

## ANNUAL INTEGRATED AUDITS

### Chapter 1 **Advanced Education**

This chapter reports the results of the 2016-17 annual audits of the Ministry of Advanced Education and its agencies.

The Ministry and its agencies complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. The 2016-17 financial statements of each of the Ministry's agencies are reliable.

The Ministry and its agencies had effective rules and procedures to safeguard public resources except the Ministry needs to follow Canadian generally accepted accounting principles for the public sector to record, in its financial records, funding under the Strategic Investment Fund. The Ministry also needs to sign an adequate agreement on disaster recovery of computer systems and data with the Ministry of Central Services.

### Chapter 2 **eHealth Saskatchewan**

During 2016-17, eHealth Saskatchewan improved the timeliness of its bank reconciliations, verified the existence of its capital assets, and updated its accounting records accordingly.

eHealth continued to work towards having an approved and tested IT disaster recovery plan. It completed its business continuity plan and began testing recovery of its critical IT systems. It plans to continue testing in 2017-18.

eHealth Saskatchewan's 2016-17 financial statements were reliable. In addition, eHealth complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

### Chapter 3 **Finance**

The Ministry of Finance had effective processes to safeguard public resources and complied with authorities governing its activities other than in the following areas.

In 2016-17, Finance did not publicly report losses consistent with reporting of other agencies responsible for public reporting of losses (e.g., Crown Investments Corporation of Saskatchewan). Without consistent reporting, the public and legislators may assume the Government consistently reports all losses resulting from known or suspected fraud or similar illegal acts over a prescribed threshold. Finance needs to work with other agencies responsible for public reporting of losses to clarify the nature of losses to report publicly. Public reporting of losses demonstrates the Government's transparency and reinforces to ministries and agencies the importance of having solid processes to reduce the risk of such losses.



Finance made progress in developing models to better estimate its resource surcharge revenues but further work is needed. Improved estimation processes would assist in estimating these revenues more reliably.

Finance continues to need to confirm the expected frequency of the Ministry of Central Services' disaster recovery testing of certain of Finance's IT systems and sharing of those results with Finance. In addition, it needs to consistently follow its processes to promptly remove unneeded user access to its IT systems and data. These steps would help protect its IT systems and data, and make sure they are available in event of an interruption.

Also, Finance continued not to provide the public with sufficient information on the performance of its \$1.8 billion of investments in sinking funds. Providing a comparison of planned and actual performance of the sinking funds would allow legislators and the public to assess whether this aspect of its debt management plan was successful.

The 2016-17 financial statements of each of Finance's six agencies with March 31 year-ends are reliable. They had effective rules and procedures to safeguard public resources, and complied with their governing authorities.

## **Chapter 4** Government Relations

During 2016-17, the Ministry of Government Relations had effective rules and procedures to safeguard public resources except that it continues to need to remove unneeded user access to its computer systems and data promptly.

The Ministry complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

## **Chapter 5** Government Relations—Northern Municipal Trust Account

Other than the following, the Ministry of Government Relations had effective rules and procedures to safeguard the Northern Municipal Trust Account's public resources, for the year ending December 31, 2016. The Ministry did not:

- Adequately supervise staff responsible for recording the Account's financial information
- Prepare timely and accurate bank reconciliations
- Prepare financial reports for each quarter

Without adequate supervision and financial reporting, the Ministry risks using inaccurate or incomplete financial information to make decisions and monitor the Account's operations.

Also, the Ministry did not provide the Account's 2015 or 2016 annual reports to the Legislative Assembly within timelines set in *The Executive Government Administration Act*. This was due, in part, to the issues identified above, as it did not prepare accurate or timely financial statements for audit.

The Account's 2016 financial statements are reliable.

## Chapter 6 Health

The Ministry of Health, six of its agencies, and nine benefit plans reported in this chapter complied with authorities governing their activities. Each of these agencies and benefit plans' 2016-17 financial statements are reliable. The Ministry and the six agencies had effective rules and procedures to safeguard public resources except for the matters related to the Ministry.

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.

## Chapter 7 Highways and Infrastructure

The Ministry of Highways and Infrastructure had effective rules and procedures to safeguard public resources except that Ministry staff did not always ensure unneeded access of former employees to its computer systems was removed promptly. Not following these established processes makes the Ministry's data and systems vulnerable to inappropriate access.

During 2016-17, the Ministry, the Transportation Partnerships Fund, and the Saskatchewan Grain Car Corporation complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

The 2016-17 financial statements of the Transportation Partnerships Fund are reliable.

The Saskatchewan Grain Car Corporation had an 11-month period ended June 30, 2017, and was wound up on that date. The financial statements of the Corporation at that date are reliable.

## Chapter 8 Justice

In 2016-17, the Ministry of Justice and its agencies had effective rules and procedures to safeguard public resources except the Ministry needs to improve its IT processes by preparing and testing its disaster recovery plans, and removing unneeded user access to its computer systems and data on a timely basis.

The Ministry worked with the Information and Privacy Commissioner to propose changes to Saskatchewan's general access and privacy legislation to mitigate risks related to the *USA Freedom Act* (formerly *USA Patriot Act*).

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 2016-17 financial statements of the Ministry's agencies and special purpose funds are reliable.

## **Chapter 9** Parks, Culture and Sport

The Ministry of Parks, Culture and Sport had effective rules and procedures to safeguard public resources except that the Ministry needs to follow its procedures to remove unneeded computer access promptly. Failure to follow these procedures makes the Ministry's systems and data vulnerable to inappropriate access.

The 2016-17 financial statements for seven of the Ministry's agencies are reliable. They each complied with governing authorities and had effective rules and procedures to safeguard public resources.

## **Chapter 10** Public Service Commission

In 2016-17, the Public Service Commission (PSC) had effective rules and procedures to safeguard public resources and complied with authorities governing its activities other than that it needs to consistently and promptly remove unneeded user access to its IT systems.

## **Chapter 11** Regional Health Authorities (Saskatchewan Health Authority)

This chapter reports the results of our annual audit of the 12 regional health authorities.

The 2016-17 financial statements of each of the health authorities are reliable. Other than Keewatin Yatthé, each health authority complied with their governing authorities. Keewatin Yatthé continued not to have written agreements with healthcare organizations it gives money to.

Each health authority had effective controls to safeguard public resources other than the following. Regina Qu'Appelle and Mamawetan Churchill River both need to strengthen IT controls including having up-to-date and tested disaster recovery plans. Mamawetan Churchill River also needs to pre-approve overtime costs. Regina Qu'Appelle also needs to comply with purchasing policies and implement an internal audit function.

In January 2017, the Government of Saskatchewan announced its plan to consolidate, by the fall of 2017, the 12 health authorities into one authority—the Saskatchewan Health Authority. The Saskatchewan Health Authority is to assume the responsibilities of the health authorities. As a result, we have redirected our recommendations in this chapter to the Authority.

## **Chapter 12** Saskatchewan Arts Board

The Saskatchewan Arts Board's 2016-17 financial statements are reliable and it complied with authorities governing its activities related to financial reporting and safeguarding public resources. Other than not complying with all of its grant policies, the Board had effective rules and procedures to safeguard public resources.

During 2016-17, the Arts Board paid almost \$280 thousand in grants without appropriate approval. The Board of Directors had expected the Arts Board to pay these grants in the following fiscal year—2017-18.

## **Chapter 13** Saskatchewan Indian Gaming Authority Inc.

During 2016-17, the Saskatchewan Indian Gaming Authority Inc. (SIGA) had effective rules and procedures to safeguard public resources except it needs to better protect its IT systems and data by periodically reviewing user access to them. Lack of regular and timely reviews of IT user access increases the risk of unauthorized access to and inappropriate modifications of systems and data.

During 2016, SIGA tested its business continuity plan to confirm that it could restore its IT systems as intended in the event of unplanned interruption.

SIGA complied with the authorities governing its financial-related activities and its 2016-17 financial statements are reliable.

## **Chapter 14** Saskatchewan Liquor and Gaming Authority

During 2016-17, Saskatchewan Liquor and Gaming Authority (SLGA) had effective rules and procedures to safeguard public resources except it needs to:

- Prepare and approve timely and accurate bank reconciliations
- Complete its procedures for responding to IT security incidents

Both SLGA and SLGA Retail Inc.'s 2016-17 financial statements are reliable. SLGA and SLGA Retail Inc. complied with the authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.



## Chapter 15

### Saskatchewan Water Corporation

The Saskatchewan Water Corporation had, at March 2017, effective rules and procedures to safeguard public resources except it did not have a completed and tested business continuity plan. SaskWater's 2016-17 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.

## Chapter 16

### Social Services

This chapter reports the results of our annual audit of the Ministry of Social Services and its three special purpose funds for the year ended March 31, 2017.

The Ministry complied with authorities governing its activities and had effective rules and procedures to safeguard public resources other than it needs to:

- Have proper approval and support for social assistance payments so only eligible clients receive the correct amount of assistance
- Receive and perform timely reviews of performance reports submitted by community-based organizations

The Ministry followed its established procedures for removing unneeded user access to its computer systems and data promptly.

Each fund complied with authorities governing their activities and their 2016-17 financial statements are reliable.

## Chapter 17

### Teachers' Superannuation Commission – Teachers' Dental Plan

This chapter reports the results of the annual audit of the Teachers' Dental Plan for the year ended June 30, 2017.

The Teachers' Superannuation Commission had effective rules and procedures to safeguard the Plan's public resources except it needs to use the information it receives from its service provider to reconcile dental claims approved to dental claims paid and prepare financial statements for the Plan.

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.

**Chapter 18****Water Security Agency**

Other than the need for a complete and tested business continuity plan, the Water Security Agency had effective rules and procedures to safeguard public resources at March 2017. The Agency's 2016-17 financial statements are reliable; it complied with authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

**Chapter 19****Summary of Implemented Recommendations**

This chapter provides an update on recommendations that were implemented and the agencies are not discussed elsewhere in this section.

**PERFORMANCE AUDITS****Chapter 20****Agriculture—Mitigating Risk of Livestock Diseases**

The Ministry of Agriculture had effective processes, for the 12-month period ending August 2017, to minimize the risk of occurrence and spread of diseases of farmed animals in Saskatchewan other than in the two areas noted below.

To prevent and control the spread of diseases among farmed animals in Saskatchewan, the Ministry does the following. It maintains a list of 14 diseases it considers of sufficient threat to require provincial notification and monitoring. It carries out surveillance activities on almost one-half of its provincial notifiable diseases.

In the event of positive cases of notifiable diseases, for three notifiable diseases, the Ministry has formal written plans to respond. For the remaining notifiable diseases, it monitors the sufficiency of actions taken to treat diseased animals, and actions taken to prevent further spread of the disease.

Furthermore, the Ministry identifies new or emerging diseases, and has a documented plan to prevent foreign animal diseases from entering the province. It gives producers adequate information to educate them on disease risks, and disease prevention and control techniques.

However, the Ministry did not maintain support for its decisions on which diseases to include on the list, which diseases warrant surveillance, or the extent of its involvement in reported cases of livestock diseases.

While the Ministry maintains records on positive cases of notifiable livestock diseases to summarize key information about the case, its records are not complete. These records are the



Ministry's main monitoring tool to determine if veterinarians and those contracted by the Ministry took sufficient actions to limit the spread of disease.

The livestock sector in Saskatchewan had average annual revenues around \$2 billion for the last three years. Disease outbreaks can impose significant effects on production, price and value of livestock products.

## Chapter 21

### Education—Managing the Construction of P3 Joint-use Schools

This chapter reports on the Ministry of Education's processes to manage the construction of 18 schools. The Ministry did a good job of managing the construction phase.

In 2014, the Government decided to use a public-private-partnership (P3) approach to finance, build, and operate 18 new joint-use schools. In August 2015, the Ministry of Education entered into two 32-year Project Agreements with one private sector partner (Project Co). One project agreement is for six schools located in Regina in two school divisions, and the other is for twelve schools located in Saskatoon, Martensville, and Warman in three school divisions.

Under each agreement, the private sector partner builds, finances, and maintains the new elementary schools. The agreements have a combined cost of about \$731 million. The Ministry is responsible for overseeing the agreements. The school divisions are to own the schools located in their division at the end of the agreement.

Each of the schools were constructed by June 30, 2017, the expected deadline, consistent with the related P3 agreements.

## Chapter 22

### Education—Monitoring Kindergarten Students' Readiness to Learn in the Primary Grades

In 2014, Saskatchewan's education sector established an early learning goal associated with Kindergarten students' readiness to learn. The Ministry of Education is responsible for monitoring the achievement of this goal and helping school divisions work towards its achievement.

By June 2020, the sector aims to have 90% of students exiting Kindergarten ready to learn in the primary grades (i.e., Grades 1 to 3). As of June 2017, teachers determined, using a Ministry-facilitated Early Years Evaluation assessment tool, that about 80% of them were ready.

Other than the following areas, the Ministry had effective processes to monitor improving the percentage of Kindergarten students scoring within the appropriate Early Years Evaluation range. To improve its monitoring processes, the Ministry needs to:

- Analyze data to identify those school divisions whose students are most at risk of not being ready to learn in the primary grades when exiting Kindergarten. Having better analysis would help school divisions and the Ministry determine and understand the reasons for Kindergarten students not being ready to learn, and provide information critical to developing effective Kindergarten environments and programs.
- Co-ordinate its analysis of action plans of school divisions at risk of not achieving the early learning goal. Knowing whether those divisions have adequate plans is key to addressing

reasons for lower than desired student performance, and avoiding delays in putting appropriate actions in place.

- Actively monitor the Kindergarten programs delivered by school divisions and take specific actions to assist school divisions whose students are most at risk of not being ready to learn in the primary grades when exiting Kindergarten. Monitoring whether school divisions take sufficient actions and sharing best practices will help the Ministry know if divisions deliver effective Kindergarten programs. Focusing the Ministry's efforts on school divisions struggling to improve Kindergarten students' readiness to learn will help improve the chances of future students in those divisions being ready to learn in the primary grades.

## Chapter 23

### Environment—Detecting Wildfires

Over one-half of Saskatchewan is forested, with the people of Saskatchewan owning most of those forests (crown lands).<sup>1</sup> These forests are vital to the province's economy and environment.

The Ministry of Environment is responsible for detecting wildfires in Saskatchewan. Costs in managing wildfires can vary significantly from year to year (e.g., \$123 million in 2015-16 and \$48 million in 2016-17). Detecting these wildfires quickly can reduce the impact on people, the environment, and the economy.

This chapter reports on the effectiveness of the Ministry of Environment's processes to detect wildfires in Saskatchewan wildfire management areas. While the Ministry is doing a number of things well, the chapter identifies two key areas for improvement. It recommends that the Ministry:

- Work actively with other government sources to obtain up-to-date information on values-at-risk (i.e., human life, communities, significant public and industrial infrastructure, commercial timber, remaining structures, natural resources and commercial/industrial operations, wildlife habitats).
- Actively obtain wildfire prevention and preparedness information from industrial and commercial operators that the law requires them to submit. This information is to set out the location of operations and personnel, and related contact information.

Not having complete and up-to-date information about values-at-risk increases the risk of the Ministry not prioritizing its wildfire detection activities appropriately and not developing suitable fire suppression strategies.

## Chapter 24

### Government Relations—Proposing Education Property Tax Mill Rates

By law, Cabinet is responsible for determining the amount of education property taxes levied each year to help pay for the delivery of Pre-Kindergarten to Grade 12 education, and the related mill rates. The Ministry of Government Relations is responsible for providing Cabinet with options for education property tax mill rates for its consideration.

For the 12-month period ending June 2017, the Ministry had effective processes to propose education property tax mill rates for Cabinet approval, other than the following key areas.

<sup>1</sup> [www.saskatchewan.ca/business/invest-and-economic-development/key-economic-sectors/forestry](http://www.saskatchewan.ca/business/invest-and-economic-development/key-economic-sectors/forestry) (7 December 2016).



The Ministry needs to provide more robust analysis of proposed mill rate options to better explain the implications of potential changes in key assumptions, and the economic and social impact of the various proposals. Without robust analysis, Cabinet may not have sufficient information to make informed decisions regarding education property tax mill rates.

While the Ministry provided detailed guidance about its mill-rate proposal process, it needs to formalize certain aspects of its processes. This includes:

- Clarifying who should review and approve mill rate options and when
- Providing guidance on when to investigate changes to assessed property values
- Documenting its rationale for proposed mill rate options, and factors it considered and their impact when making assumptions about growth
- Confirming the reasonableness of estimated assessed property values

Formalizing these aspects of its processes would help ensure they are sustainable in the event of key staff turnover.

## Chapter 25

### Heartland Regional Health Authority – Minimizing Employee Absenteeism

In 2016-17, the Heartland Regional Health Authority had the 7<sup>th</sup> highest sick leave usage among regional health authorities, with an average of about 10.5 sick days per full-time equivalent. It has not met its annual sick leave targets from 2012 to 2017. Employee absenteeism due to sick leave affects the Authority's ability to deliver healthcare services in a cost-effective manner to Saskatchewan people.

For the year ended June 30, 2017, Heartland Regional Health Authority had effective processes to minimize employee absenteeism, other than the following areas. It needs to:

- Support managers to enable more timely management of employee attendance
- Analyze the significant causes of employee absenteeism and develop strategies to address them
- Report to the Board how it is addressing causes of employee absenteeism

## Chapter 26

### Saskatchewan Gaming Corporation – Minimizing Employee Absenteeism

For the period August 1, 2016 to July 31, 2017, the Saskatchewan Gaming Corporation had effective processes to minimize employee absenteeism, other than the following areas. It needs to identify root causes of absenteeism to confirm its attendance management strategies focus its resources in the right areas. To support this root cause analysis, it needs to provide its managers with guidance for analyzing patterns and trends in staff absences and for documenting reasons for not referring eligible employees to attendance support programs.

Similar to other organizations in the service and casino industries, SaskGaming identifies employee absenteeism as a continuing challenge. It has not met its annual targets from 2014 to 2017, although it has shown a gradual decrease in its employee absenteeism rate. The cost of absenteeism reduces its profits. These profits support Indigenous and other communities, as well as other government priorities such as education and health care in Saskatchewan.

## Chapter 27

### Saskatchewan Housing Corporation—Providing Social Housing to Eligible Clients

By law, the responsibilities of Saskatchewan Housing Corporation include promoting, encouraging, and undertaking activities to provide adequate housing options for Saskatchewan residents and to increase the affordability of housing for those in need.<sup>2</sup>

This chapter reports the results of our audit of processes SaskHousing uses to provide adequate social housing to eligible clients.

For the 12-month period ended July 31, 2017, SaskHousing had, other than the following, effective processes to provide adequate social housing to eligible clients. SaskHousing needs to:

- Have its housing authorities consistently follow its policies and procedures to calculate point scores (i.e., priority ratings) prior to placing applicants in suitable social housing, and record point scores in its provincial database. This would reduce the risk of biased decision-making and make sure applicants with the highest need are placed in housing units on a priority basis.
- Set timelines to notify applicants of decisions regarding program eligibility. This would reduce the risk that applicants may be living in housing that does not meet their needs longer than necessary.
- Have its housing authorities keep documentation that shows they based the assignment of applicants into social housing units on need. This information would also provide support for SaskHousing and housing authorities' decisions in the event of appeals.

## AUDIT FOLLOW-UPS

## Chapter 28

### Advanced Education—Managing Risks Related to its One Client Service Model System

By July 2017, the Ministry of Advanced Education had partially implemented the three recommendations related to managing risks related to its unsupported critical IT system, the One Client Service Model (OCSM) system. At July 31, 2017, the OCSM system hardware and software were vendor supported. The Ministry was negotiating changes to its service-level agreement with the Ministry of Central Services to address the outstanding recommendations. The Ministry is requesting periodic information from the Ministry of Central Services to enable it to analyze risks to the OCSM system, develop plans for upgrading and patching IT infrastructure, and outline responsibilities for upgrading and patching IT infrastructure.

<sup>2</sup> *The Saskatchewan Housing Corporation Act.*



## Chapter 29

### Agriculture—Regulating Livestock Waste

By April 2017, the Ministry of Agriculture made good progress in addressing the one outstanding recommendation we initially made in 2013 related to our audit of the processes to regulate livestock waste. It reviewed and confirmed the existence and operational status of intensive livestock operations that it had permitted for operations before 1996 (pre-1996). It was working to have non-compliant operations implement sufficient controls to protect water resources. However, site inspections are still required to verify the compliance of the remaining 7% of intensive livestock operations confirmed to be operating.

## Chapter 30

### eHealth Saskatchewan—Protecting Patient Information in the Saskatchewan Lab Results Repository

eHealth Saskatchewan is responsible for the provincial electronic health records (eHR), and the means by which healthcare providers access the electronic health information.

Electronically sharing health information presents security risks, including potentially inappropriate access to patient information. eHealth is responsible for protecting patient information in Saskatchewan Lab Results Repository (SLRR)—which forms part of the provincial eHR.

By August 2017, eHealth had fully addressed two of the five recommendations originally made in our 2015 audit of protecting patient information in the SLRR.

Since our 2015 audit, eHealth better supported removal of unneeded user access to patient data in electronic health records and enhanced ways to identify inappropriate access to lab results. But, more work remains to protect patient information. eHealth continues to need to:

- Establish a process to confirm access given to SLRR users remains appropriate
- Update its SLRR systems for critical vulnerabilities within a reasonable timeframe
- Follow its password expiry policy for privileged accounts that access SLRR

## Chapter 31

### Environment—Regulating Industrial Wastewater

By July 2017, the Ministry of Environment had improved its processes to regulate industrial wastewater systems by implementing all four recommendations made in our 2015 audit of this area.

Since our 2015 audit, the Ministry implemented a new IT system to centralize inspection results and help monitor inspection frequency. It developed a new inspection guideline to help staff document inspection results consistently. It started to routinely prepare environmental compliance reports for high and extreme risk industrial wastewater systems. These reports document whether permit or legislative requirements were met and identified problems. In addition, its public

reporting includes better information about its inspection activities and industrial wastewater operators' compliance with permit requirements.

Active regulation by the Ministry helps reduce the risk of industrial wastewater causing harm to human health and ecosystems.

## Chapter 32

### Five Hills Regional Health Authority—Provision of Nourishing and Safe Food Services in Long-Term Care Facilities

By June 2017, Five Hills Regional Health Authority had improved its processes to provide nourishing and safe food services in its owned and affiliated long-term care facilities. It fully addressed the four outstanding recommendations we initially made in our 2012 audit. Five Hills:

- Reviewed and updated its Nutrition and Food Services Policy and Procedures Manual
- Had a registered dietitian regularly review modified menus to confirm that meals served met nutritional standards
- Followed its policy and procedures to serve food at the appropriate temperature and texture
- Conducted audits of its food services

## Chapter 33

### Health—Preventing Diabetes-Related Health Complications

By September 2017, the Ministry of Health had made some progress in having effective strategies for preventing diabetes-related health complications. It had implemented 3 of 8 recommendations remaining from our 2012 audit of this area.

Since our 2015 follow-up, the Ministry documented its reviews of each of the regional health authorities' annual primary healthcare plans that included diabetes management and prevention strategies. In addition, it reported publicly on its progress in implementing strategies to manage diabetes and diabetes-related complications.

The Ministry of Health still needs to:

- Increase the number of patients living with diabetes with completed flowsheets in the Chronic Disease Management – Quality Improvement Program (CDM-QIP) to enable improved analysis of best practice care
- Obtain and analyze data on the programs and services delivered by regional health authorities for people with diabetes, including their related costs

Preventative measures and better disease management can reduce the prevalence of diabetes, the impact of the disease on the quality of life, and in turn, health costs.



## Chapter 34

### Health—Regulating Personal Care Homes

By August 2017, the Ministry of Health had improved its processes to regulate personal care homes in accordance with *The Personal Care Homes Act, 1991*. It fully addressed the one remaining recommendation we initially made in our 2012 audit by implementing an IT system to track personal care home inspection dates, non-compliance issues, required actions, and dates that personal care homes complete these actions.

## Chapter 35

### Health and Agriculture—Regulating Meat Safety

Since 2014 (the time of our last follow up), the Ministry of Health improved some of its regulatory meat safety processes related to the 66 health-licensed slaughter plants; but more work remains. In Saskatchewan, unlike other provinces, two ministries (the ministries of Health and Agriculture) are responsible for regulating meat safety.

As of September 2017, the Government of Saskatchewan was considering a unified meat inspection system where one Ministry would regulate all provincially licensed slaughter plants.

By September 2017, Health had fully implemented three recommendations and made progress on three others. Health surveyed provincially licensed slaughter plants to determine the number and types of animals slaughtered, implemented a new data management system to help it analyze trends in complaints, and began providing reports to senior management on the number of inspections performed and common deficiencies found during inspections.

Health still needs to approve its draft slaughter plant standards, monitor inspections performed by health authority inspectors, and establish regulations allowing the results of inspections to be released publicly.

Without making progress on the outstanding recommendations, the risk continues that meat inspections may not be carried out to the same standards as agriculture-licensed slaughter plants, resulting in unsafe meat.

## Chapter 36

### Health Shared Services Saskatchewan—Procuring Goods and Services for Member Agencies

Health Shared Services Saskatchewan<sup>3</sup> has made good progress in improving its processes to procure goods and services for member agencies. Health Shared Services Saskatchewan has implemented 8 of the 13 recommendations we made in our 2015 audit.

By July 2017, it shared its key Board-approved procurement policy with the national group purchasing organization used to buy some of its goods and services. In addition, it developed and began using a robust conflict of interest and non-disclosure policy. Also, it was using a reasonable

<sup>3</sup> Health Shared Services Saskatchewan is also known as 3sHealth.

process to identify, track, and report compliance with procurement policies for contracts that it negotiates.

Health Shared Services Saskatchewan needs to:

- Consistently document the basis for its choice of procurement methods
- Monitor supplier performance
- Obtain member agencies approval prior to extending existing purchase commitments
- Improve explanations on estimated cost savings to the public

## Chapter 37

### Heartland Regional Health Authority—Medication Management in Long-Term Care

Heartland Regional Health Authority is responsible for establishing and enforcing policies and procedures so that long-term care residents get the right medication, at the right dose, when required.

By August 2017, Heartland improved several of its processes for managing medication plans for long-term care residents by fully addressing 9 of our 17 recommendations we first made in 2014. It was working on the remaining recommendations.

Heartland established policies for medication management in its long-term care facilities. It communicated the policies to staff and where required, to residents or their designate. Heartland made training resources accessible to staff. Heartland also consistently obtained medication-related information from previous health care providers when residents transferred into long-term care.

In addition, Heartland modified its complaint policy, requiring only unresolved issues be brought forward to the Quality Department.

Heartland still needs to:

- Consistently document the following in medication plans: medication changes, informed consent for medication changes, and the use of multi-disciplinary teams for quarterly medication reviews
- Analyze information about medication trends and issues with medication plans across its long-term care facilities

Medication can have a serious impact on a resident’s quality of life. Heartland needs to ensure that each long-term care resident has an established, up-to-date medication plan that is followed.

## Chapter 38

### Justice—Community Rehabilitation of Adult Offenders

This chapter describes our second follow-up of the Ministry of Justice’s actions on the seven recommendations we made in our 2011 audit of its processes to rehabilitate adult offenders in the



community. By October 2017, the Ministry implemented three recommendations and had more work to do on the remaining four recommendations.

The Ministry established processes to monitor rehabilitation programs and offenders' access to those programs. However, it continues to need to work on consistently following its case management policies (including completion of timely risk assessments and integrated case plans),<sup>4</sup> having sufficient contact with offenders, and preparing regular progress reports for offenders.

## Chapter 39

### Justice—Maintaining the Integrity of Offender Data

By September 2017, the Ministry of Justice had implemented one of two remaining recommendations related to maintaining the integrity of offender data from our 2012 audit. The Ministry implemented a process of supervisory review of offender information entered by clerical staff. However, the Ministry needs to follow procedures for removing unneeded user access to its IT system.

The 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.

## Chapter 40

### Justice—Supporting Provincial Court of Saskatchewan to Manage Court Workloads

By July 31, 2017, the Ministry of Justice had implemented one of the six recommendations we made in our 2014 audit of its processes to support the Provincial Court to manage court workloads. The Ministry developed standardized administrative policies and procedures for all court locations to use. While the Ministry made progress on other recommendations, it continues to need to:

- Set key targets for supporting the management of court workloads
- Develop and implement a comprehensive forecasting model to assess resources needed to support the management of court workloads
- Implement standardized training processes for court staff
- Improve its collection, analysis, monitoring, and public reporting of information related to supporting the management of court workloads
- Make public its key action plans to address operating pressures related to supporting the management of court workloads

Lack of effective support to manage Provincial Court's workloads could affect timely scheduling of the Court's hearings. This could result in delayed delivery of justice. Such delays could also

<sup>4</sup> A documented strategy for managing the offender throughout the court ordered disposition(s).

result in additional costs to hold the accused in detention centres and loss of public faith in our justice system.

In criminal cases, timely delivery of justice is crucial. *The Canadian Charter of Rights and Freedom* states that a person charged with a criminal offence has a right to be tried within a reasonable timeframe. The Supreme Court of Canada gives a guideline of eight to ten months (i.e., 240 to 300 days) as a reasonable length of time for institutional delays in Provincial Courts.<sup>5</sup> The Supreme Court of Canada Jordan decision has set a new framework as of July 2016 in which the ceiling for cases to be tried in the provincial court is 18-months. If this ceiling is exceeded, the timeframe for trial is unreasonable.<sup>6</sup>

The Ministry of Justice must support the Provincial Court to effectively manage work pressures and wait times, so delays do not exceed the 18-month ceiling and cases are completed in a reasonable period.

## Chapter 41

### Parks, Culture and Sport—Provincial Parks Capital Asset Planning

By August 2017, the Ministry of Parks, Culture and Sport had strengthened its long-term capital planning for the provincial park system. It implemented the related three recommendations that we first made in our 2009 audit.

The Ministry has a long-term capital plan for the provincial park system. This plan includes estimated life-cycle costs for key capital assets (e.g., service centres). In addition, the Ministry provides its staff with sufficient guidance for operating and maintaining its key capital assets. The Ministry has obtained additional information to help it estimate the future long-term use of capital assets in the park system, and related key risks.

## Chapter 42

### Regina Public and Regina Catholic School Divisions—Physical Safety of Students

By May 2017, Regina School Division No. 4 and Regina Roman Catholic Separate School Division No. 81 implemented all 13 remaining recommendations related to improving physical safety of students at school.

Regina School Division No. 4 (Regina Public) had improved accessibility of safety components (e.g., eyewash stations) and signage. It also assessed physical security, set requirements for air quality testing, and monitored the performance of its safety initiatives.

Regina Roman Catholic Separate School Division No. 81 (Regina Catholic) had implemented new safety manuals, improved emergency response kits and other safety components, reviewed physical security, provided guidance for placement of safety items (e.g., first aid kits), determined its needs for first aid trained staff, and set requirements for air quality testing. Its Board monitored the performance of its safety initiatives.

<sup>5</sup> Supreme Court of Canada, R.V. Morin, 1992 defines institutional delay as time that “runs from the time the parties are ready for trial and continues until the system can accommodate the proceedings”.

<sup>6</sup> Supreme Court of Canada, R.V. Jordan, 2016 states the “presumptive ceiling is 18 months tried in the provincial court” and the institutional delay refers to R.V. Morin with “eight to ten months before the provincial court”. Source: <https://scc-csc.lexum.com/scc-csc/scc-csc/en/item/16057/index.do>. (25 September 2017).

**Chapter 43****Saskatchewan Housing Corporation—Maintaining Housing Units**

By May 2017, the Saskatchewan Housing Corporation (Sask Housing) implemented two of four recommendations originally made in our 2012 audit of Sask Housing's processes for maintaining housing units.

Since our 2014 follow-up, Sask Housing uses an asset management IT system to track key information about each unit and component (e.g., boilers, outdoor structures) it owns. Sask Housing keeps this information current, updating the condition of units and components annually. Sask Housing prioritizes its maintenance activities for the upcoming year based on units or components that have exceeded their life-span and are in poor condition.

However, as of May 2017, Sask Housing had not yet developed a medium to long-term corporate maintenance plan that aligns with its maintenance objective of maintaining all units at a fair-condition rating level. At July 2017, the units in Sask Housing's housing portfolio, on an overall basis, were in poor condition. In addition, reporting to senior management did not include information about delayed or incomplete maintenance on housing units, or a summary of the inspections completed yearly. Such information would help management assess whether completed maintenance keeps units sufficiently safe and secure. Not doing the right maintenance activity at the right time increases the extent and cost of future maintenance. In addition, it increases the risk of units not being safe or secure for tenants.

At March 31, 2017, Sask Housing owned approximately 18,300 housing units located in 4,913 buildings across the province. These units are available to less fortunate individuals at reduced rents to enable self-sufficiency and independence. Sask Housing must effectively maintain these units so that they provide safe and secure shelter for tenants.

**Chapter 44****Saskatchewan Liquor and Gaming Authority—Liquor Procurement**

By August 2017, Saskatchewan Liquor and Gaming Authority (SLGA) improved, in part, its processes to buy liquor for distribution and resale. It implemented two of the three recommendations initially made in our 2012 audit of its processes to procure liquor.

SLGA developed and started using a *Liquor Category Strategy*. This Strategy and related procedures help it identify and select products that meet customer needs. Also, it assists SLGA in monitoring the product sales performance.

However, SLGA drafted, but did not finalize, a policy to obtain assurance that liquor products sold in Saskatchewan are safe to drink and contain their stated alcohol content. As of August 2017, SLGA did not confirm the safety of liquor products it distributes. This increases the risk of it distributing liquor products that may be unsafe to consume and litigation against SLGA if such an event occurred.

**Chapter 45****Saskatchewan Polytechnic—Procuring Goods and Services**

By September 2017, Saskatchewan Polytechnic (Sask Polytech) significantly improved its processes to procure goods and services. It implemented all 13 recommendations. It obtained the Board's approval of an updated procurement policy, better documented preparing for and evaluating tenders, established requirements for the use of contracts, and began reporting instances of non-compliance with procurement policies.

Sask Polytech 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.

**Chapter 46****SaskBuilds—Evaluating Potential P3s**

By September 2017, SaskBuilds had improved its processes for evaluating infrastructure projects to determine whether the projects should use a public-private partnership (P3) approach. It implemented four of five recommendations. SaskBuilds revised its P3 Project Assessment and Procurement Guideline to specify the minimum content required in its public value-for-money report, and to require the release of public value-for-money reports within a reasonable timeframe. In addition, it set conditions and requirements for the minimum savings under the P3 projects.

SaskBuilds had identified lessons learned on the P3 infrastructure projects, and built a few of them into the Government's process for making decisions about other infrastructure projects. As of September 2017, it had not fully leveraged its analysis or worked with others to include feasible benefits and efficiencies in future public sector conventional procurement approaches. Doing so would assist the Government in overcoming problems sometimes attributed to projects using a conventional procurement approach.

**Chapter 47****SaskEnergy—SCADA System Security**

By August 2017, SaskEnergy implemented our remaining two recommendations related to its processes to secure SCADA. It configured and monitored its SCADA system to protect it from security threats.

SaskEnergy delivers natural gas to the people of Saskatchewan. To help it do so, it uses its IT-based supervisory control and data acquisition (SCADA) system to control and monitor the physical transportation of natural gas through pipelines. Strong security processes are key to protecting its SCADA system against risks associated with unintentional actions by staff or actions with malicious intent.



## Chapter 48

### SaskPower—Managing the Risk of Cyber Incidents

By August 2017, SaskPower took steps to improve its management of the risk of cyber incidents for the protection of the provision of power. It implemented two of three recommendations from our 2015 audit. It needs to finish implementing its risk mitigation strategies that reduce risk of cyber incidents to acceptable levels.

Without effective cyber security, SaskPower is at greater risk of a cyberattack that could affect its ability to deliver power, negatively impacting power-generating plants and/or transmission equipment, businesses who need power to operate, or public safety.

## Chapter 49

### University of Regina—Procuring Goods and Services

The University of Regina improved some of its processes for buying goods and services but more improvement is needed. By June 2017, the University had implemented two of four outstanding recommendations. It needs to better co-ordinate the departments that procure goods and services, and establish sufficient contract documentation requirements for all departments allowed to purchase.

The University spent \$60 million in 2015-16 to acquire goods and services. Strong buying processes helps the University protect its reputation and interests, and receive the best value for money in purchasing decisions.

## Chapter 50

### Standing Committee on Crown and Central Agencies

Through its work and recommendations, the Standing Committee on Crown and Central Agencies can help the Legislative Assembly hold the Government accountable for its management of the Crown Investments Corporation of Saskatchewan (CIC) and its subsidiary corporations. The Committee does this, in part, by reviewing chapters in our Reports, and the annual reports and financial statements of agencies within its subject area. It reports to the Assembly on the results of its review. These reports may contain recommendations resulting from our audit work.

At September 2017, the Committee was relatively current in its review of chapters in our Reports related to CIC and its subsidiary corporations. CIC and its subsidiary corporations' implementation of recommendations remains strong. At September 30, 2017, the Government had fully implemented 98% of these 66 recommendations, and partially implemented the remaining recommendations.

At September 30, 2017, the Committee had reviewed the annual reports of CIC and its subsidiaries up to and including the 2015-16 annual reports. The 2016-17 annual reports of CIC and its subsidiaries became available for the Committee's review in the summer of 2017.

**Chapter 51****Standing Committee on Public Accounts**

The work of the Standing Committee on Public Accounts (Committee) is crucial for a well-managed parliamentary system of government. It provides a vital link in the chain of accountability over public resources; it contributes to the public's confidence in government.

The Committee's discussions and recommendations to the Legislative Assembly promote a more open and accountable government and better management of government operations. By questioning, requesting information, and making recommendations in its reports to the Assembly, the Committee acts as an agent of change for the management practices of government. This is evident, in part, through the extent of implementation of the Committee's recommendations.

The implementation of the Committee's recommendations by the Government and its agencies remains strong. The Government has fully implemented 69% of recommendations the Committee has made during the previous five years. It has partially implemented 49% of the remaining recommendations.