

ANNUAL INTEGRATED AUDITS

Chapter 1

Advanced Education

This chapter reports the results of the annual audits of the Ministry of Advanced Education (Advanced Education) and its agencies.

Advanced Education and its agencies complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

The 2014 financial statements of each of Advanced Education's agencies are reliable. Advanced Education and its agencies had effective rules and procedures to safeguard public resources except for the following. Advanced Education needs to:

- › Sign a complete memorandum of understanding with the Ministry of the Economy to avoid misunderstandings pertaining to shared services with respect to the One Client Service Module, labour market-related statistical data and research, and client and administrative services for the Provincial Training Allowance
- › Sign an adequate agreement with the Information Technology Division of the Ministry of Central Services (ITD) on disaster recovery of computer systems and data, and monitor the effectiveness of ITD's security controls to protect Advanced Education's computer systems and data

Also, North West Regional College and Northlands Regional College need to do more to protect their information technology systems and data.

Chapter 2

Agriculture

This chapter reports the results of our annual audit of the Ministry of Agriculture (Agriculture), its agencies, and funds for the year ended on or before July 31, 2014.

Agriculture, its four agencies, and five funds complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2014 financial statements of Agriculture's agencies and funds are reliable.

Agriculture, its agencies, and the Saskatchewan Agricultural Stabilization Fund had effective rules and procedures to safeguard public resources except Agriculture needs to:

- › Follow procedures for timely user access removal to computer systems
- › Obtain proper approval for and table in the Legislative Assembly its animal products inspection agreements and animal identification inspection agreements



- › Obtain adequate assurance from the Information Technology Division of the Ministry of Central Services over the security of Agriculture's computer systems and data
- › Improve its process for determining the possible extent to which its AgriStability estimates may vary from actual results

Chapter 3 Central Services

This chapter reports the results of the annual audit of the Ministry of Central Services (Central Services) for the year ended March 31, 2014.

Central Services complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

Central Services had effective rules and procedures to safeguard public resources except that it needs to follow its established procedures to promptly remove user access to information technology (IT) systems and data. If former employees do not have access removed promptly, it increases the risk of inappropriate access to Central Services' systems and data.

Also, each year our Office audits the effectiveness of Central Service's processes to secure the data centre. Our *2014 Report – Volume 1*, Chapter 7 contains the results of our last audit.

Chapter 4 Creative Saskatchewan

Creative Saskatchewan's 2013-14 financial statements were reliable. It complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except that it did not obtain Cabinet's approval for a grant payment.

Chapter 5 Economy

This chapter reports the results of our annual audit of the Ministry of the Economy (Economy), its three special purpose funds, and its agency – Enterprise Saskatchewan.

The 2013-14 financial statements of Enterprise Saskatchewan and each of the special purpose funds are reliable.

Economy, its agency, and three special purpose funds complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

Economy and Enterprise Saskatchewan had effective rules and procedures to safeguard public resources except Economy needs to:

- › Improve information technology processes to promptly remove unneeded user access

- › Sign a complete memorandum of understanding with the Ministry of Advanced Education to avoid misunderstandings pertaining to shared services with respect to the One Client Service Module

Chapter 6

Education

This chapter reports the results of the annual audit of the Ministry of Education (Education), School Division Tax Loss Compensation Fund, Prince of Wales Scholarship Fund, Teachers' Superannuation Plan, and Teachers' Disability Plan.

Education, its two funds, and its two plans complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

The financial statements of the Teachers' Superannuation Plan and Education's two funds for the years ended on or before June 30, 2014 are reliable.

Education and its two plans had effective rules and procedures to safeguard public resources except Education needs to:

- › Enter into written agreements with school divisions for funding of school capital projects
- › Periodically verify the accuracy of its contributions to the Saskatchewan Teachers' Retirement Plan
- › Improve its information technology (IT) processes by preparing an IT strategic plan, monitoring the effectiveness of the Information Technology Division of the Ministry of Central Services' (ITD) security controls over Education's computer systems and data, and promptly removing unneeded user access to its computer systems and data

Chapter 7

eHealth Saskatchewan

This chapter reports the results our audits of eHealth Saskatchewan (eHealth) for the years ended March 31, 2013 and March 31, 2014.

eHealth's 2013 and 2014 financial statements are reliable. It complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing, and it had effective rules and procedures to safeguard public resources except for three areas.

eHealth needs to follow its processes to remove unneeded user access to its information technology (IT) systems and data promptly. It also needs a complete and tested disaster recovery plan, and needs to authorize all requests for changes to its accounting records on a timely basis.



Chapter 8

Environment

This chapter reports the results of the annual audits of the Ministry of Environment (Environment), the Fish and Wildlife Development Fund (Fund), and the Water Appeal Board (Board) for the year ended March 31, 2014.

Environment, the Fund, and the Board complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2013-14 financial statements of Fish and Wildlife Development Fund and Water Appeal Board are reliable.

Environment and the Board had effective rules and procedures to safeguard public resources except for the following matters. Environment needs to complete its business continuity plan and follow procedures to remove unneeded user access to systems and data promptly. Additionally, Environment needs to consistently record the cost of inventory purchases.

Chapter 9

Finance

This chapter reports the results of our annual audit of the Ministry of Finance (Finance) and six agencies with March 31 year-ends. Finance and these agencies complied with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2013-14 financial statements of each of the agencies are reliable. Finance and these agencies had effective rules and procedures to safeguard public resources except for the matters noted in this chapter.

Finance administers the corporate capital tax program including resource surcharge revenues. In order to ensure it records these revenues in the proper period, Finance needs to complete its development and implementation of a more accurate reporting model for these revenues.

Finance did not require one of its information technology (IT) service providers, the Information Technology Division of the Ministry of Central Services (ITD), to annually confirm, through testing, whether ITD could recover Finance's critical systems and data in the event of a disaster. Also, Finance did not follow its processes to promptly remove unneeded user access to its IT systems and data.

Finance has set a market-based benchmark for its sinking fund investments to help it evaluate whether it earned an effective return on these investments. It reported the results of this evaluation to senior management, but had not reported this information publicly. It also had not completed the documentation of its treasury management procedures.

Chapter 10

Government Relations

This chapter contains the results of our 2013-14 annual audit of the Ministry of Government Relations (Ministry). The Ministry complied with authorities governing its activities related to

financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

During 2013-14, the Ministry had effective rules and procedures to safeguard public resources except that it needs to remove unneeded user access to its computer systems and data promptly.

Chapter 11 Health

The Ministry of Health (Ministry) and five of its agencies with March 31 year-ends reported in this chapter complied with authorities governing their activities. Each of these agencies had reliable 2014 financial statements. Also, the Ministry and those agencies had effective rules and procedures to safeguard public resources except that the Ministry does not have a capital asset plan. Lack of a capital asset plan increases the risk that the healthcare system may not have the capital assets it needs to deliver the services citizens require.

Chapter 12 Highways and Infrastructure

During 2013-14, the Ministry of Highways and Infrastructure (Highways) and the Transportation Partnerships Fund (Fund) complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2013-14 financial statements of the Fund are reliable.

Highways had effective rules and procedures to safeguard public resources except that staff did not always follow established procedures to promptly remove access of former employees to its computer systems and data, and process the final timecards of employees who have left employment with Highways. Also, its agreement with the Information Technology Division of the Ministry of Central Services does not address Highways' disaster recovery and security needs.

We also assessed Highways' processes to recommend the preferred route for the City of Regina South Bypass. We found its processes reasonable.

Chapter 13 Justice

This chapter reports the results of our audit of the Ministry of Justice (Ministry), its agencies, and special purpose funds for the year ended March 31, 2014.

The Ministry, its agencies, and special purpose funds complied with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2013-14 financial statements of its agencies and special purpose funds are reliable.



The Ministry and its agencies had effective rules and procedures to safeguard public resources except that the Ministry needs to adequately monitor the security of its information technology (IT) systems and data.

Chapter 14 Labour Relations and Workplace Safety

The Ministry of Labour Relations and Workplace Safety (Ministry) complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. It had effective rules and procedures to safeguard public resources except that it needs to consistently follow its established procedures for promptly removing user access to its computer systems and data for individuals who no longer work for the Ministry.

Chapter 15 North Sask. Laundry & Support Services Ltd.

This chapter reports the results of our audit of North Sask. Laundry & Support Services Ltd. (NSL) for the year ended March 31, 2014.

NSL's 2013-14 financial statements are reliable. NSL complied with the authorities governing its activities. It had effective rules and procedures to safeguard public resources except that it needs to better control payments to employees for work done and maintain complete and accurate financial records to manage its operations. This chapter notes that during 2013-14, NSL made improvements to its financial-related controls.

Chapter 16 Parks, Culture and Sport

This chapter reports the results of the annual audits of the Ministry of Parks, Culture and Sport, five of its agencies, and two special purpose funds for the year ended March 31, 2014.

The Ministry of Parks, Culture and Sport (PCS), its funds, and agencies, complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2014 financial statements of PCS' agencies and special purpose funds are reliable.

PCS, its agencies, and the Saskatchewan Snowmobile Fund had effective rules and procedures to safeguard public resources except for the following matter related to PCS.

PCS has addressed our past recommendations by renewing its agreement with its lotteries marketing agent and requiring the lotteries marketing agent to make payee lists available to PCS. However, PCS needs to follow its procedures to secure its systems through timely removal of network access. Additionally, PCS needs to record the estimated cost to close and remediate landfills in provincial parks in its accounting records.

Chapter 17**Public Service Commission**

The Public Service Commission complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

The Public Service Commission had effective rules and procedures to safeguard public resources except that it needs to follow its established procedures to promptly remove unneeded user access to its information technology (IT) systems.

Chapter 18**Regina Qu'Appelle Regional Health Authority**

Regina Qu'Appelle Regional Health Authority (Regina Qu'Appelle) had reliable financial statements, and it complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. It had effective rules and procedures to safeguard public resources with the following exceptions. It needs to improve its budgeting and financial reporting processes, establish an internal audit function, strengthen its information technology (IT) security, and establish and test a disaster recovery plan.

Chapter 19**Regional Health Authorities**

This chapter reports the results of our audits of 10 of the 12 regional health authorities (RHAs). Chapters 18 and 25 report the results of our audits of the remaining two RHAs—Regina Qu'Appelle RHA and Saskatoon RHA, respectively.

Four of the 10 RHAs had reliable financial statements; Cypress, Five Hills, Heartland, Prairie North, PA Parkland, and Sun Country RHAs did not follow Canadian generally accepted accounting principles for the public sector in that they did not properly account for healthcare facilities built or acquired under shared ownership agreements with the Ministry of Health. As a result, the auditors' reports on each of these 2014 financial statements is qualified because each of those financial statements contained significant errors.

Seven of the 10 RHAs complied with authorities governing their activities; Cypress, Mamawetan Churchill River, and Keewatin Yatthé did not. Each one of these three RHAs did not have a written agreement for providing funding to other healthcare organizations, as the law expects.

Most RHAs continue to make progress towards improving their processes. Five RHAs need to do more to better protect their information technology systems and data. Four RHAs do not have up-to-date or tested disaster recovery plans. While Mamawetan Churchill River is also improving some processes, it needs to do more to control its payroll costs for amounts paid as overtime.



Chapter 20

Saskatchewan Cancer Agency

For the year ended March 31, 2014, the Saskatchewan Cancer Agency (Agency) had reliable financial statements, and complied with the authorities governing its activities. Also, it had effective rules and procedures to safeguard public resources except that it did not test the effectiveness of its disaster recovery plan as its policies require.

Chapter 21

Saskatchewan Crop Insurance Corporation

Saskatchewan Crop Insurance Corporation (SCIC) provides Saskatchewan producers with insurance and financial support programs. These programs include Crop Insurance, AgriStability, and Wildlife Damage Compensation. SCIC also manages the Crop Reinsurance Fund of Saskatchewan (Reinsurance Fund).

SCIC's financial statements and the Reinsurance Fund's financial statements for the year ended March 31, 2014 are reliable. Also, SCIC and the Reinsurance Fund complied with authorities governing their activities related to financial reporting, safeguarding resources, revenue raising, spending, and investing.

In 2014, SCIC had effective rules and procedures to safeguard public resources except that it did not determine the extent of uncertainty in its estimate for unpaid AgriStability benefits or disclose the possible extent of this uncertainty.

Chapter 22

Saskatchewan Indian Gaming Authority Inc.

This chapter reports the results of the annual audit of the Saskatchewan Indian Gaming Authority Inc. (SIGA) for the year ended March 31, 2014.

To help it recover critical business functions in the event of a disaster, SIGA must assess the need for a business continuity plan that would include emergency preparedness planning for all of its six casinos. SIGA must better protect its information technology (IT) systems and data including periodically reviewing user access to its IT systems and data.

Also, SIGA needs to finalize its human resource plan. Complete human resource plans assist in obtaining the right people at the right time. In addition, SIGA needs formal processes to track the disposal of its assets and to carry out periodic counts of its assets to confirm their existence.

SIGA's 2014 financial statements are reliable and it complied with the authorities governing its financial-related activities.

Chapter 23

Saskatchewan Liquor and Gaming Authority

Saskatchewan Liquor and Gaming Authority's (Liquor & Gaming) financial statements for the year ended March 31, 2014 are reliable. It complied with authorities governing its activities related to financial reporting, safeguarding resources, revenue raising, spending, borrowing, and investing.

Liquor & Gaming had, other than for the following four matters, effective rules and procedures to safeguard public resources. It needs to maintain complete and accurate records of its slot machines, improve its information technology (IT) policies, consistently comply with its IT policies, and implement a corporate-wide risk management framework.

Chapter 24

Saskatchewan Research Council

Saskatchewan Research Council (SRC) had reliable financial statements. SRC had effective rules and procedures to safeguard public resources. SRC complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except that it did not obtain Lieutenant Governor in Council approval, as required by law, for the remuneration it pays to its Board members. Also, SRC did not report, to the Provincial Comptroller, losses resulting from fraud or potential illegal acts as required by the *Financial Administration Manual*.

Chapter 25

Saskatoon Regional Health Authority

For the year ended March 31, 2014, Saskatoon Regional Health Authority (Saskatoon RHA) had effective rules and procedures to safeguard public resources, and its financial statements were reliable. Also, Saskatoon RHA complied with authorities governing its activities.

During the year, Saskatoon RHA implemented our past recommendations related to security of its information technology (IT) systems and data.

Chapter 26

Social Services

This chapter reports the results of our audits of the Ministry of Social Services (Ministry) and its three special purpose funds. The 2014 financial statements of each fund are reliable. The Ministry complied with authorities governing its activities and the activities of its funds, and had effective rules and procedures to safeguard public resources except the Ministry needs to:

- › Monitor the effectiveness of its information technology service provider's security to protect the Ministry's systems and data
- › Test the effectiveness of its business continuity plan



- › Follow its processes to ensure only appropriate recipients receive the correct amount of social assistance
- › Work with community-based organizations (CBOs) to establish performance measures and targets and ensure CBOs comply with the Ministry's reporting requirements

Chapter 27 Teachers' Dental Plan

This chapter reports the results of the annual audit of the Teachers' Dental Plan (Plan) for the year ended June 30, 2014.

The Teachers' Superannuation Commission (Commission) had effective rules and procedures to safeguard the Plan's public resources except it needs to:

- › Have adequate support for dental payments
- › Establish guidance for preparing financial statements for the Plan and for inclusion in the Commission's annual report

During the year, the Commission implemented processes to monitor its dental agreement with the insurance provider.

Also, the Commission complied with authorities governing the Plan's activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except for the lack of adequate support for dental payments.

Chapter 28 Water Security Agency

This chapter reports the results of the annual audit of the Water Security Agency (Agency) for the year ended March 31, 2014.

The Agency complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. As well, the Agency's 2014 financial statements are reliable.

The Agency had effective rules and procedures to safeguard public resources except it needs to complete its business continuity plan.

Chapter 29 Summary of Implemented Recommendations

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

PERFORMANCE AUDITS

Chapter 30 Central Services—Processes to Use Consultants

The Ministry of Central Services (Ministry) uses the services of consultants to help achieve its goals. For the 16-month period ending May 31, 2014, the Ministry's processes to use consultants were not effective. The Ministry needs to:

- › Establish policies to guide:
 - When to use an employee as opposed to hiring a consultant
 - When and how to conduct a final evaluation of a consultant's performance
- › Identify and document, prior to beginning the process of engaging a consultant, the reasons why a consultant is required
- › Improve its agreements with consultants to include:
 - Services to be provided, in sufficient detail to permit evaluation of consultant performance
 - Provisions for monitoring and evaluation
 - Dispute resolution
- › Document reasons for the need to extend a contract with a consultant, prior to extending a contract

Chapter 31 Conseil scolaire fransaskois—Financial Management and Governance Practices

On June 11, 2014, Cabinet, through Order in Council 308/2014, asked our Office to examine the financial management and governance practices of Conseil scolaire fransaskois (CSF; also referred to as Conseil des écoles fransaskois No. 310). In response to Cabinet's request, this chapter reports the results of our audit of CSF's financial management and governance practices.

CSF is Saskatchewan's first-language French school system. Effective financial management and governance practices are necessary to enable CSF to make sound decisions for the education of students. Without effective practices, CSF may not use resources effectively, leading to reductions in the quality or availability of Francophone educational programming in Saskatchewan.

For the 12-month period ended August 31, 2014, we found that Conseil scolaire fransaskois did not have effective financial management and governance practices. It needs processes to develop required Board competencies, and needs to establish governance and financial policies and procedures necessary to manage its financial operations.

We make 10 recommendations to assist CSF in improving its financial management and governance practices.



Chapter 32

Economy—Monitoring IT Service Providers

Information technology (IT) service providers are agencies or companies used to host, develop, and/or support IT systems and data.

For the 12-month period ended April 30, 2014, the Ministry of the Economy (Economy) had, other than for the following matters, effective processes to monitor whether its IT service providers appropriately managed and secured its IT systems and related data. Economy needs to:

- › Maintain current agreements with its IT service providers
- › Include appropriate provisions in agreements with IT service providers for security requirements and security reporting
- › Establish written policies and procedures for taking corrective actions and reporting on problems with IT service providers

Chapter 33

Government Relations—Processes to Assess Public Concerns

The Ministry of Government Relations (Ministry) is responsible for setting the legislative framework for municipal governments. Municipal governments, under this legislative framework, are the responsible and accountable level of government within their municipal jurisdiction. The Ministry works with municipalities, their representative associations, and other provincial agencies to help foster effective local government. When the public does not understand municipal government legislation or has concerns about municipal administration or services, they often express these concerns to the Ministry. The Ministry uses these concerns as a source of information to assist it in identifying areas for improvement to the system of municipal government.

For the 12-month period ending March 31, 2014, the Ministry had effective processes to assess concerns raised by the public for implications on the system of municipal government in Saskatchewan, except that it needs improve its guidance for assessing public concerns and track key information about those concerns in its electronic system.

Chapter 34

Health Quality Council—Coordinating the Use of Lean Across the Health Sector

The health sector is using Lean as a common approach for continuous improvement to improve health care. The investment in Lean by the health sector has been large. Coordinating the use of Lean as a common continuous improvement methodology across the entire health sector is complex. Effective processes to coordinate the use of Lean are important to mitigate risks such as resistance and skepticism. Lack of effective processes could result in health agencies not achieving the intended results of the use of Lean, health care not improving, and inefficient use of resources.

The Ministry of Health (Ministry) hired a consultant in 2012 to assist in implementing the use of Lean throughout the health sector. In 2013, the Minister of Health assigned the Health Quality Council (HQC) responsibility for coordinating the use of Lean across the health sector through the Provincial Lean Office. Although the Ministry made HQC responsible for the Provincial Lean Office, it did not give HQC full authority to carry out all of its responsibilities. The consultant retained certain responsibilities. The Ministry also retained authority to manage the consultant and the consultant's contract.

This chapter reports that because HQC did not have full authority to carry out its responsibilities, it did not have effective processes to coordinate the use of Lean as a continuous improvement methodology across the health sector. The Ministry has recently decided not to renew its contract with the consultant. This decision will help align the authority of HQC with its responsibility for the Provincial Lean Office.

We made five recommendations to help HQC coordinate the use of Lean across the health sector. HQC needs to:

- › Implement a risk management framework for coordinating use of Lean across the health sector
- › Promote alignment of Lean activities across health sector agencies by sharing information that demonstrates how activities contribute to strategic priorities
- › Collect information from health sector agencies on ongoing results achieved through Lean events in the agencies
- › Give written reports to the Ministry and health sector agencies on the results Lean events have achieved, and the sustainability of those results
- › Report to the public on outcomes achieved through the use of Lean across the health sector

We did not assess the effectiveness of Lean methodology, nor outcomes achieved in comparison to money spent. Rather, we examined the processes HQC used to coordinate the use of Lean. These processes are important to mitigate the risks of implementing a continuous improvement methodology such as Lean.

Chapter 35

Heartland Regional Health Authority – Medication Management in Long-Term Care Facilities

The Regional Health Services Act makes each Regional Health Authority (RHA) responsible for providing health care, which includes planning for safe and effective medication management to individuals residing in long-term care facilities. Medications play a vital role in the ongoing health and quality of life of residents of long-term care facilities. The right medication can improve residents' quality of life and health, while inappropriate medication can have a negative impact.

This chapter reports that Heartland Regional Health Authority (Heartland) did not have effective processes to manage medication plans for residents in its long-term care facilities.



Heartland needs to:

- › Establish and implement comprehensive policies for medication plans, including enhanced planning for residents with complex medication needs
- › Develop a regional approach for identifying trends and needs, and clearly communicate the approach
- › Improve its documentation of the medication plans, and changes made to the plans
- › Strengthen its processes for planning appropriate and effective medication use for residents
- › Identify, track, and analyze information about the use of medication, medication errors, and complaints in its long-term care facilities

We encourage other regional health authorities to use the information in this chapter to assess their own processes for managing medication plans for residents in long-term care facilities.

Chapter 36

Prince Albert Parkland Regional Health Authority— Providing Timely and Appropriate Home-Care Services

The Regional Health Services Act makes each Regional Health Authority (RHA) responsible for delivering home-care services to people with healthcare needs. Home-care services can prevent or delay admission to hospitals or long-term care facilities, support people discharged from hospitals, and support people with disabilities or chronic conditions to enable them to live independently. Lack of effective processes to provide timely and appropriate home-care services could result in increased healthcare costs and increased risk of poor health outcomes for residents in the region.

This chapter reports that Prince Albert Parkland Regional Health Authority (PA Parkland) had effective processes to provide timely and appropriate home-care services other than it needs to:

- › Provide more direction by having complete policies and a process to identify and monitor home-care services needs and trends
- › Improve its processes to formally assess and plan individuals' home-care needs
- › Ensure clients are receiving the needed services and staff are appropriately trained, assigned, and monitored
- › Track and analyze information about the delivery of home-care services

We encourage other regional health authorities to use the information in this chapter to assess their own processes for providing timely and appropriate home-care services to people with healthcare needs.

Chapter 37**Saskatchewan Rivers School Division No. 119—Processes to Maintain Facilities**

This chapter describes our audit of Saskatchewan Rivers School Division No. 119's (Saskatchewan Rivers or Division) processes to maintain its facilities.

Saskatchewan Rivers is responsible for providing and maintaining school accommodation and facilities that are necessary for the educational programs and instructional services that it provides. If maintenance is not carried out effectively, it could result in health and safety problems for those who use the facilities, reduced quality of space, loss of facility value, higher repair costs in the future, and facilities not meeting their expected service life (i.e., replacing a facility earlier than intended).

For the 12-month period ended August 31, 2014, we found that Saskatchewan Rivers had effective processes to maintain its facilities with two exceptions. It needs to:

- › Establish written processes for gathering and recording reliable information about its facilities and components (e.g., condition, required maintenance, and completed maintenance), determining maintenance priorities and its maintenance plan, and monitoring timely completion of maintenance
- › Use performance measures and targets to regularly measure, monitor, and report on the effectiveness of its maintenance processes

We make five recommendations to assist Saskatchewan Rivers in improving its processes for maintaining its facilities.

Chapter 38**Saskatoon School Division No. 13—Goods and Services Procurement Processes**

Buying goods and services can involve significant risks. Use of effective processes to buy (procure) goods and services helps ensure public sector agencies make purchase decisions in an open and transparent manner, treat suppliers fairly, and use public resources wisely.

This chapter focuses on Saskatoon Public School Division No. 13 (Saskatoon Public), as it is one of the larger school divisions. We encourage other school divisions to use the criteria and findings in this chapter as a way to self-assess their procurement processes.

In common with the other 27 school divisions, Saskatoon Public uses public resources to buy goods and services to operate. In this chapter, we report that Saskatoon Public had, other than in the following areas, effective processes for the procurement of goods and services.

We found that Saskatoon Public needs to:

- › Regularly review, update, approve, and enforce its procurement policies
- › Require sufficient reporting about procurement activities to its Board
- › Retain documentation of its analysis and decisions for awarding tenders



- › Establish minimum contract documentation requirements
- › Validate suppliers, and restrict user access to make changes to supplier information within its financial system

Chapter 39

South East Cornerstone School Division No. 209— Processes to Promote Positive Student Behaviour

The Education Act, 1995 (Act) assigns responsibility for administration and management of schools to boards of education (school boards). The Act sets out expectations regarding student attendance and behaviours. The Act also sets out school board powers relating to student discipline.

This chapter sets out the results of our audit of the effectiveness of processes for promoting positive student behaviour at school for the period of February 1, 2013 to August 31, 2014 at South East Cornerstone School Division No. 209 (South East Cornerstone). We did this audit because of the importance of positive student behaviour on students' success at school and the strong negative impact of poor behaviour. Promoting positive student behaviour and addressing problem behaviour is of key importance in encouraging student success and providing a safe learning environment. These relate to goals of the education sector and the Government.

We concluded that South East Cornerstone School Division No. 209 had effective processes for promoting positive student behaviour at school except for the following.

We found that while the Board of South East Cornerstone had set policies related to promoting and supporting positive student behaviour, in a number of areas, staff did not follow them. We also found incomplete documentation in student files of decisions and steps taken to support positive student behaviour, and an absence of an implemented escalation process to guide those decisions and steps. We further found that South East Cornerstone needs to set expectations for training staff on student behaviour initiatives, and keep records of who received such training for ready access at schools.

Chapter 40

Water Security Agency—Coordinating Flood Mitigation

Flooding is one of the most common causes of disasters in Saskatchewan. Reducing or preventing flood damage can reduce impacts on the health and safety of residents and reduce the cost to government for disaster assistance. Flood mitigation involves the coordination and cooperation of numerous supporting provincial ministries and agencies in addition to landowners and municipalities.

The Water Security Agency (Agency) is mandated to promote and coordinate the management, administration, development, conservation, protection, and control of water within the province. As part of its mandate, the Agency is responsible for coordinating flood mitigation in the province.

For the period of August 1, 2013 to July 31, 2014, we found that the Agency had effective processes to coordinate flood mitigation except for the following areas. The Agency needs to:

- › Work with others to determine and document municipalities with ongoing flood risks
- › Work with others to evaluate gaps in flood mitigation initiatives in municipalities with ongoing flood risks

AUDIT FOLLOW UPS

Chapter 41 Agriculture and Health—Regulating Meat Safety

Unlike other provinces, in Saskatchewan, two ministries (the Ministry of Agriculture and the Ministry of Health) are responsible for meat safety. Both ministries must inspect slaughter plants under their purview, with each having different standards for inspections. The Ministry of Agriculture (Agriculture) is also responsible for inspecting meat produced at slaughter plants it licenses.

Our *2012 Report – Volume 2* raised concerns about the lack of a consistent approach to meat safety and noted an increased risk of unsafe meat being produced in Saskatchewan. We made 10 recommendations to improve processes over regulating meat safety.

Since our audit, both ministries have made improvements. They have jointly identified meat inspection-related risks and developed action plans to mitigate these risks. Both ministries give the public information about slaughter plants that they each license. Since July 2014, Agriculture has had new standards with respect to regulating meat production, and has provided better reports to its senior management on the results of its meat regulatory activities. The Ministry of Health (Health) is working on amending regulations related to meat production, and is looking at implementing a new database to help it better track and report on the results of its inspections and regulatory activities. However, Health needs to develop and approve sanitation standards related to meat production and improve how it oversees inspections of slaughter plants that regional health authorities conduct.

Without these changes the risk continues that meat inspections may not be carried out to the same standards.

Chapter 42 Cypress Regional Health Authority—IT Security

This chapter describes our follow-up of management's actions on three recommendations we initially made in our *2008 Report – Volume 3*, Chapter 10 – Part D about Cypress Regional Health Authority's processes to secure its information technology (IT) systems and data.

Since our previous follow-up in 2012, Cypress Regional Health Authority (Cypress RHA) has made progress on each of the outstanding recommendations. However, further work remains so that its information technology systems and data are secure.

**Chapter 43****Economy—Regulating Pipelines**

Failure to regulate pipelines effectively could harm people or the environment. This chapter reports on the status of seven recommendations we initially made in our 2012 audit on the Ministry of the Economy's (Economy) processes to ensure compliance with *The Pipeline Act, 2000* and *The Pipeline Regulations, 1998*.

By September 30, 2014, the Economy had implemented two of the seven recommendations, but needs to:

- › Establish policies and procedures to guide staff on evaluating ongoing pipeline operations
- › Develop a risk-based assessment approach to monitor pipeline construction and verify pressure tests
- › Consider seeking responsibility in law to licence flowlines and verify that pipeline operators clean up contaminated sites

Chapter 44**Education—Transporting Students Safely**

Over 74,000 Saskatchewan children ride school buses each day. In our *2012 Report – Volume 2*, Chapter 36 about processes to safely transport students, we reported that student transportation requires the Ministry of Education (Ministry) coordination and oversight. By May 2014, the Ministry had taken some initial steps in providing all school divisions with a summary of legislation (including relevant excerpts) related to the transportation of students, and some information related to best practices for transportation of prekindergarten students. In addition, it instructed school divisions who contract transportation services to obtain sufficient information to determine whether their contractor meets legislated requirements for safe student transportation. Further Ministry coordination and oversight would help to ensure school divisions use effective strategies to manage the condition of vehicles, the performance of drivers, the behaviour of students on the bus, and collision risks.

For the six school divisions that we had audited in 2012, most made some improvements to their processes to transport students safely. Five of these school divisions have further work to do in the following areas. Not all school divisions who use private companies to transport some or all of their students provide them with all of the applicable transportation-related legislation, set clear expectations, or receive reports on how those contractors comply with transportation-related laws and maintain vehicles used to transport students. Also, not all school divisions sufficiently appraise driver performance, and carry out bus evacuation drills. Such strategies are key to keeping students safe while they are being transported to and from school.

Chapter 45**Finance and Environment—Contaminated Sites**

Contaminated sites¹ can pose risks to public health and safety if not properly managed. Where the provincial government has caused contamination or accepted responsibility for cleanup of contaminants, it must assess the contamination and decide on actions and costs required to address it.

As of August 29, 2014, the Ministry of Environment (Environment) and the Ministry of Finance (Finance) have fully addressed three of the eight recommendations we made in two previous audits: one audit related to assessing, tracking, and monitoring contaminated sites, and the other audit related to readiness of the Government to account for costs to remediate contaminated sites for which it is responsible. Further work remains on five recommendations.

Environment, as the regulator of contaminated sites, does not have a complete database to track key information (including site assessment information) for contaminated sites. Environment also needs to provide requirements to government agencies for assessing contamination. The database and requirements are needed so that Environment can effectively monitor whether appropriate remedial (cleanup) action is taking place at highly contaminated sites.

Finance needs to complete guidance to government agencies to ensure that funding decisions for cleanup of contaminated sites consider risk and that it has reliable information to properly record the costs that the provincial government expects to pay for cleaning up contaminated sites it is responsible for.

Chapter 46**Finance—Internal Audit in Ministries**

The Ministry of Finance (Finance) is the lead ministry for improvements to the effectiveness of internal audit activities of the core government.²

In 2012, we identified seven areas to strengthen internal audit in ministries. By June 2014, Finance had strengthened one area – it introduced an Internal Audit Guideline for use by ministries. It also started a project to evaluate how best to organize internal audit for the core government. The project will determine future work with internal audit in ministries.

Chapter 47**Finance—Quality of Annual Reports**

By July 31, 2014, the Ministry of Finance (Finance) had implemented the recommendation we made in our *2011 Report – Volume 2* to encourage Ministries and Treasury Board agencies to disclose performance targets for their performance measures in their annual reports.

¹ Under *The Environmental Management and Protection Act, 2002*, section 11, a contaminated site is an area of land or water that contains a substance that may cause or is causing an adverse effect in a concentration that exceeds an environmental standard. A site requiring reclamation or decommissioning (e.g., abandoned oil wells) may not be contaminated.

² Core government is primarily government ministries.



Finance updated the Government's Planning and Accountability Framework to include performance targets. The *Annual Report Guide*, which directs annual report preparation for Ministries and Treasury Board agencies, has been updated to reference the revised framework, best practices in performance reporting, and our prior recommendation. Also, we found that most of the agencies we selected included performance targets in their 2013-14 annual reports.

Chapter 48 Health—Regulating Personal Care Homes

The Ministry of Health (Ministry) is responsible for regulating personal care homes in the province. In 2012, we reported that the Ministry did not have fully effective processes to regulate personal care homes. By September 22, 2014, the Ministry had taken various steps to better regulate personal care homes (i.e., use of a risk-based approach to inspect high-risk homes) and inform the public of the results of its inspections. By late 2014, it expects to implement a more efficient data management system to track personal care home inspections and findings.

Chapter 49 Highway and Infrastructure—Highway Maintenance

By September 30, 2014, the Ministry of Highways and Infrastructure (Ministry) had strengthened the processes it uses to maintain the provincial highways. Its *2014-15 Ministry Plan* includes service-level objectives (e.g., percentage of highways that it expects to be in very good or good condition). It uses those objectives to determine its maintenance priorities. Also, the Ministry has set out a process to provide senior management with reports discussing the results of maintenance work performed, and expects to make its first report in late 2014.

Chapter 50 Justice—Monitoring Provincial Policing Services Delivered by the RCMP

The Ministry of Justice (Ministry) is responsible for provincial policing. This includes making sure the cost for provincial policing services delivered by the Royal Canadian Mounted Police (RCMP) is accurate.

In 2009, we first reported that the Ministry did not verify that costs charged by the RCMP for policing were accurate and recommended that it do so. By September 12, 2014, the Ministry had taken various steps to better monitor these costs (e.g., it has hired two new positions with this responsibility) and continues to explore how best to verify the costs.

Chapter 51 Justice—Security Awareness Processes

The mandate of the Ministry of Justice (Justice) is to protect individual rights, promote safe and secure communities, and provide legal and justice policy advice to Government. Justice's information technology (IT) systems contain sensitive and confidential information. An important part of security of IT systems is having an effective security awareness program for employees.

In this chapter, we report that Justice has addressed all three of the recommendations we made in 2010 to improve its processes for security awareness.

Chapter 52

Prince Albert Parkland Health Authority—IT Security

At March 31, 2014, Prince Albert Parkland Regional Health Authority (PA Parkland) had implemented one of the two outstanding recommendations we made in 2011 related to securing its information technology (IT) systems and data. However, it needs more work to fully implement the second recommendation.

PA Parkland completed a disaster recovery plan and conducted testing as required by its risk assessment. PA Parkland plans to restrict access to its IT wiring closets in rural locations and encrypt all its portable computers by March 31, 2015.

Chapter 53

Saskatchewan Indian Gaming Authority Inc.—Information Technology Threat and Risk Assessment Processes

By August 31, 2014, Saskatchewan Indian Gaming Authority Inc. (SIGA) made some progress on two of the four recommendations we made in 2012 related to its information technology (IT) threat and risk assessment processes. However, more work remains.

SIGA needs to complete its IT threat and risk assessment, report to senior management on its risk assessment results, and assess the effectiveness of its IT threat and risk assessment processes.

Chapter 54

Saskatoon Regional Health Authority—Protecting IT Infrastructure

This chapter describes our follow-up of management's actions on five recommendations we initially made in our *2010 Report – Volume 2*, Chapter 11D on Saskatoon Regional Health Authority's (Saskatoon RHA) processes to protect its information technology (IT) infrastructure.

To support the delivery of healthcare services, Saskatoon RHA uses IT systems. For example, it uses IT systems for lab results, medical imaging, and patient registration and billing. It also stores confidential patient data in its IT systems. Its IT systems and data reside on its network and computer equipment. Therefore, maintaining the security of its IT infrastructure is very important to ensure that information from the systems is accurate and timely, and patient data is protected.

We found that management has implemented two of the recommendations and made progress towards the remaining three recommendations. Saskatoon RHA needs to do the following so that it can protect its IT infrastructure. It needs to finish implementing its monitoring controls over its IT infrastructure and have staff follow its established processes for updating its network equipment and removing user access promptly.



Chapter 55

Social Services—Supervision of Community-Based Organizations

In 2012, we audited the Ministry of Social Services' (Ministry) processes to plan for, contract with, and monitor community-based organizations (CBOs) providing services to intellectually disabled people and their families, and made eight recommendations. At September 30, 2014, the Ministry had implemented three recommendations but has more work to do for the remaining five.

The Ministry continues to work to establish program objectives, and outcome performance measures and targets to monitor and evaluate the services CBOs deliver. It also needs to develop and implement complete policies and procedures for addressing risks identified at CBOs, follow its established policies to obtain all the required reports from CBOs, and follow established monitoring procedures as outlined in the agreements with CBOs. In addition, the Ministry needs to analyze and document its review of serious incidents and incident trends at CBOs and determine how to address the increasing trend in incidents.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chapter 56

Standing Committee on Public Accounts

The work of the Standing Committee on Public Accounts (Committee) is crucial for a well-managed parliamentary system of government. It provides a vital link in the chain of accountability over public resources and contributes to the public's confidence in our system of government.

The Committee's discussions and recommendations to the Legislative Assembly (Assembly) promote a more open and accountable government and better management of government operations. By questioning, requesting information, and making recommendations in its reports to the Assembly, the Committee acts as an agent of change for the management practices of government. This is evident, in part, through the high extent of implementation of the Committee's recommendations. The Committee's reports during the previous five years contained 229 recommendations. The Government has fully implemented 77% of the Committee's recommendations. Of the recommendations that are not yet fully implemented, 87% are partially implemented.