

Chapter 18

Regina Qu'Appelle Regional Health Authority

1.0 MAIN POINTS

This chapter reports the results of the annual audit of the Regina Qu'Appelle Regional Health Authority (Regina Qu'Appelle) for the year ended March 31, 2012.

Regina Qu'Appelle complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. Its financial statements for the year ended March 31, 2012 are reliable.

Regina Qu'Appelle had effective rules and procedures to safeguard public resources except that it needs to establish an internal audit function, strengthen its information technology security, establish and test a disaster recovery plan, improve its human resource planning, and develop a capital equipment plan.

2.0 INTRODUCTION

On August 1, 2002, *The Regional Health Services Act* (the Act) created the Regina Qu'Appelle Regional Health Authority. The Act makes Regina Qu'Appelle responsible for the planning, organization, delivery, and evaluation of health services in its health region or any other area that may be directed by the Minister of Health.

Regina Qu'Appelle's financial statements for the year ended March 31, 2012 show operating fund revenues totalling \$930.2 million and expenses totalling \$929.2 million. They also show capital fund revenues totalling \$13.3 million and expenses totalling \$31.6 million. Regina Qu'Appelle held assets totalling \$430.6 million at year-end.

3.0 AUDIT CONCLUSIONS, SCOPE AND FINDINGS

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

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

The Critical Incident Regulations
The Health Information Protection Act
The Health Labour Relations Reorganization
(Commissioner) Regulations
The Housing and Special-care Homes Regulations
The Regional Health Services Act
The Regional Health Services Administration
Regulations

The Special-care Homes Rates Regulations, 2011
The Trustee Act, 2009
The Tabling of Documents Act, 1991
The Regina Qu'Appelle Regional Health Authority
Board Bylaws
 Orders in Council issued pursuant to the above
 legislation

- › **Regina Qu'Appelle's financial statements are reliable**



We used the control framework developed by the Canadian Institute of Chartered Accountants (CICA) to make our judgments about the effectiveness of Regina Qu'Appelle'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 Regina Qu'Appelle'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 Consider Establishing an Internal Audit Function

We recommended that the Regina Qu'Appelle Board implement an internal audit function. (2008 Report – Volume 3; Public Accounts Committee agreement December 8, 2008)

Status – We continue to make this recommendation.

Although the Board of Directors determined in 2005 that an internal audit function was needed, Regina Qu'Appelle has not yet established an internal audit function.

An internal auditor could provide assurance to the Board and senior management on the effectiveness and efficiency of management processes. The internal audit function could also provide assurance on the effectiveness of information technology security controls to protect patient data.

3.2 Information Technology Security Needs Strengthening

We recommended that Regina Qu'Appelle adequately protect its information technology systems and data. (2009 Report – Volume 3; Public Accounts Committee agreement June 18, 2010)

Status – We continue to make this recommendation.

Regina Qu'Appelle has documented information technology (IT) security policies and procedures for granting access and defining password requirements. However, Regina Qu'Appelle needs to follow its procedures for removing unneeded user accounts on a timely basis. It also needs to update its computer equipment on a timely basis for known security risks.

Lack of compliance with security processes could compromise the confidentiality, integrity, and availability of Regina Qu'Appelle's IT systems and data.

3.3 Disaster Recovery Plan Needed

We recommended that all regional health authorities establish adequate disaster recovery plans and test those plans to ensure their effectiveness. (2009 Report – Volume 3; Public Accounts Committee agreement June 18, 2010)

Status – We continue to make this recommendation.

Regina Qu'Appelle relies on IT systems and data to support the delivery of patient care. The primary function of a disaster recovery plan is to restore the IT services after a major disaster or other interruption.

Regina Qu'Appelle has identified some staff roles and responsibilities related to disaster recovery. It has also documented recovery time objectives for key systems and identified the need for an alternate computer facility. However, it does not have a complete plan that identifies how to restore its IT systems and data. Once Regina Qu'Appelle has developed a complete plan, it needs to test the plan to assess its effectiveness.

eHealth Saskatchewan¹ (eHealth) has a close working relationship with Regina Qu'Appelle and provides it some IT services. To have a robust disaster recovery plan, Regina Qu'Appelle must ensure that its service provider, eHealth, also has an effective plan. Accordingly, the adequacy of Regina Qu'Appelle's recovery plan very much depends on the adequacy of the recovery plan of eHealth (see Chapter 6).

3.4 Human Resources Planning Needs Improvement

We recommended that Regina Qu'Appelle improve its human resource planning processes by:

- › Analyzing the extent of its workforce gaps and estimate their future impact on service delivery
- › Monitoring human resource risks at least quarterly using key performance measures.

(2009 Report – Volume 3; Public Accounts Committee agreement June 18, 2010)

Status – We continue to make this recommendation.

Regina Qu'Appelle's Workforce Planning Steering Committee (Committee) sets direction and makes decisions related to human resource planning priorities, needs, and reporting requirements. The Committee consists of management staff from all areas of Regina Qu'Appelle.

¹ eHealth Saskatchewan is a Treasury Board Crown corporation previously known as the Saskatchewan Health Information Network.



During 2011-12, Regina Qu'Appelle developed reports that provide information on key human resource issues such as absenteeism, workforce diversity, and employee age composition. Regina Qu'Appelle has also drafted a workplace plan. The objectives of the plan are to identify and address short-term human capital risks and to establish a process to identify medium and longer term risks. Regina Qu'Appelle has identified key short-term priorities and plans to identify longer term risks in future years. Regina Qu'Appelle has made some progress in this area but more work remains.

Regina Qu'Appelle needs a complete human resource plan to ensure it has resources to deliver health care services in future years.

3.5 Capital Equipment Plan Needed

We recommended that all regional health authorities should prepare capital plans that contain the key elements for capital equipment plans in the public sector.
(2001 Fall Report – Volume 2; Public Accounts Committee agreement February 19, 2002)

Status – We continue to recommend that Regina Qu'Appelle Regional Health Authority should prepare a capital plan that contains all elements for capital plans in the public sector.

In the health system, various capital equipment help the regional health authorities meet their strategic goals and objectives. Capital equipment plans help to reduce the risk that capital assets are not in good working order when required or not being effectively used. A capital equipment plan should include:

- › The capital equipment required to support strategic objectives
- › The gap between required and existing capital equipment
- › The strategies to manage capital equipment
- › The justification for capital equipment strategies
- › The financial implications of capital equipment strategies

Regina Qu'Appelle does not have an approved long-term capital equipment plan. However, Regina Qu'Appelle has information about clinical and non-clinical equipment it needs over the next three years. Management identifies a priority level for each of its capital equipment needs.

Regina Qu'Appelle's main source of funding for capital equipment is the capital grant from the Ministry of Health and the amount of this grant only becomes known near the end of March each year. Management also informed us that Regina Qu'Appelle allocates the funding from the Ministry to the highest priority equipment and that unaddressed capital equipment needs are deferred to the following years.

Lack of a long-term capital equipment plan increases the risk that Regina Qu'Appelle may not be able to meet its goals and objectives.