

Chapter 18

Regina Qu'Appelle Regional Health Authority

1.0 MAIN POINTS

This chapter reports that Regina Qu'Appelle Regional Health Authority (RQRHA) had reliable financial statements for the year ended March 31, 2013. RQRHA complied with authorities governing its activities and had effective processes to safeguard public resources except for four areas. It needs to establish an internal audit function, strengthen its information technology (IT) security, and establish and test a disaster recovery plan. In addition, RQRHA needs to improve its budgeting and financial reporting processes.

2.0 INTRODUCTION

On August 1, 2002, *The Regional Health Services Act* created RQRHA. The Act makes RQRHA 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.

For the year ended March 31, 2013, RQRHA had revenues of \$970 million (comprised of operating fund revenues of \$953.0 million and capital fund revenues of \$17.0 million) and expenses of \$1,005.7 million (comprised of operating fund expenses of \$972.7 million and capital fund expenses of \$33.0 million). At March 31, 2013, RQRHA held assets totalling \$384.6 million.

RQRHA's financial statements are available in its 2012-13 Annual Report.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2013:

- › **RQRHA had effective rules and procedures to safeguard public resources except for the matters reported in this chapter**
- › **RQRHA 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
The Tabling of Documents Act
 The Regina Qu'Appelle Regional Health Authority Board Bylaws
 Orders in Council issued pursuant to the above legislation

- › **RQRHA'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 the RHA'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.

4.0 KEY FINDINGS AND RECOMMENDATIONS

In this section, we outline key observations from our assessments and the resulting recommendations.

4.1 Budgeting and Financial Reporting Processes Need Improvement

At the request of the Ministry of Health, we examined RQRHA's processes used for its 2013 budget preparation and financial reporting. We reported the results of this work in our *2013 Report – Volume 1*. We made six recommendations to help RQRHA strengthen its processes (see **Exhibit 5.1**). To give RQRHA time to address these recommendations, we plan to assess management's progress during our next audit.

4.2 Internal Audit Function Needed

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

Status – Not Implemented

Although the Board of Directors determined in 2005 that an internal audit function is needed, RQRHA has not yet established an internal audit function.

An internal auditor could provide assurance to the Board and senior management on the effectiveness of management processes and staff compliance with established policies and procedures. The internal audit function could also provide assurance on the effectiveness of IT security controls to protect patient systems and data.

4.3 IT Security Needs Strengthening

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

Status – Partially Implemented

RQRHA has documented some information technology (IT) security policies and procedures (e.g., granting access and defining password requirements). However, RQRHA does not always follow its procedures for removing unneeded user accounts on a timely basis. Also, RQRHA has not yet completely updated and monitored its computer equipment on a timely basis to protect against security risks.

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

4.4 Establishment and Testing of 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 – Partially Implemented

RQRHA relies on IT systems and data to support the delivery of patient care. The primary function of a disaster recovery plan is to rebuild key IT capability after a major disaster or other interruption.

RQRHA 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 it has developed a complete plan, RQRHA needs to test the plan to assess its effectiveness.

eHealth Saskatchewan (eHealth) has a close working relationship with RQRHA and provides RQRHA with some IT services. To have a robust disaster recovery plan, RQRHA must ensure that its service provider, eHealth, also has a robust recovery plan. Accordingly, the adequacy of RQRHA's recovery plan very much depends on the adequacy of the recovery plan of eHealth.

4.5 Human Resources Planning Improved

We recommended that the Regina Qu'Appelle Regional Health Authority 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 – Implemented



During 2012-13, RQRHA completed its workforce plan. This plan identified short-, medium-, and long-term human capital risks and set out priorities to address the key human resource risks. The workforce plan is supported by an analysis of employee characteristics such as age, expected age at retirement, diversity, and average turnover rates. For example, the workforce plan sets out, by category, the number of current positions, and the projection of new hires and employees leaving RQRHA over the next few years, and over the long term.

On a quarterly basis, RQRHA reports to the Board on its workforce plan. The reports include information on the workforce plan's indicators and measures, and provide baseline measures and quarterly results on indicators such as external turnover and sick time hours per full time equivalent employee.

5.0 EXHIBITS

5.1 Recommendations to Strengthen Budgeting and Financial Reporting Processes

This exhibit lists the recommendations relating to RQRHA's processes used for its 2013 budget preparation and financial reporting as reported in our *2013 Report – Volume 1*.

- ▶ We recommended that the Board of Directors of the Regina Qu'Appelle Regional Health Authority review and approve future budgets on a timely basis
- ▶ We recommended that Regina Qu'Appelle Regional Health Authority provide the Board of Directors reliable monthly financial reports that include reasonable and supportable projections of year-end results
- ▶ We recommended that Regina Qu'Appelle Regional Health Authority include in its monthly financial reports to the Board of Directors complete reasons for differences between the year to date budgeted and actual expenses
- ▶ We recommended that Regina Qu'Appelle Regional Health Authority develop action plans to address projected operating deficits and provide a formal plan to the Board of Directors for approval
- ▶ We recommended that the Board of Directors of the Regina Qu'Appelle Regional Health Authority perform regular, timely, and thorough reviews of financial reports
- ▶ We recommended that Regina Qu'Appelle Regional Health Authority request the Ministry of Health to appoint individuals to the Board of Directors with financial expertise necessary to assess financial reports

5.2 Status of Previous Recommendations of the Standing Committee on Public Accounts

This exhibit provides an update on recommendations agreed to by the Standing Committee on Public Accounts (PAC) that are not yet implemented and are not discussed earlier in this chapter. Our intent is to follow up outstanding recommendations in the future.

PAC Report Year	Outstanding Recommendation	Status
Capital Equipment Plans (2001 Fall Report – Volume 2)		
2002	6D-1 that all regional health authorities should prepare capital plans that contain the key elements for capital equipment plans in the public sector.	Partially Implemented (as of August 31, 2012)

