

Chapter 17

Regina Qu'Appelle Regional Health Authority

1.0 MAIN POINTS

The financial statements for the Regina Qu'Appelle Regional Health Authority (Regina Qu'Appelle) for the year ended March 31, 2015 are reliable and Regina Qu'Appelle complied with the authorities governing its activities.

Regina Qu'Appelle had effective controls except that it needed to promptly remove unneeded access to its information technology systems and data, complete and test its disaster recovery plan, and establish an internal audit function.

We are pleased that Regina Qu'Appelle has implemented all of our past recommendations related to strengthening its financial reporting processes.

2.0 INTRODUCTION

The Regional Health Services Act (the Act) created Regina Qu'Appelle. The Act makes Regina Qu'Appelle responsible for planning, organizing, delivering, and evaluating health services in its health region or any other area that may be directed by the Minister of Health. The Act makes its Cabinet-appointed board responsible for administering the affairs and conducting the business of the Authority.

Regina Qu'Appelle provides specialized health care for 500,000 residents in southern Saskatchewan (including almost 280,000 who live in the region). It has over 7,900 employees.¹

Each year, over 90% of Regina Qu'Appelle's revenue is grants from the Ministry of Health. For the year ended March 31, 2015, Regina Qu'Appelle had revenues of \$1.04 billion (2014: \$1.0 billion) including \$939.7 million (2014: \$929.4 million) of grants from the Ministry of Health, and expenses of \$1.06 billion (2014: \$1.04 billion).² At March 31, 2015, it held assets of \$355.3 million (2014: \$391.8 million) including capital assets of \$317.1 million (2014: \$328.1 million) and liabilities of \$162.5 million (2014: \$176.7 million).

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2015:

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

¹ *Regina Qu'Appelle Health Region 2014/2015 Annual Report*, p. 11.

² Total of operating and restricted funds from audited financial statements for the year ended March 31, 2015.



The Critical Incident Regulations
The Health Information Protection Act
The Health Labour Relations Reorganization (Commissioner) Regulations
The Housing and Special-care Homes Regulations
The Regional Health Services Act
The Regional Health Services Administration Regulations
The Special-care Homes Rates Regulations, 2011
The Trustee Act, 2009
The Regina Qu'Appelle Regional Health Authority Board Bylaws
Orders in Council issued pursuant to the above legislation

› Regina Qu'Appelle's financial statements are reliable

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Regina Qu'Appelle's controls. The control framework defines control as comprising elements of an organization that, taken together, support people in the achievement of an organization's objectives.

We examined the effectiveness of Regina Qu'Appelle's financial-related controls used to administer its revenues, expenses, assets, and liabilities. These controls included Regina Qu'Appelle's governance and financial management reporting. Also, we examined the effectiveness of the controls it used to keep reliable financial records and prepare reliable financial reports.

As Regina Qu'Appelle's major expenses consist of payroll and other goods and services, we examined its processes for preparing and processing payroll, and its processes for ordering and receiving goods and services. We also examined Regina Qu'Appelle's processes to safeguard and control its major medical equipment and information technology (IT) systems and data.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Need to Remove User Access Promptly

We recommended that 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 – No Longer Relevant, as only the weakness related to user access continues to exist. See new recommendation below.

During the year, we noted 6 out of 26 instances where Regina Qu'Appelle had not removed unneeded user access promptly. For example, for one individual who had left its employ six months before the time of our testing, Regina Qu'Appelle had not removed this individual's network user access.

Regina Qu'Appelle needs to consistently follow its procedures for ensuring only authorized staff have access to its computer systems and data.

1. We recommend that Regina Qu'Appelle Regional Health Authority follow its established procedure for removing unneeded user access to its computer systems and data.

4.2 Complete Disaster Recovery Plan Required

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

Regina Qu'Appelle relies on information technology (IT) systems and data to support the delivery of patient care.

During 2014, Regina Qu'Appelle established an alternate computer facility in Regina for its critical IT systems to be used during a disaster. However, it does not have all of its critical IT systems at the alternate computer facility. In addition, Regina Qu'Appelle did not have a complete, documented plan that identifies how to restore its IT systems and data in the event of a disaster. Once complete, it needs to test the plan to assess its effectiveness.

Without a complete and tested disaster recovery plan, Regina Qu'Appelle may not have critical IT systems available when needed, and as a result, healthcare providers may not have critical data available to them when needed.

4.3 Internal Audit Function Needed

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

Status – Not Implemented

While the Board and management continued to support the need to establish an internal audit function, they have not allocated funding given conflicting priorities.³

An internal audit function could give the Board and its management assurance on the effectiveness of management processes and compliance with policies and procedures. Also, internal audit could provide assurance on the effectiveness of IT security controls to protect patient systems and data.

4.4 Budget Approved on a Timely Basis

We recommended that the Board of Directors of the Regina Qu'Appelle Regional Health Authority review and approve future budgets on a timely basis. (2013 Report – Volume 1; Public Accounts Committee agreement January 15, 2015)

Status – Implemented

³ At March 31, 2015, Saskatoon and Prince Albert Parkland Regional Health Authorities had internal audit functions.



Management presented Regina Qu'Appelle's 2015-16 budget to the Board on March 31, 2015 (prior to the start of next fiscal period). The Board approved the budget subject to the Ministry of Health approval.

4.5 Reasonable and Supportable Projections Provided and Reviewed on 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. (2013 Report – Volume 1; Public Accounts Committee agreement January 15, 2015)

Status – Implemented

We recommended that the Board of Directors of Regina Qu'Appelle Regional Health Authority perform regular, timely, and thorough reviews of financial reports. (2013 Report – Volume 1; Public Accounts Committee agreement January 15, 2015)

Status – Implemented

The Board received and reviewed, on a timely basis, reliable monthly financial reports that included reasonable and supportable projections of year-end results. During the audit, the financial reports that we reviewed provided reasonable and supportable projections to year-end. The projections were based on the past five years of results and adjusted for any changes in the current year.

4.6 Formal Plan to Address Deficits Developed

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. (2013 Report – Volume 1; Public Accounts Committee agreement January 15, 2015)

Status – Implemented

On March 31, 2015, along with the budget, management presented a plan to address the current operating deficit and achieve a balanced budget during 2015-16. The plan set out various initiatives and assigned a Vice President responsible for each initiative. Management indicated that the Vice Presidents will be required to provide progress updates on each initiative at Senior Leadership Team meetings and the Board meetings during 2015-16.