

Status Update Template

February 6, 2023, 9:00AM

Chapter 4, Energy and Resources-Identification and Mitigation of Program Risks Needed-ASCP, Provincial Auditor Report  
Volume 2 2021

Recommendation and Status at Time of Audit (Indicate whether new or outstanding)	Page	Current Status (Implemented, partially implemented, not implemented)	Actions Taken to Implement Since PA Report	Planned Actions for Implementation	Timeline for Implementation
<p><b>New</b></p> <p>1. We recommend the Ministry of Energy and Resources formally identify and evaluate risks for the Accelerated Site Closure Program.</p>	24	Implemented	<p>In June of 2021, the Ministry of Energy and Resources developed a risk registry and risk matrix to formally assess risk in the Accelerated Site Closure Program (ASCP). The tools evaluate both the likelihood and scale of impact of each risk. The risk registry and risk matrix focussed on the core objectives of the program, including supporting Saskatchewan-based service sector companies and workers and maximizing the use of federal funds by the program end date. The ASCP's Steering Committee, the primary internal body that oversees the program, reviews the risk registry and risk matrix quarterly to ensure that it accurately reflects the current state of the program.</p>		Complete

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<p>2. We recommend the Ministry of Energy and Resources finalize and approve its Accelerated Site Closure Program Steering Committee Charter.</p>	25	Implemented	<p>The program’s Steering Committee charter had been reviewed and approved, but a “DRAFT” watermark has been inadvertently left on the document. In September 2021 the Ministry of Energy and Resources finalized and approved its Accelerated Site Closure Program Steering Committee Charter.</p>		Complete
<p>3. We recommend the Ministry of Energy and Resources maintain a written record of Accelerated Site Closure Program Steering Committee meeting activities and decisions.</p>	25	Implemented	<p>Starting in May 2021 the Ministry of Energy and Resources maintained robust records of meeting topics, discussions and decisions made by its Program Steering Committee. For example, Committee minutes tracked items discussed during meetings that required further actions, decisions made and a summary of discussions that occurred.</p>		Complete

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4. We recommend the Ministry of Energy and Resources obtain the approval required by The Executive Government Administration Act for its grant payments made under the Accelerated Site Closure Program.	26	Implemented	The Ministry of Energy and Resources obtained the approval required by <i>The Executive Government Administration Act</i> for grant payments made for its Accelerated Site Closure Program in February 2022 (Order in Council 42-2022).		Complete

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<p>5. We recommend the Ministry of Energy and Resources obtain sufficient documentation to record accurate and complete revenue for the Accelerated Site Closure Program.</p>	<p>27</p>	<p>Implemented</p>	<p>The Ministry of Energy and Resources amended its administration agreement with the Saskatchewan Research Council on the Accelerated Site Closure Program to clarify what information was needed and by when, to update its financial records at year-end (e.g., Program revenue by April 12).</p> <p>The Ministry of Energy and Resources now receives appropriate and timely yearend financial information from the Saskatchewan Research Council, consistent with the provisions in the amended agreement.</p>		<p>Complete</p>

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 Chapter 10, Energy and Resources-Auditing Producer Returns for Non-Renewable  
 Resources, Volume 1 2022

Recommendation and Status at Time of Audit (Indicate whether new or outstanding)	Page	Current Status (Implemented, partially implemented, not implemented)	Actions Taken to Implement Since PA Report	Planned Actions for Implementation	Timeline for Implementation
<p><b>Outstanding</b></p> <p>1. We recommended the Ministry of Energy and Resources estimate staff time and costs required to audit producer returns for non-renewable resources production taxes and royalties. (2019 Report – Volume 1, p. 51, Recommendation 1; Public Accounts Committee agreement February 9, 2021).</p>	151	Implemented	<p>Established a long-term plan to eliminate the backlog of audits, based on a revised risk assessment framework and reassessed audit inventory. This includes a long-term sensitivity analysis of audit adjustments and their impact on potential revenues across multiple years rather than focusing on a single year at a time.</p> <p>Audit practices enhanced to focus on targeted key risk areas and auditing multiple periods within the same audit engagement.</p> <p>Services of external auditors acquired to assist with reduction of backlog and providing recommendations around streamlining audit processes and achieving efficiencies.</p>	No further action	Not applicable

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<p>2. We recommended the Ministry of Energy and Resources maintain its audit manual used during audits of non-renewable resources production taxes and royalties. (2019 Report – Volume 1, p. 53, Recommendation 2; Public Accounts Committee agreement February 9, 2021).</p>	151	Partially Implemented	<p>The audit manual now documents expectations for what the Ministry considers as timely audit work completion i.e., defining expected timeframes and key activities.</p> <p>Guidance added to the audit manual around communicating timely audit results including status updates, pre-proposal meetings and finalization meetings.</p> <p>Includes guidance on the reliability of data used to prepare returns i.e., reports generated out of the Ministry’s information system.</p> <p>Includes details around the quality review framework including actions such as peer reviews etc.</p>	<p>Further work is required to define audit processes and expectations for audit staff.</p> <p>Further work is required to establish and document a frequency policy for updates.</p>	Q1 – 2023/24

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<b>3. We recommended the Ministry of Energy and Resources consistently document key audit decisions, audit procedures and results of audit work in files of audits of producer returns for non-renewable resources production taxes and royalties. (2019 Report – Volume 1, p. 55, Recommendation 3; Public Accounts Committee agreement February 9, 2021).</b>	<b>152</b>	<b>Implemented</b>	<p>Development and implementation of program checklists, planning and reporting templates, and standard worksheets.</p> <p>Development and implementation of a quality review framework that identifies gaps and inconsistencies for corrective action.</p>	<b>No further action</b>	<b>Not applicable</b>

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<p><b>4. We recommended the Ministry of Energy and Resources complete quality reviews of audit files of producer returns for non-renewable resources production taxes and royalties before finalizing audit results. (2019 Report – Volume 1, p. 56, Recommendation 4; Public Accounts Committee agreement February 9, 2021).</b></p>	<p><b>153</b></p>	<p><b>Implemented</b></p>	<p>Quality review framework developed and implemented. Key actions include peer-reviews and manager reviews prior to proposing audits, manager sign-off upon finalization, and post-audit verification. Timelines for each component are defined within the audit manual.</p> <p>Development and implementation of checklists and forms to ensure these actions are documented and not missed.</p>	<p><b>No further action</b></p>	<p><b>Not applicable</b></p>



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<p><b>5. We recommended the Ministry of Energy and Resources routinely monitor actual-to-planned staff time and costs to audit producer returns for non-renewable resources production taxes and royalties. (2019 Report – Volume 1, p. 58, Recommendation 5; Public Accounts Committee agreement February 9, 2021).</b></p>	<p><b>154</b></p>	<p><b>Implemented</b></p>	<p><b>Staff time is now monitored within individual audit files, rolled up into a higher-level unit-wide document and included in progress reports on the long-term audit plan.</b></p> <p><b>Expectations around time reporting incorporated into audit manual.</b></p> <p><b>Weekly unit-level status update meetings provide a mechanism for auditors to bring issues forward in a timely manner. Issues that cannot be resolved at the unit level are moved along to relevant branches/Executive Director by the Audit Director.</b></p>	<p><b>No further action</b></p>	<p><b>Not applicable</b></p>