

## Chapter 21

### eHealth Saskatchewan—Buying IT Services

#### 1.0 MAIN POINTS

eHealth Saskatchewan (eHealth) has made progress on the two outstanding recommendations related to its processes to buy IT (Information Technology) services. At March 2016, eHealth was piloting a vendor performance management program with a small group of its key IT vendors. eHealth plans to use the results of the pilot to change its procurement processes. Evaluating past vendor performance can assist in making future buying decisions.

#### 2.0 INTRODUCTION

In our *2010 Report – Volume 1*, Chapter 6, we assessed the adequacy of the Ministry of Health's processes to buy IT services (including IT consultation, oversight, and development and testing of programs and processes). We made eight recommendations.

Since 2010-11, eHealth has been the lead agency for procurement of health-related IT services. In addition to being responsible for the development and operation of the electronic health record system, eHealth procures implements, owns, operates, and manages other health information systems.<sup>1</sup> Therefore, we directed our work and outstanding recommendations to eHealth.

Each year, eHealth spends about \$30 million on information technology.<sup>2</sup>

In 2012, we followed up on the status of the eight recommendations, and found that, by mid-September 2012, eHealth had fully addressed six of the eight recommendations.

This chapter describes our second follow-up on the two outstanding recommendations.

To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate eHealth's progress towards meeting our recommendations, we used the relevant criteria from the 2010 audit. The Ministry of Health agreed with the criteria in the 2010 audit. We reviewed key documents (e.g., vendor evaluation templates) and discussed the buying process with management.

#### 3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at March 22, 2016, and eHealth's actions up to that date. We found

<sup>1</sup> eHealth Saskatchewan, *Annual Report 2014-15*, p. 12.

<sup>2</sup> eHealth Saskatchewan Financial Statements 2014-15.



that eHealth is in the process of establishing a vendor performance management program.

### 3.1 Assessing and Tracking Vendor Performance Started

We recommended that the Ministry of Health (eHealth Saskatchewan) establish adequate processes for assessing information technology vendors' performance. (2010 Report – Volume 1; Public Accounts Committee agreement December 8, 2010)

**Status** – Partially Implemented

We recommended that the Ministry of Health (eHealth Saskatchewan) keep records of vendors' performance to help decide future information technology service contracts. (2010 Report – Volume 1; Public Accounts Committee agreement December 8, 2010)

**Status** – Partially Implemented

In 2015, eHealth created a vendor performance management process, and at March 2016, was piloting the process with a small group of its key IT vendors. Under this process, eHealth expects to assess IT service vendors, and have them complete self-evaluations based on the following: the scope of the services provided, expertise of the contractor(s), and whether the project was delivered on time and on budget. Also under this process, eHealth plans to determine a vendor contract score, representing past vendor performance, after each contract evaluation and use it when considering buying from these vendors in the future. eHealth was documenting the evaluations and vendor contract scores for each key vendor participating in the pilot project.

Management plans to evaluate all IT service vendors using the vendor performance management process once the pilot is complete. eHealth plans to complete the pilot process, evaluate the new process, and incorporate changes to its procurement system by September 2016. At March 2016, eHealth was considering using this process for evaluating all vendors.