

2011 Report – Volume 1

Opening statement by Bonnie Lysyk, Provincial Auditor, for her meeting with members of the press regarding the 2011 Report – Volume 1.

Good morning, and thanks for giving me the opportunity to discuss my 2011 Volume 1 Report with you today. With me today are several senior members of my office: Bashar Ahmad, Mark Anderson, Kelly Deis, Judy Ferguson, Mike Heffernan, Ed Montgomery and Candice Pattullo.

I first want to say how honoured I am to have been appointed the new Provincial Auditor for Saskatchewan effective April 1st of this year and I look forward to serving the Members of the Legislative Assembly, the Standing Committee on Public Accounts and the citizens of Saskatchewan.

Before I speak to the report, I want to take this opportunity to recognize the work and leadership of my predecessor, Brian Atkinson who served the people of Saskatchewan for over 35 years, with his last year as Acting Provincial Auditor. Brian and the people here with me today were responsible for initiating and executing the audits reflected in this report.

Now I would like to provide you with an overview of our report tabled with the Legislative Assembly today. This report contains 21 chapters and summarizes, on an exception basis, the results of work performed covering 137 government agencies, including crown corporations and school divisions.

The majority of the 49 new recommendations in this report focus on the protection of people and infrastructure and on improving information technology security and disaster recovery processes. We believe these recommendations provide long-term value for reducing risks such as:

- ◆ The risk that medical privileges could be granted to unqualified physicians
- ◆ The risk that adult offenders commit further offences
- ◆ The risk of bridges failing
- ◆ The risk that public service accommodation planning does not meet tenant needs
- ◆ The risk that systems or data may be accessed inappropriately or may not be available when needed

While I will be describing some areas where improvements are needed, I want to make it clear that in most cases we found adequate performance. That means that we found that financial statements were prepared in accordance with GAAP, that internal controls were in place and that agencies complied with their legislation. In essence adequate controls were in place to protect public resources. But we also found some areas where improvements are needed. These are the exceptions that I mentioned earlier and I'll outline some of them now.

My office audited the Prairie North Regional Health Authority's processes for granting medical privileges to physicians to conduct their work in hospitals. We concluded that Prairie North did not have adequate processes to grant medical privileges to physicians working in hospitals. Before I highlight these findings, I should note that we found no evidence of harm to patients attributable to these process weaknesses.

Among our findings we noted that:

- ◆ Prairie North's medical privilege applications from physicians were not always complete and reference checks were not always performed for new physicians

- ◆ Prairie North did not have a formal process to monitor and assess how physicians used their medical privileges before it renewed their medical privileges
- ◆ Prairie North had not set additional requirements for specialists or for physicians doing special procedures as part of the granting of medical privileges

Following appropriate practices will help reduce the risk of harm to patients and the risk of physicians performing procedures they are not authorized to perform in hospitals. We encourage all Regional Health Authorities to assess their own processes for granting medical privileges to doctors and surgeons.

My office audited the Ministry of Corrections, Public Safety and Policing's processes to rehabilitate adult offenders serving a community sentence. We concluded that the Ministry had designed adequate processes to rehabilitate adult offenders who were serving a community sentence in the Regina Qu'Appelle Region, but that its staff did not consistently follow several policies:

- ◆ Risk assessments and case plans were not consistently prepared by probation officers within six weeks of an offender starting a community sentence. Completing assessments and case plans promptly is essential for offender rehabilitation.
- ◆ We found little evidence of consultation between the Region's probation officers in the community and the caseworkers in the correctional centres. Probation officers and caseworkers should work together so that rehabilitation case plans for offenders can be aligned. Such integrated case plans, as required by policy, would support a more effective and efficient rehabilitation process.
- ◆ A significant proportion of offenders did not receive sufficient contact with a probation officer or alternate. Contact with a skilled probation officer or alternate reduces re-offending.
- ◆ We noted that probation officers did not complete progress reports on offenders as frequently as required by policy. This makes it difficult for the Ministry to assess an offender's progress.

We further noted that:

- ◆ The Ministry did not have a policy or process for evaluating the effectiveness of rehabilitation programs over time
- ◆ Criteria were not in place to select rehabilitation services provided by other agencies and to evaluate if high-risk adult offenders would benefit from these services

Over the last 10 years, approximately one half of sentenced offenders in Saskatchewan were readmitted to a correctional program within 24 months. There is potential for improvement if the Ministry's policies, that were developed based on research, are followed.

We audited the adequacy of the Ministry of Highways and Infrastructure's processes to keep bridges within the provincial highway system in good repair. We concluded that adequate processes were in place with a few exceptions.

- ◆ The Ministry needed to set long-term service objectives for bridges and document and develop an overall plan. Using long-term service objectives and having an overall plan will help the Ministry do the right maintenance at the right time.
- ◆ The Ministry also needed to maintain its bridge records up-to-date to ensure it has accurate information for making decisions.
- ◆ It needed to review the results of bridge maintenance and inspections activities each year.

The Ministry of Government Services is responsible to provide accommodations for certain government agencies. We concluded that the Ministry had adequate processes to plan accommodation for individual agencies except that it needs to prepare an overall accommodation plan that addresses the combined, long-term needs of agencies. The overall plan should include a risk assessment and the Ministry should monitor implementation of that plan.

This report contains recommendations for improvements in information technology security and disaster recovery planning. Our recommendations encourage Saskatchewan Housing Corporation, Prince Albert Parkland Regional Health Authority and school divisions to better protect their computer systems and networks. This would reduce the risk of unauthorized access to data and service disruption.

Regarding the follow-up of prior recommendations, we note that 37 of our 46 prior recommendations have been either fully, or partially implemented. It is positive to see the attention given to the recommendations issued by this Office.

I would also like to offer something auditors don't do too often: that being a pat on the back! We have noted that school divisions have significantly improved their financial statements for their stakeholders. This is the first year our Office has included a chapter on school divisions since *The Education Act, 1995* was changed effective April 1, 2009, at which point our Office became responsible to audit school divisions.

Finally, I would like to extend my appreciation to the staff of my Office who I know worked extremely hard in getting all of these audits done and, on a personal note, for welcoming me to the Office and working together with me as we finalized this report over the past few weeks.

That ends my opening comments. I would be pleased to answer your questions.