

## Chapter Highlights

### ANNUAL INTEGRATED AUDITS

#### **Chapter 1** Municipal Employees Pension Plan

This chapter contains the results of our 2012 audit of the Municipal Employees' Pension Plan (Plan). The Plan's 2012 financial statements are reliable, it complied with its governing authorities, and it had effective controls to safeguard public resources except that additional financial reporting controls are required to ensure that the Plan's financial statements disclose sufficient and appropriate information relating to its investments.

#### **Chapter 2** Regina Qu'Appelle Regional Health Authority

In January 2013, at the request of the Ministry of Health, we examined the processes Regina Qu'Appelle Regional Health Authority (Regina Qu'Appelle) used for the preparation of its 2013 budget and for its 2012-13 financial reporting. The results of our work are included in this chapter.

During 2012, the Board of Directors (Board) of Regina Qu'Appelle received and reviewed incomplete, incorrect, and untimely monthly projected year-end results. This same information was also provided to the Ministry of Health. Regina Qu'Appelle needs to improve its processes for budgeting, financial reporting, and financial oversight.

In November 2012, the Board raised concerns about Regina Qu'Appelle's large deficit. In January 2013, the Board received financial reports which included the correct projected financial forecast that showed that the deficit for the year could total about \$24 million. Because management provided the correct projected financial information to the Board so late in the year, the Board could not take timely corrective actions to potentially recover the deficit.

We make six recommendations for Regina Qu'Appelle to help improve its processes.

#### **Chapter 3** Saskatchewan Housing Corporation

The Saskatchewan Housing Corporation (SHC) provides housing and housing services for people who cannot otherwise afford adequate, safe, and secure shelter. SHC's financial statements for the year ended December 31, 2012 are reliable and it complied with authorities governing its activities related to financial reporting, safeguarding resources, revenue raising, spending, and investing.

In 2012, SHC had effective rules and procedures to safeguard public resources except that it did not ensure that its information technology (IT) service provider had tested its disaster recovery procedures. Testing disaster recovery procedures is necessary to ensure that delivery of critical services can continue in the event of a disaster.



This chapter also contains the status of one previous recommendation agreed to by the Standing Committee on Public Accounts.

## **Chapter 4** **Saskatchewan Water Corporation**

The Saskatchewan Water Corporation (SaskWater) complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. As well, SaskWater's financial statements are reliable.

SaskWater had effective rules and procedures to safeguard public resources except it needs to implement and test a business continuity plan.

This chapter also contains the status of two previous recommendations agreed to by the Standing Committee on Crown and Central Agencies.

## **Chapter 5** **School Divisions**

This chapter reports the results of the annual audits of school divisions for the year ended August 31, 2012.

The financial statements of school divisions are reliable and school divisions are complying with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. Overall, school divisions have been improving their internal controls. Thirteen school divisions still have work to do to improve segregation of duties, information technology security policies, disaster recovery plans, verification of capital assets, and evaluation of the performance of management.

## **Chapter 6** **Summary of Implemented Recommendations**

This chapter provides an update on recommendations that were implemented and are not discussed elsewhere in this report.

# **PERFORMANCE AND INFORMATION TECHNOLOGY AUDITS**

## **Chapter 7** **AgriStability Benefit Payment Processing**

Saskatchewan Crop Insurance Corporation (SCIC) administers the AgriStability program, a margin-based support program<sup>1</sup> to assist producers who experience large income losses. The AgriStability program is cost shared between the provincial and federal governments.

<sup>1</sup> The AgriStability program is referred to as a margin-based program because it compares the producer's current year margin (net income) to the producer's average margin of the previous five years.

SCIC is responsible for having effective processes to determine AgriStability program benefits consistently and equitably. We audited SCIC's processes to determine AgriStability program benefits. SCIC has good processes to determine and pay individual producers' AgriStability benefits. We found that SCIC's processes were effective except that SCIC needs to:

- › Document its procedures for reviewing the assumptions and the calculation of the benefit estimates
- › Establish procedures to analyze previous estimates of AgriStability benefits and compare the estimates with actual benefits in order to refine its estimate process
- › Set targets for its performance measures used to monitor the AgriStability program such as file processing times, administrative costs per file, and customer satisfaction
- › Actively monitor to ensure staff do not process AgriStability files where a real or perceived conflict of interest could arise

Both SCIC and the Ministry of Agriculture (Ministry) use estimates for the AgriStability program benefits to calculate their AgriStability expense and liabilities. SCIC and the Ministry need to ensure that these recorded amounts are accurate. SCIC needs to work with the Ministry to develop processes to ensure that the AgriStability estimates are reasonable, consistent, and current.

## Chapter 8

### Capital Asset Planning for Schools

This chapter describes our audit of the Ministry of Education's (Ministry) capital asset planning processes for facilities to house and support educational programs and instructional services for students in school divisions.

Effective capital asset planning processes help the Ministry to ensure the right size of schools are built in the right location to facilitate the needs of students. The Ministry has the responsibility to oversee capital asset projects for the entire provincial Pre-Kindergarten to Grade 12 system. School divisions are required by the Ministry to identify and manage capital asset projects. Each school division conducts analysis of its capital asset needs compared to its existing capacity and requests Ministry approval for projects to meet its needs.

Saskatchewan's population has been shifting towards becoming more urban, resulting in enrolment changes across school divisions. As a result, in some cases schools are being over utilized, while in other cases they are being under utilized. The Ministry has the challenge of balancing the demand for new schools with the cost of maintaining safe and healthy schools, including those that are experiencing declining enrolment.

Currently, there are 41 approved projects on the Ministry's 2012 Capital Request list (projects completed and currently under construction) that will cost approximately \$735 million. The Ministry provided \$47 million to assist school divisions in funding capital projects during 2011-12 and estimated it will spend \$112.4 million in 2012-13 and \$119.6 million in 2013-14.

For the twelve-month period ended December 31, 2012, we found the Ministry of Education did not have effective capital asset planning processes for facilities to house and support educational programs and instructional services for students in school divisions.



The Ministry needs to:

- › Develop and use a capital asset strategy that coordinates overall capital needs for the Pre-Kindergarten to Grade 12 system across the province to ensure the most important projects are approved and completed on a timely basis
- › Review, update, and communicate to school divisions its capital asset policies (including Funding Guidelines) for the provincial Pre-Kindergarten to Grade 12 system including providing guidance on how it coordinates needs across the province
- › Conduct analysis of the provincial Pre-Kindergarten to Grade 12 system capital asset requirements and capacity in order to identify current and future gaps
- › Consistently prioritize all capital project requests across the provincial Pre-Kindergarten to Grade 12 system and track those projects
- › Select the method of financing for capital projects of school divisions based on the analysis of capital financing alternatives
- › Measure the success of its capital asset strategy

In this chapter, we make eight recommendations to assist the Ministry of Education in improving its processes.

## **Chapter 9** Finance – MIDAS Financial Annual Audit

The Ministry of Finance (Finance) is responsible for administering the financial system used primarily by ministries which serves as the general ledger for the General Revenue Fund. This financial system is called the Multi-Information Database Applications System – Financials (MIDAS Financials). Beginning in 2012, Finance created the Central Accounts Payable unit (Central AP). Central AP is responsible for processing invoices, expense claims, and auditing selective payments.

Each year, we assess whether Finance has effective central controls to manage and secure MIDAS Financials. In 2012, Finance had effective controls with one exception. Finance has not signed service level agreements with its user agencies; therefore, responsibilities for key payment processing activities were not clearly assigned.

## **Chapter 10** Identification and Management of Contaminated Sites

Contamination can pose risks to public health and safety. Where the provincial government has caused contamination or has accepted responsibility for the cleanup of contaminants, it must assess the contamination to know and understand what public health and safety risks exist and decide on actions to address or mitigate those risks. This information takes time and resources to gather and analyze.

New Canadian public accounting standards, coming into effect April 1, 2014, will require the Government to account for and report the expected costs to clean up contaminated sites.

Recording these costs will let the public know what future resources will be necessary for cleanup.

To assess the readiness of the Government in adopting this upcoming accounting standard, we audited whether the Government effectively identified and managed contaminated sites. We focused on ministries and Treasury Board Crown agencies (like school divisions) at risk of being responsible for cleaning up contaminated sites. Seventeen agencies indicated that they are at risk of being responsible for cleaning up contaminated sites (at-risk agencies). At March 2013, ten at-risk agencies had identified over 300 sites with suspected or known contamination with four ministries being responsible for most of those sites.

We concluded that, at March 2013, the Government had not effectively identified or managed contaminated sites. Overall, at March 2013, the provincial government is in the early stages of its work to identify and manage contaminated sites. Eleven of the 17 at-risk agencies acknowledged that they did not have a complete list of all suspected and known sites. For many of the sites they had identified, they had not yet completely assessed the degree of contamination and the public health and safety risks these sites pose. They have not made decisions on the cleanup of many identified sites.

Without a complete list of sites and confirmation of the degree of contamination at identified sites, the provincial government does not know what public health and safety risks the contamination poses and cannot determine what cleanup or risk-management activities (e.g., fencing sites to restrict access) are necessary. Also, it does not know what future resources will be necessary for cleanup.

The Ministry of Finance must ensure agencies gather the key information and make the necessary decisions in sufficient time so that it can record the costs that the provincial government expects to pay for cleanup costs in the Government's 2014-15 Budget and final year-end financial statements. Complete and accurate financial reporting of the Government's liabilities for contaminated sites is important to reflect the full amount of future public resources required for cleanup.

We make four new recommendations and note that two recommendations, previously addressed to the Ministry of Environment that relate to this audit, have not been fully implemented.

## **Chapter 11** **Information Technology Office—Annual Security Audit**

The Information Technology Office (ITO) provides information technology (IT) services to 26 government ministries and agencies (clients). ITO has an agreement with a third-party service provider to operate and maintain a network and data centre on behalf of ITO. The data centre includes computers that host client systems and data. ITO needs to have effective controls and ensure its service provider follows effective security processes to protect client systems and data.

All organizations, including ITO, are subject to security threats including cyberattacks. ITO has worked with its service provider to improve data centre security. However, ITO needs to do more to protect systems and data, such as:

- › Complete IT security standards for its clients



- › Monitor whether the service provider meets all security requirements
- › Provide relevant and timely security reports to clients
- › Adequately restrict user access to client systems and data
- › Adequately configure and update its server and network equipment
- › Have a complete and tested disaster recovery plan for the data centre and clients' systems

Until ITO addresses the weaknesses we report in this chapter, systems and data are at an increased risk of loss, disclosure, or unauthorized modification and may not be available when needed.

## **Chapter 12** **Nominating Qualified Immigration Applicants**

The Ministry of the Economy (Ministry) facilitates immigration by using the Saskatchewan Immigrant Nominee Program to recommend the nomination of qualified applicants for permanent immigrant status to the Federal Government.

The Federal Government has the sole authority to grant immigration status to individuals. It has agreements with provinces so provincial governments can address local labour shortages through immigration. The Federal Government allocates each province an annual quota of nominations; in 2012, Saskatchewan's quota was 4,000 nominations.

This audit examined the effectiveness of the Ministry's processes to nominate qualified immigration applicants to meet the Saskatchewan Immigrant Nominee Program's needs.

For the eight-month period ended December 31, 2012, we concluded the Ministry of the Economy's Saskatchewan Immigrant Nominee Program operated effectively to nominate qualified immigration applicants to meet the program's objectives except that the Ministry needs to:

- › Provide guidance and training for staff to assess the feasibility of relocation and settlement plans and business establishment plans submitted to the Entrepreneur Immigration Categories of the Saskatchewan Immigrant Nominee Program
- › Document the support (e.g., date, institution, or person contacted) to explain how decisions were reached on eligibility and qualifications of immigration applicants
- › Update quality review policies to reflect its risk-based practice

In this chapter, we describe the key findings for this audit and make five recommendations for the Ministry.

## Chapter 13

### Physical Safety of Students at School

*The Education Act, 1995* (Act) delegates responsibility for student safety to school divisions. The Act contains several sections that direct school divisions to develop procedures for maintenance of schools to ensure standards for safety are met, and to ensure areas such as laboratories, shops and other ancillary accommodations conform to laws and regulations. We audited the effectiveness of processes to provide for the physical safety of students at school for the period March 1, 2012 to February 28, 2013 at Regina School Division No. 4 and Regina Roman Catholic Separate School Division No. 81.

Our audit concluded that for the two school divisions we examined, the school divisions had effective processes to provide for the physical safety of students at school except in six areas. We found that the two school divisions need to:

- › Assess the level of physical security required for schools
- › Set requirements for safety training to ensure an adequate number of staff are trained in the event of an emergency situation
- › Develop requirements for air quality testing to be conducted when construction takes place during the school year
- › Develop and implement safety manuals for science and practical and applied arts programs and ensure safety equipment is functioning and accessible
- › Conduct assessments of appropriate locations for placement of safety-related signage and items, and provide guidance for maintaining consistent emergency response kits in schools
- › Develop and report on student safety performance measures

In this chapter, we describe the key findings of our audit of student safety and make recommendations to the school divisions.

We encourage other school divisions in the province to assess their own student safety processes using the audit criteria in this chapter.

## Chapter 14

### Processes to Place Minister's Wards in Permanent Homes

Under *The Child and Family Services Act*, the Ministry of Social Services (Ministry) is required to intervene on a child's behalf if the child is in need of protection due to physical, sexual, or emotional abuse or neglect. When children have remained in the care of the Ministry for more than 18 months, they may become permanent wards or long-term wards of the Ministry based on court orders. The Ministry is responsible for planning for the long-term development of these wards, including their placement in permanent homes that provide a safe and nurturing environment.



Our audit for the period July 1, 2012 to December 31, 2012 found that the Ministry had effective processes to place permanent wards and long-term wards in permanent homes (e.g., long-term homes and adoptive homes) except the Ministry needs to:

- › Complete and approve policies and procedures for its adoption program including those for addressing complaints or appeals
- › Follow its established policies and procedures to formally document the permanency plans in place for permanent wards and long-term wards
- › Place children on the adoption list within 120 days as required by the Ministry's policies
- › Set performance measures and targets for its adoption program
- › Begin collecting and analyzing information related to the outcomes of its services for long-term wards and permanent wards in its care

We make seven recommendations.

## Chapter 15

### Protecting the University of Regina's Research

The University of Regina (University) was established pursuant to *The University of Regina Act* as a non-profit educational organization. Research is one of the core functions of the University. Research also plays a pivotal role in the University's ability to carry out its other core function, education, since a strong research program helps to attract qualified professors, which in turn attracts students.

The University's research mission is to "use the exceptional talents of research scholars – professors and students – to extend the boundaries of human knowledge and to use these discoveries to understand and resolve present and future challenges to humanity and the environment." To fulfill its mission, the University must effectively protect its interests as it fosters research and commercialization of research. Effective protection of interests arising out of research should contribute to the success of the University, its academic staff, and students.

This audit examined the effectiveness of the University's processes to protect its interests (e.g., financial, reputational, ownership) as it fosters research and commercialization of research. We focused on the University's processes to identify and participate in research initiatives. We did not audit the financial administration of research funds.

We concluded that as of March 31, 2013, while the University of Regina had many structures and processes in place intended to protect its interests (e.g., financial, reputational, ownership) as it fostered research and commercialization of research, these structures and processes could be improved. The University needs to focus on improving its processes for oversight, updating policies and procedures, evaluating risks and benefits of research initiatives, and monitoring compliance.

In this chapter, we describe the key findings for our audit and make 26 recommendations to the University.



**Chapter 16****Public Service Commission – MIDAS HR/Payroll**

The Public Service Commission (PSC) is the central human resource agency for staff employed primarily by government agencies. Effective May 25, 2012, the Public Service Commission (PSC) is under the responsibility of the Ministry of Central Services.

PSC is responsible for administering the human resources and payroll system – MIDAS HR/Payroll primarily for government ministries. We conduct an annual audit to determine if PSC has effective central controls to manage and secure MIDAS HR/Payroll.

In 2012, PSC had effective central controls with two exceptions. PSC has not signed client service agreements with all of its clients and therefore has not formally agreed upon respective responsibilities for key payroll activities. Also, staff did not always document their review of payroll reports or perform these reviews in a timely manner. This increases the risk of incorrect payroll amounts.

**Chapter 17****Regulating Drinking Water**

Municipalities, Saskatchewan Water Corporation, and others (e.g., Hutterite colonies, parks) own and operate public waterworks that provide drinking water to the majority of people in Saskatchewan. Public waterworks owners are ultimately responsible for providing safe drinking water to their consumers. The Water Security Agency (Agency) is responsible for regulating public waterworks owners.

The Agency regulates public waterworks by issuing permits, monitoring water test results, inspecting waterworks, and enforcing permits.

Our audit for the period of October 1, 2012 to March 31, 2013 found the Agency had effective processes to regulate public waterworks; however, improvements are needed to strengthen the Agency's processes to reduce the risk of a public waterworks providing unsafe drinking water. The Agency needs to:

- › Perform timely inspections of all public waterworks
- › Identify non-compliance in water tests in a timely manner
- › Establish policies that result in consistent action when waterworks owners do not comply with permits
- › Develop an enforcement policy for those waterworks owners that are failing to upgrade waterworks for new residential developments as promised
- › Coordinate efforts with the Ministry of Government Relations to ensure feasible plans for water infrastructure upgrades are in place before approving new residential developments
- › Align its regulations and permits with the national drinking water guidelines



Waterworks owners hire operators to run public waterworks. The first line of defence in providing safe drinking water is having a certified and skilled operator that runs the public waterworks and frequently tests the water to ensure it is safe. During our audit period, we found 18 public waterworks that did not have a certified operator. Some operators are working towards getting certified and six waterworks are planning to move to hygienic use where the permit will not require a certified operator. Waterworks without a certified operator are still required to test the water and are being inspected by the Agency.

The Agency issues permits to waterworks owners outlining expectations for keeping water safe. The second line of defence is that the Agency has the responsibility to regulate waterworks by receiving and monitoring the results of water testing and performing inspections to ensure permit expectations are being met. Where drinking water quality problems exist, the Agency issues drinking water advisories to notify the public of drinking water that is not safe. The Agency provides water quality information to the public through the SaskH2O website ([www.saskh2o.ca](http://www.saskh2o.ca)).

## Chapter 18

### Rehabilitation of Young Offenders

The Ministry of Justice (Ministry) is responsible for delivering programs and services to rehabilitate young offenders.

We planned to conduct an audit in 2013 of the processes that the Ministry uses to rehabilitate young offenders. This audit was selected because of the importance of the Ministry's work to help prevent youth from repeating criminal activities and continuing into an adult life of crime. Saskatchewan has the highest youth crime rate in Canada, which is 3.1 times the national average.<sup>2</sup> Research has shown that some youth will continue to commit offences well into their adult lives. If young offenders do not receive the right rehabilitation services at the right time, they are more likely to continue to offend into their adult lives and become burdens on society. The Ministry spent \$52 million on Young Offender Correctional Services in 2011-12<sup>3</sup> to work with about 4,400 youth admitted into community sentences, and 500 youth admitted into custody.<sup>4</sup>

This audit about rehabilitation of young offenders was the final audit planned to complete our work on the Ministry's rehabilitation processes. We previously completed audits about rehabilitation of adult offenders in provincial correctional institutions and the community in 2008 and 2011, respectively.

We were unable to conduct our audit because we were denied access by Cabinet to the young offender case management files. The federal law that restricts access to young offender files specifically refers to the granting of access through either an order of the Youth Court or an Order in Council from Cabinet. The Ministry of Justice worked collaboratively with us and submitted a request to Cabinet to provide us with access to young offenders' case management files. However, Cabinet denied us access while at the same time providing access to others (e.g. employees of the Ministry conducting research and evaluation) through Order in Council. Our Office determined it would not be a good use of public resources to incur the cost of seeking a court order when Cabinet has the ability to grant us access at no additional cost.

<sup>2</sup> Ministry of Justice, Fact Sheet, *Police-Reported Crime Statistics in Canada*, July 2012, p. 3.

<sup>3</sup> Ministry of Corrections, Public Safety & Policing, *2011-12 Annual Report*, p. 28.

<sup>4</sup> Saskatchewan Young Offender Case Administration and Management System.

**Chapter 19****Securing SaskEnergy's SCADA System**

The people and economy of Saskatchewan require safe, uninterrupted, and effective distribution of natural gas. Natural gas is used to heat buildings, power appliances, and is used by many Saskatchewan industries.

SaskEnergy delivers natural gas to 358,000 customers throughout Saskatchewan. Natural gas is transported to customers using a pipeline distribution system that covers 92% of Saskatchewan communities. SaskEnergy relies on both physical and information technology assets to distribute natural gas. Physical assets include compressor stations and pipelines. Information technology assets like supervisory control and data acquisition (SCADA) systems are used to monitor and control the physical transportation of natural gas through pipelines.

This chapter describes our audit of SaskEnergy's SCADA system. The objective of our work was to assess whether SaskEnergy had effective processes to secure its SCADA system. For the period of September 1, 2012 to February 28, 2013, our audit found that SaskEnergy did not have effective processes to secure its SCADA system. SaskEnergy needs to improve its processes in the following areas:

- › Prepare a complete threat and risk assessment for its SCADA system
- › Implement complete policies and procedures to protect the confidentiality, integrity, and availability of its SCADA system
- › Properly configure its SCADA system to protect against security threats
- › Protect its facilities from unauthorized access
- › Protect its SCADA system from unauthorized access
- › Monitor SCADA system security
- › Test its SCADA system continuity plan

We make seven recommendations in this chapter to help SaskEnergy protect the confidentiality, integrity, and availability of its SCADA system, and associated data.

Although we have made process recommendations, we recognize that SaskEnergy has been able to provide safe and reliable operations for many years and has not experienced a major outage resulting from its SCADA system.

**Chapter 20****Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority**

Regina Qu'Appelle Regional Health Authority (Regina Qu'Appelle) is responsible for the planning, organization, delivery, and evaluation of health services within its health region. As part of its mandate, Regina Qu'Appelle provides surgical procedures to residents of Regina Qu'Appelle and residents of other southern health regions.



The effective and efficient use of surgical facilities is vital for providing timely surgical services to patients and to help reduce wait times. Utilization of surgical facilities depends on the availability of surgeons, healthcare staff, anaesthesiologists, specialized surgical equipment, and inpatient beds.

Determining the capacity available (e.g., optimal hours of the use of existing facilities), planning for the efficient use of that capacity within available resources (e.g., the suitability of the facility for specific surgical procedures, equipment, and staffing availability), and appropriate scheduling (e.g., balancing patient needs with length of wait times), are crucial to effectively utilize resources and address longer-than-targeted wait times. Regina Qu'Appelle could not tell us how much of its current capacity is used to provide surgical services.

Monitoring and analyzing the actual usage compared to the planned usage of surgical facilities can help Regina Qu'Appelle identify and address reasons that may inhibit the efficient use of existing surgical facilities and identify where and when more resources are needed. Regina Qu'Appelle does not consistently and routinely collect this information.

This audit examined the effectiveness of Regina Qu'Appelle's processes for the efficient use of its surgical facilities from March 1, 2012 to February 28, 2013. Regina Qu'Appelle did not have effective processes to support the efficient use of its surgical facilities; therefore, its ability to provide surgical care in a timely manner could be compromised. This may result in a loss of public confidence in the healthcare system and the uneconomical use of public money.

Regina Qu'Appelle needs to:

- › Have complete, approved standards, policies, and guidance to improve consistency of the scheduling surgical procedures and the use of surgical facilities
- › Develop consistent processes for the composition, review, and approval of surgery schedules to improve the efficient scheduling of surgical procedures
- › Collect and analyze information on the use of surgical facilities to determine factors that inhibit and impact the efficient use of surgical facilities
- › Determine needed actions and implement those actions to improve the efficient use of surgical facilities
- › Monitor progress for efficient scheduling of surgical procedures and report to the Board
- › Establish and use performance measures and targets designed specifically for assessing the efficient use of surgical facilities

In this chapter, we make nine recommendations to Regina Qu'Appelle. On May 7, 2013, management indicated that Regina Qu'Appelle has begun to address these recommendations.

We encourage other regional health authorities to look to the audit criteria and recommendations described in this chapter to assess their own processes for providing surgical services in their regions.

## AUDIT FOLLOW UPS

### Chapter 21 Environment—Regulating Air Emissions

In 2004, we made seven recommendations to strengthen the Ministry of Environment's processes to regulate air emissions. In 2012, we completed our fourth follow-up of these recommendations. We found that the Ministry has met five of our recommendations and has made progress on the remaining two recommendations. During our follow-up, we also found that since February 2011, the Ministry has not followed the existing law regarding the issuance of permits under *The Clean Air Act*. As a result, we have made one new recommendation. We recommend that the Ministry comply with existing legislation until such time as the legislation is amended.

### Chapter 22 Finance—Oversight of Information Technology

This is the second follow-up of recommendations from our *2009 Report – Volume 3*, Chapter 7, regarding the Ministry of Finance's (Finance) processes for oversight of information technology (IT) where we made two recommendations. At March 14, 2013, Finance has partially implemented these two outstanding recommendations. Finance has not completed its work to develop an IT risk management plan based on an analysis of IT risks and has not yet implemented an IT strategic plan.

### Chapter 23 Finance—Provincial Sales Tax Audit Selection

This chapter is a follow-up of recommendations from our *2007 Report – Volume 3*, Chapter 9, regarding the Ministry of Finance's processes to select businesses for audit to promote compliance with provincial sales tax laws. At March 26, 2013, the Ministry of Finance has implemented all of our previous recommendations.

### Chapter 24 Health—Prairie North Regional Health Authority—Granting Hospital Privileges

In 2011, we assessed Prairie North Regional Health Authority's (Prairie North) processes to grant privileges to physicians. We concluded that Prairie North did not have adequate processes to grant privileges to physicians and made seven recommendations to help Prairie North strengthen its processes.

Prairie North has implemented three of the seven recommendations that we made in 2011. Prairie North still needs to align its processes with the Practitioner Staff Bylaws, clarify the responsibilities of its medical advisory committees, continue developing requirements for physicians doing special procedures, and monitor physicians' use of medical privileges.



## Chapter 25

### Health—Saskatoon Regional Health Authority— Maintaining Medical Equipment

Saskatoon Regional Health Authority (Saskatoon RHA) has not yet implemented the recommendation we made in 2011 relating to maintenance of its medical equipment. In our *2011 Report – Volume 1*, we reported that Saskatoon RHA needed to establish written policies and procedures for maintaining its medical equipment. It still has not done this.

## Chapter 26

### Health—Sunrise Regional Health Authority—Scheduling Nursing Staff

Sunrise Regional Health Authority (Sunrise) has implemented the three recommendations that we made in 2010 relating to scheduling nursing staff. In our *2010 Report – Volume 1*, we reported that Sunrise needed to follow its established policies for the approval of payroll, identify and report on the causes of overtime, implement strategies for reducing overtime usage, and report progress to the Board.

## Chapter 27

### Justice—Absenteeism

We followed up the Ministry of Justice's actions on eight recommendations we made in 2010.

Effective May 25, 2012, the responsibilities of corrections and policing in Saskatchewan became a part of the Ministry of Justice (Ministry). In 2010, we made eight recommendations to improve the Ministry's processes to manage absenteeism and associated labour costs at provincial adult correctional centres. Since 2010, the Ministry has done significant work to manage absenteeism resulting in reduced overtime costs and sick days. The Ministry has addressed six of the eight recommendations we made. The Ministry still needs to appropriately manage and pay corrections workers who trade shifts.

## Chapter 28

### Justice—Community Rehabilitation of Adult Offenders

We followed up the Ministry of Justice's (Ministry) actions on the seven recommendations we made in 2011 about rehabilitating adult offenders serving a community sentence. We had audited the delivery of the Ministry's processes in the Regina Qu'Appelle Region (Region) to rehabilitate adult offenders likely to repeat crimes, including serious violent crimes.

Following the audit, the Ministry worked with a consultant to help it determine how to meet our recommendations. The Ministry also reviewed processes in two of its other regions to help it assess the impact changes to its processes would have across the province.

We found the Ministry has made progress, but still has more work to do on all seven recommendations. The Ministry continues to work on consistently following its case management policies, including completion of timely risk assessments and integrated case

plans,<sup>5</sup> having sufficient contact with offenders, and preparing regular progress reports for offenders. The Ministry needs to do more work to select and evaluate rehabilitation services provided by other agencies, monitor access to priority community rehabilitation programs, and evaluate the effectiveness of its rehabilitation programs.

## Chapter 29

### Saskatchewan Telecommunications— Wireless Network Security

We audited Saskatchewan Telecommunication's (SaskTel) wireless network security controls in 2009 and made seven recommendations. We reported our first follow-up of this audit in 2011. This chapter reports our second follow-up, which is of management's actions on our recommendations to March 31, 2013. We found that SaskTel has implemented six of our seven recommendations relating to wireless training, setting roles and responsibilities, configuring equipment, assessing risks, maintaining an inventory of devices, and logging activity. It still needs to perform regular wireless security scans and address related issues.

## STUDY

## Chapter 30

### Regional Health Authorities— Board Governance Survey

We surveyed board members and selected executives of regional health authorities (RHAs) to gain an understanding of the state of board governance in health regions, to identify issues as perceived by board members and senior management, and to identify opportunities to improve governance practices. This chapter presents selected results from the survey. The full report is available at [www.auditor.sk.ca](http://www.auditor.sk.ca).

The survey gathered board member and executive views in the areas of:

- › Board Purpose
- › Board Membership
- › Board Culture
- › Education, Training, and Evaluations
- › External Relationships
- › Accountability
- › Board Structure
- › Information for Decision Making
- › Internal Relationships

The survey results provide interesting and important insights into a range of governance areas. The results show that the views of board members and executives are sometimes surprisingly far apart. The results also indicate that views of board members and executives can differ depending on whether the RHA is urban, urban/rural, or northern (these differences are explored in the full report).

We encourage RHA board members to consider the survey results and discuss the results within their own board and with their executives. We also encourage RHAs to use the survey results as a resource for constructive dialogue with the Ministry of Health. The Ministry and RHAs could also consider how the survey results could be used to enhance governance training. We hope

<sup>5</sup> A documented strategy for managing the offender throughout the court ordered disposition(s). Source: Ministry's Integrated Case Management Policy.



this chapter and the full report will offer insight into promoting effective governance in the health sector.

## STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

### Chapter 31

### Standing Committee on Crown and Central Agencies

Through its work and recommendations, the Standing Committee on Crown and Central Agencies (Committee) helps the Legislative Assembly hold the Government accountable for its management of the Crown Investments Corporation of Saskatchewan (CIC) and its subsidiaries. The Committee does this through its review of the annual reports of agencies within its subject area. However, at May 3, 2013, the Committee's complete review of these annual reports for the years 2008, 2009, 2010, and 2011 remain outstanding.

The Committee asks our Office to assess and report on the status of the recommendations it makes as a result of our audit work. The Government has implemented almost all of the Committee's recommendations arising from the work of our Office for reports that were addressed by the Committee. At March 31, 2013, the Committee had four recommendations outstanding.

The Committee did not meet to consider any of our reports during 2012-13. There are many chapters from our various reports concerning CIC and its subsidiaries that remain outstanding and have not been reviewed by the Committee. Chapters that remain outstanding date back to 2007.