

Highways and Infrastructure

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Main points

The Ministry of Highways and Infrastructure (Highways) needs better service level agreements with its providers of information technology services. Without better agreements, Highways does not know whether its service providers could restore its key systems and data in event of a disaster and if its data is secure.

Also, Highways needs to follow its established procedures to promptly 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.

Introduction

The Ministry of Highways and Infrastructure (Highways) manages and provides for the future development of an integrated provincial transportation system. Its strategic transportation policy seeks to promote the safe and efficient movement of people and goods and guide its operations.¹

The provincial transportation system includes more than 26,000 km of highways, about 800 bridges, 17 airports in northern Saskatchewan and 12 ferries.² At March 31, 2010, this infrastructure has a net book value of about \$1.8 billion.

Highways is responsible for the Transportation Partnership Fund (Fund) and the Global Transportation Hub Authority (Authority).

Financial overview

The following is a list of major programs and spending for the year ended March 31, 2010:

	<u>Original Estimates</u> ³	<u>Actual</u>
	(in millions of dollars)	
Central Management and Services ⁴	\$ 17.6	\$ 17.5
Preservation of Transportation System	155.4	150.7
Strategic Municipal Infrastructure	66.0	62.4
Operation of Transportation System ⁴	90.9	90.8
Transportation Policy	4.0	4.7
Custom Work Activity ⁵	--	3.2
Capital Asset Amortization	<u>103.1</u> ⁶	<u>92.3</u>
Total expense	<u>437.0</u>	<u>421.6</u>
Capital acquisitions ⁷	<u>296.1</u>	<u>259.7</u>
	<u>733.1</u>	<u>691.3</u>

¹ Government of Saskatchewan, 2009-10 Annual Report, Ministry of Highways and Infrastructure, p. 6.

² Ibid.

³ *Saskatchewan Provincial Budget 09-10 Estimates* – Highways and Infrastructure Vote 16; Highways and Infrastructure Capital Vote 17, Government of Saskatchewan.

⁴ Original estimates amount shown is net of estimate for capital acquisitions.

⁵ Custom work activity is done on cost-recovery basis.

⁶ Amortization is not included in appropriation.

⁷ Amounts reflect estimated and actual spending for votes 16 and 17.

Highways had revenue of \$118.8 million including transfers from the Federal Government of \$114.8 million. Highways' annual report sets out differences between actual and estimated revenues and expenses and explains significant differences.

Audit conclusions and findings

In our opinion, for the year ended March 31, 2010:

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

Adequate service level agreement for the Highway Hotline needed

Highways needs an adequate service level agreement with the service provider and host of the Highway Hotline. The Highway Hotline provides reports on current driving conditions on all Saskatchewan highways including construction, maintenance activities, and known circumstances that affect driving conditions.

Highways has an agreement with the service provider for the Highway Hotline. These services include production, storage, maintenance, and operation of necessary systems and client support.

Highways has identified the Highway Hotline as a critical function in ensuring public safety on the transportation system. Consequently, it has set a target of providing reliable Highway Hotline services with less than 10 hours of downtime during the winter months.⁸ To deliver on this key

⁸ Government of Saskatchewan. 2009-10 Ministry Plan, Ministry of Highways and Infrastructure, p. 4.

action, Highways needs to ensure the Hotline's uninterrupted and efficient operation.

The service level agreement does not adequately address disaster recovery or the security of the Highway Hotline system. As a result, Highways does not know whether the service provider will be able to restore the systems and data when needed in the event of a disaster or whether Highways' data is secure. Highways has identified in its business continuity plan that it must review this area.

- 1. We recommend that the Ministry of Highways and Infrastructure have an adequate service level agreement with the Highway Hotline service provider that addresses the Ministry's disaster recovery and security needs.**

Adequate service level agreement with ITO needed

Highways has received certain information systems services from the Information Technology Office (ITO) since April 2005. ITO billed Highways \$5.0 million for the services it provided for the year ended March 31, 2010. 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. This agreement was in effect during 2009-10. As previously reported, the agreement does not adequately address disaster recovery and Highways' ability to obtain assurance as to the security of its information systems.⁹ As a result, Highways does not know whether ITO can restore systems and data when needed in the event of a disaster or whether Highways' data is secure.

We continue to recommend that the Ministry of Highways and Infrastructure sign an adequate agreement with the Information Technology Office that addresses the Ministry's disaster recovery and

⁹ See Chapter 3 of our 2009 Report – Volume 3. This report is available at www.auditor.sk.ca.

security needs over its computer systems. The Standing Committee on Public Accounts (PAC), on April 21, 2010, concurred with our recommendation.

Prompt removal of expired user access needed

As previously reported, Highways has adequate procedures to permit only authorized staff access to its computer systems and data, but it does not always follow them.¹⁰ During the audit, we continued to find former employees whose access to Highways' computer systems was not removed in a timely manner.

Unless it follows 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.

We continue to recommend that the Ministry of Highways and Infrastructure follow its established procedures for removing user access to its computer systems and data. PAC, on April 21, 2010, concurred with our recommendation.

¹⁰ See Chapter 11 of our 2009 Report – Volume 3. This report is available at www.auditor.sk.ca.

Status of other outstanding recommendations of the Standing Committee on Public Accounts

The following table provides an update on recommendations previously made by PAC that are not yet implemented and not discussed elsewhere in this chapter.¹¹

PAC REPORT YEAR ¹²	OUTSTANDING RECOMMENDATION	STATUS
Ministry of Highways and Infrastructure (Cross-Government Infrastructure)		
2005	PAC concurs: 2-2 that the Department of Highways and Transportation should give the public additional information on its key plans related to highway condition, safety, and reliability, as well as comparisons of plans to actual results with any differences explained.	Partially implemented (as at March 31, 2010). Highways uses the government's Accountability Framework to guide its public reports. At March 31, 2010, Highways, consistent with other ministries, does not publish its planned targets.

¹¹ For the definitions of the key terms used in the table, see Chapter 24 – Standing Committee on Public Accounts.

¹² PAC Report Year refers to the year that PAC first made the recommendation in its report to the Legislative Assembly.

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