



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Mr. Glen Hart
Last Mountain-Touchwood

Ms. Laura Ross
Regina Qu'Appelle Valley

Mr. Corey Tochor
Saskatoon Eastview

Mr. Trent Wotherspoon
Regina Rosemont

[The committee met at 07:58.]

The Chair: — Welcome, everyone, this morning to Public Accounts. I'd like to take an opportunity here to introduce the members here. We have Ms. Ross. We have Mr. Cox. We have Ms. Campeau. We have Mr. Merriman substituting for Mr. Tochor, and we have Mr. Moe, and Mr. Nilson substituting for Mr. Wotherspoon here this morning.

Our first item of business today is to table the following documents: PAC 31/27, the Ministry of Finance reporting of public losses for the period from October 1st, 2013 to December 31st, 2013, and PAC 30/27, the Ministry of Health reporting of public losses for the period from October 1st, 2013 to December 31st, 2013. I'd like to . . . Mr. Moe, you had a comment . . . [inaudible interjection] . . . Okay. Sorry about that.

I'd like to introduce Ms. Judy Ferguson, the Acting Provincial Auditor, and she will take this opportunity to introduce her officials.

Ms. Ferguson: — Thank you very much, Madam Chair. With me today I've got Mobashar Ahmad. Bashar is responsible for the health and safety division within our office and in the entities that we'll be discussing here this morning. Also we've got Mr. Jeff Kress who is at the back there. He is an audit principal in our office, responsible for a number of the entities that we're chatting about this morning. And Ms. Kim Lowe who's got dual responsibilities: she is responsible for some of the entities that again we're talking about this morning, but also is our office coordinator with this committee. Thank you.

The Chair: — Thank you, Ms. Ferguson. Mr. Moe.

Mr. Moe: — Just prior to starting today's meeting I'd just like to, on the record, make note of one item that we became aware of this last week, and it has to do with a discrepancy between the Provincial Auditor's business and financial plan and what was put before House Services with regards to a statutory payment. I think we've agreed that we'll discuss this at the outset of the next meeting as to finding a solution so that those documents pass through this committee prior to arriving at House Services. I'd just like to put it on the record, and we'll discuss it at our meeting in two weeks on . . . Is it the 26th, Kathy? Thank you.

The Chair: — Thank you, Mr. Moe. Are we all in agreement that we'll discuss this at our next meeting?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Okay. Thank you. And so on to our first agenda item today, which will be the 2013 Provincial Auditor report volume 2 and the . . . Pardon me, the 2012 Provincial Auditor report volume 2 and the 2013 Provincial Auditor report volume 2, chapter 16, respectively. I'd like to ask the ministry officials to please introduce yourselves.

Health

Mr. Hendricks: — Good morning. I'm Max Hendricks, the

deputy minister of Health. On behalf of the Ministry of Health, I'd like to thank you for the opportunity to discuss the Provincial Auditor's 2012 and 2013 volume reports.

I'm joined by several staff members here to answer specific questions from the report. They are, to my left, Tracey Smith, acting assistant deputy minister of Health; to my right, Cindy Fedak, director of operations, internal audit, for the ministry; and directly behind me, Susan Antosh, the CEO [chief executor officer] of eHealth Saskatchewan; and to her right, Kendell Arndt, VP [vice-president] of strategic informations and corporate services with 3sHealth [Health Shared Services Saskatchewan].

Madam Chairperson, the Provincial Auditor plays a vital role in ensuring the government remains open, effective, and accountable. At the Ministry of Health, we firmly believe in these same principles. They guide us not only in our overall strategic direction but the day-to-day operations of the front line's of health care.

The ministry, together with its partners, North Sask Laundry & Support Services, eHealth Saskatchewan, and 3sHealth, are committed to supporting the responsible, effective, and efficient management and delivery of health care. We welcome the Provincial Auditor's reports and appreciate the effort and detail that was put into the review. Progress has been made on a number of the auditor's recommendations, and work continues in many areas at both the ministry and with our partners in other areas of specific concern. Our ultimate goal is to strengthen and improve health care services for all Saskatchewan residents. We would be pleased to take your questions as they pertain to these reports.

The Chair: — Thank you, Mr. Hendricks. Ms. Ferguson, does your office have some comments?

Ms. Ferguson: — Thank you, Madam Chair, committee members, and officials. Today we're actually going to be presenting the six chapters from our 2012 volume 2, three chapters from our 2013 report volume 2, all relating to agencies within the health care sector that the deputy minister referred to there. These chapters contain seven new recommendations for this committee's consideration. We're going to make these presentations in four parts in terms of how they're structured on the agenda this morning. So we'll pause after the parts that have new recommendations, and if they don't have a new recommendation, we'll just move into the second part.

So we're going to start with North Sask Laundry & Support Services Ltd. And so I'm going to turn it over to Mr. Ahmad, and he's going to present the findings with respect to that agency.

North Sask Laundry & Support Services

Mr. Ahmad: — Thank you, Ms. Ferguson. Good morning, Madam Chair, and committee members. First I will present chapter 16 of our 2012 report volume 2, starting on page 129. At the time of the report, although we had not completed the 2012 audit because North Sask Laundry financial statements for 2012 were not available for audit, however we have done

enough work to report key findings.

We found that North Sask Laundry had implemented two of our past recommendations but had not implemented our recommendations about controlling payments to its employees, and it had new areas of weakness as reflected in our new six recommendations.

Our 2013 report volume 2, beginning on page 133, reports the results of our audit for the both years ending March 31, 2012 and 2013. We made no new recommendation in 2013.

Now I will focus on the six new recommendation contained in 2012. On page 130 and 131, we report we found numerous errors in the laundry's financial record. It did not reconcile its bank account in a timely manner, and management did not review and approve all journal vouchers.

We made three new recommendations requiring the laundry to maintain complete and accurate financial records, reconcile its bank account, and to approve all journal vouchers. Our 2013 report volume 2 indicates that while laundry had taken steps toward implementing these recommendations in 2012-13, it had not fully implemented them by March 31, 2013.

On page 132 we reported the board of the laundry needs to monitor operations. We found that in 2011-12 the general manager received vacation payout without the board's knowledge and approval. The financial reports that the management gave to the board were incomplete and incorrect, and laundry paid senior management expense claims prior to their approval by the board or its Chair.

We made three new recommendations requiring management to provide the board accurate and timely financial reports and to comply with delegation of authority.

Our 2013 report volume 2 indicates on page 126 that although the laundry has taken steps to address two of these new recommendations, more work remains. The chapter also indicated that laundry implemented our recommendations requiring it to comply with established delegation of authority.

This concludes my overview of chapter 16 in both our 2012 report volume 2 and 2013 volume 2. I will now pause for the committee to consider the recommendations.

The Chair: — Thank you, Mr. Ahmad. Mr. Hendricks, any comments?

Mr. Hendricks: — Sure. I'm pleased to say that as it pertains to most of the Provincial Auditor's recommendations, North Sask Laundry did hire a CFO [chief financial officer] in 2012. And with respect to, you know ... And they've added additional resources to update and keep their financial records up to date, so in most cases the recommendations have been implemented. Specifically additional resources have been added so that bank reconciliations are currently being completed on a monthly basis. Journal vouchers, a process for journal vouchers has been implemented. A credit card use policy has been implemented. Board meetings, which were held on an as-needed basis in '11-12 along with some regular board meetings, and North Sask Laundry worked on regulating board

meetings to be a more appropriate schedule. Since the beginning of the 2013 calendar year, the board has been meeting regularly every second month to review the operations of North Sask Laundry.

As well the board has been receiving current financial statements at their meetings since June 2013 and, you know, North Sask Laundry agrees with all the Provincial Auditor's recommendations and they feel that they are taking the steps to establish the appropriate controls necessary.

The Chair: — Thank you, Mr. Hendricks. I just want to acknowledge Mr. Hart here today. Thank you. I'd like to open up the floor for questions. Mr. Nilson.

Mr. Nilson: — Thank you, Madam Chair, and good morning, everyone. I think my first question will be for the Provincial Auditor and staff. The report that's here substantially covers the things that have been raised, and I assume many of these things have happened since your last review. When is your next review?

Ms. Ferguson: — Thank you. We actually look at North Sask Laundry services annually. It's a part of our integrated audit. So we'll be doing it in conjunction with the March 31st, 2014 audits which as, you know, will be occurring this spring and into early summer and the results of that will be included on our next report which will be next fall.

Mr. Nilson: — Thank you very much. And, Mr. Hendricks, one question I have here is, relates to North Sask Laundry and the proposal to build the new laundry, which is a fairly large operation. What will be the effect on North Sask Laundry when the new laundry is in operation?

Mr. Hendricks: — North Sask Laundry will be dissolved as a result of the creation of the new laundry and its operations by 3sHealth. So this operation will be winding down over the next couple of years.

Mr. Nilson: — So you'll get everything organized and running well, and then say goodbye to everybody. Is that how it's going to work, or will some of these people actually go to work at the new laundry?

Mr. Hendricks: — I'm not sure about that, but you know, I think the recommendations date back to a period in 2012 that preceded a decision on linen services provincially. Obviously as long as this is in operation, we want to make sure that the financial management and controls are in keeping with the Provincial Auditor's findings and good, sound financial management. So we will remain diligent as long as North Sask Laundry is up and running to ensure they are doing the correct financial things.

Mr. Nilson: — What provisions are being made for the workers who will no longer have their jobs in Prince Albert? Are there contingency funds in the budgets that are here, and how will that be accounted for?

Mr. Hendricks: — There are contingency funds included in the Ministry of Health's budget to support the transition of laundry services throughout the province to the centralized laundry in

Regina. So those funds have been set aside to support that process.

Mr. Nilson: — And I assume that's another issue then that the Provincial Auditor will be watching fairly carefully as this proceeds. I have no further questions.

The Chair: — Thank you. Mr. Moe.

Mr. Moe: — As a rule, I believe the Provincial Auditor does follow-up audits in these cases which you've indicated. Just a couple of questions quite more relevant to the actual audits that were done here with regards to recommendation 1, 2, and 3. Recommendation 2, you had indicated that the North Sask Laundry is in fact reconciling its bank balances monthly?

Mr. Hendricks: — That is correct.

Mr. Moe: — That would be implemented.

Mr. Hendricks: — That has been implemented.

Mr. Moe: — And with regards to recommendation no. 3 that North Sask Laundry & Support Services approve all general vouchers, and you had indicated that yes, that is happening.

Mr. Hendricks: — Yes. In 2013 our review and approval process for general vouchers was implemented.

Mr. Moe: — Okay. With regards to recommendation no. 1, maintain and complete accurate financial records. I may have just missed if you alluded to that recommendation as well in your opening statements.

Mr. Hendricks: — Yes. They've implemented and are tabling complete financial records as of 2013.

Mr. Moe: — Okay. So that would be complied with as well, in your opinion?

Mr. Hendricks: — Yes.

Mr. Moe: — With recommendations 4, 5, and 6 of the 2012 audit on page 132, recommendation no. 4, regularly monitor operations of North Sask Laundry & Support Services, you'd indicated that's been partially implemented?

Mr. Hendricks: — No, that we believe that that's been fully implemented. The board is having bimonthly meetings.

Mr. Moe: — I see that. Yes.

Mr. Hendricks: — And they are meeting on an as-needed basis as well.

Mr. Moe: — Right. So that would tie in no. 5, monitoring and reporting to the board of directors meeting every second month. And with regards to no. 6 — or sorry, no. 5 yet — received financials since June of 2013. The board has, you'd indicated . . .

Mr. Hendricks: — They've been receiving them since June of 2013.

Mr. Moe: — So it would be implemented as well. And with regards to recommendation no. 6?

Mr. Hendricks: — North Sask has established a delegation of authority policy and they are complying with that recommendation as well.

Mr. Moe: — If there's no more questions, I'd be ready to make a motion.

The Chair: — What's the committee's wish?

Mr. Moe: — I would deal with all six recommendations in one, and I would make a motion that we concur with recommendations and note compliance.

The Chair: — So Mr. Moe has moved that for the 2012 report volume 2, chapter 16 that this committee concur with the recommendation and note compliance. Is that in agreement?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Carried. Okay. Moving on to the 2013 Provincial Auditor report volume 2, chapter 12 and the 2012 Provincial Auditor report volume 2, chapter 42. I'll hand it over to Ms. Ferguson.

[08:15]

Health Shared Services Saskatchewan

Ms. Ferguson: — Thank you, Madam Chair, members, and officials. Both of these chapters relate to health services Saskatchewan commonly referred to as 3sHealth, and maybe some of you may have known it by its formal title SAHO, which is the Saskatchewan Association of Health Organizations. This chapter 42 of our 2012 report relates to a follow-up of a 2007 audit, and chapter 12 of our 2013 report volume 2 relates to the results of our 2013 annual integrated health audit of 3sHealth.

Once again I'd like to actually thank the officials from that agency for the co-operation during our audit work. And I'm going to turn it over to Mr. Ahmad to present the findings for that report.

Mr. Ahmad: — Thank you. Chapter 12 begins on page 101 of 2013 volume 2 and reports the result of our annual integrated audit of 3sHealth for the year ended March 31, 2013. We report that 3sHealth's financial statements were reliable. It complied with authorities regarding its activities, and it had effective rules and procedures to safeguard public resources except for the one new recommendation.

On page 103, we recommend that 3sHealth revise its board remuneration policy to make it consistent with other public sector agencies and comply with the revised policy. Other government agencies do not remunerate directors employed within the Government of Saskatchewan and comply with the revised policy. We made this recommendation because 3sHealth's old remuneration policy is inconsistent with similar policies elsewhere in the government, and 3sHealth did not follow the approved written policy. We are pleased to note that

3sHealth has recently revised this policy to make it consistent with similar policies in the government. That concludes my overview.

As far as chapter 42 is concerned, chapter 42 reports on page 345 of our 2012 report volume 2. 3sHealth — that's formerly SAHO — provides payroll services to regional health authorities in 2006. We examined then central controls to secure transactions on its payroll system and made four recommendations. In 2008 we found management had implemented three recommendations and needed to do more for the remaining one.

I'm pleased to report that by March 31, 2012, 3sHealth had implemented the one outstanding recommendation relating to monitoring the security control of its service provider. Your committee had already considered and I gave you this recommendation back in 2007. That concludes my overview. Thank you.

The Chair: — Thank you, Mr. Ahmad. Mr. Hendricks, any comments?

Mr. Hendricks: — As Mr. Ahmad said, with respect to the board remuneration policy, 3s's board of directors has approved an amended board remuneration policy which provides clarity to the policy and consistency with other public sector agencies regarding payment of compensation to individuals employed by the Government of Saskatchewan.

As well in terms of the second recommendation relating to 3sHealth, the recommendation with regards to monitoring the security controls of the internal personal front-end service, 3sHealth has implemented that recommendation.

The Chair: — Thank you, Mr. Hendricks. I'd like to open up the floor to questions. Mr. Nilson.

Mr. Nilson: — Thank you, Madam Chair. The only question I have relates to a statement in October from 3sHealth that they were a unique organization and maybe you should compensate their directors differently. Is the report today an indication that that perspective has changed and that they are now complying with the overall provincial government policy?

Mr. Hendricks: — I'll allow Kendell Arndt from 3sHealth to answer that question.

Mr. Arndt: — Thank you for that question. So our compensation policy as far as our practice hasn't changed. It's consistent with what we have been doing prior which was, in terms of our governing council, consistent with what those types of directors need to be compensated with. And what we did do is bring clarity to the policy so that there was a clear understanding that we were in compliance.

Mr. Nilson: — Okay, so maybe you can answer it again and say what you did.

Mr. Arndt: — So there actually hasn't been any change into the amounts that we are compensating our directors. We just clarified the policy.

Mr. Nilson: — So are you still paying director's fees to those people who are employed in other parts of the provincial government?

Mr. Arndt: — The change to the policy specifically there was to make sure that we were in compliance with whatever policies that they had in their organizations so that the compensation that we are currently doing is consistent with the policies within other government agencies. So the communication to those directors, they brought forward the policies that are in their own agencies and that we're complying with everything that we are required to do.

Mr. Nilson: — So can you explain exactly what happens? Or maybe I can ask the question: so that those agencies that are other provincial agencies, that their CEOs or others who work on the 3sHealth board, do you then compensate the other agency for their time? Is that what your answer is suggesting or what happens here?

Mr. Arndt: — Sure. I can give you some specific examples. So in the case of, you know, one instance where they wouldn't have any compensation required, we would receive written notification from that director, and we're not compensating them at all.

In the other case, if per diems were acceptable compensation, then we're compensating them the per diems, and they're in turn giving that money back to their organization. So we put the onus back on the individual directors I guess.

Mr. Nilson: — Okay. So I think the issue here is to clarify what the overall government policy is. And perhaps the deputy minister can explain the Ministry of Health's understanding of the overall government policy, and then maybe I'll ask the Provincial Auditor what their understanding of this is.

Mr. Hendricks: — With respect to the internal directors, there are a couple of situations here. You have at least two CEOs of health regions who also sit on the 3s board. In both cases these individuals are not otherwise employed by a health agency or a government agency. In fact they work, in one case, in the private sector.

Where we've asked these individuals, who bring not only private sector but experience with boards within the province to serve on these other . . . like serve on the 3s board, as you know, Mr. Nilson, our board compensation rates are not very high. And so I think in terms of, you know, for sure paying their per diems and providing a retainer for their time away from work because oftentimes this means lost income for them as private individuals.

The other internal directors, one is employed with SaskPower, and I believe one is with the Saskatchewan Liquor and Gaming Authority. As Kendell has said, those directors have brought forward the policies of their individual Crown corporations, and they in certain cases would reimburse their corporation for the per diems that they received from 3sHealth because that does not represent a cost for say, SaskPower, not one that SaskPower should be paying. And so where those arrangements are in place and we don't see what I would describe as double-dipping, we would say those are acceptable.

I sit on two boards. I'm the Chair of the Recruitment Agency of Saskatchewan as well as on the eHealth board. You know, we're very careful. I do not receive per diems. I do not receive any additional compensation because it's in keeping with my regular duties. And I think that when we have these Crown corporations, as long as they're reimbursing their organization . . . This isn't part of their regular duties. We're asking for their expertise as, in certain cases, accountants or whatever who have achieved high levels in the Crowns.

Mr. Nilson: — Perhaps I can ask whether that understanding complies with what the government policy is.

Ms. Ferguson: — I think our concern from an audit office perspective was that 3sHealth did not know whether or not in fact the way that it was remunerating its directors was causing double-dipping, you know, in essence. And that would be in essence paying a government . . . a person that was employed by the government, paying them twice. And so we also recognize that the directors that we regard as internal directors, which is ones that are employed within the health care system but also employed within the commercial Crowns, we also recognized previously there was lack of clarity, you know, in terms of their policy.

The way that they've revamped their policy, I think it will work to make sure that they know whether or not that board member is being remunerated by their employer, you know, whether or not it be another health care organization or a commercial Crown, and so that in essence that they are not paying that person twice.

So in some cases they're actually reimbursing the other organization directly, you know. So it's a range of situations, but they're getting enough information to make sure that in fact double-dipping does not occur, which was our audit concern.

Mr. Nilson: — Is there anywhere where there is an official government policy about how this is supposed to work?

Ms. Ferguson: — There isn't a single government policy in this regard. Like what you'll find is that in the financial administration manual which governs the core government, you know, there's a policy set out in there. The commercial Crowns have fairly consistent policies in this regard. But again it's not one policy. When we look at it though, there's a consistent thread in terms of philosophy that you're not paying one person twice, you know. So I think that concept is a consistent concept throughout the policies, but there isn't a single policy. But I think they, in essence there's a common philosophy which we think is an appropriate philosophy.

Mr. Nilson: — Okay. Well I guess I'm surprised that it's not clearer so that agencies don't get into situations like what's happened here. And so I would suggest that, as the auditor, that you watch this pretty carefully right across government because it can create problems for everybody — inadvertent problems because I don't think people intend to cause difficulties there. So thank you.

Mr. Hendricks: — If I may just add one more thing. Just in executive government there is a requirement that all employees declare outside employment or board memberships. And so

usually those questions are asked. In my personal contract, I'm not allowed to be employed outside. I'm not allowed to receive outside employment income, and I would have to declare any board membership. And as the Provincial Auditor said, there's a clear understanding in the civil service that you do not take income from two government sources.

The Chair: — Thank you, Mr. Hendricks. Are there any further questions?

Mr. Moe: — A couple of comments maybe with regards to this. And coming from the private sector myself, I can appreciate the time and expertise and the cost of that time and expertise when people serve on boards such as 3sHealth. But I can also appreciate the need to follow relevant government policies that we have in place.

And I thank the auditor for pointing this out and acknowledge the Ministry of Health for complying, although it looks like they were basically in compliance before and it was just a small . . . putting this down as official policy, to actually put it in writing that we're moving that they are in compliance with it. And I did note that both the auditor and the Ministry of Health agree that this recommendation no. 1 on page 103 of the 2013 report was implemented, and I'd be ready to make a motion if it's the committee's wish to do so.

The Chair: — What are the committee's wishes?

Mr. Moe: — Sorry, do you have questions? I'd make a motion that, with regards to recommendation no. 1 on page 103 of the 2013 volume 2 Provincial Auditor's report, chapter 12, that we concur with the recommendation and note compliance.

The Chair: — Mr. Moe has moved that for the 2013 report volume 2 chapter 12, recommendation 1, that this committee concurs with the recommendation and notes compliance. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Okay. Thank you for that. I've realized I have forgotten to introduce two people from the Provincial Comptroller's division here, so my apologies for that early on. We've got Terry Paton and Lori Taylor. So thank you for being here today, and my apologies.

So moving on to the next order of business, the 2012 report volume 2, chapter 6, 44, and 45. And I will hand it over to the Provincial Auditor again.

eHealth Saskatchewan

Ms. Ferguson: — Thank you, Madam Chair, members, and officials. Today we're providing a brief overview of the three chapters from our 2013 report volume 2 relating to eHealth, formerly called Saskatchewan information network or SHIN [Saskatchewan Health Information Network]. We plan to actually do this presentation in two parts. I'm going to present chapters 44 and 45 which are both follow-ups of past audits, and Mr. Ahmad's going to present chapter 6 which contains two new recommendations for this committee's consideration.

I'd like to thank the officials and management of eHealth for their co-operation extended to us during this audit work.

[08:30]

Part 1, in chapter 44 of our 2012 report volume 2, we report that by September 19th, 2012, eHealth had made very good progress on eight recommendations we made in our 2010 audit of its processes to buy information technology services. It had implemented six of our recommendations and had plans to implement two other recommendations relating to assessing and tracking vendor performance.

Moving on to chapter 45 of our report, by March 31st, 2012, Saskatchewan had spent 415 million on developing and implementing electronic health records and estimated it was about 30 per cent complete at that time. We made four recommendations in our 2009 audit on the processes to guide, monitor, and report on the implementation of its electronic health record systems. The recommendations call for a strategic plan for electronic health care system, health records system; related operational plan; monitoring of overall costs, timelines; and development of performance measures to enable the assessment and reporting of progress in achieving the electronic health records system's benefits.

By September the 30th of 2012, eHealth had not yet implemented these recommendations. We plan to do our next follow-up on these recommendations later this year and we'll report on that once it's available. I'm going to turn it over to Mr. Ahmad to present chapter 6 at this time.

Mr. Ahmad: — Thank you, Ms. Ferguson. Chapter 6 of our 2012 report volume 2 begins on page 76 and it reports the results of our annual integrated audit of eHealth for the year ending March 31, 2012.

We report that eHealth financial statements were reliable and it complied with authorities governing its activity. eHealth had effective rules and procedures to safeguard public resources except for the two new recommendations reported in this chapter.

On page 77 we recommend that eHealth approve all requests for changes to accounting records, that is journal entries, before changing its accounting record. We made this recommendation because eHealth does not require management to review and approve all journal vouchers before making changes to its accounting records. Lack of review and approval increases risk of fraud and errors without timely detection.

On page 78 we recommend that eHealth follow its policies when disposing of information technology and communication equipment. We made this recommendation because we found that staff did not follow policies when disposing of old computers and as a result inappropriately disposed of 43 computers, some of which had personal health information on their hard drives.

As reported in our 2013 report volume 2, appendix 1, our 2013 annual integrated audit was not complete at the time of our 2013 report volume 2. We expect to report the results of our audit in our 2014 report volume 1. That concludes my overview

of these recommendations. Thank you.

The Chair: — Thank you, Mr. Ahmad. Mr. Hendricks, do you have any comments?

Mr. Hendricks: — Yes. As the Provincial Auditor noted, with respect to chapter 44 in the auditor's report, specifically recommendations 351, 352, and 353 part A, we are in compliance with those. Those recommendations have been implemented.

With respect to the recommendation about eHealth communicating to their vendors their performance would be subject to review, implementation has been delayed — oh, sorry, development of a vendor report performance management system was expected to be completed in '12-13 with vendor performance evaluated and documented at the end of each fiscal year. This has been delayed as eHealth focuses on transformation. And obviously with a new CEO in place, Ms. Antosh is implementing this recommendation. We see it as an important one, and it will be implemented with respect to chapter 45.

The recommendation, part 355 around, "We recommended that the Ministry of Health's (eHealth Saskatchewan) strategic plan include ... [one] for the electronic health record system," eHealth strategic plan which includes a strategy for the electronic health record was approved by the board on November 16, 2012.

With respect to part 356, eHealth sets the budget expectation annually based on the funding available and is working formally to document these expectations. The operational plan to guide the development and implementation of the EHR [electronic health record] is currently being developed. And eHealth recommendation 356, eHealth is currently developing a dashboard to monitor progress towards the strategic plan.

And recommendation 357, eHealth strategic plan includes targets for each year to guide the development and implementation of the electronic health record. These targets are really important and allow eHealth to monitor progress and report on it.

With respect to chapter 6 in terms of auditor's recommendation 77, eHealth has implemented a process in '12-13 to ensure requests for changes to accounting records are reviewed and authorized on a timely basis. And with respect to part B of recommendation 77, eHealth's policies and procedures ensure appropriate safeguards are in place regarding computer recycling and refurbishing. So a policy has been implemented there as well.

And disaster recovery plan, we are in the process of developing a data centre that will provide redundancy to our existing data centre which is located at ISM [Information Systems Management Corporation], and planning and progress on that is under way.

The Chair: — Thank you, Mr. Hendricks. Are there any questions? Mr. Nilson.

Mr. Nilson: — I guess we'll follow the format here. The whole

issue of the eHealth system is obviously one that's been evolving slowly but surely over many years, if I can put it that way. And so I note in some of the information that's provided here, there was a percentage figure that the auditor had around how much of the overall plan was implemented. I'm just curious what the percentage figure would be as of March 1st, 2014 as opposed to the, I think it was the 2012 date that we had in here.

Ms. Antosh: — So as it relates to the basic EHR [electronic health record], which is what Canada Health Infoway usually refers to, we really have everything that's required in place except for the radiology imaging reports and images. And that is expected to go in in September of this year or sometime later this year. So at that point in this coming fiscal year, we expect that we will have all of the components that Canada Health Infoway has described as being part of the EHR.

Now we have also put in place some other components that were not there that our users, providers such as physicians and that have supported some of the ministry and overall health system objectives such as chronic disease management, there are elements of those as well in the EHR already. So we expect that the basic EHR will be completed within this upcoming fiscal year.

Mr. Nilson: — So that figure in the next auditor's report after September will be 100 per cent. Would that be correct?

Ms. Antosh: — Well, yes, after the September-ish.

Mr. Nilson: — Okay. No, I mean that's . . . I think people are always curious about, and I know that it's hard to always hit the numbers that you predict. I think, you know, the answer around progress, you've indicated that there's a dashboard being set up for this particular agency which I'm sure will help everybody because you'll see which parts are functioning well and which parts aren't. Are there provisions for this information to be public?

Ms. Antosh: — So right now we have focused on providing the information to health care providers. And we do have about 1,300 health care providers who are accessing that information through the integrated piece together. Additional health care providers access pieces of it.

We have just begun to have some conversations with citizens about what access they might want to their own information. So it is possible that right now, a citizen, if they wanted to see what was in their record, they could contact our office and we would go through it with them. But they don't have any way to directly access themselves. We're beginning to have those conversations. But of course it's always a balance of where does that fit with all of the other priorities.

Mr. Nilson: — Okay. No, I appreciate that answer because I mean you can see all of the reporting here, which I think the auditors are saying you're moving along on a number of the recommendations in a positive way and so . . . And even a disaster recovery plan, which is often some of the hardest things to do, is on the way.

But I appreciate that update and I think everybody is interested

to see what the, you know, the latest plans will be as it relates to their own personal health records, and I will look forward what happens here. I have no further questions.

The Chair: — You bet. Mr. Hart.

Mr. Hart: — Thank you, Madam Chair. Just to follow up on Mr. Nilson's questions, particularly with individuals' access to their own health records, you said you're just having those . . . Is that within your current mandate to go, to make that available to those citizens who wish to access online their own health records? And if the answer is yes, could you give us a bit of an idea . . . I realize it may be, you're projecting into the future, but a bit of a timeline as to when that may be available.

Ms. Antosh: — The timeline is difficult because it does depend what customers tell us or what citizens tell us they would like to access and how difficult then that is to provide. I believe it is within our mandate, and further I believe that that information actually belongs to the individual and so they have a right to access it. So I think this is the most appropriate way to set it up so that people can easily access the information wherever and whenever they are. But it will . . . We're just at the very, very beginning stages of talking to citizens about what is it they might want to access, what is it they might want to do with some of that information, and then that would lead us to what might our plan be and a road map.

So I'd say a year from now I'd be much better able to answer that question, but right at the moment we're just beginning to collect the information from citizens. We of course have ideas of what we think it might be, but our approach has been that we really want to have citizens tell us what they would like to access.

Mr. Hart: — Well I could perhaps give you a bit of indication of some of the feedback that I'm getting and my own personal view. Many people have an annual checkup and the doctor will order some tests and so on, and the standard answer is if everything's good we're not going to phone you. Well sometimes, on some very rare occasions, sometimes things fall through the cracks.

Or as an individual speaking personally, I would like to be able to go online and just have a look at where my cholesterol levels were and those kind of things. I mean I can sit here right now and check my bank accounts, and I would hope that we would in the not too distant future be able to say well gee, you know, I went for a checkup last month and what are my, you know, where's my cholesterol level at? I think, you know, that's what I'm hearing and that would be some of my own personal opinion.

I think, you know, in this day and age we need to move to that. I mean we've been at this . . . I've been in this legislature for quite some time and I remember when I first got here, it was this thing, SHIN, you know, and I wondered what it was and found out about it and, you know, we're some 14 years later and we're still not there. And so I appreciate all the work and all the progress that's being done and I would, you know, look forward to that day when those people who want to could access their information and know where they are at and so on. Thank you for that information.

The Chair: — Thank you, Mr. Hart. Mr. Moe.

Mr. Moe: — And just as a follow-up, I would also commend the ministry on the work they've done on eHealth unit. It's, you know, an important and an effective tool, I think, for not only our health care providers but also the individuals. And I think it's a system that I notice, but I think most Saskatchewan people notice it as well as opposed to the traditional system of health records and health record management.

But if there's no other questions I would be prepared to make a motion with regards . . . Oh sorry. I do have a question around recommendation no. 1. I did catch recommendation no. 2 on page 78, noted that that was implemented with regards to following its policies when disposing of information technology and communication equipment.

With regards to recommendation no. 1, that, "We recommend that eHealth Saskatchewan approve all requests for changes to accounting records (journal entries) before changing its accounting records." And I may have just missed this, but was that recommendation implemented? Sorry. That's in chapter 6 of the 2012 auditor's report.

[08:45]

Mr. Hendricks: — eHealth has implemented a process in '12-13 to ensure requests for changes to accounting records are reviewed and authorized on a timely basis.

Mr. Moe: — So I would be prepared to put both recommendations together from chapter 6 from the 2012 auditor's report volume 2, and I would make the motion that we concur with the recommendations and note compliance.

The Chair: — Mr. Moe has moved that for the 2012 report volume 2, chapter 6, recommendation 1 and 2, that this committee concur and note compliance. Is it agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. And if there are no further questions for chapter 44 and chapter 5, that will conclude our considerations. Just double-checking. No further questions? We're good? Okay.

Moving on to the next piece, which is the 2012 report volume 2, chapter 11 and the 2013 report volume 2, chapter 27. And I'll let Ms. Ferguson take over this next part.

Health Quality Council

Ms. Ferguson: — Thank you, Madam Chair. And I'm actually going to just continue moving down the table here and turn it over to Mr. Ahmad.

Mr. Ahmad: — Thank you, Ms. Ferguson. Chapter 11 begins on page 108 of 2012 report volume 2 and describes the result of our annual audit of Health Quality Council for the year ended March 31, 2012. We report that the council's 2012 financial statements were reliable and it complied with authorities governing its activities. The council had effective rules and procedures to safeguard public resources except for one new recommendation.

On page 109 our recommendation asked the council to pay only for goods and services that it requested and received. We made this recommendation because we noted that council paid invoices totalling 91,049 that were not properly approved. There was no evidence that the council requested and received the invoiced services. As noted in the chapter, the Ministry of Health asked the council to pay these invoices. It is important the council only pay for the goods and services that it received and it had ordered. In chapter 27 of our 2013 report volume 2, we report that by March 31, 2013, the council has implemented this recommendation. And that concludes my overview. Thank you.

The Chair: — Thank you, Mr. Ahmad. Mr. Hendricks.

Mr. Hendricks: — Very quickly, yes, this was an irregularity in terms of how this was paid, but with good intentions, I will say. Money had been forwarded to Health Quality Council for Releasing Time to Care, which was a lean-based initiative. Health Quality Council was asked to use some remaining funds to pay some bills related to lean activities. Value was received, but as the auditor notes, they weren't party to the contract. It was with the Ministry of Health. So they will now not pay anything that they're not direct party to.

The Chair: — Thank you, Mr. Hendricks. Are there any questions? Mr. Nilson.

Mr. Nilson: — Thank you, Madam Chair. The only question I have is that this is, obviously as you've indicated, an irregularity. Are there other bills related to lean that have been paid by different agencies within the Ministry of Health, or is this the only one where a bill was sent off to another area?

Mr. Hendricks: — So specifically related to our agreement with John Black, there is the overarching . . . John Black consultants, who is our primary lean vendor, there is the overarching provincial agreement. Regions have in some cases asked for additional work to be done by John Black where they have used internal funding to pay for that separately, but it hasn't been a redirection of funds like the auditor cites here. But we have made every effort to try to include all work that is done by John Black within the provincial contract because we realize having different regions, you know, taking on additional work, while there's no accounting issue or financial management issue with that, in terms of transparency and what we're spending on lean, we want to make sure that it's all in one place. And even if there is some that kind of is paid by regions, we will be gathering that up and reporting on it.

Mr. Nilson: — Okay. That was going to be my next question, that there will be a way of saying 39 million plus whatever the extra amounts are for Saskatoon Health Region contracting for a certain amount. When will we receive that information?

Mr. Hendricks: — You may ask about it for sure in the Committee of Human Services when the estimates of Health are considered. We're gathering that information, and we will be glad to discuss it at that point. Or obviously if you asked right now, we would be willing to provide whatever we have.

Mr. Nilson: — Okay. But there isn't a place where that's formally reported at this stage. So I guess maybe I'll just point

out maybe that the auditors will watch this carefully. And we will take the opportunity to ask the question in three or four weeks when we deal with the estimates, and hopefully by that time you'll have all the information gathered together. So thank you.

The Chair: — Are there any further questions? What are the committee's wishes with respect to 2012 report volume 2, chapter 11? Mr. Moe.

Mr. Moe: — I'll just make a quick comment with regards to the good intentions and I guess the reason behind this recommendation. I've seen some of the benefits of the Releasing Time to Care in some communities that I visit, and I've seen the benefits of that. And I would just restate that the value was received, and it was noticed by communities that I visited anyways.

So with regards to recommendation no. 1, chapter 11, 2012 auditor's report volume 2, I would move that this committee concur with the recommendation and note compliance.

The Chair: — Thank you, Mr. Moe. Mr. Moe has moved that for the 2012 report volume 2, chapter 11, recommendation 1, that this committee concur with the recommendation and note compliance. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. And if there are no further questions on chapter 27, that will conclude our consideration of that as well. And with that, I think that that concludes our work here today.

So thank you to the Health officials, Mr. Hendricks, and everyone else who is here today. Thank you so much for your time this morning. And thank you to the Provincial Comptroller's office and to the auditor's office. Thank you for your time. And to my fellow committee members, I would need a motion to adjourn.

Mr. Merriman: — I will make that motion.

The Chair: — Mr. Merriman. Okay. Thank you. We are now adjourned until March 26th at 8 a.m. Thank you.

[The committee adjourned at 08:52.]