



News Release

Provincial Auditor

Pay practices at Ministry disturbing, says Auditor

For immediate release

REGINA, June 3, 2010 – Poor control over labour costs at correctional centres is costing the Ministry of Corrections, Public Safety and Policing millions of dollars, says Acting Provincial Auditor Brian Atkinson. The Auditor examined the Ministry's processes to manage labour costs related to absenteeism at correction centres. "The results of the audit are disturbing," said Atkinson. The Auditor made his comments in connection with the release of his 2010 Report—Volume 1.

The audit found that the Ministry had weak processes for scheduling employees to minimize labour costs. The Ministry did not always approve or monitor changes to work schedules. Corrections workers changed their schedules by trading their assigned shifts, with or without supervisor approval. The resulting costs for replacement workers and overtime contributed significantly to the Ministry's labour costs. For example, in a nine month period examined by the Auditor, the Ministry paid \$6.7 million for overtime, compared to its annual budget for overtime of \$2.8 million.

The audit also found that the Ministry did not correctly record hours worked by employees or pay employees accurately. For regular shifts worked, 45% of timecards were wrong (i.e., the timecards did not reflect the actual hours worked) and 75% of timecards were not properly approved by supervisors. Workers were often paid based on their planned work schedules, not the actual shifts they worked. "The Ministry is responsible to pay its employees accurately," said Atkinson. "It must take prompt action to appropriately manage its employees and control its labour costs."

The Auditor noted that regional health authorities face similar challenges in having a sufficient number of nurses on duty to provide proper patient care. The Auditor examined processes to schedule nursing staff and manage labour costs related to overtime at Sunrise Regional Health Authority. The audit found that Sunrise had adequate processes for the most part, although the Auditor recommended that supervisors need to properly approve timesheets, and that Sunrise should implement the strategies it had developed to address overtime costs.

The 2010 Report—Volume 1 also includes the results of an audit into the Ministry of Health's processes to buy information technology (IT) services. The Ministry spent over \$20 million buying IT services from vendors in 2009. The audit found that the Ministry did not have adequate processes to fairly select among shortlisted suppliers for specific services. The Ministry's requests for proposals for specific IT services did not include its complete criteria for awarding the work. And the Ministry did not always document its evaluation of the proposals consistently.

In addition, the Ministry permits IT vendors to hire or assign staff to Ministry projects. Vendor managers often hired individuals from their own firms. “The Ministry must ensure that its own employees are the ones making decisions to hire employees of IT vendors,” said Atkinson. The Auditor recommended that the Ministry obtain periodic independent updates of projects that are staffed with vendor employees to help ensure that projects are on time, on budget, and will meet Ministry needs.

The Auditor examined whether the Ministry of Education had adequate processes to regulate child care facilities. “Our findings were very encouraging,” said Atkinson. The Report indicates the Ministry has good processes to inspect and licence child care facilities, except the Ministry should ensure it monitors key health and safety requirements during its unscheduled visits to facilities.

The Auditor’s Report covers about 130 Government agencies, most with December 31 year-ends. A subsequent report will focus on agencies with March 31 year-ends.

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The *2010 Report—Volume 1* is available on the Internet at www.auditor.sk.ca.

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