

Chapter 3 eHealth Saskatchewan

1.0 MAIN POINTS

During 2018–19, eHealth Saskatchewan continued to work with its clients to prioritize critical IT systems for disaster recovery planning. It completed, and tested, disaster recovery of two critical systems in the year for a total of six of the 39 critical systems identified in its disaster recovery plan. Further testing is required. Without tested plans, eHealth, the Ministry of Health, and the Saskatchewan Health Authority may not be able to restore critical IT systems that support life-saving health care services in the event of a disaster.

Also at March 2019, eHealth needs an adequate service level agreement for the IT services it provides to the Saskatchewan Health Authority. Adequate service level agreements make it clear what type of service must be provided, when, and at what cost.

Furthermore, eHealth needs its staff to complete written conflict of interest declarations annually, and consistently follow its procurement and purchasing policies. For example, documenting justification of sole-sourced purchases facilitates fair and equitable treatment of vendors, and supports obtaining best value when making purchases.

During 2018–19, eHealth complied with the authorities governing its activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. eHealth's 2018–19 financial statements were reliable.

2.0 INTRODUCTION

2.1 Background

The mandate of eHealth Saskatchewan is to procure, implement, own, operate, and manage the Saskatchewan Electronic Health Record and, where appropriate, other health IT systems.^{1,2}

eHealth provides the Ministry of Health and the Saskatchewan Health Authority with certain critical IT services, and operates a data centre. eHealth operates as the provincial health sector's primary disaster recovery provider for IT services. Moreover, eHealth manages Saskatchewan's vital statistics registry and health registrations.^{3,4}

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

² Order in Council 734/2010 issued under *The Crown Corporations Act, 1993*.

³ The vital statistics registry registers all births, marriages, deaths, stillbirths, legal name changes, and changes of sex designation occurring 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 Saskatchewan issues health service cards to residents approved for Saskatchewan's basic health coverage.



2.2 Financial Overview

As set out in **Figure 1**, in 2018–19, eHealth had revenues and expenses of \$141 million and \$142.9 million respectively, and a deficit of \$1.9 million. During the year, the Authority received almost 82% of its revenue from the Ministry of Health. At March 31, 2019, it held financial assets of \$26.2 million and tangible capital assets of \$14.5 million.

Figure 1—Financial Overview

	Budget 2018–19	Actuals 2018–19	Actuals 2017–18
	(in millions)		
Grant from the Ministry of Health	\$ 114.4	\$ 115.1	\$ 77.8
Other Revenues	<u>28.5</u>	<u>25.9</u>	<u>19.7</u>
Total Revenue	\$ 142.9	\$ 141.0	\$ 97.5
Operational and Other Expenses	135.4	132.5	82.8
Amortization	<u>10.0</u>	<u>10.4</u>	<u>13.0</u>
Total Expense	<u>\$ 145.4</u>	<u>\$ 142.9</u>	<u>\$ 95.8</u>
Annual (Deficit)/Surplus	<u>\$ (2.5)</u>	<u>\$ (1.9)</u>	<u>\$ 1.7</u>
Total Financial Assets (e.g., due from General Revenue Fund, receivables)		26.2	23.8
Total Liabilities (e.g., accounts payables, obligations under capital lease)		<u>25.2</u>	<u>30.1</u>
Net Financial Assets	<u>\$ 1.3</u>	<u>\$ 1.0</u>	<u>\$ (6.3)</u>
Tangible Capital Assets		<u>\$ 14.5</u>	<u>\$ 24.1</u>

Source: eHealth Saskatchewan 2018–19 financial statements.

3.0 AUDIT CONCLUSIONS

In our opinion, for the year ended March 31, 2019, we found, in all material respects:

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

eHealth Saskatchewan'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
 Regulations and Orders in Council issued pursuant to the above legislation

- eHealth Saskatchewan had reliable financial statements

We used standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (including CSAE 3001 and 3531) to conduct our audit. We used the control framework included in COSO's *Internal Control—Integrated Framework* to make our judgments about the effectiveness of eHealth's controls.

We focused our audit efforts on the completeness and accuracy of tangible capital assets including those transferred from the Saskatchewan Health Authority to eHealth's data centre and the associated service level agreement, and the reasonableness of significant estimates (like accrued payroll and vacation liabilities) at year end. In addition, we assessed eHealth's progress on disaster recovery plan testing of critical IT systems.

In our *2019 Report – Volume 1*, Chapter 3, we made 10 recommendations related to eHealth's processes to mitigate risks associated with conflicts of interest and vendor influence. The following section includes the recommendations relevant to this audit.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Adequate IT Service Level Agreement Not in Place

We recommended eHealth Saskatchewan sign an adequate service level agreement with the Saskatchewan Health Authority. (2018 Report – Volume 2;

p. 25, Recommendation 1, Public Accounts Committee has not yet considered this recommendation as of October 25, 2019)

Status—Not Implemented

eHealth does not have an adequate service level agreement with the Saskatchewan Health Authority for IT services it provides.

In January 2017, the Minister of Health directed eHealth to consolidate IT services that the Authority, Saskatchewan Cancer Agency, and 3sHealth previously provided into a single service. Consequently, starting in 2017–18, the Authority moved the majority of its IT systems into eHealth's data centre.

We found, as of early June 2019:

- eHealth and the Authority discussed a draft master service agreement for the provision of IT services, but had not finalized it
- eHealth and the Authority drafted an IT governance model, but had not formed a governance committee to help guide the strategic IT priorities for IT services that eHealth is to provide
- eHealth (working with the Authority) had not completed disaster recovery plans or tested the plans for critical IT systems and data (e.g., lab systems, hospital admissions systems)

IT is an integral part of delivering and managing health care services (e.g., lab systems, accounting systems).



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 and set out options available in the event something goes wrong (e.g., data security breach, IT system outage). Agreements also provide a basis for a common understanding, and monitoring of performance.

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

4.2 Disaster Recovery Plan Testing Progressing But Incomplete

We recommended eHealth Saskatchewan have an approved and tested disaster recovery plan for systems and data. (2007 Report – Volume 3; p. 248, Recommendation 6; Public Accounts Committee agreement January 8, 2008)

Status—Partially Implemented

As of March 31, 2019, eHealth completed detailed disaster recovery plans and testing on six of the 39 identified critical IT systems. During 2018–19, eHealth completed and tested the disaster recovery plan for two more critical IT systems in addition to the four previously completed for a total of six critical IT systems.

eHealth continued to work with its clients (e.g. Saskatchewan Health Authority) to identify and prioritize critical IT systems.

eHealth indicated that it plans to hire, in 2019–20, a business continuity plan and disaster recovery co-ordinator to complete and test the detailed recovery plans developed for eHealth and its clients. It plans to test an additional six critical IT systems in 2019–20.

Without tested plans, eHealth Saskatchewan, 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 or 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.

4.3 Additional Areas of Concern Related to Conflicts of Interest and Procurement

In addition, eHealth needs to address the areas of concern set out in **Figure 2** related to conflict of interest and procurement previously reported in our *2019 Report – Volume 1*, Chapter 3. Public Accounts Committee has not yet considered these recommendations as of October 25, 2019.

Figure 2—Recommendations Related to Conflicts of Interest and Procurement

Recommendations
We recommend eHealth Saskatchewan require all staff complete written conflict of interest declarations annually. <i>(2019 Report – Volume 1, Chapter 3, p. 28)</i>
We recommend eHealth Saskatchewan follow its policy that requires all sole-sourced procurement decisions have a completed and approved justification form. <i>(2019 Report – Volume 1, Chapter 3, p. 37)</i>
We recommend eHealth Saskatchewan track value-added items expected and received through vendor contracts. <i>(2019 Report – Volume 1, Chapter 3, p. 38)</i>
We recommend eHealth Saskatchewan properly approve purchases before it receives the related goods and services. <i>(2019 Report – Volume 1, Chapter 3, p. 39)</i>

