

Chapter 2

eHealth Saskatchewan

1.0 MAIN POINTS

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.

2.0 INTRODUCTION

The mandate of eHealth Saskatchewan is to procure, implement, own, operate, and manage the Saskatchewan Electronic Health Record¹ and, where appropriate, other health information systems.²

eHealth provides the Ministry of Health and regional health authorities with certain critical IT services and operates a data center. eHealth is the Saskatchewan health sector's primary disaster recovery provider for IT services for this sector.

In addition, eHealth manages Saskatchewan's vital statistics registry³ and health registration.⁴

In 2016-17, eHealth had an annual deficit of \$8.4 million (2016: \$17 million).⁵ This was comprised of revenues of \$90.6 million (2016: \$84.1 million), including grants of \$77.4 million from the Ministry of Health (2016: \$71.6 million), and expenses of \$99 million (2016: \$101.1 million). At March 31, 2017, it had net financial liabilities⁶ of \$19.2 million (2016: \$16.8 million) and tangible capital assets of \$35.1 million (2016: \$40.2 million). Most of its tangible capital assets relate to computer network hardware and system development costs.

As of January 2017, the Minister of Health directed eHealth to consolidate IT services provided by the regional health authorities, Saskatchewan Cancer Agency, and 3sHealth

¹ An electronic health record is a private, lifetime record of an individual's medical information, providing healthcare professionals with immediate access to a patient's test results, past treatments, and medication.

² Orders in Council 581/1997 and 734/2010 issued under *The Crown Corporations Act, 1993*.

³ The vital statistics registry registers all births, marriages, deaths, stillbirths, and changes of name that occur in Saskatchewan.

⁴ Health registration registers new Saskatchewan residents for provincial health coverage, and maintains the registry of residents who are eligible for benefits. eHealth issues health services cards to residents approved for Saskatchewan basic health coverage.

⁵ *eHealth Saskatchewan Annual Report 2016-17*, p. 50.

⁶ Net financial liabilities is financial assets less liabilities.



into a single service. eHealth expects to do the bulk of this consolidation work in 2017-18.

3.0 AUDIT CONCLUSIONS AND SCOPE

In our opinion, for the year ended March 31, 2017:

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

eHealth's governing Orders in Council
The Crown Corporations Act, 1993
The Financial Administration Act, 1993
The Executive Government Administration Act
The Vital Statistics Act, 2009
The Health Information Protection Act
Regulations and Orders in Council issued pursuant to the above legislation

- **eHealth had reliable financial statements**

We used standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001) to conduct our audits. We used the control framework published by CPA Canada to make our judgments about the effectiveness of eHealth'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 efforts on the following areas:

- Financial reporting and recording controls such as timely approval of changes to accounting records and timely preparation and approval of bank reconciliations
- Key purchasing processes such as appropriate segregation of creating and paying vendors
- User access, change management, and recovery processes for key financial IT applications
- Existence and completeness of tangible capital assets and capital lease obligations
- Accuracy and reasonableness of significant estimates including accrued vacation liability

4.0 KEY FINDINGS AND RECOMMENDATIONS

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

4.1 Disaster Recovery Plan Testing Not Complete

We recommended that eHealth Saskatchewan have an approved and tested disaster recovery plan for systems and data. (2007 Report – Volume 3;

Public Accounts Committee agreement January 8, 2008)

Status – Partially Implemented

During the year, while eHealth completed its business continuity plan (which encompasses its IT disaster recovery plan) and began testing recovery of its critical IT systems, it had not completed those tests.

As of March 31, 2017, eHealth had created detailed recovery plans for 4 of its 39 critical IT systems. It had tested whether the plan worked for one of these IT systems. eHealth plans to continue to test the plans for remaining IT systems in 2017-18.

Without tested plans, eHealth, the Ministry of Health, and the Saskatchewan Health Authority may not be able to restore their critical IT systems and data (such as the Personal Health Registration System, Provincial Lab Systems) in the event of a disaster. These entities rely on the availability of those systems to deliver and pay for health services.

4.2 Capital Assets Verified

We recommended that eHealth Saskatchewan regularly verify the existence of its capital assets and reconcile it to its accounting records.

(2015 Report – Volume 2; Public Accounts Committee agreement January 13, 2016)

Status – Implemented

During the year, eHealth counted its capital assets to confirm their existence and condition, and updated its accounting records accordingly. In addition, it increased the amount of details it recorded on individual capital assets (e.g., location of the asset) to make it easier to track individual assets.

Furthermore, eHealth was updating its policy to require physical inspection of capital assets on an annual basis.

4.3 Bank Reconciliations Completed Timely

We recommended that eHealth Saskatchewan require staff to reconcile each of its bank accounts monthly. (2015 Report – Volume 2; Public Accounts

Committee agreement January 13, 2016)

Status – Implemented

By March 31, 2017, eHealth was preparing all monthly bank reconciliations within its recommended timeframe. Bank reconciliations check the accuracy of accounting records and help identify irregularities. Timely preparation and review of bank reconciliations decreases the risk of errors, inaccurate financial records, and loss of public money without timely detection.

