 1;

Public Accounts Committee agreement September 15, 2016)

Status – Not Implemented

The Ministry did not give guidance to key stakeholders (e.g., SaskPower, Water Security Agency, Ministry of Highways and Infrastructure) to help them determine which components of their infrastructure are critical for overall provincial emergency preparedness. Similar to our 2015 audit findings, the Ministry:

- Participates on forums that share information about critical infrastructure with responsible agencies
- Has defined the province's critical sectors (e.g., food, water, transportation, health care, etc.)
- Supports key stakeholders to voluntarily determine, for their own organizations, critical infrastructure using a process administered by Public Safety Canada

Lack of guidance may lead to inconsistent decisions about which infrastructure is critical to the province as a whole, and could lead to ineffective use of resources during a provincial emergency.

3.4 Alignment of Stakeholder Plans with Provincial Plan Needs to be Confirmed

We recommended that the Ministry of Government Relations periodically and formally confirm that emergency management plans of all key stakeholders align with the Provincial Emergency Management Plan. (2015 Report – Volume 1; Public Accounts Committee agreement September 15, 2016)

Status – Partially Implemented

The Ministry does not have a formal process to confirm that key ministries, Crowns, and agencies have prepared emergency plans and that those plans align with the Provincial Emergency Management Plan.

As of January 2018, the Ministry was working on a significant update to its Provincial Emergency Management Plan. To date, management has prepared a project charter and drafted the table of contents for the updated Plan. Management indicated that the



updated Plan is to include a documented process for confirming that the individual emergency preparedness plans of key stakeholders align with the overall provincial Plan. It plans to have this update completed by December 2018.

Without periodically confirming that stakeholder plans align with the provincial Plan, the Ministry cannot know whether key stakeholders are prepared to deliver on the roles they have been assigned during an emergency.

Chapter 22

Highways and Infrastructure—Addressing Road Safety Concerns on Existing Highways

1.0 MAIN POINTS

By November 2017, the Ministry of Highways and Infrastructure had improved its processes to address safety concerns raised on existing provincial highways by implementing three of four recommendations we originally made in 2015, and made progress on the fourth recommendation.

The Ministry developed and followed processes for tracking the receipt of and responding to complaints about road safety. It set out criteria, in writing, for selecting safety improvement projects to complete in the upcoming year. It required staff to keep analysis and rationale for selecting these safety improvement projects.

It also began reporting to senior management on whether its road safety improvements had helped reduce the frequency and severity of collisions. However, that reporting only includes analysis on a small number of safety improvement projects. Without complete analysis and information, management may not know if the Ministry is focusing its resources on the right safety improvement projects. Also, the Ministry may not know if the resources spent on road safety improvement projects were worthwhile.

2.0 INTRODUCTION

The Ministry is responsible for managing the Province's 26,184 kilometres of highways, including maintaining safe road conditions as described in *The Highways and Transportation Act, 1997*.¹

We reported in our *2015 Report – Volume 2*, Chapter 35 that, for the period from September 1, 2014 to August 31, 2015, the Ministry of Highways and Infrastructure had effective processes to address safety concerns raised on existing provincial highways except for the matters reflected in four recommendations. This chapter describes our follow up of management's actions on those recommendations.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry agreed with the criteria in the original audit.

We interviewed Ministry staff responsible for the Safety Improvement Program to assess the adequacy of the work being done to implement the recommendations. We also reviewed documentation supporting the Ministry's selection of safety improvement projects.

¹ Ministry of Highways and Infrastructure 2016-17 Annual Report, p. 3.



3.0 STATUS OF RECOMMENDATIONS

This section sets out the date on which the Standing Committee on Public Accounts agreed to the recommendations, the status of each recommendation at November 30, 2017, and the Ministry's actions up to that date.

3.1 Consistent Process for Tracking Complaints

We recommended that the Ministry of Highways and Infrastructure develop and follow a consistent process for tracking complaints about road safety. (2015 Report – Volume 2; Public Accounts Committee agreement September 15, 2016)

Status – Implemented

The Ministry developed and followed a process for tracking complaints about road safety. This process includes documenting the nature of the complaint, details including the affected location, an assessment to determine if an engineering analysis is needed, and an initial assessment to determine if the project needs to be included in the Safety Improvement Projects (SIP) database.

We found that the Ministry consistently applied this process in all regions (i.e., North, Central, and South). This included gathering information surrounding the complaint and entering key information into the system to track the complaints. Where the Ministry determined that a safety improvement was needed, it included the project in the SIP database.

3.2 Project Selection Criteria Set Out in Writing

We recommended that the Ministry of Highways and Infrastructure set out, in writing, the criteria for selecting safety improvement projects to complete in the upcoming year. (2015 Report – Volume 2; Public Accounts Committee agreement September 15, 2016)

Status – Implemented

By November 2017, the Ministry's SIP manual includes criteria for selecting safety improvement projects that it plans to complete in the upcoming year. The SIP manual sets out criteria that the Ministry uses to select projects (e.g., cost sharing with a third party, tied to upcoming construction in the area, high priority score, etc.). We found that the Ministry used these criteria for selecting projects.

3.3 Analysis and Selection Documentation Kept

We recommended that the Ministry of Highways and Infrastructure require its staff to keep its analysis and rationale for selecting safety improvement projects to complete in the upcoming year. (2015 Report – Volume 2; Public Accounts Committee agreement September 15, 2016)

Status – Implemented

In its SIP manual, the Ministry includes direction to document and keep the analysis and rationale it used for selecting projects for the upcoming year.

The Ministry consistently followed the criteria set out in the SIP manual. For approved safety improvement projects included on its list, we found the Ministry adequately documented the rationale for the selection of these projects. Its list included the details of why it selected each project.

We also looked at projects that were not selected for the upcoming year that had a higher ranking than the projects selected. We found that the Ministry's documentation included appropriate rationale and analysis as to why those projects were not selected.

3.4 Periodic Reports on Road Safety Effectiveness Need Improvement

We recommended that the Ministry of Highways and Infrastructure give senior management periodic reports on whether its road safety improvement program helped reduce the frequency and severity of collisions. (2015 Report – Volume 2; Public Accounts Committee agreement September 15, 2016)

Status – Partially Implemented

In November 2017, the Ministry gave senior management only the results of safety improvement projects completed over the last five years costing more than \$1 million. See **Figure 1** for details.

Figure 1 – Content of November 2017 Safety Improvement Report to Senior Management

For each project:

- Yearly statistics (number of collisions and number of collisions where there were injuries or fatalities) of the area before and after the improvement had been implemented—this information shows whether improvement changed the frequency and severity of collisions
- An analysis of the statistics and a conclusion on the effectiveness of the safety improvement

We consider the reporting threshold too high to provide sufficient assessment of the effectiveness of its road safety improvement projects. Because the Ministry is using a high reporting threshold, it is analyzing and reporting on only a small number of safety improvement projects each year, and on a small proportion of its safety improvement work. The November 2017 report included five projects costing \$7 million. Over the last five years, the Ministry completed about 250 projects costing about \$35 million. In 2016-17, the Ministry did not complete any safety improvement projects over \$1 million.

As the report provided to management presently only contains information on a few safety improvement projects, it only shows a small picture of the effectiveness of the program. (i.e., reporting on about 2% of the safety improvement projects the Ministry carried out). Without complete analysis and information, management may not know if the Ministry is focusing its resources on the right safety improvement projects. Also, the Ministry may not know if the resources spent on road safety improvement projects were worthwhile.

Chapter 23

North East School Division No. 200—Increasing Grade 3 Students Reading at Grade Level

1.0 MAIN POINTS

North East School Division No. 200 has improved its processes to increase the percentage of Grade 3 students reading at grade level by implementing four of five recommendations, and partially implementing the remaining recommendation made in our 2016 audit. North East still needs to periodically evaluate the effectiveness of all the tools it uses to assess student reading levels.

By January 2018, North East documented all of its key risks and strategies for managing these risks related to increasing the percentage of Grade 3 students reading at grade level. It had sufficient guidance for exempting students from provincial reading level assessments. The Division also publicly provided data and analysis of Grade 3 student reading levels.

Grade 3 reading levels are considered a leading indicator of future student performance. Grade 3 students who do not make the transition to comprehending what they read fall behind, impacting their overall success. In the Education Sector Strategic Plan, Saskatchewan's education sector jointly established a goal of 80% of Grade 3 students reading at grade level by 2020.

While North East School Division No. 200 has not yet reached the education sector plan goal, it has seen improvement in the number of Grade 3 students reading at grade level. At June 2017, 74% of North East Grade 3 students were reading at or above grade level,¹ as compared to 65% at June 2015.²

This improvement is supported by the Division's processes to improve reading outcomes for the approximately 1,500 Kindergarten to Grade 3 students from Nipawin, Tisdale, Hudson Bay, Melfort, and the surrounding area.³

2.0 INTRODUCTION

This chapter describes our follow up of management's actions on the recommendations we made in 2016.

In 2016, we assessed North East School Division No. 200's processes to increase Grade 3 students reading at grade level. Our *2016 Report – Volume 1*, Chapter 11 concluded that for the 12-month period ended December 31, 2015, North East School Division No. 200 had, except in the areas of our recommendations, effective processes to increase the percentage of Grade 3 students reading at grade level to meet the Education Sector Strategic Plan goal of 80% by 2020. We made five recommendations.

¹ North East School Division No. 200, *2016-17 Annual Report*, p. 14.

² North East School Division No. 200, *2014-15 Annual Report*, p. 13.

³ North East School Division No. 200, *2016-17 Annual Report*, p. 29.



To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Division's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Division agreed with the criteria in the original audit.

To perform our follow up, we discussed actions taken with Division management and school staff. We reviewed the Division and selected schools' planning documents and public reports. We discussed risks and exemptions with Division staff, and reviewed training materials and correspondence provided by the Ministry of Education.

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 each recommendation at January 29, 2018, and North East's actions up to that date. We found that the Division had implemented four recommendations and partially implemented one recommendation.

3.1 Risks Assessed and Mitigated

We recommended that North East School Division No. 200 document all of its key risks related to increasing the percentage of Grade 3 students reading at grade level. (2016 Report – Volume 1; Public Accounts Committee agreement September 14, 2016)

Status – Implemented

We recommended that North East School Division No. 200 document strategies for managing identified risks related to increasing the percentage of Grade 3 students reading at grade level. (2016 Report – Volume 1; Public Accounts Committee agreement September 14, 2016)

Status – Implemented

North East documented all of its key risks and strategies for managing those risks related to increasing the percentage of Grade 3 students reading at grade level.

We found action plans documented risks affecting North East's ability to improve Grade 3 students reading at grade level based on the action plans that we reviewed for three selected schools and the Division office. These action plans also documented mitigation strategies for the identified risks. We confirmed that the action plans identified all significant risks through discussions with Division management, and school staff.

3.2 Guidance Provided for Exempting Students

We recommended that North East School Division No. 200 work with other school divisions to develop additional guidance for exempting students from provincial reading level assessments. (2016 Report – Volume 1;

Public Accounts Committee agreement September 14, 2016)

Status – Intent of Recommendation Implemented

We found that, at January 29, 2018, North East had sufficient guidance to consistently determine which students should be exempted from provincial reading level assessments. Since our 2016 audit, the Ministry of Education has provided more guidance to school divisions about when to exempt students from provincial reading level assessments.

The Ministry provides general guidance on exemptions in the *Saskatchewan Reads* document.⁴ The document suggests exempting students from the provincial reading assessment when their English proficiency is below a certain level, or when participation would be potentially harmful or infeasible (e.g., students with severe emotional or behavioural difficulties).⁵

In 2016-17, the Ministry provided reading assessment training to school divisions, which included additional guidance on exempting students from assessments. We found that the Ministry also monitored which students North East was exempting, and North East gave the Ministry explanations for each student exempted from provincial reading level assessments.

3.3 Evaluation of All Assessment Tools Needed

We recommended that North East School Division No. 200 periodically evaluate the effectiveness of the tools it uses to assess student reading levels. (2016 Report – Volume 1; Public Accounts Committee agreement September 14, 2016)

Status – Partially Implemented

We found that, while the Division had formally evaluated one of its assessment tools, it had not evaluated all of the tools it uses to assess student reading levels.

The Ministry allows school divisions to assess Grade 3 reading levels using several variations of the Diagnostic Levelled Reading assessment, which it has benchmarked so data is comparable between the variations.⁶

During the 2016-17 school year, the Division compared the variation it uses to another available variation. As part of this evaluation, North East determined advantages and disadvantages of the variation it currently uses and the comparison variation.

⁴ <https://saskatchewanreads.wordpress.com/> (05 February 2018).

⁵ Provincial Reading Team, *Saskatchewan Reads*, (2015), p. 81.

⁶ The Diagnostic Levelled Reading assessment measures fluency and comprehension (within the text [e.g., retell events, main idea, details, character setting, problem] and beyond the text [e.g., inferencing, connections, opinions]).



The Division also uses another tool to assess student reading comprehension strategies (i.e., Reading Assessment District).⁷ It does not have to report this data to the Ministry. While we found evidence that the Division had informally discussed the value of this tool, as of January 29, 2018, North East had not formally evaluated this assessment tool, and did not have plans about when it would formally do so.

Not periodically evaluating this reading assessment tool increases the risk that teachers and students do not use time efficiently and may spend more time on assessments that do not help to significantly increase student reading levels.

3.4 Public Reporting on Results

We recommended that North East School Division No. 200 publicly provide the reasons for differences between planned and actual results for Grade 3 student reading levels, along with key resulting changes to action plans. (2016 Report – Volume 1; Public Accounts Committee agreement September 14, 2016)

Status – Implemented

The Division publicly provides data and analysis of Grade 3 student reading levels in its annual report and through publicly accessible Board of Education meeting packages. Our review of the Division and selected schools' action plans found they include plans for addressing differences between planned and actual reading level results.

⁷ The Reading Assessment District assesses students up to Grade 9 on their comprehension strategies (e.g., prediction, main ideas and details, inferencing, opinions). In addition, it measures students' understanding of cognitive strategies to comprehend (e.g., reread, sound out, look at context cues, make connection to other words or contexts) using a formal test developed by a publishing company.

Chapter 24

Prairie South School Division No. 210—Equipping the Board with Knowledge and Competencies to Govern

1.0 MAIN POINTS

This chapter describes our first follow-up of Prairie South School Division No. 210's actions on the four recommendations made in our 2015 audit of its processes to equip its Board with the knowledge and competencies necessary to govern the Division. By January 2018, the Division had strengthened those processes; it implemented all four recommendations.

Prairie South set out the baseline knowledge and competencies necessary for the Board to govern the Division. It maintains a listing of its current Board's individual and collective assessments for the necessary competencies and knowledge. In addition, Prairie South gives Board members opportunities to learn from each other by deliberately partnering experienced Board members with lesser experienced ones. The Board Chair monitors whether the Board is addressing gaps in individual and collective Board knowledge and competencies. Furthermore, Board members periodically self assess their knowledge and competencies. Results of these assessments help it determine its progress in developing Board governance knowledge and competencies.

2.0 INTRODUCTION

Our *2015 Report – Volume 1*, Chapter 13 included four recommendations related to improving the processes that the Board of Education of Prairie South School Division No. 210 uses to equip itself with the necessary knowledge and competencies to govern the Division.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate Prairie South's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Prairie South agreed with the criteria in the original audit.

To carry out our audit, we interviewed Division staff, reviewed Board minutes and policies, and examined documentation of Board member knowledge and competencies maintained by the Division.

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 recommendations at January 25, 2018 and Prairie South's actions up to that date. We found that the Division had implemented all four recommendations.



3.1 Board Assessed Against Knowledge and Competencies Necessary to Govern

We recommended that the Board of Education of Prairie South School Division No. 210 set out its baseline knowledge and competencies necessary to govern the School Division. (2015 Report – Volume 1; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

We recommended that the Board of Education of Prairie South School Division No. 210 maintain a current listing of knowledge and competencies possessed collectively and by individual Board members. (2015 Report – Volume 1; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

Prairie South's Board set out the baseline knowledge and competencies necessary to govern the Division. In addition, it maintains a current listing of the Board's individual and collective assessments for the necessary competencies and knowledge.

The Board revised its policy manual in 2015 to incorporate the determination of the knowledge and competencies necessary for effective governance. It made this determination a part of the regular Board development cycle. The process identified nine necessary Board competencies and knowledge (e.g., administration, governance, teaching, IT, finance). We found that the Board based its process on a respected externally developed school board governance model.

As part of its 2016 Board planning process, we found that Board members each assessed themselves against the nine necessary competencies and knowledge. This gave the Board Chair information on Board members' strengths, as well as areas where the Board could focus development of its knowledge and competencies.¹ For example, we found the assessment indicated that several Board members had experience in governance and human resources, and one member had experience in the areas of IT and risk management. The Division shared the competency assessment results with the Board Chair.

Since 2016, the members of the Prairie South's Board have remained the same.

Periodic competency assessments provide a snapshot of the Board's individual and collective knowledge and competencies.

¹ In December 2017, Division management acknowledged it plans to share the competency assessment results of future Board self-assessments with the entire Board.

3.2 Strategy to Address Knowledge Gaps Implemented and Monitored

We recommended that the Board of Education of Prairie South School Division No. 210 document a plan to address gaps in individual and collective Board knowledge and competencies. (2015 Report – Volume 1; Public Accounts Committee agreement January 13, 2016)

Status – Intent of Recommendation Implemented

We recommended that the Board of Education of Prairie South School Division No. 210 periodically monitor whether Board professional development training addresses gaps in individual and collective Board knowledge and competencies. (2015 Report – Volume 1; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

To address identified Board competency gaps, Prairie South primarily used a strategy of assigning members to its committees in a way that provides them with support to further develop specific Board governance knowledge and competencies. The Board monitored its progress in addressing identified gaps primarily through the work of its committees. Also, it used external subject matter experts to help them address areas where the Board did not have sufficient knowledge.

The Board Chair adopted a strategy to address identified gaps. The Chair used the 2016 self-assessment results to assign Board members to Board committees. The Board Chair deliberately partnered experienced Board members with members who had identified competency gaps. This assignment method developed individual members' knowledge and competencies through mentorship and on-the-job training.

In addition, the Board and its committees are encouraged to consult with external subject matter experts in areas beyond its knowledge or competencies. Furthermore, the Board policy manual expects individual Board members to address their own gaps in knowledge and competencies.

The Board Chair informed us that the Board uses the work of its committees to monitor, on an ongoing basis, its progress in addressing identified gaps. Results of committee work make it apparent where it continues to have Board knowledge/competency gaps, and where it should use the assistance of experts or further develop its knowledge and competencies. Also, it expects to use the results of its next self-assessment to assess its progress. The next assessment process is scheduled to occur in September 2018.

We found that, since the 2016 self-assessment, the Board and its Chair effectively used these strategies. We found:

- When comparing committee membership to the 2016 self-assessment results, the committees included Board members with a mix of self-assessed competency levels relating to the specific committees' mandates—committee composition was giving members the opportunity to learn from each other.



- The Board consulted with external subject matter experts. For example, the Board consulted with Ministry of Education staff when establishing transportation guidelines for Pre-Kindergarten students.
- Board members made efforts to take advantage of relevant professional development opportunities to address their knowledge gaps.

Monitoring progress towards addressing identified gaps helps ensure the Board, collectively, maintains the necessary competencies and knowledge to effectively govern.

Chapter 25

Regina School Division No. 4—Promoting Positive Student Behaviour

1.0 MAIN POINTS

Regina School Division No. 4 has improved some of its processes to promote positive student behaviour. It has implemented two recommendations and partially implemented three recommendations we made in 2016.

Since 2015, the Division implemented a student supports IT system to monitor student behaviour. It retains documentation of incidents, referrals, and discussions held with school staff and parents for behaviour issues.

For high school students, the Division directs staff to retain documentation of contact and communications with parents on attendance issues, but staff did not do so consistently. For elementary school students, the Division indicated that it is currently developing an attendance strategy. Keeping documentation of actions taken to address attendance issues helps provide a consistent course of action and monitor steps taken to promote regular attendance.

By March 2018, the Division had not reviewed all of its administrative procedures related to student behaviour. Periodically reviewing administrative procedures helps ensure their continuing relevance and applicability.

Each school year, the Division communicates to staff, in writing, training expectations for key initiatives to promote and support positive student behaviour. The Division implemented software that allows school administrators to easily review which of their staff are trained in key initiatives to promote positive student behaviour.

In 2017-18, the Division started collecting data on behaviour incidents and supports. It plans to use this to determine goals related to student behaviour. Once these goals are determined, it expects to report to its Board of Education on the overall success of its initiatives to promote positive student behaviour and whether its initiatives are making a difference.

2.0 INTRODUCTION

Student behaviour influences the extent and quality of education that students receive. Positive student behaviour creates a safe, inclusive, and accepting school environment for learning and contributes to student success.¹ The success of students can have a significant impact on our society and economy. Poor behaviour can contribute to students leaving school before graduating from Grade 12 or without obtaining marks that could assist them in obtaining further education or finding employment.²

¹ www.edu.gov.on.ca/eng/parents/safeschools.html (28 March 2018).

² Auditor General of British Columbia, *Fostering a Safe Learning Environment: How the British Columbia Public School System is Doing*, (2001), p. 19.



Regina School Division No. 4 is one of the largest urban school divisions in Saskatchewan with about 23,000 students and 49 schools—41 elementary schools and 8 high schools. Six of the elementary schools and two of the high schools offer French Immersion programs.³ The Division has seen an approximate 6% increase in its enrolment from 2015 to 2017.⁴

This chapter describes our first follow-up of management's actions on the recommendations we made in 2016.

Our *2016 Report – Volume 1*, Chapter 13 concluded that other than the areas of our recommendations, the Division had effective processes for promoting positive student behaviour. We made five recommendations around keeping consistent and accessible documentation, communicating training expectations for Division staff, and tracking and reporting on the success of initiatives to support positive student behaviour.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Division's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Division's management agreed with the criteria in the original audit.

To perform our follow-up audit, we discussed actions taken with Division management and school principals. We reviewed the Division and selected schools' planning documents, communications from Division management, and public documents. For a sample of students, we examined documentation maintained by staff to monitor attendance and promote positive student behaviour.

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 23, 2018, and the Division's actions from November 30, 2015 up to that date. We found that the Division had implemented two of the recommendations and partially implemented three of the recommendations.

3.1 Administrative Procedures Not Reviewed Regularly

We recommended that Regina School Division No. 4 review and update policies (administrative procedures) on a regular basis as its policy expects. (2016 Report – Volume 1; Public Accounts Committee agreement September 14, 2016)

Status – Partially Implemented

The Division had not completely reviewed and updated its administrative procedures related to student behaviour.

³ *Regina School Division No. 4 of Saskatchewan Annual Report 2016-17*, pp. 5-6.

⁴ *Ibid.*, p. 31.

The Division prioritizes administrative procedures to be updated based on feedback from Division management. We found that of the nine administrative procedures related to student behaviour, the Division updated five, with two of those procedures updated twice in the past five years. For the other four procedures, the Division has not yet prioritized the procedures for review. The Division last reviewed these procedures approximately 10 years ago (e.g., March 2008).

Periodically reviewing administrative procedures helps ensure their continuing relevance and applicability.

3.2 Training Expectations Communicated and Tracked for Key Initiatives to Support Positive Student Behaviour

We recommended that Regina School Division No. 4 communicate to school administrators and staff, in writing, training expectations for initiatives to promote and support positive student behaviour. (2016 Report

– Volume 1; Public Accounts Committee agreement September 14, 2016)

Status – Implemented

We recommended that Regina School Division No. 4 require principals to make readily available, at schools, information on administrators and staff trained in key initiatives to promote and support positive student behaviour. (2016 Report – Volume 1; Public Accounts Committee agreement September 14, 2016)

Status – Implemented

Starting in the 2016-17 school year, the Division communicates to staff, in writing, training expectations on key initiatives to promote and support positive student behaviour each school year. The Division implemented software to track school staff trained in key initiatives to promote and support positive student behaviour.

The Division has determined that key initiatives to promote and support positive student behaviour are Mandt training and Violence Threat Risk Assessment.⁵ It has made this training mandatory for certain school staff. Before the beginning of the school year, the Division sends opening packages to all school staff. The packages include information on professional development days and staff who should attend mandatory training.

Weekly, the Division sends out an email to all staff that includes information and reminders for available training, including key initiatives and other initiatives to promote and support positive student behaviour.

⁵ Mandt training (non-violence crisis intervention) for school staff is a comprehensive, integrated approach to preventing, de-escalating, and if necessary, intervening when the behaviour of an individual poses a threat of harm to themselves and/or others. Violence Threat Risk Assessment (VTRA) helps school staff identify behaviour and responses where there is a threat or risk of injury to the student or those around them. This assessment also collects data on details of incidents and records information on future risk and courses of action.



For other training initiatives to promote and support positive student behaviour, principals can select which initiatives to implement at their school, and which staff to train in those initiatives.

Since our 2016 audit, the Division implemented software which allows school administrators to review which of their staff are trained in key initiatives. We found school administrators use the software to identify staff trained in key initiatives to assist other staff in supporting positive student behaviour.

Having a sufficient number of trained school administrators and staff available at each school helps ensure that skills required to support students and respond to high risk situations are available.

3.3 Documentation of Actions Taken to Support Student Attendance Needed

We recommended that Regina School Division No. 4 require consistent and accessible documentation of key discussions, decisions, and steps taken to support positive student behaviour. (2016 Report – Volume 1; Public

Accounts Committee agreement September 14, 2016)

Status – Partially Implemented

During the 2016-17 school year, the Division implemented a student supports IT system (CLEVR) to monitor student behaviour.

The Division directed its staff to use the system to retain documentation of incidents, referrals, and discussions to support positive student behaviour. Also, the Division directed its staff to use its attendance tracking system (Powerschool) to document communication with parents and guardians regarding behaviour and attendance issues.

For the 30 students' files we tested for behaviour issues, the Division retained documentation of incidents, referrals, and discussions held with school staff and with parents about attendance.

In addition, the Division has implemented a High School Attendance Strategy to improve student attendance. The strategy sets out protocols for responding to attendance issues.

For 2 of 37 high school students we tested, schools did not consistently document contact and communications with parents.

For elementary schools, the Division has an administrative procedure requiring schools to contact parents when a student is absent. As of March 2018, the Division had not developed guidance for schools regarding documentation of discussions and steps taken to address chronic attendance issues.

For the five elementary schools we visited, while each principal monitored student attendance, there was not a consistent process for responding to or documenting follow up on poor student attendance. The Division indicated that it is currently developing an elementary school attendance strategy.

Not keeping key documentation to support actions taken to address attendance issues makes it difficult for the Division to follow a consistent course of action and monitor steps taken to promote regular attendance.

3.4 Reporting on Overall Success of Student Behaviour Initiatives Needed

We recommended that Regina School Division No. 4 establish a process to track and report to its Board of Education the overall success of its initiatives to promote positive student behaviour. (2016 Report – Volume 1;

Public Accounts Committee agreement September 14, 2016)

Status – Partially Implemented

As of March 2018, the Division had not reported to its Board of Education on the overall success of its initiatives to promote positive student behaviour.

The Division collects, analyzes, and reports detailed information on attendance. The Division has set out strategies for improving student attendance as part the Education Sector Strategic Plan.⁶ The Division told us that it was developing a new strategic plan that will include goals related to attendance.

In the 2017-18 school year, the Division started collecting data (in its student supports information system) on behaviour incidents and supports. The Division told us that it planned to present the data and related analysis to the Board in 2018, and create goals related to student behaviour.

Without collecting additional data regarding student behaviour, the Division cannot identify trends to determine whether its student behaviour initiatives are successful. Such information would help it to identify areas for improvement, and make informed decisions about these initiatives. In addition, such information will enable the Division to determine if the initiatives are making a difference.

⁶ Education Sector Strategic Plan describes the strategic direction of the education sector and its priorities and outcomes align the work of school divisions and the Ministry of Education.

Chapter 26

Saskatchewan Crop Insurance Corporation – Determining AgriStability Benefits

1.0 MAIN POINTS

By January 2018, the Saskatchewan Crop Insurance Corporation had implemented our recommendation initially made in 2013; it set targets related to five performance measures related to the AgriStability benefit program. Use of targets enables the Corporation to better determine and show its success in managing the AgriStability program.

2.0 INTRODUCTION

Saskatchewan Crop Insurance Corporation administers the AgriStability program to assist producers who experience large income losses. The provincial and federal governments share the cost of the AgriStability program.

This chapter describes our second follow-up of management's actions on the two outstanding recommendations from our 2013¹ audit of the Saskatchewan Crop Insurance Corporation's processes to determine AgriStability program benefits. In 2013, we made five recommendations. By July 31, 2015, as reported in our *2015 Report – Volume 2*, Chapter 53, the Corporation had implemented three of them.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Corporation's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Corporation agreed with the criteria in the original audit.

To do our follow-up audit, we had discussions with management on the progress they made in meeting our recommendations, and reviewed supporting reports and information to verify the progress. We analyzed past actual benefits paid compared to estimates the Corporation had made in its financial statements.

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 January 31, 2018, and the Corporation's actions up to that date. We found that the Corporation had implemented one outstanding recommendation and the other was no longer relevant.

¹ 2013 Report – Volume 1, Chapter 7.



3.1 Performance Targets Set

We recommended that the Saskatchewan Crop Insurance Corporation set targets for its performance measures related to its AgriStability program and report to senior management on its progress in achieving those targets. (2013 Report – Volume 1; Public Accounts Committee agreement November 26, 2014)

Status – Implemented

The Corporation set targets for each of its five performance measures related to the AgriStability benefits program. See **Figure 1** for examples of related targets.

Figure 1 – Examples of Measures and Targets

Measures	Actual	Targets			
	2016-17	2017-18	2018-19	2019-20	2020-21
AgriStability file turnaround time (percentage of files completed in 75 days)	76%	75%	75%	75%	75%
Administration cost per file	\$1,136	\$1,000	\$1,000	\$1,000	\$1,000

Source: Saskatchewan Crop Insurance Plan for 2017-18.

The Corporation measures and reports on its performance indicators related to those targets to senior management, its Board, and to the public through its annual report.

Use of performance targets helps convey how much work is expected and by when. In addition, they help show the extent of progress and success in delivering a program.

3.2 Benefit Estimation Process Better

We recommended that the Saskatchewan Crop Insurance Corporation establish processes to compare its estimates of past years' benefits for its AgriStability program to actual benefits to help improve the estimate process for the AgriStability benefits. (2013 Report – Volume 1; Public Accounts Committee agreement November 26, 2014)

Status – No Longer Relevant

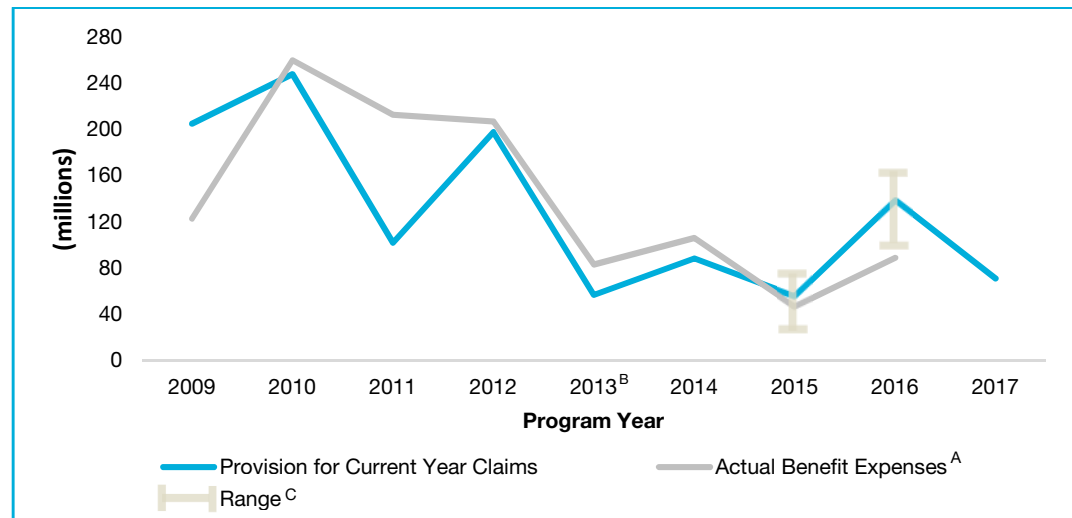
We determined that the above recommendation was no longer relevant as the Federal Government, in conjunction with the Corporation, have improved the process to estimate annual AgriStability program benefits.

Each year, the Federal Government's Department of Agriculture and Agri-Food Canada (AAFC) determines the AgriStability estimate that the Corporation records in its financial records and uses to manage the program. The Federal Government uses data from the Corporation, and consults with the Corporation and the Ministry of Agriculture on its estimate for Saskatchewan. Data that the Corporation provides includes the actual number of producer applicants based on AgriStability enrolment. This consultation helps ensure the federal estimate includes consideration of the Saskatchewan agricultural climate.

As can be seen in **Figure 2**, particularly since 2013, AAFC's estimate more closely aligns with the Corporation's actual experience.

In 2009, when the program was first introduced, AAFC's estimate of AgriStability benefits for Saskatchewan varied significantly from the Corporation's actual experience of benefits paid to participating producers. In 2013, the federal Growing Forward program changed to the Growing Forward 2 program, which reduced the AgriStability benefits available to producers. In addition, AAFC has also gained experience over time in refining its estimation process.

Figure 2—AgriStability Estimated Provision for Current Year Claims Compared to Actual Benefit Expenses for the Program Years 2009 – 2017



Source: Saskatchewan Crop Insurance Corporation financial records; actual results for 2017 program year were not available.

^A Actual Benefit Expenses includes the actual amount of benefits paid by program years up to March 31, 2015. For the 2015 and 2016 program years, the amount includes benefits paid and an estimate of benefits payable for that year.

^B In 2013, the Growing Forward agreement was amended to the Growing Forward 2 agreement. The Growing Forward 2 agreement significantly reduced the eligible benefits paid by the AgriStability Benefit program.

^C In 2015, the Corporation began calculating and disclosing the range of uncertainty in its estimate of AgriStability liability.

Also, in 2015, the Corporation began to disclose the range of uncertainty of its estimate of AgriStability benefits (i.e., related estimated provision [amount owed]) reflected in its financial statements. **Figure 2** shows that the estimated provision recorded in its financial statements is within the disclosed range in the 2015 and 2016 program years (2017 actual program year amounts were not available as of March 31, 2018).

Chapter 27

Saskatchewan Government Insurance—Confirming Only Qualified Drivers Remain Licensed

1.0 MAIN POINTS

By January 2018, Saskatchewan Government Insurance (SGI) made a number of improvements to its processes to confirm only qualified drivers remain licensed to operate motor vehicles. It made good progress in addressing five recommendations we initially reported in 2016. It fully implemented four and partially implemented one of our recommendations.

SGI gave its staff written guidance about timeframes to enter driver traffic offence and medical information, grant extensions to drivers to complete required driver courses, and complete manual reviews of information of high-risk drivers. It updated the IT system it uses to administer driver's licences (AutoFund system) consistent with legislation in effect.

At times, SGI entered driver information it received into the AutoFund system later than expected. Delays in entering the traffic offence information can delay the commencement of SGI's disciplinary process for unsafe drivers.

2.0 INTRODUCTION

The Traffic Safety Act makes SGI responsible for issuing licences to eligible drivers, and confirming that only qualified drivers remain licensed to operate motor vehicles. It may suspend or revoke licences from individuals whose habits or conduct make their operation of a motor vehicle a source of danger to the public. Alternatively, it may sanction them (e.g., require the completion of a defensive driving course).

SGI, on behalf of the Saskatchewan Auto Fund, registers vehicles, licenses drivers, and provides related services to approximately 806 thousand drivers and approximately 1.2 million vehicles and trailers in Saskatchewan.¹ Enforcement (e.g., policing) of traffic safety laws is the responsibility of law enforcement—not SGI.

This chapter describes our follow-up of management's actions on five recommendations we made in our 2015 audit of SGI's processes to confirm only qualified drivers remain licensed to operate motor vehicles. Our *2016 Report – Volume 1*, Chapter 15, concluded that, for the 12-month period ended December 31, 2015, SGI had effective processes to confirm only qualified drivers remain licensed to operate motor vehicles, except for the five areas in which we made recommendations.²

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate SGI's progress towards meeting our recommendations, we used the relevant criteria from our 2015 audit. SGI management agreed with the criteria in the original audit.

¹ 2016-17 Saskatchewan Auto Fund Annual Report, p. 8.

² The original report regarding these recommendations can be found at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in *2016 Report – Volume 1* (Chapter 15, pp. 181-199).



We discussed with management the key actions SGI has taken from the time of the 2015 audit to January 31, 2018, to implement the outstanding recommendations. We examined guidance provided to staff. We assessed whether SGI followed its guidance for entering driver information into its computer system and imposing sanctions on drivers that had committed offences. Also, we assessed SGI's processes for updating its system for any changes in law.

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 January 31, 2018, and the SGI's actions up to that date.

3.1 New Written Guidance for Updating Driver Information Not Always Followed

We recommended that Saskatchewan Government Insurance establish written guidance outlining expected timeframes for entry of driver information into the computer system used to administer driver's licences. (2016 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Partially Implemented

We recommended that Saskatchewan Government Insurance enter, into its computer system used to administer driver's licences, information on out-of-province traffic offences using similar timeframes as traffic offences that occur in Saskatchewan. (2016 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

SGI established clear formal guidance on expected timeframes for staff to enter driver information and out-of-province traffic offences into its computer system, but staff did not always follow it.

SGI maintains an IT system to track and maintain key information about drivers (i.e., the AutoFund system). SGI updated its Driver Programs Procedure Manual (procedure manual) to give staff clear, formal guidance on timeframes to record information in the AutoFund system. See expected timing in **Figure 1**. It updated and formalized its guidance for the Medical Review Unit as well.

Figure 1 – Expected Timing of Data Entry into AutoFund System

Driver information	Expected frequency of data entry into AutoFund system from original audit	Expected frequency of data entry into AutoFund system at January 31, 2018, per SGI's Procedure Manual
Collisions	Daily, electronic transfer	Daily, electronic transfer
Summary Offence Tickets	Daily, electronic transfer	Daily, electronic transfer
Unpaid Fine Suspensions	Daily, electronic transfer	Daily, electronic transfer
Criminal Code Conviction (includes from other provinces)	3 days	5 days
Out-of-province Summary Offence Tickets	As time permitted	14 days
Vehicle Impoundments	3 days	3 days
Roadside Suspensions (includes from other provinces)	3 days	3 days
Medical Reports and Test Results	2 days	Same day (next day if received at end of a business day)

Source: Developed by the Provincial Audit Office based on SGI records

When formalizing and establishing timeframes for entering driver information, SGI considered the impact to the driver and the broader safety of the Saskatchewan public, risk level, and volume of driver information received. For example, it views roadside suspensions and impaired driving Criminal Code convictions as low data-entry risk because the police enter them into the Canadian Police Information Centre (CPIC) before forwarding them to SGI.³ Having the information in CPIC limits the risk of non-qualified drivers operating a vehicle before the commencement of SGI's driver disciplinary process.

SGI used the same timeframes for data entry of Criminal Code convictions and roadside suspensions that occurred in other jurisdictions as these offences occurring in-province. For out-of-province summary offence tickets (e.g., speeding tickets) SGI decided to allow 14 days for data entry because of the high volume of such offences and their low risk. SGI received more than 12,000 out-of-province tickets for the period January 1, 2017 to November 1, 2017. SGI considers summary offence tickets (in and out of province) as low risk because not all summary offence tickets have demerit points associated with them. Also, drivers need to accumulate a specific amount of demerit points before SGI's driver improvement programs require an actionable item such as a driver's licence suspension or requirement to complete a driver education course.

In all of the 30 files of driver medical information (i.e., medical reports and test results) that SGI received that we tested, SGI followed its guidelines for timely data entry.

For non-medical information of drivers that we tested for timeliness of data entry, SGI did not consistently enter that information into its AutoFund system consistent with its procedure manual expectations. We found:

- For 3 of 39 traffic offences we tested, information was entered later than the timeframe outlined in the procedure manual with delays from one to three days.

³ Law enforcement database accessed by all law enforcement across Canada.



- SGI did not document the receipt date for traffic offence information it received by mail (e.g., out of province summary offence tickets).⁴ For 16 of 39 traffic offences we tested, SGI received traffic offence information by mail and did not record the receipt date.⁵ As a result, we could not determine whether SGI entered this information consistent with its expectations in its procedure manual.

Delays in entering traffic offence information can delay the commencement of SGI's disciplinary process for unsafe drivers.

3.2 New Written Guidance for Extensions and Manual Evaluating Followed

We recommended that Saskatchewan Government Insurance give staff written guidance on determining the length of extensions that can be granted to drivers for completion of required actions (sanctions). (2016

Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

We recommended that Saskatchewan Government Insurance give staff written timeframes for completing a manual evaluation of driver information. (2016 Report – Volume 1; Standing Committee on Crown and Central Agencies

agreement December 1, 2016)

Status – Implemented

SGI updated its procedure manual to give guidance on extending deadlines for completing a sanction and setting the maximum timeframe for staff to complete manual evaluations of driver information.

Under the updated procedure manual, when a driver asks for an extension, SGI staff are to set a new deadline to complete the sanction that is one week after the agreed upon rescheduled date. Also, staff are to complete a manual evaluation of driver information (i.e., SGI interview and SGI manual review of driver record) for high-risk drivers within 30 days of driver being assessed as high risk.

SGI may require a driver with certain offences to complete a training course (e.g., defensive driving course) by a certain date (deadline). Occasionally, SGI grants extensions to drivers for completion of a required sanction or training course. Extensions allow drivers to avoid having licences suspended while giving them more time to take the required training course.

We found SGI staff used professional judgment when granting such extensions by evaluating the factors that impacted the driver's ability to complete the required sanction. If the driver requested an extension, SGI staff assessed the driver's reasons for seeking an extension (e.g., due to conflicts with employment, school, availability of the course, the

⁴ On December 1, 2016, SGI advised the Standing Committee on Crown and Central Agencies that it was documenting the date of receipt of traffic information.
<http://docs.legassembly.sk.ca/legdocs/Legislative%20Committees/CCA/Debates/161201Debates-CCA.pdf#page=28> (30 October 2017).

⁵ 16 items include: 12 out-of-province summary offence tickets, 3 out-of-province Criminal Code convictions, 1 in-province roadside suspension.

nature of the training course required, etc.). Due to the number of factors involved and every driver's situation being different, SGI determined it was not feasible to set guidelines on the length of extension granted. We considered this reasonable.

We verified that, similar to what we found during our 2015 audit, if the driver does not complete the sanction or training course by the new deadline, the AutoFund system automatically suspends the driver's licence, which reduces the number of high-risk drivers remaining on the road.

For 13 extensions SGI granted that we tested, SGI obtained sufficient detail from drivers requesting an extension to allow it to assess the driver's situation and determine if and how long extensions could be granted. We found SGI provided extensions to drivers who rescheduled their courses based on course availability, and driver's circumstances. SGI staff granted reasonable extensions in accordance with the guidelines. We also verified that SGI suspended drivers' licences timely for drivers who did not complete sanctions as expected.

For all of the 30 manual evaluations of driver information we tested, SGI followed its expectations.

3.3 SGI Computer System Appropriately Updated

We recommended that Saskatchewan Government Insurance confirm changes to the law that set demerit points and sanctions are in effect before making corresponding changes in the computer system used to administer driver's licences. (2016 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

The AutoFund system generates demerit points and sanctions consistent with the Act and regulations in effect.

SGI takes steps to confirm changes to the law related to demerit points and sanctions are approved and in effect before updating the coding and requirements in the AutoFund System—the IT system used to administer driver's licences.

We found changes to the AutoFund's coding and requirements consistent with approved changes to legislation. To determine this, we did the following:

- We compared changes since our 2015 audit to the Act and regulations related to demerit points and sanctions for traffic offences to changes to coding and requirements in the AutoFund system (e.g., increased sanctions for impaired driving, increased demerit points for exceeding the speed limit indicated by signs).
- We reviewed proposed legislation changes (Bill 28-81) to the demerit points system regarding increased sanctions for impaired drivers who transport children along with other minor changes.⁶ We observed SGI planning records to implement changes when the legislation comes into effect, and confirmed that the AutoFund system did not have those changes made yet.

⁶ Progress of bills 2017-18, 28th Legislature, 2nd session, *The Traffic Safety (Miscellaneous) Amendment Act, 2017*.

Chapter 28

Saskatchewan Health Authority (Kelsey Trail) — Maintaining Medical Equipment

1.0 MAIN POINTS

By December 2017, the former Kelsey Trail Regional Health Authority improved some of its processes to maintain medical equipment but more improvements are needed. It implemented two of three recommendations first made in our 2010 medical equipment maintenance audit. It properly updated its medical equipment listing, and regularly gave senior management sufficient information to facilitate meaningful discussions about the equipment.

Further work remains to make sure all medical equipment is maintained consistent with policy and required manufacturers' standards. Properly functioning medical equipment supports the health system in providing safer, patient-centred care.

2.0 INTRODUCTION

To provide patient care, Kelsey Trail relies on medical equipment to help diagnose and treat patients. From April 1, 2017 to December 31, 2017, Kelsey Trail bought \$0.72 million in new medical equipment (2016-17: \$2.21 million) and spent \$0.16 million (2016-17: \$0.23 million) on medical equipment maintenance.¹

In our *2010 Report – Volume 2*, Chapter 11C, we concluded that Kelsey Trail Regional Health Authority did not have adequate processes to maintain its medical equipment. We made seven recommendations. At July 31, 2015, the time of our last follow-up, Kelsey Trail had implemented four recommendations; three recommendations remained outstanding.² Kelsey Trail had not yet created a current and complete list of all medical equipment, maintained all equipment in accordance with the required standards, or reported to management and the Board about the state of the medical equipment.

On December 4, 2017, the Government of Saskatchewan consolidated all 12 regional health authorities, including Kelsey Trail, into one Saskatchewan Health Authority. The Authority became responsible for patient care previously administered by Kelsey Trail.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate Kelsey Trail's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Kelsey Trail's management agreed with the criteria in the original audit. We interviewed staff responsible for monitoring medical equipment maintenance, and assessed the IT maintenance management system and medical equipment maintenance reports.

¹ Information provided by management.

² *2015 Report – Volume 2* (Chapter 51, pp. 343-345).



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 December 31, 2017, and actions up to that date. At December 31, 2017, the Saskatchewan Health Authority (through the former Kelsey Trail) implemented two recommendations and made progress in implementing the other one.

3.1 Medical Equipment Listing Up-to-Date

We recommended that Kelsey Trail Regional Health Authority maintain a complete and current list of all medical equipment, its location, and its maintenance record. (2010 Report — Volume 2; Public Accounts Committee agreement January 19, 2011)

Status – Implemented

In January 2017, the former Kelsey Trail Regional Health Authority implemented a new policy to guide staff on what to do when it buys new medical equipment. The policy outlines the procedures to maintain a complete and current list of all medical equipment purchased.

We found that Kelsey Trail's IT maintenance system contained a complete and current list of medical equipment. The IT system also documented the equipment's location.

3.2 Maintaining All Medical Equipment According to Standards Needed

We recommended that Kelsey Trail Regional Health Authority maintain all equipment in accordance with the required standards. (2010 Report — Volume 2; Public Accounts Committee agreement January 19, 2011)

Status – Partially Implemented

Staff responsible for medical equipment located within the former Kelsey Trail Regional Health Authority did not maintain all equipment in accordance with required standards. They also did not set correct maintenance schedules in the IT maintenance system.

Kelsey Trail's Preventative Maintenance Plan Policy 7-100 requires maintenance to occur according to manufacturer's requirements. Items requiring maintenance must have documentation setting out the frequency, parts required, and tasks to complete. Kelsey Trail is to use its maintenance IT system to document this information.

Staff were not consistently following this Policy, or carrying out maintenance as expected. We found:

- Of all the medical equipment listed in the IT system, for 12 devices, staff failed to set a maintenance schedule as required by its maintenance policies.

- For 12% of the 33 items tested, the frequency of maintenance set up in the IT system was less than the manufacturers' requirements; manufacturers required semi-annual maintenance, and only annual maintenance was scheduled.
- For 33% of the 33 items tested, each was not maintained within expected frequency even though staff set up the correct frequency in the IT system. We found some of these items received maintenance six months after their scheduled date; one item, as of December 2017, was nine months past its annual scheduled maintenance date.

Also, staff did not always promptly enter completed maintenance into the IT system. For example, when staff used bulk work orders to schedule maintenance, order closure occurred only when all medical equipment on the order had received maintenance.³ We found that staff did not close some orders until several months after the first medical equipment device listed on the order received maintenance. Because the IT system uses the work order closing date to schedule the next maintenance date, not entering maintenance when completed results in some medical equipment not having their next maintenance scheduled in accordance with manufacturers' requirements.

Not maintaining equipment in accordance with manufacturers' requirements increases the risk that equipment will not work properly or safely when needed. This can have a serious impact on a patient's treatment.

3.3 Effective Reporting to Senior Management

We recommended that Kelsey Trail Regional Health Authority provide reports to the Board of Directors and senior management on the state of medical equipment at all of its healthcare facilities. (2010 Report — Volume

2; Public Accounts Committee agreement January 19, 2011)

Status – Implemented

Since January 2017, the Board and senior management of the former Kelsey Trail Regional Health Authority received monthly reports on the state of medical equipment at all of the healthcare facilities within the former Kelsey Trail region. The reports provided sufficient information to facilitate meaningful discussions about the state of the equipment. These reports included:

- The amount of medical equipment that received maintenance in accordance with manufacturer requirements
- The amount of medical equipment with overdue maintenance (i.e., beyond manufacturer's requirements), as well as the reasons for them being overdue

³ Bulk work orders for maintenance work are where orders for maintenance of more than one piece of equipment is placed on the same order.

Chapter 29

Saskatchewan Health Authority (Prairie North)— Preventing Resident Falls in Long-Term Care Facilities

1.0 MAIN POINTS

By February 2018, the former Prairie North Regional Health Authority had improved its processes for preventing resident falls in its long-term care facilities. It fully addressed the 12 recommendations we initially made in our 2015 audit. Prairie North:

- Maintained a safe environment for its residents (e.g., placed chairs in hallways at regular intervals, maintained bed alarm systems, completed fall-prevention safety checks)
- Trained staff on the new falls-prevention program and updated key fall-prevention policies
- Completed regular fall risk re-assessments
- Consistently aligned individual care plans with identified fall risk factors
- Investigated significant resident falls in accordance with policy
- Collected, assessed, and reported additional information on fall-related injuries to monitor performance related to fall prevention

2.0 INTRODUCTION

This chapter describes our follow up of management's actions on the recommendations we made in 2015 about the former Prairie North Regional Health Authority's processes for preventing resident falls in its long-term care facilities. Our *2015 Report – Volume 2*, Chapter 36 concluded that Prairie North had, other than the areas identified in the 12 recommendations, effective processes for preventing resident falls in its long-term care facilities.

On December 4, 2017, the Government of Saskatchewan consolidated all 12 regional health authorities into one Saskatchewan Health Authority, including Prairie North. The Authority, under *The Provincial Health Authority Act*, is responsible for planning, organizing, delivering, and evaluating health services including long-term care. This includes establishing processes to prevent resident falls within its long-term care facilities.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate Prairie North's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Prairie North's management agreed with the criteria in the original audit.

To carry out our follow-up audit, we discussed actions taken with management. We reviewed policies and procedures, fall risk re-assessment forms, post-fall reviews, falls



data monitoring reports, and other relevant documents. We also visited four long-term care facilities in the former Prairie North health region to observe practices and test a sample of resident files at each facility.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the status of the recommendation at February 28, 2018, and the actions of the former Prairie North Regional Health Authority and the Saskatchewan Health Authority up to that date. We found all 12 recommendations were implemented.

3.1 Chairs Placed In Hallways at Regular Intervals

We recommended that Prairie North Regional Health Authority place chairs in hallways at regular intervals within its long-term care facilities.

(2015 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

In January 2016, the former Prairie North Regional Health Authority implemented procedures to support the safe placement of chairs in hallways for residents to use for a rest if needed. Prairie North placed chairs in the hallways at regular intervals for all of the facilities we visited.

3.2 Bed Alarms Systems Maintained

We recommended that Prairie North Regional Health Authority develop processes to maintain functionality of its bed alarms systems used in its long-term care facilities.

(2015 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

In November 2015, the former Prairie North Regional Health Authority updated its bed alarm system and implemented a process to maintain its bed alarms. For example, Prairie North requires staff to replace batteries in the bed alarms every three weeks.

At each facility, Prairie North tracks maintenance of the bed alarms. Prairie North properly maintained the functionality of its bed alarms in all of the facilities we visited. For the sample of bed alarms we tested, all functioned properly.

3.3 Staff Trained on New Falls-Prevention Program

We recommended that Prairie North Regional Health Authority provide training to staff on the new fall-prevention program once implemented.

(2015 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

We recommended Prairie North Regional Health Authority regularly update key fall-prevention policies. (2015 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

The former Prairie North Regional Health Authority trained staff on the new fall-prevention program and updated its key fall-prevention policies.

In the fall of 2015, Prairie North implemented its new fall-prevention program. It developed a resource guide for its staff and provided staff training. The guide describes fall risk assessments and fall-prevention checklists to be completed. It did the training through in-person presentations provided as part of regularly scheduled day-long workshops, orientations for new care staff, and through the use of online training quizzes.

In April 2016, Prairie North updated its key fall-prevention policies. Prairie North also implemented a policy in October 2016 requiring all policies to be reviewed and updated (if needed) every three years.

3.4 Fall Risk Re-assessments Completed

We recommended Prairie North Regional Health Authority give staff additional guidance to help them determine when they need to perform a fall risk re-assessment following a change in health status. (2015 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

We recommended that Prairie North Regional Health Authority follow its policy to perform fall risk re-assessments. (2015 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

The former Prairie North Regional Health Authority provided staff with additional guidance on what a change in a resident's health status means; and staff completed fall risk re-assessments of residents as required by policy.

Prairie North's policy requires a fall risk re-assessment if there is a change in the resident's health status. With the release of the new fall-prevention program, Prairie North provided staff with additional guidance in the resource guide to help them determine when to perform a fall risk re-assessment following a change in health status (e.g., a change in blood pressure).

For the resident files we tested, 92% of residents who had experienced a change in health status had a fall risk re-assessment performed.

Prairie North's policy also requires that fall risk re-assessments be completed quarterly and annually. For the resident files we tested, staff re-assessed 86% of residents as required.



In 2016, Prairie North began testing a sample of resident files in each facility each month to verify that all required forms and assessments are complete and on the resident file. If results showed that staff were not completing the required forms and assessments, management indicated they discussed the results with staff. They clarified the importance and reminded them how to complete the required assessments. Management also noted that they incorporated findings into future staff training.

For example, in one facility, Prairie North's audit results showed compliance improved from 61% in December 2016 to 80% in December 2017.

3.5 Fall Risks Linked to Care Plans

We recommended Prairie North Regional Health Authority consistently link residents' individual care plans to identified fall risk factors. (2015

Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

The former Prairie North Regional Health Authority consistently linked residents' individual care plans to identified fall risk factors.

In May 2017, Prairie North developed a standardized form for care planning that aligns care plans with fall risk assessments. Based on the risk scores (i.e., low, high) from the fall risk assessments, the care plans prompt nursing staff to identify the appropriate intervention. For example, if staff assessed a resident as a high fall risk, high-risk interventions would be put in place and could include bed alarms, referral for assistive devices (e.g., walker), etc.

For the resident files we tested, all resident files had fall interventions identified in their care plans that corresponded to their fall risk level.

3.6 Resident Falls Investigated

We recommended Prairie North Regional Health Authority establish a process to investigate significant resident falls in accordance with policy. (2015 Report – Volume 2; Public Accounts Committee had not yet considered this

recommendation as of April 25, 2018)

Status – Implemented

The former Prairie North Regional Health Authority investigated significant resident falls in accordance with policy.

Prairie North's policy includes procedures for addressing a fall after it occurred (i.e., requiring a post-fall review). Nursing staff are to complete the post-fall assessment checklist after a resident fall. See **Figure 1** for key content.

Figure 1 – Key Content of Post-fall Assessment Checklist

- Resident activity at time of fall (e.g., getting in/out of bed, going to bathroom, transferring)
- Location of fall (e.g., resident's room, dining room, hall)
- Assistive devices (e.g., canes, walkers) in use and within reach
- Physical status of resident at time of fall (e.g., weakness/fatigue, poor balance, pain)
- Root cause of the fall
- Fall interventions put in place to reduce likelihood of another fall
- Who was notified (e.g., physician, family, nurse in-charge)

Source: Former Prairie North Regional Health Authority checklist.

For the resident files we tested, we found that nursing staff completed all the post-fall reviews on the same day the fall occurred.

3.7 Fall-Prevention Safety Checks Completed

We recommended Prairie North Regional Health Authority require each long-term care facility to complete and document regular fall-prevention safety checks. (2015 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

Each long-term care facility in the former Prairie North Regional Health Authority completed and documented regular fall-prevention safety checks.

In April 2016, Prairie North revised its policy to require housekeeping staff complete and document fall-prevention safety checks using the fall-prevention checklist. For example, housekeeping staff are to check that:

- Light switches and light pull cords are accessible for residents (e.g., not too high)
- Bed brakes are on
- Room is returned to original lay-out after cleaning
- Room is free of clutter and debris

Housekeeping staff are to complete this checklist when the facility discharges a resident or transfers a resident to another room. In addition, they must complete it each month when doing a deep clean of a resident's room.

Prairie North completed the fall-prevention checklists as required for all of the facilities we visited.



3.8 Information on Fall-Related Injuries Collected, Assessed, and Reported

We recommended Prairie North Regional Health Authority collect information on fall-related injuries (e.g., percentage of falls causing injury, number of falls causing injury, severity of fall injuries). (2015 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

We recommended Prairie North Regional Health Authority give senior management and the Board regular reports on fall-related injuries. (2015 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

We recommended Prairie North Regional Health Authority establish fall-related injury benchmarks, and once developed, take timely action to address issues identified. (2015 Report – Volume 2; Public Accounts Committee had not yet considered this recommendation as of April 25, 2018)

Status – Implemented

The former Prairie North Regional Health Authority routinely collected and reported information on fall-related injuries to senior management. It took timely action to address fall-related issues.

Prairie North set a goal to consistently reduce falls and fall injury rates. To monitor its progress, it tracks and reports the following:

- Each quarter, it tracks and reports by ward by facility by month the number of falls, fallers, and severity of any injury
- On a bi-weekly basis for each facility, it tracks and reports to senior management the number of incidents by ward, type (e.g., fall, medication error), severity, and date
- On an on-going basis, within each ward, Prairie North tracks detailed information about incidents including the date and time a resident experiences a fall and injury classification (i.e., no injury, minor injury, serious injury)

Prairie North uses this information to monitor trends and take action to reduce falls in the future. For example, management indicated they noticed an increase in falls at one facility at a certain time of day. They investigated the matter and found that staff breaks coincided with the start of a recreational program for its residents. Management worked with staff to stagger breaks at this time.

The former Prairie North Board received various reports on its fall-prevention program. At February 2018, management indicated that they have not established a process for reporting to the Saskatchewan Health Authority's Board. It expects to work with the Authority's management team to do so.

Chapter 30

Saskatchewan Health Authority (Sun Country) – Administering Medications in Hospitals

1.0 MAIN POINTS

As of December 2017, the Saskatchewan Health Authority had not yet fully addressed the one remaining recommendation made during our 2013 audit at the former Sun Country Regional Health Authority. The recommendation related to completing patient medication profiles at two district hospitals by documenting patients' weights.¹

Since our 2015 follow-up, the Authority had made some progress. Management of the district hospitals previously administered by Sun Country routinely assessed whether patient weights are documented in hospital patient medication profiles. They found patients' weights were not consistently documented. We tested patient files and found the same result. Hospital staff documenting patients' weights reduces the risk of prescribing improper medication doses to patients.

2.0 INTRODUCTION

This chapter describes the results of our second follow-up of the one outstanding recommendation from our 2013 audit relating to processes that the former Sun Country Regional Health Authority used to manage and administer medications in its two district hospitals.² By September 30, 2015, as reported in our *2015 Report – Volume 2*, Chapter 55, Sun Country had made significant improvements to its management and administration of medications in these hospitals; it had implemented four of the five recommendations.

On December 4, 2017, the Government of Saskatchewan consolidated the 12 regional health authorities, including Sun Country, into one provincial health authority called the Saskatchewan Health Authority. The Saskatchewan Health Authority became responsible for managing and administering medications in district hospitals at the former Sun Country Regional Health Authority.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate Sun Country's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Sun Country's management agreed with the criteria in the original audit.

To perform our follow-up audit, we discussed actions taken with management, reviewed current policies, and tested a sample of 30 patient files for evidence that staff recorded patients' weights.

¹ The two district hospitals are Weyburn General Hospital and St Joseph's Hospital (located in Estevan).

² *2013 Report – Volume 2*, Chapter 31.



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 December 31, 2017, and the Saskatchewan Health Authority's actions up to that date. We found the Saskatchewan Health Authority had partially implemented our remaining recommendation.

3.1 Complete Patient Medication Profiles Needed

We recommended that Sun Country Regional Health Authority consistently complete patient medication profiles by documenting patients' weight. (2013 Report – Volume 2; Public Accounts Committee agreement January 15, 2015)

Status – Partially Implemented

District hospital staff located in the former Sun Country did not always follow established processes to document the patient's weight when completing patient medication profiles.

Since March 2015, management conducts monthly medication reconciliation audits to determine whether patients' weights are documented in the patient medication profiles as its policy requires. Sun Country's *Medication Reconciliation at Admission Policy* requires district hospital nurses to document the height and weight of patients as well as indicate if the measurement is an estimate, or actual. Its audit results showed that nurses are not consistently documenting the patient's weight in the patient's medication profile. The audit results show improvement in the nurses' documentation over time.

Our audit results are consistent with those of Sun Country's. Of the 30 patient files we reviewed, 43% of the medication profiles did not include documentation of the patient's weight.

Hospital staff not following established processes to document the patient's weight, in conjunction with the completion of patient medication profiles, increases the risk that the hospital staff will prescribe and administer improper medication doses to a patient.

Chapter 31

Social Services—Minimizing Absenteeism

1.0 MAIN POINTS

By February 2018, the Ministry of Social Services had partially implemented three of the four recommendations made in our 2015 audit regarding minimizing employee absenteeism and had further work to do on the remaining recommendation.

Since our 2015 audit, the Ministry has expanded its attendance management training, hired a disability management consultant, and is piloting a new program — *Be at Work*, which is under development by the Public Service Commission. In 2016-17, the Ministry's average sick leave usage per full-time employee was 10.19 days, about 0.2 days lower than the prior year.

The Ministry needs to do more in the following areas. It needs to encourage its supervisors to take available attendance management training. In addition, it needs to determine the causes of employee absenteeism, use targeted attendance management strategies to address those causes, and report to senior management on them.

Effective processes to minimize employee absenteeism support effective service delivery to the public, minimize costs, and support the well-being of public sector employees. Unplanned employee absenteeism like sick leave can also impact the Ministry's ability to deliver services to vulnerable citizens.

2.0 INTRODUCTION

The Ministry of Social Services delivers various programs throughout Saskatchewan to help children be safe from abuse and neglect, and individuals to meet their basic needs and participate in their community. It has about 1,700 full-time equivalent staff. In 2016-17, it spent \$123 million on salaries and benefits (2017-18: estimated \$115 million).¹

Our *2015 Report – Volume 2*, Chapter 39 concluded that the Ministry of Social Services had effective processes to minimize employee absenteeism, other than matters reflected in our four recommendations. This chapter describes our follow up of management's actions on those four recommendations.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate the Ministry's progress towards meeting our recommendations, we used the relevant criteria from the original audit. The Ministry's management agreed with the criteria in the original audit.

We reviewed the Ministry's approved policies and procedures, and examined absenteeism documentation to assess their actions to minimize absenteeism. We also met with the Ministry's management as necessary.

¹ Government of Saskatchewan, *Public Accounts 2016-17 Volume 2, General Revenue Fund Details*, p. 188; Government of Saskatchewan, *17-18 Estimates*, Vote 36 Social Services, pp. 111 – 114.



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 February 15, 2018, and the Ministry's actions up to that date.

3.1 Further Staff Training on Attendance Management Needed

We recommended that the Ministry of Social Services actively encourage supervisors to take available attendance management training and monitor participation. (2015 Report – Volume 2; Public Accounts Committee agreement March 14, 2017)

Status – Partially Implemented

The Ministry has not actively encouraged its staff to take online attendance-management training or put in a process to monitor training participation.

As of February 2018, the Ministry was piloting some new attendance-management training initiatives. The Ministry approved funding in November 2017 for piloting mental health first aid training and the *Not Myself Today* program with some of its front-line staff.² The training is intended to create a better educated and responsive workplace for dealing with mental health challenges. Also, as of February 2018, the Ministry was one of four ministries piloting a new *Be at Work* program, with the Public Service Commission.³

The Ministry continued to make supervisors aware of online attendance management training offered by the Government of Saskatchewan. As of January 2018, over one-third of supervisors (i.e., 125 of 345 supervisors) took the attendance-support training online. The Ministry did not have a process to monitor who had not taken training, nor did it require supervisors to refresh attendance management training on a periodic basis.

Training promotes understanding of attendance-management expectations, provides guidance to supervisors to address absenteeism issues, and can increase awareness of programs and supports available to manage employee absenteeism. Awareness helps support a culture of attendance and compliance with policies.

² *Not Myself Today* is a workplace mental health training program designed to transform workplace cultures to be more knowledgeable, open, and supportive of mental health in the workplace. Tools include promotional materials, practical hands-on activities, and online resources.

³ The *Be at Work* program consists of integrated case management and a web application that supervisors have to enter data into (e.g., enter instances where an employee requires five or more consecutive sick days off due to non-work related illness or injury).

3.2 Identifying Causes of Absenteeism and Strategies to Manage at Initial Stages

We recommended that the Ministry of Social Services give all supervisors quarterly reports that identify employees with higher-than-average sick leave to help them determine the reasons for such absences. (2015 Report – Volume 2; Public Accounts Committee agreement March 14, 2017)

Status – Partially Implemented

We recommended that the Ministry of Social Services, working with the Public Service Commission, develop targeted strategies to manage employee absenteeism based on an analysis of the causes for absenteeism. (2015 Report – Volume 2; Public Accounts Committee agreement March 14, 2017)

Status – Partially Implemented

Although Ministry supervisors did not receive periodic reports to identify employees with higher-than-average sick leave, the Ministry undertook a few new initiatives to manage employee absenteeism since our 2015 audit.

From 2015 to 2017, Ministry supervisors did not receive any regular sick leave reporting from the Public Service Commission.⁴ Only in May 2017, Executive Directors of the Ministry received sick leave utilization reports from the Public Service Commission. These reports outlined employees with greater than 10 sick leave days.

In late 2015, the Ministry hired a Disability Management Consultant. The consultant does day-to-day disability consulting and oversees cases that involve disability case management. Consequently, the Ministry has seen a reduction in the number of definite medical leaves of absences. Definite medical leaves of absences reduced from 60 employees in June 2016 to 30 employees in September 2017.

The Ministry hopes that the *Be at Work* program will support supervisors in identifying and analyzing the patterns of those employees with higher-than-average sick leave and assist in developing action plans to reduce employee absenteeism. It expects the program to provide just-in-time training for handling medical accommodations or health-related absences.

Receiving timely and useable information on employees with higher-than-average sick leave and having access to support in managing employee absenteeism will allow supervisors to identify and take timely action to reduce future absences.

⁴ The Public Service Commission, as the central human resource agency, supports ministries on managing absenteeism. The Public Service Commission prepares and distributes absenteeism reports from the payroll system.



3.3 Monitoring of Attendance Management Strategies Needed

We recommended that the Ministry of Social Services give senior management periodic reports on the effectiveness of its attendance management strategies, including detailed analysis of the results. (2015

Report – Volume 2; Public Accounts Committee agreement March 14, 2017)

Status – Not Implemented

Ministry senior management did not receive sufficient reporting on strategies undertaken to reduce absenteeism between 2015 and 2017.

Since our 2015 audit, Ministry senior management continued to receive reports on average sick leave usage. The Ministry's average sick leave usage rate was as follows:⁵

- 2015-16 average sick leave usage per full-time employee: 10.40 days
- 2016-17 average sick leave usage per full time employee: 10.19 days

The Ministry has adopted the government-wide target of seven days of sick leave per full-time equivalent, which is the same sick leave target from our 2015 audit. The Ministry's sick-leave usage, while gradually reducing, had not achieved the target for overall absenteeism of seven days per full-time equivalent.

Senior management had been informed of the pilot *Be at Work* program but given its pilot status, they had not received reports on effectiveness.

Senior management receiving regular progress reports on attendance management strategies would help them understand causes for employee absenteeism and whether the Ministry's actions are effectively reducing absenteeism.

⁵ As of February 15, 2018, 2017-18 actual average sick leave usage data was not available.

Chapter 32

Tourism Saskatchewan—Managing the Use of Social Media

1.0 MAIN POINTS

By January 2018, Tourism Saskatchewan had made significant improvements regarding the management of its use of social media. It had implemented four of five recommendations made in our 2015 audit, and had partially implemented the remaining recommendation.

Tourism Saskatchewan has a social media strategy that links its social media channels to its business objectives. Also, it has an overall performance measure and target for its use of social media.

In addition, Tourism Saskatchewan requires all staff who represent it on social media to formally agree to its social media policies on an annual basis. It posts approved terms of use of its various social media channels. In addition, it tracks and reports the results of the use of social media to the Board and senior management periodically.

While it has approved social media policies, these can still be improved. Tourism Saskatchewan should mitigate potential risks associated with the use of social media by finalizing a risk assessment, and incorporating the assessment into its policies. Having comprehensive social media policies will help ensure Tourism Saskatchewan has addressed the different risks that arise when using social media.

2.0 INTRODUCTION

Tourism Saskatchewan is responsible for developing and promoting tourism in Saskatchewan. Its mandate includes marketing, visitor services, education and training, and product and industry development. It uses social media channels extensively to fulfill its mandate. Tourism Saskatchewan is governed by a Board of Directors, which is appointed by the Government of Saskatchewan.

This chapter describes our follow-up of management's actions on the recommendations we made in our *2015 Report – Volume 2*, Chapter 41. We concluded that, for the 12-month period ended May 31, 2015, Tourism Saskatchewan had effective processes to manage its use of social media except in three areas.¹ We made five recommendations.

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate Tourism Saskatchewan's progress towards meeting our recommendations, we used the relevant criteria from the original audit. Tourism Saskatchewan agreed with the criteria in the original audit.

¹ The original report regarding these five recommendations can be found at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in *2015 Report – Volume 2* (Chapter 41, pp. 293-304).



To perform this follow-up, we discussed actions taken with management and reviewed the relevant documentation (e.g., Tourism Saskatchewan social media policies, social media strategy, approved terms of use, submissions made to senior management and the Board of Directors).

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 as of January 31, 2018, and Tourism Saskatchewan's actions up to that date.

3.1 Social Media Strategy Completed

We recommended that Tourism Saskatchewan complete a social media strategy including performance measures and targets for its use of social media. (2015 Report – Volume 2; Public Accounts Committee agreement January 11, 2017)

Status – Implemented

As of January 2018, Tourism Saskatchewan has a separate social media strategy that links its social media channels to its business objectives. Instead of putting its performance measures and targets in its social media strategy, it has included an overall performance measure and target in its annual plan (i.e., increase the number of followers across key social media platforms by 25%).²

Tourism Saskatchewan's Social Media Strategy dated March 2016 identifies four primary goals (e.g., build community, engage community) and four primary audiences (e.g., consumers, industry). It connects its goals and audiences through specified potential tactics (e.g., CEO blogs, use of content marketing). In addition, the strategy identifies key social media platforms.

Linking its social media strategy to key business objectives allows Tourism Saskatchewan to determine whether its social media strategy contributes to its overall mandate. Having an overall performance measure and target for its social media enables Tourism Saskatchewan to assess the effectiveness of its use of social media and adjust its social media strategy as necessary.

3.2 Social Media Policies Require Further Improvement

We recommended that Tourism Saskatchewan approve comprehensive social media policies. (2015 Report – Volume 2; Public Accounts Committee agreement January 11, 2017)

Status – Partially Implemented

² *Tourism Saskatchewan Plan for 2017-18*, p. 4.

Tourism Saskatchewan has updated and approved various social media policies and procedures since our 2015 audit and made them available to staff. It still needs to finalize a risk assessment for social media.

As of January 2018, Tourism Saskatchewan had prepared and approved a set of social media guidelines and procedures. It also uses the Government of Saskatchewan's Social Media Policy and Guidelines for Citizen Engagement to guide staff when using social media.

However, Tourism Saskatchewan had not finalized its risk assessment for social media or considered the impact those risks could have on its social media policies. Once it has finalized its risk assessment, Tourism Saskatchewan should consider if modifications to its social media policies are necessary to effectively mitigate identified risks.

Not having comprehensive social media policies increases the likelihood that identified risks may not be addressed when posting on social media.

3.3 Social Media Policies Reviewed by Staff Annually

We recommended that Tourism Saskatchewan require all staff who represent it on social media to periodically review and agree to its social media policies. (2015 Report – Volume 2; Public Accounts Committee agreement January 11, 2017)

Status – Implemented

Tourism Saskatchewan requires staff who represent it on social media to formally acknowledge that they have reviewed and agree to the Tourism Saskatchewan social media policies on an annual basis.

Beginning in 2017, each year, management requests staff who represent Tourism Saskatchewan on social media to review and agree to Tourism Saskatchewan's social media policies. We sampled employees for both 2017 and 2018, and found that for each year, management had requested staff acknowledgment by e-mail and staff members had responded they reviewed and agreed to the policies.

Having staff acknowledge social media policies periodically helps ensure that staff remain aware of the policies in place and reduces the risk that policies will not be followed.

3.4 Approved Terms of Use Posted

We recommended that Tourism Saskatchewan post approved terms of use on its social media channels. (2015 Report – Volume 2; Public Accounts Committee agreement January 11, 2017)

Status – Implemented

Tourism Saskatchewan posts its terms of use either directly to the applicable social media page or by a link to the Tourism Saskatchewan website containing the terms of use.



We found that Tourism Saskatchewan posts its terms of use directly to the applicable social media channel (e.g., Facebook) if size and space permits. For those social media channels (e.g., Twitter) that do not have sufficient room, Tourism Saskatchewan provides a link from each applicable social media channel to its website. The terms of use are posted directly on its website.³

Posting approved terms of use on its social media channels reduces the risk that the terms of use will not be followed by users and that content posted on Tourism Saskatchewan's social media channels may be inappropriate.

3.5 Periodic Reporting to Board and Senior Management Provided

We recommended that Tourism Saskatchewan provide its Board and senior management with periodic reports on the planned and actual results from its use of social media. (2015 Report – Volume 2; Public Accounts Committee agreement January 11, 2017)

Status – Implemented

Tourism Saskatchewan is doing a good job of providing actual results of the use of social media to both the Board and senior management.

Tourism Saskatchewan reports quarterly to senior management on its use of social media. It also reports at least annually to the Board on the results of social media projects.

Each quarter, Tourism Saskatchewan tracks pertinent information such as website hits and social media followers. and provides the results to senior management. It also provides previous quarter results for comparative purposes.

Tourism Saskatchewan periodically provides updates on significant campaigns (e.g., 2016-17 Fishing Campaign results) to the Board. Updates include analysis as to what worked well and how that knowledge can be used for future campaigns. We noted it gives these updates at the end of campaigns.

Periodic reporting to senior management and the Board allows Tourism Saskatchewan to assess the effectiveness of social media campaigns and determine, when necessary, whether changes can be made to improve future results.

³ www.tourismsaskatchewan.com/corporate/legal (21 March 2018).

Appendix 1

Agencies Subject to Examination under *The Provincial Auditor Act* and Status of Audits

The Office's goal is to give the Legislative Assembly timely reports on the results of its examinations. It does not delay its reports to accommodate incomplete audits, but rather includes their results in a future report. It aims to report the results of its 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). Also, it reports the results of its follow-ups and performance audits in the report following their completion.

The table below lists the agencies subject to examination under *The Provincial Auditor Act* at December 31, 2017 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 April 25, 2018. It also indicates whether we are 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 at April 25, 2018 ^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	Yes/2017 Rpt V2 & 2018 Rpt V1
Ministry of Agriculture	March 31	Complete	Yes/2017 Rpt V2
Ministry of Central Services	March 31	Complete	No
Ministry of Corrections and Policing	March 31	Note 6	Yes/2018 Rpt V1
Ministry of the Economy	March 31	Complete	Yes/2017 Rpt V2
Ministry of Education	March 31	Complete	Yes/2017 Rpt V2 & 2018 Rpt V1
Ministry of Energy and Resources	March 31	Note 6	Yes/2018 Rpt V1
Ministry of Environment	March 31	Complete	Yes/2017 Rpt V2 & 2018 Rpt V1
Ministry of Finance	March 31	Complete	Yes/2017 Rpt V2 & 2018 Rpt V1
Ministry of Government Relations	March 31	Complete	Yes/2017 Rpt V2 & 2018 Rpt V1
Ministry of Health	March 31	Complete	Yes/2017 Rpt V2
Ministry of Highways and Infrastructure	March 31	Complete	Yes/2017 Rpt V2 & 2018 Rpt V1
Ministry of Immigration and Career Training	March 31	Note 6	
Ministry of Justice	March 31	Complete	Yes/2017 Rpt V2
Ministry of Labour Relations and Workplace Safety	March 31	Complete	Yes/2018 Rpt V1
Ministry of Parks, Culture and Sport	March 31	Complete	Yes/2017 Rpt V2
Ministry of Social Services	March 31	Complete	Yes/2017 Rpt V2 & 2018 Rpt V1



Agency	Fiscal Year-End ^A	Status at April 25, 2018 ^B	Matters Reported / Related Report(s) ^C
Ministry of Trade and Export Development	March 31	Note 6	
Executive Council	March 31	Complete	No
Public Service Commission	March 31	Complete	Yes/2017 Rpt V2
Crown Agencies:			
Agricultural Credit Corporation of Saskatchewan	March 31	Complete	No
Agricultural Implements Board	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	Yes/2018 Rpt V1
Christ the Teacher Roman Catholic Separate School Division No. 212	August 31	Complete	No
Community Initiatives Fund	March 31	Complete	No
Conseil des Ecoles Fransaskoises School Division No. 310	August 31	Complete	No
Creative Saskatchewan	March 31	Complete	No
Creighton School Division No. 111	August 31	Complete	No
Cumberland College	June 30	Complete	No
eHealth Saskatchewan	March 31	Complete	Yes/2017 Rpt V2 & 2018 Rpt V1
Englefeld Protestant Separate School Division No. 132	August 31	Complete	No
Global Transportation Hub Authority, The	March 31	Complete	No
Good Spirit School Division No. 204	August 31	Complete	Yes/2018 Rpt V1
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/2017 Rpt V2
Holy Family Roman Catholic Separate School Division No. 140	August 31	Complete	No
Holy Trinity Roman Catholic Separate School Division No. 22	August 31	Complete	No
Horizon School Division No. 205	August 31	Complete	No
Ile-a-la Crosse School Division No. 112	August 31	Complete	Yes/2018 Rpt V1
Innovation Saskatchewan	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
Liquor and Gaming Authority	March 31	Complete	Yes/2017 Rpt V2
Living Sky School Division No. 202	August 31	Complete	No
Lloydminster Roman Catholic Separate School Division No. 89	August 31	Complete	No
Lloydminster Public School Division No. 99	August 31	Complete	No
Métis Development Fund	December 31	Complete	No
Municipal Financing Corporation of Saskatchewan	December 31	Complete	No
Municipal Potash Tax Sharing Administration Board	December 31	Complete	Yes/2018 Rpt V1

Agency	Fiscal Year-End ^A	Status at April 25, 2018 ^B	Matters Reported / Related Report(s) ^C
North East School Division No. 200	August 31	Complete	Yes/2018 Rpt V1
North West College	June 30	Complete	No
Northwest School Division No. 203	August 31	Complete	Yes/2018 Rpt V1
Northern Lights School Division No. 113	August 31	Complete	No
Northlands College	June 30	Complete	No
Operator Certification Board	March 31	Complete	No
Parkland College	June 30	Complete	No
Physician Recruitment Agency of Saskatchewan	March 31	Complete	No
Prairie Agricultural Machinery Institute	March 31	Complete	No
Prairie South School Division No. 210	August 31	Complete	Yes/2018 Rpt V1
Prairie Spirit School Division No. 206	August 31	Complete	Yes/2018 Rpt V1
Prairie Valley School Division No. 208	August 31	Complete	Yes/2018 Rpt V1
Prince Albert Roman Catholic Separate School Division No. 6	August 31	Complete	Yes/2018 Rpt V1
Provincial Archives of Saskatchewan	March 31	Complete	No
Provincial Capital Commission	March 31	Note 8	
Regina Roman Catholic Separate School Division No. 81	August 31	Complete	Yes/2017 Rpt V2
Regina School Division No. 4	August 31	Complete	Yes/2017 Rpt V2 & 2018 Rpt V1
Saskatchewan Apprenticeship and Trade Certification Commission	June 30	Complete	No
Saskatchewan Arts Board, The	March 31	Complete	Yes/2017 Rpt V2
Saskatchewan Association of Health Organizations Inc.	March 31	Complete	No
Saskatchewan Cancer Agency	March 31	Complete	No
Saskatchewan Centre of the Arts	March 31	Complete	No
Saskatchewan Crop Insurance Corporation	March 31	Complete	Yes/2018 Rpt V1
Saskatchewan Health Authority	March 31	Complete, Note 5	Yes/2017 Rpt V2 & 2018 Rpt V1
Saskatchewan Health Research Foundation	March 31	Complete	No
Saskatchewan Heritage Foundation	March 31	Complete	No
Saskatchewan Housing Corporation	December 31	Complete	Yes/2017 Rpt V2
Saskatchewan Impaired Driver Treatment Centre Board of Governors	March 31	Complete	Yes/2018 Rpt V1
Saskatchewan Indian Gaming Authority Inc.	March 31	Complete	Yes/2017 Rpt V2
Saskatchewan Legal Aid Commission	March 31	Complete	No
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	March 31	Complete	No
Saskatchewan Polytechnic	June 30	Complete	Yes/2017 Rpt V2
Saskatchewan Public Safety Agency	March 31	Note 7	
Saskatchewan Research Council	March 31	Complete	No
Saskatchewan Rivers School Division No. 119	August 31	Complete	No
Saskatoon School Division No. 13	August 31	Complete	Yes/2018 Rpt V1
SaskBuilds Corporation	March 31	Complete	Yes/2017 Rpt V2
SLGA Retail Inc.	March 31	Complete	No



Agency	Fiscal Year-End ^A	Status at April 25, 2018 ^B	Matters Reported / Related Report(s) ^C
South East Cornerstone School Division No. 209	August 31	Complete	No
Southeast College	June 30	Complete	No
St. Paul's Roman Catholic Separate School Division No. 20	August 31	Complete	Yes/ 2018 Rpt V1
Sun West School Division No. 207	August 31	Complete	Yes/2018 Rpt V1
TecMark International Commercialization Inc.	March 31	Note 1	
Tourism Saskatchewan	March 31	Complete	Yes/2018 Rpt V1
Water Appeal Board	March 31	Complete	No
Water Security Agency	March 31	Complete	Yes/2017 Rpt V2 & 2018 Rpt V1
Western Development Museum	March 31	Complete	No
Workers' Compensation Board	December 31	Complete	No
CIC Crown Corporations and related agencies:			
101069101 Saskatchewan Ltd.	March 31	Note 1	
Avonlea Holding, Inc.	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	
Bruno Holdings Inc.	March 31	Note 1	
CIC Asset Management Inc.	March 31	Complete	No
CIC Economic Holdco Ltd.	March 31	Note 1	
CIC FTLP Holdings Inc.	March 31	Note 1	
CIC FTMI Holdings Inc.	March 31	Note 1	
CIC Pulp Ltd.	March 31	Note 1	
Coachman Insurance Company	December 31	Complete	No
Crown Investments Corporation of Saskatchewan	March 31	Complete	No
DirectWest Canada Inc.	March 31	Note 1	
DirectWest Corporation	March 31	Complete	No
First Nations and Métis Fund Inc.	March 31	Complete	No
Gradworks Inc.	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
Qu'Appelle Holding, Inc.	March 31	Note 1	
Saskatchewan Auto Fund	March 31	Complete	No
Saskatchewan First Call Corporation	March 31	Note 1	
Saskatchewan Gaming Corporation	March 31	Complete	Yes/2017 Rpt V2
Saskatchewan Government Insurance	March 31	Complete	Yes/2018 Rpt V1
Saskatchewan Immigrant Investor Fund Inc.	March 31	Complete	No
Saskatchewan Opportunities Corporation	March 31	Complete	No
Saskatchewan Power Corporation	March 31	Complete	Yes/2017 Rpt V2
Saskatchewan Telecommunications	March 31	Complete	No

Agency	Fiscal Year-End ^A	Status at April 25, 2018 ^B	Matters Reported / Related Report(s) ^C
Saskatchewan Telecommunications Holding Corporation	March 31	Complete	No
Saskatchewan Telecommunications International, Inc.	March 31	Complete	No
Saskatchewan Telecommunications International (Tanzania) Ltd.	March 31	Note 1	
Saskatchewan Transportation Company	March 31	Complete	No
Saskatchewan Water Corporation	March 31	Complete	Yes/2017 Rpt V2 & 2018 Rpt V1
SaskEnergy Incorporated	March 31	Complete	Yes/2017 Rpt V2
SaskPower International Inc.	March 31	Note 1	
SaskTel International Consulting, Inc.	March 31	Note 1	
SaskTel Investments Inc.	March 31	Note 1	
SecurTek Monitoring Solutions Inc.	March 31	Complete	No
SGC Holdings Inc.	March 31	Complete	No
SGI CANADA Insurance Services Ltd.	December 31	Complete	No
Shellbrook Holding, Inc.	March 31	Note 1	
TransGas Limited	March 31	Note 1	
Special purpose and trust funds including pension and benefit plans:			
Capital Pension Plan	December 31	Complete	No
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	No
Education Scholarship Fund (formerly Prince of Wales Scholarship Fund)	September 1	Delayed, Note 4	
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
Extended Health Care Plan for Retired Employees	December 31	Complete	No
Financial and Consumer Affairs Authority of Saskatchewan	March 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	Delayed	
Health Shared Services Saskatchewan Disability Income Plan – CUPE	December 31	Delayed	
Health Shared Services Saskatchewan Disability Income Plan – SEIU	December 31	Delayed	
Health Shared Services Saskatchewan Disability Income Plan – General	December 31	Delayed	
Health Shared Services Saskatchewan Disability Income Plan – SUN	December 31	Delayed	



Agency	Fiscal Year-End ^A	Status at April 25, 2018 ^B	Matters Reported / Related Report(s) ^C
Health Shared Services Saskatchewan Group Life Insurance Plan	December 31	Delayed	
Health Shared Services Saskatchewan In-scope Extended Health/Enhanced Dental Plan	December 31	Delayed	
Health Shared Services Saskatchewan Out-of-Scope Extended Health/Enhanced Dental Plan	December 31	Delayed	
Health Shared Services Saskatchewan Out-of-Scope Flexible Health/Spending Plan	December 31	Delayed	
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
Liquor Board Superannuation Plan	December 31	Complete	No
Livestock Services Revolving Fund	March 31	Note 3	
Municipal Employees' Pension Commission	December 31	Complete	No
Northern Municipal Trust Account	December 31	Delayed	Yes/2017 Rpt V2
Oil and Gas Orphan Fund	March 31	Complete	No
Pastures Revolving Fund	March 31	Complete	No
Pension Plan for Employees of the Saskatchewan Workers' Compensation Board	December 31	Complete	No
Pension Plan for the Non-Teaching Employees of the Saskatoon School Division No. 13	December 31	Delayed	
Power Corporation Superannuation Plan	December 31	Delayed	
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 Service Superannuation Plan	March 31	Complete	No
Public Guardian and Trustee of Saskatchewan	March 31	Complete	No
Queen's Printer Revolving Fund	March 31	Complete	No
Residential Tenancies, Office of – Director's Trust Account	March 31	Complete	No
Sask 911 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
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

Agency	Fiscal Year-End ^A	Status at April 25, 2018 ^B	Matters Reported / Related Report(s) ^C
Saskatchewan Power Corporation Severance Pay Credits Plan	December 31	Complete	No
Saskatchewan Power Corporation Supplementary Superannuation Plan	December 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 Professional Teachers Regulatory Board	August 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	Complete	No
Social Services Valley View Centre Grants and Donations Trust Account and Institutional Collective Benefit Fund	March 31	Complete	No
Social Services Valley View Centre Residents' Trust Account	March 31	Complete	No
Staff Pension Plan for Employees of the Saskatchewan Legal Aid Commission	December 31	Delayed	
Teachers' Dental Plan	June 30	Complete	Yes/2017 Rpt V2
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 Eligible Employees at the University of Saskatchewan	December 31	Delayed	
Pension Plan for the Academic and Administrative Employees of the University of Regina	December 31	Delayed	
Technical Safety Authority of Saskatchewan	June 30	Complete	No
University of Regina Non-Academic Pension Plan	December 31	Delayed	



Agency	Fiscal Year-End ^A	Status at April 25, 2018 ^B	Matters Reported / Related Report(s) ^C
University of Regina	April 30	Complete	Yes/2017 Rpt V2
University of Saskatchewan 1999 Academic Pension Plan	December 31	Delayed	
University of Saskatchewan 2000 Academic Money Purchase Pension Plan	December 31	Delayed	
University of Saskatchewan Academic Employees' Pension Plan	December 31	Delayed	
University of Saskatchewan and Federated Colleges Non-Academic Pension Plan	December 31	Delayed	
University of Saskatchewan	April 30	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: This entity had no active operations.

Note 4: This entity is in the process of being wound up at September 1, 2017.

Note 5: This entity was created on December 4, 2017. It includes the previous 12 Regional Health Authorities.

Note 6: This entity was created on February 2, 2018. The first period-end audited will be March 31, 2018.

Note 7: This entity was created on November 16, 2017. The first period-end audited will be March 31, 2019

Note 8: This entity was created on April 1, 2017. The first period-end audited will be March 31, 2018.

^A	Fiscal Year-end	Year of last completed integrated audit
	March 31	2017
	April 30	2017
	May 31	2017
	June 30	2017
	July 31	2017
	August 31	2017
	September 30	2017
	December 31	2017

^B "Complete" – the audit was complete.

"Delayed" – the audit was delayed.

^C "No" – no significant issues were reported.

"Yes/2017 Rpt V2" – significant issues are reported in our *2017 Report – Volume 2*.

"Yes/2018 Rpt V1" – significant issues are reported in our *2018 Report – Volume 1*.

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 August 1, 2017 and December 31, 2017.

2.0 BACKGROUND

Under *The Provincial Auditor Act*, the Provincial Auditor retains its overall responsibility for audits of all Crown agencies and Crown corporations regardless of who does the audit. 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 audits—we refer to them as annual integrated audits.

The Office, the 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 serve the Assembly's needs efficiently and effectively.^{1,2} The Office includes the results of annual integrated audits done by appointed auditors in its reports to the Assembly. As the Task Force Report expects, the Office provides the Assembly with its views and participation in the audits of agencies' financial statements with an appointed auditor.

Figure 1—Objective 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.

The Government's Summary Financial Statements include the financial results of all agencies controlled by the Government. *Public Accounts 2017-18 – Volume 1* will include the Office's independent auditor's report on the Government's Summary Financial Statements for the year ended March 31, 2018.

¹ For a copy of this report, see our website at www.auditor.sk.ca. The Task Force recommended that the Office give the Assembly a report listing the agencies whose annual integrated audits it participated in.

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, Treasury Board decided that all Crown corporations and agencies should comply with these recommendations.



3.0 THE OFFICE'S VIEWS ON FINANCIAL STATEMENTS AUDITED BY APPOINTED AUDITORS

The table below provides the Office's views and participation on each financial statement audit completed by an appointed auditor for fiscal years ending between August 1, 2017 and December 31, 2017. As noted below, sometimes the Office varies the extent of its participation.

The table groups agencies and corporations by: school divisions; other Crown agencies, special purpose and trust funds; 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 ^A Participated in Audit	Financial Statements are Reliable
A. School Divisions				
Chinook School Division No. 211	Stark & Marsh CPA LLP	August 31, 2017	See ^B	Yes
Christ the Teacher Roman Catholic Separate School Division No. 212	Collins Barrow PQ LLP	August 31, 2017	See ^B	Yes
Conseil des écoles fransaskoises No. 310	Deloitte LLP	August 31, 2017	See ^B	Yes
Creighton School Division No. 111	Kendall & Pandya	August 31, 2017	See ^B	Yes
Englefeld Protestant Separate School Division No. 132	MNP LLP	August 31, 2017	See ^B	Yes
Good Spirit School Division No. 204	Miller Moar Grodecki Kreklewich & Chorney	August 31, 2017	See ^B	Yes
Holy Family Roman Catholic Separate School Division No. 140	Cogent Chartered Professional Accountants LLP	August 31, 2017	See ^B	Yes
Holy Trinity Roman Catholic Separate School Division No. 22	Virtus Group LLP	August 31, 2017	See ^B	Yes
Horizon School Division No. 205	MNP LLP	August 31, 2017	Yes	Yes
Ile-a-la Crosse School Division No. 112	Vantage Chartered Professional Accountants	August 31, 2017	See ^B	Yes
Light of Christ Roman Catholic Separate School Division No. 16	Vantage Chartered Professional Accountants	August 31, 2017	See ^B	Yes
Living Sky School Division No. 202	Holm Raiche Oberg P.C. Ltd. Chartered Professional Accounts	August 31, 2017	See ^B	Yes
Lloydminster Roman Catholic Separate School Division No. 89	MNP LLP	August 31, 2017	See ^B	Yes
Lloydminster Public School Division No. 99	Wilkinson Livingston Stevens LLP	August 31, 2017	See ^B	Yes
North East School Division No. 200	Virtus Group LLP	August 31, 2017	Yes	Yes
Northern Lights School Division No. 113	MNP LLP	August 31, 2017	Yes	Yes
Northwest School Division No. 203	Cogent Chartered Professional Accountants LLP	August 31, 2017	See ^B	Yes
Prairie South School Division No. 210	Stark & Marsh CPA LLP	August 31, 2017	See ^B	Yes

Name of Agency	Appointed Auditor	Year-End Date	PAS ^A Participated in Audit	Financial Statements are Reliable
Prairie Spirit School Division No. 206	Deloitte LLP	August 31, 2017	Yes	Yes
Prairie Valley School Division No. 208	MNP LLP	August 31, 2017	See ^B	Yes
Prince Albert Roman Catholic Separate School Division No. 6	MNP LLP	August 31, 2017	See ^B	Yes
Regina Roman Catholic Separate School Division No. 81	Dudley & Company LLP	August 31, 2017	See ^B	Yes
Regina School Division No. 4	MNP LLP	August 31, 2017	Yes	Yes
Saskatchewan Rivers School Division No. 119	Deloitte LLP	August 31, 2017	See ^B	Yes
Saskatoon School Division No. 13	Deloitte LLP	August 31, 2017	Yes	Yes
South East Cornerstone School Division No. 209	Virtus Group LLP	August 31, 2017	Yes	Yes
St. Paul's Roman Catholic Separate School Division No. 20	Deloitte LLP	August 31, 2017	Yes	Yes
Sun West School Division No. 207	Close Hauta Bertoia Blanchette Chartered Professional Accountants	August 31, 2017	Yes	Yes
B. Other Crown Agencies, Special Purpose and Trust Funds				
Métis Development Fund	Deloitte LLP	December 31, 2017	Yes	Yes
Municipal Employees' Pension Commission	KPMG LLP	December 31, 2017	Yes	Yes
Municipal Financing Corporation of Saskatchewan	Dudley & Company LLP	December 31, 2017	Yes	Yes
Pension Plan for the Non-Teaching Employees of the Saskatoon School Division No. 13	Deloitte LLP	December 31, 2017	Yes	Delayed
Saskatchewan Housing Corporation	KPMG LLP	December 31, 2017	Yes	Yes
Saskatchewan Pension Plan	KPMG LLP	December 31, 2017	Yes	Yes
Saskatchewan Research Council Employees' Pension Plan	Deloitte LLP	December 31, 2017	Yes	Yes
Workers' Compensation Board	KPMG LLP	December 31, 2017	Yes	Yes
Pension Plan for Employees of the Saskatchewan Workers' Compensation Board	KPMG LLP	December 31, 2017	Yes	Yes
C. CIC, its Subsidiary Crown Corporations & Other Related Entities				
Capital Pension Plan	Deloitte LLP	December 31, 2017	Yes	Yes
SGL Canada Insurance Services Ltd.	PricewaterhouseCoopers LLP	December 31, 2017	Yes	Yes
Coachman Insurance Company	PricewaterhouseCoopers LLP	December 31, 2017	Yes	Yes
Saskatchewan Government Insurance Superannuation Plan	PricewaterhouseCoopers LLP	December 31, 2017	Yes	Yes
Power Corporation Superannuation Plan	Deloitte LLP	December 31, 2017	Yes	Delayed

^A PAS—Provincial Auditor of Saskatchewan

^B The Office reviewed the opinions of the appointed auditor on the reliability of financial statements, effectiveness of financial-related controls, and compliance with financial-related 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.

Appendix 3

Samples of Opinions Formed Each Year on Ministries, Crown Agencies, and Crown-Controlled Corporations

The Office's *Business and Financial Plan* and *Annual Report on Operations* are the two key accountability reports of the Office. The Plan describes the Office along with its plans for the upcoming year. The Annual Report sets out the Office's financial and non-financial results. They are publicly available on its website (www.auditor.sk.ca).

The *Provincial Auditor Act* requires the Office to use generally accepted assurance standards published by CPA Canada to carry out its audits.

The scope of the Office's work includes the Government as a whole, sectors or programs of the Government, and individual government agencies (see **Appendix 1**). 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 who prepare them). The following are samples of audit opinions formed as part of the annual integrated audits.

1. Effectiveness of Internal Controls (Financial-Related)

I have audited [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 towards 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.

The Chartered Professional Accountants of Canada (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 control related to the objectives described above. My responsibility is to express an opinion on the effectiveness of control based on my audit.

I used the control framework included in the *Guidance on Control* published by CPA Canada (control framework) to make my judgments about the effectiveness of [Agency]'s control. I did not audit certain aspects of control concerning the effectiveness, economy, and efficiency of certain management decision-making processes.

I conducted my audit in accordance with standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. Those standards require that I plan and perform an audit to obtain reasonable assurance as to the effectiveness of [Agency]'s control related to the objectives stated above. 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.

My audit on the effectiveness of [Agency]'s control 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.

In my opinion, based on the limitations noted above, [Agency]'s internal controls were effective, in all material respects, to meet the objectives stated above as of [Year-end] based on the CPA Canada criteria of control framework.

2. Compliance with Legislative Authorities

I have audited [Agency]'s compliance with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding public resources, spending, revenue raising, borrowing, and investing activities during the year ended [Year-End]:

(List legislative and related authorities covered by this report. This list must include all relevant governing authorities.)

Compliance with the provisions of the stated legislative and related authorities is the responsibility of management of [Agency]. My responsibility is to express an opinion on this compliance based on my audit.

I conducted my audit in accordance with standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. Those standards require that I plan and perform an audit to obtain reasonable assurance whether [Agency] complied with the criteria established by the legislation and related authorities referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with these criteria, and where applicable, assessing the accounting principles used and significant estimates made by management.

In my opinion, for the year ended [Year-End], [Agency] has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities.

3. Reliability of Financial Statements

I have audited the accompanying financial statements of [Agency], which comprise the [statement of financial position] as at [Year-End], and the [statements of operations, change in net debt, and cash flow] for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with [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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of [Agency] as at [Year-End], and [insert appropriate wording to describe financial results] for the year then ended in accordance with [acceptable financial reporting framework].