

Chapter 14

Labour Relations and Workplace Safety

1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Ministry of Labour Relations and Workplace Safety (Ministry) for the year ended March 31, 2012.

The Ministry complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

The Ministry has improved some of its processes to effectively safeguard public resources. However, more work remains. The Ministry needs to:

- › Follow established procedures for removing user access to its computer systems and data in a timely manner
- › Sign a shared service agreement with the Ministry of Advanced Education addressing various services provided to the Ministry
- › Define requirements of the Information Technology Office (ITO) in regards to disaster recovery of computer systems and data, as well as the information required by the Ministry to assess the effectiveness of ITO's security controls protecting the Ministry's computer systems and data

2.0 INTRODUCTION

The Ministry is responsible for enforcing and promoting awareness of labour standards and occupational health and safety. The Ministry also provides mediation and conciliation services to help resolve workplace disputes as well as advocacy services on behalf of injured workers.¹

As of March 31, 2012 the Ministry had 147.3 full-time equivalent positions within five divisions including Central Services, Labour Relations and Mediation, Labour Standards, Office of the Workers' Advocate, and Occupational Health and Safety.²

¹ *Ministry of Labour Relations and Workplace Safety, 11-12 Annual Report*, p. 4. www.lrws.gov.sk.ca/.

² *Ibid.*, p. 4.



2.1 Financial Overview

Figure 1 – Major Programs and Spending

	Estimates 2011-12	Actual 2011-12
	(in millions of dollars)	
Central Management and Services	\$ 4.6	\$ 4.1
Occupational Health and Safety	7.4	7.6
Labour Standards	2.5	2.6
Labour Relations Board	1.0	0.9
Labour Relations and Mediation	0.8	0.9
Workers' Advocate	0.7	0.7
Total Appropriation	17.0	16.8
Capital Asset Acquisitions	-	-
Amortization of Capital Assets	-	0.1
Total Expenses	\$ 17.0	\$ 16.9

Source: Ministry of Labour Relations and Workplace Safety, 11-12 Annual Report.

In 2011-12, the Ministry had revenues of \$11.0 million, with \$10.7 million coming from the Workers Compensation Board under *The Occupational Health and Safety Act, 1993* (Section 82(2)), for the costs of industrial safety programs.

3.0 AUDIT CONCLUSIONS, SCOPE AND FINDINGS

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

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

The Financial Administration Act, 1993
The Government Organization Act
The Human Resources, Labour and Employment Act
The Labour Standards Act
The Labour Standards Regulations, 1995 (Section 29 & 30)
The Occupational Health and Safety Act, 1993
The Public Service Act, 1998
The Public Service Regulations, 1999

The Purchasing Act, 2004
The Trade Union Act
Regulations and forms, Labour Relations Board (Section 30)
The Conciliation Board Regulations (Section 17)
The Wages Recovery Act
The Crown Employment Contracts Act
The Tabling of Documents Act, 1991
 Orders in Council issued pursuant to the above Acts

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

Assessing the Ministry's rules and procedures to safeguard public resources includes assessing the design and effectiveness of the Ministry's control activities relating to revenue, payroll, payments, and financial reporting. This included reviewing and assessing the adequacy of new agreements between the Ministry and the Public Service Commission and the Information Technology Office, both of which were signed during 2011-12.

3.1 Remove User Access

The Ministry has procedures for removing user access to its computer systems and data from individuals who no longer work for the Ministry. However, the Ministry did not follow its established procedures. During the audit, we noted four instances where the Ministry had not removed unneeded access to its network in a timely manner. Without timely removal of user access, the Ministry cannot ensure that only authorized individuals have access to its computer systems and data. As a result, the Ministry may be exposed to the risk of inappropriate access to confidential information.

1. We recommend that the Ministry of Labour Relations and Workplace Safety follow its established procedures for removing user access to its computer systems and data in a timely manner.

3.2 Shared Service Agreement Needed

We recommended that the Ministry of Labour Relations and Workplace Safety sign a shared service agreement with the Ministry of Advanced Education, Employment and Immigration. (2011 Report – Volume 2; Public Accounts Committee agreement June 25, 2012)

Status – We continue to make this recommendation.

The Ministry of Advanced Education provides various services to the Ministry, such as revenue processing, payment processing, information technology support, and other support services. As such, a shared service agreement should be in place so that both ministries understand their respective roles and responsibilities. The *Financial Administration Manual* section 3007.08 requires shared service arrangements between ministries be supported by a memorandum of understanding. At March 31, 2012, the Ministry did not have a memorandum of understanding in place.



3.3 Service Level Agreement in Place

We recommended that the Ministry of Labour Relations and Workplace Safety establish an agreement with the Public Service Commission for providing payroll services that clearly assigns responsibilities for key payroll activities. (2011 Report – Volume 2; Public Accounts Committee agreement June 25, 2012)

Status – Implemented.

The Ministry signed a client service agreement with the Public Service Commission in January 2012.

3.4 Human Resource Plan Developed

We recommended that the Ministry of Labour Relations and Workplace Safety (formerly part of the Department of Advanced Education and Employment) develop a human resource plan. (2007 Report – Volume 3; Public Accounts Committee agreement January 8, 2008)

Status – Implemented.

The Ministry completed its human resource plan in December 2011.

3.5 Require Disaster Recovery Agreement

We recommended that the Ministry of Labour Relations and Workplace Safety (formerly part of the Ministry of Advanced Education, Employment and Labour) sign an adequate agreement on disaster recovery of computer systems and data with the Information Technology Office. (2008 Report – Volume 3; Public Accounts Committee agreement December 9, 2008)

Status – We continue to make this recommendation.

The Ministry signed a memorandum of understanding with the Information Technology Office (ITO) on October 27, 2011. While the memorandum of understanding incorporates disaster recovery and business continuity planning for key Ministry systems, it does not specify disaster recovery time objectives for these systems. Without established recovery time objectives, the availability of the Ministry's systems and data is not defined.

3.6 Monitor ITO Security Controls

We recommended that the Ministry of Labour Relations and Workplace Safety (formerly part of the Ministry of Advanced Education, Employment and Labour) monitor the effectiveness of the Information Technology Office's security controls to protect the Ministry's computer systems and data. (2008 Report – Volume 3; Public Accounts Committee agreement December 9, 2008)

Status – We continue to make this recommendation.

The Ministry is not receiving information from the ITO in regards to the effectiveness of the ITO's security controls.