

Chapter 15

Regina Qu'Appelle Regional Health Authority

1.0 MAIN POINTS

In 2015-16, Regina Qu'Appelle Regional Health Authority (Regina Qu'Appelle) made some improvements to its processes (e.g., identified critical information technology [IT] systems and data needed in event of a disaster, and began the process to hire an internal auditor), but more work remains. It needs to consistently and promptly remove unneeded access to its IT systems and data, establish an internal audit function, and complete and test its disaster recovery plan. Effective disaster recovery plans would help make certain its IT systems are available to support its delivery of patient care.

Regina Qu'Appelle's 2015-16 financial statements were reliable. It complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

2.0 INTRODUCTION

Regina Qu'Appelle is responsible for planning, organizing, delivering, and evaluating health services in its health region or any other area as the Minister of Health directs. Its cabinet-appointed Board directs the affairs and business of Regina Qu'Appelle.

Regina Qu'Appelle provides specialized health care for approximately one-half million residents in southern Saskatchewan (over one-quarter million of the residents live within the region). It has over 7,900 employees.¹

As set out in **Figure 1**, in 2015-16, Regina Qu'Appelle had revenues and expenses of \$1,057.2 million and \$1,088.1 million respectively. Each year, Regina Qu'Appelle receives over 90% of its revenue from the Ministry of Health. At March 31, 2016, it held assets of \$336.7 million including capital assets of \$301.8 million.

Figure 1 – Revenues and Expenses

	Actual 2015-16	Actual 2014-15
	(in millions)	
Ministry of Health – General Revenue Fund	\$ 958.0	\$ 939.7
Other Revenues	99.2	98.1
Total Revenues	1,057.2	1,037.8
Salaries and Benefits	686.7	662.7
Grants to health care organizations and affiliates	66.8	65.1
Medical remuneration and benefits	90.7	87.3
Amortization	30.8	29.4
Other Expenses	213.1	215.6
Total Expenses	1,088.1	1,060.1
Annual Deficit	\$ (30.9)	\$ (22.3)

Source: Regina Qu'Appelle audited financial statements for the years ended March 31, 2016, and March 31, 2015.

¹ Regina Qu'Appelle Health Region, *2015-2016 Annual Report*, p. 10.



3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2016:

- › **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:**

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

- › **Regina Qu'Appelle had reliable financial statements**

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 focused our audit effort on the following areas:

- › Controls related to payroll processing and financial reporting and recording. For example, we assessed the reliability and timeliness of financial reports to the Board.
- › User access, change management, and recovery processes for key IT applications.
- › Appropriateness of deferred revenue by examining whether the contributions were externally restricted and revenues were spent for purposes intended.
- › Accuracy and reasonableness of significant estimates including employee future benefits through analysis of data and assumptions.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Prompt Removal of User Access Needed

We recommended that Regina Qu'Appelle Regional Health Authority follow its established procedure for removing unneeded user access to its computer systems and data. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Partially Implemented

Within five days of an individual leaving the employ of Regina Qu'Appelle, the payroll department is to receive a request from the manager to remove the individual's access to the scheduling and time management system. This system automatically notifies the IT department to remove the individual's network access.

During the year, Regina Qu'Appelle management did not request timely removal of unneeded access to the scheduling and time management system for 5 out of 27 individuals we sampled. This resulted in not notifying the IT department in a timely manner. For example, one individual did not have their IT network access removed until 24 working days after the individual left Regina Qu'Appelle's employ.

For all individuals we sampled, the IT department removed the user access promptly once notified.

Without following its established procedures for removing user access promptly, Regina Qu'Appelle is exposed to the risks that unauthorized individuals access confidential data and unauthorized changes are made to 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 IT systems and data to support the delivery of patient care.

During the year, Regina Qu'Appelle simulated a test which helped it to identify the critical IT systems and data needed in the event of a disaster. However, Regina Qu'Appelle has not formally documented its requirements for how long each critical IT system (e.g., accounting, staff scheduling, patient registry systems) can be offline, and how it plans to restore its key IT systems and data in the event of a disaster.



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

4.3 Recruitment for Internal Audit Function Initiated

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 – Partially Implemented

In April 2016, the Regina Qu'Appelle's Audit, Finance and Risk Committee approved hiring staff for the internal audit function. At May 2016, management indicated that they were starting the hiring process (e.g., developing a job description) with plans to have the internal audit function in place by March 31, 2017.

An internal audit function could provide value to the Board and senior management by assessing compliance with established processes and policies and making recommendations that focus on key strategic risks.