Chapter 14
Saskatchewan Health Authority

1.0 MAIN POINTS

This chapter reports the results of the first annual audit of Saskatchewan Health Authority.

During 2017-18, the Saskatchewan Health Authority was established pursuant to *The Provincial Health Authority Act*. All assets, liabilities, rights, and obligations of the 12 former regional health authorities were assumed, through the amalgamation, by the Saskatchewan Health Authority. The Saskatchewan Health Authority is responsible for the planning, organization, delivery, and evaluation of the health services system for the entire province.

In 2017-18, the Authority signed an interim operating agreement with its IT service provider, eHealth Saskatchewan. The agreement does not outline what type of services must be provided and when, or include security and disaster requirements. Without an adequate service-level agreement, there is a risk that eHealth is not meeting the Authority's IT needs.

The 2017-18 financial statements of the Saskatchewan Health Authority were reliable. In addition, the Authority complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

2.0 INTRODUCTION

The Saskatchewan Health Authority's Cabinet-appointed Board directs its affairs and business.

As set out in **Figure 1**, in 2017-18, the Authority had revenues and expenses of $4.0 billion, and a deficit of $5.0 million. During the year, the Authority received over 90% of its revenue from the Ministry of Health. At March 31, 2018, it held assets of $2.1 billion including capital assets of $1.6 billion.

Figure 1—Revenues and Expenses

	Actual 2017-18	Actual 2016-17 (unaudited)
	(in millions)	
Ministry of Health – General Revenue Fund	$ 3,621	$ 3,514
Other revenues	401	421
Total Revenues	4,022	3,935
Salaries and benefits	2,523	2,483
Medical remuneration and benefits	349	340
Grants to ambulance services, health care organizations, and affiliates	317	328

	Actual 2017-18	Actual 2016-17 (unaudited)
Medical and surgical supplies	279	270
Amortization	120	122
Other	439	418
Total Expenses	4,027	3,961
Annual Deficit	$ 5	$ 26

Source: Saskatchewan Health Authority audited financial statements for the year ended March 31, 2018.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2018:

➢ **The Authority had reliable financial statements**

➢ **The Authority complied with the following authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Provincial Health Authority Act (effective December 4, 2017)
The Provincial Health Authority Administration Regulations (effective December 4, 2017)
The Regional Health Services Act (until December 4, 2017)
The Regional Health Services Administration Regulations (until December 4, 2017)
The Critical Incident Regulations, 2016
The Special-care Homes Rates Regulations, 2011
The Trustee Act, 2009
The Health Labour Relations Reorganization (Commissioner) Regulations
The Housing & Special-care Homes Regulations
The Executive Government Administrative Act
Orders in Council issued pursuant to the above legislation

Section 4.0 includes matters that we wish to bring to the attention of legislators.

We used standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001) to conduct our audit. The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The Authority's primary expenses are payroll, goods, and services. Therefore, we examined processes for preparing and processing payroll, and ordering, paying for, and receiving goods and services. In addition, the Authority uses IT systems to operate. We examined the Authority's processes to safeguard financial-related IT systems and data.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Adequate IT Service-level Agreement Needed

The Authority does not have an adequate service-level agreement with eHealth Saskatchewan, its IT service provider.

IT is an integral part of delivering and managing healthcare services (e.g., lab systems, accounting systems). As of January 2017, the Minister of Health directed eHealth to consolidate IT services that the Saskatchewan Health Authority, Saskatchewan Cancer Agency, and 3sHealth previously provided into a single service. Consequently, during 2017-18, the Authority moved the majority of its IT systems into eHealth's data centre. The Authority expects to migrate remaining IT systems to eHealth in 2018-19 (e.g., IT systems at the former Regina Qu'Appelle Regional Health Authority).

On December 4, 2017, the Authority signed an interim operating agreement with eHealth that was in effect for a period up to June 4, 2018. The agreement included an expectation to develop jointly an interim period plan. This plan was to detail the IT services eHealth is to provide to the Authority along with IT governance processes, risk assessments, human resource plans, and technology and security plans. Also see Chapter 3–eHealth Saskatchewan.

As of May 2018, this plan was not yet complete and remained under development. In addition, the Authority had not established a mechanism to monitor eHealth and hold it accountable for quality and timeliness of services.

We also found that at March 31, 2018, with respect to IT services that eHealth provided to the Authority:

➢ The Authority had not determined its significant IT risks or defined the IT service requirements it expects eHealth to provide, nor had it formed a governance committee to help guide the strategic IT priorities for IT services that eHealth is to provide.

➢ eHealth had not developed complete security policies and procedures that the Authority must follow. Such policies and procedures are key to sufficiently protect IT systems in its data centre.

➢ eHealth had not completed disaster recovery tests for all critical IT systems and data that it hosts; this increases the risk that the Authority may not be able to restore, within a timely manner, its critical IT systems and data (including those related to the delivery of health care) in the event of a disaster. Also see Chapter 3–eHealth Saskatchewan.

➢ eHealth does not have a consistent patching policy for IT systems resulting in potential system vulnerabilities, and increased risk of IT systems being breached or unavailable when needed.

As of April 1, 2018, eHealth received an additional $40 million from the Ministry of Health for IT services that eHealth provides to the Authority.[1]

---

[1] Government of Saskatchewan, *2018-19 Estimates*, p. 76.

Adequate service-level agreements make it clear what type of service must be provided, when and at what cost. They outline in detail services to be provided (e.g., help desk services, server maintenance, frequency of applying patches), service availability requirements (e.g., the percentage of time networks will be available), and service delivery targets (e.g., period for creating and removing user accounts). In addition, they identify security and disaster recovery requirements. They set out options available in the event something goes wrong (e.g., data security breach, IT system outage).

Without an adequate service-level agreement, there is a risk that eHealth will not meet the Authority's IT needs.

1. **We recommend that the Saskatchewan Health Authority sign an adequate service-level agreement with eHealth Saskatchewan to enable monitoring of the quality and timeliness eHealth's provision of IT services.**

4.2 Summary of Implemented Recommendations

The following table summarizes recommendations made in prior year integrated audits at the 12 former regional health authorities that were fully implemented in 2017-18.

Previous Recommendation	Actions Taken in 2017-18
We recommended that the Saskatchewan Health Authority's non-centralized purchasing areas, if any, comply with its purchasing policies (2017 Report – Volume 2; Public Accounts Committee agreement June 13, 2018)	The Authority's non-centralized purchasing areas complied with its purchasing policies. For all six purchases over $100,000 that we examined, individuals with authorized signing authority approved the purchases.
We recommended that the Saskatchewan Health Authority (formerly Mamawetan Churchill River) establish a process to control overtime costs resulting from calling staff back to work to provide healthcare services outside their assigned shifts. (2013 Report – Volume 2; Public Accounts Committee agreement March 26, 2014)	The former Mamawetan Churchill River Regional Health Authority established and followed its process to control overtime costs resulting from calling staff back to work.[A] Prior to processing payroll, the nurse-in-charge and the supervisor reviewed and approved the weekly timesheets related to call-back expenses.
We recommended that the Saskatchewan Health Authority (formerly Keewatin Yatthé) comply with *The Regional Health Services Act* when providing funding to healthcare organizations. (2013 Report – Volume 2; Public Accounts Committee agreement March 26, 2014)	The former Keewatin Yatthé Regional Health Authority has complied with *The Provincial Health Authority Act* (formerly *The Regional Health Services Act* up to December 4, 2017) when providing funding to healthcare organizations. Written agreements were in place prior to providing funding to a healthcare organization in the first quarter of 2017-18. Keewatin Yatthé did not provide funding to any healthcare organizations for the remainder of 2017-18 as new agreements were not signed.
We recommended that the Saskatchewan Health Authority (formerly Regina Qu'Appelle) follow its established procedure for removing unneeded user access to its computer systems and data. (2015 Report – Volume 2; Public Accounts Committee agreement June 13, 2018)	The former Regina Qu'Appelle Regional Health Authority followed its established procedures and removed IT user access promptly. Regina Qu'Appelle requires managers to notify the payroll department within five days of an employee's termination to have unneeded access removed. In 2017-18, based on our testing, Regina Qu'Appelle significantly

Previous Recommendation	Actions Taken in 2017-18
	improved the time to request the removal of access to the scheduling and time management system. We found for 29 of the 30 individuals tested, Regina Qu'Appelle requested the removal within the expected 5 days. For one individual, management made the request 10 days after the last day of employ. Previously, we found it took Regina Qu'Appelle up to 47 days to request the removal of access to the scheduling and time management system.

^A A call back is when an employee is brought back to duty during a standby duty period. The employee is deemed to be working overtime for the time worked with a guaranteed minimum payment of two hours on each occasion of call back.

5.0 SUMMARY OF CONTROL-RELATED RECOMMENDATIONS NOT ASSESSED IN 2017-18

We plan to determine the status of the implementation of the recommendations listed in the table below in conjunction with the 2019 audit of Saskatchewan Health Authority's effectiveness of control. These recommendations are those outstanding from the 2016-17 integrated audits at former regional health authorities.

Previous Outstanding Recommendation	Status of Recommendation at March 31, 2017
We recommended that the Saskatchewan Health Authority (formerly Regina Qu'Appelle) implement an internal audit function. (2008 Report – Volume 3; Public Accounts Committee agreement December 8, 2008)	Not implemented
We recommended that the Saskatchewan Health Authority (formerly Regina Qu'Appelle) establish adequate disaster recovery plans and test those plans to ensure their effectiveness. (2009 Report – Volume 3; Public Accounts Committee agreement June 18, 2010)	Partially implemented
We recommended that the Saskatchewan Health Authority (formerly Mamawetan Churchill River) establish adequate disaster recovery plans and test those plans to ensure their effectiveness. (2009 Report – Volume 3; Public Accounts Committee agreement June 18, 2010)	Not implemented
We recommended that the Saskatchewan Health Authority (formerly Mamawetan Churchill River) establish information technology policies and procedures based on a threat and risk analysis. (2004 Report – Volume 3; Public Accounts Committee agreement October 26, 2005)	Partially implemented
We recommended that the Saskatchewan Health Authority (formerly Cypress) monitor the security controls of its information technology systems and data. (2008 Report – Volume 3; Public Accounts Committee agreement December 8, 2008)	Partially implemented
We recommended that the Saskatchewan Health Authority (formerly Cypress) configure its computer systems and data to protect them from external threats including theft or loss. (2008 Report – Volume 3; Public Accounts Committee agreement December 8, 2008)	Partially implemented
We recommended that the Saskatchewan Health Authority (formerly Prince Albert Parkland) restrict physical access to information technology systems and data. (2011 Report – Volume 1; Public Accounts Committee agreement August 28, 2012)	Partially implemented