

ANNUAL INTEGRATED AUDITS

Chapter 1 **Advanced Education**

This chapter reports the results of the 2015 annual audits of the Ministry of 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 2015 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 Advanced Education needs to sign an adequate agreement on disaster recovery of computer systems and data with the Ministry of Central Services.

Chapter 2 **Agriculture**

This chapter reports the results of our annual audit of the Ministry of Agriculture, its agencies, and funds for the year ended March 31, 2015. The 2014-15 financial statements of Agricultural Credit Corporation of Saskatchewan, Agricultural Implements Board, Saskatchewan Crop Insurance Corporation (agencies), and the Ministry's funds are reliable.

Agriculture, its agencies, the Horned Cattle Fund, Pastures Revolving Fund, and Saskatchewan Agricultural Stabilization Fund each complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except Agriculture needs to obtain Orders in Councils for certain grazing lease agreements.

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 removing unneeded user access to its computer systems promptly.

During 2014-15, Agriculture addressed our past recommendations by:

- › Complying with laws related to its approving and tabling in the Legislative Assembly its animal products inspection agreements and animal identification inspection agreements
- › Obtaining adequate assurance from the Ministry of Central Services over the security of Agriculture's computer systems and data
- › Publishing information on the possible extent to which its AgriStability estimates may vary from actual results



Chapter 3

Commercial Revolving Fund

The Ministry of Parks, Culture and Sport is responsible for the Commercial Revolving Fund (CRF) and its administration.¹ CRF's 2014-15 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 except it did not charge the correct fees for battery site leases as required by law.

Chapter 4

Creative Saskatchewan

Creative Saskatchewan's 2015 financial statements are reliable and it complied with the authorities governing its activities. It had effective rules and procedures to safeguard public resources except that it needs to establish policies and procedures to give staff guidance for maintaining accurate accounting records and preparing financial statements, restricting access to its IT systems and data, and preparing and approving payroll, bank reconciliations, and journal entries. Creative Saskatchewan has implemented a process to obtain an Order in Council where individual financial assistance exceeds \$250,000 in a fiscal year.

Chapter 5

Education

This chapter reports the results of the 2015 annual audits of the Ministry of 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 2014-15 financial statements of the Teachers' Superannuation Plan, the School Division Tax Loss Compensation Fund, and the Prince of Wales Scholarship Fund are reliable.

Education and its two plans had effective rules and procedures to safeguard public resources except Education needs to prepare an information technology strategic plan.

Chapter 6

eHealth Saskatchewan

eHealth Saskatchewan's financial statements for the year ended March 31, 2015 are reliable. eHealth complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. eHealth had effective rules and procedures to safeguard public resources except it needs to:

- › Verify the existence of its capital assets

¹ Order in Council 900/07 dated November 21, 2007.

- › Reconcile its bank accounts regularly
- › Segregate incompatible duties of staff responsible for processing payments and record keeping
- › Promptly authorize requests for changes to its accounting records
- › Promptly remove unneeded user access to its information technology network
- › Establish and test its disaster recovery plan

Chapter 7 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, 2015.

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 2014-15 financial statements of the Fund and the Board are reliable.

Environment and the Board had effective rules and procedures to safeguard public resources except Environment needs to follow procedures to remove unneeded user access to its systems and data promptly. During 2014-15, Environment implemented two previous recommendations we made relating to business continuity planning and recording the cost of inventory items.

Chapter 8 Finance

This chapter reports the results of our annual audit of the Ministry of 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 2014-15 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 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 Ministry of Central Services (Central Services), to annually confirm, through testing, whether or not Central Services 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.

We also found that Finance did not publically report planned and actual rates of returns on sinking fund investments.



During 2014-15, Finance completed documentation of its key treasury management procedures.

Chapter 9 Government Relations

This chapter contains the results of our 2014-15 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 2014-15, the Ministry had effective rules and procedures to safeguard public resources except that it needs to give staff guidance for analyzing and taking action on issues arising from its monitoring of the 2002 Gaming Framework Agreement. It also needs to remove unneeded user access to its computer systems and data promptly.

Chapter 10 Health

The Ministry of Health (Ministry) and five of its agencies reported in this chapter complied with authorities governing their activities. Each of these agencies' 2015 financial statements are reliable. The Ministry and those agencies had effective rules and procedures to safeguard public resources except for the two matters related to the Ministry.

First, the Ministry needs to develop a capital asset plan for the over \$1.4 billion of capital assets used in Saskatchewan's healthcare system. The Ministry is the primary funder of capital assets in the healthcare system. A sector-wide capital plan would facilitate a coordinated approach to the funding and renewal of capital assets so that Saskatchewan healthcare agencies, like regional health authorities, have the assets they need to deliver services to citizens.

Second, the Ministry needs to follow its established procedures for promptly removing unneeded user access to its computer systems and data. Lack of compliance with the established procedures increases the risk of inappropriate access to confidential information (like health services card numbers).

Chapter 11 Highways and Infrastructure

During 2014-15, the Ministry of Highways and Infrastructure (Ministry) and the Transportation Partnerships Fund (Fund) complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

The 2014-15 financial statements of the Fund are reliable. The Ministry had effective rules and procedures to safeguard public resources except Ministry staff do not always ensure unneeded access of former employees to its computer systems is removed promptly. Not following these established processes makes the Ministry's data and systems vulnerable to inappropriate access.

Chapter 12 Justice

This chapter reports the results of the annual audit of the Ministry of Justice (Ministry), its agencies, and special purpose funds for the year ended March 31, 2015.

The Ministry, its agencies, and special purpose funds complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2014-15 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 the Ministry needs to improve its information technology (IT) processes by preparing and testing its disaster recovery plans, and ensuring unneeded user access to its computer systems and data is removed on a timely basis.

Chapter 13 Parks, Culture and Sport

This chapter reports the results of the annual audits of the Ministry of Parks, Culture and Sport (PCS), and seven of its agencies for the year ended March 31, 2015.

The 2014-15 financial statements for the seven agencies are reliable. Also, PCS and the seven agencies complied with governing authorities and had effective rules and procedures to safeguard public resources except that PCS needs to follow its procedures to remove unneeded computer access promptly.

PCS has addressed our past recommendation by recording the estimated cost to close and remediate landfills.

Chapter 14 Prairie Agricultural Machinery Institute

During 2014-15, the Prairie Agricultural Machinery Institute (PAMI) complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2014-15 financial statements of PAMI are reliable.

PAMI had effective rules and procedures to safeguard public resources except that it does not have a documented donation policy.



Chapter 15

Public Guardian and Trustee of Saskatchewan

This chapter reports the results of the annual audit of the Public Guardian and Trustee of Saskatchewan (PGT) for the year ended March 31, 2015.

PGT's 2014-15 financial statements are reliable. PGT complied with the authorities governing its activities related to financial reporting, revenue raising, spending, and investing. Other than the need to improve its financial record keeping practices, PGT had effective rules and procedures in place to safeguard public resources.

Our audit found that the individual client records were accurate and complete.

Chapter 16

Public Service Commission

In 2014-15, the Public Service Commission (PSC) complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. Other than needing to promptly remove unneeded user access to its information technology (IT) systems, PSC had effective rules and procedures to safeguard public resources.

Chapter 17

Regina Qu'Appelle Regional Health Authority

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.

Chapter 18

Regional Colleges

This chapter reports the results of our annual 2015 audits of Saskatchewan's seven regional colleges. The 2014-15 financial statements of each of these regional colleges are reliable; and each college complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

Five regional colleges had effective rules and procedures to safeguard public resources; Northlands College and Southeast College need to make improvements.

Northlands College needs to regularly evaluate the performance of its employees as its policy requires.

Southeast College needs to require the review and approval of its bank reconciliations, implement a policy for recording journal entries, and require staff that make bank deposits to leave evidence of their involvement.

In 2014-15, North West College improved its information technology (IT) processes, completed its IT strategic plan and disaster recovery plan, and approved and communicated IT policies and procedures. In 2014-15, Northlands College also approved and tested its disaster recovery plan.

Chapter 19 Regional Health Authorities

This chapter reports the results of our annual audit of 11 regional health authorities (RHAs). A separate chapter reports the results of our annual audit of Regina Qu'Appelle RHA because we audit it directly.

Four of the 11 RHAs' 2015 financial statements are reliable. Cypress, Five Hills, Heartland, Prairie North, PA Parkland, Kelsey Trail, and Sun Country continued to not follow Canadian generally accepted accounting principles for the public sector when accounting for healthcare facilities acquired under shared ownership agreements with the Ministry of Health. Because each of those financial statements contained significant errors, the auditor's report on each of those financial statements is qualified. Subsequent to the completion of the RHAs' 2015 financial statements, Treasury Board decided to support the RHAs changing their accounting of shared ownership agreements, for the future financial statements, to align with the views of their auditors.

Nine of the 11 RHAs complied with authorities governing their activities. Two RHAs, Mamawetan Churchill River and Keewatin Yatthé did not have written agreements, as the law requires, for giving money to other healthcare organizations who provided healthcare services on their behalf.

Five of the 11 RHAs had effective controls to safeguard public resources. Heartland, Mamawetan Churchill River, PA Parkland, and Sun Country need to better protect their information technology (IT) systems and data. Mamawetan Churchill River and Sunrise also need to have up-to-date and tested disaster recovery plans. Mamawetan Churchill River has been slow in addressing our past recommendations, some that we first made in 2004. Continued weaknesses in controls increase the risk of errors and misappropriations without ready detection.

Chapter 20 Saskatchewan Apprenticeship and Trade Certification Commission

This chapter reports the results of the annual audit of the Saskatchewan Apprenticeship and Trade Certification Commission (Commission) for the year ended June 30, 2015.

The Commission's 2014-15 financial statements are reliable. The Commission complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The Commission had effective rules and



procedures to safeguard public resources except that it needs to review and approve its bank reconciliations independent of their preparation each quarter.

Chapter 21 Saskatchewan Arts Board

Saskatchewan Arts Board's 2014-15 financial statements are reliable. The Saskatchewan Arts Board complied with the authorities governing its activities related to financial reporting and safeguarding public resources. It had effective rules and procedures to safeguard public resources except that it did not comply with all of its grants policies. We found that it had paid \$162,874 in grants to three recipients before it made sure they had fulfilled reporting requirements from previously provided grants. Also, it did not obtain the required approval for grant advances of \$120,288 made to several recipients in the multi-year grant programs.

Chapter 22 Saskatchewan Cancer Agency

The Saskatchewan Cancer Agency's 2015 financial statements are reliable, and the Agency complied with the authorities governing its activities. Also, it had effective rules and procedures to safeguard public resources except that it had not tested the effectiveness of its disaster recovery plan as its policies require.

Chapter 23 Saskatchewan Heritage Foundation

The Saskatchewan Heritage Foundation's financial statements for the year ended March 31, 2015 are reliable. It had effective rules and procedures to safeguard public resources. 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 proper approval for a grant payment.

Chapter 24 Saskatchewan Impaired Driver Treatment Centre

This chapter reports the results of our audits of the Saskatchewan Impaired Driver Treatment Centre (Centre) for the years ended March 31, 2014 and March 31, 2015.

The Centre's 2014 and 2015 financial statements are reliable. The Centre complied with the authorities governing its activities, and it had effective rules and procedures to safeguard public resources except for two areas.

The Centre needs to keep accurate accounting records, and it needs to provide its annual report, including its audited financial statements, to the Legislative Assembly within the timeframe required by law.

Chapter 25 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, 2015. SIGA's 2015 financial statements are reliable. SIGA complied with the authorities governing its financial-related activities. During 2014-15, SIGA implemented a new human resource plan and business continuity plan, and improved its policies over capital assets. However, it needs to make the following improvements.

To enable the preparation of accurate financial statements, SIGA must review new and/or amended lease contracts to make sure it accounts for these contracts consistent with generally accepted accounting standards. As previously reported in our *2014 Report – Volume 2*, SIGA must better protect its information technology (IT) systems and data including periodically reviewing user access to its IT systems and data.

Chapter 26 Saskatchewan Liquor and Gaming Authority

Saskatchewan Liquor and Gaming Authority's (Liquor & Gaming) financial statements for the year ended March 31, 2015 are reliable. It complied with authorities governing its activities related to financial reporting, safeguarding resources, revenue raising, spending, borrowing, and investing. During the year, Liquor and Gaming updated its slot machine records and implemented its enterprise risk management framework.

Liquor & Gaming had, other than for the following two matters, effective rules and procedures to safeguard public resources. It needs to improve its information technology security policies and consistently comply with its user access policies.

Chapter 27 Saskatchewan Research Council

Saskatchewan Research Council (SRC) had reliable financial statements for the year ended March 31, 2015. SRC had effective rules and procedures to safeguard public resources except that it did not follow its established processes to verify the bonus payouts to its senior executives. SRC complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except it did not obtain the required Lieutenant Governor in Council approval of the remuneration it pays to its Board members or Treasury Board's approval, as required by law, of the change in its bank account.



Chapter 28 Social Services

This chapter reports the results of our 2015 audits of the Ministry of Social Services (Ministry) and its three special purpose funds. The 2015 financial statements of each fund are reliable. The Ministry and its funds complied with authorities governing their activities, and had effective rules and procedures to safeguard public resources except for the following. The Ministry needs to follow its established procedures for removing unneeded user access to its computer systems and data and to ensure only appropriate recipients receive the correct amount of social assistance. It also needs to continue to work with community-based organizations (CBOs) to establish performance measures and targets, and monitor CBOs compliance with the Ministry's reporting requirements on a more timely basis.

Chapter 29 Teachers' Dental Plan

This chapter reports the results of the annual audit of the Teachers' Dental Plan (Plan) for the year ended June 30, 2015.

The Teachers' Superannuation Commission (Commission) had effective rules and procedures to safeguard the Plan's public resources except it did not have adequate support for dental payments. As a result, the Commission continues to be unable to prepare financial statements for the Plan for inclusion in its annual report.

During the year, 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 30 Water Security Agency

This chapter reports the results of the annual audit of the Water Security Agency (Agency) for the year ended March 31, 2015.

The Agency's 2014-15 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. Other than the need for a complete and tested business continuity plan, the Agency had effective rules and procedures to safeguard public resources.

Chapter 31 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 32

Advanced Education – Managing Risks to Post-Secondary Services from its Unsupported Critical IT System

The Ministry of Advanced Education (Ministry) is responsible for the post-secondary education system, including coordinating, developing, implementing, and promoting the Government's programs related to post-secondary education.² The Ministry uses its One Client Service Model (OCSM) system to support the delivery of the programs.

The OCSM system resides on information technology (IT) infrastructure that is past its recommended life and for which it can no longer receive technical support or updates to fix known security problems or vulnerabilities (i.e., unsupported). Systems running on unsupported infrastructure are at greater risk of availability and security issues that could impact operations.

For the 12-month period ended August 31, 2015, the Ministry had, other than the following, effective processes to manage the risks to service delivery from its unsupported information technology system, the OCSM system. The Ministry needs to:

- › Clarify roles and responsibilities for upgrading and patching the IT infrastructure on which the OCSM system resides
- › Periodically obtain information to support decisions related to the IT infrastructure
- › Implement long-term plans for upgrading and patching the IT infrastructure

Other ministries and agencies with IT systems that are unsupported may find the criteria in this chapter helpful in self-assessing their processes for managing risks related to their unsupported IT systems.

Chapter 33

Coordinating the Use of Lean Across Ministries and Certain Other Agencies

The Government is seeking to use Lean as a systematic way to improve service delivery and create a culture of continuous improvement. Government ministries and certain agencies have used Lean since 2010, whereas school divisions and certain post-secondary institutions started using Lean in 2013. In this chapter, we refer to use of Lean across ministries and these agencies as the Lean initiative.

Coordinating the Lean initiative across ministries and agencies is a complex task. Lack of effective coordination increases the risk that the use of Lean may not achieve intended results.

This chapter reports that, for the 12-month period ended August 31, 2015, the coordination processes over the use of Lean as a continuous improvement process across government ministries (other than the Ministry of Health) and certain agencies were effective, except for the following.

² *The Ministry of Advanced Education Regulations*, s. 3.



Although those responsible for the Lean initiative planned for, tracked, and monitored certain aspects of the use of Lean, they did not identify or gather sufficient information to enable them to assess the overall success of the use of Lean. That is, at August 2015, sufficient information is not available to know whether the Lean initiative is providing better service, creating a culture of continuous improvement, or demonstrating a return on investment. Setting targets for key measures related to the use of Lean, and gathering supporting information is key to enable assessment of the overall success of the use of Lean.

This information would also enable regular reporting to ministries and agencies using Lean, as well as to the public, on the costs of Lean, and on the achievement of the Government's overall goals for its use. Without effective reporting, those using Lean, and the public, will not know whether the use of Lean is achieving success.

We make six recommendations to assist in improving processes to coordinate the use of Lean.

Chapter 34

Health Shared Services Saskatchewan—Shared Procurement

Health Shared Services Saskatchewan (3sHealth)³ is responsible for facilitating the purchase of goods and services on behalf of its member agencies⁴ (shared procurement). In 2014-15, member agencies purchased goods and services totalling \$221 million through 3sHealth.

Procuring goods and services for others at best value can present significant risks if not done in a fair and transparent manner. Additionally, poor quality of procured goods and services could result in harm to users of healthcare services.

3sHealth procures goods and services for its member agencies to obtain volume-based price discounts and standardized products and services. 3sHealth negotiates about half of the dollar value of goods and services contracts itself, and a national group purchasing organization (GPO) negotiates the other half on 3sHealth's behalf.

This chapter reports the result of our audit of 3sHealth processes to procure goods and services for its member agencies. We concluded that 3sHealth had effective processes except for the following areas:

- › Receipt of approval for procurement policies from the Board
- › Documentation of the basis for its choice of procurement methods
- › Validation of the reasonableness of a key assumption (i.e., inflationary price growth rates) used to estimate cost savings
- › Regular reporting on significant incidents of non-compliance with procurement policies and plans to address them
- › Confirmation that individuals involved in procurement activities have assessed and declared they have no conflict of interest when negotiating with potential suppliers

³ Health Shared Services Saskatchewan was created through an amendment of the Saskatchewan Association of Health Organizations (SAHO) bylaws effective April 12, 2012, as a result of recommendations made in the 2009 Saskatchewan Patient First Review.

⁴ Member agencies include Saskatchewan's 12 regional health authorities, their affiliates, and the Saskatchewan Cancer Agency.

- › Monitoring the performance of its suppliers

We make 13 recommendations to help 3sHealth improve its shared procurement processes.

Chapter 35

Highways and Infrastructure—Addressing Road Safety Concerns on Existing Highways

Saskatchewan has one of the highest fatality rates resulting from vehicle collisions in Canada. While 93% of vehicle collisions have human factors (like distracted driving) as contributing factors, 34% of vehicle collisions have roadway factors (like condition of the road surface) as contributing factors.

The Ministry of Highways and Infrastructure (Ministry) is responsible for managing the province’s 26,175 kilometers of highways.⁵ This includes maintaining safe road conditions. Its Safety Improvement Program objective is “to reduce the frequency and severity of collisions on provincial highways”.⁶

For the period September 1, 2014 to August 31, 2015, the Ministry had, other than for the following, effective processes to address safety concerns raised on existing provincial highways. The Ministry needs to develop and follow a consistent process for tracking receipt of and responding to road safety complaints. In addition, it needs to set out criteria for selecting safety improvement projects to complete in the upcoming year, and require its staff to keep its analysis and rationale for selecting those projects. Also, it needs to give senior management periodic reports on the achievement of its road safety improvement program objectives.

This chapter describes the results of our audit on the effectiveness of the Ministry’s processes to address safety concerns raised on existing provincial highways.

Chapter 36

Prairie North Regional Health Authority—Preventing Resident Falls within Long-Term Care Facilities

Preventing falls of long-term residents must be managed well to keep long-term care residents safe.

This chapter reports that, for the 12-month period ended August 31, 2015, Prairie North Regional Health Authority had effective processes to prevent resident falls within its long-term care facilities with the following exceptions. It needs to:

- › Make improvements to ensure a safe environment for residents is maintained (e.g., maintaining functionality of bed alarms, performing regular environmental audits)
- › Complete regular resident fall risk assessments
- › Establish a process to investigate significant resident falls in accordance with policy
- › Consistently link individual care plans to identified fall risk factors

⁵ Ministry of Highways and Infrastructure 2014-15 Annual Report, p.4.

⁶ SIP 200-1, p.1.



- › Collect, assess, and report additional information on fall-related injuries to monitor performance related to fall prevention

As at August 2015, Prairie North was reviewing its fall prevention program to better align it with best practice.

We encourage other regional health authorities to assess the effectiveness of their processes to prevent resident falls in their own long-term care facilities using the criteria described in this chapter.

Chapter 37

Saskatchewan Liquor and Gaming Authority—Managing Projects with Significant IT Components

Saskatchewan Liquor and Gaming Authority uses information technology (IT) extensively in carrying on its business, and regulating liquor and gaming. It is important that it successfully manage its projects that involve developing new IT systems.

This chapter reports that, for the 12-month period ended July 31, 2015, SLGA's project management processes for its IT-related projects were effective, except for the following.

SLGA needs to give its staff sufficient guidance on determining required skills for projects, and setting quality control requirements (e.g., tests required at each stage of the project). Such guidance would help staff better analyze skills that projects require and for how long; and understand what is expected, by whom, and when. This information, in turn, enables the development of more consistent and reliable estimates of project costs.

SLGA also needs to consistently prepare accurate and complete reports to track and monitor progress of projects, and require management to leave evidence of their review and approval of them. Management needs complete and accurate information to understand the status of projects, and make informed decisions about them.

We make five recommendations to improve SLGA's project management processes.

Chapter 38

Saskatchewan Polytechnic—Procuring Goods and Services

Saskatchewan Polytechnic has spent almost \$70 million in each of the last few years to buy goods and services. Buying goods and services is complex and can involve significant risks. Using effective processes to procure goods and services helps ensure public sector agencies make purchase decisions in an open and transparent manner, treat suppliers fairly, and use resources wisely.

We examined the effectiveness of Sask Polytech's processes for the procurement of goods and services for the 12-month period ended June 30, 2015. In this chapter, we report that Sask Polytech had effective processes for the procurement of goods and services, except it needs to:

- › Update its procurement policy to apply to all purchases, and have its Board of Directors review and approve its policy

- › Consistently document the basis for key decisions regarding tenders and for using single- or sole-source procurement methods
- › Take steps to do more to enforce compliance with its procurement policy and provide the Board with periodic reporting on significant procurement activities

Chapter 39

Social Services – Minimizing Absenteeism

Effective processes to minimize employee absenteeism supports effective service delivery to the public, minimizes costs, and supports the well-being of public sector employees. In 2014-15, the Ministry of Social Services (Ministry) had the second highest sick leave usage among ministries with an average of 10.70 days per full-time employee. The Ministry’s 2014-15 paid sick leave equated to \$5.6 million. Employee absenteeism due to sick leave can also impact the Ministry’s ability to deliver services to vulnerable citizens.

This chapter reports the results of our audit of the Ministry’s processes to minimize its employees’ absenteeism. For the 12-month period ended August 31, 2015, the Ministry’s processes to minimize employee absenteeism were not effective. The Ministry needs to train staff on attendance management, determine the causes for employee absenteeism, and develop targeted strategies to address those causes. Also, senior management needs to receive periodic reports on the effectiveness of attendance management strategies. At August 2015, the Ministry was starting to develop plans to address these areas.

We encourage other ministries to assess the effectiveness of their processes to minimize employee absenteeism.

Chapter 40

St. Paul’s Roman Catholic School Division No. 20— Promoting Good Student Health and Physical Fitness

Under *The Education Act, 1995*, boards of school divisions are responsible for the administration and management of schools, with oversight from the Ministry of Education. The Act specifies that schools are to provide for “instruction and activities to promote the good health and physical fitness” of students.⁷ The Education sector strategic plan includes the following as a statement of strategic intent for students: “I am ready to learn—I am safe, healthy and hopeful.”⁸ Good student health and physical fitness directly supports this strategic intent.

This chapter reports, for the 12-month period ending June 30, 2015, St. Paul’s Roman Catholic Separate School Division No. 20 (GSCS) had effective processes to promote good student health and physical fitness, except it needs to:

Set and communicate its expectations for promoting student physical activity

- › Provide principals with criteria to help guide school-level decisions on student health and physical fitness initiatives

⁷ *The Education Act, 1995*, section 188.

⁸ <http://education.gov.sk.ca/educations-strategic-sector-plan-matrix-2014-2020> (4 May 2015).



- › Monitor partnerships and community relationships related to student health and physical fitness initiatives
- › Report to its Board on the performance of its student health and physical fitness initiatives

In addition, GSCS needs to review and update its policies on a regular basis.

We encourage other school divisions to use the information in this chapter to assess their own processes to promote good student health and physical fitness.

Chapter 41

Tourism Saskatchewan—Managing the Use of Social Media

Tourism Saskatchewan uses social media to market Saskatchewan as a tourism destination. Social media channels, such as Facebook, allow organizations to create online communities (i.e., social networks) that share information, ideas, personal messages, and other content (e.g., videos) and thus enhance the effect and reach of a message. Top concerns around social media management includes loss of control of content, diminished reputation from poor or inaccurate content, and a means to criticize an organization.

For the 12-month period ended May 31, 2015, Tourism Saskatchewan needed more formal processes to effectively manage its use of social media and decrease the possibility of inappropriate content on its social media channels. Tourism Saskatchewan needs:

- › A formal social media strategy
- › Comprehensive social media policies and terms of use posted on its social media channels
- › Formal agreement by staff with its social media policies
- › Periodic reports on results achieved from its use of social media

In this chapter, we also include an exhibit that outlines an implementation plan that other organizations may find useful when considering social media use.

AUDIT FOLLOW UPS

Chapter 42

Agriculture—Livestock Waste Regulation

The Ministry of Agriculture (Ministry) is responsible for administering the intensive livestock provisions under *The Agricultural Operations Act* and regulations (law) to ensure intensive livestock operators are storing and managing livestock waste in a manner that protects water resources.

By July 31, 2015, the Ministry had developed and implemented a risk-based re-inspection policy. The Ministry was in the process of confirming the operating status of all intensive

livestock operation approvals made prior to 1996 and including them in the new re-inspection process. The Ministry expects to complete this work by March 31, 2016.

Chapter 43 Central Services—Fleet Maintenance

The Ministry of Central Services (Ministry) maintains a fleet of approximately 4,400 vehicles.⁹ These vehicles are used by government ministries and other government agencies. In our 2007 audit of the Ministry's processes to maintain its vehicle fleet, we concluded that it did not have adequate processes to maintain its vehicles in a safe condition and in an economical manner. We made three recommendations.

By June 30, 2015, the Ministry had implemented all three recommendations. The Ministry has developed a new computer system to help it ensure its fleet meets safety standards, and keep reliable repair and maintenance records. It has documented and approved procedures for the use of this system. Also, the Ministry gave its senior management periodic reports on compliance with the safety standards in *The Traffic Safety Act*.

Chapter 44 Economy—Project Management Processes over PRIME

The Ministry of the Economy (Ministry) is replacing its old oil and gas information technology system. With the new system, it has a goal of improving processes to better meet its needs and the needs of industry stakeholders.

In this chapter, we report that the Ministry has partially implemented a recommendation that we had initially made in our 2011 audit of the Ministry's project management processes to develop and implement the PRIME project. By July 2015, the Ministry had not completely developed its plan to determine and report whether the PRIME project achieved its expected benefits.

Chapter 45 Environment—Landfills Regulation

Municipalities and private companies own and operate landfills throughout the province. These owners are ultimately responsible for the environmentally-sound operations of landfills. The Ministry of Environment is responsible for regulating landfills.

By August 2015, Environment fully implemented two of nine recommendations we initially made in 2013 related to the regulation of landfills. It implemented processes:

- › To follow up outstanding groundwater monitoring reports from landfill owners
- › To review and approve landfill closure plans

⁹ Ministry of Central Services, *2013-14 Annual Report*, p. 5.



However, it had not yet:

- › Finalized landfill guidance documents
- › Obtained evidence that landfills are constructed in compliance with approved design plans and confirmed landfill closures are done in accordance with approved closure plans
- › Inspected landfills consistent with its established frequency requirements
- › Amended operating permits for all high-risk landfills and assessed risks of closed landfills to ensure they undertake groundwater monitoring where required
- › Consistently followed guidance for addressing landfill owners' non-compliance with the law and permit requirements

Without proper regulation of landfills, there is an increased risk landfills will contaminate the air, groundwater, or surface water.

Chapter 46

Heartland Regional Health Authority—Disposing IT and Communication Equipment

In our *2009 Report – Volume 3*, Chapter 10D, we reported the results of our audit of Heartland Regional Health Authority's (Heartland) processes to secure electronic information during the disposal of information technology and communication equipment. By July 31, 2015, Heartland has implemented the remaining two recommendations that we had made. It has established procedures for removing confidential information from its ready-for-disposal equipment, and regular testing of such equipment to verify that procedures to remove sensitive information are effective.

Chapter 47

Justice—Adult Inmate Rehabilitation

While the Ministry of Justice (Justice) has made progress on the three recommendations we made in 2008, progress has been slow. Justice has designed reports to improve information available for decision making but has not finished the reporting process. Once complete, it expects these reports will help its employees to better plan, monitor, and enhance inmates' access to programming to address rehabilitation needs. It also expects these reports to help it evaluate the effectiveness of those programs. It is important that Justice promptly implement its reporting processes so that its employees can use this information to improve rehabilitation programming provided to adult inmates before they are released into the community.

Chapter 48

Justice—Maintaining the Integrity of Offender Data

The Ministry of Justice (Ministry) is responsible for tracking offenders in provincial correctional facilities and within the community (e.g., those offenders subject to bail). The Ministry uses an information management system to track release dates of prisoners. If information in its system is not accurate, offenders may be released from prison at the incorrect time.

By August 2015, the Ministry implemented four of the six recommendations we initially made in our 2012 audit of the integrity of offender data. It developed a risk-based audit plan for auditing offender data, ensured staff who access the system have signed confidentiality agreements, encrypted and patched the system based on threat and risk assessments, and provided routine reports to senior management related to offender release errors.

The Ministry needs to ensure supervisors review offender information entered by clerical staff, and unneeded system user access is removed promptly.

Chapter 49 Justice—Managing Labour Costs Related to Absenteeism

This chapter describes our second follow-up of the actions of the Ministry of Justice¹⁰ (Ministry) on two recommendations we initially made in our 2010 audit of the Ministry's processes to manage absenteeism and associated labour costs at provincial adult correctional centres. We report that the Ministry has implemented the two remaining recommendations. It implemented a policy for approving and handling corrections workers' trading of shifts, and, by July 31, 2015, it better controls and monitors changes to the work schedules of corrections workers.

Chapter 50 Justice—Protecting Saskatchewan Data

This chapter reports the results of our second follow-up on a recommendation we initially made in 2011 that the Ministry of Justice consider the benefits, in consultation with Saskatchewan's Information and Privacy Commissioner, of changes to Saskatchewan legislation to mitigate risks related to the *USA Patriot Act*.¹¹

At September 30, 2015, the Ministry of Justice had not implemented the recommendation. Since September 2013, the date of our last follow-up, the Ministry has not consulted with the Commissioner on risks posed by the *USA Patriot Act* or its successor, the *USA Freedom Act*,¹² or how legislative changes could mitigate those risks.

Chapter 51 Kelsey Trail Regional Health Authority—Medical Equipment Maintenance

By July 31, 2015, Kelsey Trail had not yet fully implemented three of the recommendations initially made in our *2010 Report—Volume 2*. To better manage the risk that medical equipment is not maintained as expected and required, Kelsey Trail needs to do the following. It needs to maintain a current list of all medical equipment, keep that equipment maintained in accordance with required standards, and give its Board and senior management better reports on the state of its medical equipment.

¹⁰ Effective May 25, 2012, the responsibilities of corrections and policing in Saskatchewan became a part of the Ministry of Justice.

¹¹ The *USA Patriot Act* refers to United States Public Law 107-56.

¹² The *USA Freedom Act* refers to United States Public Law 114-23.

**Chapter 52****Regina Public and Regina Separate School Divisions—
Physical Safety of Students**

The Education Act, 1995 delegates responsibility for student safety to school divisions. This chapter reports on the status at September 21, 2015 of 17 recommendations we made in our 2013 audit of the processes of Regina School Division No. 4 and Regina Roman Catholic Separate School Division No. 81 to provide for the physical safety of students at school.

Regina School Division No. 4 (Regina Public) had implemented recommendations related to safety manuals for science labs and shops, emergency kits, and safety training for staff. It had progressed on recommendations relating to accessibility of safety components (e.g., eyewash stations), signage, and physical security. It needs to develop requirements for air quality testing, and enable its Board to monitor the performance of its safety initiatives.

Regina Roman Catholic School Division No. 81 (Regina Separate) had implemented our recommendation regarding review and sign-off of emergency response plans. It had progressed on recommendations relating to new safety manuals, improved emergency kits and other safety components, and on reviewing physical security. It needs to define the number of first aid trained staff required in each school, provide guidance for placement of safety items (e.g., first aid kits), develop requirements for air quality testing, and enable its Board to monitor the performance of its safety initiatives.

Chapter 53**Saskatchewan Crop Insurance Corporation—AgriStability
Benefits**

Saskatchewan Crop Insurance Corporation (SCIC) administers the AgriStability program to assist producers who experience large income losses. The provincial and federal governments share the cost of the AgriStability program.

By July 31, 2015, SCIC had made a number of changes to its processes related to the AgriStability program. It implemented processes to identify and handle potential conflicts of interest of staff handling claim files. It documented the procedures it uses to review the reasonableness of its AgriStability benefit estimate. It included adequate disclosure, in its financial statements, of uncertainty associated with its year-end estimate of the AgriStability program benefits. However, SCIC needs to document its analysis of differences in estimates and actual results, and set targets for all of its performance measures related to the AgriStability program.

Chapter 54**Saskatchewan Liquor and Gaming Authority—Liquor
Procurement**

Under *The Alcohol and Gaming Regulation Act, 1997*, the Saskatchewan Liquor and Gaming Authority (Liquor & Gaming) is responsible for the distribution, control, and regulation of liquor in Saskatchewan.

Liquor & Gaming's mission is "serving Saskatchewan people with excellence contributing to economic growth through the socially responsible distribution and regulation of liquor and

gaming products...¹³ Liquor & Gaming aims to achieve a balance between generating revenue, promoting responsible use of alcohol, and providing customers with product selection and value. In 2014-15, Liquor & Gaming generated gross revenue of \$622.4 million from liquor sales.¹⁴

This chapter reports the status of the five recommendations we initially made in our 2012 audit of Liquor & Gaming's processes to procure liquor that were outstanding from our 2013 follow up.

By March 31, 2015, Liquor & Gaming had implemented two recommendations. It developed written procedures for staff to use to objectively select all liquor products and formally evaluated new liquor products during the year using these procedures.

Liquor & Gaming also made progress on our recommendation to develop and use written procedures for monitoring product performance. However, Liquor & Gaming needs to do more work to document information used in making procurement decisions and to obtain formal assurance that liquor products sold in Saskatchewan are safe to drink and contain their stated alcohol content.

Chapter 55

Sun Country Regional Health Authority—Managing Medications

This chapter reports the results of our first follow up of recommendations we made in 2013 relating to Sun Country Regional Health Authority's (Sun Country) processes to manage and administer medications in its district hospitals. By September 30, 2015, Sun Country made significant improvements; it had implemented four of the five recommendations.

Sun Country revised its policies on obtaining medications after regular pharmacy hours and disposing of medications, and took steps so that nursing staff understood the new policies. It created and began using a Medication Management Continuous Quality Improvement team. This team is responsible for analyzing reasons for medication errors and recommending changes to prevent similar errors in the future. While its staff consistently used the approved form to create patient medication histories, they did not consistently document patients' weight on patient medication profiles as expected. A patient's weight plays an important role in determining the dose of medication for the patient.

Chapter 56

Water Security Agency—Drinking Water Regulation

The Water Security Agency (Agency) is responsible for regulating public waterworks that provide drinking water in Saskatchewan. By May 31, 2015, the Agency had implemented all six recommendations we made in 2013 to improve its drinking water regulation processes.

¹³ Saskatchewan Liquor and Gaming Authority. *2014-15 Annual Report*. p. 3.

¹⁴ *Ibid.*, p. 4.