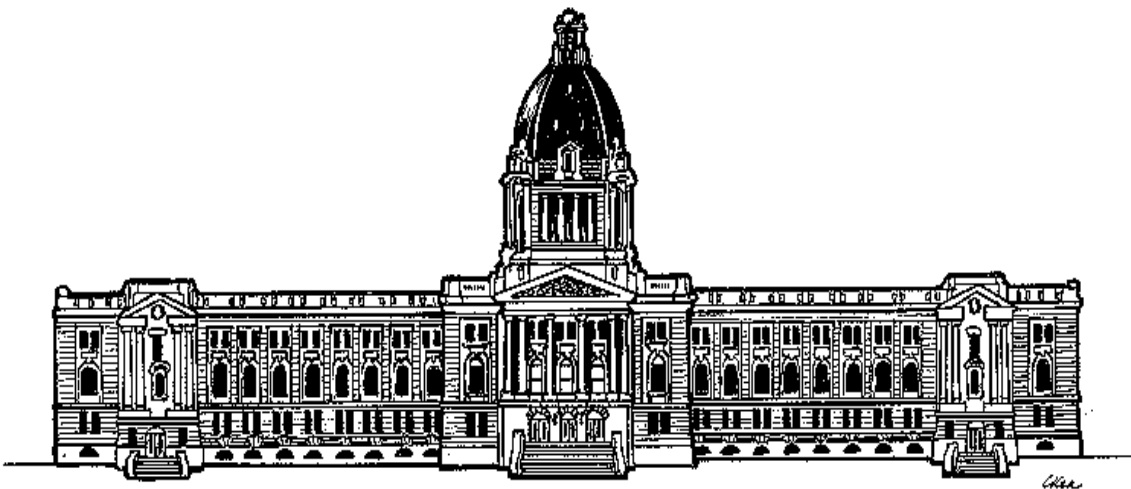# STANDING COMMITTEE ON PUBLIC ACCOUNTS

Hansard Verbatim Report

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Legislative Assembly of Saskatchewan

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[The committee met at 13:01.]

The Chair: — Well welcome this afternoon, committee members and guests. And to all those I know that are going to be watching this at home, I'd like to give them the website here that they can do so. That's www.legassembly.sk.ca for live streaming and certainly transcript following as well.

I'd like to welcome committee members to the Standing Committee on Public Accounts and welcome Vice-Chair Moe, Mr. Michelson, Mr. Tochor, Ms. Campeau, and Mr. Cox to committee here today. I'd also like to welcome our Provincial Auditor, Ms. Bonnie Lysyk, and her officials that are here with her today, our Provincial Comptroller, Mr. Paton, and Mr. Bayda for joining us here today.

And what I'll invite — I know we have quite a few chapters here today as it relates to Health — what I'll urge right now is if Deputy Minister Florizone could introduce the officials that are with him here today, and then we'll turn our attention over to the report of the Auditor. So a brief introduction, and welcome and thank you for being here.

Mr. Florizone: — Excellent. And thank you to you, through you to the committee, and to the Provincial Auditor and her office for the good work that's being done. I want to say that we have a number of officials here who have gathered from a number of regional health authorities and from the Ministry of Health. So we have representation from the Prairie North Health Region, which is that North Battleford, Lloydminster, Meadow Lake area; the Prince Albert Parkland Health Region; Regina Qu'Appelle Health Region will be arriving shortly; the Saskatchewan Cancer Agency; eHealth Saskatchewan; and our own Ministry of Health, several officials.

What we'll do, I will introduce Dr. Bruce Murray who is on my left. He is the senior medical officer with Prairie North Health Region. We will have officials introduce themselves as they step forward, should they be required to speak.

The Chair: — Thank you very much, Deputy Minister Florizone. Before we get into the swing of things, I would like to table the following document: PAC 14/27, Ministry of Finance, reporting of public losses for the period from April 1st, 2012 to June 30th, 2012, dated August 30th, 2012, distributed on August 3rd, 2012; PAC 15/27, Ministry of Health, reporting of public losses for the period from April 1st, 2012 to June 30th, 2012, dated August 3rd, 2012, distributed on August 15th, 2012. And I'd like to advise the committee that pursuant to rule 141(2) the following report was deemed referred to the committee on July 18th, 2012, and copies have been distributed to all members.

At this point in time, I'd like to welcome the Provincial Auditor's office or our Provincial Auditor to make a presentation as it relates to chapter 10 from volume 1 of the 2011 report. Thank you very much.

Prairie North Regional Health Authority

Ms. Lysyk: — Okay. Good afternoon, Mr. Chair, members, and officials. I have with me today Bashar Ahmad who is the

deputy provincial auditor responsible for the Health portfolio in our office and Jane Knox who is the senior audit principal in our office who coordinated the audits that we are highlighting. I also have with me Kim Lowe who is an audit principal in our office and the coordinator for the PAC [Public Accounts Committee] committee.

So right now we will be presenting the findings from two audits at Prairie North Regional Health Authority that are included in our 2011 reports volume 1 and volume 2. These audits address ensuring that doctors, qualified doctors, work in our hospitals, and reducing hospital-acquired infections. Those are the two topics we will be covering in these two chapters.

We made recommendations as a result of these audits. There are seven recommendations related to granting medical privileges to doctors and six recommendations that are related to preventing the occurrence of hospital-acquired infections.

So with respect to the first report, it is the 2011 volume 1, granting medical privileges, chapter 10 report. Chapter 10 is on pages 109 to 119 in our 2011 report volume 1, and it describes the results of our audit that assessed whether the Prairie North Regional Health Authority had adequate processes to grant medical privileges to doctors during the 12 months ended January 31st, 2011.

Medical privileges allow doctors to admit, diagnose, and treat patients in hospitals. We audited Prairie North's processes to grant privileges to physicians. We did not audit the medical practice of physicians.

We concluded that the Prairie North Regional Health Authority did not have adequate processes related to the granting of medical privileges in hospitals during 2011. We made seven new recommendations. Bashar Ahmad will highlight these recommendations for you now.

Mr. Ahmad: — Thank you, Bonnie. And good afternoon, Mr. Chair, and committee members, officials. On page 114, our first recommendation requires Prairie North to monitor whether its processes for granting medical privileges are aligned with its practitioner staff bylaws and take action to ensure consistent processes across the region. We made this recommendation because Prairie North processes for granting medical privileges during 2011 were not consistent with its bylaws and were not consistent throughout the region.

Our second recommendation, on the same page, requires Prairie North to clarify the responsibilities of its chief of medical staff and committees in each hospital for granting medical privileges. We found that in 2011, Prairie North had not documented the rules, the role of the chief medical officer and the medical advisory committees responsible for recommending which doctors should have medical privileges. This created inconsistencies and problems during times when the key staff were not available.

Our third recommendation, on page 115, is regarding surgical requirements for granting medical privileges to physicians doing special procedures such as anesthesia or practising as specialists in the region. We made this recommendation

because we found that Prairie North did not have policies to clarify what the board expects in terms of doctors' training, experience, and skill doctors required for working in speciality areas such as obstetrics or surgery. As a result, Prairie North might not grant appropriate medical privileges consistently throughout the region.

Our fourth recommendation, on page 116, requires Prairie North to require physicians to submit complete applications with the documentation required under its practitioner staff bylaws before granting medical privilege. The reason for this recommendation was that the application filed did not always contain consistent information. For example only 25 per cent of the physicians new to the Prairie North provided a criminal record check when applying for medical privileges. Prairie North did not ask or seek further information if it was not provided.

Our fifth recommendation, on page 117, relates to Prairie North conducting reference checks for physicians applying to practise medicine in its hospital for the first time. We found that Prairie North seldom contacted previous employers or other people for character or professional references. Conducting reference checks help evaluate physicians' competence, character, and ethics.

Our sixth recommendation, on page 117, requires Prairie North Regional Health Authority to approve, amend, or revoke recommended medical privileges at the board's next regular meeting as required by the staff bylaws and inform the board of any temporary medical privileges granted. We made this recommendation because Prairie North did not seek timely board approval for 25 per cent of the first-time applicants requesting medical privileges during our audit period.

Our seventh and final recommendation, on page 118, requires Prairie North to analyze whether physicians complied with the medical privilege granted and advised medical privileges as necessary. We found that Prairie North did not have a process to document a review; rather its doctors performed complex medical procedures often enough to obtain the required skill. And that concludes my remarks on the chapter. Thank you.

The Chair: — Thank you very much. I guess I would invite a response from Deputy Minister Florizone.

Mr. Florizone: — Right, and thank you very much. With your permission, Mr. Chair, we'll walk through each of the recommendations and provide an update on the status of where they're at. No better person than Dr. Bruce Murray to provide, on behalf of Prairie North and as the senior medical officer, an update with respect to this work.

I do want to say on behalf of the ministry that we found this work and the information that was gathered and the audit that was conducted to be highly valuable in terms of pointing out some of the deficiencies and some of the important work that's necessary. Obviously recruitment is a very important factor in going through not only bringing a physician in but selecting the right person and then monitoring their performance throughout. So I want to thank the Provincial Auditor for the work in this regard. So with that, Dr. Murray.

Mr. Murray: — Thank you, Mr. Florizone. I'm going to go through these. Sometimes the answers are melded in terms of just not one, 10.1, 10.2, but sometimes there are overlapping issues that I would bring to address, and there are other issues that will influence some of the processes and procedures that we now perform.

To remind you, the bylaws recognize the senior medical officer as the final arbiter for privileges and review of credentials before these go to the board. And I think in our previous processes, this was not entirely clear because we do have other ancillary personnel that sometimes took part of that role. We have clarified that so that the senior medical officer now takes the role in looking at the applications, looking at the credentials, and applying the credentials to the appropriate privileges that are being asked for.

The processes were not entirely congruent from site to site, and what we have done is consolidated our record keeping to two different sites in North Battleford and Lloydminster, and the staff that is responsible for that have done a stellar job with talking to one another, looking at congruent and actually the same questions and answers for both. So we're now using the same forms, the same checklists, and the same requirements at all sites that request those documents from physicians.

We have also expanded the senior medical officer role to three physicians. Now I am not the single point of failure for these processes. I have two of my clinical colleagues who have joined me. We think that that, first of all, allows us a little better access to the wide geography that we are responsible for, and it also expands our clinical base so that . . . For example, one of my colleagues is a surgeon, another one an obstetrician. And those have been two of the foci or the initial foci that we have looked at in terms of looking at our changes in our credentialing and privileging process.

We — the three of us — have joint responsibility in this area. We have retained the site chief designations, and we are looking to finalize what our medical administrative hierarchy is going to look like. And I must admit that is still a work-in-progress for a couple of different reasons. But we find the site chiefs to be valuable in an advisory capacity and in looking at the performance of physicians in that particular area, be it Lloydminster, North Battleford, or Meadow Lake or somewhere in between. So we look to them to advise us on the performance capacities of our different circumstances of practice in the communities.

As I've indicated, the final vision for the medical administrative structure is still in evolution. However, we have done the following. We've hired a medical affairs coordinator, and as I say, we've expanded the SMO [senior medical officer] role. Our next focus of activity, which is due in September, is to formalize the medical affairs department. Prairie North has never had a formal medical affairs department, and now that we're looking at increased staffing and looking at formalizing or standardizing our process, now is the time to achieve that.

We also are looking to achieve appropriate support for this department in terms of administrative assistance and clerical support, and we are establishing a website that has access for physicians so that they know coming in what is going to be

expected of them in terms of applying for privileges and having the appropriate credentials in the region.

Would you like me to go on? That's sort of no. 1 and no. 2. No. 3 is looking at specific . . . Oh, sorry.

[13:15]

The Chair: — No, thank you very much for those first pieces. Maybe since we have some depth to the answers here and we're dealing with two recommendations, before we get into the other recommendations, is there some follow-up questions from committee members at this point in time for the first two? I hear a lot of activities and a lot of good work that it sounds to me working towards what I suspect full compliance with both of those first two recommendations.

Mr. Murray: — Absolutely, yes.

The Chair: — And full compliance has been achieved at this point in time?

Mr. Murray: — Well I think we would — I hate to say it — we would encourage an audit to reassure ourselves that we are doing what we're doing or we're conforming to an external review of that. But we believe that we are now in compliance with the collection of data and looking at the appropriate credentials for the privileges that we are granting.

The Chair: — Thank you. I'll let you proceed with . . . I think you were going to comment on recommendation no. 3 and 4.

Mr. Murray: — Recommendation no. 3 has to do with some of the special or advanced skills, both by specialists and by advanced-skills family physicians. And what we have done in that is we've actually collected data from a number of different sources to see what is the standard out there, and we have stolen shamelessly from those either regions or jurisdictions that we feel have processes that would be valuable for this.

So in particular, the skill sets in obstetrics and emergency have been our initial focus, and our applications and our reapplications for that matter are looking at an increased requirement for credentialing for physicians who choose to practise in those areas. We are requiring that our reappointments as well as our new appointments attend courses and keep up a credential . . . [inaudible] . . . with their scope of practice. I would refer to a course called ACLS, which is an advanced cardiac life support course for emergency room physicians. We have two courses that we are now insisting on for those physicians who are practising obstetrics, and that is the ALARM course, and that's advances in labour and risk management course, and also a neonatal resuscitation program, an NRP course as a requirement for those physicians who are engaged in the practice of obstetrics.

We are also looking at standardizing our approach to . . . In our region we only have one anesthesiologist. The rest of our anesthesia providers are general practitioners who have taken a required extra training in anesthesia, and we're looking at standardizing our review of new appointees in those areas.

I can go on to number . . . Oh, I'm sorry.

Mr. Cox: — Mr. Chair?

The Chair: — Go ahead. Thank you.

Mr. Cox — Just to clarify, have you actually set requirements for granting these medical privileges at this time?

Mr. Murray: — Yes.

Mr. Cox: — You have that in place.

Mr. Murray: — Yes. Yes, we do.

Mr. Cox: — Okay, good.

Mr. Murray: — The no. 4 recommendation, which is consistently require physicians to complete applications with documentation, we have standardized our checklists and adhere to them rigidly to increase the compliance and completion of the process either prior to the arrival of the physician within the region or prior to that physician beginning his or her practice. So that is now an absolute requirement before we turn them loose, so to speak.

We have also invigorated our reappointment process. The reappointment is for those physicians who have been with us for a year and now there's a reappointment. There has been a new provincial reappointment form that we have modified somewhat. And as I've indicated to you, there is an increased requirement, not just for our appointees but for the physicians who are already in practice, to meet the standards that I've already indicated. But this is on a provincial template and I might speak more to that a little bit later.

I can go on to no. 5, which is reference checking. The reference checking is now part of that checklist process that I have indicated, that we need the referees for that physician to have submitted their referrals to us. We do approach them both by telephone and by email and sometimes directly if the referees are known to us. We also will not just limit ourselves to the referees that have been indicated by the applicant, but if we are, for example, if we are aware that they want to practise emergency medicine, we try to seek out the director of the emergency room department where they last practised or tried to seek a collegial referral that may not have been indicated on the referral form. For example, as an SMO, I might approach the SMO from another region where the physician practised to get some sort of indication of the quality of care that had been provided by the appointee.

So I must admit we don't do verbal checks on all of them, but if we feel that we need more information to either clarify or expedite or expand on what the applicant has provided for us, we will certainly go ahead and do that.

I'll go on to no. 6, and this is delay in the board review of appointees. And right now our current practice is that all, most current applicants are presented to the board for discussion and approval at the next most proximate board meeting.

I'm going to spend just a little bit more time on no. 7 because no. 7 speaks to what are the checks and balances that we might have in place in order to assure a more continuing approach to

quality of our applicants. The Prairie North Health Region still uses its complaint process to identify potential issues with quality of care by its physicians and other health care staff as well. We do however feel that we need to be more proactive in this area. In other words, we would like to prevent complaints and to do a better job, if you will, of making sure that our physicians are reaping the benefit of some of the educational opportunities that are available and sometimes required by physicians.

What we have done, for example, is we've increased the access for our physicians to intraregional continuing medical education opportunities. For example, that ALARM course that I was talking to you about, we have actually established that course within our region. We have actually resourced it at least partially, so that our physicians don't have to travel outside of the region to achieve credentialing in that process. We're doing the same for ACLS, and we are looking at other opportunities to support continuing medical education for our physicians in a variety of different areas.

So there's a significant emphasis on continuing medical education in our region. We have instituted for example teaching rounds, at least in the BUH [Battlefords Union Hospital] hospital, and we're hoping to expand those out to other areas of the region.

We're also participating in the provincially mandated program of mentoring of new physicians. You're aware perhaps of the SIPPA [Saskatchewan international physician practice assessment] program, was the training program for international medical graduates, and now as well as having an on-site and mentoring program, they require mentoring and review of those physicians for the first year of their practice. And so we have a designated physician who actually goes into their practice and talks with them six or seven times a year, does chart audits on them to make sure that they are charting up to our expectation. And this is a provincial, provincially mandated program. We think it's an excellent one and certainly worth us participating in and also expanding out to physicians who may not have required to go through the SIPPA program.

The SIPPA program actually ensures that at least the physicians that come to us have a baseline competency, and so the mentoring process is to see how they have taken that six- to 12-week program that they have already performed and to see how that translates into practice in our region.

The PNRHA [Prairie North Regional Health Authority] is committed to providing not only safe but high-quality medical services. Our response to the audit I think demonstrates this as well as a number of concurrent initiatives that are being undertaken by the region, and I would just point these out to you very quickly.

There's participation with the senior medical officers committee of the province. This is a provincial committee that people like me, we meet on about a quarterly basis, and we have identified . . . because the audit that was performed in Prairie North was, I won't say it was a cautionary tale, but it was certainly good information for the other regions because I shared it with them. And one of the things that has come out of that is that our committee has indicated that we would like to go to a provincial

standardized privileging and credentialing process. As you know, we're still fragmented. But it is our desire as a committee to by 2013 have a standard baseline so that a physician who has been practising for example in Kindersley and then comes to Prairie North, we can be assured that the privileges that were granted for the practice there have the same basis of credentialing that we would require as well. And we think that's a step in the right direction.

We're also looking, as a province, at having what are called standardized order sets for physician practice. In other words, these are order sets that are based on best practice principles and are constantly reviewed and now our physicians will have access to them. And we think this is an enhancement to our quality of care.

I think the final thing that I would point out is that one of the ways that we are seeking to increase our qualifications and quality of care is by participating with the College of Medicine in the training of new physicians. Prairie North Health Region will be hosting a geographically centred family medicine residency program starting in July of 2013. We will have, hopefully, four learners in 2013, another four in 2014. And statistics have shown that where you have a learning environment in which you're practicing, it actually enhances patient care. And the other thing that it does is to enhance our recruitment.

Recruitment is a huge effort for all of us, particularly in the rural areas, and it's one of the challenges that we face in our privileging and credentialing process. For example in Lloydminster over the past 18 months we have brought in approximately 25 new physicians, because one of the issues that we have obviously — and this is a shared issue across the province — is if you don't have enough docs to provide service, then they're compromised. And so we're trying to avoid that as well. I think I will end my remarks there.

The Chair: — Thank you. Just as a general comment, turn it over to questions. Thank you for your comments. You maybe provide a bit of an example to those coming before this committee on how to be forthright and sharing in a real fulsome way the activities undertaken to address some of the recommendations.

And certainly some of the recommendations highlighted some concerns, and I think you highlighted very well that these are likely concerns that may not just apply to Prairie North, but also to other health regions. So I just want to say, from everything that's been shared here today, some really good work going on in Prairie North, and some really good testimony here today that I think allows, probably allows fewer questions on behalf of committee members. Because you've shared a lot of good work and activities that are under way. But I would turn it over, if there are specific questions. I've kind of kept notes on each recommendation as you've gone through them. Mr. Michelson.

Mr. Michelson: — Yes, thank you, Mr. Chair. Thank you, Dr. Murray, for the explanation. When I read this whole chapter, I did have some concerns about . . . And I guess maybe the question may go to Deputy Minister Florizone. I read this as if the Prairie North was one health region and all health regions just operate independent from each other. Your comments kind

of indicate that it's turning more and more into a provincial kind of administration. Is that fair to say?

[13:30]

Mr. Florizone: — So to clarify. The regional health authorities are still and continue to be organizations unto themselves or legal entities with their own separate boards. But part of the strategic work that we've been doing and even at the operational level, there's a bit of a mantra that has caught on, and it's referred to as thinking and acting as one.

This is a notion that other provinces have amalgamated regional health authorities and regional structures in order to achieve economies of scale and scope. Saskatchewan's approach has been to working together and having regional health authorities, and the experts in one region share their learnings with other regions so that they can build a platform.

So as Dr. Murray was referring to the good work that was done in Prairie North prompted by what was an audit and a look at standards and the outcomes, those learnings were being shared with senior medical officers throughout the province. And as a result of that work, it was an undertaking of those senior medical officers to work together collaboratively to see if they could do things together. The real benefit is not only raising the quality standard but also ensuring that information. There's an assurance, a greater assurance to Prairie North for instance that the physicians that are transferring in from other regions in Saskatchewan have undergone the same kind of thorough credentialing that Prairie North has set a standard for. And therefore the regions, I would say, are working much more closely together now than ever. But to suggest that they're one, they're just trying to really share knowledge and expertise rather than, you know, this notion of throwing everything in one basket, amalgamating it, and creating these huge bureaucracies. So we're trying to find the balance of both.

Mr. Michelson: — And that's not where I was going, Deputy Minister. I was just . . . Like I said, it just seemed that it was operating so much by itself rather than sharing the information. I think there are forms when I started reading this, and I'm saying, you know, what is the definition of medical privileges? Is that defined different in each region? Or is there . . . And then there should be one form, I would think, and it may vary a little bit, but I would think medical privileges in one region would very much reflect what they are in another region or all regions. And that would kind of be a standard set by the ministry. Is that not right?

Mr. Florizone: — Well thank you, Mr. Chair, for the question. In fact there has been historically some involvement of the College of Physicians and Surgeons with respect to some of our smaller hospitals historically setting, making recommendations around privileges. In recent years, a lot of that has been decentralized and delegated to regional health authorities.

The professional SMOs, the senior medical officers, are tasked with determining . . . And again that determination isn't just based on the skill set of the candidate but also the context within which privileges are being granted. So for instance, the capability of North Battleford for supervision or to be able to conduct certain procedures and having the auxiliary staff or the

professional staff to support those procedures would all be taken into account locally.

Now the benefit is there is one set of bylaws. The benefit is the senior medical officers are working together now more than ever, and we do have some basic standards. But to suggest that we have them go through specific credentials beyond licensure through the College of Physicians and Surgeons, a lot of the privileging is really decentralized to regional health authorities.

Now you'll see something else that's reflected in the Prairie North story, and that is that historically it was three districts that were amalgamated into one region. So part of what you have is an overlay of one set of bylaws and a history of having separate organizational structures. And so what you end up having through this good work is now a further standardization across the region — the work is now far more consistent than ever — and then turning around and sharing that on a province-wide basis.

The Chair: — Further questions?

Taking notes, I guess we can examine what our motions may be, but it would seem to me that compliance was noted on almost all recommendations by officials here today. Maybe the second recommendation would be one that we note progress on, but maybe the rest would be noting compliance. And of course for the public and for all others, this is certainly something that's followed up and tracked by the auditor's office and reported back to us in any event.

I'd maybe welcome a motion if there's . . .

Mr. Moe: — Sure. Do you want to do more than one at a time?

The Chair: — We could certainly deal maybe with all the ones that we note compliance on.

Mr. Moe: — Okay. So I think with regard then to 1, 3, 4, 5, 6, and 7 . . . Is that correct?

The Chair: — Right.

Mr. Moe: — I would move a motion that we concur with the recommendation and note compliance.

The Chair: — So it's moved by Vice-Chair Moe. All agreed? It's agreed that this committee concurs with recommendations 1, 3, 4, 5, 6, and 7 of chapter 10 of the volume 1, 2011 report, and note compliance.

I'd welcome a motion as it relates to recommendation no. 2.

Mr. Moe: — With regards to recommendation no. 2, I'd move a motion that we concur with the recommendation and note progress towards compliance.

The Chair: — All in favour? It's agreed that this committee concur with recommendation no. 2 and note progress towards compliance.

With no further questions from committee, again I'd like to thank officials for coming before us. Dr. Murray, thank you for

your testimony here today. And at this point in time, we'll transition to, I guess, the chapter 14 of volume 2. And I'll turn it over to the Provincial Auditor's office.

Ms. Lysyk: — I as well would like to voice a thank you to the ministry and to the region for the work that's been done with regards to the recommendations. I think our audit team had excellent co-operation and I think are very happy that the recommendations were taken as seriously as they were. So I just want to say thank you on that as well.

Mr. Michelson: — Excuse me. Can I ask a question of the auditor?

Ms. Lysyk: — Yes.

Mr. Michelson: — When does the next audit of Prairie North take place?

Ms. Lysyk: — With respect to medical privileges, we would probably be doing a follow-up in 2013 on the medical privilege recommendations because the audit was done last year. It's about a two . . . We give about a year and a half to two years.

Mr. Michelson: — Excellent. Thank you.

Ms. Lysyk: — Yes. And I also have with me the same team that worked on Prairie North working also on the . . . They worked on medical privileges and also worked on hospital-acquired infections. And that is Jane Knox and Bashar Ahmad.

So if you turn to 2011 report volume 2, chapter 14F, it's called hospital-acquired infections. Chapter 14F is on pages 307 to 323 of our 2011 report volume 2 and explains the results of our audit that assessed whether the Prairie North Regional Health Authority had effective processes from August 1st, 2010 to July 31st, 2011 to protect patients from hospital-acquired infections.

We focused on processes in the region's largest acute care hospitals. We concluded that from August 1st, 2010 to July 31st, 2011, the Prairie North Regional Health Authority had effective processes to protect patients from hospital-acquired infections, except for its accountability process, training plan, monitoring practices, and reporting of information about sufficient hospital-acquired infections to help analyze and report emerging risks.

In this chapter we made six recommendations, and Bashar Ahmad will again walk us through those recommendations.

Mr. Ahmad: — Thank you, Bonnie. On page 314 we make two recommendations for Prairie North. The first recommendation requires Prairie North to assign an appropriate chairperson for its regional infection prevention and control committees and that that person be other than the infection control coordinator. We made this recommendation because accountability for infection control was not clear or direct in Prairie North. Because Prairie North's infection control coordinators carry out work on behalf of the region committees, provide reports to them, they should not be responsible to chair those committees.

The second recommendation on that page relates to the clarity

of accountability and responsibility of Prairie North's infection control coordinators. We made this recommendation because Prairie North's infection control coordinators were not directly responsible to any manager for their work regarding controlling hospital-acquired infections. Chart 1 on page 311 shows organizational lines for accountability.

Our third recommendation, on page 316, requires Prairie North to complete the development of a formal training plan for infection prevention and control suitable for its organization, services, and client population. Although Prairie North provides formal orientation on infection control to all new staff, it did not have a formal training program for the organization. Prairie North expected to have such a plan in the future. Such a plan would help ensure the employees know best practices for preventing hospital-acquired infections.

The fourth recommendation, on page 317, relates to formalizing Prairie North's processes to monitor and report consistently its key practices to control hospital-acquired infection. In 2011 Prairie North did not maintain an ongoing system to track the result of monitoring of hospital-acquired infections or to report the result to senior management.

In recommendation 5, on page 319, we asked Prairie North to monitor and report additional hospital-acquired infections after analyzing risks to patients and costs to the health care system. Selecting which infection to monitor can be complex. In 2011 Prairie North did not have a process to analyze the risk of harm to patients and the cost of longer hospital stays compared to the cost of monitoring infection that patients acquired in the hospital.

Finally the recommendation on page 320 requires Prairie North to regularly provide to senior management a written analysis of emerging risks based on trends and causes of hospital-acquired infections. In 2011 Prairie North's report about hospital-acquired infections to management and board did not explain the probable causes of trends or the type of patients at greater risk. And that concludes my remarks on that chapter. Thank you.

The Chair: — Thank you for that report. I'll turn it over to Health and our deputy minister to provide responses or appropriate officials specific to those recommendations and actions that have been taken in each case.

Mr. Florizone: — Thank you, Mr. Chair. I want to once again turn to Dr. Bruce Murray who will go through each of these recommendations and give you an update with respect to progress or compliance. Thank you.

Mr. Murray: — I promise I'll be briefer. We'll start well with recommendation 1, to assign an appropriate chairperson for the regional infection prevention and control committee. The vice-president of primary health services has assumed the role of Chair of this committee with an alternative being the vice-president of integrated health services when our VP [vice-president] primary health is not available.

For no. 2, the recommendation that we clarify the accountability and responsibility of the infection control coordinators, the job description for the IPC [infection prevention and control]

coordinator has been revised to identify reporting, responsibility, and accountability relationships. This process was completed in March of 2012.

For no. 3, complete the development of a formal training plan for infection prevention and control that is suitable for the organization, services, and client population, we have designed a needs assessment for infection prevention and control education for staff, service providers, and volunteers. It is designed to be completed by December of 2012, and this survey is now ready for distribution, and that will occur in September of this year with subsequent actions depending on the results of that survey.

Recommend that Prairie North Regional Health Authority formalize its processes to monitor and report consistently its key practices. We have established a new position of patient safety coordinator and health educator. This position was filled as of February the 12th of this year. The position is to provide guidance. We're starting with our hand hygiene program, and we will be expanding that to audit with our initial focus being on audits of our facilities to begin with.

Recommendation no. 5, "We recommend that Prairie . . . monitor and report additional hospital-acquired infections after analyzing risks to patients and costs to the healthcare system." A reporting mechanism will be established for the additional hospital-acquired infections that are currently being monitored but had not been formally reported. This actually was achieved as of December of 2011. And it will continue as a quarterly report that is presented to our board.

[13:45]

As well we have done a review as to what is regarded as an effective audit for our surveillance methods. We have just completed that, and we haven't really looked at its results yet, but that will be forthcoming in September.

The final one, ". . . recommend that Prairie North . . . Health Authority regularly provide to senior management a written analysis of emerging risks based on trends and causes of hospital-acquired infections." The quarterly reports will be revised to include additional narrative that identifies potential causes and trends and any actions taken. A continued focus on prevention practices, including monitoring and reporting, will provide the evidence as to the efficacy of these actions. And those are our responses.

The Chair: — Thank you for those responses. Some interesting analysis that you're bringing in as well. When you look at that recommendation no. 5, do you have any comments as to what you're seeing as far as the costs to the health care system and risk to patients in some of the analysis that you've . . .

Mr. Murray: — I'm going to admit to ignorance here. This isn't really my portfolio. And so it would be I think a decent follow-up question that we would bring the proper resources to bear to provide an answer to.

The Chair: — That would be appreciated. And from a quantitative perspective, have infections increased in this year currently as far as a trend, or have they decreased?

Mr. Murray: — I'm not aware that there's been any significant change in our infection rates. Sometimes these things vary, particularly in smaller regions. And there are variances from facility to facility. So I think we would probably want to look at our comparison to provincial trends before we could provide an answer to that. In other words, I would defer that to a more . . .

The Chair: — No, that's a fair comment. And maybe to the deputy minister, do we know how we stack up as a province on this front as it relates to other jurisdictions, other provinces, as far as infection rate?

Mr. Florizone: — Yes, we are certainly in that ballpark. From time to time, we'll see outbreaks that occur. It's usually facility-specific, or it may cycle through, depending on the type of outbreak.

I have to say that we've come to a realization in Saskatchewan that being better than the average in the country is not sufficient. We have set out some fairly aggressive monitoring and target setting around many of the defects within the health care system. Infections we consider one of them.

The other thing that we're doing is we're monitoring, on the surgical initiative, not only infections that occur within hospital, but we'll track through into the communities, so for the first 30 days post-discharge, to see if there are any subsequent infections that have occurred, irrespective of attribution, to be able to see how that whole of the surgical experience went.

We also on a micro level, with our Releasing Time to Care initiative — it's a lean initiative that was adopted through the United Kingdom — we've seen several wards now in hospital that have eliminated VRE [vancomycin resistant enterococci] infections. So they set a target as staff to do it themselves. They've improved in areas like handwashing and hand hygiene. They've made sure that protocols were followed. And they're reporting zero infections for over a year now. Now I would love to say that that's ubiquitous, that it occurs everywhere. The fact of the matter is we're still chipping away at it. We've set it as a target and we're working away at it.

Now I am joined as well just moments ago by Cecile Hunt who's CEO [chief executive officer] of the Prince Albert Parkland Health Region. And without putting Cecile on the spot, she may have a little more insight, given her clinical background as well as a nurse and her administrative background as a CEO, on some of the activities with respect to infection control that could be enlightening to the committee.

Ms. Hunt: — Good afternoon. I am on the spot, but I can speak in very general terms to some of the work we do in collaboration provincially and with some of our HA [health authority] colleagues. We work and have actually developed processes to track especially many of our surgical patients. They often are spending short periods of time in institutions, such as day surgery, and yet the outcome of that surgery can occur two to three days later. And we actually have a follow-up where we have a staff member from our quality department contact those patients to see if they're experiencing some very simple symptoms that could give us some sense of is there an infection or not, be it do you have a temperature? Is your incision red? Have you been asked to return to see your

practitioner or to the facility if you're at risk? And that gives us a sense of the level of post-operative infections. And I think that that's often short term.

The longer term is often picked up in the clinician's office, be it the nurse practitioner or physician or surgeon. And certainly I think there has been a greater integration between RHAs [regional health authority] and as well private providers with the health system in really keeping that top of mind. I do think the surgical initiative has really raised the profile of this, and the provincial reporting I think has made this everyone's priority, not just the single surgeon or the single facility. So that's a sense of some of the activities. Certainly by no means is that a complete set of activities, but on the surgical side, I think that it's becoming a risk issue that we all need to manage.

The Chair: — Thank you. Questions from committee members? Mr. Cox.

Mr. Cox: — Not really a question, Mr. Chair, but a comment to Dr. Murray as someone who had an opportunity to avail myself of the facilities in Battlefords Hospital. You had expected staff to achieve a 95 per cent target rate for hand hygiene. I can tell you that it was probably 100 per cent. It was excellent. The gowns worn, everything that was done in my case for what I was there for was excellent, and I thank you for that and the staff as well.

Mr. Murray: — I'll pass that on to the staff, thanks.

The Chair: — Mr. Michelson.

Mr. Michelson: — Thank you, Mr. Chair. When I look at something like that, that the Prairie North staff had significantly improved the effectiveness of their hand hygiene practices, to me that's kind of a common sense thing. I'm glad to see it's there, and sometime I guess maybe it has to be pointed out. But again I think there's a lot of things that you say that have been improved, and I appreciate that.

When you get into some of these kind of items, the best practices, is that something that the chief medical officers again address when they're meeting?

Mr. Murray: — Certainly that, as I've indicated before, that patient order sets that I mentioned earlier is actually focused on a set of orders that come out of extensive investigation of what would constitute best practice. And so it's not just . . . If you admit a patient to hospital with a community-acquired pneumonia, you can look at the order set and there's a drop-down that says, here's the sort of investigations that might be helpful in this patient, and it even might go into some of the common therapies. And it's constantly renewed and revamped, and it's actually beyond the capabilities of most physicians to be current in every different aspect that they might see on a daily basis. So we're looking at that type of initiative as being a more comprehensive approach to a best practice type of environment that virtually every practitioner in the province would benefit from and, by definition, their patients as well.

This is a well-researched and actually well-utilized tool that actually comes out of Ontario. And I think the ministry and eHealth has actually picked up the gauntlet there in terms of

trying to get that implemented throughout the province. So yes, that is a quality-of-care initiative for sure.

Mr. Michelson: — So the drop-down menu is from the experiences of many, many regions, and it's not something you've designed just . . .

Mr. Murray: — No, no. I'd like to take credit for it, but no.

Mr. Michelson: — No, that's what I wanted to know. Thank you.

The Chair: — Just a direct question as it relates to recommendation no. 5 as it related to the analysis and the monitoring and reporting of additional hospital-acquired infections after analyzing risks to patients and costs to the health care system. There was significant actions that were undertaken on that front. Is it fair for us to categorize that that's been fully complied with, or is there still some progress left on that?

Mr. Murray: — I think it would behoove us to continue with that and not indicate full compliance but a work in progress. I think that would be a fair statement.

The Chair: — I'll entertain a motion as it relates to the recommendations.

Mr. Moe: — Sure. With regards to recommendations 1 and 2, I would move a motion that we concur with the recommendations and note compliance.

The Chair: — All agreed?

Some Hon. Members: — Agreed.

The Chair: — It's agreed that this committee concur with recommendations 1 and 2 and note compliance.

Mr. Moe: — And with recommendations, I would like to move a motion with regards to recommendations 3, 4, 5, and 6 that we concur with the recommendations and note progress towards compliance.

The Chair: — Moved by Vice-Chair Moe. All agreed?

Some Hon. Members: — Agreed.

The Chair: — It's agreed by this committee that we concur with recommendations 3, 4, 5, and 6 and note progress towards compliance. If there are any further questions from committee members, I'd simply like to thank Dr. Murray and the Prairie North Health Authority for attending here today, and we're going to transfer our attention to the next report. Thank you very much.

Mr. Murray: — Thank you, Mr. Chair.

Prince Albert Parkland Regional Health Authority

The Chair: — So we'll move ahead here now with the 2011 auditor's report volume 1, chapter 11, and this is the Prince Albert Parkland Regional Health Authority. And I'll turn it over

to our Provincial Auditor.

Ms. Lysyk: — With me today is Tara Clemett. Tara is the audit principal responsible for this audit, and she is with Bashar Ahmad who is the deputy in the office for the Health portfolio.

Chapter 11 is on pages 121 to 131 of the 2011 report volume 1. This chapter reports the results of our work to examine the adequacy of the Prince Albert Parkland Regional Health Authority's processes to secure its IT [information technology] systems and data. We made three recommendations to help improve the RHA's processes.

P.A. [Prince Albert] Parkland is located in north central Saskatchewan and provides health services to about 78,000 people. P.A. Parkland uses IT systems and data for admissions, treatment records, lab results, and prescription information. Securing P.A. Parkland's systems and data is important for the safe delivery of health services and the protection of patient information. At the time of our audit, P.A. Parkland used two main service providers to manage its systems and data. They were the Ministry of Health and a private sector company.

Now Tara will walk through the conclusion and recommendations.

Ms. Clemett: — Thank you. Good afternoon. We concluded for the period August 1st, 2010, to January 31st, 2011, P.A. Parkland had adequate processes to secure its IT systems and data with three exceptions.

First we recommended that P.A. Parkland should monitor whether its IT service providers meet its security requirements. We made this recommendation because P.A. Parkland did not receive sufficient security reports from its service providers, nor did it get quality assurance or third-party assessments to assess the adequacy of the services provided.

Our second recommendation on page 127 requires P.A. Parkland to restrict physical access to IT systems and data. We noted that P.A. Parkland did not lock all wiring closets, which permitted access to network equipment. Also it did not encrypt portable computers. Not doing so increases the risk of unauthorized access if a portable computer is lost or stolen.

[14:00]

Our third recommendation on page 128 required P.A. Parkland to maintain and test its disaster recovery plan. P.A. Parkland did not have an up-to-date and tested disaster recovery plan to ensure systems and data are available when needed.

That concludes my overview. Thank you.

The Chair: — We'll turn it over at this point in time to our deputy minister and officials with P.A. Parkland.

Mr. Florizone: — Great. And by way of earlier introduction, Cecile Hunt is here on behalf of Prince Albert Parkland to be able to speak to these recommendations. Just for the benefit of the committee, I am joined by Carol Klassen who is readying for the next series of questions. So I'm finding that as deputy minister, I've got this great advantage of just going from left to

right, right to left. So thank you. And to Cecile.

Ms. Hunt: — In relation to . . . Good afternoon, everyone. Sorry, I'm just jumping right in. In relation to recommendation 1 where the health region was to improve its monitoring of its information technology service providers to ensure we meet our security requirements, since May 31st of 2012, the health region has ended its contract with ISM [Information Systems Management Corporation] — and that did take a period of time — and we as a region have taken over the support and maintenance of our own data centre. Therefore our only remaining service provider is eHealth Saskatchewan. We do receive monthly intrusion detection system reports from eHealth Saskatchewan for tipping points as well as McAfee reports on our overall virus protection — and please, I'm not too familiar but I did bring individuals who are very familiar with the technology and software — as well as our Barracuda spam firewalls reports. Sounds impressive anyway, and I do believe it's doing a very adequate job.

We certainly recognize the Provincial Auditor's concerns around ISM and the fact that we did not have . . . We received service reports but no security reporting. In our transition, we have created additional due diligence around reporting, and our region's IT personnel get instant alerts via email from McAfee for any suspicious activities on data files as well as our Microsoft Exchange log reports. In addition to these alerts, the reports are extracted and reviewed on a monthly basis by our server IT team. Any suspicious findings are reported to the manager of information services immediately for action.

In relation to this important work, we do now report to our board of directors' finance and audit committee an update on this work and have recently had a second review by the Provincial Auditor's office. In addition we have reorganized our information technology management structure, and the director of information management now reports as part of our senior management team.

In relation to recommendation 2, the Prince Albert Parkland Regional Health Authority to improve or adequately restrict physical access to our information technology systems and data, as I indicated before, we now have taken over the administration of our systems. We have now installed security cameras and have consistent monitoring and log-in and log-out of individuals who access our IT closets and our data centre. This has been a collaborative effort between our maintenance department staff who do need continued but restricted access in case of fire and other unanticipated events throughout the health regions.

We have begun the work of encrypting all of the regional laptops. Through a risk analysis, we identified that our mobile devices were at the most risk to loss, and therefore our focus was on encrypting all remote-access devices. Our encryption activities will continue for our laptops, and we do have a rollout strategy and that by March 31st of 2013, all existing deployed laptops will be recalled to install encryption if there is no need to have them come in earlier. We do have a process to rejuvenate our technology.

And our third recommendation is in relation to an up-to-date and tested disaster recovery plan based on our threat and risk

assessment. We have updated our disaster recovery plan following the implementation of our new data centre technology in this fiscal year and have a plan that we will roll out over the remainder of the year. However, on June 26th in the Prince Albert area and throughout our entire health region, we had a sustained power outage, and that power outage actually challenged our disaster recovery plan. And we feel that we were able to achieve all of the goals and objectives of that disaster recovery plan. We will continue to test it and complete it by early winter of 2013 because there were some small sections of our region that were not impacted by the power outage.

I think that that power outage not only tested our disaster recovery from an IT perspective, but that sustained power outage perspective did probably adequately test our entire disaster plans throughout the health regions. We were without power in our regions for approximately 24 hours, but had a sustained support from SaskPower for the Prince Albert environment. We continued to use our backup power to allow SaskPower to provide additional rolling power to the rest of the community.

And I did not know this until this happened, but backup power, IT providers would deem as relatively dirty power — inconsistent and some surging. So our data recovery and disaster plan certainly was tested, we feel very adequately, by that challenge.

The Chair: — Thank you for those answers. Any other comments on the report? Questions from committee members?

I have a little bit of interest just on the first recommendation. There was a question of whether or not service providers meet security requirements and then there was a statement that in the case of P.A. Parkland you've chosen to do this yourself. Was it deemed by the authority, by the health region, that you could not have the provider comply with security requirements?

Ms. Hunt: — No, that was . . . The ISM contract with our region was something that had been in place for a period of time and certainly security was not the thing that led us to alter our service provision. We would have certainly been, if we had chosen to continue with that provider, would have been able to receive it following negotiation and appropriate compensation.

The Chair: — In this case are you able to do it for a lower cost internally?

Ms. Hunt: — We actually, in 2007-2008, our region had Deloitte do an operational review of our organization. And one of the findings at that time was that there was some difficulty in determining the cost benefit of the external versus internal, as well as the need to really try to focus this organization's needs. We felt that it was . . . we needed and it was more appropriate for us to have some internal expertise, especially around clinical applications. And so at this time we felt that this was a better suited strategy to meet the business needs of the health region.

The Chair: — As far as the data that's actually stored by the region, is you'd have information that's specific to the region and then some that's shared I guess in entirety through eHealth or . . .

Ms. Hunt: — Yes that's accurate.

The Chair: — I guess, what sort of information in a general way is shared or is shared through eHealth, and then what pieces are held just specific to the region?

Ms. Hunt: — I can . . . some of the specific regional data may be related to our business functions, human resources, finance and those types of very localized or regional data. We do share, province-wide, some clinical data such as through RIS/PACS [radiology information system/picture archiving and communication system], the radiology information system, the picture archival, the x-rays and ultrasound information. That's one example where that is a shared piece of data that is used by providers throughout the province. And that's one example. Lab information, we will soon be coming on site or go live in our region.

Now, for example, lab data. We have pieces of our lab information that will be able to be uploaded to the SLRR, the Saskatchewan lab results reporting. However some of our lab information comes from small rural sites which will not be able to be uploaded directly and would have to be scanned in to electronic medical records. So some is local. Some is very local, by facility. Some is regional, and then of course the provincial level data that is used by clinicians.

The Chair: — I'd welcome a motion of compliance or question on no. 1, I think.

Mr. Moe: — With respect to recommendation no. 1, I would concur with, or move a motion that we concur with the recommendation and note progress. Sorry, concur with the recommendation and note compliance.

The Chair: — Moved by Vice-Chair Moe. All agreed?

Some Hon. Members: — Agreed.

The Chair: — It's agreed that this committee concur with recommendation no. 1 and note compliance. Moving along to recommendations 2 and 3, are there specific questions from committee members?

Mr. Moe: — I have a question just with regards to recommendation no. 3 and with regards to June 26th when the power outage would be your test run with your recovery plan. And you'd said there's a couple communities that were not affected by the power outage, but it's the same system would be in place for those communities as well. So would you just comment on those?

Ms. Hunt: — Yes. As an example, in that power outage, the communities of Kinistino and Birch Hills were not affected, and so we will do our disaster recovery plan. We'll test it there in a mock environment just to assure the organization and the board of directors that we will be able to recover data and continue the business of the organization.

Mr. Moe: — And that same plan worked in the communities where the power was out for an extended period.

Ms. Hunt: — Yes.

The Chair: — I do want to just ask a question on recommendation no. 2 as well, just highlight an interesting area, of course, the security risk of mobile devices and USBs [universal serial bus] and of laptops. The USBs specifically, it was stated that they were encrypted but that those utilizing them weren't, I guess, informed of the process to utilize that security. That's been addressed, has it?

Ms. Hunt: — Yes. We've had a policy review of this entire area, and the staff and physicians and occasionally volunteers who support the region have been informed of the policy and the process. We will provide ongoing monitoring and report back to our board of directors.

The Chair: — Right. Thank you. And I'd welcome a motion on either one recommendation at a time or two at a time.

Mr. Moe: — I think we'll do 2 and 3 just simply because there's a couple communities left to do the tested portion of recommendation 3.

The Chair: — Right.

Mr. Moe: — So with regards to recommendation 2 and 3, we'd concur with the recommendation and note progress towards compliance.

The Chair: — Moved by Vice-Chair Moe. All agreed?

Some Hon. Members: — Agreed.

The Chair: — It's agreed by this committee that we concur with recommendations 2 and 3 and note progress towards compliance.

Thank you so much for joining us here today and for your answers.

Mr. Michelson: — I would take it that you wouldn't recommend that kind of testing . . . [inaudible].

Mr. Florizone: — We'd rather avoid real disasters to test our systems, but I think this one does show the strong reason why the Provincial Auditor has done these types of audits, and in fact we can give huge credit to the auditor's office for allowing Prince Albert Parkland to be far better prepared when that actual emergency did arise. So yes, thank you. No, we wouldn't recommend it.

[14:15]

Mr. Michelson: — Congratulations for the work you did and going through that whole exercise.

Regina Qu'Appelle Regional Health Authority

The Chair: — Moving right along to chapter, same . . . actually sorry, volume 2 of the 2011 report, chapter 14, part C. And we'll focus our attention now to the Regina Qu'Appelle Regional Health Authority. And we will thank you for joining us here today, and I'll invite presentation from the auditor's office.

Ms. Lysyk: — Mr. Chair, committee members, and officials, chapter 14C is on pages 273 to 285 of our 2011 report volume 2.

This chapter reports the results of our audit of the Regina Qu'Appelle Regional Health Authority for the year ended March 31st, 2011. It also includes the results of our two follow-ups. One follow-up relates to patient safety, and the other one relates to reducing workplace injuries. The region was very successful in implementing the recommendations from those two follow-ups, so we would like to express our appreciation to Regina Qu'Appelle for implementing the recommendations from the original audit, and we noted that there was implementation and compliance when we did the follow-up work.

In this chapter we do not make any new recommendations, although there are some recommendations that reappear as a result of the work we've done during the financial statement audit for Regina Qu'Appelle. And I'll ask Bashar Ahmad, deputy with the office, to present an overview of this chapter.

Mr. Ahmad: — Thank you, Bonnie. In this chapter we repeat five recommendations from our past reports. Your committee had previously discussed and agreed with those recommendations.

The first recommendation on page 276 relates to the implementing an internal audit function. An internal audit could provide the board and senior management information on the effectiveness of management processes and staff compliance. Regina Qu'Appelle has not yet addressed this recommendation.

The second recommendation on the same page required better protection of the IT system and data. We noted staff did not always follow procedures for removing user accounts and updating computer equipment on a timely basis.

The third recommendation on page 277 relates to having a complete disaster recovery plan and testing those plans. Regina Qu'Appelle has done some work in this area, but it still does not have a complete disaster recovery plan. It should do so.

The fourth recommendation required a better human resource plan. Management told us that the Regina Qu'Appelle plans to develop a human resource plan in 2012. We will examine the plan when it is available.

Finally, the fifth recommendation deals with the Regina Qu'Appelle's capital equipment plan and whether it contains the key elements of capital plans in the public sector. Later this year we plan to do a follow-up for all the regional health authorities to assess how well they have addressed our recommendations.

Moving on to follow-up, the first follow-up relates to patient safety. In 2009 we made three recommendations for Regina Qu'Appelle to help improve patient safety. We are pleased to say that Regina Qu'Appelle has implemented all our recommendations. The second follow-up relates to reducing workplace injuries. In 2002 we assessed the adequacy of Regina Qu'Appelle's processes to reduce workplace injuries and made three recommendations to help improve its processes. Again we

are pleased to say that Regina Qu'Appelle has implemented all our recommendations. And that concludes my remarks. Thank you.

The Chair: — Thank you for that presentation. I'll turn it over to our deputy minister of Health to direct the responses to the outstanding recommendations.

Mr. Florizone: — Right. Thank you, Mr. Chair. Once again it's my pleasure to introduce Carol Klassen. She's the vice-president of knowledge and technology services with Regina Qu'Appelle Health Region. For the benefit of the committee, I'm also joined by Michele Arscott who is the chief financial officer for the Saskatchewan Cancer Agency, in anticipation of the next agenda item. So with that, Carol.

Ms. Klassen: — So thank you and good afternoon. With respect to the recommendations, I will go through them one by one. The internal audit function, we do recognize that an internal audit function would be valuable to the health region, and in that respect we have estimated the cost to be at minimum a quarter of a million dollars on an annual basis. As a result of that, the region is currently investigating the alternative of a shared internal audit service arrangement that could be made with 3sHealth, which we would hope could enable a more cost-effective service. So we continue to defer implementation of this recommendation, but also the board has requested and we will continue to evaluate options for this into the future.

The second recommendations relate to information technology security. With respect to the area of removing user accounts on a timely basis, the process for Regina Qu'Appelle Health Region has two steps to the process. We believe that we are very secure in terms of taking and disabling and removing user accounts from applications. We acknowledge that there may be occasions, given the scope of applications, that some connections exist. But the way we deal with it to ensure security is we immediately prevent access through the network account so that the master account of any individual employee is immediately disabled. And that is a particular process step that we are extremely diligent on. So even if there is some potential for error and/or slowness in the application user accounts, the employee is not able to get there because of being disabled through the network account.

With respect to equipment, we do actually regularly check for software patches for looking at updates. We have certain programs that actually force us to maintain older server systems because the application can't run on the newest systems. So it is an area of a lot of diligence because we acknowledge that that does create some risk, but certainly we ensure that wherever possible we install updates and applications as quickly as possible.

With respect to the area of disaster recovery plans, this is a work in process or progress that probably we will never be satisfied until we actually work with eHealth and have a live data centre for all of our critical applications. For a tertiary care centre, that's optimal, and we certainly are working and talking with eHealth with respect to some space in a facility into the future. But in the interim, what we do is focus in terms of process of setting up a more robust sort of second data backup centre and also backup of data and then secure storage of that.

We do do testing. Our testing is focused on the critical applications to ensure that the way that we bring our systems back up enables those areas of acute care and/or high priority areas to be in service first.

The reason I say this is a work in process is because each year we are expanding functionality and scope in a number of applications that are in our system. And that is also increasing the importance of this whole area, and we recognize it, and we continue to do work in that regard.

The last piece highlighted was the human resource planning. Do you wish me to speak to that?

The Chair: — Absolutely.

Ms. Klassen: — The specific areas discussed relate to acknowledging we do have a workplace planning steering committee. The work of that committee has resulted in a regional workforce plan from 2012 to 2014 with a specific focus in the areas of improving employee engagement; enhancing the capabilities of our managers; creating a healthier, safer workplace; enhancing employee attendance; recruiting and retaining talent.

And in respect to monitoring and reporting on performance indicators at the board level and therefore on our Internet for public purposes, we have indicators that show our performance on sick time, on overtime, on injury. And that is reported on a quarterly basis not only to our board but publicly, and senior management and all management in our organization receive regular reports more frequently than that.

In addition to that, there are very detailed measures that are being developed that are more unit-specific, that are more focused on specific issues that that unit might be experiencing, whether that is a lot of vacancies and departures, or churn as we refer to it. But we don't necessarily create uniform reports all across the organization for some of those very, very focused, more detailed kinds of measures.

We do agree and we continue to work on a complete human resource plan, but we believe the framework that's in place for 2012-14 that I identified will serve us well in that respect.

With respect to the capital equipment plan that's needed, we do provide a multi-year plan with respect to capital. That's reviewed and updated on an annual basis. It's shared with the Hospitals of Regina Foundation to ensure fundraising efforts are in conjunction with region needs and approved programming by the ministry. We do believe that we've satisfied this recommendation, and we're waiting for the Provincial Auditor to provide any further comment in that respect.

The Chair: — Thank you for going through some of the outstanding recommendations of various years and highlighting as well some of the complexity, I guess, to deal with some of the pieces, talking about some of the programs and equipment that's required to utilize those programs.

Questions from committee members? Noted progress on, I think, many of the outstanding recommendations. Certainly

working towards compliance or full protection of data or the public is important. I noted as well that I think on the capital plan, it was stated that it's the position of the health region that full compliance is now occurring.

Ms. Klassen: — We would believe so. And likewise in terms of the process for removing user accounts, we believe that we've achieved compliance in that respect.

The Chair: — I also wanted to note just within the report, it highlighted some significant positive work as it related to workplace injuries and reduction of workplace injuries that it seems that the health region should be commended on. I'm wondering if it might be able to be highlighted, a program or two that has been cited as being effective in reducing workplace injuries and whether or not this is being adopted as best practice by other regions.

Ms. Klassen: — It's a multi-faceted program. I mean obviously within health care one of the major areas is transfer and lifting procedures that we continue to work at, and the installation of lift equipment, the training of staff, and the diligence in that area is an ongoing piece. I would say that this is an area of kind of relentless attention, would be how I would describe it. We continued to make some progress this past year with respect to the level of lost days with respect to WCB [Workers' Compensation Board], but our focus on safety for staff and safety for patients continues to be a high, high priority, and we're not at all satisfied that the performance we have at this point is adequate.

The Chair: — It's good to hear. Mr. Michelson.

Mr. Michelson: — I just want to note and I thank you for the progress you've made. When it comes to information technology, security needs strengthening. When I read something like it needs to follow its established procedures, that always grates me because I think if the procedures are there and they're not being followed, there should be questions asked and somebody should be brought to task. So when I heard your response that it has greatly improved and now you take the users off almost immediately, so thank you for that, and I just wanted to point that out. Thank you, Mr. Chair.

The Chair: — No, thank you. Further questions or comments at this point in time. We don't vote on these specific recommendations. They are outstanding, but we'll continue to track them and appreciate the work in progress towards compliance.

Saskatchewan Cancer Agency

The Chair: — So at this point in time we transition to . . . What's next? The Saskatchewan Cancer Agency. At this point in time I'll introduce or welcome our Provincial Auditor to present as it relates to the volume 2 report, chapter 14, part E, Saskatchewan Cancer Agency.

Ms. Lysyk: — Thank you, Mr. Chair. Chapter 14, part E is on pages 303 to 306 in chapter 14, part E of our 2011 report volume 2.

In this chapter we report the results of our integrated audit work

at the Saskatchewan Cancer Agency. The chapter reports that for the year ended March 31st, 2011, the agency's financial statements are reliable and the agency complied with legislative authorities governing its activities. In addition the agency had adequate rules and procedures to safeguard public resources, except for completing its information technology processes.

The chapter identifies one outstanding recommendation relating to the agency's need to complete IT policies and procedures to help ensure the security, integrity, and availability of its systems and data. During our 2012 audit this year, we found that the agency has fully addressed this recommendation. And that would then conclude our comments, and we thank the agency for implementing the recommendation.

The Chair: — Thank you very much. I'll turn it over to our deputy minister of Health to provide response.

Mr. Florizone: — Thank you once again, Mr. Chair. I'll reintroduce Susan Arscott to you, chief financial officer, and give her an opportunity to speak to this item. I'm sorry, Michele Arscott. What was I doing? Did I say something wrong?

[14:30]

Ms. Arscott: — You were naming me after my sister-in-law, but we're all good.

Mr. Florizone: — I'm so sorry to be corrected. It's been a long afternoon I suppose. Michele Arscott. Sorry about that, Michele. I know better.

Ms. Arscott: — Thank you. I'll be brief. The agency truly appreciates the auditor's review and recommendations. We have many processes in place to ensure the confidentiality, integrity, and availability of information systems and data. And we worked through 2011-12 to complete the documentation of these processes and enhance them based on a formal threat and risk analysis. We continue on an ongoing basis to report on a quarterly basis to our audit committee of the board of directors on any outstanding Provincial Auditor recommendations and will continue to do so going forward.

As of March 31st, 2012, 17 of the 18 IT security policies have been updated, with the remaining revised policy in the state of review at that time. Currently all the updated policies are available and accessible to all staff on the agency's intranet, and ongoing visible communication to all staff continues to be supported on all of our key IT policies.

So we believe, as the Provincial Auditor indicated, that we've met the recommendation.

The Chair: — Thank you for that response and the work at the Saskatchewan Cancer Agency. Any questions? This one was fairly straightforward, but we have the recommendations. So we'd like to thank you for coming before us. Thank you for the compliance as it relates to the recommendation and all the good work that you do over at the Saskatchewan Cancer Agency.

Ms. Arscott: — Thanks.

The Chair: — So at this point in time, maybe we'll take a short

recess. Up next will be Social Services. We're just slightly ahead of our schedule, so we'll wait for officials to assemble.

Sorry, thank you so much, Dan, for attending as well. Yes, good. Thank you very much.

[The committee recessed for a period of time.]

Social Services

The Chair: — So we'll reconvene at this point in time the Standing Committee for Public Accounts and moving along to actually a 2010 report volume 2 of the Provincial Auditor, chapter 20, Social Services, and some outstanding recommendations. At this point in time, I'd like to welcome Deputy Minister Acton before this committee. And, Deputy Minister Acton, if you could briefly introduce the officials with you here today. Following that, I'll turn it over to the Provincial Auditor to make her presentation and then back to you for subsequent response.

Mr. Acton: — Sure. Certainly. Good afternoon. I have a number of officials with me. Andrea Brittin, beside me here, acting assistant deputy minister of child and family services, and Bob Wihlidal who is assistant deputy minister for income assistance and disability services. And then in the bleachers in no particular order: Wayne Phaneuf who is exec director of child and family community services; Natalie Huber, acting executive director of program services and design for child and family; Garry Prediger, acting exec director of child and family service delivery. On the corporate services division, we have Al Syhlonyk, assistant deputy minister; Lorne Brown, executive director of enterprise projects and risk management; Miriam Myers, exec director of finance and admin; and Leanne Forgie, director of finance; Devon Exner, director of service delivery for income assistance and disability services; and Billie-Jo Morrissette, director of program design and operational policy.

[14:45]

The Chair: — Thanks very much. Thank you for each of you for attending here this afternoon. I'll turn it over to our Provincial Auditor.

Ms. Lysyk: — Good afternoon and thank you, Mr. Chair, committee members, and officials. I have with me for the purpose of this presentation Bashar Ahmad, deputy provincial auditor with the office, and Kim Lowe, audit principal with the office. And both are responsible for the audits of Ministry of Social Services.

Today we are presenting three chapters from three different reports: chapter 20 of the 2010 report volume 2; chapter 19 of the 2011 report volume 1, and this chapter relates to Sask Housing; and chapter 24 of the 2011 report volume 2. We will speak to chapter 20 and chapter 24 at the same time and pause and then go back to chapter 19. Chapter 19 is very specific to Sask Housing.

These chapters include new recommendations relating to our work on the ministry's processes to secure physical information, one new recommendation for Sask Housing, and repeat recommendations from our past reports. Bashar Ahmad

will provide an overview of the chapters for the committee.

In chapter 20, we're only going to be highlighting the new recommendations. The outstanding recommendations will be commented on when we cover chapter 24 to highlight the fact that some progress has been made on some of the outstanding recommendations that were initially mentioned in chapter 20 and to clearly identify the ones that remained outstanding as noted in chapter 24. They're very similar chapters in that chapter 24 builds on the information that we have in chapter 20. It was done a year later.

These recommendations again that are contained within chapter 24 were initially made between 2000 and 2008 and, given that there's a number of them and they relate to the children in care, we are happy that we have seen some progress in this area, and we are hopeful that the ministry will continue to achieve progress toward those recommendations in the near future. And now I'll pass the presentation over to Bashar Ahmad.

Mr. Ahmad: — Thank you, Bonnie. And good afternoon, Mr. Chair, committee members, and officials. Chapter 20 of 2010 report and chapter 24 of 2011 report is a result of our audit of the Ministry of Social Services for the years ended March 31st, 2010 and 2011 respectively. As Bonnie indicated, we have repeated all matters including chapter 20 in chapter 24 of 2001 report except for the ministry's processes to secure physical information and two specific recommendations relating to children in care. Your committee had previously considered all of those matters and agreed with our recommendation. I will expand a little on the outstanding recommendations later when I present chapter 24 of the 2011 report. Right now I will provide an overview of work on the ministry's processes to secure physical information.

In 2010 we assessed the adequacy of the ministry's processes to secure physical information. We report the results of our work on pages 326 to 330. In carrying out its mandate, the ministry receives and stores private, sensitive information. To ensure the confidentiality, integrity, and availability of the information gathered, the ministry must have effective processes to secure this information. The ministry maintains information in both electronic and physical form. Our audit focused only on the ministry's information in physical form.

We concluded the ministry had adequate processes to secure physical information except for the matters covered in three recommendations on page 328. Our first recommendation requires the ministry to provide regular security awareness training to employees to help ensure premises and equipment are adequately secure. Although in 2009 the ministry provided training to all employees regarding the security framework, it did not have a formalized process to provide awareness training to all staff on a regular basis.

Our second recommendation required the ministry to follow its policies for removing access to information for employees who have left the ministry's employment or transferred. The ministry has a checklist that employees must complete when they leave or change location. However we noted that the checklist was not used on a consistent basis. As a result, the ministry's premises could remain unsecure when employees leave its employment as access codes to buildings and offices

would remain unchanged.

Our third recommendation required the ministry to establish a process to track movement of confidential information and files. Confidential information and files are located in the service centre's file rooms or in employees' offices when in use. The ministry, however, did not have a consistent process for tracking files. In some centres, a card system was used to record when and who removed files from the file room. However cards were not always accurate. We plan to do a follow-up later this year to assess the ministry's progress toward addressing our recommendations.

Now I'm going back to a couple of our old recommendations for the ministry. On page 319, we repeat a recommendation from 2008 requiring the ministry to follow its policies to review and approve foster homes when placing more than four children in a foster home. We repeated this recommendation in 2010 because the majority of the foster home files with more than four children that we examined did not have evidence of senior managers' regular biweekly review and approval. During our audit in 2011, we confirmed that the ministry had taken steps to address this recommendation. Therefore this recommendation does not appear in chapter 24 of our 2011 report.

Also on page 321 of this report, we repeated a recommendation also from 2008 requiring the ministry to implement a process to ensure the adequacy of First Nation child and family services agencies' long-term case planning for children who are wards of the ministry. At the time of this audit, we could not obtain sufficient information or evidence that long-term case planning was taking place. During our audit 2011, we confirmed that the ministry had taken steps to address this recommendation. This recommendation again therefore does not appear in chapter 24 of our 2011 report. And that concludes my review of chapter 20.

The Chair: — Thank you very much for that report.

Ms. Lysyk: — And I think now we'll go on to chapter 24 and then pause.

The Chair: — Sure, if that's the desired course.

Mr. Ahmad: — Okay. Moving on to chapter 24 of the 2011 report volume 2 on pages 449 to 467, this chapter report is a result of our audit of the ministry and its special purpose fund for the year ending March 31, 2011. In this chapter, we do not make any new recommendations, however this chapter provides an update on the status of the matters we reported in chapter 20 of 2010 report volume 2 and have reported for some years.

This chapter is organized into four areas: that is protection of children, income assistance, supervision of community-based organizations, and corporate services. And the protection of children, on page 456 we continue to recommend that the ministry follow its processes to ensure that children in care are protected and payment to custodians are authorized. The ministry has implemented a process to ensure payment to custodians are authorized.

The ministry has also established a quality assurance group. The incident of non-compliance with standards continued

during 2011, as noted on page 457, however, the ministry told us they are starting a new risk assessment process for protecting children in care that will include new service standards, including contact standards, based on protection needs of the child rather than service-wide standards.

On page 458, we continue to make two recommendations relating to receiving timely and relevant information from First Nation agencies and to implement a system to know how many children are in the minister's responsibility, who they are, and where they live. Management told us that the ministry continues to work with the First Nation agencies to obtain timely information in accordance with the revised agreement it has signed with most of the First Nation agencies. We also understand the ministry is moving from a manual system for keeping track of children to a broad-based IT system to assist in monitoring and tracking children. We will examine how the new system works later this year.

On page 459, we continue to make two recommendations dating back to 2008. These recommendations relate to monitoring of First Nation agency's compliance to the established standards and seeking regular personal contact with children in care. As I said earlier, the ministry is planning to use a risk-based approach to assess compliance with established standards allowing the ministry to examine those agencies that have the most significant challenges more often.

While the ministry's implementation of a quality assurance process is a positive step, the ministry still needs to complete a survey of the First Nation agencies on a timely basis. During 2011 we noticed staff took up to a year to finalize reports after they had completed their work.

On pages 461 and 462 we continued to make three recommendations relating to eligibility and correctness of amount of assistance relating to various income assistance plans. Our recommendation was made in 2000 and the other two recommendations were made in 2005 and 2007. The ministry told us there is a new case management system linking that provides help to simplify process and increase compliance with program requirements.

On page 463 we continue to make two recommendations relating to establishing performance measures and targets for community-based organizations and assessing their performance. The ministry has made some changes and continues to make progress to fully address our 2007 recommendation.

On pages 464 to 466 we continue to make three recommendations relating to the ministry's IT plan, its agreement with ITO [Information Technology Office] as it relates to develop the network security and the ministry's business continuity plan. The ministry continues to make progress toward addressing our recommendations from 2007, 2008, and one from 2003.

And that concludes my overview of chapter 24. Thank you. If the committee wishes I can move on the chapter 19.

The Chair: — I think we'll deal with these two chapters just now. Thank you so much for the presentation and I'll turn it

over to the deputy minister, Deputy Minister Acton, and his officials to respond to the new recommendations specifically and actions that have been taken, plans that have been taken, and then also to address any of the outstanding recommendations and some of the comments of the auditor.

Mr. Acton: — Okay, thank you. Thank you very much. I do want to publicly thank the Provincial Auditor and her officials for their work, for their observations and their recommendations. We appreciate the strong working relationship that we've developed so thank you very much for that.

I will just highlight in general some of the steps we've taken and then I'll comment on the three specific recommendations. The ministry has been active in every area that the auditor has commented on and more, I believe, in our ongoing effort to improve the service that we provide to our clients.

For example in the area of child welfare, we've added 30 new staff in child protection. We've redesigned the caseworkers' jobs to give them more time to work with children and families where they're the primary focus. We've introduced a new structured decision-making process to better focus our resources on children and families at the highest risk, and we've implemented a new case management system, that was mentioned, to provide better and more timely information about children and families.

In our effort to transform the province's child welfare system, our partnership with First Nations children and family service agencies are crucial to this, and we continue to work on fostering those relationships. In August of 2011, we signed historic letters of understanding with both the Federation of Saskatchewan Indian Nations and with the Métis Nation of Saskatchewan, pledging to work together to renew the child welfare system.

In regard to income assistance area, I'd just like to comment on our work there, starting with the Saskatchewan assistance program. The auditor acknowledges the challenging nature of our work responding to people's urgent needs, and I appreciate that. It's difficult at times to secure the documentation such as rent receipts and utility bills in that time frame. The ministry performs hundreds of thousands of transactions each year on clients' files. We established a target financial error rate of 4 per cent, and for 2009 and 2010 audit periods, we believe we've substantively achieved that target. It's challenging work, and we continue to focus on it, but we're pleased with where we're at.

We are also working to improve the administration of the Saskatchewan employment supplement and the Saskatchewan rental housing supplement. The financial error rate for these programs in 2011 report was 4.3 per cent, again a substantive improvement from previous years.

In terms of our work with community-based organizations or CBOs, these organizations help address local issues and needs and certainly provide vital services on our behalf to vulnerable people around the province. And we value that important relationship, and we're committed to investing in and supporting those organizations. We are working with CBOs to

improve performance management, and we continue to strengthen our financial and program oversight in these organizations.

In regard to information technology, I would just comment that we continue to invest in information systems to improve client service delivery and ultimately to achieve better outcomes for Saskatchewan people. And we now have resources dedicated to managing risk and developing formal risk management plans in those areas.

[15:00]

Just turning to the specific recommendations, recommendation no. 1, ". . . provide regular security awareness training to employees to help ensure premises and equipment are adequately secured." As with all recommendations, we take those seriously. We provide privacy and security awareness training to all new employees in the ministry semi-annually, and we have also a privacy and security awareness newsletter that we share with all employees. We make it available online, as well as connections to the privacy . . . freedom of information security and employee orientation information as well. And of course we use privacy and the security awareness month as an opportunity to highlight the importance of this area, and that is ongoing.

In terms of premises and equipment that's being adequately secured, we have offices throughout the province equipped with SecurTek alarm systems. We've implemented a clean desk policy across the province for all our employees to ensure that documents are secure when they're not at their desk, and we have done security audits in the past year to reinforce that.

In regards to recommendation no. 2, that the ministry should follow its policies for removing access to information for terminated and transferred employees, we have reviewed policy and procedure in that area, and computer access and signing authority is deleted at the time of termination or suspension or in cases of definite leave or extended sick leave. And we've implemented random audits to reinforce the importance of that as well.

And finally, ". . . establish a process to track movement of confidential information and files." A standardized process has been implemented in this manner to ensure that we can track information throughout the system and maintain its security.

So with those just brief comments, that would conclude my comments at this point, and I'd like to thank the committee members for their attention and invite any questions.

The Chair: — I'll look to committee members. Maybe we'll focus specifically on the three new recommendations first, deal with those, and then if there's questions or comments as it relates to outstanding recommendations, we can deal with those following. Vice-Chair Moe.

Mr. Moe: — Just a question with regards to recommendation no. 2. You had mentioned there's some audits in place for checking on . . . if you could expand on that a bit.

Mr. Acton: — Sure. I'll ask Lorne Brown to speak to that, Mr.

Chair.

Mr. Brown: — Good afternoon. Yes, what we've put in place lately — or actually not lately, quite a few months ago now — is more of an audit in terms of working with PSC [Public Service Commission] when people are changing jobs and terminating, that we work more in concert with them to ensure that the security of their systems or our systems are maintained. So we ensure that their accounts are suspended, or the proper security for the application, that that can be appropriate to their position.

The Chair: — Is the ministry aware of any breaches of that security or access to that information in an inappropriate fashion?

Mr. Brown: — From an IT perspective or a file perspective?

The Chair: — From a perspective of the information of the Ministry of Social Services and some of the, I guess, the protections that are being aimed to be provided. Obviously it's an assessment that there's some risk of breach, and then you have procedures in place to protect against that. Have there been breaches in the past couple years of that, of information?

Mr. Brown: — So yes, there have been some security breaches. And whenever those occur, we do have a formal process in place where those have to be reported and investigated by actually people in my office. And so there's nothing been . . . These include things either done by accident or perhaps on purpose, but those on purpose type of incidents really haven't occurred to my knowledge. But there have been, for example, information being sent to the wrong fax number, for example. And so we'd take every effort to retrieve that information and ensure that that wasn't shared any further. So that's an example of the kinds of things that have happened in the recent months.

Mr. Acton: — I would just add that in relation to this particular point of removing access to the computer systems, we haven't to my knowledge uncovered any type of breach in that area, but as the auditor pointed out, there was a delay at times in terms of when an employee would've moved and we had failed to remove their access from the system. But we had no information or no suggestion that anybody had actually used that access to gain information.

The Chair: — We'd welcome either more questions or a motion as it relates to these three recommendations.

Mr. Moe: — I'd make a motion with regards to the three recommendations that we concur with the recommendations and note compliance.

The Chair: — All agreed?

Some Hon. Members: — Agreed.

The Chair: — It's agreed that this committee concur with recommendations 1, 2, and 3 and note compliance. We can turn our attention to some of the other aspects of these chapters.

Maybe just . . . Sorry, Mr. Cox, go ahead.

Mr. Cox: — Yes, thank you, Mr. Chair. With reference to chapter 24, page 456, just specifically I think you've probably covered this in your comments, but with regards to: "The Ministry's work for the remaining two service areas and ten First . . . agencies is not yet complete." Has more work been done on that since this report was printed? And just the status of where it's at. The bottom of page 456, this is with regards to protection standards for children.

Mr. Acton: — Certainly. So, Andrea, if you might be able to provide us an update on that.

Ms. Brittin: — So is the question with respect to the number of reports that have been completed?

Mr. Cox: — Just a status report. It just said here it's not yet complete. I'm just wondering where you're at now? Has it been completed, or where are you at?

Ms. Brittin: — So we are still in the process of reviewing the one agency where we were outstanding.

Mr. Cox: — Still under review?

Ms. Brittin: — Yes.

Mr. Cox: — Thank you.

The Chair: — There was an area here where there was recommendations around policies and reviews for foster care families. And I believe I heard from our auditor today as it related . . . There was a recommendation from the 2008 report that . . . Did I hear now that there's a circumstance of compliance in place?

Ms. Lysyk: — That's correct.

The Chair: — Just on that information, there's a small chart on page 318 of this report that tracks the number of homes with four children, more than four children in care in a foster care facility. We have the numbers for 2008, 2009, 2010. Do we have a number at this point in time for 2011 that could be shared?

Ms. Brittin: — Yes, we do have. Thank you for the question. Yes, we do have those numbers. So at the end of March 2011, we had 78 foster homes that had more than four children. At the end of March 2012, we had 68 foster homes with more than four children.

The Chair: — That's per cent in each circumstance — 78 per cent and 68 per cent?

Ms. Brittin: — No. Those are actual numbers of foster homes.

The Chair: — Okay. Now with the data that we've been presented, it's been done in a manner of providing per cent. Do you know what per cent those represent of foster care facilities?

Mr. Acton: — I'm sorry, could you give me the page that . . .

The Chair: — Sure. Page 318 on chapter 20.

Ms. Brittin: — Yes. So just my understanding of the data that you're looking at, that's the percentage of the files that the Provincial Auditor sampled.

The Chair: — Oh, I see.

Ms. Brittin: — So we don't have the answer to that question, sorry.

The Chair: — Right.

Ms. Lysyk: — A comment?

The Chair: — Go ahead, yes.

Ms. Lysyk: — We could offer a bit of a comment on that. We believe that as a result of the work that was done this past year, that the percentage of non-compliance would be about 25 per cent, based on our sampling, versus 75 per cent. So in essence we're saying that there was a lot of progress has been made in this area.

Ms. Brittin: — Might I just add a comment around the homes over four? I just wanted to make a note that we do have policies in place that allow for more than four children to be placed in a home. And so I just wanted to make that point, that it isn't necessarily non-compliant to have more than four as long as the correct approvals are in place for that.

The Chair: — I think the concern over the past few years was whether or not the follow-up and I think the biweekly review or the reapproval was being done. And in the past it was rather high in non-compliance at around 75 per cent, and so that 25 per cent certainly represents significant progress. You know, this 25 per cent, is that acceptable to the ministry? What's the goal? Is it zero? Should they all be done?

Ms. Brittin: — The goal would be complete compliance.

The Chair: — Right, okay.

Ms. Brittin: — And the new case management system that we now have in place will allow us to make even further progress there. There are system checks in place that ensure that the proper approval is done before the child is allowed to be placed into that placement on the system. So it prompts those approvals. And so we do expect compliance rates to increase in that area.

The Chair: — What prevents the ministry from fulfilling its goals in being fully compliant on this front?

Ms. Brittin: — I think that there had been a number of things. One was the proper approvals. The system now ensures the proper approval is documented. And so when children are placed, there is always a verbal approval that takes place. But it's the documentation of that approval that's key. And so the system will allow greater compliance to documenting the decision that's been made.

The Chair: — Questions? Mr. Michelson.

Mr. Michelson: — Yes, I guess just to follow up on your comment that there are processes where four or more can be placed in a particular home. But again, like I told the last representatives that we had here, when I see something that the auditor points out and says, we continue to recommend the Ministry of Social Services follows its policies to review, that kind of grates me because I think if there's policies in place and somebody's not following them, somebody needs to be answerable to that.

[15:15]

Mr. Acton: — If I may, I think the point is that the move to the automated system will allow us to do that. We were operating on a paper-based system before, and I don't think there was any . . . no one is disputing the auditor's comments that we didn't have all the paperwork in the proper file at the proper time. You know, we were comfortable that our social workers were actually getting the approvals, but we weren't doing the paperwork that should've been done, and we've moved to an automated system that'll ensure that that happens on a go-forward basis.

Mr. Michelson: — I guess the big thing is that there's terrific improvement, and congratulations on that. That's what we like to see. Thank you.

The Chair: — Further questions. We do have the two reports we're looking at or the two chapters. We have the second report volume 2, chapter 24 as well.

Just a general question about the relationship with CBOs and of course the important work that they're fulfilling as well or that needs to be fulfilled to Saskatchewan people, the question of oversight and some of the ensuring that . . . I guess the question of whether or not resources are being utilized in the best interests of all. Can you share just a little bit about some of the actions in that relationship with our CBO sector?

Mr. Acton: — Al Syhlonyk.

Mr. Syhlonyk: — Thank you. Thank you for the question. In terms of what we're doing with the CBO sector, they are, firstly they are valuable, valuable partners for our ministry. We depend upon them to deliver much of our programming.

So in terms of oversight, we've done a number of things to try to standardize our contracts with CBOs so that substantively, whether it's a contract issued by the child and family services side of the ministry or by the income assistance or the disability side of our ministry, it's the same type of contract, same feel, same type of process, same administrative process within. So that's helping.

We're going to the use of multi-year contracts. So what that's doing is again giving the CBOs some certainty, but it's also allowing for decrease of administrative overburden on that CBO, freeing their time up to do the work that's required.

We've also done an evaluation of our existing performance management framework. So what are the outcomes we're expecting from our CBO partners, and how is it we measure when they're successful or not successful and hold them to account? So we're doing some work on that front. It's still work

to be done. It's not completed at this point, but we're moving in that direction to ensure that CBOs understand what our expectations are and that we know when they're successful or not. So again that's a little bit of work undone. So it's a matter of identifying what the outcome measures are, what are the performance targets that CBOs are expected, and then instilling that within the contractual arrangement. So I think that's it at this point.

The Chair: — So this pertains then to the controls that you have in place, and I appreciate those comments. Have there been any specific circumstances that have been determined to be inappropriate use of dollars over the past few years as it relates to the funding relationship with our CBOs?

Mr. Syhlonyk: — The short answer is yes but very, very minimal. In 99.9 per cent of our CBO relationships, CBOs are delivering the service required, and it's appropriate. We have had one situation where there was a CBO that had had inadequate controls, and so there was a loss of public funds associated with that CBO. It was small, and the CBO is taking actions as we would expect, as a government would do, to try to recover those funds. And they've tightened up their own internal processes, and you know, they've recognized where the error was and have cleaned that up. But substantially they're delivering the service; they're accountable for the funds.

The Chair: — Are losses like that reported in the same manner — and mind my ignorance on this — in the same manner as all public sector losses? I see heads shaking to say yes.

Mr. Syhlonyk: — Yes, exactly. In fact the one situation I mentioned was reported through the comptroller's office.

The Chair: — Thank you. I found it interesting just . . . And I know the complexities to some of these circumstances. But in administering some of the income support-type programs and a statement around error rates, and I believe the statement was that 4 per cent seemed to be sort of . . . And maybe if the ministry can speak to what 4 per cent represents. Is that the goal of government? And is that an acceptable error rate as it relates to those programs?

Mr. Wihlidal: — Bob Wihlidal. I wouldn't describe it as a goal. We use language like target. Our objective would be to have 100 per cent compliance. But given the sort of system we have, which in particular provides last-resort services to people in urgent circumstances, the nature of the program of social assistance is to pay at the time the urgency is there and collect documentation in arrears. And as the auditor's acknowledged in his report, that's a perennial issue in terms of 100 per cent compliance, which is one of the reasons that we have a targeted error, financial error rate which we are now at least in these past two reports close to achieving or have achieved. I think in 2009 as it relates to social assistance, the audit of 62 files there indicated a financial error rate of 1 per cent. And in the more recent audit of 40 files, there was closer to, well it was 4 per cent or just, I think, slightly over 4 per cent.

The Chair: — Well thank you for those answers. So is that the target on a go-forward basis then into the current year as well?

Mr. Wihlidal: — That's right and it's been in place for quite a

number of years actually as a standard.

The Chair: — Further questions from committee members? It was stated as through the auditor's report some challenges as it relates with, I guess, some of the certainty of the well-being or the supervision as it relates to First Nations and Métis care circumstances. There was a recognition I think by the deputy minister of a memorandum of understanding. Are there further actions stemming from that? And do we have any communication that's allowed some certainty as to understanding the welfare of those, of students in care?

Ms. Brittin: — So thank you for the question. I'll just clarify that the letter of understanding that was signed with the FSIN [Federation of Saskatchewan Indian Nations] was really around moving forward on the child welfare review and the child welfare transformation strategy. So it did signal government working differently with First Nations. And so to that end we have been working with some of the agencies, as an example La Ronge First Nation agency, to begin delivering off-reserve services to residents. And so that really sort of signals our vision forward.

Part of your question though was also related to the oversight of the First Nations agencies delivering child welfare services on-reserve. And so we do have audit processes in place that review those agencies, and we've made progress. Fifteen out of the 17 agencies have completed those reviews. We also have a standard agreement in place that ensures that the proper information is shared between those agencies and the ministry on key pieces of information related to the delivery of their service on-reserve. And so we've made progress in that regard as well.

The Chair: — Thank you. Shall we move along to the next chapter here as it relates to Social Services? We'll move to chapter 19. I'll invite the presentation from the auditor's office.

Mr. Ahmad: — Thank you, Mr. Chair. Moving on to chapter 19 on pages 199 and 201 of the 2011 report volume 1, this chapter reports the result of our audit of the Saskatchewan Housing Corporation for the year ended December 31st, 2010. KPMG is the corporation's appointed auditor. We worked with the corporation's appointed auditor to complete our work. In this chapter we make one recommendation. On page 201 we recommend the corporation take steps to ensure its information technology disaster recovery procedures are tested.

The corporation's agreement with its service provider, that is ITO, does not adequately address who is responsible for testing disaster recovery procedures or the nature and extent of those tests. As a result, neither the corporation nor ITO knows if ITO can restore the corporation's system and data in the event of a disaster. And that concludes my overview of the chapter. Thank you.

The Chair: — Thank you for that presentation. We'll invite response specific to the recommendation or any other aspects of what's a fairly concise report.

Mr. Acton: — I'll ask Lorne Brown to comment on this one.

Mr. Brown: — Good afternoon. In this regard we have been

taking steps in the last year about to look at how we can improve our disaster recovery situation of Saskatchewan Housing. So we've looked at specifically . . . Their primary mission critical system is called the home system, and through the past year we've been working with ITO to actually move this server, the hardware, and the application from a private company to under the ITO agreement. It existed outside of kind of the ITO architecture. And as a result, there was difficulties in terms of developing a disaster recovery plan.

So we're taking steps now to move that under the ITO wing. And then as a result, then there'll be certain infrastructure issues will be able to be resolved by ITO in the case of a failure, and then we'll also be able to bring that mission critical system back to a suitable state.

The Chair: — Questions from committee? Mr. Michelson.

Mr. Michelson: — Just for clarification, I understand that you are bringing it in to all within the ITO. And will that then end up as they will test it and make sure that it's operative? So if we're looking at this recommendation, we could say that there has been some progress on it?

Mr. Brown: — Yes, we are making progress actually as we speak in terms of bringing it within the ITO umbrella, if you will. Probably after Christmas sometime is when we'll be able to be in a better position to actually determine then what disaster recovery plan we'll have for that particular application.

Mr. Michelson: — That was my next question: is there a time limit? So thank you. That's all I've got.

The Chair: — So we noted some progress that's certainly going on, work towards compliance I think would be the fair categorization. I'd welcome a motion. Vice-Chair Moe.

Mr. Moe: — I'd concur with the recommendation and note progress towards compliance, would be the motion.

The Chair: — All agreed?

Some Hon. Members: — Agreed.

The Chair: — It's agreed that this committee concur with recommendation no. 1 from chapter 19 and note progress towards compliance. Well with that I think we've covered the agenda items for Social Services. I'd like to thank the deputy minister and also officials for coming before us here today and providing some questions. And I see Mr. Cox has a comment or question.

Mr. Cox: — Thank you, Mr. Chair. And just a follow-up to a question that the Chair asked — and I can imagine it's an ongoing problem, and I don't know whether you have the solution for it — but just a question on page 459 of chapter 24, back to the children. You were asking for monthly reports on children in our care, and you received 47 per cent of the reports more than 90 days after month end. Is there anything in place or anything that we can to increase the timeliness of getting those reports, those children's reports?

[15:30]

Ms. Brittin: — Thank you for the question. We do have a bit of a plan in place to see if we can speed up the reporting process here. Just in the last few months, what we've implemented is that if the agency is a week late, we would call the agency and request the information. If the agency is two weeks late, we'll call the agency director to ask for that information. And if we're not successful, the third week we would request a meeting with the agency to have a crucial conversation about the need to share information and, within the fourth week, we would be there meeting with them.

Mr. Cox: — Excellent. Thank you. So we are on top of it and aware of the problem.

Ms. Brittin: — Yes.

Mr. Cox: — Thank you.

The Chair: — Thank you for the question, Mr. Cox. Any follow-up at all?

Mr. Cox: — No, I think that answered my question. Thank you.

The Chair: — Thank you for the answers. So again, thank you for the time here today and the work that you provide.

Mr. Acton: — Thank you very much.

The Chair: — Thank you. We'll take a brief recess and reconvene with Government Services.

[The committee recessed for a period of time.]

Government Services

The Chair: — So we'll reconvene at this point in time the Standing Committee on Public Accounts. I'd like to welcome Deputy Minister Dedman and officials for Government Services who are joining us here today. And I appreciate that you joined us back in late June to discuss some of these recommendations and reports as well. So certainly there has been some discussion that's gone on as it relates to these reports and their recommendations, but maybe just at this point in time before I turn it over to the Provincial Auditor's office, I'd invite a brief introduction of officials. Deputy Minister Dedman.

Mr. Dedman: — Thank you, Mr. Chair. I've three assistant deputy ministers with me today: Shelley Reddekopp on my right, Al Mullen on my left, and in the row behind, Richard Murray.

The Chair: — Thank you, and welcome. Now we've actually gone through a presentation from the auditor's office on chapter 5 as it relates to Government Services back in late June, as I've said. Now we didn't have time to consider the recommendations and have a full discussion at that point in time so I'll leave it in the hands a little bit of the Provincial Auditor's office here, but I would certainly invite a recapping or a summary of those recommendations, or a full restating, whatever your office feels most comfortable with.

Ms. Lysyk: — Okay. Thank you, Mr. Chair, officials, and members. I will do a bit of a recap on chapter 5. Again I would

like to extend our thank you to the deputy minister and his staff for the co-operation they extended us during this audit and during the audit we'll speak to after this chapter.

The work for this report is presented in chapter 5 of the 2011 report volume 1 on pages 59 to 72. The chapter contains a performance audit of accommodation planning from pages 61 to 67, where we concluded that the ministry had adequate processes to plan accommodation for client agencies except that it needs to prepare an overall accommodation plan including a risk assessment, and monitor implementation of the overall accommodation plan. And to plan accommodation means planning to meet the overall current and future needs of client agencies, their physical premises to carry on their operations and deliver services.

In this chapter we made six recommendations. I'll recap the recommendations. On page 64 we recommended that the ministry specify in its policy documents the requirement to prepare an overall accommodation plan including a risk assessment. On page 65 we recommended that the ministry regularly request information from clients on their future accommodation needs. On page 65 we recommended that the ministry identify the gap between its existing accommodation portfolio and future accommodation needs. On page 66 we recommended that the ministry verify staffing information provided by its clients for the ministry's buildings. On page 66 we recommended that the ministry develop an overall accommodation plan. And on page 67 we recommended that the ministry monitor and report on implementation of the overall accommodation plan.

The chapter also contains our follow-up on five recommendations that are on pages 68 to 72 and those were from a 2009 audit where we concluded that the ministry did not have adequate processes to maintain its buildings. These recommendations were previously agreed to by this committee. The ministry has made progress on some of our past recommendations on its processes to maintain its buildings, but it has not yet fully implemented the recommendations and still has some work to do. The consequences of not carrying out adequate building maintenance and repairs are loss of asset value, poor quality of working space, potential health and safety problems, and the probability of higher repair costs in the future. And that summarizes, provides a recap of the chapter.

[15:45]

The Chair: — Thank you for that presentation. I'll turn it over now to Government Services and Deputy Minister Dedman to respond to those recommendations. And I'm trying to go back and verify. There was certainly some discussion at the previous meeting as it relates to these recommendations. But if the ministry could summarize, specific to each of those recommendations that have been made, specific actions and whether or not compliance has been achieved.

Mr. Dedman: — Thank you, Mr. Chair. We have agreed to accept the recommendations of the Provincial Auditor and add an overall plan to the package, I guess I would call it, of planning that we do.

The challenge, I guess, not in developing an overall plan but in maintaining an overall plan is that space planning does not drive the organization of government or the market that we find ourselves in or escalating lease costs or the other things that are around that. So while we will add that to our plan, space planning, accommodation planning is a pretty dynamic kind of a situation. And we have many components of the planning process to stay on top of what we need to do to satisfy the customers' needs, whether they know those needs six months in advance or three months in advance or two days in advance.

We have a number of processes that deal with this, obviously part of the budget process. We work closely with our client ministries to identify the space they have and the amount of money that they need to put in their budget to look after those space needs. We dialogue with them about that at about this time of year. We also are very much involved in the market in terms of publicly identified reports on what's happening in Saskatoon and Regina and smaller markets. We also hire a consultant to give us very specific information on the Regina and Saskatoon markets. Again as part of the budget process, when a ministry requests more space between or during a budget cycle, the ministry has to approach Treasury Board for approval, and we are part of that approval process. We sign off on the requests that the ministry send forward.

The Chair: — And specific to each of the recommendations, could we receive a little bit of an update just as far as specific actions on each recommendation and whether or not compliance has been achieved?

Mr. Dedman: — Sure. The first recommendation, to specify in its policy documents the requirement to prepare an overall accommodation plan including a risk assessment. So for 2011-12, the ministry has completed accommodation planning and risk assessment policy and guidelines.

The auditor requested the ministry regularly request information from clients on their future accommodation needs. We will formally do that on an annual basis, and we will do that in this fiscal year.

The report recommended that we identify the gap between its existing accommodation portfolio and future accommodation needs. So using the work we have and an additional framework, we will formally match the anticipated space needs of clients and identify, and formally identify those gaps that may exist.

Also recommended that the ministry verify staffing information provided by its clients for the ministry's buildings. In the fourth quarter of this year or of last year we implemented a formal process to request and verify FTE [full-time equivalent] staff information from our GRF [General Revenue Fund] clients, and we asked for a sign-off of a form verifying the information.

And then there was also a recommendation of an overall accommodation plan and monitor and report on implementation of an overall plan. And during this fiscal year we are working to implement an overall accommodation plan which would provide a roll-up of the accommodation plans by a specific office or program space, and we will have performance measures tied into that as well.

The Chair: — Thank you for those answers. Questions from

committee members? Mr. Michelson.

Mr. Michelson: — Well I guess just reading the recommendations, it is a bit of a shot in the dark I suspect because, you know, you're asking a lot of questions of a lot of departments and into the future. Is there a process that you can describe of how this is done?

Mr. Dedman: — Well we interact with ministries on many levels. So I interact with my colleagues at deputy minister levels, ADMs [associate and assistant deputy ministers]. And at other levels in the organization, there's connection on what may or may not be required and space added or space no longer needed. Again our challenge is ministries are working on their plans internally, and space is probably a few steps down their priority list when they are making changes. So they tend to tell us what their space needs are or changes to their space needs at the appropriate time in their plan, not necessarily to suit Government Services.

Mr. Michelson: — When you're doing this analysis, is there a cost factor that's always associated with it as well?

Mr. Dedman: — Well for us I guess if we had a plan that we could guarantee to use into the next cycle, that would be a really great thing to have. But there are lots of changes that can happen during the cycle, so we have to keep our planning processes pretty dynamic. So the cost of preparing an overall plan is not onerous, if that was your question. We just add it to the other things we already do.

Mr. Michelson: — I guess where I'm coming from is, you know, we're all on limited budgets and try and keep costs low. And then you've got several different departments coming, and if the changes that they make . . . I would suspect that a cost analysis would be part of that overall assessment.

Mr. Dedman: — Yes. In a very tight market such as the market we've had, sometimes you're caught in that a ministry of a certain size cannot be relocated because there isn't that block of space available anywhere else. So things like that have an impact on what we're able to do. We also, for the last two years, have had an approved plan from Treasury Board to reduce the space per FTE to 200 square feet, and that overlays a lot of the things we do, especially when we are relocating anyone to new space. So that allows us to reduce the footprint and capture savings by giving back space to the market.

The Chair: — Mr. Moe.

Mr. Moe: — You discussed the space savings a couple of times with how these recommendations would tie into the space savings. And so that's an initiative that's been going on for a couple of years, you'd indicated?

Mr. Dedman: — Yes.

Mr. Moe: — And is that a successful initiative?

Mr. Dedman: — Yes. I think the number in the past two years was somewhere around 80,000 square feet. And we anticipate in this fiscal year to give back 110,000 square feet plus or minus to the market.

Mr. Moe: — No more questions.

The Chair: — And does that reflect . . . What reflects the space savings? A different practice in some of those ministries? The reduction of civil servants? What's driving that space saving?

Mr. Dedman: — Well in government there was never really a space standard before and so in some ministries we have space allocated as high as 350 square feet per employee. So with the opportunity when we move someone, we move to the 200 square feet and that potentially can capture a fair amount of space in that, in a change like that.

The Chair: — Certainly I think the plans that are, the overall plan is very important for government and certainly goes hand in hand with delivering efficient, effective government, so it's good to hear some of that analysis will be brought together. It's sort of a holistic view of government operations, if I understand, will be provided.

You know, I think that we got into the discussion just a little bit in the last committee. These are big, big commitments that Government Services takes on by way of obligations of taxpayers and long-term lease arrangements, and it's absolutely critical that we have a solid understanding of what government's needs are as it relates to space utilization. And so I think what you have before you is very important work.

You know, I have some, I certainly have some concern when you're looking at, in absence of having that work, entering into long-term arrangements and ensuring that those are in the best interest of taxpayers. But anyways I'm pleased to see some of the work that will be occurring and having a plan that'll be able to be, I guess, shared with the public and certainly with this committee and some analysis of the effectiveness of being able to manage that space and the impact on the public or taxpayers.

When I look back there's some, there are some previous recommendations as well, one of them back to February 2010, and I'm just wanting to verify whether or not it's now fully complied. And there maybe was a comment to it already. And that's that the recommendation was to ensure the information on its buildings is accurate, complete, and available. Is that fully complied with at this point in time?

Mr. Murray: — Yes. Speaking to the, going back to the five follow-up recommendations from the 2009 audit, I'll just skip through those one after another, if I may.

Ensure that information on buildings is accurate, complete, and available. Our ministry information technology management committee has approved a plan to consolidate ministry building data that is currently located in multiple databases. This effort is well under way and that should be completed in 2013.

The second one was to approve adequate maintenance plans for all of the buildings that it owns. Of the 500 or so buildings that we own, roughly, there are only seven left that we do not have formal maintenance plans in place. Those are very small, remote buildings, for example a cold storage shed in Sandy Bay. So we've got folks out doing final assessments on those seven buildings. We will have fully approved plans for every building we own certainly by March 31st, 2013.

[16:00]

The third one, on page 69, was sign adequate agreements with its clients that describe each of the partner responsibilities. So as of today, we have negotiated and signed agreements with Corrections, Public Safety and Policing, negotiated and signed agreement with Highways. An agreement with Environment is expected to be signed shortly. We're just days away. And we've got two agreements remaining, covering the Conexus Arts Centre and the Ministry of Health. We are striving to negotiate those remaining agreements by the end of March again. So certainly significant progress made there.

Page 70, ensure maintenance is carried out on all of its buildings. The client service level agreements that I just described include provisions for annual inspections by our regional operations staff. Those inspections are being done, so we are ensuring that maintenance is being appropriately performed in all cases.

And then the final recommendation, on page 70, was to provide senior management adequate reports to monitor the process to maintain its buildings. We now have a monthly preventative maintenance report that is provided to senior management every month. Those reports provide status updates on critical life safety maintenance events at all of our ministry-operated facilities. And so that certainly is completed and done, and that process is working very well.

I'm sorry. I kind of skipped through those in a . . .

The Chair: — No. Thank you for those answers. I appreciate going back and tracking some of the progress on outstanding recommendations. So with respect to the new recommendations, I noted a fair amount of progress, plans that are going to occur and be put together. We certainly look forward to following up with this at another meeting, but I think there was progress on most recommendations that were cited. Maybe on the first recommendation I might have heard compliance had occurred.

Mr. Moe: — Possibly on no. 4.

Mr. Michelson: — On no. 4 you said that you were waiting for some of them to sign off on that. Have they all signed off on that?

Mr. Murray: — Yes. We've got an agreement in place negotiated but just not yet signed, so very close.

Mr. Michelson: — So it's all but signed.

Mr. Murray: — Effectively completed, I would consider it to be.

Mr. Michelson: — I think we could say completed on that.

The Chair: — I'd welcome a motion. Vice-Chair Moe.

Mr. Moe: — With regards to recommendations 1 and 4, I would concur with the recommendations and note compliance.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — It's agreed that this committee concur with recommendations no. 1 and 4 and note compliance.

Mr. Moe: — And also with recommendations 2, 3, 5, and 6, I would concur with the recommendations and note progress towards compliance.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — It's agreed that this committee concur with recommendations 2, 3, 5, and 6 and note progress towards compliance.

Any other questions as it relates to chapter 5? Mr. Cox.

Mr. Cox: — Just a specific question I guess with regards to 5 and 6. You mentioned you're under way. Can you give us any indication of timeline, when those accommodation plans could be completed, or is that a work-in-progress at this time?

Mr. Dedman: — We would expect they would be completed during this fiscal year.

Mr. Cox: — They will be done this . . . [inaudible] . . . Okay. Thank you.

The Chair: — With that we may move along to our next chapter, which would be chapter 13 of the volume 2, 2011 auditor's report. And I'll turn it over to our Provincial Auditor's office.

Ms. Lysyk: — With me today I have Mark Anderson, and Mark is the executive director of our strategic initiatives group. And Mark will walk you through the report. It is the 2011 report volume 2, chapter 13, which is on pages 231 to 238.

Mr. Anderson: — Good afternoon. On page 234, we concluded that the ministry complied with authorities. We further concluded that the ministry had adequate controls to safeguard public resources, except as it relates to four older recommendations that your committee had previously agreed with. At March 31st, 2011, the ministry still does not have processes to monitor that credit card fuel purchases were for government business. The ministry does not have an adequate agreement with the Information Technology Office to appropriately monitor security or to have a complete business continuity plan. The ministry does not adequately monitor the security of its IT system and data, and the ministry does not have a complete business continuity plan.

On pages 237 and 238, the chapter presents a summary of nine previous recommendations agreed to by your committee that are not yet fully implemented. Five of these recommendations related to an audit of the processes used to maintain buildings, three relate to processes used to maintain the vehicle fleet, and one relates to communicating information on infrastructure use. Progress has been made on all of them except one that recommends that the ministry receive reports to verify that vehicles are maintained in a safe condition and in an

economical manner. The ministry still has work to do in implementing the 13 older recommendations mentioned. That concludes our comments on the chapter.

The Chair: — Thank you for the presentation. I'll turn it over to Deputy Minister Dedman for response.

Mr. Dedman: — Thank you. The three new recommendations, specific recommendations in the report dated March 31st, 2011, it was recommended that Government Services establish and use policies to monitor its fuel expense made with its credit cards to ensure fuel purchases are for government purchases. The ministry has implemented a new fleet card system and is in the process of implementing a new fleet management system. These two systems will provide for efficient and timely monitoring of fuel expenses. The ministry processes approximately 15,000 transactions per month. Previously these transactions were paper-based, and the ability to audit was sometimes delayed between three and six months as the information moves through the system.

The new credit card includes security features that are considered to be industry best practice and allow for an immediate review of transactions. For example, the ministry can quickly detect misuse of a credit card for items such as coffee or snacks or filling up a tank that might be used for yard equipment or trying to fuel several vehicles at one time. So the new card identifies that. We can identify that. If we're actually looking at it, we can sometimes identify it as the transaction is taking place. But when there is misuse, we go back to the operator and collect the money for that. And so now we can do it sort of the next day, where before it could take us several months before we would actually get to process.

The feature in the new card also rejects maintenance, parking, and towing, other things that are handled in different ways by central vehicle agency. So while it looks like a normal credit card, it is actually a vehicle card and it manages things in that manner.

So obviously the enhanced controls support efforts aimed at reducing the risk of fraudulent credit card use as well as providing significant improvements in administrative practices, reporting, and accountability in fuel use. The new system, which is pretty close to being fully operational, behind that will give us full data on a vehicle-by-vehicle basis. And historically it was always by a class of vehicles. So in a number of vehicles that are exactly the same, we'll be able to identify the highest cost vehicle and the lowest cost vehicle, and we will be able to take action to identify how that happens.

The other thing that we'll be able to do is provide, under the new management system as opposed to the credit card system, we'll be able to provide the supervisors of vehicle operators with very up-to-date information on vehicle use. So that that is another monitoring as to the appropriateness of mileage driven in a particular period of time.

The other recommendation that we had was that Government Services adequately monitor the security of its information technology systems and data. The ministry has implemented a monthly review of stale accounts, underutilized applications, and databases to determine if any inappropriate access is occurring. And this has led to termination of accounts and access points that are no longer needed or appropriate.

And the report also recommended the government or that Government Services has a complete business continuity plan. As the report notes, the ministry has plans in place for its 10 most critical business functions, and these plans were tested in 2010-11 and 2011-12. And since the report was issued, the ministry has signed a memorandum of understanding with the ITO that outlines the critical IT systems and recovery time frames required in the event of disaster. So those are the three items that I wanted to specifically address.

The Chair: — Thank you for that. Questions of committee?

It's good to see technology be able to provide some greater protection by way of some of the credit cards, I guess, and some of the systems of managing costs as it relates to fuel purchases. Has there been any demonstrated savings with the new system?

Mr. Dedman: — Well there's always some interesting anecdotal things. We know for example that someone tried to buy airplane tickets with the vehicle credit card and that was rejected. And we get daily reports of problems. And of course when someone is told they need to pay back $2.25 because it was inappropriately applied, that sends a very strong message to vehicle operators and to vendors that we're paying very close attention to what happens with the new credit cards.

Mr. Moe: — [Inaudible] . . . more of a comment than a question with regards to the fleet cards as well as the, you called it, the fleet management . . . yes, the fleet card and the fleet management which goes beyond just the fuel purchases but actually into the vehicles that you're driving and the different kinds and the different efficiencies there. And I think just a comment on my admiration on that for, you know, pushing that direction. It used to be three to six months prior to an audit. Now you're almost immediate with daily reports and it's . . .

Mr. Dedman: — We've also been able to apply this information when it comes time to purchase new vehicles and to add a factor in the lifetime cost of the vehicles into the criteria around purchase. So the least expensive vehicle to buy may not be the least expensive vehicle over that vehicle life.

The Chair: — Some of that information, will that be made public, some of that information as to assessment of the cost, lifetime costs of some of the vehicles?

Mr. Dedman: — We haven't really thought about making that public information. It is an assessment of vehicles, and it will be clearly identified when we go to tender. I don't know if it's our place to be . . .

The Chair: — Right.

Mr. Cox: — There might be some MLAs [Member of the Legislative Assembly] looking to buy cars, do you think, Mr. Chair?

The Chair: — But it will drive the decisions of government as to what sort of vehicle is in the best interest of the task, its performance.

Mr. Dedman: — We also have a rightsizing initiative that we've piloted with two ministries and we're taking across to all ministries to clearly identify a match between a vehicle and the need for the vehicle. Not everyone needs a four-wheel drive SUV [sport-utility vehicle].

[16:15]

The Chair: — Thank you very much for those answers, and thank you to the auditor for their work on following up on these outstanding recommendations as well. So thank you for joining us. Is there any further questions for Government Services here today?

If you would like to conduct an analysis of Vice-Chair Moe's vehicle and its efficiency and whether it's rightsized, certainly I would support that analysis with his permission.

With no further questions at this point in time, thank you very much for coming before us here today.

[The committee recessed for a period of time.]

Saskatchewan Research Council

The Chair: — We'll reconvene and move along with considerations here today. Specific to the Saskatchewan Research Council, we're going to take a look at the 2011 Provincial Auditor report volume 1. That would be chapter 15.

And at this point in time as well, I'd like to table a document for consideration: PAC 16/27, Saskatchewan Research Council. This is correspondence regarding the Provincial Auditor's 2011 volume 1, chapter 15, dated June 6th, 2012, distributed on June 25th, 2012. So that has been tabled.

And at this point in time, I would turn it over to our Provincial Auditor's office to enter into comment on their report for Saskatchewan Research Council.

Ms. Lysyk: — Thank you, Mr. Chair. Our work on the Saskatchewan Research Council is presented in chapter 15 of the 2011 report volume 1 on pages 165 to 169. In this chapter, we reported on the financial results of the financial audit of SRC's [Saskatchewan Research Council] employees pension plan for the year ended December 31st, 2010 and on our follow-up work on SRC's risk management processes up to March 31st, 2011.

On page 167, we concluded that SRC had adequate rules and procedures to safeguard public resources. It complied with authorities and it had reliable financial statements for its pension plan. In our 2009 report volume 1, we made two recommendations for improving SRC's risk management processes that your committee had previously agreed with. I would like to thank the chief executive officer of SRC and his staff for the co-operation extended to us during our audit work and for implementing these recommendations. And this concludes my comments on this chapter.

The Chair: — Any questions for the auditor as it relates to this report? And certainly I'd like to extend our appreciation for the compliance as it relates to outstanding or previously outstanding recommendations.

Workers' Compensation Board

The Chair: — Moving right along then, we'll move to our next agenda item, Workers' Compensation Board. This would be from the same volume, chapter 21. And at this point in time, I'd also like to table a document, PAC 17/27, the Saskatchewan Workers' Compensation Board, correspondence regarding the Provincial Auditor's 2011 report volume 1, chapter 21, dated June 14th, 2012, distributed on June 25th, 2012. And I'll turn it over to our auditor's office.

Ms. Lysyk: — I have with me today Kim Lowe. And Kim again is our audit principal, and she will walk you through the Workers' Compensation Board chapter.

Ms. Lowe: — Thank you. This chapter describes our 2010 audit of WCB and its pension plan. Beginning on page 209, it also summarizes our follow-up work to February 28th, 2011 on five recommendations the office made in 2008 relating to WCB's processes to ensure that recipients of public money for injury prevention and public safety used the money for its intended purposes. These recommendations covered (1) setting out what information the WCB needs from the ministry for the industrial safety program; (2) assessing the costs and impacts of the safety program on WCB's injury prevention program; (3) reporting to members of the WCB board on the impact of the industrial safety program on injury prevention and safety; (4) seeking order in council approval for payment of the program costs; and (5) providing an analysis of the effectiveness of the industrial safety program.

I would like to thank the chief executive officer of the WCB and his staff for the co-operation extended to us during our audit work and for implementing these recommendations. And that concludes our comments on this chapter.

The Chair: — Thank you. Any questions from committee members? Mr. Michelson.

Mr. Michelson: — Do I look . . . that I've got a question? I just, you know, with the whole WCB I understand it and I'm not sure what the auditing process is here. Could you outline just the process of how the audit has taken place and what is . . . Go ahead.

Ms. Lysyk: — This chapter was sort of, contained two types of audits. It contained a summary of the work done on the audit of the pension plan, and we call that an integrated audit. So we incorporate that right at the front end. It also contains a follow-up audit, so it's following up on the recommendations that were made that were going back to 2007 under an injury prevention and safety audit. And so this chapter is really a follow-up audit of the original audit.

Original audits in our office, just for your information, could take anywhere from 300 to 600 hours. Follow-up audits we usually spend about 50 hours, 80 hours just ensuring that what they said they've done has been done.

Mr. Michelson: — Is your office satisfied that things have processed in an orderly manner?

Ms. Lysyk: — With respect to this chapter, there was work that has been done and there was follow-up work performed and we obtained evidence that they met the requirement of the recommendation at the time we did the follow-up.

Mr. Michelson: — Okay. Thank you.

The Chair: — Any further questions at this point in time? I'd like to extend our appreciation to the WCB as well for implementation of the outstanding recommendations that existed in working through this committee and with our auditor's office to take the steps required to implement and to come into full compliance. So would like to send our appreciation along.

Standing Committee on Public Accounts

The Chair: — With no further questions, I think we can move along to an assessment of ourselves, chapter 27 of the volume 2, 2011 report, the Standing Committee on Public Accounts. And I'll turn it over to our auditor.

Ms. Lysyk: — Thank you, Mr. Chair, and committee members. I am joined by Kim Lowe who is the audit principal and Kim, as you know, acts as our liaison with the Clerk of this committee. I'm just going to summarize this chapter for you very briefly.

Chapter 27 of the 2011 report volume 2 has two main purposes. It responds to a prior request of the Public Accounts Committee regarding monitoring the status of its recommendations, and it highlights the work and accomplishments of this committee since the fall of 2010 when the office last reported the status of this committee's recommendations.

This committee, your committee, is very important. Your work has contributed to the government's implementation of a significant number of recommendations. This committee plays a significant role in fostering a more open, accountable, and transparent government and better management of government operations.

Since the fall of 2010 and at the time of this report, the committee met nine times to discuss our reports. When this report was released, the committee's most recent report to the Assembly setting out its recommendations was its third report to the twenty-sixth legislature. It was presented to the Legislative Assembly on September 6th, 2011. That report included over 230 recommendations where PAC concurred with our recommendations.

PAC asked our office to monitor compliance with its recommendations and to report on their status. Many of the past PAC recommendations are included within ministry chapters. Those chapters provide an update on the status of the committee's outstanding recommendations. This format allows the committee to review the status of recommendations. The exhibit in this chapter lists all the committee's recommendations that are not already discussed in another chapter and provides an update on their status.

One recommendation for the Ministry of First Nations and Métis Relations remains outstanding and will be followed up by

my office in 2012. All of the other recommendations in the exhibit were implemented.

It has been approximately one year since we last audited the organization or areas included in each chapter and the exhibit. As a result, the report may not reflect the current status of the PAC recommendations because the government may now have addressed more of those recommendations.

So that concludes my presentation, and we'd be happy to answer any questions that you have on this chapter.

The Chair: — Questions or comments from the committee? Mr. Cox.

Mr. Cox: — Mr. Chair, just one question on page 503, the 2010 report. Have those three chapters been finished now, or are they still outstanding from the 2010?

Ms. Lysyk: — Two, yes. There's two outstanding?

Ms. Lowe: — There's now two outstanding for the 2010 report volume 2. We dealt with one of them today, so now there's still two outstanding. And then there's still a good chunk of the 2011 report volume 1 still . . .

Mr. Cox: — So they'll be coming up in subsequent meetings?

Ms. Lowe: — Right.

The Chair: — I'm not certain to the factors where the ones on the 2010 report haven't been considered yet, but certainly we should be likely making them a priority.

Ms. Lysyk: — Yes. I think they deal with Tourism, and I think they were just unavailable to be here for today's meeting. Otherwise I think we would have had them scheduled.

Ms. Lowe: — And the other one is Executive Council.

Mr. Cox: — Yes, I think they were on the June meeting too, weren't they . . . [inaudible interjections].

The Chair: — Well we'll have to call them in here soon. And I agree. We should . . . And I think it's one of the things that we should pride ourselves in as a committee and then uphold as well, is timely consideration of reports. So I think that that's sort of comment to make sure that we're following up with . . . I know it was a few years back when this committee, you know, went and did some significant work to catch up on work that had been really quite out to date. And it's been certainly the past . . . Well from that point forward, I think there's been a solid maintenance of reviewing matters in a timely way.

Ms. Lysyk: — I can just comment on that report that's outstanding too. I think there was a decision at the end of last year when the committee was looking at all the reports to defer the Tourism chapter because we were still in discussions with the ministry and with Sask Sport on it. But we have completed those discussions, so we're in a position now to respond to any questions. So I think there was a conscious decision to refer those rather than them being forgotten.

Mr. Cox: — Will that be somewhat redundant now with Tourism being a ministry? Is that going to change that in any way? No? We'll still look at it?

Ms. Lysyk: — No. The topic came under that ministry, but the subject matter is separate from the reorganization that's happened.

[16:30]

The Chair: — Mr. Tochor.

Mr. Tochor: — Yes. Thank you, Chair. We had an opportunity, the members on this committee and the auditor and Kim as well, to meet with other Public Accounts across Canada. And I've just got to mention how well served the people of this province is from this committee. In comparison to other jurisdictions, this committee does a great service for the people of Saskatchewan. And I just wanted to point out for the members that didn't have the opportunity to attend our meeting that we're lucky to be in this province that has a committee that is as well functioning as this.

The Chair: — Thank you for those comments. And I think going to, again, some of those experiences where you get that national perspective or hear what some of our provincial counterparts are dealing with allows us to both see some of the best practice of where we can improve but also to recognize that — without a doubt, you're correct — we're leaps and bounds ahead of some jurisdictions on this front, and it's an incredibly important role that's fulfilled to the public. So I appreciate those comments.

Without any further questions or comments, I guess the one piece is . . . We still have recommendations that are outstanding and not implemented now. It's part of the . . . From the auditor's perspective, is the follow-up that we do, both from your perspective and then that ties back into us, is it adequate to ensure that implementation is commonplace?

Ms. Lysyk: — Yes. So after the committee hears the recommendations here and you concur with those recommendations, we then schedule a follow-up, either . . . It could either be yearly, depending on the type of the audit, or every two years. And we follow up to see the implementation, and we track that. And what we are seeing is that implementation is very high. In our operations report, we're reporting it around 93 per cent.

In this report, you're seeing a lower percentage. And the reason you're seeing a lower percentage is because the denominator contains more recent audits that we haven't done follow-up work on because the report would have just been issued. So it shows a lower percentage. But I would suggest that in terms of the attention given to the recommendations and the speed in which they're implemented in Saskatchewan, it's very good. It's very good in comparison to the rest of Canada.

The Chair: — Mr. Tochor.

Mr. Tochor: — Just a follow-up question on that. At our meetings, other jurisdictions have talked about lower percentages. Do you remember what the average was or how low was the worst out there?

Ms. Lysyk: — I can't say I remember a specific number in terms of what was the worst. But I do know there are jurisdictions that have percentages around 30, 40 per cent right now. But I can't, I don't have it at my fingertips to name. I can probably give you those results. I could probably provide that to this committee.

The Chair: — Any other . . .

Mr. Michelson: — I would just, you know, ask the auditor of her impressions of the way the committee's run. You're relatively new to the position and have experience from other jurisdictions as well, but then this is a fairly new committee makeup also. So I would just . . . Are you content with the way things are progressing here?

Ms. Lysyk: — I have to say, from the very first meeting that I attended up till the end of today, I've been very impressed with the way the committee's operated. I think I'd attribute that to a few things. One, I think that the members that are involved in this committee keep the discussion focused to the report and the recommendation. I think that's really positive. I think the Legislative Assembly's Clerk to this committee and the people that work with her have been excellent in coordinating and scheduling material and working with my office as well, and with Kim. I think it's been very positive. I think you have strong committee members and a strong Chair and I think that really helps the process.

And I would say that a lot, even though there are new members on this committee, this in essence, this meeting demonstrates that this committee operates quite effectively even with new committee members. And I would attribute that probably to, from what I'm seeing in my experience of Saskatchewan, the culture of the province, the positive culture in the public sector in the province, and the pride that people have when they're involved in the public sector in Saskatchewan. And yes, I knock wood and I say I'm very fortunate to be in this position in this province. And the staff in my office, I think, have established very positive relationships with the ministries and with the Crowns and with Finance, and I think that's part of the whole package. I think there's a lot of respect for this committee and I think you're seeing it demonstrated when deputy ministers and their staff come before the committee and answer very respectively and are very open and transparent.

The Chair: — Thank you to our Provincial Auditor and your office for the leadership you've provided this committee and the people of the province. At this point in time I would welcome a motion of adjournment. Mr. Tochor. So moved. All agreed?

Some Hon. Members: — Agreed.

The Chair: — This committee stands adjourned.

[The committee adjourned at 16:35.]