

Chapter 6

Health

1.0 MAIN POINTS

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.

2.0 INTRODUCTION

2.1 Background

The Ministry of Health is responsible for providing leadership for the health sector on strategic policy, allocating funding, and monitoring and enforcing health standards.

The Ministry oversees and funds a healthcare system that includes 12 regional health authorities, Saskatchewan Cancer Agency, Athabasca Health Authority,¹ affiliated healthcare organizations, and health professionals.

The Ministry assists regional health authorities, Saskatchewan Cancer Agency, and other stakeholders in recruiting and retaining healthcare providers, including nurses and physicians.² In addition, it administers key health programs such as the Saskatchewan Medical Care Insurance Plan and the Saskatchewan Prescription Drug Plan.

2.2 Financial Overview

For the year ended March 31, 2017, the Ministry had revenues of \$13.3 million including \$5.4 million from transfers from the Federal Government for healthcare initiatives.³ As reflected in **Figure 1**, the Ministry spent almost \$5.2 billion to deliver its programs and services.⁴ Information about the Ministry's revenues and expenses appears in its annual report.⁵

¹ At March 31, 2017, the Athabasca Health Authority operates under an agreement between the province, Canada, and six northern First Nations. The Ministry funds the Authority for acute care expenses.

² Ministry of Health, *2016-17 Annual Report*, p. 7.

³ *Ibid.*, pp. 35, 36.

⁴ *Ibid.*, pp. 34, 35.

⁵ See <http://finance.gov.sk.ca/PlanningAndReporting/2016-17/2016-17HealthReport.pdf> (07 September 2017).

**Figure 1 – Major Programs and Spending**

	Estimates 2016-17 ^A	Actual 2016-17
	(in millions)	
Central Management and Services	\$ 11.3	\$ 9.6
Regional Health Authorities	3,648.9	3,658.9
Provincial Health Services	211.4	208.9
Medical Services & Medical Education Programs	908.3	922.6
Drug Plan & Extended Benefits	386.8	378.1
Early Childhood Development	-	-
Provincial Infrastructure Projects	184.2	184.2
Total Appropriation	5,350.9	5,362.3
Capital Asset Acquisitions	(184.6)	(184.2)
Non-Appropriated Expense Adjustment	0.8	2.6
Total Expense	\$ 5,167.1	\$ 5,180.7

Source: Ministry of Health, 2016-17 Annual Report.

^A During 2016-17, the Ministry received a budget increase through a special warrant of \$16 million.

3.0 AUDIT CONCLUSIONS

3.1 Related Crown Agencies and Benefit Plans

At March 31, 2017, the Ministry was responsible for the following Crown agencies and benefit plans.

We have reported the results of our audits of agencies in blue font in the chapter number identified. This chapter reports the results of our audits of the Ministry, the six agencies with a March 31 year-end, and the nine benefit plans with a December 31 year-end.

Year-End March 31

[Twelve Regional Health Authorities \(Chapter 11\)](#)

[eHealth Saskatchewan \(Chapter 2\)](#)

Health Quality Council

Health Shared Services Saskatchewan (3sHealth)

Physician Recruitment Agency of Saskatchewan

Saskatchewan Association of Health Organizations Inc. (SAHO)

Saskatchewan Cancer Agency

Saskatchewan Impaired Driver Treatment Centre Board of Governors

Year-End December 31

3sHealth, Disability Income Plan – C.U.P.E.

3sHealth, Disability Income Plan – S.E.I.U. – West

3sHealth, Disability Income Plan – S.U.N.

3sHealth, Disability Income Plan – General

3sHealth, Core Dental Plan
 3sHealth, In-Scope Extended Health Care/Enhanced Dental Plan
 3sHealth, Out-of-Scope Extended Health Care/Enhanced Dental Plan
 3sHealth, Group Life Insurance Plan
 3sHealth, Out-of-Scope Flexible Spending Plan

In our opinion, for the years ended December 31, 2016 and March 31, 2017:

- **The Ministry and its six agencies had effective rules and procedures to safeguard public resources except for the matters related to the Ministry as described in this chapter**
- **The Ministry, its six agencies, and nine benefit plans complied with the following authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

An Act to Incorporate Saskatchewan Health-care Association
The Crown Corporations Act, 1993
The Cancer Agency Act
The Cancer Agency Regulations
The Drug Plan Medical Supplies Regulations
The Saskatchewan Assistance Plan
Supplementary Health Benefits Regulations
The Executive Government Administration Act
The Financial Administration Act, 1993
The Health Administration Act
The Health Facilities Licensing Act
The Health Facilities Licensing Regulations
The Health Information Protection Act
The Health Quality Council Act
The Special-care Home Rates Regulations
The Mental Health Services Act

The Non-Profit Corporations Act, 1995
The Prescription Drugs Act
The Prescription Drugs Regulations, 1993
The Public Health Act, 1994
The Purchasing Act, 2004
The Regional Health Services Act
The Regional Health Services Administration Regulations
The Saskatchewan Medical Care Insurance Act
The Medical Care Insurance Beneficiary and Administration Regulations
The Saskatchewan Medical Care Insurance Payment Regulations, 1994
The Medical Care Insurance Peer Review Regulations
 Orders in Council issued pursuant to the above legislation
 Plan text and Agreements related to the benefit plans

- **The financial statements of each of the six agencies and nine benefit plans reported in this chapter are reliable**

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 the Ministry 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 paid particular attention to the Ministry's significant programs including payments to physicians for medical services, payments of drug plan and extended benefits, payments for provincial health services, capital planning, and its processes for contract management and supervision of regional health authorities.

4.0 KEY FINDINGS AND RECOMMENDATIONS

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



4.1 Timeliness of Removal of User Access Improving

We recommended that the Ministry of Health follow its established procedures for removing unneeded user access to its computer systems and data promptly. (2015 Report – Volume 2; Public Accounts Committee has not yet considered this recommendation)

Status – Partially Implemented

While the Ministry continues to not consistently follow its procedures for promptly removing unneeded user access to its computer systems and data, it is improving.

In October 2016, the Ministry's Internal Audit started assessing, on a monthly basis, system access for all terminated employees and employees on a leave of absence. It provided the results of the monthly audits to Ministry branch heads. In addition, since May 2017, the Ministry's executive has actively worked on raising staff's awareness of the importance of removing unneeded system access promptly.⁶

During the audit, we noted these efforts are making a difference. We found Ministry staff had not promptly requested removal of unneeded network user access for 10 out of 30 individuals we tested. For all 10 instances, the last date of employ of the individuals was before Internal Audit started its monthly audits. For two of the ten instances, the Ministry did not request removal of user access until after October 31, 2016 (i.e., 15 and 212 business days, respectively, after the individual left the Ministry's employ). For one other instance, at the time of testing, the Ministry had not yet requested removal of user access—218 business days after the individual left the Ministry's employ.

Delays in removing unneeded access mean staff continue to have access to systems and data they should no longer be able to access or change.

4.2 Accounting Treatment of Assets Constructed Under Shared Ownership Agreements Resolved

We recommended that the Ministry of Health follow Canadian generally accepted accounting principles for the public sector when accounting for assets constructed under shared ownership agreements. (2013 Report – Volume 2; Public Accounts Committee agreement September 9, 2014)

Status – Implemented

During 2016-17, the Ministry corrected its accounting for assets constructed under shared ownership agreements. It removed assets constructed under these agreements from its accounting records. The seven regional health authorities, that had entered into shared ownership agreements with the Ministry, appropriately record these assets in their accounting records.

In 2016-17, the Ministry and each of those seven regional health authorities formally agreed to terminate the shared ownership arrangement.

⁶ The Ministry's policy requires staff to request removal of user access on the day an individual leaves its employment.