

PAC Status Update

January 30, 2023

Chapter 10 - Regulating Recreational Cannabis, Provincial Auditor Report, Volume 1 of 2022

Chapter 10, Saskatchewan Liquor and Gaming Authority, Provincial Auditor Report, Volume 1 in 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
New 1. We recommend the Saskatchewan Liquor and Gaming Authority develop guidance for centrally keeping results from its key regulatory activities of recreational cannabis (e.g. assessment of cannabis permit applications).	138	Implemented	SLGA provided additional training for staff and notes of the training meeting summarizing the process were circulated to staff for their future guidance.	N/A	Implemented May 2022.
New 2. We recommend the Saskatchewan Liquor and Gaming Authority implement a risk-informed plan for inspecting retail and wholesale permittees who sell or distribute recreational cannabis.	140	Implemented	SLGA finalized and implemented a risk-based inspection plan and process to assess permittee risk for the purpose of scheduling inspections. Risk categories evaluated include business type, compliance history, and potential concerns about character identified during the application phase.	N/A	Implemented March 2022.
New 3. We recommend the Saskatchewan Liquor and	142	Implemented	Using the risk-informed inspection plan matrix, inspection frequency	N/A	Implemented spring/summer 2022.

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Gaming Authority actively monitor the frequency of inspections of retail and wholesale permittees that sell or distribute recreational cannabis, and obtain reasons for delayed inspections.			targets were established for each permittee. SLGA uses a spreadsheet to continuously monitor the achievement of these targets, and works to ensure that any deficiencies are addressed.		
New 4. We recommend the Saskatchewan Liquor and Gaming Authority approve policies governing the escalation of regulatory enforcement actions to take to address identified non-compliance with cannabis permit operating requirements.	144	Implemented	SLGA's Cannabis Sanctioning Guideline was finalized and implemented.	N/A	Implemented June 1, 2021.
New 5. We recommend the Saskatchewan Liquor and Gaming Authority advise permittees when the Authority expects to start taking regulatory enforcement actions (e.g., fines) to address	144	Implemented	SLGA emailed written notice to all cannabis permittees and registrants that it would begin assessing financial sanctions immediately as appropriate.	N/A	Implemented April 30, 2021.

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identified non-compliance with cannabis permit operating requirements.					
New 6. We recommend the Saskatchewan Liquor and Gaming Authority promptly communicate to cannabis retail and wholesale permittees sanctions about addressing identified non-compliance.	145	Implemented	SLGA developed processes to define roles and workflow when reviewing and issuing non-compliance notices. Dated incidents of non-compliance were processed and completed over the next several months along with current incidents, and SLGA has established a target of six months for dealing with all incidents going forward.	N/A	Implemented from mid to late 2022.
New 7. We recommend the Saskatchewan Liquor and Gaming Authority enable effective monitoring of the status of enforcement actions to address cannabis retail and wholesale permittee identified non-compliance from operating requirements.	145	Implemented	SLGA provided additional training for staff to improve consistency in how enforcement activities are recorded, and has identified and implemented a number of improvements in the database system to facilitate monitoring of results.	N/A	Training implemented May 2022, system improvements ongoing.
New	147	Implemented	SLGA developed and		To be implemented

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<p>8. We recommend the Saskatchewan Liquor and Gaming Authority periodically give senior management written reports on the nature and extent of non-compliance with cannabis retail and wholesale permit conditions, and related enforcement strategies and actions.</p>			<p>implemented a process to provide written reports regarding cannabis non-compliance and enforcement activities to senior management to share with the board at their discretion.</p>		<p>in Q4 2022/23.</p>

Status Update

February 6, 2023

Regulating Commercial Permittees' On-Table Sale of Liquor, Provincial Auditor Report 2021, Volume 1, Chapter 25

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>Outstanding – We recommended that Saskatchewan Liquor and Gaming Authority monitor that its staff complete, when planned, inspections of permitted establishments that sell liquor for on-premise consumption, and obtain reasons for delayed inspections. (2017 Report – Volume 1, p. 153, Recommendation 3; Public Accounts Committee agreement June 13, 2018).</p> <p>Status – Partially Implemented</p>	268	Implemented	<p>SLGA implemented an enhanced risk matrix on April 1, 2021 that allows for improved planning and better monitoring in this area. Updated procedures and processes regarding monitoring and tracking were updated and communicated to staff. In 2021-22, the objectives of the risk matrix were met and are expected to be met in 2022-23.</p>	N/A	N/A
<p>Outstanding – We recommended that Saskatchewan Liquor and Gaming Authority analyze and report on key trends of non-compliance with requirements for selling liquor for consumption in permitted establishments. (2017 Report – Volume 1, p. 158, Recommendation 5; Public Accounts Committee agreement June 13, 2018).</p> <p>Status – Partially Implemented</p>	270	Implemented	<p>SLGA agrees with the findings of the audit report regarding the need to analyze trends of non-compliance. The updated risk model (implemented April 1,2021) is relevant for this work. An initial trend report was provided to SLGA Executive in January 2023.</p>	N/A	N/A

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Chapter 6, Saskatchewan Liquor and Gaming Authority, Provincial Auditor Report, Volume 1 in 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
New 1. We recommend the SLGA renew locally-manufactured craft alcohol producer permits prior to expiry as required by <i>The Alcohol and Gaming Regulation Act, 1997 (Act)</i>.	95	Implemented	SLGA has corrected the associated IT system error and has implemented a process where permits are reviewed by management monthly to ensure renewals are timely.	N/A	N/A
New 2. We recommend the SLGA implement a risk-informed plan for inspecting locally-manufactured craft alcohol producers.	97	Not Implemented	SLGA is actively in the process of developing and operationalizing a risk-informed inspection plan. SLGA is using a consultative process, engaging with craft manufacturers.		2023/24, Q2
New 3. We recommend the SLGA utilize a locally-manufactured craft alcohol inspection checklist addressing all key risks associated with alcohol manufacturing.	99	Implemented	SLGA has implemented a checklist and has added the additional key risks recommended. The checklist was shared with the local industry associations to ensure relevancy and	N/A	N/A

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<p>New 4. We recommend the SLGA obtain certificates of analysis from locally-manufactured craft alcohol producers every two years as required by its quality assurance policy.</p>	99	Not Implemented	<p>understanding.</p> <p>SLGA has filled vacant positions in the SK Craft team to ensure follow up is performed in a timely manner.</p> <p>All producers now have a COA on file. Staff is working to ensure all are dated within the past two years as defined in policy. 14 (of 87) COAs fall outside this 2 year window, which is in an increase from 43 (of 83). SLGA has worked closely to accredit a Saskatchewan based lab to alleviate cost and timing issues with COAs.</p> <p>Developed procedures to proactively follow up with producers prior to COA expiry.</p>	<p>Follow up with all producers that fall outside the two year window for a valid COA.</p> <p>Ensure proactive follow up with producers when COAs are nearing expiry as outlined in recently developed procedures.</p>	Immediate
<p>New 5. We recommend the SLGA perform reasonability assessments of locally-manufactured craft alcohol producers' monthly sales and production reporting to help ensure collection of all production levies.</p>	103	Implemented	<p>Processes have been implemented to review producer reporting and assess reasonability monthly.</p> <p>Producers are followed up with immediately if reporting a reporting variance is identified to</p>	N/A	N/A

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			determine if there is any issues.		

PAC Status Update Template

February 6, 2023

Chapter 5, Saskatchewan Liquor and Gaming Authority, Provincial Auditor Report, Volume 2 in 2022.

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<p>New</p> <p>1. We recommend the Saskatchewan Liquor and Gaming Authority follow its established policy for protecting credit card information it receives from liquor retailers and regulatory clients (e.g., for liquor purchases, permit fees).</p>	37	Implemented	<p>SLGA has reviewed and updated its processes on storing credit card information, including providing access to Customer Relations employees to enter credit card information immediately, eliminating the need to document it or send it to the Finance Services Branch to process.</p> <p>SLGA has also implemented a process requiring all employees to annually sign off its IT Data Protection Policy which addresses the storage of credit card information.</p>	N/A	N/A