



## 2019 Report–Volume 1: Provincial Auditor Scrutinizes eHealth’s Code of Conduct and Conflict of Interest Policies

### Clear vendor-sponsored travel and procurement policies needed

**REGINA, SK., June 6, 2019:** In her *2019 Report – Volume 1*, Chapter 3, Provincial Auditor of Saskatchewan, Judy Ferguson, recommends improvements for eHealth Saskatchewan to improve its policies and processes to mitigate vendor influence and related conflicts of interest.

At times, eHealth accepts vendor-paid training and development opportunities from its vendors. In spring 2018, eHealth acted after it determined three individuals accepted all-expense paid trips to a sporting event from an eHealth vendor. This trip served no viable business purpose thereby deeming it a gift, which made its acceptance contradictory to eHealth’s Code of Conduct policy. Two of these individuals made decisions about eHealth’s buying of goods and services.

Audit work identified eight instances of vendor-sponsored travel occurring between September 2017 and September 2018 where contracts with the vendor did not include specific provisions to pay for these additional costs. In two instances, staff accepting travel were involved in awarding the vendor contract. Good practice recommends vendors not pay for travel costs unless the items are specifically identified in the contract with the vendor.

**eHealth:**

- Nearly **350** full-time equivalent staff
- **\$95 million** spent annually on goods and services

Audit work found while eHealth’s Code of Conduct policy aligns with good practice, it only does so for employees not involved in procurement. Also, its Conflict of Interest policy for staff does not include key aspects of good practice.

Both policies do not include considerations for identifying and managing potential conflicts of interest or influence when staff are involved in making purchasing decisions. In fact, staff involved in vendor evaluations failed to complete written declarations of possible conflicts of interest, or state whether they have conflicts of interest with respect to that procurement. Also, unlike good practice, policies do not set out what constitutes vendor conflict of interest, what is accepted/prohibited vendor conduct, and how to respond to identified conflicts. In addition, neither policy sets out what is acceptable vendor-sponsored travel.

“eHealth needs to provide explicit guidance on when it is acceptable for vendors to pay for staff travel and training, and for identifying and mitigating vendor conflicts of interest,” said Ferguson. “Improved procurement policies to reduce vendor influence and conflicts of interest will encourage fair and equitable treatment of vendors, as well as protect public funds and promote transparency and accountability.”

Furthermore, audit work found staff are not always following new and existing policies. It identified five employees (former and current) with undeclared conflicts, others without completed conflict of interest declaration forms, as well as employees who refused, without consequence, to acknowledge in writing that they read, understood, and complied with eHealth’s Code of Conduct policy. It found staff did not often document justification for sole-sourced purchases, as policies require. Documented justification of sole-sourced purchases facilitates fair and equitable treatment of vendors and obtaining best value when making purchases.

“eHealth needs to do more to reinforce compliance with its policies,” said Ferguson, “eHealth should train staff on its updated Code of Conduct policy to increase staff awareness, reinforce the importance of compliance, and convey the consequences of non-compliance to foster a culture of policy adherence.”

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The full Provincial Auditor's 2019 Report – Volume 1 is available online at [www.auditor.sk.ca](http://www.auditor.sk.ca).

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Additional issues highlighted in the Provincial Auditor's 2019 Report – Volume 1 include:

- › Chapter 4: Auditing producer returns for non-renewable resources
- › Chapter 6: Alerting the public about imminently dangerous events using SaskAlert
- › Chapter 7: Monitoring opioid prescribing and dispensing practices
- › Chapter 8: Procurement processes at Northern Lights School Division No. 113
- › Chapter 9: Procurement processes at Northlands College
- › Chapter 11: Monitoring fines from the Automated Speed Enforcement Program
- › Chapter 12: Maintaining Saskatoon and surrounding area health care facilities
- › Chapter 39: Placing Minister's wards in permanent homes
- › Others from 45 chapters

Accompanying news releases and backgrounder give further details regarding these key topics.

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