



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

Ms. Danielle Chartier, Chair
Saskatoon Riversdale

Mr. Larry Doke, Deputy Chair
Cut Knife-Turtleford

Mr. Glen Hart
Last Mountain-Touchwood

Mr. Russ Marchuk
Regina Douglas Park

Mr. Warren Michelson
Moose Jaw North

Mr. Randy Weekes
Biggar

Mr. Trent Wotherspoon
Regina Rosemont

[The committee met at 09:01.]

The Chair: — Good morning everyone. Happy New Year first of all. I haven't seen many of you yet this year, so Happy New Year and welcome to the last two days of PAC [Public Accounts Committee] meetings for this legislative sitting. I just actually would like to say, as the Chair of PAC, that I know we'll have two great days of meetings, but it's been, as the most non-partisan of all committees, it's been a real pleasure and privilege to work with you as the Chair this last little while. I look forward to two days of meetings.

So I'd like to start by introducing our members today. We have Mr. Doke here today. We have Mr. Hart. We have Mr. Michelson. We have Mr. Marchuk. And we have Mr. Makowsky today sitting in for Mr. Weekes, and Mr. Wotherspoon. So welcome everybody. We have our Provincial Auditor here today, Ms. Judy Ferguson, and we've got folks from the Provincial Comptroller's office. We have Terry Paton, the Provincial Comptroller, and Chris Bayda, the executive director of the financial management branch. Welcome. It's always good to have you here.

We have to table three documents today. They are PAC 59/27, Heartland Regional Health Authority, its follow-up to questions raised at the September 17th, 2015 meeting regarding medication management in long-term care facilities, dated December 31st, 2015. We'll table PAC 60/27, Prince Albert Parkland Regional Health Authority, follow-up to questions raised at the September 17th, 2015 meeting regarding providing timely and appropriate home care services, dated December 31st, 2015. And we need to table PAC 61/27, Ministry of Education report on public losses from September 1st, 2014 to November 30th, 2015, dated December 31st, 2015.

I need to advise the committee that, pursuant to rule 142(2), the following reports were deemed referred to this committee: the 2015 *Report of the Provincial Auditor* volume 2, December 8th, 2015, and the Provincial Auditor of Saskatchewan *Business and Financial Plan for the Year Ended March 31, 2017*.

As well, we have a small change to today's agenda. The Ministry of Education has asked that the second item — chapter 9 of the 2015 Provincial Auditor report volume 1 — be considered as the last Education chapter. Are all members in agreement with this? Is that okay?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you. I'd like to announce . . . Well I should introduce myself actually. I am Danielle Chartier and I'm the Chair of PAC. And I actually wanted to make one more comment. Again, thank you to my colleagues for the time that we've worked together, but I think it's important to thank the committees branch, who in fact keeps this committee rolling very smoothly. So a big thank you to Kathy Burianyak and all the folks in the committees branch. So thank you for all your work.

So getting on to our agenda today, I will pass it off to the Provincial Auditor to introduce the first item and make her presentation on the chapter being discussed.

Ms. Ferguson: — Thank you very much, Madam Chair. First off I'm going to introduce the officials I have with me today. And I've got a bit of a crew because we have a half a dozen chapters that we're covering this morning.

To my immediate left is Mr. Kelly Deis. Kelly is the deputy in charge of the Education division. And I'm just going to start at the end there. It's Mr. Jason Wandy, Ms. Linda Klassen, Ms. Charlene Drotar, and Ms. Kim Lowe. The first three were all involved in some of the chapters that are presented here this morning, and Kim is the committee liaison.

We're going to present each chapter separately. Each of the chapters do contain new recommendations for the committee's consideration, so we'll be pausing after each one. Before I do so, I'd like to just take a moment to thank the ministry and her staff and also the staff and boards and management of the various school divisions that will be discussed this morning here too. So without further ado I'm going to turn it over to Mr. Deis.

Education

Mr. Deis: — Thank you, Ms. Ferguson. Chapter 4 in our 2015 report volume 1 reports the results of our annual integrated audits of Saskatchewan's 28 school divisions for the year ended August 31st, 2014. As noted in the chapter, our office works with school division-appointed auditors to carry out these audits.

In this chapter we report that school divisions for the year ended August 31st, 2014 had reliable financial statements, complied with authorities governing their financial activities, and had effective rules and procedures to safeguard public resources, except for matters related to nine school divisions. I plan to focus my comments on the 11 new recommendations related to five school divisions contained in the chapter.

First, on pages 25 and 26, we make three recommendations to Light of Christ Roman Catholic Separate School Division. In our recommendation on page 25, we recommend that Light of Christ Roman Catholic Separate School Division periodically verify the existence of its physical assets. The absence of this process increases the risk that some of its physical assets, with a book value of \$379,000, may be misappropriated or disposed of without authorization and proper adjustment to the accounting records.

On page 26 we recommend that Light of Christ document procedures for collecting and disbursing school-generated funds. Without documenting procedures to collect, disburse, and record school-generated funds of over \$876,000, there is increased risk that money may be misappropriated, inappropriate expenses may be incurred, and revenues in the financial statements may not be complete.

On page 26 we recommend that Light of Christ Roman Catholic Separate School Division prepare regular performance evaluations for management. Regular performance evaluations help monitor that employees perform their duties as expected.

Second, on pages 27 and 28, we make two recommendations to

Northern Lights School Division. On page 27, we recommend that Northern Lights complete the necessary assessments to estimate the costs to remediate contaminated sites it owns. Canadian public sector accounting standards require entities to record liabilities for expected costs to clean up contaminated sites that they own on or before the 2015 fiscal year. The government expected school divisions to adopt this accounting standard for their 2014 financial statements. Northern Lights did not do this, in that by August 2014 it had not obtained the necessary information to estimate the cost to clean up its fuel-contaminated sites.

On page 28 we recommend that Northern Lights establish information technology security policies. Without adequate IT [information technology] security policies, including requirements to control and change passwords, Northern Lights' systems and data are at increased risk of unauthorized access, inappropriate changes, and information not being available when needed.

Third, on pages 28 and 29, we made two recommendations to Prairie Spirit School Division. On page 28 we recommend that Prairie Spirit independently review and approve all purchase card transactions. Testing of purchases indicated that senior management, for example superintendents and school principals, had authority to approve their own purchase card transactions. This means that there is no independent review and approval of their monthly purchases. Lack of independent review increases the risk of inappropriate purchases being made or misappropriation of assets.

On page 29 we recommend that Prairie Spirit formally document and implement a policy for recording journal entries in its accounting records including independent review and approval. The school division did not have a policy on preparing, posting, and reviewing journal entries that includes independent review and approval. Also journal entry testing identified some instances where journal entries were not independently reviewed and approved. Lack of a policy and independent review and approval of journal entries increases the risk of unauthorized entries being made to the accounting records, which could result in inaccurate financial information being used by decision makers.

Fourth, on pages 30 and 31, we make two recommendations to Regina School Division. On page 30 we recommend that Regina School Division establish financial reporting controls to ensure those responsible for the preparation of financial statements obtain sufficient information to estimate the cost to remediate contaminated sites it owns. This is similar to the recommendation on page 27 that we made to Northern Lights.

The audit found that Regina School Division officials responsible for recording were not aware of the school division's contaminated sites when preparing the school division's 2014 financial statements, and as such did not include an estimate of the cost to clean up these sites in those statements.

On page 31 we recommend that Regina School Division independently review and approve bank reconciliations. Regular reconciliations and review and approval of such reconciliations by someone other than the preparer provides a

check that charges to the bank accounts are proper and all money has been received and deposited into the right accounts.

Fifth and final, on page 31 we made two recommendations to Sun West School Division. We recommend that Sun West School Division appropriately restrict access to its chart of accounts in its accounting software. Not appropriately restricting access to the chart of accounts, that is the listing of the accounts in the accounting system, increases the risk that accounts could be altered, which in turn may affect integrity of the school division's financial records and financial statements that decision makers use.

We recommend that Sun West School Division follow its existing information technology policies. While Sun West had established a monthly schedule for installing security patches during 2013-14, it did not install all patches as expected. Security patches help keep systems secure and minimize the risk of security breaches occurring.

Madam Chair, that concludes our presentation.

The Chair: — Thank you, Mr. Deis. I would like to now welcome the officials from Education here today. We have Deputy Minister Julie MacRae. Welcome, and welcome to your officials. I'll open the floor here for you to make some comments. And just to let the officials know, if it's your first time speaking, if you just want to identify yourself. I know you've all been here before. And welcome to the folks from the school divisions as well this morning. So I'll pass it off to you for some comments, Ms. MacRae.

Ms. MacRae: — Good morning everyone. It's our pleasure to be here today to speak to the progress of the Ministry of Education and our school divisions, and to speak to the progress that we are making on the recommendations provided by the Office of the Provincial Auditor. I'd like to thank our school division officials for being here today to answer questions on the progress they've made on the recommendations.

With me today to help answer your questions are Donna Johnson, assistant deputy minister; Clint Repski, to my left, also assistant deputy minister; Lynn Allan is acting assistant deputy minister; Dawn Court, executive director, corporate services; Angela Chobanik, executive director, education funding; Heather Balfour, director, planning and reporting.

From the Northern Lights School Division, we have Tom Harrington, chief financial officer. From Prairie South, we have Bernie Girardin, chief financial officer; and Tony Baldwin, director of education. From Regina Public School Division, Greg Enion, director of education; and Debra Burnett, chief financial officer. From Saskatoon Public School Division, in attendance is Garry Benning, chief financial officer, and from South East Cornerstone School Division, we have Lynn Little, director of education.

I'd like to acknowledge that we welcome the auditor's report, and we appreciate the effort and the detail that the OPA [Office of the Provincial Auditor] puts into their audits. Our ministry and our school divisions take the recommendations seriously, and we are pleased to say that progress has been made in addressing many of the recommendations that have been made.

We've already spoken a little bit about chapter 4. I'm going to highlight . . . I'm going to make a couple of comments about chapter 9, but I recognize that we'll get to that later in the agenda.

Within volume 1, chapter 9 in 2015, the Provincial Auditor made two recommendations with respect to the education sector strategic plan. The first is that the ministry needs to review school division action plans to support achievement of the outcomes identified within the ESSP [education sector strategic plan]. We've been working very hard on this recommendation and it has been . . .

The Chair: — Ms. MacRae? Sorry to interrupt. I should have stopped you a moment ago. But I think it might be better if we talk about chapter 9 at the end of the . . .

Ms. MacRae: — Okay.

The Chair: — Yes. Just because there's lots between and it's good for it to be fresh in our minds.

Ms. MacRae: — Okay.

The Chair: — So we'll maybe just stick with chapter 4 at this moment.

Ms. MacRae: — Well then I think that probably concludes my remarks at this point. Thanks.

The Chair: — Okay. I'd like to open up the floor for questions. Mr. Wotherspoon.

[09:15]

Mr. Wotherspoon: — Well thanks so much, Madam Chair. And to our deputy minister and officials and folks from school divisions across the province, welcome to the committee and thanks for all your ongoing work. I appreciate as well the action plan that was provided that lays out some of the actions taken by respective school divisions. That's really helpful for us in engaging in this discussion.

I guess I would ask just for clarifications on recommendations that haven't yet been implemented by school divisions. So if we could just have a comment, you know, of either the school division or the deputy minister to speak to which recommendations haven't been implemented, and then just specifically what actions will be taken and what timeline is in place to ensure implementation.

Mr. Repski: — Thanks for the question. Again just to reiterate Deputy Minister MacRae's comments, the comments that have been made by the OPA are always appreciated and responded to.

In this particular case on this chapter, our report on '15 volume 1, everything has been fully implemented to date. There's no items under dispute. Everything has been fully implemented to date.

The Chair: — Mr. Wotherspoon.

Mr. Wotherspoon: — That was what I was gleaning out of the action plans. And just, good work to everybody that's been engaged in making that happen, and certainly thanks to the auditor as well.

The Chair: — Are there any further questions on chapter 4? Mr. Michelson.

Mr. Michelson: — Yes. In regards to recommendation 2 when it talks about the documentation, the document proceeds from collecting and disbursing school-generated funds, could you define school-generated funds?

Mr. Repski: — Sure. So for Light of Christ and within the province, a school-generated fund are those pools of funds that are generated at the school level. So if you're collecting fees for SRC [student representative council] or a field trip or the school wants to do a specific program at the school level, monies are brought in from the students typically or fundraising initiatives, and they need to be accounted for within the overall division. It's those small, local items.

Mr. Michelson: — Thank you.

The Chair: — Mr. Wotherspoon.

Mr. Wotherspoon: — Just on that point, so that's information that's recorded by the ministries or by the school divisions.

As a ministry, do you then . . . are you also privy to those numbers in a more global sense as to . . . Of course there's school division-generated funds which might be fees around registration or certain classes. What about the actual school fees themselves? Do you have an understanding of, you know, what's going on across Saskatchewan or some global numbers?

Mr. Repski: — We're privy to the information as is reported by the school divisions. So within the chart of accounts, every school division has their school-generated funds set up through that account. So when we collect that information through the financial statements, that's where we would have access to that information. And at that point in time we wouldn't be looking at individual schools; we'd be looking at the global roll-up from a division perspective.

In terms of the second part of your question, we haven't done a full analysis to see how much is being brought in. We could certainly get that information, but we've never . . . we haven't made a conscious decision to start analyzing that data at the school level.

Mr. Wotherspoon: — Now would it be possible to just have, and no great analysis to it, just, you know, the total numbers of both school-generated funds, to be shared back with committee members — of course not at this moment, but in due course — as well as school division revenue-generated funds as well? And on those ones, if there's able to be some definition to . . . You know, in a broad sense. It doesn't have to be down to very specific projects, but in a broad sense what those funds are, you know, funding.

Mr. Repski: — We can certainly undertake that to bring back to committee. When we look at what we provide on the revenue

side of things, we'd be looking at the overall revenue from school divisions. The vast, vast majority is between grants from the provincial government as well as education and property tax. The other pieces would be your tuition collection would be your next highest, and then there would be a smaller amount for those school-generated funds. But we can attempt to put something together for committee.

Mr. Wotherspoon: — Thank you very much. On the school-generated side, it would be interesting to get a bit of a scan of what the school . . . you know, what we're collecting from a school fee-type environment across the province or a class- or course-type fee environment. And then on the school-generated side, just what that total is. And I believe that would probably reflect the field trips and fundraising of school community councils and stuff like that.

Mr. Repski: — Yes.

The Chair: — Thank you, Mr. Repski. Are there any further questions on chapter 4? Seeing none, could I have a motion from the committee?

Mr. Doke: — Madam Chair, in regards to the 2015 Provincial Auditor report volume 1, chapter 4, recommendations 1 through 11, we would concur with the recommendations and note compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that for the 2015 Provincial Auditor report volume 1, chapter 4 for recommendations 1 through 11, that this committee concur with the recommendations and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you for that. And we shall now move on to our next chapter. I shall pass it off to Mr. Deis again.

Saskatchewan Rivers School Division No. 119

Mr. Deis: — Thank you. Chapter 37 of our 2014 report volume 2, and this is on pages 271 to 286, reports the results of our audit of the effectiveness of the Saskatchewan Rivers School Division No. 119 processes to maintain its facilities. For the purpose of this audit, maintenance is defined as a process of keeping existing facilities in good condition to meet service objectives and does not include caretaking services. Facilities include all buildings, such as school buildings, bus depots, storage facilities, and their significant components such as heating and air conditioning units that are owned by Sask Rivers School Division.

We concluded that for the 12-month period ended August 31st, 2014, Saskatchewan Rivers School Division No. 119 had, other than the areas noted, effective processes to maintain its facilities. We made five recommendations. I'll describe each of the recommendations and why we made it.

In our first recommendation, on page 278, we recommend Saskatchewan Rivers establish written processes for gathering and recording reliable information about facilities and

components.

Each year Saskatchewan Rivers spends about 13 million in operating and maintaining its 31 schools located in 16 communities, and in other service buildings and equipment. Saskatchewan Rivers did not have written policies for gathering and recording reliable information about its facilities. Saskatchewan Rivers did not have documented procedures over when to inspect significant components of facilities, when key data must be entered into its maintenance IT systems, such as condition of components, estimated remaining service life, maintenance needs, inspection results, and completed maintenance. As a result, maintenance staff did not document the estimated remaining service life or conditions rating that the study determined for each facility or component, or the informal assessment of the risk to facilities or components by deferred maintenance.

Also, we noted that at times maintenance management disagreed with the maintenance requirements that experts that the division had hired had identified, such as replacing boilers. Staff did not document the reasons for disagreeing and did not follow the advice of those experts.

Regular maintenance ensures facilities are safe and appropriate for educational programs. The lack of documented processes for keeping current and reliable information about facilities and components increases the risk that maintenance may not be appropriately scheduled or completed and may cause incorrect decisions about what maintenance to do and when. Also having key processes documented enables knowledge transfer in the event of staff turnover and clearly sets out expectations of staff. Documented processes can also facilitate keeping those responsible accountable for their actions.

On page 279 we recommend Sask Rivers establish written processes for determining its facility maintenance priorities and developing a maintenance plan. Each year Saskatchewan Rivers conducts over 4,500 preventative maintenance tasks and services. We found Sask Rivers' maintenance plan and processes were informal and not well documented. Maintenance staff informally determined the priority of maintenance projects and activities set out in its maintenance system and several documents.

These documents include a five-year capital plan, a three-year preventative maintenance and renewal plan, and an annual operating budget. Sask Rivers did not identify or track its total deferred maintenance as part of its prioritization process. Not having complete information on deferred maintenance increases the risk of incorrectly prioritizing maintenance, which may result in not doing the right maintenance at the right time.

Not incurring costs on maintenance today can result in incurring large costs in the future. Documented maintenance planning processes would help Sask Rivers set out how it expects staff to define its maintenance objectives and strategies, assess risk of the impact of deferred maintenance, and set priorities. Documented processes would help ensure consistency of prioritization and planning of maintenance activities, particularly in the event of staff turnover.

On page 280, in our third recommendation, we recommend that

Sask Rivers set performance measures and targets for monitoring effectiveness of its strategies to maintain its facilities. We found, while Sask Rivers had identified some measurable actions such as managing activities within an approved budget, they did not include calculating, monitoring, or analyzing the facility condition index for each of its facilities, total deferred maintenance, or the expected consequences of deferred maintenance. Such information would help management and the board evaluate the most effective and efficient use of limited resources and be used to support resource requests. User performance measures and targets would help the division assess whether its maintenance strategies are effective.

On page 281 we recommend that Sask Rivers establish written processes for monitoring the timely completion of maintenance of its facilities. We found the division did not have processes to monitor whether maintenance was completed when and as expected. We found that staff did not always enter maintenance completed into its maintenance system.

Lack of processes to track maintenance, whether maintenance is completed properly and as scheduled, may cause maintenance to be deferred without adequate justification or authorization. Also not keeping track of completed maintenance can result in an ineffective use of resources, such as conducting inspections more often than required or unnecessary travel.

Finally, on page 282 we recommend that Saskatchewan Rivers require periodic reports analyzing the results of its maintenance processes. While their board received some information, the information did not include all types of maintenance and is not sufficient to assess if the right maintenance was completed at the right time.

Without sufficient analysis and reporting about maintenance results, management, the board, the Ministry of Education, and the public cannot assess if maintenance of facilities and components is sufficient and effective. Management and the board also need this information to adjust for future maintenance plans. That concludes the recommendation.

The Chair: — Thank you, Mr. Deis. Ms. MacRae, if you'd like to make some remarks about this chapter.

Mr. Repski: — Again thank you for the comments on this chapter. I'll just give a couple remarks on behalf of Sask Rivers School Division who is not able to be with us today. Again the comments are well founded, and what the school division has done in response is — again, nothing is disputed; everything has been fully implemented on this particular chapter — in response to those recommendations, the school division has certainly taken it to heart to develop administrative policies to provide the appropriate oversight to the items that the Provincial Auditor has just indicated. Those would be things around facility inspection and maintenance.

To give you a bit of flavour, what the school division has done in terms of a response is documenting those administrative procedures: making sure that maintenance is being recorded and tracked through their system, and that has been implemented; clearly defining roles and responsibilities around superintendent of facilities, responsibility of principals; as well as having a

process to have an annual review of each facility.

Given that this is a relatively new recommendation, they've gone through a quick round of doing this. But it has culminated in a report around an accountability report for their schools which is going to allow them to prioritize their maintenance and their facility spending over the next few years. But I'm happy to report that everything has been fully implemented to date.

[09:30]

The Chair: — Thank you, Mr. Repski. I'd like to open up the floor for questions. Mr. Wotherspoon.

Mr. Wotherspoon: — Certainly. Thanks to the auditor for their work, and thanks to Sask Rivers School Division for their work to implement these recommendations and their new processes and systems that are in place there. Certainly this is an important area. The recommendations are important.

From a ministry's perspective, have you done a bit of a review with all the other school divisions to see that, I guess, the recommendations that are laid out are being taken care of across Saskatchewan?

Mr. Repski: — On this particular one, it was specific to the school division.

Yes, in terms of preparing for this committee and assuring ourselves that the school divisions are taking the recommendations seriously, we have had conversations with the school division to see how they did respond to that. Do they have the appropriate procedures in place to have the effective management? Can they prepare a capital facilities plan, a long-term plan for this? And they absolutely have. So we have been in conversation with the school division, and we're satisfied that they are paying attention to this.

The Chair: — Are there . . . Mr. Michelson.

Mr. Michelson: — Just to follow up, that would be my thoughts too. It's asking for the gathering and recording of reliable information about facilities and components, but that's again specific to one school division. Is there not a policy within the ministry that this is what they should be following rather than each individual school division creating their own processes in that regard?

Ms. Johnson: — I'll speak to that. Donna Johnson. Each of the school divisions are expected by the ministry to have long-term capital plans and three- to four-year preventative maintenance and renewal plans. They all use the same software system that the ministry works with the provider on, so Ameresco is our provider for our asset management system. All of the school divisions use that.

In terms of specific school division-level policies and the documentation that the auditor is looking for here, certainly there's general guidance that the ministry provides. But each of the school divisions do need to customize that and specify that to their own organizations, because it does require them to identify particular positions or individuals who are responsible for different aspects of the development of the asset

management plan and the long-term capital plan and so on.

So there is some guidance provided by the ministry, but we don't get into the details of documenting the records that each of the school divisions are expected to have.

Mr. Michelson: — So would, in your estimation, would the Saskatchewan Rivers School Division have not been following the plan so to speak, and not just been paying attention to what the need was?

Ms. Johnson: — I couldn't really answer that one. I'd need to have a chat with the folks at Sask Rivers to find out if this was just a shortcoming on the documentation front or what the case may be.

You know, just to put this into context though, oftentimes school divisions have the proper practices and procedures in place, but their documentation of those practices is lacking. And obviously when the auditor goes to do their work, if there's no documentation of what they do or what they intend to do, then there's no verifiable evidence I guess that they are in fact operating with the expected processes or procedures. So the focus on documentation is very, very important and it's something that we will follow up with the school divisions on.

Mr. Michelson: — I guess the bottom line, that it has been implemented and looked after so that's . . . Thank you for that.

Ms. Johnson: — Yes.

The Chair: — Ms. Ferguson.

Ms. Ferguson: — I just wanted to add or clarify, you know, it's not the case that the school division wasn't preparing the materials, like the three different plans that Donna referred to. They're actually referred to on page 278 and 279. So it's the processes that it has to get to prepare those plans, those underlying processes, you know. And you want to make sure you have really solid processes so the information that is in your plans are solid, right? And so they were unable to show us what some of those processes were.

You know, in a lot of cases, as Donna has indicated, they were informal as opposed to, you know, writing stuff down, like writing your underlying decisions, your underlying assumptions as to how do you get there and really laying out who's responsible for what. And there will be variance between school divisions, because they're not all organized in the same manner in terms of the staffing and they don't all have the same underlying systems, too. So there'll be a bit of variation from division to division.

Mr. Michelson: — Thank you for that clarification. I guess the way that I was interpreting the recommendation, it was to establish written processes. But what you're telling me, the processes were there; they just weren't being documented in an appropriate manner.

Ms. Ferguson: — A lot of the processes I think, you know, were there. And in terms of an informal basis there definitely was a few . . . some gaps, you know, but there is . . . I think informally they're there, because obviously they do have the

documents so that they had to come up from someplace, right? It's to be able to just show that trail. And it's not something that they need for the auditors. It's something that they need themselves to manage, you know, at the senior management level and even at the board level, you know. The board should be asking for that type of information.

Mr. Michelson: — Thank you for that explanation.

The Chair: — Are there any further questions on this chapter? Seeing none, could I have a motion for this chapter? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2014 Provincial Auditor report volume 2, chapter 37, recommendations 1 through 5, we would concur with the recommendations and note compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that for the 2014 Provincial Auditor report volume 2, chapter 37, for recommendations 1 through 5, that this committee concur with those recommendations and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you for that. Now we shall move on to the next chapter which I shall pass off to Mr. Deis.

Saskatoon School Division No. 13

Mr. Deis: — Thank you. Saskatoon School Division No. 13 spends almost \$40,000 each year on goods and services. Throughout the presentation, I'll refer to the school division as Saskatoon Public.

Chapter 38 of our 2014 report, on pages 287 to 301, reports the results of our audit of the effectiveness of Saskatoon Public's processes for the procurement of goods and services for the 12-month period ended August 31st, 2014. This audit did not include the procurement of capital infrastructure.

We concluded that for the 12-month period ended August 31, 2014, Saskatoon Public had, other than for the following areas, effective processes for the procurement of goods and services. We made 11 recommendations, and I will now outline each recommendation and explain why we made it.

On page 291, we recommend that the board of education of Saskatoon school division approve a written delegation of authorities policy that sets out the authority for all positions involved in the procurement of goods and services.

We found while Saskatoon Public's purchasing policy specifically sets out purchasing authorities for the chief financial officer and the manager of purchasing services, the policy is silent with respect to other members of management and staff — for example, superintendents, managers, and principals who also make purchases on behalf of the school division. Lack of complete and written delegation of authorities policy increases the risk of making inappropriate purchasing decisions without sufficient authority.

On page 292, we recommend that the board of education of

Saskatoon school division approve the division's key policies, including those related to the procurement of goods and services. We found that the board of education had given management the authority to approve policies including key organizational policies like procurement policies. Inappropriately designed and approved procurement policies can present significant financial, legal, and reputational risks to the school division. Board review and approval of all such policies show they understand and accept the related risks.

On page 292, we recommend that the Saskatoon school division update its purchasing policies to align with significant externally imposed requirements. We found that Saskatoon Public's purchasing policy did not incorporate a key, externally imposed requirement, the New West Partnership Trade Agreement. If purchasing policies do not address all externally imposed requirements, there is increased risk of non-compliance with those requirements.

On page 293, we recommend that the board of education of Saskatoon school division implement policies and procedures to identify and address non-compliance with purchasing policies, including reporting requirements. We found that while Saskatoon Public had informal processes to identify and address non-compliance with procurement policies, it had not documented them. Documentation would provide management and staff with guidance regarding the expected steps to address non-compliance such as informing appropriate individuals, stopping or reducing non-compliant activity, taking necessary disciplinary action, and preventing future non-compliance.

On page 296, we recommend that Saskatchewan school division establish guidance for tendering times for receiving bids from potential suppliers. We found that while Saskatoon Public generally allowed a two-week period for suppliers to respond to tenders, it had not documented a standard tendering time. Documentation of a standard tendering time, along with a process to address exceptions to the standard, would help ensure consistent treatment to all suppliers. On page 297, we recommend that Saskatoon school division document its analysis and decisions for the awarding of all tenders and retain this documentation in accordance with its documentation retention policies.

In our tests of tenders, we found three instances where Saskatoon Public did not keep its evaluation of the tenders against the evaluation criteria. As such, in these instances, we are unable to verify the use of the evaluation criteria and the appropriate selection of suppliers. Documenting the evaluation of potential suppliers against established tender criteria provides support for the awarding of the tenders to the selected suppliers.

On page 298, we recommend that the Saskatoon school division require appropriate written approval to obtain the selection of suppliers before communicating purchasing decisions with those suppliers. In our tests of 21 purchases, we found three instances where purchasing services prior to the awarding of the contract did not confirm with the head of the requesting department that the goods or services from the successful supplier would meet their needs.

We found two instances where Saskatoon Public did not keep documentation of its approval of the supplier's selection. We

found four instances where Saskatoon Public did not keep communication of tender decisions to the suppliers. Without such documentation, we could not determine whether Saskatoon Public approved the selection of the suppliers before communicating with the suppliers. If documentation of key decisions in the vendor selection process is not kept, Saskatoon Public cannot show it follows its processes and selected the appropriate supplier. Not following these processes may result in reputational risk and vendor complaints.

On page 298, we recommend that Saskatoon school division establish minimum contract documentation requirements for the procurement of goods and services. We found that Saskatoon Public assesses the need for a contract on a case-by-case basis. If the contract is deemed necessary, it requires the contract to be subject to review by its legal counsel. We found one instance where a contract was completed without being reviewed by legal counsel. In our tests of purchases, we found four instances where there is no purchase order or contract.

Organizations use purchase orders or contracts to clearly outline obligations of the parties involved. Establishing standard contract documentation requirements addressing areas such as termination, privacy, confidentiality, and severability would add certainty and protection for the school division.

On page 299 we recommend that Saskatoon school division follow its established procedures for assessing validity, for example existence and ownership of suppliers. We found that Saskatoon Public did not consistently follow its procedures for approving new vendors, that is, suppliers. For the 10 vendors we tested, we found five instances where a supplier application form was not completed and seven instances where a supplier due diligence checklist was not completed. Not following vendor approval processes increases the risk that inappropriate suppliers may be authorized and created within the financial system. This increases the possibility of fraudulent payments.

On page 299 we recommend that Saskatoon school division periodically assess the appropriateness of user access to make changes to the suppliers within the financial system, for example to create the supplier or to edit the supplier information.

In a review of the supplier access report, we found 16 users who worked outside of purchasing services who had the ability to change supplier information within the financial system. Assigned user access should always keep separate incompatible functions, that is, separate the ability to create a supplier from the approval and the recording of payments. Giving staff with financial responsibilities the ability to change supplier information in the financial system increases the risk of errors and fraudulent payment.

[09:45]

Finally, on page 300 we recommend that Saskatoon school division establish processes to appropriately document receipts of goods and services. In our tests of invoices, we found three instances where the same individual received and approved the purchase, and we found a large contract where school division staff did not document the receipt of goods related to the purchase of office supplies. Confirming and documenting

receipt of goods by someone independent from the initiation and approval of the purchases mitigates the risk of the school division paying for goods it does not need or has not received.

That concludes our presentation.

The Chair: — Thank you, Mr. Deis. Ms. MacRae, if you want to help us understand which of the 11 recommendations, where they're at, that would be great.

Ms. MacRae: — Of the 11 recommendations made by the auditor and reviewed by Mr. Deis, eight of them have been fully implemented and a further three have been partially implemented. And I'd like to invite Garry Benning from Saskatoon Public to come forward to assist with answering your questions.

Mr. Benning: — Good morning, everyone.

The Chair: — Welcome, Mr. Benning. Would you like to make some comments about the recommendations that have not yet been implemented and why that . . . where you're at with those, or that they've only been partially implemented?

Mr. Benning: — Partially implemented. We have processes within Saskatoon Public Schools, so a couple of these relate to change in admin procedures or creating a new admin procedure. So there's process time that it takes to do that, and we're doing some research on best practices. And we also had our purchasing manager retire after 29 years, so there was a transition period in there for that.

And then the final one on there, it talks about “. . . establish processes to appropriately document receipt of goods and services.” We're implementing in Saskatoon Public Schools enterprise risk management. And so as we're looking into that, we're looking at what the risks are, kind of a value-for-money kind of thing. So how much time and effort do you put in for low-exposure risks as opposed to medium- to high-exposure risks?

So those are the three that are still being worked on. And I'd like to say it was good to work with the Provincial Auditor, with Linda and Jason. They're very professional and did a good job, and we appreciate the recommendations.

The Chair: — Thank you, Mr. Benning. I'd like to open up the floor for questions. Mr. Wotherspoon.

Mr. Wotherspoon: — Just thanks again to the auditor and certainly thanks to the school division for the work and the actions to ensure implementation and ensure sound systems that reduce risk and, you know, have good controls in place. I know certainly that would be the aim of the division and certainly of expectation of the public.

As you were reviewing the recommendations and some of the systems and strengthening process to reduce risk, did you find any activities that were of an illegal nature for which you had to follow up with respective authorities?

Mr. Benning: — No, nothing of illegal nature.

Mr. Wotherspoon: — So thanks again. I mean having good systems in place that have checks and balances and some of the independence that the auditor highlighted just provides a system of high integrity, and I know that would be the aim of the division as well.

Just on the outstanding recommendations, could you just be clear on what your timelines are for implementation of each of the three outstanding.

Mr. Benning: — August 2016 for the approval of “. . . written delegation of authority policy that sets out the authority for all positions involved in the procurement of goods and services.” So that will be August. The other one, to “. . . implement policies and procedures to identify and address non-compliance with purchasing policies, including reporting requirements,” is also August 2016. And the “. . . establish processes to appropriately document receipt of goods and services,” that's June of 2016. So all within the current fiscal year.

And I might want to add just for clarification, I think when Kelly mentioned we purchased, I think he said 40,000, I think that was, for the year I think we're 40 million. Yes. Just so it's clear in the record.

Mr. Wotherspoon: — I knew times were tough in education, but . . . Thanks so much for your work.

Mr. Benning: — Okay. Thank you.

The Chair: — Mr. Marchuk.

Mr. Marchuk: — Thank you, Mr. Benning, for the information and your hard work. I'm just wondering, on the last point, how much does it cost the school division to conduct that kind of risk analysis, and how long does it take, and how much, you know, how many man-hours? Like there's a cost associated with . . .

Mr. Benning: — There is a cost associated with enterprise risk management. We're just in the process. I don't know how many hours it's going to entail. We retained the services of KPMG, so the cost for that was \$25,000. And then you go through and you rank all the risks that are viewed within the organization. So we do that both with the trustees and we also did that with senior admin. So now we're in the process of kind of tabulating the risks and then look at strategies to try to mitigate the risks for these organizations.

Mr. Marchuk: — Now that process isn't just for low . . .

Mr. Benning: — No.

Mr. Marchuk: — For low money amounts. It's right across the spectrum of the budget, right?

Mr. Benning: — Right across the spectrum, yes.

Mr. Marchuk: — Okay. Thanks.

The Chair: — Are there any further . . . Mr. Hart.

Mr. Hart: — Yes, thank you, Madam Chair. I think my

question would be for the auditor. On page 298, section 4.4.3, under process of contractual agreements needed, the second-last paragraph there, the last sentence, you said, “We also found one instance where a contract was completed but had not been subject to review by legal counsel.” Can you give us an indication of . . . I’m not sure whether you would have the documentation on that particular instance, but my question would be, what was the value of that contract? You know, what are we talking about in terms of dollars? Because what caught my attention, you know, a contract being subject to review by legal counsel, you know. I’m guessing that it wouldn’t be a requirement to have all contracts reviewed. There must be sort of a dollar threshold and so on. Could you just speak to that whole area?

Ms. Ferguson: — It sounds like we don’t have that with us, but we can certainly come back to the committee and provide that to the committee if they so wish.

Mr. Hart: — But maybe just in general, is there . . . I mean, you know, contracts for a small amount, you know, it seems to me wouldn’t be, you wouldn’t require the school divisions to have those contracts reviewed by legal counsel. There must be a threshold. Would there be? I’m not sure. Perhaps maybe school division people could give us some insight on that.

Ms. Ferguson: — Sorry. They’re pointing out here. So if you go into that same section on 4.4.3, I guess their process is is that once they make a determination to use a contract, to go the contract avenue as opposed to purchase order avenue, their process is that they’re supposed to take it to legal. So they themselves have made that determination in this case, that it is the nature of the purchases, the type that requires a contract. So in this case, it should have gone to legal just following their own process. So that’s what we’re reporting in this case, is non-compliance with their established process.

Mr. Hart: — Okay. So it’s the school division themselves that would have established that?

Ms. Ferguson: — Yes.

Mr. Hart: — So perhaps Mr. Benning could speak to give the committee some sort of indication as to, you know, what value of purchases do you go to contracts versus purchase orders or whatever.

Mr. Benning: — Usually if it’s small tenders, we have a template contract that was vetted through our legal counsel. And if it gets into magnitudes of larger dollar amounts, half a million or higher or so, then we run it by our board lawyer just to make sure we’re covering all the bases.

Mr. Hart: — Okay. Great. Well that at least gives some clarification to that. Thank you.

The Chair: — Thank you for that. Are there any further questions on this chapter? Seeing none, could I have a motion? Mr. Doke.

Mr. Doke: — Madam Chair, we’ll break it into two parts here. So in regards to the 2014 Provincial Auditor report volume 2, chapter 38, recommendations 1, 4, and 11, we would concur

with the recommendations and note progress towards compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that, for the 2014 Provincial Auditor report volume 2, chapter 38, for recommendations no. 1, 4, and 11, that this committee concur with those recommendations and note progress to compliance. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Mr. Doke.

Mr. Doke: — And, Madam Chair, also in regards to the 2014 Provincial Auditor report volume 2, chapter 38, recommendations 2, 3, 5, 6, 7, 8, 9, and 10, we would concur with the recommendations and note compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that for the 2014 Provincial Auditor report volume 2, chapter 38, recommendations no. 2, 3, 5, 6, 7, 8, 9, and 10, that this committee concur with those recommendations and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you for that. Moving on to the next chapter, I shall pass it off to Mr. Deis again.

South East Cornerstone School Division No. 209

Mr. Deis: — Thank you. Promoting positive student behaviour and addressing problem behaviour is of key importance in encouraging student success and providing a safe learning environment. South East Cornerstone School Division has 39 schools with about 8,200 students. Its enrolment has increased since 2008.

Chapter 39 of our 2014 report volume 2 is on pages 303 to 315 and reports the results that for the period February 1st, 2013 to August 31st, 2014, South East Cornerstone had effective processes for promoting positive student behaviour at school except for the areas reflected in our nine recommendations. We’ll highlight each recommendation.

On page 308, we recommend that South East Cornerstone School Division check that its schools follow established policy requiring each school to develop a charter and communicate expectations for student behaviour. South East Cornerstone used its policies to set out its requirements for acceptable student behaviour. Its policies expected each school to develop its own safe school charter and to use the charter to communicate acceptable student behaviour. However, we found that South East Cornerstone did not have processes to determine whether schools developed charters. While some of the six schools we examined had partial charters, none had developed a complete charter. Not having a complete charter increases the risk of expectations for student behaviour between schools not being consistent, or key behavioural expectations or responses at schools being missing. This may result in staff, students, and parents not having a complete understanding of acceptable

student behaviour.

Recommendations 2 and 3 relate to training. On page 310 we recommend that South East Cornerstone School Division set training expectations for initiatives to promote and support positive student behaviour — for example, the number of staff in each school required to be trained or guidance to assist in determining the appropriate number of staff to train.

On page 311 we recommend that South East Cornerstone School Division maintain records listing staff trained in initiatives to promote and support positive student behaviour and make such records readily available at schools.

South East Cornerstone centrally coordinates training on certain initiatives such as violent threat self-assessment. We found the division did not set a minimum number of staff who must be trained on core behaviour initiatives within each school or give principals guidance to help them determine how many school staff to train. An insufficient number of trained staff members available at each school increases the risk that skills required to respond to high-risk situations and implement support for students may not be available when needed.

We also found that South East Cornerstone did not keep up-to-date training records indicating which staff had received training on core behavioural initiatives. Not having such information increases the risk that staff may not know who to call for assistance when a high-risk behavioural situation arises.

On page 311 we recommend that South East Cornerstone School Division's director of education follow established policy that requires development of measures for assessing the performance of initiatives used to promote and support positive student behaviour. South East Cornerstone's policy expects the director of education to develop measures and monitor progress relative to providing a safe and caring environment. We found that the division identified attendance as its only measure of student engagement and behaviour. Use of additional measures like trends in incidence of fighting or bullying would allow the division to assess the performance of behavioural initiatives and progress, improving student culture and environment.

On page 312 we recommend that South East Cornerstone School Division check that schools follow established policy requiring them to develop action plans in co-operation with school community councils to respond to issues identified in assessments of school culture and environment. We found South East Cornerstone annually collects the views of grades 4 to 12 students using a ministry-mandated survey, Tell Them From Me. Although South East Cornerstone expected each school to use the results of this survey to develop an action plan in conjunction with their school community council, many did not do so. Only one of the six schools that we examined had developed a formal plan. Not using survey results to develop action plans may result in missed opportunities to improve school climate or address issues, and increasing the risks that students may feel that they're not being heard.

[10:00]

On page 313 we recommended that the board of education of South East Cornerstone require consistent documentation in the

student file — that is, the student cumulative record — of the decisions and steps taken to support positive student behaviour.

In common with other school divisions, South East Cornerstone uses student cumulative records to compile educational information about a student. While it had set expectations of schools, teachers, and counsellors in handling student behavioural matters and had provided them with various supports, it did not provide clear expectations what information should be maintained on student files. Information included in files was not consistent and at times did not seem complete.

For example we found while South East Cornerstone expected behavioural plans to be kept current and in the related student cumulative file, and schools to follow up on absenteeism in excess of 10 per cent, we did not find evidence of review of behavioural plans or actions taken to address absenteeism. We found some files contained suspension letters while others did not, and we found some files describe plans to address incidents or behavioural problems while others did not. Most did not clearly identify incidents and behavioural problems or documentation of steps undertaken or when or if parents were involved in the resolution. We were told notes may be kept elsewhere.

Not retaining consistent documentation regarding key decisions and responses related to addressing incidents or behavioural problems in the relevant student files makes it difficult for the school to show it meets the division policies. Also not retaining consistent documentation may increase the risk that students transferring to another school or school division may not be appropriately supported or that past unsuccessful intervention strategies may be repeated.

On page 313 we recommend that South East Cornerstone School Division implement and communicate a consistent escalation process for addressing continuing problem behaviour. We found that South East Cornerstone did not have a clear or defined escalation process to help address continuing student behavioural issues. This increases the risk of staff not being aware of appropriate steps to take and students not receiving sufficient timely support.

Recommendations 8 and 9 are both about monitoring. On page 314 we recommend that South East Cornerstone follow its established policy to analyze the information on student behaviour and monitor related trends.

On page 314 we recommend that the school division follow its established policy to track and report to its boards of education on the performance of its initiatives to promote positive student behaviour. The division has a policy that required monitoring progress in providing a safe and caring environment and expected the board would receive an analysis of incident reports. However, it did not have processes to gather information other than student attendance patterns and had not provided the board with an analysis of incident reports.

Without information on behavioural trends other than student attendance, it is difficult for South East Cornerstone to effectively identify issues and determine which schools may require revised initiatives or assistance to support positive student behaviour. At the time of the audit, South East

Cornerstone expect to leverage its implementation of Review360 to collect and analyze information on student behaviour. That concludes our recommendation.

The Chair: — Thank you, Mr. Deis. Ms. MacRae, if you'd like to make some remarks about the recommendations and where they're at.

Ms. MacRae: — Thank you, Madam Chair. Of the nine recommendations presented, nine have been fully implemented . . . sorry, four have been fully implemented, and progress has been made such that the other five have been partially implemented. And I would suggest that perhaps director of education Lynn Little might be the best person to answer your questions.

The Chair: — That would be great.

Ms. Little: — Good morning. Thank you for inviting me here. Partially implemented?

The Chair: — That would be great.

Ms. Little: — You bet. Many of the partially implemented pieces are connected to one another, and all rely on processes that we have begun but are quite in depth, quite robust, to move forward. So, for example, the piece around documenting behavioural issues in schools, implementing a Review360 process that we're using in order that we can analyze that data and in order that we can measure to see if our interventions are working and in order to report to the board, which are all of those pieces put together, requires that the data that's coming forward is clean, consistent, reliable data that is appropriate across a school division.

So in our school division, as was mentioned in the audit, there are 39 schools. They range in structure and they range in size. So some of our schools . . . Our smallest would be a K to 8 [kindergarten to grade 8] school with 42 children in the school. Our largest would be a grade 9 to 12 school with 800 students in the school. So there's different demographics, different students, different responses, so when we have a common system across the division to collect that data, it needs to be data that is appropriate to all. So what we have done is put in place a working committee that's comprised of consultants, central office staff, school administrators, and we're working through what types of data is it that we need to report that will tell the story that we can then act upon.

So we're in the process. We have the whole program rolled out, and we've collected the data enough to know that we needed to go back and refine some of those pieces. So that's the process that we're on right now because what it reported in a K to 6 [kindergarten to grade 6] school, what a grade 2 teacher reports and refers to the office as an office referral as something that is a concern in that building, is quite different than what would be reported in a larger high school. So we're trying to work those pieces out and many of the recommendations are tied in through that.

Another piece that we are partially implemented on is the posting of the staff that are trained, and we are tying that in to our existing technology pieces so that it's a lean process. We

have other pieces that we'll be reporting for staff — for example, not related to behaviour, but the AED [automated external defibrillator] training in the schools, who has first aid training — so that that's all one piece, all one report, all one posting. And we're tying that through one of our SRB, our HR system.

So we're in the process of those; it's just aligning them that we're ensuring that we've got pieces in place.

The Chair: — Thank you, Ms. Little. I'd like to open up the floor for questions. Mr. Wotherspoon.

Mr. Wotherspoon: — Thanks for the discussion and the focus. It looks like the auditor weighed in on some areas where you were assessing from a performance perspective and introducing new subject matter for discussion, and other areas were compliance basically with policy that the board has currently.

So I guess my question on that — because I know these are highly complex matters, managing, you know, student behaviour, and so much of it relates to circumstance and mental health and all these broader factors, and certainly your divisions know that and others would as well — when you were looking though at I guess . . . So if you're not compliant with one of your policies, certainly then it causes you to probably revisit how do we become compliant with that policy. It may also cause you to look and say, well maybe this policy that we have in place isn't the most effective policy in addressing the highly complex circumstances that you're trying to deal with. Was there any review of some of the policies that the board or the division had itself to see whether or not they were the most effective policy in the first place?

Ms. Little: — Absolutely. We have changed some of our policies along the line because of that. So one of the policies, the very initial one stating around each school having a charter, all schools in this school division were to have a charter and it was to include various pieces. Some had some pieces but many didn't have a full charter as laid out. So that was the inception of that committee that I referenced. We gathered together a committee and sat down and asked, okay what is it that is preventing this from happening? How can we help? What should this look like? Are there pieces that are required that aren't perhaps realistic or able to do? Are there other pieces that should be there?

So we have fine-tuned that as well, and then provided all of the schools, that committee did, with a template. They were then able to take that template and use that moving forward. So that was a piece. Attendance is another one that we went back into to identify when are we following up, in what way. And so that process, the administrative procedure has been cleaned up. So we did go back and look at the policy.

Mr. Wotherspoon: — No, I appreciate that, and it's a good discussion. And we'll leave you to your work within your division. And just noting as well, I mean, that I think that when you're dealing with these matters, as you know and all those in education do, they're highly complex. There's many factors that are driving some of the things that you're dealing with. And even some of the, you know, assessing performance of initiatives that — what is it? — that promote and support

positive student behaviour, these are very difficult things in a way to quantify, to qualify. Success may be relative, and how do you know what an intervention, you know, actually what it may have mitigated by way of harm or hurt or challenge within a school or within the community?

I know you've got lots of great people within your division. We do right across the province. Just in these areas I think we have to be careful to make sure that we're allowing and supporting, as I know you would be, those that are working in your division and yourself on these matters, but not forcing ourselves to have systems of accountability that may not actually be measuring what we're . . . you know, the difference that people are intending to make.

Ms. Little: — Absolutely. I appreciate that. Behaviour is such a . . . it's a human endeavour. And each student's circumstance, personal circumstance whether it be a diagnostic behaviour or whether it be a circumstance at home or whatever that may be, the interventions all need to vary.

And so there is no one process that works for every child nor every classroom nor every school. So having that flexibility is incredibly important, yes.

Mr. Wotherspoon: — So great work on the file.

Ms. Little: — Thank you.

The Chair: — Mr. Marchuk.

Mr. Marchuk: — Thank you. Just a brief comment. I found it interesting and exciting, the work that's going on with your school division and the school community councils in terms of developing those policies. So good work, and thank you for that.

Ms. Little: — Thanks.

The Chair: — Are there any further questions on this chapter? Seeing none, could I have a motion? Mr. Doke.

Mr. Doke: — Okay. Once again, Madam Chair, we'll break it into two pieces. In regards to the 2014 Provincial Auditor report volume 2, chapter 39, recommendations 1, 2, 6, and 7, we would concur with the recommendations and note compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved for the 2014 Provincial Auditor report volume 2, chapter 39, recommendations no. 1, 2, 6, and 7, that this committee concur with the recommendations and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Mr. Doke.

Mr. Doke: — Madam Chair, in regards to the 2014 Provincial Auditor report volume 2, chapter 39, recommendations 3, 4, 5, 8, and 9, we would concur with the recommendations and note progress towards compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that

for the 2014 Provincial Auditor report volume 2, chapter 39, recommendations no. 3, 4, 5, 8, and 9, that this committee concur with those recommendations and note progress to compliance. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you for that. We shall move on to the next chapter, and I shall pass it off to Mr. Deis.

Prairie South School Division No. 210

Mr. Deis: — Thank you. Effective governance processes enables boards to do their jobs effectively. This includes processes to equip board members collectively with knowledge and competencies necessary to oversee management. Prairie South School Division is one of Saskatchewan's 28 school divisions.

Chapter 13 of our 2015 report volume 1, on pages 137 to 145, reports that for the 12-month period ended January 31st, 2015, the board of Prairie South School Division did not have effective processes to equip itself with the necessary knowledge and competencies to govern the division.

We make four recommendations. Before I outline each recommendation, I want to emphasize this audit focuses only on processes. It did not assess or determine whether the board members of Prairie South had the necessary knowledge and competencies.

On page 142, we recommend that the board of education of Prairie South set out its baseline knowledge and competencies necessary to govern the school division. We did not find evidence that the board considered or assessed what knowledge and competencies the board collectively must have to govern Prairie South. We call this baseline knowledge and competencies.

Also we did not find evidence that the board sought this information from the ministries or from other school divisions. Not identifying baseline knowledge and competencies increases the risk that board orientation materials and training may not suitably equip the board to make informed decisions.

[10:15]

On page 143, we recommend that the board of education of Prairie South School Division maintain a current listing of knowledge and competencies possessed collectively and by individual board members. We found the board gathered limited information on board member knowledge and competencies; that is, an inventory. Not having a formal process to identify knowledge and competencies that board members possess individually and collectively increases the risk that the board may not identify where it needs to augment its knowledge and competencies; for example, through additional training or the use of outside experts.

On page 144, we recommend that the board of education of Prairie South document a plan to address gaps in individual and collective board knowledge and competencies. On page 145, we

recommend that the board of education of Prairie South periodically monitor whether board professional development training addresses gaps in individual and collective board knowledge and competencies.

We found the board periodically used outside expertise and made resources available to members for professional development of their choosing. However, it did not have a board professional development plan or compare knowledge and competencies possessed by the current board to those necessary to govern. Also the board was not in a position to monitor whether its training addressed gaps. This concludes our presentation.

The Chair: — Thank you, Mr. Deis. Ms. MacRae, I'd like to pass this off to you for some comments.

Ms. MacRae: — Again, happy to report that all four of these recommendations have now been implemented. And if you have questions about the specifics of how that was accomplished, I believe the officials from Prairie South are behind me: Tony Baldwin and Bernie Girardin.

The Chair: — Thank you very much. I'd like to open up the floor for questions. Mr. Michelson.

Mr. Michelson: — I guess I've got a question. Who determines the value of professional development? Like, how do we measure that?

The Chair: — Is that for the auditor?

Mr. Michelson: — Well it's a question, I guess, for the auditor. If the Prairie South . . . If you don't know what you don't know, how do you know that? So you know, I know I've talked to . . . not on this particular board but other board members, where professional development has been a trip to Saskatoon overnight for a two-hour session the next day and gone home, which is an expense that shouldn't be incurred. So the value of professional development is important, but how do we determine what that is, or who puts the value on it?

Ms. Ferguson: — I think it's an excellent question, you know. I think the starting point, though, is you have to know what knowledge and skill sets you need around the table. And I think that's the point that we're saying here is that, you know, make sure you as a board know what that is collectively — and I think the operative word is collectively.

For the individual PD [professional development] events, you know, I think it's looking around the table and saying, okay, like these base knowledges, we're pretty covered off in this area, right? The education sector, what we find is that they do have a lot of people from the education sector so that, you know, so the knowledge of the business piece — which some other organizations struggle with — they often have automatically at their table.

You know, it's these other pieces. It's the financial piece or the legal piece, or if you're in a school division that happens to be building some of these joint schools, you know, do you have somebody that knows a little bit about procurement and monitoring contracts? You know, so it's pausing as a board

member and making sure that, collectively, you as a board have and know what you need to do. And it's then looking around the table and saying, okay, you know, how can we get that? Should we bring an advisor to the table?

It's not always a professional development course, right? Sometimes it's bringing advice to the table other than management, you know. Other times it's sending on the course. But in terms of the individual ones, I think it's frankly, you know, it's the smile sheet at the end of the day. Did it meet what you thought it would meet? Did you get anything out of it? And sharing that with the board, you know, like having . . . It's no different than our office when we send people on training. Part of the expectation is they come back and there is a transfer of knowledge, you know, and a sharing: was that worthwhile or not?

Mr. Michelson: — It's kind of up to the individual board to assess what their individual talents and their pooled talents were, and as it relates to what their needs are going to be.

Ms. Ferguson: — Exactly. And you know, and part of that happens when they decide who's going to be on subcommittees, right? You know, when you're creating a subcommittee that deals . . . like in my world the audit, finance committee, you know. Some places actually have risk committees now. Some people have the HR. You know, it's putting . . . It's so that you're attaching the individuals in your board, the ones that are stronger in those particular acumens.

Sometimes also they use those committees as a training ground too, you know, so that's another avenue that boards sometimes use to further people's knowledge and skills, is through involvement on committees. Lots of different ways. So we're not saying go out, seek PD. We're saying, figure out what you need; figure out what you have; and then look for different ways to fill the gaps.

Mr. Michelson: — Okay. Thank you for that explanation.

The Chair: — Are there any further questions on this chapter? Seeing none, could I have a motion please? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2015 Provincial Auditor report volume 1, chapter 13, recommendations 1, 2, 3, 4, we would concur with the recommendations and note compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that for the 2015 Provincial Auditor report volume 1, chapter 13, that recommendations 1 through 4, this committee concur with those recommendations and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right. Moving on to our last chapter for the morning, I will pass it off to Mr. Deis again.

Education Sector Strategic Plan

Mr. Deis: — Thank you again. In the spring of 2014, cabinet and all 28 Saskatchewan school boards approved a jointly

developed sector-wide strategic plan for the pre-kindergarten through grade 12 provincial education sector. This plan is called the education sector strategic plan, referred to as the ESSP. As shown on page 79 and figure 1 of chapter 9 of our 2015 report volume 1, the ESSP includes short-term priorities, long-term outcomes out to 2020, and improvement targets. The Ministry of Education is responsible for monitoring the achievement of the ESSP.

On page 82 we concluded that for the 12-month period ended January 31st, 2015, the Ministry of Education had, other than the two highlighted areas, effective processes to put into operation the sector-wide strategic plan for the pre-kindergarten through grade 12 provincial education sector. We made two recommendations, and I'll describe each.

On page 86 we recommend that the Ministry of Education, to coordinate plans across the sector, review school division action plans supporting achievement of the outcomes identified within the sector-wide strategic plan for the pre-kindergarten through grade 12 education sector.

On page 87 we recommend that the Ministry of Education establish a deadline for completing action plans reporting achievement of the outcomes identified within the sector-wide strategic plan for the pre-kindergarten through grade 12 education sector.

We found that at this early stage of implementation of the ESSP, action plans were not coordinated at the provincial level. Deadline dates by which divisions were to finalize plans were not set. Also the ministry or its designate had not reviewed actions to assess their alignment with the ESSP. We found that by January 2015 just over one-third of the school divisions had formal action plans that aligned with all five ESSP long-term outcomes. Detailed planning was under way on planned actions. We also found that the ministry did not have up-to-date knowledge of school divisions' processes in preparing their plans or what processes they used to prepare those plans.

Lack of review of action plans for alignment to ESSP increases the risk that various plans collectively may not be capable of achieving the ESSP's planned outcomes. Also lack of review increases the risk of duplication of effort within the sector and actions may not be coordinated across the sector to effectively support achieving of the outcomes by 2020.

Also lack of agreed-upon deadlines increases the risk that divisions do not prepare action plans within a reasonable time frame to facilitate their contribution to the ESSP. Incomplete action plans make it difficult to monitor progress and may reduce accountability to the achievement of actions and outcomes. Madam Chair, that concludes our presentation.

The Chair: — Thank you, Mr. Deis. Ms. MacRae.

Ms. MacRae: — I'm happy to report that there's been progress with respect to both of these recommendations. The first has been partially implemented. The second is substantially complete.

There has been some, I guess, some need for flexibility from the perspective of having 28 separate entities with different

planning cycles and different internal deadlines with respect to those planning cycles to bring that together in terms of coherence. But there has been a commitment made at the level of the provincial leadership team to have those local action plans submitted to the ministry for review.

The Chair: — Thank you for that. I'd like to open up the floor for questions. Mr. Wotherspoon.

Mr. Wotherspoon: — I don't have a bunch of questions on this. Just maybe a bit of an update as to where the ministry's at, or where the province is at, in meeting the target set around graduation.

Ms. MacRae: — The overall graduation rate remains pretty much flat. We have achieved some modest gains year over year on the First Nation, Métis student graduation rate and there is still a pretty significant commitment across the sector to try and impact both of those upwards.

The next cycle of the ed sector strategic plan is now in the plan finalization process, and again the work continues to try and identify those strategies that will have the desired impact on the actual graduation rate.

Mr. Wotherspoon: — Okay. Thanks for that information. So the graduation rate, the overall one, is relatively flat right now. Now was . . . The goal was 3 per cent increase a year. Is that correct?

Ms. MacRae: — That's correct. But it's very difficult to move a graduation rate in a one-year cycle. It's a 12-year process for a five-year-old to reach graduation, and you need to be able to impact, you know, that entire process to achieve the ultimate outcome.

There is targeted work under way to improve students' readiness for school. There is targeted work under way to make sure that some of our students, more of our students are able to read at grade level at the end of grade 3, which is one of the best predictors of eventual graduation. There is targeted work under way to ensure that our high school students are collecting the appropriate number of credits. And all of those things I mention deliberately because they are all part and parcel of what is required to move that grad rate.

Mr. Wotherspoon: — Are you able to share then, since this commitment was made, just what the grad rate is right now or how it's moved? And I guess the commitment was to 85 per cent at 2020.

Ms. MacRae: — I should have that information on the tip of my tongue, but I'm sure someone behind me knows it, or beside me?

Ms. Johnson: — I'm not sure if we do have that information specifically with us, but the graduation rate information is reported on our website. It is reported each year in the ministry's annual report. And as Deputy Minister MacRae was mentioning, the graduation rate has remained relatively stable with a modest increase for First Nations students. And the focus for us really is in improving the student outcomes for the First Nations population given the fact that that student base is the

base that's growing the most and that that is the area where we're going to overall see the greatest year-over-year improvement.

Mr. Wotherspoon: — Certainly that's an important area of focus, without a doubt, and needs the resources as well to make it happen.

But just on the graduation rate, you must have some . . . You know, you might not have the exact down to the decimal where it's at, but I know this was touted by the Premier and the minister as a big deal a couple of years ago. And it was sort of the lead item out of the sector plan from the political perspective, if you will, of government.

Ms. MacRae: — We're employing the use of technology to answer your question, and the technology is going to fail us. I beg your indulgence in being able to submit that information to the committee in writing. Thanks.

[10:30]

Mr. Wotherspoon: — I appreciate that. The information that's being endeavoured to provide back, we appreciate it, but if it can be provided in a timely way, we value that. And I know that's, you know, certainly been the experience.

I guess I would only say that, you know, this was touted as a pretty big deal from the Premier and the minister sort of, some would say, in a simplistic way without understanding the complexity of what was being offered and then not being resourced on the ground to actually make it happen.

And if we look at what's happened — and this isn't a critique of anyone sitting at this table, but it would be one that I would just leave on the record of the Premier and cabinet itself — our divisions are in a tight way across this province to meet very important demands and to provide the opportunities that students need.

We have a cut to the mid-year funding here this year at a time where many divisions are growing, where we have many new students coming from around the world right now. And for us to think that we're going to meet these, you know, that we're going to meet these targets by simply one-off statements of the Premier instead of sufficient resources to get the job done and allow divisions to do so, is reckless to some extent.

But I appreciate all the officials that are sitting at this table and their work day in, day out to help students across Saskatchewan, to assist us to be as strong as we can be as a province, and certainly the same for the boards and for the administrators and teachers across Saskatchewan.

Ms. MacRae: — It now appears I have some information. It's a little difficult to read on this device. So we actually keep track of on-time and extended-time and then eventual graduation rates. So as of June 2013 we had — this looks like the Aboriginal rate to me, Donna, rather than the overall? So the overall graduation rate is, as of June 2013, was 74.8. That was for the on-time graduation rate. The First Nations, Métis student graduation rate in June of 2013 was 37.4 per cent.

When we look at extended graduation time, that rate increases to 80.1 per cent for all students and is up to 50 per cent for First Nations and Métis students. And when we look even beyond that to calculate the number of students who eventually graduate, which is within eight years or more, the overall rate is 82.4 per cent and the First Nations, Métis student rate moves to 54.9. And I'm aware that I'm reading into the record the information from June 2013. There have been, as I said, slight improvements with the First Nations, Métis rate, on-time and extended-time rates. The overall graduation rate, however, remains in the same range that I've presented to you.

Mr. Wotherspoon: — So the overall rate stays around that 75 per cent, that 74.8 that was there?

Ms. MacRae: — That's correct.

Mr. Wotherspoon: — Okay. Well we'll leave this matter at this table. It's not a policy field committee. I don't have a minister before us to press about the shortfalls that have been there in support to allow divisions and teachers and those on the ground to get the job done on this front.

But I do hear, certainly, from folks across the sector that the commitment that was made by government is way off track from being met. And I guess it would appear that way with this data as well. But I certainly thank you for your efforts and certainly everybody at these tables today as well.

The Chair: — Are there any further questions on this chapter? Seeing none, could I have a motion? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2015 Provincial Auditor report volume 1, chapter 9, recommendations 1 and 2, we would concur with the recommendations and note progress towards compliance.

The Chair: — Thank you. Mr. Doke has moved that for the 2015 Provincial Auditor report volume 1, chapter 9, recommendations 1 and 2, that this committee concur with those recommendations and note progress to compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Well that concludes our business for the morning. Thank you very much to the officials from the Ministry of Education, Ms. MacRae, and everyone else. And to everybody from the school divisions, we appreciate your time this morning. And with that, this committee stands recessed until 1 o'clock this afternoon.

[The committee recessed from 10:35 until 13:01.]

The Chair: — Good afternoon everyone, and welcome back to the second part of our day — PAC, Public Accounts — for today. We will be starting with regional health authorities, and I will pass it off to our Provincial Auditor for some comments.

Regional Health Authorities

Ms. Ferguson: — Thank you very much. Good afternoon, Madam Chair, Deputy Chair, members, and officials here. First

off I just want to introduce who I have with me this afternoon. It's Mr. Bashar Ahmad. Bashar's the deputy responsible for Health. And I also want to pause because it's probably going to be Bashar's last meeting. He retires at the end of this month here, and so I would just like to recognize publicly the service, the excellent service that he's provided to our office here and acknowledge that in a public forum.

And behind is Ms. Regan Sommerfeld. Regan is a deputy responsible for the Environment division, but in her previous role she was involved in a number of the chapters that are before us this afternoon. And Kim is pulling double duty this afternoon. She was involved in the chapters that's on the agenda this afternoon and is also our liaison for this committee.

We are chunking off 12 chapters in the Health area, so I'm sure the deputy minister is sighing at the other end of the table and trying to get it off his plate. You'll find that this afternoon Mr. Ahmad and myself will be taking turns making the presentation.

So before I launch, before I turn it over to Mr. Ahmad to make the first presentation, I want to pause and thank you, Deputy Minister, and your officials and also the officials of the various health agencies for the co-operation that was extended to our office during the course of this work. Mr. Ahmad.

Mr. Ahmad: — Thank you, Ms. Ferguson. Good afternoon, Madam Chair, and committee members. Chapter 19 in both our 2014 report volume 2 and 2015 report volume 2 describes the result of our annual integrated audit of RHAs [regional health authority]. I will present these chapters together. I will briefly explain the new recommendation in 2014 report volume 2, and then discuss the 2015 report.

Chapter 19 in our 2014 report volume 2 begins on page 115. This chapter reports the result of our audit for the year ended March 31, 2014. We report that, except for the matter summarized in figure 2 on page 117, the RHAs listed in figure 1 had effective rules and procedures to safeguard public resources. They complied with their governing authorities. Also other than Cypress, Five Hills, Heartland, Prairie North, P.A. [Prince Albert] Parkland, and Sun Country, each RHA has reliable 2014 and '15 financial statements. I will talk about the issues related to RHAs' financial statements later in the presentation.

In this chapter, we make three new recommendations. During 2014, various RHAs implemented eight recommendations, made progress in four, and made no real progress on the remaining 14. Your committee had previously considered and agreed to those recommendations.

In our first and second new recommendation, on page 118, we recommend that Cypress RHA and Mamawetan Churchill River RHA each comply with *The Regional Health Services Act* when providing funding to health care organizations in their region. The Act does not allow RHAs to provide funding to health care organizations without written agreement. In 2014, Cypress paid 1.8 million to a health organization and Mamawetan Churchill River paid 145,000 to another HCO [health care organization] without written agreements. Keewatin Yatthé also gave 242,000 to an HCO without a signed agreement.

In our 2015 report volume 2, we noted that Cypress has fully addressed this issue, while both Mamawetan Churchill River and Keewatin Yatthé continued not to comply with the law. They either paid or expensed 148,000 and 292,000 respectively to two different HCOs.

Our third recommendation, on page 119, recommends that Sun Country follow its policies to remove unneeded user access to its IT system and data. We noted staff did not promptly remove access for 7 out of 15 inactive accounts. We also repeat a similar recommendation from our previous reports regarding Heartland, Keewatin Yatthé, Mamawetan Churchill River, and P.A. Parkland RHAs. In our 2015 report volume 2, we report that Keewatin Yatthé has implemented this recommendation and other RHAs continue to make progress.

Using the result of our 2015 report volume 2, I would like to highlight the following matters: first is section 4.3 on page 104. We repeat the recommendation requiring certain RHAs to follow Canadian generally accepted accounting principles for the public sector to prepare their financial statements.

As I stated earlier, the 2014 and 2015 financial statements of six RHAs in 2014 and seven RHAs in 2015 contained material errors. These errors occurred because these RHAs did not properly account for 172 million of facilities constructed or acquired under shared ownership agreements. On page 104 we are pleased to report that, subsequent to the completion of the 2015 audit, this matter has been resolved. Treasury board, after consultations with the Ministry of Finance, decided to support RHAs changing their accounting for shared ownership agreements to align with the views of their auditors beginning in 2015-16.

Second, on page 105 in section 4.4, we report only Sun Country and Mamawetan have not fully addressed our recommendation of establishing complete and tested disaster recovery plans.

Third, on page 105 in section 4.5, we report that Keewatin Yatthé has not fully addressed our past recommendations relating to controlling its capital assets. It has counted its IT equipment and plans to count the rest of its assets by December 2015.

Fourth, on page 122 in section 4.6 and 7, we report that Mamawetan Churchill River made little progress to address the recommendations relating to controlling staff overtime. In 2014-15 it did not approve all time sheets prior to processing payroll. By reviewing and approving financial records, we report while they have made some progress, it had neither approved or implemented policy requiring senior managers to review and approve all changes to its financial records.

That concludes my overview of chapter 19 of both chapters.

The Chair: — Thank you, Mr. Ahmad. Mr. Hendricks, I'll pass it off to you for comments about these two chapters if you'd like.

Mr. Hendricks: — Sure. Thank you, Madam Chair. Thank you, committee members, for having us here today to discuss our 2014 and '15 Provincial Auditor's reports.

Before I begin, I should introduce a couple of people that are with me. Seated to my right is Cindy Fedak, the director of the operations and internal audit unit within the ministry. Over my right shoulder is Brenda Russell, the executive director of our financial services branch; and next to her is Kimberly Kratzig, assistant deputy minister. To her left is Pauline Rousseau who is the executive director of our strategy and innovation branch, and to her immediate left is Susan Antosh who is the CEO [chief executive officer] of eHealth. And I'll introduce others as they come forward.

I would just like to echo the Provincial Auditor's remarks and say that, you know, the health system really enjoys a collaborative relationship with the Provincial Auditor, and we do appreciate their advice and guidance in terms of providing silent stewardship over the health system. So it's very much appreciated. And I would also like to acknowledge Bashar and say what a privilege it has been to work with you over several years and how much my staff have enjoyed that. So thank you very much for that.

Okay, so what I thought I would do, if it pleases the Chair, is I would try to go through and talk about audit observations that have not been recognized as implemented by the Provincial Auditor. So the first two are auditor's recommendation, new, on chapter 19 in the 2014 report volume 2; and the 2015 report volume 2, on page 118 and 102. And they both deal with Mamawetan Churchill River and Keewatin Yatthé not complying with *The Regional Health Services Act* when providing funding to health care organizations in the region.

Mamawetan Churchill River and Keewatin Yatthé RHAs believe that they have implemented this recommendation now. They will comply with *The Regional Health Services Act* by ensuring that there are signed agreements in place prior to providing funding to health care organizations that are providing services for the region.

The next one is the auditor's recommendation, chapter 19 in the 2014 volume on page 119, and 2015 on page 102: "We recommended that Sun Country Regional Health Authority follow its established policy to remove unneeded user access to its information technology systems and data." Sun Country believes that it has now implemented this recommendation by reviewing the process to ensure it's effective and efficient with eHealth . . . Sorry, they review with eHealth to make sure that it's effective and efficient in 2015. This process ensures the staff who no longer work for the region have their access terminated immediately.

The next one is the recommendation in chapter 19 on page 119 and the 2014 report on 103 and the 2015 report: "We recommended that Heartland Regional Health Authority adequately protect its information technology systems . . ." Again, the Heartland RHA believes that it has implemented this recommendation by documenting the steps to follow when an employee is terminated and ensuring that staff understand and follow these steps. These steps include disabling the user's active directory account, emailing the superuser group to ensure removal of all applications and moving the account to an inactive, disabled status and then archiving the user's mailbox.

The next one is again chapter 19 in the 2014 report, on page

119, and page 103 in the 2015 report: "We recommended that Mamawetan Churchill River Health Authority establish information technology policies and procedures based on a threat and risk analysis." Mamawetan Churchill River has implemented this recommendation, as its information technology policies are continuously being developed based on provincial standards and risks.

The next one is chapter 19 of the 2014 report, page 120 and 103 in the 2015 report: "We recommended that Prince Albert Parkland Regional Health Authority follow its processes to grant and remove user access to its IT systems and data." Prince Albert Parkland RHA has implemented an employee process mapping committee to address a timely termination of accounts as well as the flow of employees, students, contractors, and medical practitioners within the health region.

The next one is 2014 page 120, and 2015 page 104:

We recommended that Cypress Regional Health Authority, Five Hills Regional Health Authority, Heartland Regional Health Authority, Prairie North Regional Health Authority, Prince Albert Parkland Regional Health Authority and Sun Country Regional Health Authority follow Canadian generally accepted accounting principles for the public sector to prepare their financial statements.

This recommendation has been partially implemented, as Mr. Ahmad said. Treasury board, after consultations with the Ministry of Finance and further consideration of this matter, has decided to support RHAs changing their accounting standards or accounting practices for shared ownership agreements, starting with the 2015-16 year to align with the view of the auditors.

The next one is on page 121 of the 2014 report and page 105 of the 2015 report: "We recommended that all regional health authorities establish disaster recovery plans and test those plans to ensure their effectiveness." The Provincial Auditor notes that almost all RHAs have done this. Mamawetan Churchill and Sunrise RHA are still working to comply with the recommendation. They are developing plans to move critical data and services into the provincial data centre managed by eHealth. This recommendation is to be fully implemented by 2016-2017.

The next one is on page 121 of the 2014 report and 105 of the 2015 report: "We recommended that Keewatin Yatthé Regional Health Authority count its capital assets and agree its asset records to its accounting record regularly." Keewatin Yatthé RHA is currently implementing a process to count its capital assets, and by January 31st of 2016 they'll have a system in place to agree the account to its accounting records regularly.

[13:15]

The next one is on page 122 of 2014 and 106 of 2015. "We recommended that Mamawetan Churchill River Regional Health Authority establish a process to control overtime costs resulting from calling staff back to work to provide healthcare services outside their assigned shifts." Mamawetan Churchill has made progress on the recommendation by implementing a

change to the primary care nursing schedule work standard in August 2014 to control overtime costs, and the region will continue to work with its payroll department to address the approval process for callbacks. This recommendation is expected to be fully implemented by March 31st, 2016.

2014, page 122; and 2015, page 106, the recommendation is, “We recommended that Mamawetan Churchill River Regional Health Authority establish a process to review and approve all key financial procedures [such as] bank reconciliations and journal entries.” Mamawetan Churchill has implemented this recommendation by developing procedures to review and approve key financial procedures.

And I believe that is all the recommendations that have not been implemented.

The Chair: — Okay, thank you very much, Mr. Hendricks, and thank you . . . appreciated hearing about the outstanding ones. Sometimes we just tend to focus on the new recommendations, so it’s good to have some sense of what’s going on with the outstanding ones from the previous chapters. I would like to open up the floor for questions. Mr. Wotherspoon.

Mr. Wotherspoon: — Sure. Well thanks so much. Thank you to the auditor and thank you, Bashar, for all your service to the people of Saskatchewan. It was, I thought, very nice, very appropriate words from the auditor and as well from the deputy minister. Thank you too to all the officials that are here today for your time and for your work on an ongoing basis. Thank you for the update on those that were in progress.

Could you just be clear as to the very specific recommendations that haven’t yet been implemented? Many of the ones you spoke to were outstanding and have been addressed now by the health authorities, which is, you know, which is great. Just speak to maybe the ones that haven’t been implemented at this point in time.

Mr. Hendricks: — Yes, so the ones that are what we call partially implemented, haven’t been fully implemented, are on page 120 of the 2014 report and 104 of the 2015 report, recommending that the Cypress, Five Hills, Heartland, Prairie North, Prince Albert, Parkland, and Sun Country regional health authorities follow generally accepted accounting principles for public sector accounting. As I said, this recommendation’s partially implemented. But it’s been decided now that treasury board, through consultations with the Ministry of Finance, have given further consideration to this matter, and they support RHAs changing their accounting for shared ownership agreements starting in 2015-16 to align with the views of the auditors on this matter. So it’s dealt with, just needs to go back and be reviewed.

In terms of the next one is number 10, page 121 and 105: “We recommended that all regional health authorities . . . [have] disaster recovery plans and test those plans to ensure their effectiveness.” The auditors acknowledge that almost all RHAs have implemented it. The two outstanding ones are Mamawetan Churchill and Sunrise who are working to comply with the recommendation. They’re developing plans to move critical data and services into the provincial data centre managed by eHealth when that is opened.

On page 121 and 105: “We recommend that Keewatin Yatthé Regional Health Authority count its capital assets and agree its capital assets to its accounting records regularly.” Keewatin Yatthé will have that process in place by January 31st.

On page 122 of the 2014 and 106 of the 2015: “We recommended that Mamawetan Churchill River Health Authority establish a process to control overtime costs resulting from . . . [call back] to work to provide healthcare services outside their assigned shifts.” Mamawetan Churchill has made progress on this recommendation by implementing a change to the primary care nursing schedule work standard in August 2014 to control overtime costs. The region continues to work with the payroll department to address the approval process for callbacks. We expect that this will be fully implemented by 2015. And I think that’s it.

Mr. Wotherspoon: — Thanks so much, and thank you for breaking it down for the public here, but as well in the action plans that were laid out. It’s helpful.

As far as the change on the financial reporting, I mean we would see this as a positive step. We’ve had this discussion or debate, if you will, around this table for many committees and for a number of years, and certainly it was unacceptable to not be compliant with public sector accounting standards. That’s a welcome shift. It’s important to the public at large.

What’s required, I guess, of . . . So there’s the change that will be made by the RHAs and then there’ll be changes as well by Finance within the province as a whole. So I don’t know if there’s someone around the table, whether it’s the comptrollers or the auditors that would like to comment on what changes . . . You know, when the RHAs make this change and the province makes this change, what’s the reporting impact for the province of Saskatchewan?

Mr. Paton: — Thank you. Yes, we’re currently looking at this, and it’s an active file that we’re involved in. Just as a reminder, like this impacts the General Revenue Fund and not the summary financial statements. So from a reporting perspective, it really doesn’t change anything going forward on the reporting side.

There was considerable effort that went into this project when it started a few years ago, setting up legal agreements as to the proper ownership and management of these facilities. So what we’re doing now is we’re going through a process of finding out what has to happen to unwind or dispense with those agreements and seeing how it would be reflected in the General Revenue Fund appropriation accounts in the future. So as we go forward and finish our assessment, we will be having discussions with the Provincial Auditor and moving forward on the file.

Mr. Wotherspoon: — Okay, so no expectations at this point or approximations of what the reporting impact would be on the GRF [General Revenue Fund]?

Mr. Paton: — No, I don’t have any numbers with me today.

Mr. Wotherspoon: — Would the auditor . . . is there any . . .

Ms. Ferguson: — I don't have any additional numbers. I just want to remind the committee and the people that are watching though that there's no impact on the government's statement as a whole because it's an inter-entity transaction too. So I think it's important just to have that reminder.

So it's a matter of what's in essence what would be reflected in estimates, and then also what would be reflected in the annual reports of the affected ministries. That would be, at this case it's Health. And instead of Education, it will be Central Services now.

Mr. Wotherspoon: — It's a positive shift, and one we've pushed for for some time. And you know, it's certainly important to the people of the province.

I think the one other important clarification is just that, at least from my understanding unless anyone else can clarify if there's a different perspective, but it wasn't the RHAs that wanted to be non-compliant with public sector accounting standards. It was the agreements that . . . You know, it was because of a choice, a policy choice, of government — not necessarily Health, but Finance — that caused these RHAs to be non-compliant. Is that a fair assessment?

Ms. Ferguson: — I can't speak to that actually, sorry.

Mr. Wotherspoon: — Well, pleased to see the changes that are coming along.

The Chair: — Are there any further questions on these two chapters? Mr. Wotherspoon.

Mr. Wotherspoon: — Just on the IT security and health privacy. I know it was reported that there was a breach in Heartland with one employee. I've got the . . .

In July 2015 an alleged breach of privacy was reported to the Heartland Health Region. [It states that] the region immediately launched a detailed inquiry to determine the facts of the situation. The investigation revealed that over a 14-month period, one employee inappropriately accessed personal health information of approximately 900 patient charts stored in an electronic medical records system. This constitutes a breach of privacy under *The Health Information Protection Act*.

I guess if there's a comment as to this specific case, that would be fine, but also whether or not the measures that have been brought forward, the new controls that have been brought forward, how that would address a circumstance like that or prevent a circumstance like that.

Mr. Hendricks: — So I'm not sure that the specific measures here would address that particular case. You know, this snooping that occurs occasionally, which is quite disturbing, as you know, the Ministry of Health feels that this is a very serious violation of people's privacy.

The matter was referred to the Office of the Privacy Commissioner and he's reviewing the file and has made some suggestions, I think, about it. Whether charges will be laid against that person under HIPA [*The Health Information*

Protection Act] is a matter that I think remains to be seen still. So we do take it very seriously; like eHealth does have systems in place where they do audit people that are moving across multiple accounts. The difficulty is — and obviously you can imagine a health care setting where a health care worker is accessing quite legitimately people's files or their health records — to determine what is legitimate and what is not legitimate.

But we have had a few of these situations, and I think the changes to the regulations under HIPA and the amendments to that Act will help improve our ability to actually, I guess, strengthen our message about what a serious issue this is and clarifying the penalties for that as well.

Mr. Wotherspoon: — Thanks so much.

The Chair: — Any further questions on these two chapters? Seeing none, could I have a motion for . . . We have three outstanding recommendations for the 2014 . . . or, pardon me, three new recommendations for the 2014 Provincial Auditor report volume 2, chapter 19. If I could have a motion for those three. Mr. Doke.

Mr. Doke: — Madam Chair, in regards to the 2014 Provincial Auditor report volume 2, chapter 19, recommendations 1, 2, and 3, we would concur with the recommendations and note compliance.

The Chair: — Thank you. Mr. Doke has moved that for the 2014 Provincial Auditor report volume 2, chapter 19, recommendations 1 through 3 — 1, 2, 3 — that this committee concur with those recommendations and note compliance. Any further discussion on these recommendations? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. With respect to this next chapter, the 2015 Provincial Auditor report volume 2, chapter 19, there are no new recommendations, so we can conclude considerations. Could I have a motion?

Mr. Doke: — So moved.

The Chair: — Mr. Doke has moved that we conclude, this committee conclude considerations of the 2015 Provincial Auditor report volume 2, chapter 19. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you very much. Moving on to the next chapter, I will pass it off to our Provincial Auditor.

Cypress Regional Health Authority

Ms. Ferguson: — Thank you very much, Madam Chair. Chapter 42 of our 2014 report volume 2 begins on page 341. It reports the results of our follow-up work relating to Cypress Hills Regional Health Authority's IT security. This is our second follow-up of the recommendations that we first made in 2010 that were not yet implemented in 2012 when we did our

last follow-up. At that time, three recommendations remained outstanding.

By September 2014 Cypress had made some progress in addressing two recommendations. It had started to improve the configuration of its computer systems and data to better protect them from external threats, but it had not yet configured its computers to log activities and incidents addressed in network . . . or address network accounts with non-expiring passwords, or not yet implemented its draft policy responding to security risks.

Also you'll find that we replaced one recommendation with another that we had made in our annual integrated audit. We found that it was a duplicate; they had an overlap and a duplication there. So while they had not tested its disaster recovery plan at September, you'll find that, as we just discussed, they had done that by . . . with respect in our annual audit that we did at a later date. So that part has been fully implemented subsequently. So that concludes my presentation on this chapter.

The Chair: — Thank you, Ms. Ferguson. Mr. Hendricks, would you like to make some comments?

Mr. Hendricks: — Not much, other than to say the first two recommendations that the Provincial Auditor mentioned in terms of the regional health authority configuring its computer systems and data to protect them from external threats, including theft or loss, the region has implemented those. We hope next time there's a follow-up, the auditor will conclude the same by developing a security incident response plan or related policies.

Similarly on page 342 where the auditor recommends that the regional health authority monitor the security controls of its information technology systems and data, again the region has implemented this recommendation by working with eHealth Saskatchewan to develop a log to monitor its information technology systems and data.

[13:30]

So, one of the recommendations the Provincial Auditor has already agreed is implemented and two the region believes are now implemented.

The Chair: — Thank you, Mr. Hendricks. Are there any questions on this chapter? Seeing none, there are no new recommendations in this chapter, so we need to have a motion to conclude consideration.

Mr. Doke: — So moved.

The Chair: — Mr. Doke has moved that this committee conclude considerations for the 2014 Provincial Auditor report volume 2, chapter 42. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Moving on to the next chapter, and I'll pass it off to Ms. Ferguson. So chapter 52.

Prince Albert Parkland Regional Health Authority

Ms. Ferguson: — Chapter 52 of our 2014 report volume 2 begins on page 389. It reports the results of our follow-up, also related to IT security, this time at P.A. Parkland Regional Health Authority. This is also our second follow-up of two recommendations we first made in 2011 report volume 1 that were outstanding at August of 2012.

By March of 2014, P.A. Parkland had implemented one recommendation and had made progress on the other. Although by March of 2014 it had better restricted physical access to its data centre, it had not yet strengthened its physical access to wiring closets and portable computers. It had plans to address these matters by the end of March of 2015. Also by the end of March of 2014, it had not yet completed these and the testing of its disaster recovery plan. That concludes my overview. Thanks.

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

Mr. Hendricks: — Just to reiterate, on the one outstanding recommendation on page 390, P.A. Parkland is making progress on implementing the recommendation in regard to implementing logs of entry and exits from its wiring closets to be complete by March 31st of 2016. And in terms of encryption of computers, 85 per cent are now completed, and they're on a schedule to get the remainder done as they renew and refresh computers by March 31st, 2017.

The Chair: — Thank you for that. I'd like to open up the floor for questions. Are there any questions on this chapter, chapter 52? Seeing none, there are no new recommendations for this chapter, so I need a motion to conclude considerations.

Mr. Doke: — So moved.

The Chair: — Mr. Doke has moved that this committee conclude considerations of the 2014 Provincial Auditor report volume 2, chapter 52. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right, moving on here to the next chapter, I shall pass it off to Ms. Ferguson again.

Five Hills Regional Health Authority

Ms. Ferguson: — And I'm going to continue passing it down the table.

Mr. Ahmad: — Thank you, Ms. Ferguson. Chapter 22 of our 2014 report volume 1 begins on page 251. It describes the result of our first follow-up of eleven recommendations made in our 2012 report volume 2 for Five Hills RHA. Those recommendations relate to Five Hills' processes for ensuring that its long-term care facilities provide nourishing and safe food services to residents. Your committee had earlier considered and agreed with those recommendations. We are pleased with the RHA's progress. It has implemented 7 of 11 recommendations and made progress on the remaining four. I will focus on the four outstanding recommendations.

In section 3.2 on page 252, we continue to recommend that the RHA review and update its nutrition and food services policy and procedures manual. At the time of our follow-up in March 2015, the RHA was reviewing its manual with the intention of completing the review by June of 2015.

In section 3.6 on page 254, we continue to recommend that RHA have its modified menus regularly reviewed by a registered dietician to confirm that meals served met nutrition standards. In 2013 the RHA implemented a process requiring all facilities to document menu substitution on a substitution list and submit that list to a dietician for review. However we found that this process was not working or it was not followed. We note one facility did not follow the process at all.

In section 3.7 on page 254, we continue to recommend that the RHA follow its process to serve food at the appropriate temperature and texture. We found that while the RHA followed its policy to serve food at the appropriate texture, it did not always follow its policy for recording the temperature of food on the required form before serving it to the residents.

In section 3.9 on page 255, we continue to recommend that RHA follow its policy for quality improvement by conducting annual risk-based audits or reviews of food services. By March 2015 the RHA had completed some food services audits; for example, it did a plate audit to determine how quickly food cools once it is plated. However it had not completed audits or reviews as required in its food services policy and procedure manual. Management indicated that it was updating the quality assurance section of the manual setting out a requirement for audits and reviews. And that concludes my outline.

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

Mr. Hendricks: — Not very much to add to Mr. Ahmad's comments. We are, too, pleased that the region, well that the Provincial Auditor now acknowledges that 7 out of the 11 recommendations made in this chapter have been implemented. As well, the region has implemented an additional 3 of the 11, which we . . . I think Mr. Ahmad also acknowledged.

One remains in progress, and that's with regards to the RHA following its policy and procedures to serve food at the appropriate temperature and texture. The region has made progress on this recommendation. Food temperature compliance charts have been developed for all facilities in the region, and as well a set of screens have been purchased to check for texture consistency. Screen testing will be implemented at all long-term care facilities in the region by May 15th, 2016.

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

Mr. Wotherspoon: — Just on the one item here, recommendation around tracking expenditure to ensure that the . . . I think the characterization is that a reasonable amount is being spent on food for residents. What's the reasonable amount to be spent on food from government's perspective?

Mr. Hendricks: — So in anticipation of this question, we actually do have the figures for Five Hills. So the total cost per

meal day is 22.14 to 46.59 in the facilities, with an average of 36.27. So that would include not only the cost of the food itself but the labour attached to the preparation of that food as well. The actual foodstuffs themselves, which obviously are purchased bulk in a region and probably aren't comparable to our grocery store costs, are around \$8.40 per client per day.

Mr. Wotherspoon: — Thanks for those answers and that information. Just so that we have it, are you able to . . . So thanks for the answers on the record here. Are you able to supply whatever information you have for that range that you've spoken to to committee members following the end of this committee?

Mr. Hendricks: — Yes. We can get it by facility. Obviously your larger operations probably can do it more efficiently in terms of the equipment that they have and the staff and just sheer volume. So there'd be variants, but yes we can provide that to the committee.

Mr. Wotherspoon: — And the range for facilities, is that 22 to 46. And then there was a comment around ensuring that there's a reasonable amount being spent on food. Is that what you see as the reasonable range as the ministry, or what's the ministry's perspective on the reasonable range?

Mr. Hendricks: — Well I think I would tie it back to the auditor's other audit recommendations around the region meeting nutritional guidelines, which they're in compliance with. So you know, there's agreement that the food is meeting the nutritional guidelines set out for the residents in their planning. So by that measure we would deem it to be adequate. You know, I don't know that there's a specific benchmark out there.

And certainly in regions that are larger than Five Hills and have larger facilities, you might see lower per costs per day, not necessarily on the food costs but on the meal preparation. But we don't have a specific benchmark as to what's reasonable, and that'll vary. Right now food costs are very high, so it's probably gone up. So I think the nutritional standards is probably the better link for this.

Mr. Wotherspoon: — And just on the nutritional standards, can you just speak to the checks and balances to make sure that the nutritional standards are in place and the appropriateness of the food? I know we've talked a little bit here today about temperature and texture, and you've talked a little bit about, you know, the standards that need to be met from a nutritional perspective.

Mr. Hendricks: — So some of the key standards specific to nutrition services include all residents must have their nutrition and hydration needs assessed. And so this would make sure that they have the appropriate nutrients and fluid intake on a daily basis to meet their assessed needs. This is done in a long-term care facility in consultation with a dietitian or a nutrition expert. And so again, the Provincial Auditor's report noted the involvement of the dietitian in setting the meal plans.

The dining experience for residents must be resident-centred and nutritional as well as socially and emotionally supportive, and that meal and snack services supporting the nutritional

needs of the residents must be based on the *Eating Well with Canada's Food Guide*. As I said, consultation with a registered dietitian is required as part of the plan, and they must approve in writing the plan menu and the menu cycle, timing of snacks and meals, and portion sizes. And then the menus must also incorporate individual food preferences, as well, of the resident to comply with their cultural, religious, and ethnic beliefs or preferences.

Food services of long-term care facilities are required to operate in compliance with the food safety regulations that accompany public eating establishment standards, and they're inspected by public health inspectors as well, and all staff working specifically in the food service area must have training in the basic principles of safe food handling, sanitation, and special diets and food presentation as well.

I would just add one of the other things that we are doing is we're introducing surveys of residents and their families, and one important element is to gather their views on the quality of the food service.

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

Mr. Wotherspoon: — I think MLA [Member of the Legislative Assembly] Marchuk had a question there, but . . .

Mr. Marchuk: — Sorry, I missed that.

Mr. Wotherspoon: — Thank you for the information you provided here today. Certainly this is a really important area to make sure that there is quality nutritional meals all across the province. And just thanks for committing as well to provide that information back to committee members in a timely way.

Mr. Hendricks: — Yes.

The Chair: — I just have one follow-up question. So this is for the Five Hills Health Authority. So I'm just wondering with respect to the other health regions or health authorities, do we know that these recommendations are being followed?

Mr. Hendricks: — So we've started canvassing other health regions on . . . You know, when we take an observation from the auditor that's made in a specific region, we like to share that with other regions. So over time, what we'll try and do is implement the same . . . You know, I think we've started for example canvassing other regions as to their costs for food and meals in their region, but also making sure that they're following the same accepted standards. Have we got it fully implemented yet? I don't want to say that we do because there was a lot of work done here. And Five Hills has implemented, and they'll lead the way for other regions.

The Chair: — Thank you for that. Just with respect to the numbers with Five Hills that you'll be providing, is it possible then to provide the other regions as well in terms of average costs?

Mr. Hendricks: — Yes, so we can check, and it would probably take longer. Like we have the numbers for Five Hills right now, and we're not . . . You know, there's some

uncertainty whether every region tracks at the facility level or whether their management information systems are more on an aggregate level, but it is something that would take a bit longer to provide.

The Chair: — Okay. That was me adding that. I don't know if Mr. Wotherspoon . . . I'd be interested in all of what you have if that's . . .

Mr. Hendricks: — Great. For sure. Yes, we'll see what we can put together and provide to the committee.

The Chair: — Thank you very much for that. I didn't want to spoil his question or usurp him there. Anyway, thank you for that. Are there any further questions on this particular chapter? Mr. Michelson.

Mr. Michelson: — Thank you. I'm just curious from the auditor's standpoint why this would be brought in the way it's represented here: confirm that a reasonable amount be spent on food for residents. What would the line of thinking be as far as what is a . . . Why would you be asking for a reasonable amount, or what is a reasonable amount? What would constitute the auditor's perspective on that?

Ms. Ferguson: — So what we're getting at here is that we're . . . What we're asking for is really for the regional health authority to look on a facility basis to make sure that there's some, you know, when you look across the piece, that one facility isn't feeding their residents on a higher level and then somebody else is, you know, you're skimming too much down, right? And so the people are treated on an equitable basis. As indicated, you can't do a sort of a flat dollar because, you know, different facilities we recognize may have different residents with different needs. So it's not a matter of just straight, simple dollars and cents.

[13:45]

So hence we, as accountants, we tend to use this concept of reasonability. So the context of reasonability is you'd look at the facility, how many residents are in that facility as indicated by the deputy minister. If it is a larger facility, they are obviously going to be able to get some more synergies perhaps than a smaller facility too. So that's what we were trying to do is imbed that concept into our recommendation.

Mr. Michelson: — Okay, thanks.

The Chair: — Are there any further questions on this chapter? Seeing none, there are no new recommendations on this chapter, so could I have a motion to conclude considerations?

Mr. Doke: — So moved.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that for the 2015 Provincial Auditor Report volume 1, chapter 22, that this committee conclude considerations. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you everyone. Moving on to the

next two chapters. Ms. Ferguson.

Saskatchewan Cancer Agency

Ms. Ferguson: — So the next two chapters we're going to present together because they're really short. They present the results of our annual integrated audits of Saskatchewan Cancer Agency for the two years, the years March 31st, 2014 and March 31st, 2015 respectively.

We report that both years Cancer Agency had reliable financial statements, complied with its governing authorities, and had effective rules and procedures, with one exception in both chapters.

In both chapters we're reporting a need for the Cancer Agency to test its disaster recovery plan. We make this new recommendation for your committee's consideration in the 2014 report volume 1, chapter 20, and as reported in the 2015 report volume 2. At the time of our audit they intended to update their business continuity and disaster recovery plans in 2016-17. So that concludes our overview.

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

Mr. Hendricks: — I don't have anything to add with this one recommendation. The Cancer Agency will update its business and continuity plan by March 31st, 2016 and will develop the infrastructure requirements for testing in 2016-17, so still in progress.

The Chair: — Thank you, Mr. Hendricks. I'd like to open up the floor for questions. Any questions on this chapter, or these chapters? Seeing none, could I have a motion for the 2014 Provincial Auditor report volume 2, chapter 20? What's the will of the committee? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2014 Provincial Auditor report volume 2, chapter 20, one recommendation, and we would concur with the recommendation and note progress towards compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that for the 2014 Provincial Auditor report volume 2, chapter 20, that this committee concur with the recommendation and note progress to compliance. Any further discussion on this recommendation? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right. For the next chapter there are no new recommendations. We need to conclude considerations. Could I have a motion?

Mr. Doke: — So moved.

The Chair: — Mr. Doke has moved that for the 2015 Provincial Auditor report volume 2, chapter 22, that this committee conclude its considerations. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right. Moving on, I shall pass it off to Mr. Ahmad.

North Sask Laundry & Support Services

Mr. Ahmad: — Thank you, Madam Chair. Chapter 15 begins on page 97 of our 2014 report volume 2, and reports the result of our integrated audit of North Sask Laundry for the year ended March 31, 2014.

We report that North Sask Laundry has its reliable 2014 financial statement and it complied with authorities governing its activities. Also it had effective rules and procedures to safeguard public resources, except for the two matters: one related to controlling payment to employees and the other to maintain complete and accurate financial records.

As this chapter describes, in 2014 North Sask Laundry was making progress on these recommendations. We are pleased that by March 2015 North Sask Laundry had fully implemented them both. Chapter 31 of our 2015 report volume 2, page 145, reports that both recommendations have been implemented. In our 2014 report, we also report that North Sask Laundry had fully addressed four of our past recommendations. And that concludes my overview.

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

Mr. Hendricks: — Not very much to add. There are six recommendations. The auditor has concluded that four have been implemented, and North Sask Laundry believes they've implemented the other two.

North Sask Laundry is now winding down. Its last year of financial statements will be this year to close it out, and so it's a non-existent agency anymore.

The Chair: — Thank you for that. I'd like to open up the floor for questions. Mr. Wotherspoon.

Mr. Wotherspoon: — No, there's no questions. I mean the implementation is there. I mean there's been of course large public debate, and one where we share significant concern with the privatization and the approach of government with laundry and the loss of good mortgage-paying jobs in Saskatchewan. But this isn't a policy field committee. You're not the minister or the Premier. So we'll share that . . . you know, save that debate for another forum.

The Chair: — Thank you for that. Any further questions or comments? Seeing none, there are no new recommendations for this chapter. Could I have a motion to conclude considerations?

Mr. Doke: — So moved.

The Chair: — Mr. Doke has moved that for the 2014 Provincial Auditor report volume 2, chapter 15 that this committee conclude considerations. Any discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right, moving on to the next three chapters. Mr. Ahmad. Or is it Ms. Ferguson?

Ms. Ferguson: — No, Mr. Ahmad is starting.

eHealth Saskatchewan

Mr. Ahmad: — Okay. Chapter 7 of 2014 report volume 2 begins on page 49. It provides the results of our integrated audit for the year ended March 31, 2014.

We report that eHealth's 2014 financial statements are reliable. It complied with the authorities governing its activities and it had effective rules and procedures to safeguard public resources except for three matters reported in this chapter. It contains one new recommendation for the committee's consideration.

First, the new recommendation on page 51: we recommend eHealth to follow its processes to promptly remove unneeded user access to its IT system and data. We found 2 of 13 individuals no longer employed by eHealth continued to have access to its system and data up to eight months after their last year of employment.

Now I will move on to repeat recommendation that your committee considered and agreed on March 2014.

On page 51 in section 4.2 and 4.4, we report that eHealth continued not to review and approve journal entries on a timely basis and did not have an approved and tested disaster recovery plan. As reported in our 2015 report volume 2 on page 39 and 40, our findings for 2015 remain unchanged. Your committee considered and agreed with these recommendations in March 2014.

In section 4.3 we report eHealth fully implemented our past recommendation relating to compliance with established policy when disposing IT and communication equipment. That concludes my overview for 2014 chapter.

The Chair: — Okay, thank you very much. So we'll just deal with the 2014 chapter here. Mr. Hendricks. So chapter 7.

Mr. Hendricks: — Yes. So with respect to the auditor's recommendation on page 51, that "We recommend that eHealth Saskatchewan follow its processes to remove unneeded users [from] access to its IT systems . . ." eHealth, as of January 2015, has implemented this recommendation by creating a new termination procedure to ensure prompt removal of unneeded users who would access its information technology systems and data.

On page 51, "We recommend that eHealth approve all requests for changes to accounting records . . . before changing its accounting records." eHealth has implemented this recommendation by improving its processes regarding changes to accounting records. All changes are reviewed and authorized on a timely basis and prior to changing its accounting records.

In terms of a disaster recovery plan on page 51, eHealth should have an improved and tested disaster recovery plan. This is in progress. eHealth continues to work on the disaster recovery plan. In the case of eHealth, this is contingent upon having a

second data centre which is obviously now under way and is expected to be complete and operational by July 31st, 2016. So at that point they should be in compliance with this recommendation.

The Chair: — Thank you, Mr. Hendricks. I'd like to open up the floor for questions. Seeing none, could I have a motion for the 2014 Provincial Auditor report volume 2, chapter 7?

Mr. Doke: — Madam Chair, in regards to the 2014 Provincial Auditor report volume 2, chapter 7, one recommendation and we would concur with the recommendation and note compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that for the 2014 Provincial Auditor report volume 2, chapter 7 this committee concur with that recommendation and note compliance. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. On to the next chapter. Chapter 6 of volume 2, 2015.

Mr. Ahmad: — Thank you, Madam Chair. Chapter 6 of the 2015 report volume 2 begins on page 37. This chapter contains the results of our 2015 integrated audit. We reported that eHealth's 2015 financial statements are reliable. eHealth complied with authorities governing its activities, and it had effective rules and procedures to safeguard public resources except for the matters reported.

In this chapter we make three new recommendations for the committee's consideration and repeat three. I will focus on the new recommendations. On page 38 we recommend that eHealth regularly verify existence of its capital assets and reconcile it to the accounting record. Regular verification helps management to confirm that assets exist and its accounting records are accurate. Management indicated that eHealth plans to do this by March 2016.

On page 39 we recommend eHealth require staff to reconcile each of its bank accounts monthly. We noted in 2014-15 staff did not reconcile bank accounts each month. Staff began preparing monthly reconciliations in March of 2015 and completed them in May of 2015. Lack of timely bank reconciliations increases the risk of errors and loss of public money without timely detection.

On page 39 also we recommend eHealth adequately segregate duties assigned to employees responsible for processing payments and record keeping. During 2014-15 eHealth implemented a new accounting system. This new accounting system does not separate incompatible functions in that it allows certain individuals to create vendors, enter invoices, and produce cheques without approval. Lack of segregation of incompatible functions increases the risk of errors and misappropriation without ready detection.

The three repeated recommendations are the same as I previously noted in my earlier presentation. And that concludes my recommendations.

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

Mr. Hendricks: — I think on the first one, Mr. Bashar said that we will have . . . or Mr. Ahmad, that we'll have that implemented by March 31st, 2016, so that deals with reconciling its accounting records.

With respect to “we recommend that eHealth require staff to reconcile each of its [bank records or] bank accounts monthly,” eHealth has implemented this recommendation by developing a bank reconciliation policy to ensure bank accounts are reconciled monthly.

And lastly, with respect to segregating duties, eHealth has also implemented this recommendation by segregating the duties of employees assigned to ensure that adequate separation of duties pertaining to processing payments and record keeping do exist.

The Chair: — Thank you, Mr. Hendricks. Are there any questions on this chapter? Mr. Michelson.

Mr. Michelson: — In regards to recommendation no. 1, Mr. Hendricks, what would regularly verify the existence? What is . . . Can you define “regular”? Like is that once a year? Is that every five years? Six months?

Mr. Hendricks: — Yes, and this is kind of a test. Maybe the auditor will say that I have the wrong answer here, but typically, it's an annual. We look at this on an annual basis. You reconcile your assets, your capital assets on an annual basis and count and make sure that they're still there and exist.

Mr. Michelson: — That's what I would assume, but was that the . . .

Ms. Ferguson: — So the frequency of counts can vary by organization, and it really depends how much activity you have in terms of buying and selling, you know, buying and disposing of assets. So it's not a set number for every organization. And even for an organization it may change, you know, from time to time depending on the level of activity that you may have.

Mr. Michelson: — So from an auditor's point of view for eHealth, what would “regularly” be?

Ms. Ferguson: — What we'll do is we'll look at terms of the level of activity of how many assets they're buying, how many they're disposing of, you know, and look at it with respect to that. So I don't have sort of that flow in my head. So we did assess “regularly” in that context.

Mr. Michelson: — Thank you.

Ms. Ferguson: — Yes, it's not cut and dried, right?

Mr. Michelson: — I guess not.

Ms. Ferguson: — No. Well it doesn't make sense to be.

The Chair: — Any further questions on this chapter? Seeing none, could I have a motion?

Mr. Doke: — Madam Chair, I'll do it in two parts here. In regards to the 2015 Provincial Auditor report volume 2, chapter 6, recommendation no. 1, we would concur with the recommendation and note progress towards compliance.

The Chair: — Thank you. Mr. Doke has moved that for the 2015 Provincial Auditor report volume 2, chapter 6, recommendation no. 1, that this committee concur with the recommendation and note progress to compliance. Any further discussion? Seeing none, is that agreed?

[14:00]

Some Hon. Members: — Agreed.

The Chair: — Carried. All right, Mr. Doke.

Mr. Doke: — Madam Chair, in regards to the 2015 Provincial Auditor report volume 2, chapter 6, recommendations 2 and 3, we would concur with the recommendations and note compliance.

The Chair: — Thank you. Mr. Doke has moved for the 2015 Provincial Auditor report volume 2, chapter 6, recommendations no. 2 and 3, that this committee concur with those recommendations and note compliance. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right moving on to the next chapter.

Ms. Ferguson: — So I just want to pause and make one additional introduction. I want to introduce Ms. Tara Clemett. Tara's joined us here for this portion of the meeting and that she led the work that's before us. I'm going to turn it over to Mr. Ahmad.

Mr. Ahmad: — Thank you, Ms. Ferguson. Now on chapter 10 on protecting patient information.

eHealth is responsible for the provincial electronic health records, that's eHR [electronic health record]. The provincial eHR is a system of comprehensive electronic health records for patients in Saskatchewan that allows the electronic sharing of patient data among health care professionals.

The eHR collects patient information like diagnostic images, lab results, and drug information from various computer systems. The Saskatchewan Laboratory Results Repository is a component of Health, provincial eHR.

Through its computer system, eH compiles patient lab information into a centralized data repository and makes that information available to authorized health care professionals through eHR Viewer, that's eHealth's website, and a data connection that sends data to qualified electronic medical records system called EMR [electronic medical record]. EMR is used by RHAs and physician-owned clinics and offices.

Although electronic sharing of patient information has many benefits, appropriate measures are also necessary to keep information secure. Under *The Health Information Protection*

Act, HIPA, eHealth is obligated to protect patient information in the repository.

Chapter 10 of our 2015 report begins on page 39. It described the results of our audit of eHealth processes. We concluded from April 1, 2014 to March 31, 2015, eHealth had effective processes except for the matters reflected in our recommendations. We made five recommendations.

On page 98 we recommend eHealth assess risk of inappropriate access to lab results in repositories and set up related alerts to enable timely detection. During 2014-15 an external party notified eHealth about two incidents of potentially inappropriate access. eHealth examined logs to figure out what was accessed and by whom. However, it found that the system alerts used were not sufficient to help identify those type of incidents.

On page 98 we recommend eHealth properly configure and update the lab results repository system for critical vulnerabilities. We found that eHealth had not applied to its repository system updates that were available since October 2012 and had not documented risk analysis why it did not do so. Improper configuration and untimely updates increase the risk of unauthorized access.

On page 99 we recommend eHealth implement a policy to require prompt removal of user access to the repository through the eHR Viewer upon request. eHR Viewer, as I said, is a website. We found eHealth policy did not set a time frame for processing changes to user access. We found an instance where access was not removed for six working days after the receipt of the request.

On page 99 we recommend eHealth implement a policy to periodically confirm with health care organizations that existing users have appropriate access to the repository through eHR Viewer. eHealth did not have such a policy, and the confidentiality of the repository system depends on both eHealth and health care organizations sufficiently protecting the system from unauthorized users. A periodic verification that existing users' access to eHR Viewer continues to be appropriate is one way to help ensure confidentiality.

And finally, also on page 99, we recommend eHealth follow its password expiry policy for privileged user accounts that access the lab results. eHealth policy requires passwords be set to automatically expire after a certain period. We found the policy was not always followed. We noted two key accounts with privileged access to the repository were not set to expire within a certain time frame. This increased the risk that the password may be compromised. And that concludes my overview.

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

Mr. Hendricks: — First of all I think, you know, eHealth and the Ministry of Health would acknowledge, you know, just in keeping with the earlier discussion about unauthorized access to patient records, the seriousness of these findings. And so eHealth is doubling its efforts.

March 31st, 2016, we expect all of these recommendations to be implemented that have identified issues with our lab results repository access password setting and implementation of

patches to the repository from the vendor. So we're confident those will be completed by March 31st, 2016.

The Chair: — Thank you, Mr. Hendricks. If I could open up the floor for questions? Mr. Wotherspoon.

Mr. Wotherspoon: — I don't have specific questions right now, but thanks to the auditor for the important body of work on this front. Thank you to eHealth and the ministry for the focus on this front. The deadline or the timeline towards implementation is just, you know, just before us here; so March 31st, 2016, which is soon. I mean, these are really serious recommendations, and you know, if that system or that data's compromised, the impacts are big. So just thanks for the attention to this matter and seeing it right through to implementation and certainly keeping that data and that system, keep the integrity of that system protected.

The Chair: — Are there any further questions on this chapter? Seeing none, could I have a motion with respect to the will of the committee?

Mr. Doke: — Thank you, Madam Chair. In regards to the 2015 Provincial Auditor report volume 1, chapter 10, recommendations 1 through 5, we would concur with the recommendations and note progress towards compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved for the 2015 Provincial Auditor report volume 1, chapter 10, recommendations 1 through 5, that this committee concur with those recommendations and note progress to compliance.

Is there any other discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right, we will move on to our last chapter of the day here: chapter 34 of the 2014 volume 2 Provincial Auditor's report.

Health Quality Council

Ms. Ferguson: — Thank you very much. The health sector is using lean as a common approach for continuous improvement to improve health care since 2005. The government has gradually expanded this approach across the health sector. Since April 2013, the Health Quality Council has been responsible for coordinating the use of lean across the health sector through the provincial lean office. Chapter 34 in our 2014 report volume 2, starting on page 217, describes the results of our audit of the Health Quality Council's processes to coordinate the use of lean across the health sector as a continuous improvement methodology, and this was done for the 12-month period ended August 31st, 2014.

It's important to note that we did not assess the effectiveness of the lean methodology nor the outcomes achieved in comparison to the money spent. We found that although the Health Quality Council was responsible for the provincial lean office, it did not have the full authority to carry out all of its lean responsibilities. Rather, the Ministry of Health retained authority to manage its lean consultant to which it had given authority for certain aspects of the deployment and coordination of lean. Because the

Health Quality Council did not have the full authority to carry out its responsibilities, we concluded that the Health Quality Council did not have effective processes to coordinate the use of lean as the continuous improvement of processes methodology across the health region.

We made five recommendations. On page 226 we recommend that the Health Quality Council implement a risk management framework for coordinating the use of lean across the health sector. We found that the Health Quality Council had helped support health agencies to mitigate informally identified risks related to the deployment and use of lean, primarily on a reactive basis. It had not developed or used a risk management framework to manage risks related to coordinating the use of lean. Use of a framework may have better equipped the Health Quality Council and health agencies to address issues that occurred during the deployment of lean.

On page 229 we recommend that the Health Quality Council promote the alignment of lean activities across health sector agencies by sharing information that demonstrates how activities contribute to strategic priority areas. We found that while the Health Quality Council collected and shared information from health agencies, it did not share information that demonstrated which lean activities contributed to strategic areas like eliminating emergency wait times. Without this information, health agencies were less equipped to plan for their own activities to align with strategic priority areas.

On page 232 we recommend that the Health Quality Council collect information from health sector agencies on ongoing results achieved through lean events in the agencies. We found that although the Health Quality Council had set clear expectations for what data health agencies were to provide into the Health Quality Council's database, the data that the Health Quality Council received was not complete. Furthermore the Health Quality Council did not monitor whether agencies completed required reviews or updates of lean events or reported the results of those audits to the council in a timely way. Without knowing the status of improvement activity, the council did not know whether the use of lean was creating sustainable change.

On page 233 we make two recommendations that focus on reporting progress achieved through the use of lean. First, we recommend that the Health Quality Council give written reports to the Ministry of Health and health sector agencies on the results lean events have achieved, and the sustainability of those results. Second, we recommend that the Health Quality Council report to the public on outcomes achieved through the use of lean across the health sector. We found that the Council's reports focused on lean activities such as the nature and number of recent lean events, as opposed to whether the changes from lean events resulted in sustained improvement or changes in the culture within the health sector. That is consistent . . . that is areas that are the overall objectives and purpose for the use of lean. Without reporting on what lean is achieving, it's not possible to have a complete picture on whether or not the use of lean is making a positive difference in the delivery of health services or creating a culture of continuous improvement. That concludes our presentation.

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

Mr. Hendricks: — Maybe just a couple of opening statements. So we're now approximately or coming up on a year since we severed our relationship with our consultant. During this time, there's been a lot of reflection on the part of the health system leaders, Health Quality Council, in terms of how we transition lean. I think we have identified several risks in terms of our current journey and maintaining what we've been trying to accomplish. And you know, this reflection is also based on, you know, over the period of a few years under our consultancy or with a consultant, some things that we could do better.

And so in terms of developing kind of a risk management framework as the auditor talks about, we have developed that. We look at things like governance and accountability for the successful implementation of lean across the system — who has decision-making authority, accountability targets — but also in terms of employee and worker acceptance of this, if I can use the term. We're trying to revisit and make sure that we have an approach here that is embraced by employees and where they feel engaged, and that it truly is seen as one where employees are able to share their ideas and that it is bottom up rather than top down. So as a health system, we are working very hard on that.

We are, in terms of developing a plan for how lean activities across health sector agencies by sharing information that demonstrate how lean activities align to strategic priority areas. The auditor used the example of our ER [emergency room] wait times. So I think now more than ever the health system is coming together. We've actually formed groups that are meeting as we speak to try and better align those strategic priorities in the health care system. So it would be things like ED [emergency department] waits, seniors, that sort of thing, where we believe that lean will complement improvement activities in those areas. And so we're specifically focusing efforts on those areas of the highest priorities.

You know, I think in the early days of our implementation, sometimes it was whatever unit or leader put their hand up and said, we'll be kind of first out of the gate, and that wasn't necessarily focused on those areas that would be our highest priorities. So I wouldn't say that we hadn't got that recognition before, but now it's actually more formalized in terms of where we place our resources.

[14:15]

In terms of the recommendation about the Health Quality Council collecting information from health sector agencies on ongoing results achieved through lean events in the agency, HQC [Health Quality Council] believes that it has implemented this recommendation. There is a provincial repository for sharing information activities and data and for learning from peers across health organizations.

I just want to reinforce something the Provincial Auditor said. It's not simply about counting events, counting dollars saved, counting footsteps reduced. This is about improvements in outcomes to patients and residents in our health care system. And in fact in terms of our reporting mechanisms, health system leaders right now, based on feedback that we've received from people who are working on these improvements, are looking at a different reporting system that will speak to more of those

things and less to some of the hard metrics that really don't say a lot about what that outcome has achieved. So that work is under way.

In 2015 HQC worked with system partners to establish a reporting process and standardized data collection is under way. But as I said, we might actually be changing the data that is coming into the system.

In terms of the Ministry of Health and health sector agencies getting written reports on the results of lean that have been achieved and the sustainability of those, we are making progress on that recommendation. I think one of the challenges has been in terms of the regularity in receiving results and the audits that follow those and making sure that the results have been sustained is because of the reporting requirements that I have spoken about. I think the adherence to reporting would be greater if, you know, the results that were being reported actually meant more to the people that were reporting them. So I think that, you know, changing the reporting structure will improve compliance with this particular thing. And those are all my comments.

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

Mr. Wotherspoon: — Just going through some of the chapter, and something you touched on as well, thanks for the . . . and thanks again to the auditors for their work on this front, and to your officials for engaging in the matter as well.

Around the employee engagement surveys, there's a note in the auditor's report about some of the results from the April 2014 employee engagement survey around, I guess, how they feel lean . . . but also how they feel the system, or whether or not . . . I guess the statement is whether or not they agree with, "I believe we are transforming the healthcare system to significantly improve the quality of care in the province." And only 29 per cent of respondents at that point agreed or strongly agreed with that statement. And only 46 per cent of respondents said they agreed or strongly agreed with the statement, "I support the continuous improvement efforts (i.e., Lean) in our department." Do you have any more current data or reactions from surveys than that?

Mr. Hendricks: — I don't have any more current information, but I will say that this is something again that leadership within the health care system is very focused on because, you know, just upon reflection in terms of how lean was rolled out initially, I don't think that there was maybe enough of a change management strategy at the start to engage workers and have them understand what the goals of this initiative were.

You know, I do take heart in the fact that a lot of front-line workers who have been involved in these improvement events are inspired by them, you know, in terms of the improvements they are able to make for their patients and for their residents. People that haven't been involved with them and feel a little bit more distant, I can understand, you know, there's some trepidation about something that, you know, is kind of happening out there. I think we will have to re-survey the system and see how they feel about it. We just don't have one that we've done recently.

Mr. Wotherspoon: — So was that the last employee engagement survey then, that one in April 2014?

Mr. Hendricks: — Yes.

Mr. Wotherspoon: — So you've shared that those that were engaged in some of the activities, I think your words were, that they were inspired or that lots were. Has there been some measurement of the percentage of folks that were engaged in those activities?

Mr. Hendricks: — Not a specific . . . Well okay, so I shouldn't say that. So in terms of — and I would have to check — in terms of team involvement, you know, where they've been involved in a specific improvement event, I would have to check whether there is an actual tracking of whether the team members reported, you know, positive. Certainly in terms of the stories that we're hearing and the stories that actually accompany some of the reporting, workers are, you know, the front-line health workers are saying very positive things about it and we do hear very positive stories.

So, you know, that's anecdotal. And we will formalize tracking. It's something that we have to do. You know, for this to actually be successful across the health care system — and I do feel that it's very important for improving care in the future — I can't do it and we can't do it without workers owning this and feeling engaged and empowered by it. So it is something that's really important.

Mr. Wotherspoon: — I appreciate that you share your perspective on some of the anecdotes, and I don't dismiss that there would be some of those perspectives there. But it is fair to say that, anecdotally and on numerous occasions, and I think our Health critic would have a little bit more data on this front, but certainly even just direct conversation and sharing of frustrations with some of these processes and disappointment on many fronts.

Certainly, you know, I'm not sure if there's something statistically to share that those that have been engaged in the direct planning or certain activities have, you know, felt that that's been purposeful or inspiring. It may have been for some. But I certainly know that I've heard from many, many directly in a very frank, honest, direct way a high level of disappointment and frustration with some of the engagement as well. But I would just leave that there.

I would be interested . . . I know on page 225 there's discussion of the transition from John Black or JBA [John Black and Associates] to the Health Quality Council, and it talks a little bit about what happened effective July 2015. I guess we'd just be interested in knowing just a little bit more about how that transition went, a bit of an update on those activities and when JBA was completely finished their work, or when did they finish their work.

Mr. Hendricks: — So the agreement with JBA was done on March 31st, 2015 and they were, I believe, done all work by that date. So the system prior to the end of that contract had actually . . . Health system leaders had started meeting to have discussions about what were the key and critical elements that we would need to carry this forward. And I think, you know, I

think we were quite surprised about the amount of knowledge that had been built in a very short time period, relatively, with the consultant. As you know and as the auditor mentioned, this goes back to 2005, so prior to the engagement of this specific consultant.

But you know, we have regions like Saskatoon, Regina, Five Hills, and a couple of others that during a very short time amassed a lot of knowledge. And so what we're doing is working to share that knowledge across the health care system.

And so that was a key focus of the plan — clarifying, you know, decision-making. The auditor made the point that she didn't feel that the HQC was given all the decision-making power on some of the things that it was given responsibility for and so we've clarified that. We have . . . Now a system leader is making decisions about the future of lean, and there's a consultation that actually takes place with those that are leading the improvement work.

So we've been working on those. We wanted to make sure that no region . . . that this isn't something that's done unevenly across the province, where certain regions are pulling ahead. And so we're cognizant of that as well in trying to make sure that we're providing supports to regions that had less capacity coming out of our contract.

So a lot of work going on in terms of doing that. I would say actually I'm quite optimistic about the future of this. You know, I think that there's a lot of enthusiasm still. I actually think that the system has embraced our independence on this to some extent and the ability to shape things in a way that we feel is more in line with a Saskatchewan context.

The Chair: — Mr. Hendricks, can I just get a clarification? I think last year in committee . . . I know you've just said now that JBA was done on March 31st, 2015, but am I mistaken in thinking that there were a few events or some work, a little bit of work that was done after? I'm thinking a 3P [production preparation process]. It was all . . .

Mr. Hendricks: — So it was done in P.A. A 3P was done but it was done with our own resources. JBA wasn't part of that.

The Chair: — Okay, thank you.

Mr. Hendricks: — But everything that's going on . . . Like, events are still going on all over the place, yes.

The Chair: — Yes, for sure. But so JBA was done March 31st, 2015.

Mr. Hendricks: — Yes.

The Chair: — Thank you for that. Mr. Wotherspoon.

Mr. Wotherspoon: — Just looking at, on page 228 it talks about the emergency department waits and patient flow initiative. It says that HQC's going to be involved in this and the extent of that improvement work will be dependent on the level of funding the ministry provides health agencies. So I guess my question was, how much was given to HQC or each respective health region for this work,? And what's the extent

of that work? What was that improvement work? What's been done on that front?

Mr. Hendricks: — So in terms of ED waits — and my figure might not be exactly correct; it's just not on the top of my head — \$4 million was provided in the 2015-16 budget to support that initiative. And so over the year they've been doing a lot of preparatory work and actual improvement work testing things. Health Quality Council, you know, has been involved and in fact the ED waits initiative is attached to the Health Quality Council, the group that supports that work.

And so, you know, they've been involved because a lot of the improvement work that they're doing really is about . . . It's not just about, you know, increasing capacity or whatever. It's making sure that, you know, we're moving patients effectively and efficiently as possible, that discharges are taking place on time, that people are brought in to see their ER physician.

So a lot of work is actually being integrated into the ED waits initiative. So right now, you know, I think obviously we're in a difficult fiscal situation, and where we go in the ED waits will be, I guess, determined through the budget process and the resources for that.

Mr. Wotherspoon: — Just on the emergency department, some of the lean exercises or activities that have been held around that area — could you speak about, I guess, what those look like or what some of those events have looked like or activities have looked like, and what some of the common observations or challenges have been that have been noted through those activities?

Mr. Hendricks: — So it's quite a . . . We do have a big plan here and so I'll go through some of it.

So as we move through the year at various times we're focusing on different things. So in terms of access, you'll have heard about implementing hot-spotting and Connecting to Care pilots. So in terms of what the region is doing, you know, the Ministry of Health, we're looking at mental health and addictions open access program. You'll have read in the media lately about the open access program in Regina, the hot-spotting and some of the earlier successes that we're having there. We're trying to make sure that Saskatoon, who has also received pilot funding in that area, is implementing programs. So it's about making sure that, you know, high-need users of the health care system are able to access care differently in a manner that's more appropriate and better addresses their needs than the emergency room.

Accessing an appropriate primary care physician in the community. One of the reasons reported for the high number of ED visits is that a lot of people aren't connected to a primary health care physician in the community, so obviously looking at mechanisms to attach people to a primary care physician. We look at those common chronic diseases that people are showing up at emergency rooms for — so obstructive pulmonary disease, that sort of thing — and knowing very well that by having standards or guidelines in the community for the treatment and management of those diseases, if those are being adhered to by primary care physicians, family physicians, that we can head off a lot of visits to the emergency room

department.

[14:30]

So a lot of this is about measurement. But there's, you know, measurement and looking at the people that are coming into ERs, better really understanding that population, but a lot of it's about measurement as well.

So looking at, you know, one of the things that we talk about is no admit beds, so when your ER is full and you don't have beds to put people into. So the question is, why don't you have beds? So we look at things like rounding practices for physicians. If they're not rounding regularly, or they're rounding at different times so a bed doesn't become open in the morning, when that bed can be turned back to a patient that actually needs it. So it's about working with the physician community to understand and try and get their involvement in rounding regularly and discharging when they are supposed to be discharged.

In terms of alternate level of care, a lot of times the barrier to actually discharging somebody from the hospital is that they require community support. So we're doing work in terms of aligning the supports in the community to make sure that there are better hand-offs, if you will, and better alternatives. And you know, there's a huge body of work here. A lot of these things, along the road the Health Quality Council is playing an important role in terms of understanding the problems. So first you have to value stream map it, as we call in the health care system, to understand the flow of patients through the system, to have the key metrics and data so that you understand where you have barriers in the system or roadblocks, to look at processes and how effective those processes are. So a lot of that work.

And another thing that HQC is very strong at is in terms of the educational component, and so bringing physicians along. They want to play probably a bigger role in that area. They've become quite knowledgeable in lean, and they can kind of be catalysts for, you know, educating people and making sure that they understand the principles and helping the adoption of it. So I don't know if that answers your question.

Mr. Wotherspoon: — You've given certainly some examples from some of those activities. Just maybe more so, like what did those events or those activities actually look like? So thanks for the observations and . . .

Mr. Hendricks: — I don't have a specific event listing with me, but I could provide that because we do have events specific to the ED waits if this committee is interested in. As I said, we track those results, and we can kind of tell you what the scope of the event, what the anticipated outcome, what it achieved, and that sort of thing. I can provide you that listing. I just don't have it with me.

Mr. Wotherspoon: — Thank you.

The Chair: — If I could jump in here, Mr. Hendricks, just with respect to recommendation no. 3: "We recommend that Health Quality Council collect information from health sector agencies on ongoing results achieved through lean events in the agencies."

And I want to just cast your mind back to a conversation we had in estimates in the spring around the University of Saskatchewan being contracted to do a multi-year evaluation. And so I was actually hoping Health Quality Council would be here today to verify where there was some misunderstanding because in this particular auditor's report, on page 232, the auditor writes here: "For example, in 2012, HQC commissioned an independent research team from the University of Saskatchewan to undertake a multi-year evaluation of lean in the health sector." It goes on.

But we had a conversation in estimates, and the minister actually had written a letter to you where he writes, "I also understand that the Health Quality Council has contracted with the University of Saskatchewan to design a multi-year evaluation of lean deployment in Saskatchewan expected for 2014."

So we've got that first phase, and I know there was some confusion on my part what had all been completed. So I think my first question is in terms of outcome indicators. So you told me that the first piece of work had been complete. So I'm wondering what that first piece included, including what outcome indicators were identified. Which ones were identified?

Mr. Hendricks: — So, sorry, the . . .

The Chair: — So that first piece of work the U of S [University of Saskatchewan] did for you, you had said to me that the research team was also to develop the multi-year design for the study, and that first phase was all about coming up with outcome indicators. So I'm wondering what that first phase looked like. What were the outcome indicators and the establishment of baseline data?

Mr. Hendricks: — I guess a couple of things about this. So at the time when we spoke, there actually had been an application for funding by a U of S research team to the Canadian Institutes of Health Research to provide funding for a research project looking at a first-phase evaluation of Saskatchewan's lean health care transformation. That application to the Canadian Institutes of Health Research was unsuccessful so they did not provide funding. Is that correct?

A Member: — Correct.

Mr. Hendricks: — Yes, they did not provide funding to the research team on that. The team is reapplying. Obviously they're given feedback by CIHR [Canadian Institutes of Health Research] and, as you know, in terms of their application there's a suggestion made how to address that.

In terms of the outcome measures, I think the first phase of this actually was to address kind of a baseline, or to develop a baseline evaluation of our lean management system. And so I don't have the specific outcome measures or I don't think that was really . . .

The Chair: — Have they been developed? I was just wondering now. I guess we do have the auditor here where the auditor had said that, "During our audit period, the team completed the first phase of this evaluation that selected

outcome indicators and established baseline data . . . ” So it sounds like that happened.

Mr. Hendricks: — So the initial research activity in terms of what was proposed by the team was consultation. And this is in the first phase, consultation with stakeholders through a steering committee and developing a core group of expert advisers in a stakeholder workshop. Three rounds of interviews, an initial round with nine key decision and policy-makers to identify priority and processes with health system leaders. A systematic review of the literature of the use of lean in health systems. An implementation mapping study examining rapid process improvement workshops, and 5S [sort, simplify, sweep, standardize, self-discipline] activities undertaken in four regions, an iterative process of theory development to guide longer term evaluation. The first stage of an economic evaluation examining the costs of lean implementation, and then a multi-year evaluation would be extended to a cost-benefit analysis. Endorsement of the focus areas for multi-year evaluation by the steering committee, and the selection of baseline data for key outcomes for a multi-year evaluation.

So as I said, the committee, this was their work plan . . . or sorry, the research group. They didn't receive the CIHR funding and so they're reapplying. And we're hopeful that they'll get . . .

The Chair: — And we had that conversation, but I think that I'm still confused. And maybe the auditor, like reading the auditor's report, it says outcome indicators were selected, from my reading of this. So I'm just wondering what the auditor's understanding of this is. We did have the conversation about the application to Canadian Institutes of Health Research, but that first phase, it sounded like it was complete and there were some things identified.

Ms. Ferguson: — Yes. Our understanding is they did, at that point, that first phase, they did a selection of what they desired to be their outcome indicators. And then they, for those ones they would have established baseline data, you know. And then our understanding is that there was going to be ongoing phases, you know.

The Chair: — So I'm just wondering then if the Health Quality Council contracted with the U of S, if the Health Quality Council's work . . . although obviously the U of S is applying for the funding to take it further. But is it possible to get from you at some point in the very near future what outcome indicators were established from that first piece of work?

Mr. Hendricks: — Yes, we can review the contract. We don't have the actual contract with us. So we can review and see what the research committee proposed to use as outcome measures, I think is what we're talking about here in terms of evaluating them. And so we can provide that information to the committee.

The Chair: — Ms. Ferguson.

Ms. Ferguson: — So it's basically the indicators at this point. So we wouldn't have a target or anything; it would just be the areas, right?

The Chair: — Oh yes, I'm interested in knowing what

indicators have been selected to . . . if the money is ever received, how it'll be evaluated. I'm interested in knowing that.

Mr. Hendricks: — So in broad strokes — and this is from a piece in the literature that describes the work of the research committee in broad terms, so this wouldn't be a full list — the final list of outcomes includes a number of focus service lines of the different intervention used to implement lean; adverse events; health services utilization which would be readmissions, length of stay; measures of workplace efficiency, the amount of waste; staff time, sick leave is the example they give; and wait times, the wait times in the emergency department and wait times for surgery. So some of those metrics that they would be looking at; I don't know if that's a complete list.

The Chair: — That's helpful. That's some of the information that I was looking for. In terms of that first piece of work then, how much was the contract to the U of S from the HQC?

Mr. Hendricks: — 225,000.

The Chair: — Two hundred and twenty-five for the first part. In terms of the application to the — thank you — in terms of the application to the Canadian Institutes of Health Research, what amount of money are the academics looking for?

Mr. Hendricks: — But the application, the Canadian Institutes of Health Research would have been for matching funds, I believe.

A Member: — Yes.

Mr. Hendricks: — Yes.

The Chair: — So another 220.

Mr. Hendricks: — Yes.

The Chair: — Does it make sense . . . If it's been rejected once by this organization, is there any will by the ministry to actually support that so a proper and thorough evaluation can be done?

Mr. Hendricks: — So maybe, maybe . . . And I haven't been clear here, I guess. So the Health Quality Council's total budget, they ended up spending \$225,000 on the first phase of the evaluation. The application . . . and I, so when I spoke of the outcomes or things that they were doing first — the interviews with the leader, the review of the literature — that's phase one. That's been done.

Phase two was I think the stuff that you're speaking to in terms of the outcome measures, where the Canadian Institutes for Health Research grant has been made which was not successful. I'm not sure of the exact dollar value of that, what their request was, off the top of my head. And we can check that. But you know, obviously the minister would support . . . First of all, I would think CIHR should support this work, and we would be supportive of this research team in terms of their application to CIHR.

Oftentimes when these applications are made, they're not accepted on the first try. And so they make some changes; expert committees there say that, you know, you tell them to

tweak this, tweak that. So hopefully we'll have some news in terms of . . . [inaudible interjection] . . . By when?

A Member: — We expect to hear by June.

Mr. Hendricks: — By June.

The Chair: — By June for the second application?

Mr. Hendricks: — Yes.

The Chair: — We expect to hear from it by June. So hypothetically, if it's rejected a second time, and obviously there are some funding constraints in the province right now, but what is the thought or feeling on the need to, well, meet the auditor's recommendation and do a thorough evaluation?

Mr. Hendricks: — Well so as I mentioned, part of our effort as a health system in terms of tracking results, outcomes, you know — for example ED waits, events that I will provide to this committee — is to continue to track the outcomes. In terms of an aggregation of that and a formal evaluation, obviously there's a strong desire by the health care system to do a full evaluation of this and get into some of the areas that the research team has proposed. So you know, I think one way or another . . . You mentioned the fiscal situation, and obviously that has an impact in terms of resources for that. But you know, I think it's fair to say at some point this will be evaluated.

The Chair: — Just a clarification. You had said something about matching dollars, so maybe my question wasn't clear. But you had mentioned matching dollars, so there's some confusion for me there.

Mr. Hendricks: — And I misspoke on the matching. I'm not sure if it's, like if it equals our first 225 that we paid or if it's a higher amount. We'd have to check on the exact figure.

[14:45]

The Chair: — Okay, and you said by June they'll know whether or not it's been approved or rejected.

Mr. Hendricks: — Yes.

The Chair: — Okay. Well thank you for that. I do think I have a few more questions, but I'll see if someone else has any questions. Mr. Wotherspoon.

Mr. Wotherspoon: — Just as far as the JBA contract itself, has there been any evaluation or measurement of that work completed by that lean contractor? And has that contractor provided, submitted final reports to government?

Mr. Hendricks: — I think the evaluation that will be done, obviously you want an independent party to conduct the evaluation, so that was the idea with this U of S group. Certainly in terms of some of the outcomes, in terms of, you know, reductions in harm done to patients, that sort of thing, savings and such, the ministry's been tracking that. But there was no requirement in the JBA contract to present a final evaluation or do a formal evaluation. The ministry would have to do that.

Mr. Wotherspoon: — Okay, and you know to be clear, certainly there's importance for the independence for a whole evaluation of this approach and all aspects of it. But certainly I think the ministry, when they have a contractor engaged, there's a measurement and evaluation as to whether or not they've delivered what's been contracted. There's a final report by the contractor. And I'm just wondering, you know, who will be conducting that work as it relates to that contract now? Of course, there's the broader piece, the independent piece that's very important, but will that be HQC? Will that be the ministry?

Mr. Hendricks: — So at the end of every fiscal year there was basically a reconciliation. Obviously we go through to make sure that the contractor has delivered everything that they were required to do under the contract, and we only pay for what actually has been delivered. So that is part of our normal process in terms of, you know, with any contract, of making sure that the service is actually delivered in alignment with the contract. So we do that part of it. You know, the whole cost-benefit analysis of the contract and of our lean work is another body of work that, you know, remains to be undertaken.

I would just add too, a question about the timing of that. You know, in terms of the full-system implementation, we're very early still. You can evaluate too early and get bad results. Normally when health systems engage in this type of work it's a 5, 10, 15 — those are kind of the key milestone dates when they would measure their progress, right? But having said that, still very interested and I think that it's something that, as I said, will be completed soon.

Mr. Wotherspoon: — Just as far as I guess the focus on lean itself and sort of directing the majority of activity for quality improvement initiatives of regions through the lean process, going forward is there going to be greater flexibility to the regions to look at initiatives that might not fit the focus in through lean processes?

Mr. Hendricks: — So there's been a lot of discussion about that. I've kind of, you know, used figure skating as the metaphor, or whatever, you know; there are compulsory elements, but then you kind of have an artistic measurement as well. And so, you know, it would be unfair, like there are very different situations in the North than there might be in the South and different ways of engaging people in fact, right? And so I think that regions have been given some flexibility.

At the end of the day what I've said, obviously as the deputy, is I don't want it to be, you know, the kind of the foundational stuff to be so significantly different from one region to the next that you don't recognize it. So if I'm an employee who moves from Saskatoon to Regina, you would have the core competencies, the training, that sort of thing.

But certainly in terms of the implementation, an example given, ED waits might be a very different issue in Prince Albert than it is in Regina or Saskatoon. So regions are being given some flexibility. I'll use an example in terms of the initial orientation, a lot of regions are doing different things. You know there was some dissatisfaction with the initial process, and I think regions have kind of tailored it to better suit their needs.

We've implemented a new lean leader training program, and as

a province it's different from the one that the consultant provided. It's actually been super positively received by people. We have people of all levels interested in this. In fact, the EAs [executive assistant] in my office are taking this training as we speak. So whereas the other one was quite intimidating, there is a lot of flexibility and we're trying to build that in. But simply said, there still have to be some provincial, you know, foundational things that are across the province.

Mr. Wotherspoon: — I appreciate that. And not a criticism of officials here, but my comment might be, your metaphor of the figure skating, I think there's been some problems with the judging on that front as well. And so it is important to have a true, independent, thorough assessment of what's being, you know, what's happening.

Just as far as HQC, they've taken on these new responsibilities as directed by the ministry. Their resources seem to be pretty much the same. Can you speak to their resource environment and, you know, do they have diminished capacity in certain areas? Have some areas become less of a priority? Just maybe speak about some of those choices around how resources are allocated at HQC and whether resources are sufficient to do all of the meaningful work that can be provided within their mandate.

Mr. Hendricks: — So the budget of the HQC has not changed for quite some time. For the last several years it's small, I think, increments to adjust for inflation. And as they took on, you know, the responsibility for the provincial lean office, they did have to shift some of their resources to accommodate that.

So right now we're involved in, I think, what is a very productive discussion with the board of the Health Quality Council. And I've just got to say actually, the Chair of the Health Quality Council did ask if she should be here today. And I wasn't sure if it was worth — and I'm obviously wrong — a six-hour drive. But she did offer to make herself available, and her CEO. So I just want to put that out there.

But you know, I think that in terms of where we're going with Health Quality Council, there's a good discussion going on with the board about what the future role is and whether they will continue to play the same role as a provincial lean office. You know, you talked about regional flexibility, that sort of thing. A lot of regions have actually developed a lot of capacity internally. And whether, you know, based on our learnings over the last few years, whether there's still a requirement for the HQC to play that same supportive role is something that we're currently debating in the health care system and with Health Quality Council.

So I think we might see . . . You know, they took on the provincial lean office. I think that might actually, we'll see that shrink over time. And, you know, we'll probably see — my own personal view is — HQC return to a role that it's had more historically, is an organization that is pushing health system transformation and looking at leading-edge areas that we should be working on. It kind of is an agitator within the health care system.

Mr. Wotherspoon: — So just to clarify, there's been outside-of-inflation adjustments to the budget for HQC. Has

there been additional resources provided to do the work with lean that it is?

Mr. Hendricks: — So the HQC did have funding available attached to some of the earlier lean work around accelerating excellence which it has been able to draw down to address some of the additional costs related to the provincial lean office. But as I said, as that work phases out and those funds are drawn down, we have to kind of have a look at what their mandate is. And you know, I don't think there's a lot of new money floating around right now for additional grant funding to the HQC.

Mr. Wotherspoon: — And could you just speak too a little bit about how the lean initiative thinking . . . You know, I guess it's gone through the transition from JBA through to where it's at now. Like, what's changed or has there been changes in how it's being managed, the culture of it, how it's being implemented?

Mr. Hendricks: — Yes. So as I said, you know, there have been some meetings amongst CEOs and certainly those who lead the lean work in the province and kind of a diagnosis and review of what was working, what wasn't working in terms of our lean implementation. I think there are, you know, some key areas that we identified that we do want to change.

You know, our consultant had probably a discipline that was needed early on, but had some very rigid views on certain things and how certain things are done. And as I said, we're trying to adapt this to the Saskatchewan context a little bit more, I think, certainly from my perspective and the CEOs, kind of that circling back, making sure that people understand their importance in moving this initiative forward, kind of grounding that work and the work that they do every day. So yes, there has actually been a lot of change, I think, in a very short time and probably more to come.

The Chair: — Just with respect to what wasn't working, can you speak a little bit to that?

Mr. Hendricks: — I think that there were some . . . You know, there's some views about, generally around lean leader training and what that involved. And so, you know, there was the orientation day which was called kaizen basics where people would come in. Orientation is still very important and, you know, it's important to have people understand what's happening in their workplace. And I think it's taken more of that focus rather than, you know, just being a strict kind of didactic kind of thing, more of an explanation, a discussion with leaders about what the lean journey means. And I know a lot of our CEOs make efforts to get out there and speak at these events and to tell people what this means to them.

In terms of lean leader training, I think the introduction of our lean improvement leader training versus what had been the traditional course has been a wonderful lead-in. It's not quite as arduous in terms of the requirements, but it's a first phase and probably enough for people to participate in lean activities effectively. So I think a lot of that, you know, a lot of those things are going on. But again we still have work to do in terms of, you know, that thought piece about how we can better engage our employees and make sure that this is meaningful for them.

The Chair: — Thank you for that. I find it interesting both you and the minister have used language around adapting it or . . . Obviously we had a consultant for \$40 million who should have maybe known the Saskatchewan context in the first place. I think it's unfortunate that you have to take what you've spent the money on and adapt it to Saskatchewan now. I would have hoped that that would have happened in the development of the contract in the first place. But I'm curious, how many people are doing training now, like both lean leadership training and the orientation and the basics?

Mr. Hendricks: — Well the orientation and basics, generally that was meant for everybody that was in the health system. And I think we've accomplished . . . we have pretty strong numbers there. We have a number of people that have entered training.

Thus far our challenge has been that we have people that have completed certain levels of training and, as they progress, whether the events are available for them to actually get to the next level. So it's a good situation to have. In some respects we have a lot of people where there's polls saying, I want to do my next level of training. But in terms of lean leader certified under the old kind of schematic, we're up around probably 3 or 400 now. And I'm not sure . . . I don't have the exact numbers with me as of today, so I probably shouldn't guess.

The Chair: — Okay, just a funny question here. I know at one point when JBA was still engaged, Saskatoon Health Region had, from my understanding, wanted to stop using the Japanese language and they weren't happy to keep doing the training. And there was a little bit of pushback, and obviously the JBA contract required the use of the terminology. I'm curious if you've decided, in terms of making it a little more Saskatchewan-centric, if you've kept the use of the Japanese language.

[15:00]

Mr. Hendricks: — Where it fits. Like there's been no specific discussion . . . well I won't say we've never had discussions about it. But, you know, I think there are certain places where, in terms of our ability to explain certain concepts, where we deal with other organizations who use that term. But I think the discussion has been that it's not the key issue here, you know, and if that's the big rub for people.

But you know, I've got to say like the reality is that there were seven Japanese terms that were used regularly. It wasn't a big thing, and yet people kind of believed there were people running around talking Japanese all the time. Well you know, the seven terms are quite easy, and if I was able to get them, I think a lot of people would.

So and then the other thing I just want to address, you know, in terms of the adaptability to our system, I would just say that it was a different approach versus . . . I don't think anybody . . . well I don't want to say anybody. I don't think any of our senior leaders would say that necessarily the approach wasn't right for us at the time. But I think that what we did learn as we went through this was that there are certain things that, you know, that our contractor felt was important that as we learned more we felt maybe wasn't quite as important and, you know,

probably could be done in a different way.

The Chair: — Okay. Thank you for that. Are there any further questions? Mr. Michelson.

Mr. Michelson: — Yes. I guess with respect to the auditor's report, I think we're getting a little off the subject here and I think, would just draw your attention. Maybe we should get back to discussing the recommendations that the auditor had made.

The Chair: — I appreciate that, Mr. Michelson, but there is some latitude in . . . If it was you asking the questions, I would provide you that latitude because in Public Accounts, if you look at the scope there is that latitude.

But I would like to point you to recommendation no. 2. I do have a question about recommendation no. 2:

We recommend that the Health Quality Council promote alignment of Lean activities across health sector agencies by sharing information that demonstrates how activities contribute to strategic priority areas.

And the auditor goes on to write that:

For example, it prepared a summary of improvement work related to emergency wait times that health agencies had undertaken. This summary included planned and implemented Lean events, observations on whether the Lean events were or could be replicated, and challenges.

So I'm just curious. We've had a discussion here today about how very different health regions are, different cities, different towns are. In terms of some of the lean events, specific with the ED wait time initiative, have you found that many of those activities that have been undertaken, is there the possibility for replication?

Mr. Hendricks: — Most certainly, but the replication . . . And ideally you would take what you learn and just, you know, put it into another region, but not really. What we've discovered is it's not really in the spirit of lean because we don't want to impose processes on people.

So a region, you know, they might come up with one thing, say, on the medicine ward in Saskatoon. And if we just took it into Regina and said, this is now the way you're going to do your work, they might kind of resent that. It's much better if the workers, the health workers, kind of go through that process a bit themselves, and then the sharing of the results can happen and the ideas, you know, on we did this and we thought this worked really well. And did you think of this? And you know, kind of that cross-germination. So the straight replication is probably not quite so simple.

The Chair: — Can you give us some examples of how, maybe not the straight replication, but how one RPIW [rapid process improvement workshop] in one area cross-germinated and came up with something even better elsewhere? Or what's an event that has been built upon or improved or done differently somewhere else? Has that happened? You've described it a little bit.

Mr. Hendricks: — So there is a network, I said, of people who are kind of the leaders of this improvement work in regions, and they have a repository of all the improvement work that has been undertaken in the province. And it's kind of a community that shares ideas and shares, you know, views about what happened or what the outcomes in certain improvement events were.

So it's quite possible . . . And I think the purpose of it is that that community, in sharing that information with another region who is contemplating a similar type, you know, going, doing similar-type improvement work allows that information to inform what they do. But again you have to be careful how you do that, and the teams, like these improvement leaders, have to be careful how they do that because you can't come in throwing out a bunch of ideas, you know, right at the get-go. It's better if workers come up with those themselves.

The Chair: — And I understand that. I'm just wondering if you have any examples where . . .

Mr. Hendricks: — No, but there is that group that really is focused on sharing, you know, that community, having that community of information sharing across regions — what works; what doesn't.

The Chair: — I'm just curious if you've got any examples.

Mr. Hendricks: — I don't have one off the top of my head, no.

The Chair: — Okay, okay. Thank you for that. I do have one more question but are there any further questions here from . . . Mr. Wotherspoon.

Mr. Wotherspoon: — Just a bit of a clarification on some of the recommendations and some of the work on this front. I know that recommendation 5 recommends that HQC report to the public on outcomes achieved through the use of lean across the health sector. One of the actions that have been identified or I guess the action that's been identified in stating that this has now been implemented is that HQC has implemented this recommendation by continuing to host, administer a website which provides public access to stories about the use and impacts of lean to improve health care in Saskatchewan, health regions and organization.

Now is that sufficient? Does that meet . . . I know the auditor will be going back in to review these recommendations and the actions that have been taken. But are the, you know, sharing of the stories and hosting those on the websites the kind of authentic assessment of the outcomes that they're looking for? Does that meet what they're looking for? I don't know if the auditor . . . I don't mean to put them in a spot, you know, to answer that if they're not able to but . . .

Ms. Ferguson: — I probably can to a certain extent. Really if you look back to our chapter, you know, one of the things that we indicated is that the Health Quality Council we thought actually did a fairly good job in terms of setting expectations of what should be reported into the database, and one of the key things there was audit activities. Like, after you have a lean event, there is an expectation that you circle back and figure out, now is that improvement still, you know, is it sustainable,

and to put those types of results and collect that type of information into the database.

So it is a bit beyond the sharing of stories. But it does actually say in here it's sharing improvement activities and data. So the update here doesn't provide the level of detail as to whether or not that would include the audit activity updates. But that would be one of the things we'd be looking for.

Mr. Hendricks: — So on the better website or . . . [inaudible interjection] . . . Kaizen Tracker, sorry, the Health Quality Council's internal tracking, we do track the audits of all of the improvement work. And they're kind of categorized as red which means, you know, they're kind of falling off and they need a corrective action plan to return them to what they were originally intended to do, and then green where they're on track. And so those audits take place at 30, 60, 90, 180 days, and we are tracking that.

The Chair: — Are there any further . . . Actually Mr. Wotherspoon asked my question. Mr. Marchuk.

Mr. Marchuk: — Not a question but a comment. I think that in terms of human service delivery, no matter which sector, continuous improvement is definitely the mantra. I mean that's what it's all about. And so when I hear . . . And of course in continuous improvement, change is a big factor, and it's a very, very, very difficult concept for everybody to understand and appreciate and get engaged in.

So when I hear senior management use terms like guaranteeing employee ownership, when I hear them use terms like their recognition of the importance of change management, those are certainly terms that lead me to believe that they're on the right track in terms of engaging the sector in what's right and what's proper. And to that end, deputy minister, I certainly applaud all the work that you are doing in the ministry. And I believe we're on the right track when that kind of language is being used in terms of human service delivery. So thank you for that.

The Chair: — Are there any further questions on this chapter? No? Seeing none, what is the will of the committee with respect to chapter 34 of the 2014 Provincial Auditor report volume 2? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2014 Provincial Auditor report volume 2, chapter 34, recommendations 1, 3, and 5, we would concur with the recommendations and note compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved for the 2014 Provincial Auditor report volume 2, chapter 34 that this committee concur with recommendations 1, 3, and 5, and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2014 Provincial Auditor report volume 2, chapter 34, recommendations 2 and 4, we would concur with the

recommendations and note progress towards compliance.

The Chair: — Thank you. Mr. Doke has moved for the 2014 Provincial Auditor report volume 2, chapter 34 for recommendation no. 2 and 4 that this committee concur with those recommendations and note progress to compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Well that concludes our business for today. Mr. Hendricks, would you like to make . . . Well first of all, thank you to you and your officials for your time today and your patience with questions. Do you have any closing remarks that you'd like to make?

Mr. Hendricks: — Just one thing, just to read into the record: we now have 446 certified leaders and 300 in training, so a total of 747.

But I would like to thank the Provincial Auditor's office again for the work that they do in terms of working with us and improving our accountability to the public. And thank you to the Chair and to this committee for the questions this afternoon. I appreciate them.

The Chair: — Well, could I have a motion of adjournment?

Mr. Doke: — So moved.

The Chair: — Mr. Doke has moved adjournment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. We stand adjourned until tomorrow, January 14th, at 9 a.m.

[The committee adjourned at 15:12.]