



For release after Report has been tabled

Backgrounder for News Release Provincial Auditor's 2013 Report – Volume 2

Ministry of Agriculture – Livestock Waste Regulation (Chapter 28)

One of the potential stressors on Saskatchewan's watersheds is manure produced by intensive livestock operations (ILOs). In Saskatchewan, there are currently about 733 ILOs operating in the province. The Ministry of Agriculture is responsible for regulating waste storage at ILOs to help prevent contamination of the province's water resources. Acting Provincial Auditor Judy Ferguson reports that overall, Agriculture had effective processes for regulating livestock waste with two exceptions. "Waste storage standards have changed over the years, and some ILOs are operating with outdated waste storage plans," states Ferguson. As such, Agriculture needs to do a better job of classifying and monitoring ILOs posing a greater environmental risk. It should also create a risk-based inspection policy so that higher-risk operations are inspected more frequently, and ensure that it consistently follows its re-inspection policy.

Ministry of Environment – Regulating Landfills (Chapter 29)

Saskatchewan residents receive their drinking water from groundwater (aquifers) and surface water (lakes and rivers) sources. Proper construction, operation, and closure of landfills are critical to help prevent groundwater and surface water contamination. The Ministry of Environment is responsible for regulating the approximately 700 landfills in the province. Acting Provincial Auditor Judy Ferguson outlines several key ways in which Environment can improve its processes for regulating landfills. Environment needs to set standards for landfill design and ensure that landfills are constructed according to those standards. It also needs to more actively monitor landfills (e.g., through more frequent inspections) and impose more stringent environmental monitoring requirements on high-risk landfills to help prevent contamination. Finally, Environment needs to ensure that it consistently addresses repeated non-compliance issues with landfill owners.

Audit facts:

- › There were 505 operational landfills, and 222 closed landfills – many of these were constructed prior to the current environmental requirements
- › 4 out of 5 landfill constructions/expansions that we tested lacked documentation to show that they were built according to approved plans
- › 30 out of 350 landfills were not inspected as frequently as expected – in one case, the time between inspections was nearly six years
- › Approximately 170 operational landfills were classified as "high-risk", some of which were not subjected to increased environmental monitoring
- › Not all closed landfills had approved pre-closure proposals or closure reports outlining how contamination risks were reduced
- › 9 out of 30 landfills had ongoing non-compliance issues



Saskatoon Regional Health Authority – Triaging Emergency Patients (Chapter 30)

Saskatoon Regional Health Authority (Saskatoon RHA) is the largest health region in Saskatchewan, providing emergency healthcare services to more than 323,000 residents. Acting Provincial Auditor Judy Ferguson reports that Saskatoon RHA needs to follow best practices and track **total** emergency wait times in its three city hospitals – Royal University, Saskatoon City, and St. Paul’s. In addition, she notes that Saskatoon RHA needs to establish a strategy for reducing the number of less-urgent and non-urgent visits to emergency departments (e.g., by providing alternative care options outside of its emergency departments). The Authority could also benefit from an integrated process for managing beds to help free up bed space for emergency patients. Finally, Saskatoon RHA needs to routinely reassess emergency patients in waiting rooms to monitor for worsening conditions, and provide better directions for patients on where to go to be assessed.

Audit facts:

- › The three Saskatoon hospitals had 117,481 patient visits to their emergency departments – 49% at Royal University, 36% at St. Paul’s, and 15% at Saskatoon City
- › 30% of patient visits were classified as “non-urgent” and 24% were classified as “less-urgent”
- › 17% of visits were for specialist consultations
- › More than 40% of visits occurred between 4pm and 12am
- › The average length of stay for an emergency patient waiting to be admitted was about 12 hours at Royal University
- › In one hospital, 40% of emergency beds were occupied by patients waiting to be admitted to acute care beds
- › 48% of emergency patients were not seen within the specified industry-standard time goals, even when the length of time between arriving at emergency and being triaged was excluded

Sun Country Regional Health Authority – Managing Medication (Chapter 31)

Medication plays a vital role in patient care by helping to manage pain and treating a wide range of illnesses. In order to provide safe and effective health care to patients, regional health authorities need strong systems in place for managing medications in hospitals. Acting Provincial Auditor Judy Ferguson reports that Sun Country’s two district hospitals – Weyburn General and St. Joseph’s – had effective processes for managing medications except for three areas needing improvement. First, Sun Country needs to follow its policies for after-hours pharmacy access and medication disposal. Second, Sun Country needs to use its approved form to document patient medication history and weight. Third, in order to develop action plans to address issues related to medication errors, Sun Country needs to analyze those errors, the factors that contributed to them, and identify any reoccurring trends.

University of Regina – Procurement and Asset Disposal (Chapter 32)

Acquiring and later disposing of goods and services is an essential part of an educational facility’s day-to-day functioning. In 2012-13, the University of Regina spent about \$18 million on operational supplies and expenses, \$11 million on equipment, rental, and maintenance, and \$15 million on capital purchases. Acting Provincial Auditor Judy Ferguson reports that the University needs to make improvements to its procurement and asset disposal processes in the following areas:

- › **With respect to its acquisition policies**, the University needs better coordination between the departments responsible for obtaining goods and services. It also needs to require approval of and justification for purchases of goods and services made without requesting quotes from various suppliers (i.e., the practice of single- or sole-sourcing). Finally, it needs to ensure that it retains



documentation that clearly outlines the rationale for awarding a contract to a supplier.

- › **With respect to its disposal policies**, the University needs to ensure that computers are properly decommissioned (i.e., data and information are permanently deleted from hard drives) before disposing of them.
- › **With respect to both its acquisition and disposal policies**, the University needs to improve its contract requirements and reporting to its Board of Governors. It also needs to regularly review, update, approve, and enforce its policies.

General Revenue Fund – First Ever “Adverse” Audit Opinion (Chapter 1)

Acting Provincial Auditor Judy Ferguson reports that, when prepared using Canadian Generally Accepted Accounting Principles (GAAP), the General Revenue Fund (GRF) had an annual deficit of \$590 million instead of the Government-reported annual surplus of \$58 million for the year ended March 31, 2013. In the four areas outlined below, the Government did not use GAAP when preparing its 2012-13 GRF financial statements. Failing to use GAAP has resulted in the statements being significantly incorrect.

1. Pension-related debt

- › The GRF statements do not include the Government’s \$6.56 billion pension and disability benefit debt, and its related pension expense of \$436 million.

2. “Rainy day fund” transfers

- › The GRF statements inappropriately record money transfers totaling \$42 million from the Growth and Financial Security Fund (“rainy day fund”) as revenue, even though they are not really revenue – any money held in the “rainy day fund” is simply money owed to the GRF.

3. Long-term debt funding obligations

- › The GRF statements do not include the long-term debt of \$270.1 million that the Government has taken on by providing ongoing funding to some post-secondary educational institutions, regional health authorities, and school divisions. This funding enables those agencies to repay capital loans for government-approved capital projects (e.g., schools).

4. Shared-ownership agreements

- › The GRF statements inappropriately record funding totaling \$69.5 million for capital projects as assets instead of expenses.

More information on the Government’s use of the GRF can be found in the *Provincial Auditor’s 2013 Report – Volume 2*, *Provincial Auditor’s 2012 Report – Volume 2*, and *2013 Special Report: The Need to Change – Modernizing Government Budgeting and Financial Reporting in Saskatchewan*.

Boards of Education – School Board Governance Survey (Chapter 50)

Released at the same time as Volume 2 of the 2013 Report are the results of the Provincial Auditor’s mid-2013 school board governance survey, titled *A Survey of Board Governance in Saskatchewan School Divisions - Practices, Issues, and Opportunities*. This Report, available [online](#), provides insight into perceptions of board members and their executives on a variety of governance areas. While board members and executives agree on many of the issues raised in the survey, there are some key areas



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where their opinions differ. Acting Provincial Auditor Judy Ferguson encourages the use of the survey results as a basis for constructive dialogue among board members, as well as between boards and executives.

For more Information:

The full *Provincial Auditor's 2013 Report – Volume 2* is available online at www.auditor.sk.ca.

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