



## Chapter 11 Health Quality Council

### 1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Health Quality Council (HQC) for the year ended March 31, 2012.

HQC had effective rules and procedures to safeguard public resources except that it paid \$91,049 for goods and services (LEAN-related initiatives) that it did not request and receive. HQC's 2012 financial statements are reliable and it complied with its governing authorities.

### 2.0 INTRODUCTION

Under *The Health Quality Council Act*, the Health Quality Council (HQC) is responsible for:

- › Measuring and reporting on the quality of care in Saskatchewan
- › Promoting continuous quality improvement and engaging partners toward building a better health system

In 2012, HQC had revenues totalling \$12.8 million (including approximately \$12.5 million from the General Revenue Fund), expenses of \$8.7 million (including project funding of \$3.1 million). At March 31, 2012, it held assets totalling \$8.4 million. HQC's financial statements are included in its annual report.

### 3.0 AUDIT CONCLUSIONS, SCOPE AND FINDINGS

**In our opinion, for the year ended March 31, 2012:**

- › **HQC had effective rules and procedures to safeguard public resources except for the matter reported in this chapter**
- › **HQC complied with the following authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

*The Health Quality Council Act*  
*The Tabling of Documents Act, 1991*  
Orders in Council issued pursuant to the above Acts

- › **HQC had reliable financial statements**

We used the control framework developed by the Canadian Institute of Chartered Accountants (CICA) to make our judgments about the effectiveness of Health Quality

Council's controls. The CICA defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

In our 2011-12 audit, we examined the effectiveness of Health Quality Council's financial-related controls used to administer the revenues, expenses and assets identified in Section 2.0. Also, we examined the effectiveness of the controls it used to keep reliable financial records and prepare reliable financial reports.

### **3.1 Payment Not Properly Approved**

*The Provincial Auditor Act* requires us to bring to the attention of the Legislative Assembly any cases where an expenditure was not properly approved. HQC paid invoices totalling \$91,049 that were not properly approved. It recorded that amount in its financial statements as project expenses. HQC did not request or receive the related services.

During 2011-2012, the Ministry of Health (Ministry) asked HQC to pay several invoices totalling \$91,049. These invoices related to contracts for LEAN-related initiatives that were signed by the Ministry.<sup>1</sup> HQC is not a party to those contracts.

- 1. We recommend that the Health Quality Council only pay for goods and services that it requests and receives.**

<sup>1</sup> The Ministry of Health defines LEAN as a "patient-focused" approach to identifying and eliminating all non-value adding activities and reducing waste within an organization.