

Reflections



Since our December 2012 public report, we have completed audits covering a range of areas. I would like to highlight some of our observations under three themes:

1. Protecting Saskatchewan Residents
2. Planning for Saskatchewan's Future
3. The Importance of Governance

Protecting Saskatchewan Residents

Part of the government's role is to protect the health and safety of Saskatchewan residents both through its delivery of services and through its regulatory role. It also needs to ensure it uses public money efficiently and effectively.

- › **Regina Qu'Appelle Regional Health Authority needs to improve its processes for scheduling surgeries and collect more information on the utilization of its surgical facilities (Chapter 20)** – Regina Qu'Appelle is one of the largest regional health authorities in Saskatchewan, serving a population of 260,000 people and providing surgical procedures for many surrounding health authorities. With such a large number of people to serve, the efficient use of surgical facilities is a critical component in providing patients with the care they need on a timely basis.

We looked at Regina Qu'Appelle's processes to support the effective and efficient use of surgical facilities. We found that Regina Qu'Appelle could benefit from several improvements in this area. Regina Qu'Appelle does not track, monitor, and analyze the planned versus actual usage of surgical facilities. Better tracking, analysis, and monitoring of usage should help Regina Qu'Appelle identify and address factors that inhibit the efficient use of existing surgical facilities and should help it identify where, when, and if more resources are needed. In addition, Regina Qu'Appelle needs to develop a uniform set of standards for using surgical facilities, clear guidelines for allocating surgical time to doctors, and formal, standardized processes for scheduling surgeries. It also needs to set efficiency-based performance measures to help it assess and then improve upon its use of surgical facilities. We encourage other regional health authorities to use the audit criteria and recommendations in this chapter to assess their own processes for providing surgical services in their regions.

- › **Regina School Division No. 4 and Regina Roman Catholic Separate School Division No. 81 generally provide students with a safe physical environment at their schools (Chapter 13)** – A learning environment that is both physically and psychologically safe is essential for students to be successful at school. In Saskatchewan, school divisions are responsible for student safety. We examined physical safety processes at schools within the Regina School Division No. 4 and the Regina Roman Catholic Separate School Division No. 81. Overall, both school divisions had good practices in the areas of emergency response planning, policies over the use of gym equipment, handling of occupational and



health matters, and school maintenance. To enhance the processes already in place, we make eight recommendations that include further assessing the level of physical security required for schools, setting requirements for safety training, ensuring air quality testing is conducted when there is construction in a school during the school year, developing and implementing safety manuals for science and practical and applied arts programs, and ensuring safety equipment is functioning and accessible. We encourage other school divisions to assess their own student safety processes using the audit criteria in this chapter.

- › **The Ministry of Social Services is doing a reasonable job in placing permanent wards and long-term wards in permanent homes (Chapter 14)** – Children under the care of the Ministry for more than 18 months become permanent or long-term wards based on court orders. As of December 31, 2012, the Ministry had 1,375 wards in its care requiring long-term or permanent homes. We found that the Ministry could further improve its effectiveness by following its policies in two key areas: striving to place children on its adoption list within 120 days and documenting the permanency plans for permanent wards and long-term wards. We also think that there would be value for the Ministry in collecting information that would allow it to know what the outcomes (e.g., education level reached) are for children no longer wards of the Ministry, so that it can determine whether its services meet children's needs over the long term.
- › **The Water Security Agency (Agency) effectively regulates public waterworks but it needs to improve its processes that serve to reduce the risk of a public waterworks providing unsafe drinking water (Chapter 17)** – Public waterworks owners are responsible for providing safe drinking water to the people of Saskatchewan. The Water Security Agency regulates public waterworks owners by issuing permits, monitoring water test results, inspecting waterworks, and enforcing permits. The Agency has several effective processes in place for overseeing waterworks, including issuing public advisories and posting inspection results in a timely manner, and reporting regularly on water quality through its SaskH2O website. However, it is behind in conducting timely inspections of public waterworks. In addition, it needs to identify non-compliance of water tests more quickly and establish policies to allow it to take consistent action when waterworks owners do not comply with permits. The Agency also needs to coordinate its efforts with the Ministry of Government Relations to ensure feasible plans for water infrastructure upgrades are in place before new residential developments are approved, and develop an enforcement policy for those waterworks owners that fail to upgrade waterworks for new residential developments.
- › **The Ministry of Finance and the Ministry of Environment need to ensure that all contaminated sites are identified and assessed, and that needed cleanup plans are in place to determine the province's liability for the cleanup of contaminated sites (Chapter 10)** – The provincial government is in the early stages of its work to identify and manage contaminated sites where it is responsible for the costs of clean up. Cleanup costs can be expensive. Many government agencies did not have a complete list of all suspected and known sites, and had not completed their assessments of the degree of contamination to fully know what public health and safety risks those sites pose. Also, they had not made decisions on the cleanup. We make four recommendations so that government will have information that it needs to better manage risks caused by contaminated sites and can determine its costs for cleanup.
- › **SaskEnergy did not have effective processes to secure its supervisory control and data acquisition (SCADA) system that it uses to monitor and control the physical transportation of gas through pipelines (Chapter 19)** – 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 needs to improve its processes to protect the confidentiality, integrity, and availability of its SCADA system, and associated data. However, 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.

Planning for Saskatchewan's Future

Not unlike individuals, governments must think ahead so that they can provide services that not only meet today's needs, but future needs as well. Planning helps ensure that government spends public money on the right things at the right times and is well-positioned to provide effective services and programs when and where needed.

- › **The Ministry of Education does not have effective processes for planning for facilities (e.g., schools) to house and support educational programs and instructional services for students in school divisions (Chapter 8)** – Currently, more than 168,000 children attend school each day in 600 schools across 28 school divisions. The population of Saskatchewan has been growing, with a large proportion of this growth in pre-school age children. Our population is also continuing to become more urban. These shifts are causing student enrolment changes across school divisions, with some schools in need of increased capacity while others are underutilized. The Ministry has the challenge of balancing the demand for new schools with the cost of maintaining safe and healthy schools in areas experiencing declining enrolment. We found that the Ministry makes decisions on a “school division-by-school division” basis instead of on an overall basis. The Ministry needs to ensure that system-wide decisions maximize the use of available resources. It needs to develop an overall capital asset strategy and prioritize requests to ensure that the most important projects across the province are approved and completed on a timely basis. It also needs to clarify its policies and update its funding guides so that school divisions understand the Ministry's decision-making and funding processes.
- › **The Ministry of the Economy's Saskatchewan Immigrant Nominee Program operated effectively to nominate qualified immigrant applicants to meet the Program's objectives except that the Ministry needs to provide its staff with better guidance and training for assessing relocation and settlement plans and business establishment plans submitted under the Entrepreneur Immigrant Categories (Chapter 12)** – The Immigrant Nominee Program is intended to nominate applicants who will contribute to the economic development of Saskatchewan and become economically established in Canada. The Ministry is responsible for attracting immigrants to Saskatchewan and helping them settle and integrate into communities and workplaces within the province. In 2012, 11,182 immigrants settled in Saskatchewan. Of the new immigrants, 81% (2011 - 78%) were granted permanent resident status by the Federal Government through provincial nomination in prior years. Because of the complexity of assessing plans submitted under the Entrepreneur Immigrant Categories, training and written guidance in assessing these plans is necessary so that staff evaluate applicants fully and consistently. We make five recommendations that include better documenting evidence to explain how decisions are reached on the eligibility and qualifications of immigration applicants.
- › **The Saskatchewan Crop Insurance Corporation (SCIC) has good processes for determining AgriStability program benefits for producers, consistently and equitably**



(Chapter 7) – However, SCIC should improve its procedures for determining its annual estimate of program benefit costs and work with the Ministry of Agriculture to develop processes to ensure that March 31st estimates for the AgriStability program benefits are reasonable, consistent, and current. The AgriStability Program is a support program to assist producers who experience large income losses. It covers most types of farm operations including grain farms, livestock operations, and produce operations.

The Importance of Governance

Governance is the act of governing. It relates to decisions that define expectations, grant power or verify performance. Governance plays an important role in organizations at all levels, from governance frameworks for operational activities to board organizational governance.

- › **Neither the Board of Directors of the Regina Qu'Appelle Regional Health Authority nor the Ministry of Health received timely, complete, and accurate information on Regina Qu'Appelle's projected budget deficit during the 2012-13 fiscal year (Chapter 2)** – The Ministry of Health had concerns about Regina Qu'Appelle's projected financial information up to the point when Regina Qu'Appelle began to formally project an annual deficit. The Ministry requested that we look at this information. We found that Regina Qu'Appelle needed to improve the financial information it provides to its Board of Directors, improve Board monitoring of that information, and approve budgets on a timely basis.
- › **While the University of Regina has many structures and processes in place for protecting its interests (e.g., financial, reputational, ownership) as it fosters research and commercialization of research, these structures and processes need improvement (Chapter 15)** – In part because of its decentralized governance framework, the University did not have sufficient understanding and controls over certain aspects of research operations. Expectations about research and the structuring of research initiatives need to be formally clarified, policies and procedures need to be improved, signing authorities need to be strictly followed, research agreements need to be improved and the rights of the University and research interests need to be better protected and monitored.
- › **Results from our survey of board governance at Regional Health Authorities (RHAs) provide a window into the perceptions of board members and executives regarding a variety of governance areas (Chapter 30)** – Overall, board members and executives indicated that they enjoy a positive working relationship. Their views were also aligned when indicating that more financial expertise is needed on their boards. However, the views of board members and executives differed in a number of other more specific areas. We hope this report on the state of RHA governance will serve as a valuable resource for meaningful dialogue between board members, executives, and government and will ultimately further enhance governance in the health sector. The full results of this survey are available on our website at www.auditor.sk.ca.

Denial of Access to Information

- › **We were unable to conduct an audit of the processes that the Ministry of Justice uses to rehabilitate young offenders because we were denied access to information by Cabinet (Chapter 18)** – Failing to provide us with this access impairs our ability to fulfill our responsibilities to the Legislative Assembly. Our plan was to examine the Ministry's

processes for rehabilitating young offenders aged 12 to 17. We have previously completed audits about the rehabilitation of adult offenders in provincial correctional institutions (2008) and the community (2011).

Saskatchewan has the highest youth crime rate in Canada, at 3.1 times the national average. 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 to work with about 4,400 youth admitted into community sentences, and 500 youth admitted into custody. We planned to conduct this audit 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.

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. Access through either means would permit us to carry out this important audit. 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. Upon being notified of this decision, I communicated that I would not spend taxpayers' money seeking our own order for access through the courts, when Cabinet could provide us access at no additional cost through an Order in Council.

Follow Up of Past Audit Recommendations

We follow up our past recommendations (and the recommendations of the Standing Committees on Public Accounts and Crown and Central Agencies), to assess whether government agencies have taken actions to address the recommendations that were made during prior audits.

This report includes our follow-up work on recommendations from nine previous performance and information technology (IT) audits ([Chapters 21 to 29](#)).

The following agencies implemented all of their recommendations in the following subject areas:

- › Finance – Provincial Sales Tax Selection Follow Up ([Chapter 23](#))
- › Sunrise Regional Health Authority - Scheduling Nursing Staff Follow Up ([Chapter 26](#))
- › Northern Municipal Trust Account, Power Corporation Superannuation Plan, and the Liquor Board Superannuation Board ([Chapter 6](#))

During the past year, school divisions have improved their financial-related controls. [Chapter 5](#) highlights that a number of control recommendations were implemented over the past year.

The Ministry of Justice has implemented six of the eight recommendations we made in 2010 regarding the Ministry's processes for managing provincial correctional centres' labour costs related to absenteeism. Since 2010, the Ministry has done significant work to improve absenteeism in provincial correctional centers resulting in reduced overtime costs and fewer average sick days for correction workers.



Conversely, the Ministry of Justice has not yet implemented any recommendations from our 2011 audit of community rehabilitation of adult offenders.

Acknowledgements

I would like to thank the many individuals who work in Government ministries and agencies for assisting us in doing our work and acknowledge the assistance of the appointed auditors who worked with us over the past six months.

I would further like to thank the board members and executives of regional health authorities (RHAs) for their time and effort in participating in the survey we conducted on RHA board governance. I trust that they will find the final product interesting and beneficial for discussion and for the continued advancement of RHA board governance.

Finally, I would like to thank my staff for their professionalism and their hard work that went into this report. I appreciate their dedication and belief in the work of our independent Office. Their names follow this acknowledgement.

As an Office, we remain focused on serving the Members of the Legislative Assembly, the Members of the Standing Committee on Public Accounts, and the people of Saskatchewan.

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Exhibit

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