

Highways and Infrastructure

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Main points

The Ministry of Highways and Infrastructure (Highways) needs to follow its established procedures to remove access of former employees to its computer network. Not removing access promptly exposes Highways to the risks of loss of public money and inappropriate access to confidential information.

Highways continued to make good progress in developing a business continuity plan. Management reports that it has completed its plan in October 2009. Our office has not yet assessed the adequacy of this plan and will do so in our next audit.

Highways needs a better service level agreement with the Information Technology Office (ITO). Its agreement with ITO does not adequately address disaster recovery or provide Highways with assurance as to the security of its information systems.

Introduction

The Ministry of Highways and Infrastructure (Highways) operates, preserves, and guides the development and enhancement of the provincial transportation system.¹

The provincial transportation system includes more than 26,000 km of highways, almost 800 bridges, 17 airports in northern Saskatchewan, 12 ferries, and a barge on Wollaston Lake. At March 31, 2009, this infrastructure has a net book value of about \$1.8 billion.

Highways is responsible for the Transportation Partnership Fund

Financial overview

The following is a list of major programs and spending for the year ended March 31, 2009:

| | <u>Original Estimates²</u> | <u>Actual</u> |
|---------------------------------------|---------------------------------------|-----------------|
| | (in millions of dollars) | |
| Central Management and Services | \$ 20.6 | \$ 19.8 |
| Operation of Transportation System | 87.1 | 96.8 |
| Preservation of Transportation System | 138.8 | 140.2 |
| Strategic Municipal Roads | 27.9 | 139.2 |
| Transportation Policy | 4.1 | 3.9 |
| Machinery and Equipment | 9.0 | 8.8 |
| Capital Asset Acquisition | (12.3) | (16.8) |
| Capital Asset Amortization | 96.9 | 90.4 |
| Infrastructure Rehabilitation | 88.2 | 84.9 |
| Infrastructure Enhancement | <u>137.5</u> | <u>130.0</u> |
| | <u>\$ 597.8</u> | <u>\$ 697.2</u> |

For the year ended March 31, 2009, Highways had revenues of \$7 million (2008 - \$14.0 million) of which \$3 million (2008 - \$10.1 million) related to transfers from the Federal Government for cost-shared infrastructure programs.

¹ Government of Saskatchewan, *2008-2009 Annual Report*, Ministry of Highways and Infrastructure.

² *Saskatchewan Provincial Budget 08-09 Estimates* – Highways and Infrastructure Vote 16; Highways and Infrastructure Capital Vote 17, Government of Saskatchewan.

Highways' annual report sets out differences between actual and budgeted revenues and expenses and explains significant differences in expenses.³

Audit conclusions and findings

In our opinion, for the year ended March 31, 2009:

- ◆ **Highways had adequate rules and procedures to safeguard public resources except for the matters reported in this chapter**
- ◆ **Highways complied with authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing**
- ◆ **The Fund's financial statements are reliable**

User access

Highways has adequate procedures for ensuring only authorized staff have access to its computer systems and data. However, during 2008-09, Highways did not follow its established procedures. During the audit, we found former employees with access to Highways' computer network. For the MIDAS HR system⁴ managers are required to state what access the employee had and inform the appropriate individual at time of termination. We were unable to verify that managers had communicated this information for former employees.

Without following its established procedures for removing user access, Highways cannot ensure that only authorized individuals have access to its computer systems and data. As a result, Highways is exposed to the risk of loss of public money and inappropriate access to confidential information.

³ Highways annual report is available at <http://www.highways.gov.sk.ca/>.

⁴ The Government's centralized payroll system is called the Multi-informational Database Applications System – human resources and payroll.

1. **We recommend the Ministry of Highways and Infrastructure follow its established procedures for removing user access to its computer systems and data.**

Business continuity plan required

Since our 2006 Report – Volume 3, we have reported that Highways needs a written, tested, and approved business continuity plan to help ensure it can continue to provide critical services in the event of a disaster.⁵ The Standing Committee on Public Accounts (PAC) considered this matter on January 8, 2008 and concurred with our recommendation.

Highways' critical services include highways maintenance such as snow plowing, airport operations for the 17 northern airports, and road information services. Without an adequate business continuity plan, Highways risks not being able to provide its critical services in a timely manner.

Highways identified the need for a formal business continuity plan using the following three-phase approach:

1. conduct a business impact analysis including a risk assessment
2. development of business continuity plan(s)
3. testing and implementation of the plans

Highways has previously completed the first phase, and worked towards completing the second phase during the year.

We continue to recommend that the Ministry of Highways and Infrastructure prepare a complete business continuity plan.

Highways has informed us of the following. It finished the second phase in July 2009; approved the business continuity plan in September 2009; and completed the third phase in October 2009.

⁵ **Business continuity plan** – A plan by an organization to respond to unforeseen incidents, accidents, and disasters that could affect the normal operations of the organization's critical operations or functions.

Adequate service level agreement needed

Since our 2006 Report – Volume 3, we have recommended that Highways complete a service agreement with the Information Technology Office (ITO). PAC agreed with this recommendation on January 8, 2008.

Highways has received certain information technology systems services from ITO since April 2005. ITO billed Highways \$4.8 million for the services it provided for the year ended March 31, 2009. These services include:

- ◆ acquiring and maintaining infrastructure
- ◆ client support
- ◆ applications development and project management services

In October 2008, Highways signed a service level agreement with ITO to provide information technology services. However, the agreement does not adequately address disaster recovery and Highways' ability to obtain assurance as to the security of its information systems. As a result, Highways does not know whether ITO can restore the systems and data when needed in the event of a disaster and that Highways' data is secure.⁶

2. **We recommend the Ministry of Highways and Infrastructure sign an adequate agreement with the Information Technology Office that addresses the Ministry's disaster recovery and security needs over its computer systems.**

⁶ Highways considers the highway hotline to be its most critical information system. Highways has informed us that it has a disaster recovery plan for this critical information system and its recently approved business continuity plan includes the highway hotline system.