



CEO Directive

DIRECTIVE NO.	CEODIR-2023-015
DATE	JUNE 29, 2023
DATE REVISED	N/APP
SUBJECT	MATERIALITY TO BE APPLIED WHEN CONDUCTING REVIEW OF ELECTION EXPENSES RETURNS
REFERENCE	N/APP
INTENT	TO ESTABLISH A MINIMUM THRESHOLD AMOUNT BELOW WHICH CEO WILL NOT MAKE ADJUSTMENTS WHEN REVIEWING ELECTION EXPENSES RETURNS
AUDIENCE	CHIEF OFFICIAL AGENTS, FINANCIAL AGENTS

It is established practice for the Chief Electoral Officer to review all election expenses returns that are filed in accordance with sections 251 and 261 of *The Election Act, 1996*. When it has been determined that an adjustment to the return is required to accurately disclose a contribution or election expense, an adjustment has been made to the return regardless of the dollar amount of the adjustment. This practice ensures the returns accurately report all relevant contributions and expenses but can also result in a disproportionate amount of time and effort for the Chief Electoral Officer, Chief Official Agents, and Financial Agents making and reviewing adjustments that do not have a material impact on disclosure or the calculation of election expense reimbursements.

Public Sector Accounting Standards define materiality as information that if omitted, misstated or obscured, would impair the assessment of accountability by the users, or influence the decisions they make based on the financial information. Materiality is a matter of professional judgment in the particular circumstances. It is judged in relation to the reasonable prospect of its significance in making assessments and judgments by users of financial information.

This CEO Directive will provide clarity on how the Chief Electoral Officer will apply materiality in review of and adjustments to election expenses returns.

ESTABLISHING MATERIALITY TO BE APPLIED

In establishing a baseline materiality for review of election expenses returns, the following is considered:

- Returns where contributions or election expenses exceed \$1,000 are required to be audited by a licensed 3rd party auditor prior to submitting to the CEO;
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- Candidates and parties that receive at least 15% of all valid votes cast are eligible for a reimbursement of a portion of election expenses incurred;
- Sections 243(1) and 252(1) of *The Election Act, 1996* limit the amount of election expenses candidates and parties may incur; and
- The purpose of the disclosure is to ensure transparency and accountability to the public.

Considering the sensitive nature of the financial information, the Chief Electoral Officer considers a baseline materiality of \$100 to be appropriate when determining whether an adjustment to an election expenses return is required.

APPLICATION OF MATERIALITY

No adjustment of \$100 or less will be made by the Chief Electoral Officer to election expenses returns when conducting reviews **except in the following instances:**

- where the total election expenses for the return are within \$5,000 of the applicable election expense limit;
- where an election expense return has not been audited but where the candidate or party is eligible for a reimbursement; or
- where the Chief Electoral Officer is of the opinion that it is in the interest of the public to make the adjustment.

CONCLUSION

Establishing a low level of materiality when reviewing election expenses returns balances the need for accurate disclosure to promote transparency and accountability, and reducing the amount of administrative effort required on adjustments that would not impair the public's use of and reliance on the financial information provided.

A handwritten signature in blue ink that reads 'Michael D. Boda'.

MICHAEL D. BODA, D. PHIL., PH.D.
CHIEF ELECTORAL OFFICER
PROVINCE OF SASKATCHEWAN
JUNE 29, 2023