

Chapter 1

Advanced Education

1.0 MAIN POINTS

This chapter reports the results of the 2015-16 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 2015-16 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.

2.0 INTRODUCTION

Advanced Education is responsible for the post-secondary education system that supports a growing Saskatchewan and leads to a higher quality of life. Saskatchewan's post-secondary system provides support to the province's labour force development.¹

2.1 Financial Overview

For the year ended March 31, 2016, Advanced Education spent \$772 million on its programs and had revenues of \$12.8 million (including \$8.9 million from the Federal Government for cost-sharing programs). Advanced Education's *Annual Report for 2015-16* provides further details and reasons for differences between planned and actual results.²

Figure 1 – Expenses by Major Program

	Estimates 2015-16	Actual 2015-16
	(in millions)	
Central Management and Services	\$ 15.2	\$ 13.1
Student Supports	56.6	60.5
Post-Secondary Education	710.7	698.0
Total Appropriation	782.5	771.6
Capital Asset Acquisitions	-	(0.1)
Capital Asset Amortization	0.3	0.2
Total Expense	\$ 782.8	\$ 771.7

Source: Ministry of Advanced Education, *Annual Report for 2015-16*, p. 21.

¹ Ministry of Advanced Education, *Annual Report for 2015-16*, pp. 2-3, 21-23.

² *Ibid.*, p. 21.



2.2 Special Purpose Funds and Agencies

At March 31, 2016, Advanced Education was responsible for seven regional colleges each with year-ends of June 30, 2016. We report the results of our audits of the regional colleges in Chapter 23, Summary of Implemented Recommendations. Advanced Education was also responsible for the following special purpose funds and agency (agencies) reported in this chapter:

Year-End	Agency
March 31	Saskatchewan Student Aid Fund
March 31	Training Completions Fund
June 30	Saskatchewan Polytechnic (We carried out the audit jointly with KPMG LLP)

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the years ended on or before June 30, 2016:

- › **Advanced Education and its agencies had effective rules and procedures to safeguard public resources except for the matter reported in this chapter**
- › **Advanced Education and its agencies complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

<i>The Executive Government Administration Act</i>	<i>The Private Vocational School Regulations, 2014</i>
<i>The Ministry of Advanced Education Regulations</i>	<i>The Saskatchewan Polytechnic Act</i>
<i>The Post-Secondary Education and Skills Training Act</i>	<i>The Saskatchewan Polytechnic Regulations</i>
<i>The Education Act, 1995 (subsection 3[1])</i>	<i>The Student Assistance and Student Aid Fund Act, 1985</i>
<i>The Graduate Retention Program Act</i>	<i>The Lender-financed Saskatchewan Student Loan Regulations</i>
<i>The Graduate Retention Program Regulations</i>	<i>The Student Assistance and Student Aid Fund Regulations, 2001</i>
<i>The Public Service Act, 1998</i>	<i>The Saskatchewan Student Direct Loans Regulations</i>
<i>The Regional Colleges Act (section 26)</i>	<i>Saskatchewan Risk Sharing Student Loans Agreement</i>
<i>The Financial Administration Act, 1993</i>	<i>Canada-Saskatchewan Integration Agreement</i>
<i>The Saskatchewan Advantage Grant for Education Savings Act</i>	<i>Orders in Council issued pursuant to the above legislation</i>
<i>The Saskatchewan Advantage Grant for Education Savings Regulations</i>	
<i>The Degree Authorization Regulations</i>	
<i>The Private Vocational Schools Regulation Act, 1995</i>	

- › **The financial statements of each agency are reliable**

We used the control framework published by CPA Canada to make our judgments about the effectiveness of Advanced Education and its agencies' 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 evaluated the processes related to administering grants (e.g., to post-secondary educational institutions or students), recording revenues, tendering and awarding contracts, processing payroll, and purchasing goods and services. We also assessed

Advanced Education's processes for estimating amounts payable related to the Saskatchewan Advantage Grant for Education Savings Program.

4.0 KEY FINDINGS AND RECOMMENDATION

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

4.1 IT Controls Need Improvement

We recommended that the Ministry of Advanced Education sign an adequate agreement on disaster recovery of computer systems and data with the Ministry of Central Services. (2008 Report – Volume 3; Public Accounts Committee agreement December 9, 2008)

Status – Partially Implemented

Advanced Education uses the Ministry of Central Services (Central Services) to host its IT systems and data; some of these systems are key to Advanced Education's operations and include sensitive information. For example, Central Services hosts a key IT system called One Client Service Model (OCSM)³ that contains sensitive financial information about post-secondary students and their relatives (e.g., banking information, tax and other income information, social insurance numbers, birth dates).

Also, Central Services provides Advanced Education with computers and IT network access.

During 2011-12, Advanced Education signed a Memorandum of Understanding with Central Services. The Memorandum expected Advanced Education and Central Services to reach agreement on various aspects including disaster recovery at a later date (i.e., develop schedules to augment the Memorandum).

During 2015-16, Advanced Education approved and tested a business continuity plan. This business continuity plan set out Advanced Education's plans and procedures for responding to disruptions in delivery of its services.

During 2015-16, Advanced Education continued to work with Central Services to address security issues in OCSM; it expects to complete the related schedules on disaster recovery by the end of 2017-18.

Without an agreement on disaster recovery services, neither Advanced Education nor Central Services knows whether Central Services can restore Advanced Education's key IT systems and data in the event of a disaster. Unavailable key IT systems, like OCSM, could result in Advanced Education not being able to provide timely services to the public.

³ Advanced Education uses OCSM to deliver training and financial assistance services to its clients.

