STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

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[The committee met at 09:01.]

The Chair: — Good morning all. We'll proceed with our considerations for the day as the Standing Committee for Public Accounts. We have — of course, this is the second day of hearings — we have a full day ahead of us here today.

I'll introduce the members that are here with us today: Ms. Carr, Mr. Goudy, Ms. Lambert, Mr. Michelson, Mr. Weekes, Ms. Mowat, and Mr. Fiaz is substituting for Mr. McMorris.

I'd like to introduce the officials from the Provincial Comptroller's office: Terry Paton, Provincial Comptroller and exceptional lake trout fisher as well; Chris Bayda, assistant provincial comptroller, is here as well. We also have Deputy Minister Gallagher and all the many officials from the Ministry of Environment. We'll first turn it over to the Provincial Auditor, and then subsequent to that you can introduce your officials. But thank you very much for joining us here today.

Environment

The Chair: — So at this time I'll ask our Provincial Auditor, Judy Ferguson, to introduce her officials that are with her here today and to enter into the considerations as they pertain to the Ministry of Environment.

Ms. Ferguson: — Thank you very much, Mr. Chair. With me this morning I've got Ms. Regan Sommerfeld. Ms. Sommerfeld is the deputy provincial auditor in charge of the environment and infrastructure division in our office, and obviously environment falls within that portfolio. Behind is Mr. Jason Shaw. Jason is a principal in the office and led some of the work that's before us this morning. And Ms. Kim Lowe is our community liaison.

So we've got five chapters this morning. And what we'll be doing is we'll be presenting each chapter and then pausing after each chapter for the committee's consideration. There is three chapters with new recommendations. It's the 2017 report volume 1, chapter 22. Oops, sorry. There's only one chapter with new recommendations. It's the 2017 report volume 1, chapter 23. So the other chapters, the committee has previously considered the recommendations. So in essence you'll be getting a status update on that.

Before I turn things over to Ms. Sommerfeld to make the presentations, I'd just like to extend my thank you for the co-operation to the deputy minister and her team. We certainly appreciate that in the course of our work. Thank you very much. So Ms. Sommerfeld.

Ms. Sommerfeld: — So the first chapter that we're going to discuss this morning is chapter 4 of our 2017 report volume 1, which reflects on the work that our office did in early 2017 to contribute to a collaborative audit with other auditor generals across the country to examine what various Canadian jurisdictions are doing to mitigate and address the effects of climate change. This work was predicated on Canada's current commitments to reduce emissions by 30 per cent of its 2005 levels by 2030 and that provinces had agreed to contribute to that reduction. This chapter does not contain any recommendations.

At the time of our examination, January 2017, the Government of Saskatchewan was in the early stages of developing its response to climate change. Because of this early stage, we decided to focus our work on answering eight common questions that each audit office examined as part of the collaborative audit. These questions related to how the government was mitigating — that is, reducing — greenhouse gas emissions; and adapting, that is, lowering risks or impacts related resulting from climate change. These questions were set out in figure 2 on page 26 of our report. We have organized our chapter to report on mitigation strategies and adaptation strategies separately.

Our key findings at January 2017 relating to mitigation were that the government had not established provincial greenhouse gas reduction targets; that is, it had not set out to what extent it planned to contribute to Canada's greenhouse gas reduction target. We did note that SaskPower had announced its commitment to doubling its percentage of electricity generation from renewable resources by 2030. Rather, the ministry was using the government's white paper to outline future potential directions or actions to combat climate change to begin to develop mitigation strategies. It had not implemented a province-wide mitigation plan.

The Ministry of Environment, the lead ministry, had not developed processes to monitor progress on greenhouse gas emissions. It expected to do this once the government finalized its mitigation plans and targets. And the ministry had not published reports on the province's emissions; instead it was involved in the federal government's processes to issue reports on Canada's emissions.

Our key findings at January 2017 related to adaptation were that it did not have an overarching adaptation plan. The ministry was collecting risk assessment information related to adaptation from other provincial agencies but had not yet completed a province-wide risk assessment. Knowing areas where the province is vulnerable helps create an adaptation plan to address these risks.

Various agencies have been undertaking adaptation activities for several years; for example, reforestation is happening with three species more resistant to disease. At January 2017 the ministry was compiling a list of information from those agencies. It expected to use this information in the development of a provincial plan and related strategies.

The findings in this chapter are included in the March 2018 collaborative report, *Perspectives on Climate Change Action in Canada*. A copy of this report is available on our website. That collaborative report provides a snapshot of key issues related to climate change that are common across governments. It highlights findings and provides examples of climate change action from the audit work of the federal, provincial, and territorial audit offices. In common with the chapter before this committee, that report did not contain any recommendations.

Please note that the March 2018 collaborative report does not include the government's December 2017 climate change

strategy, which is, *Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy*. This document outlines Saskatchewan's strategy with respect to climate change in the following areas: natural systems, infrastructure, economic sustainability, community preparedness, and measuring, monitoring, and reporting.

That concludes my presentation.

The Chair: — Thank you. Thank you very much. At this time I'll ask Deputy Minister Gallagher to introduce her officials, and then we'll open it up for questions and comments.

Ms. Gallagher: — Thank you, Mr. Chair, and members and officials. Before I start, as we said, I'll introduce those folks who do the good work in the ministry that are with me here today.

We have David Brock beside me here, assistant deputy minister of climate change and adaptation division. Behind me we have Kevin Murphy, assistant deputy minister of resource management and compliance division. Wes Kotyk, on the other side, is assistant deputy minister, environmental protection division. We have Veronica Gelowitz, executive director of corporate services; Steve Roberts, executive director, wildfire management branch; Sharla Hordenchuk, executive director of climate change branch; and Ash Olesen, our executive director of environmental protection branch.

So thank you for the comments on climate change. You know, I would like to also take the opportunity to thank Ms. Ferguson for her work and for the work of her team. The Ministry of Environment really welcomes the advice of the Provincial Auditor's office as a way of helping the ministry, continually improving our operations and processes. So thank you.

While the audit work on climate change was not an engagement audit, I'd like to take this opportunity to provide some additional information as well that the ministry has been doing on work on this file. So the ministry is implementing the commitments in the provincial climate change strategy. This strategy, the prairie resilience file as you talked about, focuses on the principles of readiness and resilience while reducing greenhouse gas emissions and adapting to the effects of climate change without a carbon tax. Following the release of the government-proclaimed portions of *The Management and Reduction of Greenhouse Gases Act*, the ordered regulations on coal-fired electricity as a next step towards an equivalency agreement with the federal government.

Saskatchewan is developing a climate resilience measurement framework to help measure the province's resilience to climate change. This framework will be used to report on a balanced set of measures, which gives us a more comprehensive understanding of how our efforts are doing to build resilience in the province, and we simultaneously reduce emissions intensity.

The climate change strategy includes developing and implementing sector-specific, output-based performance standards on large emitting facilities, such as those in mining, manufacturing, and oil and gas. These standards are being developed in consultation with industry throughout 2018 and will recognize early actions taken by industry to reduce emissions. These standards will also consider Saskatchewan's trade exposure and will minimize the risks of industry relocating to other jurisdictions.

These are important policy considerations when designing a very complex regulatory program, such as with climate change. That being said, the policy intent is to reduce emissions intensity. For those facilities unable to meet the performance standards, flexible compliance options will be available.

The strategy also reaffirms the commitment from SaskPower, our provincial electrical utility, to achieve up to 50 per cent electric capacity from renewable resources and reduce overall GHG [greenhouse gas] emissions by 40 per cent by 2030. And it will regulate upstream oil and gas producers to reduce GHG emissions by 40 to 45 per cent. The approach will be to provide each oil and gas operator the ability to efficiently prioritize emission reduction investments, support the adoption of innovative emissions reduction technologies, and firmly establish provincial regulatory oversight of emissions from the oil and gas industry.

So with those opening remarks, I would welcome any questions you may have.

The Chair: — Thank you. Thank you very much for your remarks. Questions? Ms. Mowat.

Ms. Mowat: — Thank you very much, and I want to thank Deputy Minister Gallagher for her introductory remarks as well. I know that there is no recommendations coming out of this chapter, but I do have some questions that I think we should go through.

My first question is about the prairie resilient strategy. So I know that this chapter that we're looking at here today is from January 2017, so quite a while ago before the strategy existed. And there was some reference made to subsequent reports. I'm wondering if the auditor or her representative could provide some information about whether the prairie resilience has been assessed as a strategy for an overarching adaptation plan.

Ms. Ferguson: — Thank you very much for the question. As was indicated in the opening remarks, the collaborative report that was done was actually based on our responses that we did in January 2017, so it wasn't included with that assessment. So our office hasn't gone back and done a separate assessment of that.

Ms. Mowat: — Okay, thank you. So presumably that would happen at a later time when going back and reviewing this chapter again?

Ms. Ferguson: — The area of climate change is an area that we anticipate that we'll do further work in, and so it would probably be done in conjunction with that further work.

Ms. Mowat: — Okay, thank you. That was my understanding. I just wanted to make sure that we were on the same page as well. And the deputy minister, in your opening remarks you discussed the process of building a climate resilience measurement framework. Can you update us on what this looks like, or where we're at in this process?

[09:15]

Ms. Gallagher: — Yes, certainly. I'll actually turn that over to David Brock, deputy minister responsible, as the ministry has been working in a lot of different arenas with folks to actually start to move towards the implementation of our prairie resilience, and David can give you an update on where that's at.

Mr. Brock: — Great, thank you. David Brock, the assistant deputy minister for climate change and adaptation, and thanks for the question. So as members will know there was a model set out on page 11 of the provincial climate change strategy, a model of how we would measure resilience — resilience being the key term, obviously, throughout the provincial climate change strategy.

Starting in early February of this year we began to engage, both through plenary sessions and bilateral sessions, with a number of stakeholders throughout the province. Particularly with respect to the measure of resilience were conversations with First Nations and Métis organizations and groups, environmental non-governmental organizations, academics, industry, and other interested parties in working through what should be . . . what are the best indicators of how we're doing in terms of resilience.

So the overall purpose of this measure was to begin from the point of, if the assertion made in the climate change strategy is that we need to be more resilient to the climatic, economic, and policy changes that are happening as a result of climate change, what are the best measures of how resilient we are now; where do we think we need to get to; and then what are the weights and targets that we need to have to actually measure that and report back to the legislature and to the public in subsequent years.

And so in working with all those groups, we've had a better understanding in terms of how many measures should there be; what types of measures should we be looking at; and how should those be considered.

We've completed that initial engagement through those plenary sessions. We now need to go back to the government to seek direction on what those exact measures should be, continue to consult to make sure that we have the right balance between the five areas, and before the end of 2018 the government will intend to come forward with a complete set of measures to measure the resilience of the province with respect to climate change.

Ms. Mowat: — Thank you. On page 43 under climate change agreements, the auditor is discussing the fact that Saskatchewan ". . . did not agree to the Pan-Canadian framework. It does not support mandating the use of carbon pricing mechanisms in all provinces and territories." In relation to this I'm wondering, has the ministry heard anything back from the federal government on the application for the low-carbon project funding?

Ms. Gallagher: — So I think that folks would be aware that we have made submissions to the low-carbon economy funding for the federal government. We have been part of . . . There's two separate parts to the Low Carbon Economy Fund. And so we made the submission to the open part of the fund, and those

decisions have not been made at this time.

Ms. Mowat: — Okay. Thank you. In discussing provincial mitigation and targets, the minister had previously indicated that the targets . . . Sorry, I'm on page 49 if folks want to follow along. The minister indicated that targets were expected this summer. Is there an update on the targets and when we can expect to see them?

Mr. Brock: — Thanks again for the question. You'll note that with respect to targets in the strategy, I'd speak to three different sectors, if you will, and Ms. Gallagher set out a couple of them in her opening remarks.

One is the targets that have already been set with respect to SaskPower, not just for capacity from renewables, but for a 40 per cent reduction in emissions by 2030. There's a clear target for the upstream oil and gas sector, particularly with respect to methane emissions, reaching a target of 40 to 45 per cent reductions.

And then with respect to overall targets resulting from performance standards on large industrial emitters, the approach and the strategy was first to announce the framework in terms of what the government's intended policy was, and then to work with industry, in particular the to-be-regulated community, to better understand their business and competitiveness pressures, and weigh that against the emissions reductions opportunities and then come forward with specific performance standards.

So going back to my remarks about the plenary and bilateral engagements over the months of February and March and into April, our team has been working extensively with industry to better determine what those targets should be. And my understanding is that the government intends to come forward with those later this year, recognizing that there's also a federally imposed deadline of this fall for the submission of provincial climate change plans vis-à-vis the assessment of the federal benchmark on carbon pricing.

Ms. Mowat: — Okay. So you don't have a firm date throughout the summer, but you're hoping by fall because of the federal deadline?

Mr. Brock: — That's accurate, yes.

Ms. Mowat: — Thanks. And sorry, I realize there is many sets of targets. I was referring to the third set that was . . . I think it's on the last page of the strategy. I don't have it in front of me though right now.

And in reference to SaskPower's progress in meeting their targets, has the ministry started receiving updated information on where they are at?

Mr. Brock: — So I'll provide an initial response, and then ask Ms. Hordenchuk to follow up. But just echoing what Ms. Gallagher said in her opening comments is that the government, as you know, proclaimed some sections of the Act in late 2017, and then also ordered the regulations which directly regulate SaskPower, which came into effect on January 1 of this year. In terms of reporting, I'll ask Ms. Hordenchuk to speak to that, please.

Ms. Hordenchuk: — Good morning. With respect to information received from SaskPower, as outlined in the regulations we required them to submit their baseline emission level for the 2010 year within 60 days of the regulations coming into force, and that baseline emission level report has been received. So that's the report that we've received to date.

Ms. Mowat: — Thank you. And are they noting progress?

Ms. Hordenchuk: — So their progress will be reported on different milestones to come, as they work toward achieving that 40 per cent emission reduction total by 2030. So as of now we've only asked for confirmation of that baseline, and we'll get reports subsequent to that in the coming years.

Ms. Mowat: — Okay. Thank you. That certainly makes sense that you want to get the baseline understood before asking for the progress.

Moving on to page 51 under ministry compiling information on climate change risks, the Provincial Auditor notes at January 2017, the ministry was actively collecting risk assessment information related to adaptation from other government agencies. It has not developed a provincial risk assessment at this time. Completing a risk assessment is a first step before developing an adaptation plan.

I'm wondering if the ministry has completed a risk assessment since there was no formal recommendation. That's not in the update, so I'm just checking in on that.

Mr. Brock: — Again thanks for the question. I think I'll say a few things in relation to that. First is to start from the premise of the strategy itself. And this is a bit of a diversion from, I know, how the approach to climate change has been framed more traditionally, nationally, over the past couple of decades. Nationally, and even in some provincial reports, you'll get this dichotomy between mitigation, adaptation.

The point of taking a resilience approach, an approach that's been used more widespread internationally and some ways locally in Canada, has been to think about resilience and the relationship between those things, recognizing that taking an action in one area has a consequential effect in other areas. And so one can't just think of one side of the ledger without thinking about the potential effects on other sides of the ledger.

So that's an important premise for the approach taken in the strategy. So you know, the concept of risk needs to extend beyond just adaptation, traditionally, to the entire suite of policy initiatives and potential effects. And again, moving beyond just the climatic effects, but also the economic and policy effects.

Part of what we did in the development of this strategy — in fact, the first step — was to speak in considerable detail with all of the ministries, agencies, Crown corporations, and government to have a better understanding of what they were already doing to address climate change. And I know the auditor's report referenced this as well, that there was already significant activity taking place in other ministries, including in some cases assessments of risk.

So I think of some of the work that's been done by, say, the Ministry of Government Relations or the Water Security Agency. They had already been factoring climate change into some of their overall risk assessments, formal or otherwise, to think about how climate change has an effect on their business and operations. So that information was certainly incorporated in the development of the strategies and reflected in some of the commitments.

I think what I'd say is, rather than fall in the line of doing a specific risk assessment as it relates to adaptation, one of the purposes of having a measure of resilience for the province of Saskatchewan is to again have a bit of a feedback loop to better understand how we're doing now in terms in resilience, where we want to get to, and whether we're making progress along the way. And if progress is not sufficient against the targets that have been set by the government, then that may be a bit of a signal to the government that perhaps we need additional policies or programs to bolster resilience in one or more of those areas.

Ms. Mowat: — Okay, thanks. So you would argue that because of the nature of the resilience strategy, it's not compatible with completing this recommended risk assessment, or wouldn't be . . .

Mr. Brock: — I guess I'd argue two things. One is there's value in ministries, agencies, and Crown corporations continuing to do risk assessments and think about risks resulting from climate change and their itinerant impacts. And we as a ministry, Environment as a coordinating ministry as it relates to climate change, will continue to incorporate those in the overall recommendations and policy development for the government as a whole.

But I think the way that we've designed and are designing the measure of resilience in many ways reaches many of the same objectives that I think the auditor's office was speaking to with respect to risk and adaptation.

Ms. Mowat: — Okay, thank you. On page 52 — and the auditor had noted that the white paper had primarily been used for constructing this report — one of the initiatives identified is researching how climate change is impacting water in Canada's North. Is there an update on this initiative? Is it still ongoing? Is this research still ongoing?

Mr. Brock: — I'm sorry, just a question of clarification. Where is the reference?

Ms. Mowat: — Page 52 in chapter 4. Yes, right at the top.

Mr. Brock: — Thank you and I appreciate the clarification. So one of the areas also under my responsibility is cumulative impacts and science, and one of the programs that officials have been working on for a number of years is the boreal watershed initiative. There's a website dedicated to that and a number of interim reports, as well as a more recent report from late 2017.

Part of the work, and a significant part of that work, looks at the downstream effects of climate change in industrial activity on watersheds in a segment of northern Saskatchewan. And so more details are available, and particularly scientific details, as it relates to that.

My understanding overall of the findings is twofold. One, just a recognition that science has helped considerably with a recognition of the sensitivity of those ecosystems, particularly because of the unique balance of different factors including in water bodies, but that there has been no significant findings with respect to any direct downstream effects on those water bodies through that work.

Ms. Mowat: — And you referenced a website. Do you know what the website address is or if . . .

Mr. Brock: — We can certainly provide that to the committee afterwards, yes, happily, yes.

Ms. Mowat: — Thank you. It'll save me sitting on Google for a long period of time.

The Chair: — Just for sake of consistency, any . . . You've endeavoured to provide that to the committee. Can you provide that by way of the Clerk? The Clerk will provide instruction on that. And are you able to make sure that's done before the end of the week?

Mr. Brock: — Oh absolutely, yes.

Ms. Mowat: — Thank you. I think this is my last question. You've mentioned engaging in . . . I don't know if you used the word consultations, but you were talking about broad consultations across the province, or maybe further, with different agencies in compiling the prairie resilience strategy and strategies going forward. Have these consultations impacted the overall product of what prairie resilience ended up looking like?

Mr. Brock: — Yes, thanks for the question. Absolutely. And so that engagement was done, I'd say, overall in two parts — one prior to the release of the strategy and then subsequently after the release of the strategy. Prior to the release of the strategy, it was to help in the development of that overall policy framework. And so I mentioned initially the engagement, kind of internal to government, but then subsequent to that, again significant conversations with industry, with environmental non-governmental organizations, with academics, with First Nations and Métis. So I think in many ways that helped confirm or affirm the overall policy approach of the government. I would note from my experience there was widespread support for the overall policy framework.

[09:30]

Subsequent to the release of the strategy, and as I said, particularly starting in early February of this year, we began those plenary and bilateral engagement sessions. We do have a report on that work that is posted to the Ministry of Environment's website and we can provide that reference to the Committee Clerk as well. But Ms. Hordenchuk was very much leading that engagement, and so perhaps I can just ask her to speak to the elements, and particularly as they relate to the development of those performance standards and the development of the measures of resilience.

Ms. Hordenchuk: — Certainly. So beginning in late February we initiated six plenary sessions in Regina and Saskatoon,

followed by about 20 bilateral meetings with those industries that would be directly regulated through an emissions management framework.

The results of that, as mentioned, have been provided in a summary report of the common themes that we had heard. Specific to those facilities that would be considered large emitters, we continue to have those conversations as we work to develop what a performance standard would be for those large emitters. So the engagement activities did very much inform the framework for emissions management, but those design details have not yet been confirmed.

Ms. Mowat: — Thank you. I have no further questions on chapter 4, Mr. Chair.

The Chair: — Any further questions from anyone else around the table with respect to chapter 4? Not seeing any at this point and not having any recommendations, but certainly an important body of work, I would certainly entertain a motion that we move or that someone move that we conclude consideration of chapter 4. Moved by Ms. Lambert. All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved. We'll move along to chapter 22.

Ms. Sommerfeld: — So chapter 22 of our 2017 report volume 1, beginning on page 243, contains the status of implementation of three recommendations originally made in our 2009 audit of the Ministry of Environment's progress in improving processes to regulate the reforestation of harvested areas of the provincial forest on Crown lands. The committee previously considered these recommendations.

I am pleased to report that by September 2017 the ministry had fully implemented the three recommendations. The ministry set terms and conditions related to reforestation in its forest management agreements, term supply licences, and forest product permits with harvesters. The ministry required forestry companies to set aside money in the form of a reforestation fee in trust funds to cover the costs associated with reforestation of harvested areas. And finally, the ministry has developed processes to monitor that operators comply with requirements to ensure that reforested areas have sufficiently regenerated. That concludes my presentation on chapter 22.

The Chair: — Thank you for the presentation and the important work on reforestation within the province. Questions from committee members? Ms. Mowat.

Ms. Mowat: — Thank you. So on page 245 there's discussion about *The Forest Resources Management Amendment Act* which had been implemented based on a previous auditor's report. I'm just wondering if there are some general thoughts from the ministry on how the reforestation process is going in the years since the passage of this bill.

Mr. Murphy: — Kevin Murphy, assistant deputy minister for resource management and compliance division. I'm not aware of any issues in dealing with the forest industry. We have an audit program that's in place, working with forest industry,

looking at reforestation, and staff tell me that at present all of our conditions are being met. And we don't have any kind of climatic exceedances that would set back the reforestation program either. So they look at both the work of the industry and what's happening with the general climate, and at this point reforestation has been successful.

Ms. Mowat: — Thank you.

The Chair: — Any other questions? Of course thank you to the ministry for what appears to be significant action in response to this report and the recommendations. So thank you on that front. I believe it's been noted that all recommendations have been implemented. I'd certainly welcome a motion that we conclude consideration of this report.

Mr. Michelson: — I'll so move. Mr. Chair, I'll so move that we conclude considerations of this chapter.

The Chair: — Moved by Mr. Michelson. All agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved. We'll move along to chapter 23 of the 2017 report volume 1.

Ms. Sommerfeld: — Chapter 23 of our 2017 report volume 1, beginning on page 247, contains the status of implementation of three recommendations originally made in our 2008 audit of the Ministry of Environment's processes to regulate contaminated sites within the rules set by *The Environmental Management and Protection Act, 2010*, and two recommendations originally made in our 2013 audit of the government's processes to identify and manage contaminated sites.

By March of 2017, four of five recommendations were fully implemented.

In November 2014, treasury board began to require government agencies to use the national classification system for contaminated sites to prioritize cleanup activities. In June 2015, the Ministry of Finance approved a new section of the financial administration manual and other detailed guidance to enable appropriate recording of costs related to contaminated sites.

Since 2014 the Ministry of Environment fully implemented its system to track and monitor contaminated sites, including site assessments and remediation plans. Further, in 2015 it clearly communicated with government agencies the requirements for reporting spills and new contaminated sites to Environment — that is, site assessments, potential environmental impacts, and cleanup requirements.

However at March 2017, the ministry had not determined whether all responsible parties had complied with the Environmental Code by filing the national classification rating for all contaminated sites. It had not yet evaluated about 4,000 manual files that included contaminated sites, spills, and registered hazardous waste storage sites. Not having made this determination increases the risk that high-risk sites are not given sufficient attention and are not being cleaned up within an appropriate time frame. That concludes my presentation.

The Chair: — Thanks for the presentation. Opening up for questions. Ms. Mowat.

Ms. Mowat: — Thanks. I want to thank the deputy minister for the status update as well, which helps us learn a little bit about what has happened since the report was completed by the auditor.

In section 3.1, page 249, there's the discussion about the tracking of . . . creating a system to track contaminated sites. I see that in terms of tracking, but also ranking, which these two recommendations are sort of linked . . . I see in the status report that, in moving forward plans for implementation, the ministry has hired two summer students this year to address some of the backlog. Can you speak to what some of the work is that the students will be doing?

Ms. Gallagher: — Ash is overseeing the work as executive director, so we'll have Ash talk about the specifics of what those employees are doing.

Mr. Olesen: — Thank you for the question. The students effectively will review these historical files that are in fact hard-copy files that flow from the late '80s and early '90s that are effectively storage sites that were registered with the ministry way back in the early '90s. And the review of the file is to determine if there was appropriate decommissioning submissions. So for example, this would be your typical gas station that was registered with the ministry. They're expected to file appropriate decommissioning plans.

And so to your question, the students would be examining these hard-copy files and determining if the appropriate decommissioning plans were submitted, and through the review determining if, in fact, this would qualify as a contaminated site, and if so, establish the national contaminated sites classification system and place that as an entry into the data management system known as CRISIS [Client Relations and Impacted Sites Information System].

Ms. Mowat: — Thank you. And can you speak to what work was done prior to this? I'm just aware of the fact that the first recommendation was back in 2008, so I know it's probably been quite a process. Can you speak to, you know, reasoning for the length of the process and where we are at?

Mr. Kotyk: — Sure. Wes Kotyk, assistant deputy minister, environmental protection division. So prior to that there was . . . A lot of work was done on establishing the database, which is the foundation for our impacted sites information system. Prior to establishing the tracking system, there would have still been the requirements in place for the responsible parties to identify when there . . . If there was a spill or if they were going to replace tanks, they would still need to submit that information to us.

The only challenge was, it was just recorded in a hard file and we didn't have that on our database, which now is fully implemented and all new sites that are identified are going into the database. And the work that the students are doing is to address those that were on file prior to the database being implemented.

Ms. Mowat: — Thank you. So in terms of logistics, when the file's being entered into the database, is that when there is a ranking system in place, or is that associated with the ranking?

Mr. Kotyk: — That's right. There is a requirement for the proponent. If there are impacts identified at the site, they are to submit a national classification system for contaminated sites evaluation, and that gives the applicable rating for the risk for the facility.

Ms. Mowat: — Thank you. This seems like quite the task, especially noting the fact that these are physical files that they're going through and having to input that information. I see that the timeline for implementation is 2021-2022. What steps are being taken in the ministry throughout the year to make sure that people are still chipping away at this progress?

Mr. Olesen: — Well we have a process within the ministry that basically requires every quarter for me to engage my various staff, to report to my various masters, if you will, with respect to how we're doing.

Ms. Mowat: — Okay, thank you. I lost my question because of your comment, but that's okay. Maybe it will come back to me after . . . Oh, it's because I didn't write it down. There were recent changes to *The Reclaimed Industrial Sites Act*. Do those impact the work that's being done here?

Mr. Kotyk: — No. *The Reclaimed Industrial Sites Act* is intended for those institutional . . . or the industrial facilities, mines, or industries that have concluded their decommissioning and clean-up activities, and at such point then they could be returned and placed in institutional control with government. Our activities related to contaminated sites for things like storage facilities and spills are not related to that program.

Ms. Mowat: — Okay, thank you. On page 251 there's some discussion: "In June 2015, the Ministry of Finance approved a new section in the *Financial Administration Manual* . . . for determining costs related to contaminated sites." Is there any idea what the total provincial liability for contaminated sites is?

Mr. Kotyk: — For the Ministry of Environment, it's just around the $30 million mark. For government as a whole, I don't have that number handy because there are . . . the number for government includes those that other ministries are responsible for. But they are, have been recording those values.

The Chair: — On this point here, I'm just wondering if we might want to get a perspective from the Provincial Comptroller, who would have been directly involved in this aspect.

[09:45]

Mr. Paton: — Yes, thank you. We don't have those numbers with us. But they are disclosed in the Public Accounts, and we could provide that information to you.

The Chair: — Thank you very much.

Ms. Mowat: — I think it would be quite helpful if we could get that information, if you would be willing to. Thank you very much. I appreciate that.

I think this is my last question on this chapter. At the very end of chapter 23, the auditor is talking about how:

. . . Treasury Board, in its budget process . . . [needs to] decide which sites to assess and/or clean up in the upcoming year(s). The NCSCS rating helps identify sites that pose higher risks to the environment and can help Treasury Board prioritize its funding decisions.

I'm wondering, is there any idea what the general expenditure is on the annual cleanup?

Mr. Kotyk: — Okay, thank you. Yes, so for an example, what the Ministry of Environment did for last year, for 2017-18, we had a $1.5 million allocation for doing some cleanup for some of our environmental liabilities to get them off the books. With our remaining roughly $30 million in abandoned mines that we've identified for our environmental liabilities, we are working on an RFP [request for proposal] to get some pricing and quotes from companies to determine how could we, over a period of time, effectively address those liabilities.

Once we have that information back, then we would be able to put in a recommendation to treasury board and Finance to establish a budget that we could use to start working away at reducing those liabilities.

Ms. Gallagher: — And I would just add that of course, as part of the process, we always try to assess what is the greatest risk and ensure that we have safetied any facilities for any type of known risks that we have.

Ms. Mowat: — Thank you. I have no further questions on this chapter, Mr. Chair.

The Chair: — Thanks for the questions. Any other questions on this chapter? Mr. Michelson.

Mr. Michelson: — Just to follow up on that last question, do you have a time frame of when you might expect to get these estimates back and what it might cost to clean up?

Ms. Gallagher: — I don't know that we can answer. So for the time . . . For the costs, we do have a time frame so that we're putting out an RFP. Our expectation would be for this fiscal year we would have completed the work to understand what would be the best approach to cleaning up the legacy sites that we have, and then we will submit that to treasury board. And of course the funds, that 30 million that we've discussed is already set aside as a liability for government. So it's just a matter of working with Finance to have that appropriation put into our budget, appropriately from the plan that we developed through the RFP.

Mr. Michelson: — When is the RFP? Is there a time frame on that?

Mr. Olesen: — Yes, the RFP closes right in early July with the expectation that the selection committee would review the proposals. And we would try and negotiate a contract by September.

Mr. Michelson: — Sure, so July is what I was looking for. Thank you.

The Chair: — Not seeing any further questions, would someone move that we conclude consideration of this chapter? So moved by Ms. Carr. All in favour?

Some Hon. Members: — Agreed.

The Chair: — That's agreed. Moving along to chapter 23 of 2017's volume 2.

Ms. Sommerfeld: — So chapter 23 of our 2017 report volume 2, beginning on page 143, contains the results of our audit of the Ministry of Environment's processes to detect wildfires in Saskatchewan wildfire management areas for the 12-month period ending March 2017. Saskatchewan's forests are a vital part of the province's economy and environment, providing wildlife habitat, watershed protection, recreational opportunities, and about 2 billion from the forestry product industry. The ministry is responsible for the prevention, detection, control, suppression, and investigation of wildfires within provincial wildfire management areas, including provincial forests.

This audit focused on the ministry's processes to detect wildfires. Early detection allows timely decisions on a strategic response to threats and reduces the impact on people, the environment, and the economy. We found the ministry's processes were effective, except for the two areas reflected in our recommendations. The ministry was doing a number of things well. It had identified vulnerabilities, prioritized detection needs, and developed a detection strategy. It systematically searched for wildfires and monitored their spread and behaviour. It communicated risk information and early warnings to the public and commercial operators.

So I will now highlight each recommendation and then explain why we made the recommendation. On page 149 we recommended that the Ministry of Environment actively seek wildfire prevention and preparedness information from industrial and commercial operators that they are required by law to submit.

At March 2017, over 300 commercial and industrial permanent and temporary operations, such as mining operations or outfitting camps, were included in the ministry's database. The ministry estimates that these type of operations have caused about 6 per cent of the wildfires over the last 10 years. In addition, workers at these operations are at risk from wildfires from any cause. The law requires these operators to submit prevention and preparedness plans. We found that not all operators submitted such plans, and the ministry did not actively seek them. Without submitting these plans, the ministry cannot assess the adequacy of the prevention and preparedness of operators, nor know where operator staffs are located in the event a wildfire occurs.

On page 150 we recommended that the Ministry of Environment actively work with other government sources to obtain information on values at risk from wildfires. Values at risk are typically infrastructure, for example, recreational properties, mining operations, temporary logging camps, etc.

The ministry uses this knowledge of the nature and location of values at risk to help it prioritize its detection activities and make suppression decisions.

At March 2017 the ministry's database included over 3,200 values at risk. The ministry acknowledged that its database may not be current. The wildfire management branch does not actively seek information from other branches of the ministry to help it keep its database current; for example, other branches issue building permits and temporary work permits to property owners and operators, but this information is not shared with the wildfire management branch.

Also we found that about 6 per cent of the database showed values at risk as destroyed. The ministry did not know if this infrastructure had been replaced. Not having current and accurate information on values at risk increases the risk of the branch not developing appropriate daily detection and suppression plans, or the branch expending activities and resources for non-existent values at risk. That concludes my presentation.

The Chair: — Thank you for the important presentation and the important work on this front. Questions of committee members? Ms. Mowat.

Ms. Mowat: — Thank you very much. I have a few questions in this chapter. I want to start on page 143 under main points. The report discusses the fact that the cost of managing wildfires can vary greatly year to year. I'm wondering if the ministry knows the expenditure in 2017-2018. It's talking about how it was 123 million in 2015-2016, and 48 million in 2016-2017.

Ms. Gallagher: — So thank you for the question. So we do have the 2017-18 budget. So the budget was 67.534 million but, as folks know, we had a very active fire season in the late summer, fall period. And so the actual spent was 88,619,827.

Ms. Mowat: — Thank you very much. On the next page 144, there's a description of the wildfire management branch within the ministry, indicating that as of the time of the report the branch had 127 full-time equivalent employees, including front-line staff, which included firefighters. Do we have the same staffing profile now or have there been any changes to that?

Ms. Gallagher: — So we have the same staffing profile now.

Ms. Mowat: — On the table on the following page, figure 1, number of wildfires, hectares burned, and costs from 2007 to 2016, there's a cell not yet available for 2016 in wildfire management costs. Is that available now?

Ms. Gallagher: — So thank you for the question. I have a number, but unfortunately today we don't have what would be also our capital costs, which would be generally added into our fire budget or our fire recovery. So for example, last year Saskatchewan was actively working on fires in both the northern United States and helping out British Columbia, so that would be recovery. So the number that we have here is $54,254,936.

Ms. Mowat: — Thank you. In discussing the permanent values

at risk, the auditor's report notes on page 149 that the branch had only added 15 values at risk in its database into the last three years prior to the report. A small number of additions differed from prior years. For the eight prior years, they had added an average of 108 properties annually. So "this suggests that the Branch did not spend as much effort in the last three years in keeping its database current as it did previously." I'm just wondering if the ministry can speak to this note in the auditor's report?

Mr. Roberts: — Thanks for the question. Steve Roberts, executive director of the wildfire management branch for Environment. What we have done in the program is, because if we have a busy fire season, we focus on suppression priorities. When we have the opportunities and the resources available — crews and equipment and helicopters — we take advantage of those and do inventories of values at risk and updates. So the busier the fire season, such as in 2015, we did not have the resources to do assessments, so that number was low.

We have now designed and planned for a complete division. So every zone in our forests will be divided in a five-year profile, and every fifth year a zone will be completely inventoried.

Ms. Mowat: — Thank you. Also wondering if you can provide some information about the transition to the ministry's forest watch system with the camera detection, and how that's gone in identifying fires near high-priority values-at-risk?

Mr. Roberts: — Yes. So the forest watch system is a camera detection system. So the province used to look and observe fires from observation towers, 80 to 90 feet in the air, where a staff member would look and observe for new fire starts or observe fires that were burning.

A number of years ago the province decided to look at new technology, the technology specifically developed in South Africa. And what it does is it puts cameras in those same towers and transmits the data to a central detection site which is located in Prince Albert, and we have staff there that monitor those same images.

[10:00]

So instead of being up in a tower in a remote location, now those same towers look over the same area, but we're using cameras to do that. What it allows us to do is capture those images. It allows us to keep the data. So for instance, overnight we can review camera images overnight, that if somebody wasn't in the tower overnight, you know, you don't see the light and you don't see a fire start. It's integrated with our system now so when the detection operators identify a smoke, or potential new fire, they can immediately enter that in as a new fire report and start the operational process for those fires.

The other piece is from a safety perspective. It means that we do not have to worry about high-risk values of individuals who are working at heights, working alone, and working remotely, and potentially working in a fire-prone environment. So a good example, in 2015 we had fires come right up and encroach on some of our fire towers with cameras in them. We could monitor the fires right through the fire occurrence, whereas in normal years we would have had to evacuate those sites because those people would have been at direct risk.

Ms. Mowat: — Thank you. We're dealing with a couple of new recommendations here. So the first one that was identified is that the ministry actively seek wildfire prevention and preparedness information from industrial and commercial operators, that they're required by law to submit. This was spoken to a little bit, and I've got a status update from the ministry here in front of me as well. And it seems that there is the development of a client list of folks who are expected to submit, and a database where they will be required to submit. Can you just speak to, in terms of what has actually happened and what is in progress? Like the creation of the database, is that done? Is the active submitting happening right now?

Mr. Roberts: — So we've started the process and so there's a couple things ongoing. So *The Wildfire Act* in March 2015 now indicated a responsibility for industrial operators to submit prevention plans to the ministry. Currently the ministry is developing an industrial wildfire prevention code which will address prevention plans. In other words, what is a typical standard? Who can assess those? The time of information implementation for that is April 2019.

We, at the same time, will develop an intake portal. So how will industry proponents submit to us? Many of the industry proponents already submit plans to government for other reasons, whether to Economy or to the ministry itself, and wish to include this small portion with other plans. So we have to figure out how to make it most efficient for them to do that. So those are ongoing with that plan for April 2019.

What we have done is we've updated all of this information onto our external website for industrial proponents. They can find both the templates, the legal requirements for them. That has already been done. And we have developed the client list. Our first draft has completed as of June of this year, indicating 238 proponents. And those 238 proponents will be getting a mailout letter indicating their obligations and requirements to submit prevention plans to the ministry.

Ms. Mowat: — Thank you. And in terms of, I guess, getting compliance out of these clients, I think . . . I don't have the page in front of me, but I remember the auditor noting something about fines being an option. Is that something that's being explored?

Mr. Roberts: — So currently as we're in the initial stages of getting compliance — in other words, people to start submitting. Obviously that's our intent, to get all people aware of the process and submitting, and then getting some standards. And that's what this code committee will do, is come up with the standards for a prevention plan. Right now it is up to the proponent. There are no specifics, so they can be as detailed or complex or simplistic as the proponent determines.

At the point that they become submitted, then they are subject to audit. So any time we go on site with an industrial proponent, whether we're looking at forest standards or we're looking at safety standards or emissions standards, we can also look at these plans at the same time when we do those audits. So they have to be available to everyone in the ministry to do that type of work.

So our intention is to start with getting these plans in. At the point where most of the plans are coming in, in a timely manner, we will look at those in default and start pursuing those on why they are not in compliance.

Ms. Mowat: — Okay, thank you. And the second new recommendation deals with infrastructure at risk. And we've seen some updates here as well about a five-year rotational plan being developed to address continuous input of information. Is there any other information that you wanted to provide on how the second recommendation is progressing? I see that the timeline for implementation is March 2019.

Mr. Roberts: — Yes, in addition to our folks looking at values that they know of and updating those and doing routine area checks, we are working with other ministries and other branches. So our ministry lands branch working with the Ministry of Agriculture and Economy, to look because they issue permits that allow people on the landscape on Crown lands. We need that data so we can have that real time.

We have been working also with the Crown corps, so we have a very good relationship with SaskTel, with their geomatics department . . . update our information real time so that any new developments they're doing can be seen when we're assessing fires.

So we're continuing that process, looking with SaskPower as well because any of their critical infrastructure needs to be noted, so that we can make our operational plans around those.

Ms. Mowat: — Thank you. I have no further questions on this chapter, Mr. Chair.

The Chair: — Thank you and good questions. Thanks for the responses as well and what was detailed in the status update. It's really, really helpful. Questions from committee members, are there any further? Otherwise I'll entertain a motion, I think something to the effect that we would concur and certainly note the progress that's happening towards compliance.

Mr. Michelson: — Mr. Chair, I'd like to make a motion that we concur with the recommendations and note progress toward compliance.

The Chair: — Moved by Mr. Michelson. All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved. It's agreed that we concur and note progress towards compliance for recommendations no. 1 and 2 of 2017's volume 2, chapter 23. And we'll move along now to, I believe, the final chapter for the Ministry of Environment here today, and that would be chapter 31.

Ms. Sommerfeld: — So yes, our final chapter and my final presentation. Chapter 31 of our 2017 report volume 2, beginning on page 231, contains the status of the implementation of four recommendations originally made in our 2015 audit of the Ministry of Environment's progress to regulate industrial wastewater systems. By July 2017 the ministry had implemented all four recommendations.

The ministry routinely prepares environmental compliance reports for high- and extreme-risk industrial wastewater systems, including documenting compliance requirements and problems identified. It developed guidance to help staff document inspection results. It implemented a new IT [information technology] system to centralize inspection results and help monitor inspection frequency. In addition it improved its public reporting on inspection activities and compliance results. That concludes my presentation.

The Chair: — Thank you very much, Ms. Sommerfeld. And when she said that concludes her presentations, that means that concludes her 25 years of service to the people of Saskatchewan through the Provincial Auditor's office. So to Regan Sommerfeld, we say thank you on behalf of the people of the province and thanks for your final report, and we wish you well into the future. Maybe we'll have some tough questions for you through the final chapter here.

Would you care to respond briefly or should we flip it to questions?

Ms. Gallagher: — I think that we can flip it to questions. This one, as noted, has been fully implemented, so . . .

The Chair: — Thank you. Ms. Mowat.

Ms. Mowat: — Thank you, and it's certainly good to see that all four of the recommendations have been implemented. I have a few questions about the inspections of industrial wastewater systems. How many inspections generally take place in a year?

Mr. Olesen: — Well, we're committed to inspecting all high-risk and extreme-risk facilities one and two times respectively, which of course would trigger your next question which is, how many of those facilities are there? And there are approximately 60, but of all of our facilities we have about 199 assigned facilities. So a general number associated with your question would be probably about 150 to 200 inspections per year.

Ms. Mowat: — Thank you. And how many environmental protection officers perform these inspections?

Mr. Olesen: — We have approximately four assigned facilities, approximately I'd say 20, 25 environmental protection officers.

Ms. Mowat: — Thank you. Have there been any significant wastewater incidents in the recent years?

Mr. Olesen: — Well, for some of our facilities, we do have breaches. So for example, a significant incident would have been one associated with the potash mine known as Patience Lake where one of their above ground brine return lines breached and there was a release of brine, a substantial release that impacted a third party which happened to be agricultural land that is still dictating follow-up.

Ms. Mowat: — Okay, thank you. And do these go into the IRIS [integrated resource information system] database?

Mr. Olesen: — They don't.

Ms. Mowat: — Thank you. I have no further questions on this chapter, Mr. Chair.

The Chair: — Thanks for those questions. Any further questions from committee members? Thanks again for the response of the ministry on this front and the actions that have been taken. Thank you to Ms. Sommerfeld for her distinguished career and we wish her well in all the new adventures and next stages through retirement. So thank you.

And before we close down the Ministry of Environment, I believe the Provincial Comptroller, Terry Paton, has an update as it relates to contaminated sites.

Mr. Paton: — Thank you, Mr. Chair. Yes, I've taken a look at the Public Accounts for March 31st, 2017 volume 1, and included in those financial statements on schedule 11, page 76, you'll see the disclosure of contaminated sites is $282 million, and the major amount of that relates to abandoned uranium sites.

The Chair: — Thanks for that information, and I probably should have done this before I went over, but thanks for the report. I guess I would welcome a motion that we conclude consideration of chapter 31. Mr. Goudy.

Mr. Goudy: — I would conclude the consideration.

The Chair: — All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved. We conclude consideration of 31. Thanks again to officials from the Ministry of Environment and all the important partners across the province for the work that they do.

We will recess briefly. Next up is the Saskatchewan Indian Gaming Authority.

[The committee recessed for a period of time.]

[10:30]

The Chair: — All right, we'll reconvene the Standing Committee on Public Accounts here this morning. I welcome president and chief executive officer of Saskatchewan Liquor and Gaming Authority, Cam Swan, to the committee, and the officials that have joined you here today. I'll give you a chance to introduce your officials right now and then I'll flip it over to the Provincial Auditor at that point.

Mr. Swan: — Okay, thank you, Chair. Can I make some opening comments or just introduce the officials?

The Chair: — If you just introduce folks right now, then we'll deal with the presentation from the auditor and come back to you.

Mr. Swan: — Thank you. So to my right here is . . . Well I'm Cam Swan, president and CEO [chief executive officer] of Sask Liquor and Gaming. To my right here is Jim Engel, the vice-president of corporate services and gaming operations; to

my left is Fiona Cribb, vice-president of regulatory services; behind me to the right here is Greg Gettle, vice-president of liquor wholesale and distribution; behind me to the left is Chet Culic, director of casino operations; and last but certainly not least, right immediately behind me is David Wishlow, manager of financial planning and forecasting.

The Chair: — Thanks. Thank you very much. I'll flip it over to the Provincial Auditor to introduce her official at the table and then they can enter into the report.

Ms. Ferguson: — Thank very much, Mr. Chair. With me on my left hand side is Ms. Carolyn O'Quinn. Carolyn leads our finance division as a deputy provincial auditor. Within that division is the responsibility for SIGA [Saskatchewan Indian Gaming Authority Inc.] and Liquor and Gaming Authority. Behind is Ms. Amanda Iles and Amanda has led some of the work that's before us on the two agenda items; and Ms. Kim Lowe is our committee liaison.

So before us we actually have seven chapters in the two agenda items. I just want to highlight the chapters that contain new recommendations for the committee's consideration, is the 2016 report volume 2, chapter 17; and then in the 2017 report volume 2, chapter 14; and the 2017 report volume 1, chapter 11. Each of those contain new recommendations for the committee's consideration. The committee has deliberated on the other recommendations that are contained within the report.

Before I turn it over to Ms. O'Quinn to make the presentations, which we're going to present each of the chapters one at a time as they're presented on the agenda, pausing after each for the committee's deliberation, I just want to take a moment and say thank you to the officials, to Mr. Swan and his team for their co-operation that's been extended to our office, and also for the officials at SIGA too for their co-operation. Ms. O'Quinn.

Saskatchewan Indian Gaming Authority

Ms. O'Quinn: — Thank you, Ms. Ferguson. The first part of our presentation relates to the chapters related to the Saskatchewan Indian Gaming Authority, which is SIGA, and its annual integrated audits. In this part of the presentation I will actually cover the two chapters that relate to our 2016 and 2017 annual integrated audits of SIGA. That is chapter 17 in our 2016 report volume 2, and chapter 13 in our 2017 report volume 2.

Chapter 17 in our 2016 report volume 2, which starts on page 87, reports the results of our 2016 annual integrated audit of SIGA. In that chapter we made one new recommendation. On page 89 we recommended that SIGA annually test the effectiveness of its disaster recovery plan, or its DRP. We found that by 2016 SIGA had not tested its DRP within the prior three years, i.e. since March of 2013. A DRP helps to ensure the efficient and effective resumption in the event of a major interruption of the operation of IT systems. Periodic testing of the DRP can identify whether the DRP continues to work as intended and gives SIGA management time to update or revise the DRP before a major interruption occurs. We reported in our 2017 report, volume 2 chapter 13, that SIGA had implemented this recommendation by December of 2016.

We also reported in 2016 that SIGA continued to need to periodically review user access to its IT systems and data. By March 31st of 2017 it had not yet implemented this recommendation. In addition, we noted that SIGA had determined the accounting implications and documented its assessment of a new lease agreement related to the expansion of one of its existing casinos. That concludes my overview of these two chapters.

The Chair: — Thank you for that presentation. I'll flip it over to Mr. Swan if he has some brief remarks, and then we'll open it up for questions.

Mr. Swan: — Okay. Thank you, Chair, and thank you, officials from the Provincial Auditor's office. As noted by the auditor, SIGA did not complete reviews of IT user access for its key application in accordance with its policies. SIGA has since then taken steps to address user account access controls and completed four more user access reviews on four of its business applications in 2015-16, namely the JD Edwards accounting system as an example . . . or including that, sorry. SIGA has committed to reviewing at least three systems in the 2018-19 fiscal year, which is the JD Edwards accounting, Bally Slot Data System, and Bally Casino MarketPlace.

SLGA [Saskatchewan Liquor and Gaming Authority] will continue to work with SIGA to ensure the formal access review framework is executed and annual user account reviews are performed regularly by SIGA.

Still with SIGA, the auditor previously noted recommendations related to the IT threat and risk assessment processes. The fall 2016 Provincial Auditor report has identified all four recommendations as being fully implemented. That concludes my remarks.

The Chair: — Thank you very much, Mr. Swan. We'll open it up for questions at this time. Ms. Mowat.

Ms. Mowat: — Thank you very much, and thank you for your opening remarks as well, Mr. Swan. So we're looking at two different chapters and the progress that has been made. So it's good to see that the annual testing of the disaster recovery plan has been implemented.

For the review of user access recommendation, I understand that they are working on this. I see that we have a timeline for implementation of January 31st in 2019. I'm wondering where we are at in the process of making this happen.

Mr. Swan: — I'll ask Jim Engel, my vice-president of corporate services and gaming, to speak to that.

Mr. Engel: — Thank you for the question. So in the last fiscal year, 2017-18, SIGA did complete user access reviews for five systems in their framework, and they do have plans to complete user access reviews for three additional systems, one in June of this year and two in the fall of this year. Certainly the long-term intention in what we're working with SIGA to get them to the point is where they're doing user access reviews of all systems on an annual basis.

So then the expectation is that by the end of this fiscal year, as noted in the notes here, by the end of January they will have done the catch-up cycle, if you will, and then be in sort of more in the position of being able to just do regular maintenance and user access reviews on an annual basis for all systems.

Ms. Mowat: — Thank you. And can you speak to what the delay in progress in making this happen has been? Because I see that the first recommendation, I believe, came from 2010.

Mr. Engel: — Yes, I can speak a little bit from not only SIGA's experience but from our own at SLGA, because this was an item that the auditor has raised with us in the past as well. One of the biggest challenges with monitoring a user access system is that it typically falls to the information technology area to make these user access reviews happen. But typically the IT area doesn't actually have all of the information they need to do that sort of checking. So if you've got a particular IT system and through the course of an organization there will be hundreds of users that might have authorized access to that system, it's actually the business units that are the ones that need to make the call about who are the employees that should have access to that system and what is the appropriate access for that range of employees.

What we have found is that typically the user access protocols . . . What happens is you'll have an employee that works in a particular area of the organization. They've got access to a system. They move to a different job within the organization and get access to additional new systems relevant to their new job, but the access that they had previously to other systems may no longer be relevant.

The challenge for the IT and the security folks in the IT area is that it's not sort of within their frame of work to be keeping track of employee X and where are they working today and what access is appropriate. It's really the business units that need to be doing the follow-up. So in practice, what typically happens is the IT area has put in place a process of regularly going back to the business units and saying, for this particular system, here's all of the users. So they'll approach a certain manager; say, here are all of the employees in your unit that have access to this particular system — are these all still appropriate authorizations or not? And so that's typically the fix that gets put in place.

The challenge when that hasn't been done for a long time is often these systems will have many, many users who no longer should have access to them, so that's why the catch-up process tends to take a little longer. But once you get into the space where you've now done the catch-up, you know that your user access protocols or user access definitions are all current, then the annual process of checking that can be done much more quickly.

So I think the delay in getting to the point that they're at now is simply a matter of getting through that backlog and putting the processes in place to do that regular checking. And again we are working with them and have every expectation that by the end of this fiscal year they will be fully caught up, and after that it will just be a maintenance cycle of checking annually, which they should be able to get to all of their systems every year to do that.

Ms. Mowat: — Thank you. So it's about addressing the backlog, but then also creating the dialogue between IT and the business unit — IT to provide the information, business unit to explain which ones are still relevant.

[10:45]

In terms of the progress, you said that five systems have been completed and three are to be completed. Would it be fair to say . . . What percentage of this work has been completed? Would it be fair to say it's about 50 per cent, or do you think it's much more because of addressing the backlog in those systems?

Mr. Engel: — It would be well above 50 per cent. I would hazard a guess somewhere probably even upwards of three-quarters of the work is done, given they have three systems. SIGA has about 10 or 12 major IT systems within their organization. So given they have three left to do this fiscal year to do that catch-up, I think they're fairly far down the road.

Ms. Mowat: — That is great. Thank you. And thanks for providing that detail on what this looks like on the ground as well. It helps to shape our understandings of the issues, for sure.

It looks like those were all the questions I had on these two chapters, Mr. Chair.

The Chair: — Thank you very much. Thanks for the responses and the work on these recommendations. Are there further questions at this time?

I think we have one new recommendation here that I would entertain a motion on. I believe that it's been implemented so I would . . . a motion to the effect that we concur and note compliance. Ms. Lambert. Ms. Lambert moves. All in favour?

Some Hon. Members: — Agreed.

The Chair: — Okay. So moved that we concur and note compliance with respect to recommendation no. 1 of chapter 17, SIGA, the 2016 *Report of the Provincial Auditor* volume 2.

The other recommendations we have the status updates on, and those are previous recommendations. So I would welcome a motion to conclude consideration of chapter 13.

Ms. Carr: — I'll so move.

The Chair: — So moved by Ms. Carr. All agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved. We'll move along to chapter 43.

Ms. O'Quinn: — Thank you, Mr. Chair. Chapter 43 in our 2016 report volume 2, which starts on page 287, reports the results of our second follow-up of four recommendations we initially made in our 2012 audit of SIGA's IT threat- and risk-assessment processes.

By October 5th of 2016 we noted that SIGA had implemented all four of the recommendations that we first made in our 2012 audit. SIGA made the following improvements. It approved an

IT risk-assessment policy. It assessed its IT risks and developed responses to those risks. It reported the impact of significant IT risks and planned responses taken for those risks to senior management. It required management to annually review and update its IT risk assessment. We found that SIGA completed this annual review as expected.

These improved processes help SIGA understand its IT risks and to sufficiently plan to respond to them to keep its IT systems available and secure. That concludes my comments on this chapter.

The Chair: — Thanks for the comments. Thanks as well for the actions taken by SIGA on this front. And what I think we observe is implementation of all these recommendations, but I'll open it up to the committee if there's questions. Ms. Mowat.

Ms. Mowat: — Thank you very much. I don't have many in-depth questions. I appreciate the fact that the Provincial Auditor has noted everything has been implemented as well. I was just wondering, Mr. Swan, if someone can speak to the process of making this happen over the past five years, and what actions were taken to comply.

Mr. Swan: — Once again, Jim Engel can speak to that.

Mr. Engel: — Thanks again for the question. You know, a general comment is we have a very solid working relationship with SIGA, a very good and constructive one. SIGA has historically been quite responsive to audit recommendations that are brought to them, either by the provincial audit or by audit work that SLGA does or audit work done by their internal audit team as well.

So you know, typically the process for any recommendations that come forward to SIGA, they generally very quickly acknowledge a deficiency if one's been identified. You know, our role primarily is to support them where we can or where there's a need for support. Occasionally it's an issue that we've dealt with internally, so we may give them some advice about how we went about bringing a remedy. IT-related matters, we would make an offer to have them get in touch with our IT shop if there's, you know, any advice or expertise we can provide them.

I think, with respect to these particular recommendations, I actually don't believe they took us up on that offer. I think they were quite comfortable proceeding with the implementation of the improvements on their own. So this particular set of recommendations I would characterize as being primarily driven by SIGA just acting on their own and recognizing there was a credible deficiency here that they wanted to remedy. And they took steps to do that.

Ms. Mowat: — Okay. Thank you. I have no further questions on this chapter, Mr. Chair.

The Chair: — Thanks for the questions. Are there any further questions of committee members? Will someone move that we conclude consideration of chapter 43.

Mr. Michelson: — Mr. Chair, I would move that we conclude considerations on chapter 43.

The Chair: — All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved.

Are we able to move seamlessly into Saskatchewan Liquor and Gaming? That's great. So we'll open things up for chapter 18 of 2016's volume 2 report.

Saskatchewan Liquor and Gaming Authority

Ms. O'Quinn: — Thank you, Mr. Chair. Again, for this part of the presentation I will actually cover two chapters. This will be chapter 18 in our 2016 report volume 2 and chapter 14 in our 2017 report volume 2.

These two chapters relate to the 2016 and 2017 annual integrated audit of Saskatchewan Liquor and Gaming Authority. Chapter 18 in our 2016 report volume 2 starts on page 91, and it reports the results of our 2016 annual audit. The chapter contains no new recommendations. We reported at March of 2016 that SLGA needed to improve its IT controls in two areas.

First, SLGA needed to complete its policies and procedures to respond to IT security issues when they arise and to assess the criticality of security updates to determine when it needs to apply those updates. We reported in our 2017 report volume 2 that by March 31st of 2017, SLGA had improved its processes over security updates, but had not yet completed its policies and procedures for responding to IT security incidents.

The second area: SLGA needed to consistently follow its user access IT policies and procedures. We reported in our 2017 report volume 2 that by March 31st of 2017, SLGA had consistently followed its user access IT policies and procedures. It had implemented some new processes to address untimely user access removal.

Chapter 14 of our 2017 report volume 2, which starts on page 83, reports the results of our 2017 annual audit of SLGA. In that chapter we made one new recommendation. On page 86 we recommended that SLGA prepare an approved, timely, and accurate bank reconciliations as its policies require. We found that 24 per cent of monthly bank reconciliations we tested, which was 8 out of 33, were not prepared within four weeks of month-end.

We also found that management did not review 15 per cent of those reconciliations we tested, as required by SLGA's policies. With exception to one error, SLGA's bank accounts were reconciled without issue. For one month, SLGA's liquor bank account reconciliation did contain significant errors. Management reviewed and approved a bank reconciliation with a $179 million difference between the actual bank balance and the bank balance that was used in the reconciliation. Management did correct the error.

Proper bank account reconciliations check the accuracy and reliability of SLGA's accounting records and can identify things like bank errors, if any. Timely reconciliation enables timely follow-up and resolution of issues. Without accurate and timely bank reconciliations, SLGA increases the risk of using inaccurate financial information to make its decisions. That concludes my overview of these two chapters.

The Chair: — Thank you very much for your presentation. Would you care to offer some opening remarks, Mr. Swan?

Mr. Swan: — Yes, just some brief opening comments, if I might. On chapter 18, the outstanding recommendation around SLGA developing information technology security policies and procedures for monitoring IT security, I would note that we have identified gaps in IT system maintenance and incident response, and the policy has since been approved by our internal IT security governance committee. We expect to be in full compliance with this recommendation by year-end.

The new recommendation in chapter 14 around SLGA preparing and approving timely and accurate bank reconciliations, I note that SLGA has since taken steps to improve procedures to ensure the accuracy of bank account reconciliations, as well as improve the timeliness of review and approvals. And with that, I'll conclude my remarks.

The Chair: — Thank you very much for those remarks and as well as detailing some of the actions taken in the status update. I'll open it up for questions from committee members. Mr. Goudy, any questions? If not, we'll go over to Ms. Mowat. Looks like she has one here.

Ms. Mowat: — Sure. I thought he actually had a question. I wasn't looking up. Thank you very much for your opening remarks, Mr. Swan, as well. I will . . . Yes, we address chapter 14 second. I'll focus my questions on chapter 14, as these two chapters are linked. With regards to the new recommendation that SLGA ". . . prepare and approve timely and accurate bank reconciliations, as its policies require," I'm just wondering if you could shed some light on what caused the problems with bank reconciliation in terms of delays and in terms of accuracy.

Mr. Engel: — I thank you for the question. First of all, I'll make a comment that certainly SLGA, and as the chief financial officer, we take this issue very seriously. And this, although there was no issue of fraud or malfeasance at the root of this, the fact that something as basic as bank reconciliations were not done timely and accurately is a significant concern for us.

The issue arose, frankly, out of an employee who had gotten behind in doing bank reconciliations and didn't bring the fact that they were behind to their manager's attention. So it was, I hesitate to use the term human error for the timing issue because it was basically just an employee not keeping up with their workload, which, you know, is fine. That will happen from time to time. What was particularly inexcusable though was not keeping up with the workload and not notifying superiors that that was an issue.

As a result of this, a few different things happened. The employee did receive discipline as a product of that failure, again not so much for falling behind, but for failing to notify a superior of the fact that the bank reconciliations were behind. And as well, the financial services branch within SLGA did implement additional procedures and steps to ensure that reconciliations are being done in a timely manner.

With respect to the error, I guess that one I would characterize more as a human error type of problem where the bank reconciliation coordinator copied and pasted the previous month's work into a new worksheet and failed to zero out some balances. And that's how we ended up with $179 million discrepancy for that particular reconciliation. So I guess that one is more of an error than, you know, a workload issue.

Again with that error, there was no attempt to defraud. There was no malfeasance. Although the dollar value is significant, and I certainly do not want to make light of it, there was at no time any, you know, assertion or finding that there was $179 of government money or public money that was at risk here, that that was simply a cutting and pasting error from one month's activity to the following month's.

Again steps have been taken internally, procedures within the financial services branch, to make sure that those types of errors are caught before the reconciliation work is completed. And I guess that would conclude my comments or my response to that question.

Ms. Mowat: — Thank you. So from what I gather from your comments, this was not a widespread issue. It was a one-off situation. Is that correct?

[11:00]

Mr. Engel: — That's correct. The reconciliations were behind for about a one- to two-month period, and the $179 million error happened within that time frame as well, as I understand it. So although two separate issues, they did occur at a similar time frame. And you know, our view internally is that they are related because it all speaks to or arose from a particular employee, well to be frank, just not doing their job very effectively.

Ms. Mowat: — Thank you. I'm wondering if the Provincial Auditor can shed some light on this. I'm noticing on page 85, there is under 4.1 in the third paragraph, it's talking about the number of bank reconciliations that were tested, and 24 per cent were not prepared within four weeks of month-end. Can you provide some detail on that?

Ms. Ferguson: — So as an auditor what we do . . . In terms of the bank, you know, and cash, we recognize that that typically tends to be a higher risk area, particularly for organizations that hold a lot of cash and go through a lot of cash and have a large number of bank accounts. Good control practices is having controls over the timing of the preparation of those bank reconciliations and also the review and approval that is done independent of the preparers. So it's always, you know, at minimum there's two people have to be involved in the bank reconciliation's processes. And so what we're doing as an auditor is we're looking for timely preparation of the reconciliations, and then secondly that they're reviewed within a reasonable time frame.

The reasonable time frame is twofold. You want to make sure that your bank records are correct. Also in today's world, under some banking agreements, you only have a certain window of time, if there's a banking error, to identify that error that you don't as an organization incur those costs too. So you want to

have timely identification of bank errors. So in this case what we did is our testing looked at both components. And we found that in both cases the preparation was not done consistently on a timely basis, and secondly the review was not done consistently on a timely basis.

The individual bank reconciliation that we are identifying, it's a case that there is a twofold in terms of this human error. The preparer, as management's indicating, they did a cut and paste, and the second aspect is that management, when they reviewed and approved it, they didn't notice the error, you know. So in our view it's important that both parts are done properly and appropriately and in a timely basis.

Ms. Mowat: — Thank you. I appreciate that. So I think in terms of discussing the individual errors that took place, it seems that there have been some procedures put in place to make sure that that doesn't happen again. In terms of the overall issues of reviewing and approving, I'm just wondering, if 24 per cent of the bank reconciliations were not prepared within four weeks of month-end, has something been done to address this? Or is this also being addressed within the new procedures?

Mr. Engel: — The issues are all being addressed within new procedures and new checks and balances within the branch, in terms of not relying exclusively on one person — basically being a little more proactive internally around, are the bank reconciliations on time, rather than relying on the bank reconciliation staff person to do that work.

There's more prompting that happens to make sure that that work is in fact in progress during the reconciliation period, rather than waiting until the prescribed period of time when the reconciliation is supposed to be done and then finding out it's not done. So there's more of a midstream check-in process to make sure that the reconciliation is actually being worked on and that it will be completed within the prescribed time frame.

Ms. Mowat: — Thank you. And was there anything identified by management or employees as to why these delays were happening in 24 per cent of situations? Is it a resource issue? Or you know, you mentioned a little bit about workload. Is there something in that nature that is driving this?

Mr. Engel: — You know, I understand that the employee in question, in addition to some workload issues, was dealing with some personal issues as well outside of the workplace, and as a result wasn't able to stay on top of the job requirements. When I had discussions with our director of the financial services branch about this, I asked that same question: is the workload reasonable? Like are we asking too much of this, you know, of a person to stay on top of this?

And she assured me in the normal course of business, an employee that has the skill set that is intended to be brought to this role, that the workload is not an issue, that normally the person that does the bank reconciliations should be able to stay on top of the work that's there. And just in this case it was again compounded by some other factors going on in that person's personal circumstance.

And again, had the person simply indicated that they weren't able to keep up and they were falling behind on the

reconciliations, additional resources immediately would have been brought in to assist them with that and keep the reconciliations current.

So again, you know, as I mentioned in the answer to a couple questions ago, you know, the issue and the discipline that was brought forward for that employee was really not so much that they weren't able to keep up; it was the fact that they didn't notify their superior that they weren't able to keep up. So that was, you know, what we saw as the issue, and again, trying to do some support for that employee as well, so they recognize that it's quite all right if they're falling behind to simply ask for help and help will be made available to them, and we'll ensure that corporately we stay on top of it.

Ms. Mowat: — Thank you very much. With regards to the outstanding recommendation that SLGA develop information technology security policies and procedures for monitoring information technology security, can you provide a little bit more detail on how this is progressing? I know it was in the introductory remarks, but it would be good to know sort of where we're at in the process here.

Mr. Engel: — Yes, so there had been a couple of longer standing IT security-related issues that the Provincial Auditor team had brought to our attention. One was the user access issue, similar to the matter we were talking about from the SIGA chapters earlier, which the Provincial Auditor noted that we are now on top of that and fully compliant. And again similar to SIGA, it did take us several years to get out of the backlog that we had and put appropriate processes in place that we could manage and stay on top of the user access issue.

The second issue revolved around SLGA having in place and following specific policies and procedures around security protocols. I think how I would characterize the findings or the recommendations initially was that the policy basis that SLGA had in place was incomplete to begin with, not meeting current expectations, and in addition that even the policy base that was there was not always being adequately followed or fully followed.

So what this involved was SLGA setting up some processes internally. We did create, about three years ago, an IT security governance committee within the organization, which is tasked with working . . . It's basically a committee that's made up of both business units within the organization and the IT shop within the organization, recognizing that a lot of the security policy structures are not always uniquely or solely within the purview of the IT area, that there are business application aspects to security as well.

So what that group has been charged with doing is in fact developing and implementing those policies and then ensuring that the ongoing compliance stays in place. So over the course of the past number of years they've put in place a number of policies ranging from user password requirement policies to policies that require regular checking, and doing mock-up of cyber attacks and those sorts of things to make sure that SLGA has adequate firewall and processes in place to thwart hacking attempts and those sorts of things. So what they have been doing over the past number of years is bringing in that full suite of IT security policies and then also ensuring that the regular

follow-up and adherence to those policies is in place.

Ms. Mowat: — Thank you very much. It's certainly indicative of the time we are in and changes that are required. I have no further questions on these chapters, Mr. Chair.

The Chair: — Good questions. Thank you very much. Other committee members, are there questions from other committee members? Okay.

Then at this point we have the one new recommendation, but that's in chapter 14 so maybe . . . How do we want to do this? We have chapter 18. Maybe we'll conclude consideration of chapter 18 and then deal with that recommendation. Would someone move that we conclude consideration for 18? Moved by Ms. Lambert. All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved. So moving along to chapter 14 and the new recommendation, recommendation no. 1, I'd welcome a motion on this front. I believe it's been noted and described that this has been implemented from the ministry's perspective. Of course there'll be follow-up with the auditor's office. Maybe something to the effect of concurring and noting compliance. Ms. Lambert moves?

Ms. Lambert: — Yes. Concur with the recommendation and note progress to compliance.

The Chair: — Would you care to note progress towards compliance?

Ms. Lambert: — Or it's new?

The Chair: — It's new, so it's . . . Are we hearing properly that it's the feeling of the ministry that you've implemented this recommendation?

Mr. Swan: — We feel we have implemented to take care of the two.

Ms. Lambert: — Okay.

The Chair: — It's fine either way if you want to say progress, but if we want to note compliance it'll be . . .

Ms. Lambert: — No. No, note compliance.

The Chair: — Compliance. All right. All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved that with respect to recommendation no. 1 that we concur and note compliance within chapter 14, SLGA, 2017 *Report of the Provincial Auditor* volume 2.

We'll move along now to chapter 11.

Ms. O'Quinn: — Thank you, Mr. Chair. SLGA is responsible for regulating and controlling the possession, sale, and delivery of liquor in Saskatchewan. SLGA regulates commercial permittees — so these would be, for example, restaurants and

bars — their on-table sale of liquor to the public by issuing permits, inspecting permitted establishments, enforcing permit requirements, and educating permittees.

Chapter 11 in our 2017 report volume 1, which starts on page 147, reports the results of our 2016 audit of SLGA's processes to regulate the sale of liquor to the public for consumption at permitted establishments. We found that Liquor and Gaming's processes were generally effective except for the areas that are reflected in our six recommendations.

On page 152 we recommended that SLGA implement an updated plan for inspecting commercial permittees who sell liquor for consumption at permitted establishments that incorporates all key risk factors related to noncompliance. SLGA did not have an up-to-date inspection plan based on an assessment of key risks of permittee noncompliance. SLGA had not updated its compliance matrix since it was approved in 2012. Its compliance matrix based inspection frequency solely on the type of establishment, which is a key risk factor. However the matrix did not consider other risk factors such as permittees' history of violations, location of establishments, and size of establishments. Inspection plans that focus on the areas of highest risk of noncompliance would help ensure that SLGA treats permittees consistently and fairly and would help SLGA allocate its resources to those high-priority areas.

On page 153 we make two recommendations. First, we recommended that SLGA formalize expected time frames for completing liquor inspections and investigations, and for communicating sanctions to permittees who sell liquor for consumption at permitted establishments. Also we recommended that SLGA monitor that its staff complete, when planned, inspections of permitted establishments that sell liquor for on-premise consumption, and obtain reasons for delayed inspections.

SLGA does not specify a timeline for completing inspections and investigations. Rather it uses informal targets for when it expects inspection reports to be completed and when it expects sanctions to be communicated to commercial permittees. We found that for 10 per cent of inspections and 10 per cent of investigations that we tested, SLGA communicated sanctions to commercial permittees later than its informal target of 60 days. We also found that for over one-third of the inspections that we tested, the inspectors did not complete the inspection reports within the expected time frames. The reasons for the delays were not always documented.

[11:15]

SLGA also does not actively monitor whether it inspects commercial permittees as often as its compliance matrix expects. We found that SLGA had not inspected almost 8 per cent of permitted establishments within the frequency set out in its compliance matrix. SLGA could not show us why it delayed these particular inspections.

Without documented expectations for prompt completion of work, staff may not complete inspections or investigations timely, which increases the risk that SLGA applies its regulatory processes in an inconsistent and unfair way. Not actively monitoring if establishments are inspected as and when planned increases the risk of SLGA not detecting significant violations that could lead to increased risk to public safety.

On page 157 we recommended that SLGA consistently document the basis for its decisions on sanctions for non-compliance with requirements for selling liquor for consumption in permitted establishments, where those decisions differ from its recommended sanctions. SLGA did not consistently document its reasons to differ from the sanctions recommended in its guidelines for commercial permittees.

We found that for two of six investigations we tested with violations, SLGA exercised its discretion not to issue the sanction recommended in its established guidelines. SLGA did not document the rationale that supported its decision to differ from its recommended sanction. Not documenting the basis for sanctions when decisions vary from recommended sanctions increases the risk that SLGA may not treat liquor permittees in a consistent and fair manner.

On page 158 we recommended that SLGA analyze and report on key trends of non-compliance with requirements for selling liquor for consumption in permitted establishments. Although SLGA does compile data about its liquor regulatory activities, it did not identify or analyze key trends of permittees' non-compliance with permit terms and conditions and related laws.

SLGA does not analyze its data to identify trends of non-compliance over a period of years by type of establishment, by inspection region, or by owners, managers selling liquor to the public. Such analysis may help it determine whether its liquor regulatory processes work, whether it applies its regulatory processes fairly and consistently between inspection regions, and whether commercial permittee compliance is getting better or getting worse.

On page 159 we recommended that SLGA notify all retail liquor stores about suspended and reinstated special licences as required by *The Liquor Consumption Tax Act*. As required by law, SLGA did not have a ready way to promptly notify retail liquor stores about commercial permittees who have had their licence to purchase liquor without paying liquor consumption tax suspended.

By law, retail liquor stores can only sell liquor without collecting liquor consumption tax to commercial permittees who hold a valid licence from the Ministry of Finance. In October 2016 *The Liquor Consumption Tax Act* changed to require SLGA to notify all retail liquor stores about the suspension or restoration of a special licence. Prior to that date, SLGA only had to notify stores it operated about suspensions or restorations.

SLGA had not yet determined how it plans to notify retail liquor stores about suspensions, to meet its obligations under the updated liquor consumption tax Act. SLGA not promptly notifying all retail liquor stores about suspensions increases the risk of commercial permittees buying liquor from retail liquor stores without paying the liquor consumption tax and not remitting taxes collected when the liquor is sold. That concludes my overview of this chapter.

The Chair: — Thank you very much for the overview and the presentation. I would put it over to the deputy minister for comments.

Mr. Swan: — Sure. Thanks, Chair, and thanks, Provincial Auditor. I'll just make some very brief comments in each of the six recommendations, if I might, within this particular chapter. The first recommendation around SLGA implementing an updated plan for inspecting commercial permittees who sell liquor for consumption at permanent establishments that incorporates all key risk factors related to non-compliance, happy to report that SLGA has now implemented a more robust risk management-based inspection process.

The second recommendation around SLGA formalizing expected time frames for completing liquor inspections and investigations, and communicating sanctions to permittees who sell liquor for consumption at permanent establishments, SLGA now has formalized policies and procedures for service delivery expectations regarding time frames associated to inspections, investigations, and sanction processes. These standards were previously in place although not formally expressed in written policy.

The next recommendation around SLGA monitoring that its staff complete, when planned, inspections of permanent establishments that sell liquor for on-premise consumption and obtain reasons for delayed inspections, the new risk-based inspection process has established specific targets and measures related to the frequency of inspection services, as well as tracking an analysis of workloads and time frames around those expectations. Analysis will consider and document decisions and rationale for any adjustments we need to make to that inspection plan.

Another recommendation was that SLGA document the basis for its decisions on sanctions for non-compliance with requirements for selling liquor for consumption in permanent establishments where those decisions differ from its recommended sanctions. SLGA now ensures that the exercises of discretion in the applications of these sanctions is documented with appropriate rationale when it does differ from the established guidelines.

The auditor also recommended that SLGA analyze and report on key trends of non-compliance with requirements for selling liquor for consumption in permitted establishments. SLGA has recently introduced a new information management system within our regulatory services division. This system, along with new information available with the risk-based inspection process that I referred to earlier, will allow SLGA to better collect, analyze, and share key trends and activities related to non-compliance with requirements for selling of liquor for consumption in permitted premises.

Finally, the recommendation around notifying all retail liquor stores about suspended and restated special licences as required by *The Liquor Consumption Tax Act*, I would note that SLGA has now put in place appropriate policies and procedures to ensure that retail stores are notified about suspended and reinstated special licences as required.

That concludes my comments.

The Chair: — Thanks for the comments. Thanks for the many actions that have been taken. I'll turn it over for questions from committee members. Ms. Mowat.

Ms. Mowat: — Thank you. And I appreciate, Mr. Swan, your update on these recommendations, as they are new. So it's good to hear a little bit more about what actions have been taken.

On page 148 there is a discussion about the SLGA's regulatory services division being responsible for permitting and monitoring commercial permittees. There is a note here from the Provincial Auditor that, as of October 2016, there were 20 staff that carried out the division's responsibilities. I'm wondering if there is a comparable staffing profile that is working on these matters right now.

Mr. Swan: — There's been no changes to the staffing levels. It's just a matter of shifting priorities within.

Ms. Mowat: — Okay. And have those priorities shifted toward the commercial permits? Because I see that the auditor also notes that there has been an increase in commercial permits, so has there been a shift in that direction or what has the shift been?

Mr. Swan: — I'm just trying to make sure I fully understand your question here. I think what's happened is we, you know, with the risk-based matrix and the identification of different risk, that's what I mean about a shifting of resources a bit to more target where we feel the risk is maybe greater. It's whether that's commercial or whether that's retail, no matter what the permittee is, that's where we would shift our resources. It's the same staff complement that we're redirecting and hopefully using more efficiently to deal with the actual risk.

Ms. Mowat: — Okay, thank you. On page 149 there's a table, figure 1, financial and operational highlights of SLGA's liquor segment by fiscal year. I see that, when you compare the commercial liquor permits issued and the liquor sanctions issued in 2011-2012 to the numbers from 2015-2016, it appears as though the permits are up and the sanctions are down. So I'm on page 149 of chapter 11, okay? It appears as though there's more permits and less sanctions. Do we believe this is indicative of better compliance?

Mr. Swan: — I'm not sure we can draw any hard conclusions by the information that is in this table because in some cases the number of permits issued is up and the sanctions are down. It's not all equal here. So I wouldn't be comfortable and I don't think my officials would be comfortable with drawing that conclusion necessarily.

Ms. Mowat: — Okay, thank you. I already asked that question. On page 151 there's a mention to the fact that SLGA began updating its compliance matrix in 2016. Was this finalized, and is there a new compliance matrix or a new version of the compliance matrix that has been completed?

Mr. Swan: — I'll maybe get Fiona Cribb, the vice-president, regulatory services, to answer that.

Ms. Cribb: — Yes, that work was completed and the new matrix is now in place.

Ms. Mowat: — Thank you. And has this impacted some of the processes in the recommendations at all that are relevant here?

Ms. Cribb: — It guides where our inspectors go, where their priority is when they go out and do inspections. So in that way it has.

Ms. Mowat: — Thank you very much. Given that you're reporting implementation in recommendations 1, 2, 4, 5, and 6, I'll focus a little bit on the third recommendation which is on page 153, that is referring to actively monitoring the inspections of permitted establishments. So the Provincial Auditor noted that SLGA couldn't show us why it delayed these inspections. I'm just wondering if someone can speak to that portion of the Provincial Auditor's report and what the root of these delays was.

Ms. Cribb: — The root of the delays that occurred during the audit period was primarily due to staff vacancies, which then creates workload demands that have to be adjusted. So for example, our inspectors also do inspections of premises before they can be issued a new permit, and those are prioritized over regular inspections so, you know, some permittees would only get inspected every two or three years. So those would be the ones that we would have chosen to defer, but we didn't have a formalized tracking of the fact that we had prioritized the work towards the other side and not carried out those inspections.

Ms. Mowat: — Thank you. And have those staff vacancies since been filled?

Ms. Cribb: — Some of them were filled, and we've had new ones since then. So the problem of prioritization continues.

Ms. Mowat: — Okay, thank you. So they're still addressing issues of turnover? I'm getting a picture like this.

Mr. Swan: — If I can, just a little bit . . . I think it's an area where, you know, there was a pretty stable workforce long-standing. There was a fair bit of change, and obviously there's been other demands in other parts of our business too. That has placed a little bit of pressures. But I mean all to say that we're committed to filling those vacancies. It's just a matter of timing to actually get them in place.

Ms. Mowat: — Okay, thank you. So in your opinion, does this reflect why there's revised targets or why there's been delays? Because I see that in your planned actions for implementation in the status updates, the targets have been revised here.

Ms. Cribb: — Sorry, could you repeat the question?

Ms. Mowat: — Sure. So in the status update, I'm looking at planned actions for implementation, and it mentions that there's a revised policy targeted for completion. Can you speak to why this policy is being expected in quarter 2 of 2018-2019?

Mr. Swan: — If I can, I think that's a revised policy with a targeted completion date as opposed to a revised target completion, right? I think that's what that's referring to.

[11:30]

Ms. Mowat: — Got it. Yes, that makes sense. So you also note, right next to that action taken to implement since the Provincial Auditor's report, that the initial plan for quarterly adjustment proved not feasible due to workloads and data limitations and requirements. Is this related to the fact that the staffing simply wasn't there, or is this something else that's being revisited?

Ms. Cribb: — This is the issue of dealing with the idea of being able to make quarterly adjustments in a formal manner, given the workload demands on the inspectors and the manager.

Ms. Mowat: — Okay. So there's a new plan being developed that will make use of the resources in the best possible way, considering that workload?

Ms. Cribb: — Yes. We're aiming to make one that's going to prove more feasible.

Ms. Mowat: — Okay. Yes.

Mr. Swan: — If I can just add a couple of comments. I think there's a few moving parts here. One is obviously, you know, sort of the workload and, as we talked about, some of the getting up to full staffing and constantly the ebb and flow around that. But it's also about the expansion of the different risks we look at.

So we're looking at a little bit different things than maybe we did in the past. And some of it, we have a plan in place on how we're going to deal with it and we have to adjust those plans as we move forward. And I think there's all of those parts that are moving. So I think the point is that, you know, we feel we're more on top of it on the risks, but we're continuing to make adjustments as required, I guess.

Ms. Mowat: — Thank you. So is part of the revised policy . . . So I see that it's not completed yet, so you might not be able to answer this question. But as part of the revised policy, is there going to be a consistent schedule for inspections? Is the goal to get to a consistent schedule for inspections, or is there a belief that that won't be feasible, considering the new inspections that have to take place and how the revisiting inspections necessarily takes a back burner?

Ms. Cribb: — Ideally there is a goal. And the Provincial Auditor's comments around the documentation, well you don't meet that goal. So we will continue to have a goal and continue to look for appropriate documentation as to when adjustments were made due to other priorities that this unit is responsible for.

Ms. Mowat: — Okay. Thank you very much. I have no further questions on this chapter, Mr. Chair.

The Chair: — Thank you again for very good questions. Thanks for the thoughtful responses and the actions that have been taken on. With respect to chapter 11 and the six recommendations, as I was listening to the exchanges and as detailed by the status update, I believe we're dealing with one of them. That would be recommendation 3 that is in progress. I believe 1, 2, 4, 5, and 6 have . . . It's been stated that they've been implemented, so they'd be in compliance. I'd certainly entertain a motion to that effect.

Do we want to deal with those that . . . Mr. Goudy.

Mr. Goudy: — [Inaudible] . . . read them all at once.

The Chair: — Yes, why don't we . . . I think we might have a different . . . Let's deal with two motions, one for those that we concur and note compliance, and then we'll deal with the second one, for the one we note progress.

Mr. Goudy: — So I would just make the motion that we concur with 1, 2, 4, 5, and 6, that they are compliant.

The Chair: — Perfect. All agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved that this committee concurs and notes compliance for recommendations 1, 2, 4, 5, and 6 of chapter 11, the SLGA commercial permittees' report from volume 1. We'll now move on to a motion for recommendation no. 3. Mr. Goudy.

Mr. Goudy: — I would make the motion that we concur and note that no. 3 is in progress.

The Chair: — So moved. All in favour?

Some Hon. Members: — Agreed.

The Chair: — It's moved that this committee concurs and notes progress towards compliance for recommendation no. 3. We'll now move along to, I think, the final chapter for consideration, being chapter 44.

Ms. O'Quinn: — Thank you, Mr. Chair. Chapter 44 in our 2017 report volume 2, which starts on page 295, reports on the results of our third follow-up of seven recommendations we made in our 2011 audit of SLGA's processes to procure liquor. By March 2015, SLGA had implemented four recommendations. By August of 2017, SLGA had implemented two of three remaining recommendations by making the following improvements.

It developed and started using a liquor category strategy and drafted related procedures to help it identify and select products that meet customer needs. It used guidance included in this strategy to assess and monitor product performance for each liquor category twice per year. We found SLGA still needs to finalize and implement its policy to require and obtain assurance that liquor products sold in Saskatchewan are safe to drink and contain their stated alcohol content.

At August 2017, SLGA had a draft policy that would apply to less than one-third of its products and had not yet determined its approach for locally manufactured products. Not having formal assurance on product safety increases the risk of SLGA distributing liquor products that may be unsafe for public consumption. That concludes my remarks on this chapter.

The Chair: — Thank you for the presentation and the work and the report. I'll open it up . . . I guess maybe I'll see if Mr. Swan has comments first.

Mr. Swan: — Just very briefly if I can. Regarding the recommendation around SLGA obtaining formal assurance that liquor products sold in Saskatchewan are safe to drink and contain their stated alcohol content, pleased to report that a formal product quality assurance policy was implemented effective April 1st of this year. We expect all elements to be fully accomplished by the end of this calendar year. And that concludes my remarks.

The Chair: — Questions from committee members? These are . . . there's no new recommendations before us here. Ms. Mowat.

Ms. Mowat: — I had a question around the outstanding recommendation and Mr. Swan already answered it, so . . .

The Chair: — Look at that, eh. That's efficiency.

Ms. Mowat: — Yes. He's doing my job for me, so I have no further questions.

The Chair: — Mind reader. I have one question. How do you treat mead within the province?

Mr. Gettle: — In what way?

The Chair: — So now things have maybe been updated, but it was brought to my attention that there was some issue with how mead was dealt with by the ministry, in being able to properly identify its alcohol content. And so I'm wondering if the ministry's aware of, maybe not proper . . . My understanding was it wasn't properly, sort of, recognizing mead. And I enjoy mead; it's a nice product, quite natural. A lot of Saskatchewan product within it, but we have to . . . Certainly it has a bit of a higher alcohol content so you need to . . . I think it's important as well that that's communicated. Is there, maybe there's not . . . Are you aware of any concerns with how mead is treated within the province?

Mr. Gettle: — I think there were some initial concerns. And there actually is quite a good producer that's located near Caron — they have a store in Moose Jaw — and I've had many discussions with them, and I think our treatment of mead now has been solved. So if there was an issue with mead, I'm not aware of any issues moving forward.

The Chair: — Thanks for that update. Also maybe a, you know, good shout-out to all those local brewers and distillers and wineries across the province that are of course creating jobs, but also creating fine product as well that many appreciate.

At this point are there any other questions? Otherwise I'd entertain a motion to conclude consideration of chapter 44. Ms. Lambert. Moving conclusion of consideration.

Ms. Lambert: — Yes.

The Chair: — All in favour?

Some Hon. Members: — Agreed.

The Chair: — Sounds good. That's okay with you, Mr. Fiaz?

Mr. Fiaz: — Sounds good.

The Chair: — Sounds good. All right, so moved. We'll recess until 1:15 at which point we'll have the Ministry of Health before us. Thanks again to officials that are here today.

[The committee recessed from 11:39 until 13:15.]

The Chair: — Okay, we'll reconvene the Standing Committee on Public Accounts here. I'll table a document that's based on information that was committed to this morning, and that'd be PAC [Public Accounts Committee] 51-28, Ministry of Environment: Responses to questions raised at the June 13th, 2018 meeting. That information has been obtained.

eHealth Saskatchewan

The Chair: — I want to thank folks from the Ministry of Health here, Deputy Minister Hendricks and officials for joining us here today. I believe we also have folks from some various different health authorities this afternoon as well. Maybe before we turn it over to the auditor, Mr. Hendricks, Deputy Minister Hendricks, if you could introduce the officials that are with you here today.

Mr. Hendricks: — Okay, thank you. To my right I have Marsha Munro who is the manager of revenue and audit with the ministry; and to my left I have Davin Church who's the director of e-programs for eHealth Saskatchewan. I also have my three assistant deputy ministers: Mark Wyatt, Kimberly Kratzig, and Karen Lautsch; and then Bev Hungle who is our director of internal audit with the ministry. Also joining us from the Saskatchewan Health Authority are Sharon Garratt, the VP [vice-president] of integrated urban health and chief nursing officer; and Corey Miller, VP of provincial programs.

The Chair: — Thank you. Thank you very much, and welcome to all officials. Thanks for your work. We also have an additional member that's joined us here today, not a voting member of the committee, but Ms. Chartier's here with us this afternoon as well. And I think I'll flip it over to the Provincial Auditor to get into the reports. I think we're staring off with chapter 21 of the 2016 volume 1 report.

Ms. Ferguson: — Good afternoon. Thank you, Mr. Chair, and members. So this afternoon there's actually eight chapters related to eHealth on the agenda. We're going to group some of them together because they're related chapters. So you know, we're going to group the first two together, then the next two, and then there's a break and then the second-last and third-last will be grouped together. And you know, as I indicated, we'll do those in one presentation, that grouping there, so hopefully it won't be too confusing for you. The reason for the grouping is that, you know, the two chapters are related, and you'll get a better status of the recommendations on there. There is no new recommendations in this whole slate of eight chapters, so it's kind of free sailing in terms of votes in that respect.

So I just want to pause before Tara starts doing the chapters to say a thank you to the ministry and to eHealth and to the Saskatchewan Health Authority in terms of co-operation that was extended to the office, and the staff of the former health regions too, in the work that is before us because there is a

chunk of work there.

Ms. Clemett is back this afternoon. She was here yesterday afternoon. And Ms. Lowe is doing the double duty this afternoon, in that she's not just the liaison to the committee, but she's led some work that is on the agenda here this afternoon. So without further ado, I'm just going to turn it over to Ms. Clemett.

Ms. Clemett: — So chapter 21 of our 2016 report volume 1, found on pages 247 to 248, reports the results of our second follow-up of eHealth's progress towards addressing two recommendations we initially made in our 2010 audit. These recommendations related to assessing and tracking vendor performance for IT services that it bought. By March 2016 eHealth had made some progress on the two outstanding recommendations.

At the time, eHealth was only at the initial stages of assessing IT vendor performance and keeping records of vendor performance. By March 2016 eHealth had started piloting a vendor performance management process. It had established a performance tool, planned to use the tool to determine a vendor score for all IT vendors, and then use those scores to consider and make decisions when buying from vendors in the future.

As indicated in our chapter 16 in our 2018 report volume 1, by March 2018 eHealth had fully implemented the two outstanding recommendations. eHealth evaluated its IT vendors' performance and kept records of vendors' performance evaluations for future reference. That concludes my presentation.

The Chair: — Thank you for that presentation. This has been dealt with by this table before, so I don't suspect there's many additional remarks right now. Should we just flip it to the committee or would you care to address it briefly? Sure, so if there's questions. Ms. Chartier.

Ms. Chartier: — Thank you, Mr. Chair, and thank you to the officials here today. I still don't quite have my voice back, but it's getting there.

First of all, I'm really glad to hear that these recommendations have been implemented. That's great news. I just want to start though, talking a little bit about the number of vendors you have here. So looking to page 218 where it just outlines a little bit about the tool and what you do. How many vendors does eHealth have?

Mr. Hendricks: — We don't have the exact number with us but it would be in the hundreds.

Ms. Chartier: — Hundreds is less than 500, more than . . .

Mr. Hendricks: — Less than 200. About 120, 150, somewhere in that ballpark.

Ms. Chartier: — And is that usually a fairly stagnant number? Like year over year, are you usually within that range, or does that increase or decrease?

Mr. Hendricks: — It could vary. Like we have obviously

licensing agreements with some larger vendors like Microsoft, that sort of thing. With smaller vendors you might see some changes from year to year. Sometimes we'll have consultants brought in for a certain project, and then when they're done with that project they will not be consultants anymore. Similarly you have new and emerging software that we might license. And so yes, it would change over time.

Ms. Chartier: — Okay. Is it possible that you could table that list with the committee, of vendors, the most recent list of vendors?

Mr. Hendricks: — We don't have it with us, but we could table it. Yes, for sure.

Ms. Chartier: — That would be great if you could table that.

The Chair: — Can I just intervene for a second here? Just for consistency, any time that ministries are committing to provide information back, would you be able to do so by the end of the week in this case, and do so through the Clerk?

Mr. Hendricks: — Yes, we could do that by the end of this week.

The Chair: — We'll send the instructions on where to send it and then it gets to everybody. Yes, thank you.

Ms. Chartier: — Would you mind, do you keep an annual list or a snapshot in time? Or like what's the best way to table that vendor's list?

Mr. Hendricks: — Like we could do, because we have a payee list for eHealth, we could probably do it for a fiscal year or whatever you would like.

Ms. Chartier: — Could you give us the last three fiscal years please?

Mr. Hendricks: — Yes, we'll see what we can do by Friday for that. Yes.

Ms. Chartier: — Friday, okay. That would be great. In terms of the report on page 218 of the 2018 report volume 1, it talks about, "Staff use a standard vendor evaluation form to determine a vendor contract score based on the recent performance of IT service vendors." Can you tell me a little bit about the tool and the process that is used? Like what does that look like?

Mr. Church: — Yes. So we have a process through our contract management department who distribute a standard evaluation criteria form to any of the eHealth staff that would either hold the manager relationship with a vendor or have vendor consultants within their portfolio. And that is done on a regular annual basis to score on a number of areas as far as satisfaction, work deliverables, and so forth, to then maintain a consolidated list against that same vendor for the multiple services that they provide. And then that is centralized and maintained within our contracts manager.

Ms. Chartier: — Okay. Can you tell me what kind of questions are asked or evaluated on that?

Mr. Church: — Sure. So it would be around their performance of delivering within due dates, their performance of the work delivered. If it's a software application, the satisfaction in the use of that, how it meets the ongoing needs, and then if there's any deficiencies that are then documented as well. And then that also cues a follow-up with the vendors to address those concerns and issues, deficiencies, and create some sort of work plan to try to address those.

Ms. Chartier: — How does the scoring work? Is it a number?

Mr. Church: — Yes, it's a numbered scoring based on set criteria. For each number, I believe it's one to five is the criteria that it assesses.

Ms. Chartier: — Okay. And you said if a vendor is deficient in some area, you'll work with that vendor to improve?

Mr. Church: — Yes, we'd work with the vendor to improve. Or if there are specific criteria within the contract, that kind of goes into a more formal contract or vendor management process. Then we would take that route as well.

Ms. Chartier: — Okay. So if they're not meeting or keeping up to their contract obligations, is there work to push them up to their obligations? Or are they considered to be, next round they will . . . Can you tell me about how that would work?

Mr. Church: — It's not one or the other. So we'd work with them, and then at the point of either if it were significantly deficient and it was a time to revisit that vendor, or if there was another procurement process in place and that vendor had applied, those would be taken into consideration as part of the evaluation for that particular procurement.

Ms. Chartier: — What is your procurement process?

Mr. Church: — So depending on the actual . . . what we're procuring, we would have the set procurement process within our contracts department, our legal department that would guide us on the applicable processes.

Ms. Chartier: — Do you have multiple different procurement processes then?

Mr. Church: — Yes. So for the most part we would be guided through our legal department, and then also in collaboration with CFTA [Canadian Free Trade Agreement] and so forth, obligations around those procurement processes and requirements.

Ms. Chartier: — CFTA.

Mr. Church: — So it's an international procurement process, and it lays out the standards, based on the type of procurement, what necessities are required and what necessary steps need to be taken for that type of procurement.

Ms. Chartier: — Does eHealth have . . . So you've got the international standards that you follow, but is it laid out in policy somewhere?

Mr. Church: — We could take a look at that, but I believe we

do have our procurement policy set out around that.

Ms. Chartier: — You do have procurement policies set out. Okay. Can you tell me a little bit more about the particular evaluation tool? You say all vendors are evaluated. In the Provincial Auditor's report 2018 volume 1 it says that vendors . . . Will all vendors be evaluated every year, based on that scoring?

Mr. Church: — So those that we are having services with that year we would do. We do have just vendors of record that maybe we don't do have any engagement with in a particular year. So based on who we actually have an engagement with in that particular year, those would be evaluated.

Ms. Chartier: — Can you tell me a little bit about the length of contracts? I know obviously you're providing different, or have different vendors for different services. But is there a length of contract that is standard, or what does that look like?

Mr. Church: — So we would have a standard with our vendors of record, a master services agreement which, I believe, is revisited every five years. And within that there would be multiple agreements under that that would have a one-year fiscal term. On some of our more software-based applications that are a bit more of a longer term generally range, do not exceed seven years. Most are between five and seven.

Ms. Chartier: — Five and seven. Okay. So obviously between the 2016 and the most recent report, actually that was tabled I guess last week, when did you implement these last two recommendations, fully implement these around keeping records of vendors? When did this take place?

Mr. Hendricks: — I believe the auditor provided that. It was July 2017 is what you . . .

Ms. Ferguson: — This most recent report, it actually was up to mid-March of 2018. So the last recommendation it said in early 2018, and it expanded its process. So you know, that's early in this fiscal year for this particular recommendation.

Ms. Chartier: — Okay. So but that would've been your follow-up. But was it implemented prior to the follow-up? I guess the question is when. I'm just looking for a timeline for when these two recommendations were implemented.

Mr. Hendricks: — It was piloted last year and fully implemented by mid-year. The exact date of full implementation we're just not exactly sure of.

Ms. Chartier: — Mid-year of 2017 they were fully implemented. Okay. What were you doing, I know the auditor had flagged obviously these recommendations, but how were you evaluating vendors in the past?

Mr. Church: — We were in a similar process. I think one of the pieces wasn't necessarily done for each vendor that we were providing services with, and one of them mostly tied to their contractual agreements, versus a formal process internally across any vendors that we had engagement with.

[13:30]

Ms. Chartier: — So you would have looked at a contract and to see if they achieved what was laid out in the contract? That's how you would have evaluated them?

Mr. Church: — Yes, we would've had service levels within the contracts and would've evaluated them against those specific service levels. And it would have been very, I guess, specific to a contract as opposed to across our organization and anybody who would have had engagement with that vendor and soliciting, I guess, broader feedback as well.

Ms. Chartier: — Okay. Can you help me a little bit understand . . . So this is in terms of sort of going forward and how you can procure services a little bit more efficiently or have good data when it comes to procuring services around past vendors. I just asked you about your procurement policies, but can you tell me a little bit about what your procurement policies . . . And I know you said there's a few, depending on the . . . Can you tell me what that standard procurement policy looks like? What has to happen if a vendor is hoping, or vendors are applying for a project or contract?

Mr. Hendricks: — Maybe I can start and then Davin can join in. So obviously on anything that, you know, if it was a larger contract, multi-year kind of as he described, and exceeded a certain dollar value — and I'm not sure what the dollar value is for eHealth; in executive government it's $75,000 — we would . . . [inaudible interjection] . . . Yes. So we would RFP that.

In some cases where we believe that there may be only a single vendor within a particular field, we might do an ACAN, which is an advanced contract award notice, and see if there are any challengers to that notice. And there might be other types of arrangements for smaller ones that Davin can speak to. I don't know.

Mr. Church: — Yes, so for more so around the services piece, so we would do a request for resource or an RFR-type proposal, assuming that it exceeds a lot of that services contract value.

Ms. Chartier: — And do you know what that number is?

Mr. Church: — I believe for services it's the 75,000, so anything beyond 75,000 we would go to a public award or to a public procurement process through the standard mechanisms of SaskTenders. And from there then we would go through an evaluation process on those responses.

Ms. Chartier: — Okay. And there is as you've said . . . You follow international standards, and that's laid out in policy. Is that correct?

Mr. Church: — Yes, so the standard processes and requirements that would go in that RFR, and then we would follow the executive government around those limits of what requires what type of formal process.

Ms. Chartier: — Okay. How about under $75,000? How do contracts get awarded?

Mr. Church: — So it would be dependent. So we have a vendor-of-record list where they've already gone through a process of responding to specific requirements. In that case we

would have the option potentially to sole source a service from them. It would really be dependent on the service and whether or not we were comfortable with that or if we felt that it necessitated going broader based on expertise or those types of things.

Ms. Chartier: — In the case where there's only one vendor, an ACA notice you said, Mr. Hendricks. Is that what it's . . .

Mr. Church: — ACAN.

Ms. Chartier: — Okay, ACAN.

Mr. Church: — It's called advanced contract awards notice.

Ms. Chartier: — Okay. And how many cases are there? Like how often does that happen where there might only be one vendor?

Mr. Church: — I think it would vary but I'm not exactly sure the total number.

Ms. Chartier: — Does it happen usually every year that there's . . . when you're awarding contracts?

Mr. Church: — I don't know that it would be every year.

Ms. Chartier: — Okay. Okay. I know that around procurement, one of the issues around the three employees who were recently let go was around vendors and contracts and contracts being . . . or employees taking opportunity on the dime of the vendor. Do you know if there were any contracts awarded to those organizations that were paying for trips to places like Vegas? I understand there were a few trips.

Mr. Hendricks: — So Davin actually has no knowledge of this investigation, as is appropriate when you're doing an internal investigation within a firm. So you have policies in place. What we are looking at right now in relation to this, as I said to you at Committee on Human Services, is that there is an investigation as to whether these policies were followed. Because it is related to a human resource issue and a personnel issue and that that investigation is not yet complete, we are unable to speak to whether in fact these policies were violated or not, or any other policies that eHealth has around conflict of interest or that sort of thing.

Ms. Chartier: — With all due respect, this isn't . . . The question here isn't a human resources issue. This is, any of the vendors who were supporting people going on various trips, I'm wondering if any of those vendors received contracts. Are any of those vendors current? Are any of those companies or businesses currently eHealth vendors?

Mr. Hendricks: — Well first of all, I'm not going to say what type of trips or whatever because we haven't actually determined if that occurred and what the circumstances are around that so it would be premature for me to talk about it. So it actually does have to do with personnel issue if we're alleging that a person took a trip inappropriately or did something like that.

Ms. Chartier: — Just to clarify back to our conversation in

committee a couple of weeks ago, is MLT doing the investigation?

Mr. Hendricks: — MLT is doing the investigation but they're also . . . They've sublet it to McDougall Gauley who's doing part of it as well.

Ms. Chartier: — Okay. And can you refresh my memory whether or not that report was going to be made public?

Mr. Hendricks: — It depends on the findings of the report. You know, one of the things obviously is that's a board decision. As the interim CEO, I report to a board and they will make that determination. You know, generally we lean towards transparency, that sort of thing. You know, we believe it's good practice. But we have to see what the circumstances are in relation to, as you're aware, the employee dismissals that happened as a result of this.

Ms. Chartier: — And do you have any sense of when this investigation will be finished?

Mr. Hendricks: — It could be fairly soon. It depends on, you know, as they go through the investigation, if they're finding things then they probe a little further, right? And so I've not had a recent update. I will receive one within a couple of weeks, but I expect at that time we'll decide whether the investigation will go further or whether we'll stop there and we'll say either nothing happened or we need to look further.

Ms. Chartier: — Okay. So there obviously was enough information to lead to these three people's dismissal. So the early investigation, or the first investigation, led to three individuals being dismissed, and I think Public Accounts has to deal with the expenditure of public dollars and the good use of those public dollars.

So I'm wondering how we can possibly get at whether or not any of those companies who were . . . So there was early evidence, enough evidence, to dismiss with cause and you're carrying on an investigation, and I've heard from multiple people about multiple trips. So I am wondering how we can get at whether or not any of those, or the one particular company, and I won't put it on the record here, but one particular company was paying for some of those trips. And I'm wondering if they've . . . How do we get at that to find out, for all of the members here, whether or not in fact eHealth has that company as a vendor?

Mr. Hendricks: — I won't put that vendor's name on the record either for precisely the fact that I would be sued if I was incorrect, and so right now we're at an investigatory stage. We did have enough cause to dismiss the employees that we believed . . . The employees may still challenge that. They may take legal action against us and say there was an unfair dismissal. I just don't know enough yet, Ms. Chartier, to actually answer you with certainty and without jeopardizing both, I guess, our position with the employees but also with them as well and the companies that are involved.

Ms. Chartier: — I think my concern here is that we have limited opportunities to ask either you or the minister questions. And this is a concern of many people that I'm hearing across

the public about this issue, and so I . . .

Mr. Hendricks: — If it's any consolation to you, the management letter that I signed this year on behalf of eHealth to the provincial audit letter, which is management undertaking representation letter, I did highlight these as irregularities. So we've pointed them out to the auditor and said that we are still investigating this and that we expect that the auditor will do their diligence as well.

The Chair: — Can I just follow in here too? They're important questions, and maybe I think we can look to the auditor here right now maybe for a bit of comment. So you've got an investigation that you've taken on here right now. You've flagged this with the auditor. The auditor will likely engage and have some oversight of, you know, this process at some point, and so . . . Because I think your questions are very well placed, Ms. Chartier, in making sure that we have checks and balances and reporting back out to the public. And I also understand that there's some legal processes and considerations here as well. So maybe the auditor can speak to how she'll engage with this investigation that's under way.

Ms. Ferguson: — Most definitely. Thank you for the question. So really if you think in terms of our annual integrated audit, what we do is we look at the reliability, the financial statements, the effectiveness of financial-related controls, and compliance with authorities. In these types of situations, what we do is we look to see, you know, if management has appropriate processes in place. You know, sometimes you hit where people don't follow the processes, and in this case we don't know if that's the case or not, you know, whether or not they did not follow policies.

And so we look to see what management's doing first. How does management, you know, what actions do they take? We do think it's appropriate in these types of situations that management undertake an investigation and that they'll share that report with us. When we do our next annual audit, we'll be looking at that report and seeing if there's recommendations in that report.

And frankly, you know, is the report done by an authoritative body? Is the report done by a body that's objective from, you know, that has an objective point and be able to provide the organization with an objective point of view? You know, if there's recommendations or suggestions in that report, what has management done in terms of creating an action plan and actually implementing those suggestions and recommendations?

And if they pass all of those, we give them a pass in terms of having effective controls. So we report exceptions. So we'll be silent next year if they do all the right things, you know, but if they don't do all the right things then it will appear in our annual integrated audit report. So does that help?

Ms. Chartier: — It does. Thank you, Ms. Ferguson. I guess my question to the deputy minister then: so as the auditors point out, we don't know if there's policy in place that wasn't . . . policy and process in place that wasn't properly followed, or if the proper processes aren't in place. And the concern that's been flagged with me from people in eHealth is that there aren't proper processes in place. So we have an investigation that

allows for this opportunity then to happen.

So I guess my question to you is, the auditor will go back and look, but in terms of eHealth and making sure that contracts are being awarded to companies that deserve to have the contracts awarded to them fairly, what are you doing in the meantime?

Mr. Hendricks: — So we've done a couple of things. One is that we've made sure that all of our employees go back and review the code-of-conduct policies of the organization and the conflict-of-interest policies within the organization.

Since I've been there I've been going through with executive management committee and making sure that all of our policies are collected in a single place where they're accessible by employees. Actually the work had started before I got there. But there are a few things that I've emphasized that I think are important. And so, you know, that's one of the things is, you know, employees need to be aware that policies exist and they need to be able to follow them. And they need to understand what it means and the consequences stepping outside of those policies. And so we're trying to strengthen them. It's not to say they don't exist, but awareness and compliance I guess were the issues here.

Ms. Chartier: — And obviously with an organization in a bit of flux, a whole new board with the exception of one person, as I learned in committee, a mostly new board in January, lots of interim positions, including you as the interim CEO . . . And I know, Mr. Hendricks, you've got a lot on your plate as the deputy minister, that importance of management and being there. Just how much opportunity . . . I know in your role of deputy minister and an organization with the health authority, that amalgamation, how much time do you have at your disposal to be at eHealth physically?

[13:45]

Mr. Hendricks: — So physically I'm over there. I attend the ELT [executive leadership team] meetings, the senior management meetings on Wednesdays, and then I have several meetings with key senior staff after that. I also go there as needed or actually WebEx in to other conversations, as well as I have an eHealth mail account, which I'm actively using to respond to questions by senior managers when they ask them.

And you know, a lot of the questions really thus far is seeking direction on things and my advice and input on certain matters that come before them. This is an interim role, you know. It's not an ideal situation to have a person that is the deputy minister of the largest ministry, but also is the interim CEO of eHealth.

However as I said to you last time, when I took this on, this used to be a branch under my area when I was an assistant deputy minister, so I do have some familiarity with it. And you know, I think that while there has been a lot of flux in the team, there is a lot of strength within the senior team, too. And so I'm relying on them to provide me with reliable information and to contact me when they need guidance. And so far I think it's been working really good.

The board is actively recruiting, as I said. You know, Caldwell

has been hired and there's an ad out. There are applicants. So it's not my desire to remain in this interim position any longer than I have to, so I've impressed upon the board the need to get this done quickly.

Ms. Chartier: — In terms of timeline, what do you see?

Mr. Hendricks: — We had a timeline from Caldwell that suggested a September type of . . . potentially pushing into October, and I said that was unacceptable. So it may be that, you know, through a series of circumstances it does drag on a bit longer, but I would prefer to see it done more quickly.

Ms. Chartier: — Okay. I know again . . . So you're physically at eHealth. I know you said you've got your . . . you're responding to email and WebEx-ing in. But in terms of like your work week — which I know isn't five days a week for you, Mr. Hendricks; I suspect it's more like seven days a week with your job — how much time do you think you're actually physically at eHealth?

Mr. Hendricks: — I'm probably six hours a week.

Ms. Chartier: — Six hours a week. Okay. I just know from chatting with folks there that the morale is very low. This has been a really hard time for them, and part of that need is for proper processes and procedures, not just . . . I think it's important for employees to know about them, but I mean it all comes down to management and making sure that people are following . . . you've got the right processes, making sure you have the right processes in place, and then you're actually following them and . . .

Mr. Hendricks: — Can I speak to that a bit? Because, like I'm aware that the morale at eHealth, you know, there's been a lot of change in the last year, and I'm certainly aware of that. One of the things that I've committed to with the senior team is that we're going to go through a bit of a process where we try and look at, you know, our strengths as a leadership team, and learn more about how each other work and that sort of thing, and how we can better relate to our employees.

I think that it's really important to employees to see that they have a cohesive leadership team. And you know, I think that one of the things that I do have to do — and I know many of these people from my former time when they were with the ministry; they've been there for several years — is, you know, before summer I'd like to spend some time walking around talking with folks and stuff just to kind of, you know, I assume to, well not assume, to show my presence in the organization. But yes, there's been a lot of change.

And you know, I think that it's really important and we're very interested in morale and engagement in the ministry, and it's no different for eHealth. So we're taking the steps that we need to do to get this back on track. You know, one thing that I've talked to the senior leadership team about is we want to turn this organization over to the CEO in a couple or few months in a good place, and so we're taking steps to try and do that.

Ms. Chartier: — Okay. Just with respect to the senior leadership and the importance of the senior leadership when it comes to making sure that, well, morale is good and that

policies and procedures are in place and being followed, I just want clarification from last time we met, where just around Ms. Antosh's departure from eHealth, I maybe misunderstood you. But I had understood from the second day we talked about it that Ms. Antosh was still technically the CEO of eHealth until . . . that she had been seconded to your office, but was still the CEO. Was I understanding that correctly?

Mr. Hendricks: — Yes, she would have been . . . she would be on secondment, but she's not acting as CEO. There was an interim CEO, Kevin Wilson, who was put in place.

Ms. Chartier: — She was still technically . . .

Mr. Hendricks: — She still held the title, yes.

Ms. Chartier: — Okay. I saw an email from October where it said that Mr. Wilson was in that role and it actually referred to a CEO search.

Mr. Hendricks: — So she has the home position. That's her home position, right? She was removed from that position. I seconded her into the ministry. I think I said it in Committee on Human Services. I don't think there was any intent for her to be actually returning to that position. What we did was we took several months to see if there was work that she would find that would be fulfilling in the Ministry of Health, and after certain conversations at the end of March, we decided that we would part ways.

Ms. Chartier: — So back in October you knew that she wasn't coming back to eHealth, and I know that email referenced a CEO search starting shortly. So I'm wondering why it is now that we've had now, including you, two interim CEOs. So I'm wondering again the timeline that . . . In October it referenced impending CEO search.

Mr. Hendricks: — So last year in June or July, and I might get the dates slightly wrong here, but when the whole commitment to the eHealth . . . or sorry, the eHealth single transition to a single IT shop throughout the province, Kevin Wilson went over there to provide Ms. Antosh some assistance. He was just over there assisting her for a while, and then in October Kevin was a replacement . . . Ms. Antosh as an interim CEO. Susan came over to the ministry on April 1st, or was it May 1st? . . . [inaudible interjection] . . . Yes, April 27, sorry. Kevin Wilson assumed a role at the Saskatchewan Cancer Agency that was a good career opportunity for him, so that's when it was decided that I would be interim CEO.

Ms. Chartier: — Okay. Just in terms of backing up here a little bit, so he was . . . Mr. Wilson started in . . . This is maybe me misunderstanding in committee, but it sounded to me in committee that he was not shadowing her but coming in and then she was leaving, but in fact he was in a totally different position.

Mr. Hendricks: — He was helping her, yes. He was assisting.

Ms. Chartier: — Do you remember his title? He was in a different . . .

Mr. Hendricks: — Yes, he was focused on the IT transition, IT

transition guy. I don't know if they gave him a title.

Ms. Chartier: — Okay. I think that email referenced a title. I don't have it in front of me. But anyway . . .

Mr. Hendricks: — There might be, yes.

Ms. Chartier: — So he was brought in to support Ms. Antosh.

Mr. Hendricks: — Yes.

Ms. Chartier: — Okay. Okay. I know we've got lots of eHealth chapters to carry on. I appreciate your time and I appreciate the tabling of your vendor list. And actually would you . . . I don't know if I asked this, but the vendors' performance, the tool that you use for assessing IT services, would you be able to table that as well?

Mr. Hendricks: — Yes, we can table that.

Ms. Chartier: — That would be great. Thank you very much.

The Chair: — Any further questions with these two chapters? One follow-up, and maybe this was shared in the questions. How long of a period of time are you anticipating for the investigation that was referenced here today?

Mr. Hendricks: — So I expect that I'll get a regular . . . me and the board Chair will get a kind of a brief in the next couple of weeks. After that, you know, it depends on what the investigation is showing. If we feel that more investigation is warranted, it will continue. If there's nothing that's apparent coming out of the investigation and we have determined what we know, at that point we will stop it and report.

The Chair: — Will there be some reporting out to the public on this front? I guess it depends on what you're dealing with.

Mr. Hendricks: — Yes, it depends on the findings of that. You know, certainly obviously we lean towards transparency, but it would depend on the findings. And as I said, you know, the auditor will be looking at whether we followed the appropriate processes. And so we'll make that determination when I see it.

The Chair: — Fair enough. I appreciate that and I appreciate . . . wish you well with the investigation. We trust that you'll certainly be working with the auditor as you have as well, and if need be with respective authorities that would be possibly required in the matter.

And I guess for anyone around this table, we have the ability to come back to this table and follow up, you know, once that investigation has concluded as well. And we'll have the integrated audit that'll be coming as well from the Provincial Auditor. So thank you.

I guess these are outstanding recommendations that are before us here and I think there's implementation on I think on all of the fronts that are before us. So I would entertain a motion that we conclude consideration of chapters 21 and 16 at this point.

Ms. Carr: — So moved.

The Chair: — So moved by Ms. Carr. All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved. We'll move along now to chapter 22.

Ms. Clemett: — Chapter 22 of our 2016 report volume 1, found on pages 249 to 251, reports the results of our second follow-up of eHealth's progress towards addressing recommendations we initially made in our 2009 audit related to guiding, monitoring, and reporting on the implementation of electronic health records, also known as the EHR [electronic health record] system.

By March 2016 eHealth had implemented three of the four recommendations but had one recommendation partially implemented. It still needed to estimate and monitor the total costs of major EHR system initiatives. In October 2014 eHealth completed the last of the core components of the EHR system. These core components include IT systems for lab results, drug information, immunization information, diagnostic imaging, discharge summaries, chronic disease information, as well as the integration services that connect all these systems together to present a single view of patient information.

By February 2018, as indicated in chapter 15 of our 2018 volume 1 report, eHealth implemented the one outstanding recommendation. eHealth now has processes in place to monitor overall costs and timelines for enhancements to the EHR system.

That concludes my presentation.

The Chair: — Thank you for that presentation. Again we're not dealing with new recommendations here. These have all been before this committee before. Thanks for the status update. I'll simply open things up for questions. Ms. Chartier.

Ms. Chartier: — Thank you, Mr. Chair. I'm always happy to see that recommendations are implemented, as is this case here. But just in terms of the auditor reporting that this was implemented as of February 2018, but can you tell me when you actually fully implemented prior to that date? So the auditor would have gone back, but just in terms of timelines.

Mr. Hendricks: — We'll have to confirm the exact date.

Ms. Chartier: — Yes, no problem. On page 213 of the chapter 15 report, under the introduction: "An EHR system can improve the delivery of health care by making the right data available at the right time to the right healthcare professionals." I'm wondering around that question, around the right health care professionals, how many doctors are currently using EHR? Like in terms of compliance.

Mr. Church: — We have a number of different providers . . . [inaudible] . . . so I think overall we have about 10,000 providers that are using the EHR to date. At this point it's about 25 per cent of those would be physicians themselves across the province.

Ms. Chartier: — Okay. About 25 per cent of the 10,000 providers. I guess a key goal is to get physicians using the EHR

though. So what percentage ... So about 25 per cent are physicians. Do you have any sense ... Where do you need to go in terms of getting close to full, if not full compliance by physicians?

[14:00]

Mr. Church: — So I think a lot of the work that we have done as of late has started to significantly increase that. Since we've done some work with our various partners across the health system, as well as some of the other electronic systems, to implement the use of that within their clinical workflows.

Our adoption has been about triple over the last two years around that. And so our work is to continue our work with our partners to make that more broadly available through various mechanisms and working with their systems and the SHA [Saskatchewan Health Authority] on facility deployment across the hospitals as well, more in depth.

Ms. Chartier: — So your adoption has tripled, you said, in the last two years. But just trying to get a handle on that number, so how many doctors are using EHR?

Mr. Church: — So right now it would be about between 2,300 and 2,500.

Ms. Chartier: — 2,300 to 2,500 out of ... What would be full compliance?

Mr. Church: — I don't have that number off the top of my head.

Ms. Chartier: — I know the Ministry of Health has the number of physicians here in Saskatchewan.

Mr. Hendricks: — My recollection is ... I was just trying to see if we have it here. We have different sets of materials for this meeting. But we said, I believe at committee of estimates, it was 83 per cent of 2,600 physicians have access to the EMR [electronic medical record]. Not all of them would have access to the viewer, depending on their circumstance. So that was my recollection.

Ms. Chartier: — Okay, so but you're telling me that ... But there's not 2,600 physicians in Saskatchewan.

So I know one of the challenges that I've heard is that comment about making the right data available at the right time to the right health care professional. And I know one of the challenges is determining the right data. And I know that it's probably like herding cats. It's not easy to get everybody on the same page around right data, but I'm ... So you've got about 83 per cent of 2,600 physicians would have access to the EHR?

Mr. Hendricks: — The electronic medical record, yes.

Ms. Chartier: — Yes, EMR. So okay, did I say ... Okay. But what number of physicians don't, I guess is the question. Because I guess the whole goal is to get health care providers using this, and physicians are a big part of that system.

Mr. Hendricks: — So about 2,000 ... Okay, I have to be a

little bit careful here because we're talking EHR versus EMR. And the EHR, as Davin said, is more of a hospital-based system — right? — SEM [social enterprise management], that sort of thing.

Mr. Church: — Yes, so our provincial EHR is a web-based application where you can access those various pieces of information that's being pulled from those other source systems. It's stand-alone, not dependent on having an EMR, and also focuses on a bit different and broader set of disciplines than just an EMR, which would be a clinic-based documentation system.

Ms. Chartier: — So an EMR would relate to me as a patient.

Mr. Church: — Both would.

Ms. Chartier: — Both would. Yes, I guess the EHR is the hospital-based. But I guess the question is, in terms of physicians in Saskatchewan using the EHR or the EMR, so when you're telling me that 2,600 would have access, that's to the EHR.

Mr. Church: — Yes, so it's about 20 to 25 per cent of those 10,000 would have access to the EHR, which is a web-based application that shows your lab results, your diagnostic imaging reports, your drug profile in a single patient record for you. But that is separate from a hospital system or separate from an electronic medical record system in a clinic.

Ms. Chartier: — Okay. So I guess I'm asking how many physicians ... I'm sorry, maybe I'm not being clear here. My physician has used electronic health records for years. They were, I think, one of the early adopters. And so I'm wondering the numbers of docs not buying into, it would be the EMR, to utilizing that in their practices.

Mr. Hendricks: — It's about 20 per cent ...

Ms. Chartier: — Are not. So you've got about 80 per cent using it in their practices.

Mr. Hendricks: — Yes.

Ms. Chartier: — And has that been a fairly stagnant number? So I know, Mr. Church, you talked about the increase, but that was for the EHR, like tripling your numbers for the EHR. But for the medical record, so you're telling me that 80 per cent of physicians in their practices use emergency medical ... or EMRs, I keep saying emergency. 80 per cent.

Mr. Church: — 80 per cent.

Ms. Chartier: — So where has that been, like in terms of growth? You told me about the growth of the EHR, but how has that number been?

Mr. Church: — So the adoption would have been a lot of the push around that. And the beginning of those programs set around adoption were more, I guess, fairly new as of 2012. At that point I believe it was functioning around 20 per cent adoption, fairly ad hoc. There was no formal programs or adoption programs around it. And then since then it's increased

from about that 20 to 80 per cent over the last five or six years.

Ms. Chartier: — Can you tell me about the adoption programs you've got in place to support physicians to get on to the system?

Mr. Hendricks: — So we had an early adoption program. We've now ended that because our goal was to get that group of physicians signed up early. So just to answer your question, is it stagnant or not, you're going to have physicians that are kind of in their final years of practice, that sort of thing, that don't want to invest in an EMR because there's a cost sharing with the SMA [Saskatchewan Medical Association].

I think the differentiation between EMR and what Davin is talking about when we talk about an EHR, first of all it's not just physicians have EHR; it's 10,000 other providers. But also physicians may have access to an EHR that don't have an EMR, and they may maintain a separate billing system on the side. Oftentimes an EMR will integrate both.

And so what we're seeing is, as younger physicians move in, obviously they want to have an EMR. And I don't want to generalize based on the age, but that's a tendency that we see. Also just, you know, there's some things that there's some challenges in delivering to remote areas and implementing the technology, making sure that they have the bandwidth. And so we've been working on a few of those cases to try and get EMR in those types of clinics.

Ms. Chartier: — I have to apologize. I keep saying emergency instead of electronic, a force of habit I think. We've talked lots about emergency rooms together, Mr. Hendricks.

So that 20 per cent. So you've ended the early adoption program and you've talked about some of the challenges, particularly in the North. I know I've visited communities where they couldn't electronically send, let's say, an X-ray. So how are you meeting those challenges in some of those remote communities?

Mr. Hendricks: — Actually it's a good question because, at the most recent SMA representative assembly, we had a question from a physician who was practising in La Loche. You know, they have the hospital there and that sort of thing, but they also have a physician clinic that's operated by northern medical services, or kind of is one of those ones that wasn't historically northern medical. But they do not have an EMR. And so Davin has been working closely with them to see, and I guess we now have a schedule for when we think we might be able to deploy an EMR there. So there are a few of those remote communities.

But there's several considerations. Like one of the things, like even converting from an analog X-ray machine to a digital X-ray machine, you've got to make sure that you have the appropriate wiring in the building, the closets, the bandwidth to actually transmit those images. So it's not just about plugging in some of this stuff. And so just by nature of its remoteness, just actually achieving some of this and getting the people up there is sometimes a challenge.

Ms. Chartier: — I've even heard in rural Saskatchewan,

around lab services actually, the antiquity of some of the equipment makes it difficult, or the fact that you're dealing with older equipment can make it very difficult. I've heard that. But again back to that 20 per cent. So I know that we've made a generalization and said that it's likely older physicians, but what kind of reasons are you hearing why people aren't or physicians aren't adopting them?

Mr. Hendricks: — You know, there are a couple things. Like I think, you know, when we started this program with the SMA, we developed a 70/30 cost-sharing model where we would bear 70 per cent of the costs and they would bear 30 per cent. I think that some of the things that, you know, in relation to the EHR physicians have been challenged by. They may have access, but whether they're using it or not is a different question. And you know, it's multiple sign-ins, that sort of thing, that have been the challenges for them. And so those are some of the complaints we hear. I don't know if it's a cost issue, if we hear about that a lot.

But you know, it's also just adopting new technology in an office because there, you know, you have a lot of paper records and you have to convert those, do all of that sort of thing. So there's a lot of work attached to this.

Ms. Chartier: — So with respect to . . . you commented about the EHR then, so just forgive my ignorance here then. So you said it's a web-based application that physicians can use in hospital.

A Member: — Anywhere.

Ms. Chartier: — Anywhere, anywhere. So can you just tell me — sorry — the difference between the EHR and the EMR then?

Mr. Church: — So the EMR would be specific to what an individual physician did within their clinic. And the EHR really compiles information from across multiple facilities, multiple different clinical systems to compile a single view of everything that we can get at this point for that patient. And so it's really not . . . it's more complementary for a provider to view what else has happened to you across the health system.

Ms. Chartier: — Okay. So that would be my doctor looking at my prescriptions, looking at any lab results, all those kinds of things.

Mr. Church: — For particularly the items that they didn't request of you, or the care that they didn't provide you, but was had.

Ms. Chartier: — Okay. And we have 83 per cent of 2,600 physicians. Okay, so why the reluctance? I mean, that seems like a pretty good tool. You're not doing it in your own, like you're not having to set up an emergency medical records system in your own office, so you're using the EHR. So what would be the . . . I'm not quite sure I understand the barrier. Like how many physicians are there in Saskatchewan? I know that that number is . . .

Mr. Hendricks: — 2,500, 2,600. Yes.

Ms. Chartier: — Physicians in Saskatchewan?

The Chair: — Can we just . . . The auditor has a most recent update here with, I think, a number here: 2,600-and-something here, she reports.

Ms. Ferguson: — Well actually, you know, it isn't most recent, in that it's a 2016 number. So at that point in time, there was 2,375 licensed physicians, of which about 1,700 were active general practitioners and specialists, and then there was about 676 that were non-active. So that's 2016 figures, but we know that those numbers have been increasing over the few years.

Ms. Chartier: — Thank you. You know, I know that we've got other things. I'm just going to move on from that particular part.

Okay, those are the notes that I just made. In terms of page 214 of the 2018 report volume 1, it talks about current . . . like the priority road map. First of all, is the priority road map a public document? I tried to find that, the priority road map.

Mr. Church: — For the EHR, we wouldn't have published it publicly, no.

Ms. Chartier: — Okay, so that's not a public document. Is there any . . . Like that's basically your strategic plan, or how to get . . . or maybe not your strategic plan. But is there any reason why it wouldn't be published?

Mr. Church: — No. What it lays out is just a lot of the different information sources that we plan to bring into the EHR, and then as well some of the additional functionality over the next number of years, based on our consultations with providers and with our health system partners as to what's needed to further improve patient care through the EHR.

Ms. Chartier: — Would it be possible for the committee to get a copy of that?

Mr. Church: — Yes.

Ms. Chartier: — It used to be like, it was like a five-year road map, and now we've got three years. It was a longer picture, but now we're in 2018.

Mr. Church: — [Inaudible] . . . so right now it goes to 2019.

Ms. Chartier: — Okay. So if it would be possible for the committee to get a copy of that, that would be great.

The Chair: — Just for consistency here — thanks for the commitment to provide that to us — when's a fair time for that to be provided to us?

Mr. Church: — With the other materials by the end of the week.

The Chair: — Thank you very much.

[14:15]

Ms. Chartier: — That would be great. So back to that page 214, the auditor writes that "Based on the three-year priority roadmap, a project plan is prepared for each enhancement project with anticipated timelines for project completion and total projected costs to determine total cash-flow needed." What are your current enhancement projects?

Mr. Church: — So right now we're working around one of the other auditor report items around the clinical documents and working with 3sHealth [Health Shared Services Saskatchewan] to bring the transcribed documents into the EHR, the rest of them. We have a number of other initiatives working around the PrescribeIT initiative nationally and looking at what that would mean for Saskatchewan, as well as working with a number of our health system partners around some of the other initiatives to move forward some of the provincial priorities around consults and referrals and so forth.

Ms. Chartier: — So part of this recommendation was timelines and projected costs. Do you have those for those things that you've just mentioned?

Mr. Church: — Yes. So a number of those are being worked on. So part of the planning process is to lay that out and identify those costs and timelines and efforts, and then that really leads into the approval of those items on the road map once we understand those better.

Ms. Chartier: — So you haven't fully . . .

Mr. Church: — Not all of them are fully approved; they're in the proposal development phase. Yes.

Ms. Chartier: — Okay. For projects, I know it references variances here. "A monthly forecast report is prepared for . . . EHR enhancement. The report includes a comparison between actual and projected costs, and explains significant variances." In any of your enhancement projects has there been . . . I guess this is a recommendation you've just implemented so I should give you a little bit of time to ask some of those questions. Would that be fair? Okay, the next time we're at Public Accounts.

Aside from IT, so the auditor also references your capital assets worth the total of 170 million related to IT and development. "eHealth spends about $10 million to $20 million on capital asset additions each year. At March 31, 2017, eHealth held capital assets worth a total of $200 million (of which 77% related to IT system development)." What else would capital assets entail aside from IT system development?

Mr. Church: — So I mean that would entail any of the desktop assets, printers, servers, any network components within data centres, and then everything from a facilities perspective would be included in some of those as well.

Ms. Chartier: — Okay. Just out of curiosity, so we talked about the 20 per cent, the 80 per cent who are on the eHR Viewer, but we were talking about physicians. Who isn't? So is private radiology and private labs, they're not? Who isn't on the eHR Viewer, like which services and health testing isn't on the Viewer yet?

Mr. Church: — So we have a number of approved what we call term roles that can have access to the EHR and so that's . . . Primarily we don't segregate by organization or whether or not they're community versus under one of the larger health

organizations. But part of the process that we go through is that as new or different disciplines identify a need, there's a process that they would go through to submit somewhat of an application around that and then there'd be due diligence to identify if they're in an approved role. And then their organization would have to identify that there was a need for that individual to have access to the EHR. So I would say we have a number of roles, but it's not based on a specific sector. There are community-based radiologists that have access to the EHR. The private labs, we can look at that but there is a lab tech role that is approved as well.

Mr. Hendricks: — I think you're talking about submitting radiology exams into the repository.

Ms. Chartier: — Yes, yes. Sorry. Yes.

Mr. Church: — So yes. So we have worked with two of the community-based radiologist clinics to submit their medical . . . [inaudible] . . . reports and their diagnostic images into our provincial repositories, and we're currently working through what that would look like to facilitate the remaining community, larger community-based radiology clinics.

Ms. Chartier: — So when you say community-based, about whom are you speaking when you say community-based radiology?

Mr. Church: — Radiology Associates, Mayfair, that sort of thing.

Ms. Chartier: — Okay. So not the not-public clinics?

Mr. Church: — So a certain amount of our work is referred to private sector radiologists and that sort of thing. In terms of lab, I would suspect there might be some labs and clinics, list 2 labs or whatever that aren't on the system yet.

Ms. Chartier: — And I know that there's challenges if you see someone in rural Saskatchewan, for example, or northern Saskatchewan. I think lots of people assume that we've got eHealth records and they're going to go to their local or to the clinic and get a blood test. I know there's a new lab in . . . There's a new contract that's been awarded. I guess, like are those organizations on . . . Will my blood test? I can't remember the name of the new lab.

A Member: — LifeLabs.

Ms. Chartier: — LifeLabs, yes.

Mr. Church: — LifeLabs doesn't actually do the testing. They do the collection of it, right? And so it then comes into what was formerly the Regina Qu'Appelle Health Region's lab, the laboratory specimen is processed and it goes into the repository.

Ms. Chartier: — Okay. Okay, but we're . . .

Mr. Hendricks: — Like a very high, high percentage, into the 90 per cent — mid-90's, I think — of your lab results in the province are already captured, and a similar number to your radiology results. We do have some outliers in kind of, as you said, remote areas, that sort of thing, where we might not be

capturing them, but the large majority of work in the province is already captured in our provincial repositories.

Ms. Chartier: — Okay. Well thank you for that. I don't know if any . . . Yes, I think that's all for me for now in this particular chapter. Thank you.

The Chair: — You might find too that some of the questions actually probably fit into almost the next chapter that there's going to be some focus on as well, but good questions. Any other questions from folks around the table? So none of these recommendations are new and we've got these status updates here, so I'd certainly welcome a motion to conclude consideration of the chapters before us here, 22 and 15. Ms. Lambert. All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved. Let's move along to chapter 35 and wherever the auditor's office wants to take us.

Ms. Clemett: — Chapter 35 of our 2016 report volume 2 on pages 251 to 255 reports the results of our first follow-up of eHealth's progress for addressing recommendations we initially made in our 2014 audit on eHealth's processes to share patient data among health care professionals. We directed four recommendations at eHealth and one recommendation at the Ministry of Health. By September 15th, 2016, eHealth had implemented three of its four recommendations. eHealth and the ministry still had work to do on implementing one recommendation each.

Since our 2014 audit, eHealth developed a five-year priority road map that outlines plans for connecting each data repository to various health care providers. eHealth also formed a health information oversight committee along with the Ministry of Health, Sask Cancer Agency, and regional health authorities to guide and facilitate provincial EHR development. eHealth had standardized data in all of the provincial data repositories except for clinical records. Examples of the clinical records include discharge summaries, so a report completed by a physician at the end of a hospital stay.

Establishing standardized data requirements for data repositories ensures relevant and timely information is readily available for patient care. For example, including hospital drug information in discharge summaries would allow a physician in another location treating the same patient to make informed decisions regarding drug prescriptions.

At September 15th, 2016 the ministry continued to fund IT projects at eHealth, regional health authorities, and the Saskatchewan Cancer Agency, but the ministry did not have a long-term IT capital asset plan that encompassed provincial EHR priorities. A long-term IT capital plan would help ensure that the health care system has the priority IT systems it requires to support the delivery of patient services. That concludes my presentation.

The Chair: — Thanks for your presentation and for the report. Again these are recommendations that have been at this table, so I'll open it up for questions. Ms. Chartier.

Ms. Chartier: — Thank you, Mr. Chair. I want to just first look at that first outstanding recommendation: "We recommend that eHealth Saskatchewan establish standard data requirements for all provincial repositories." So I know some of your planned actions for implementation, you had said that eHealth expects to complete standard data requirements for all clinical records by October 2018. Who is working on this?

Mr. Church: — So within eHealth we have an electronic health records team that will be working in partnership with some of our SHA counterparts, as well as 3sHealth and Sask Cancer, in order to implement and bring in those clinical records from 3sHealth by October.

Ms. Chartier: — When we talk about clinical records, I know the auditor pointed out on page 252 that clinical records can include admission histories, discharge summaries, progress notes, surgical reports. And I believe that the clinical records were . . . Are you just working on discharge summaries, or on all those other pieces as well?

Mr. Church: — So I don't have the full list in front of me, but within the transcribed documents with 3sHealth that we are working on, there would be a number of those different work types in there, including the discharge summaries, as well as a number of the others that the auditor had identified.

Ms. Chartier: — Okay. Just clarifying, it isn't just discharge summaries; it's multiple pieces of clinical records. Standardization, it says here . . . So have you been able to . . . So in terms of the missing clinical records, standardization was part of the challenge, I think. Is that still the case? Like are you . . . Who is working on the standardization, like coming up with what pieces of, what data should be available to whom?

Mr. Church: — Right. So part of the standardization was . . . Part of the initial transcription initiative with 3sHealth was to standardize what those documents were and what the content of those were. And now for us it's making those available within the EHR for that specific initiative. So it would be in partnership with a number of clinicians across the health sector that'd be identifying what those requirements were for those clinical documents.

Ms. Chartier: — There's a committee that's working on that? Or when you say a number of clinicians . . .

Mr. Church: — Yes there would be . . . We would have a number of clinical working groups that would be advising the project team on those in advance. That particular initiative wasn't an eHealth-driven one, and so now we're just working on bringing that information into the EHR.

Ms. Chartier: — Okay. So people have agreed on standardized discharge summaries, all that long list, surgical reports, those kinds of things. You've got clinicians who've agreed on what data should be in it and it's then . . . 3s has done . . . Are they finished transcription now? Like the transcription project, where is that at?

Mr. Church: — So it's my understanding that specific project, yes, is complete.

Ms. Chartier: — That is complete. So that information from transcription from that project, when will it be . . .

Mr. Church: — So that's the October 2018 is to bring that information into the provincial electronic health record from the transcription system.

Ms. Chartier: — Okay. And your working groups, your clinicians have decided on standard info required. That's all. So obviously if you've done the transcription, that was the piece that they would have had to have agreed on in the first place. Okay. All right. I think on that page, that's it for that. And we talked about the road map that you're going to table.

Looking at the figure on page 253 for diagnostic imaging and reports, I know the Chair had pointed this out that some of those questions from the previous chapter would roll forward here. So diagnostic imaging and reports are available, yes. Complete? "No — missing images and reports from private clinics (approximately 30% of images) [from private clinics]." Is that . . . So this was the 2016 report. So you had a pilot taking place in one private clinic and your rollout in two private clinics planned for '17-18. So where is this at?

Mr. Hendricks: — So since that time we've added a couple of private clinics that are pretty significant, so our Radiology Associates Regina, Mayfair in Regina, and some smaller communities like Lloydminster, I believe, and we're working on Saskatoon as we speak.

[14:30]

Ms. Chartier: — Okay. So that percentage cited in 2016 was approximately 30 per cent of images. What percentage are we at right now?

Mr. Hendricks: — Yes, it would be, like I said, 85, 90 per cent, somewhere in there.

Ms. Chartier: — Okay. Thank you for that. The auditor mentions on . . . Oh, you know what? Page 255 the auditor mentions it's September 15th, 2016, the ministry did not have a long-term IT capital asset plan. So that's less than two years ago there was no long-term capital asset plan. Is that still the case, or where are you at . . . or IT capital asset plan. So where is that at?

Mr. Hendricks: — I was just actually talking to Davin about this one because I guess it depends on what is meant by a long-term IT plan. Like with the five-year road map we have dollar amounts attached to those specific priorities, what they're going to cost over several years. With certain other initiatives they have multi-year funding targets and we know the required commitment.

But I would suspect that obviously the auditor's talking, like does the ministry say that we're going to spend, you know, an additional $10 million on IT this year, 20 million? These are the projects that we want completed over the next 10 years, so not dissimilar probably from our capital strategy, our 10-year capital strategy. And we don't have that for IT. And that would be something that is still under, you know, I guess development consideration, something that we would have to take to

government.

Ms. Chartier: — Could the auditor maybe address why that plan is important?

Ms. Ferguson: — What we were looking at here is that we were recognizing that eHealth is the major service provider for the health regions, but we also recognized that, you know, at the time the health regions, cancer, they have their own IT systems internally, too. And then the ministry has its own IT systems.

And so what we were looking at is that we realized all of them do business with each other, you know. How does it all fit together? And more importantly, making sure that the systems can talk to each other, the key systems can talk to each other, so that, you know, that you are in a situation that you can easily upload information that was residing at a facility within a health region into the eHealth records, as needed, as they're trying to expand things. And even just to talk between health authorities at that time or different facilities, so taking more of an integrated approach.

So yes, it's more than the road map that eHealth would have because that would focus on their own. So it's that connectivity.

Ms. Chartier: — So is that something then that . . . You're the deputy minister of Health, so you can probably respond. I wouldn't mind you fleshing out a little bit more.

Mr. Hendricks: — So with that clarification that's actually helpful because the Saskatchewan . . . With the formation of the Saskatchewan Health Authority, one of the things and kind of the decision that eHealth will be the IT provider for the province, one of the things that I've been working on with the Health Authority is establishing an IT governance model for the entire sector.

So eHealth has several customers. The biggest is obviously the Health Authority now, but as you mentioned, they have the Cancer Agency; they have Health Quality Council; they have the ministry; they have physicians in the province and several pharmacists and several other groups. And so we're trying the best to figure out how decisions are made, escalation is happening, how plans are made, how the priorities of those various organizations are integrated into a cohesive plan.

You know, I think at this point just with the SHA in its infancy, what we're struggling for this year to try and, is get kind of a one-year kind of plan in place and then eventually try and stretch it out by kind of identifying, you know, the immediate priorities for the IT sector. Some are set, right? Like we have a structure, you know. In certain cases we'll have a project that's in flight that will have commitments from outside sources that we can't stop, you know. So those ones, and generally I think there's no disagreement about those.

But from time to time, new priorities emerge and we have to reflect those in our plan. But certainly, like the ministry's priorities, we have our own things that we do and that are different from the SHA and eHealth's other clients, and we want to make sure that's in their plan as well.

Ms. Chartier: — Okay. So you said you're working sort of just

the first year, get the first year under the belt.

Mr. Hendricks: — Yes. One of the things . . . It's interesting and we're still early days, but we've been talking about borrowing some of the concepts from 3sHealth in terms of, loosely in terms of its governance where, you know, it has multiple member organizations that want input into what it's doing, and so they have an oversight committee. I don't know that I would call it that but certainly an advisory committee of SHA, SCA [Saskatchewan Cancer Agency], those other partners that would help eHealth define its strategic plan and its long-term goals and then report back to those agencies and that sort of thing.

Now there's always the constraint of funding. You know, it's not a wish list of everything. There will be those kind of constraints, but it's about working with the sector to better do it. And one thing is, you know, in terms of some of this planning, I have to say it's a heck of a lot easier with a single authority because, you know, standards and being able to talk to each other, as Ms. Ferguson said, like we're able to implement standards. A lot of RHAs [regional health authority] previously had slightly different systems and managed their own systems, and so this will allow for greater standardization across the piece.

Ms. Chartier: — Okay. Thank you for that, and I know that the auditor when she goes back with this particular recommendation will continue to hear about where you are on this plan down the road here.

On page 254 the auditor points out that:

> A provincial eHealth Information Advisory Committee is in place for the shared trusteeship model. eHIAC is responsible for providing advice and guidance on data-sharing agreements, service and access policies, and security and privacy concerns.

Can you tell me a little bit about with whom you have data-sharing agreements? I know in committee a few weeks ago we talked about the de-identified data that you would share with researchers, but with whom would you have data-sharing agreements?

Mr. Church: — So with, you know, and part of the previous formation of the health sector and then the former RHAs, there was data-sharing agreements required with each RHA for any information shared with eHealth and that . . . for a service eHealth was delivering. So those were a good sum of those, as well as cancer agencies. We have data-sharing agreements with them and anybody that we would be collecting information from or sharing information with within the health sector, so those would make up the bulk of our data-sharing agreements.

Ms. Chartier: — Okay. In terms of how your agreements work — I know we had this conversation last time too around selling data — could eHealth sell data? Is it feasible, like in terms of legislation or policy, is that something that is in the realm? I know that you and the minister said that that wasn't going to happen, but is it feasible?

Mr. Hendricks: — The trustee of the data, eHealth, would

have to get the permission of the owners of the data to do any of that, and as you said, or as we said last time, the minister who is ultimately responsible for eHealth as a treasury board Crown has said that eHealth is not going to be selling its data.

Ms. Chartier: — When we talk about owners of the data, who is the owner of the data? So all of this is being moved under eHealth, so who is the owner of the data?

Mr. Hendricks: — Well ultimately I would argue that the patient is the owner of the data in most cases — it's their personal data — but it's the organization that actually entrusts eHealth with the data, so if it's produced through the authority, the authority is the ultimate trustee. But they have a trusteeship agreement so eHealth assumes trusteeship for that data as well.

Ms. Chartier: — Okay, so the provincial health authority and eHealth are . . . technically own the data then?

Mr. Church: — Not in all cases. So in the information coming from the SHA, that would be the scenario. If it were the Cancer Agency, that data was coming from them, they would . . . we would have that ownership with them.

Ms. Chartier: — eHealth, you were saying, takes over the trusteeship and . . .

Mr. Church: — Not necessarily, no. So there's a few instances where we would take trusteeship, and that's usually where we have modified the data. So in the case of lab results, because there's different standards across those former health regions, to standardize that information, then we do become the trustee of the lab results repository in that scenario. So that would be really the key example where we have full trusteeship of the clinical data.

Ms. Chartier: — Okay. But it is . . . I know that we had that conversation a few weeks ago, that other jurisdictions in the past have looked at selling health data to . . . whether it's medical device companies, big pharma. So I just want to clarify that it is feasible to sell data. That's not something . . . like it is something that could happen.

Mr. Hendricks: — No. Because I guess, who is going to give eHealth the permission to sell data? And you know, I would have to refer to any of the relevant Acts under health information protection, but I don't believe that that information can be sold without disclosure to the trustee.

Ms. Chartier: — Well okay. I've been told otherwise. And this is not again my area of expertise at all, but I've been told that coming under eHealth makes it possible to sell the data. And I know that you and the minister said there was no interest in selling data, but I understand that there was a recent trip to the Yukon, in fact actually Mr. Church, around . . . Could you just tell us a little bit about that trip?

Mr. Church: — Yes. So for a while there's been a partnership with the Northwest Territories. So they are looking at implementing the same pharmacy system that we have provincially, that we just went through a provincial implementation. And so they have been asking for our support and our guidance on how best to go about that, and looking at

opportunities to leverage our infrastructure to help them with that, in a very similar arrangement that they have with Alberta Health Services for their EHR and some of their other clinical services.

Ms. Chartier: — Okay. Just to put this on the record to make sure that there is no interest in selling Saskatchewan residents' data and that trip had nothing to do with that.

Mr. Hendricks: — We would be in this case, we would be a service provider for the Northwest Territories, which I think is actually good recognition of eHealth's reputation, that they would be trusted by another province. And so, you know, the potential exists if the appropriate trusteeship agreement, you know, for somebody else to hold the data, you know, another province or something. But they would be bound by that and that's not selling the data. There would be an agreement.

Ms. Chartier: — Sorry, can you clarify, so what you just said around sharing trusteeship and not selling the data. Could you just . . . Sorry.

Mr. Church: — Yes, so in that scenario some of the services we're looking at is using our data centre to host that so their information would reside with eHealth. So I think that's really what we're talking about, that eHealth would be entrusted with their information and certainly not for the sale of that information for sure.

Ms. Chartier: — Okay. I just . . . Extra confirmation here for things that I'm hearing from all kinds of places. I think that that . . . With your work in the Yukon then, whereabouts is that at then? So you've just recently travelled to the Yukon, and so . . .

Mr. Church: — The Northwest Territories.

Ms. Chartier: — Sorry, the Northwest Territories. Okay. So it was the North. It was a territory but I had the wrong one.

A Member: — A little bit.

Ms. Chartier: — Just a little bit. Is that the only jurisdiction to which you've travelled to create these relationships and possibly . . . So they're looking at utilizing our system.

Mr. Church: — Yes. So the same software system that we have experience with for ours, and so really leveraging our lessons learned and our experience. And then with our infrastructure, looking at being a service provider for things like hosting or support from an operational perspective.

Ms. Chartier: — And have you worked with other jurisdictions or has it just been the Northwest Territories thus far?

Mr. Church: — Just the Northwest Territories.

Ms. Chartier: — Okay. Well I think that that's all for me on this chapter. Thank you.

The Chair: — Thanks for the questions. Thanks for the responses here today as well. Any other questions with respect to chapter 35? Okay. Moving along, we'll . . . I guess I'd entertain a motion to conclude consideration of 35.

Mr. Michelson: — I so move that we conclude consideration.

The Chair: — All in favour? So moved. We'll move along now to consideration of chapter 5 and 2 together.

[14:45]

Ms. Clemett: — Chapter 5 of our 2016 report volume 2 and chapter 2 of our 2017 report volume 2 report the results of our annual integrated audit of eHealth Saskatchewan for the years ended March 31st, 2016 and March 31st, 2017, respectively. Our 2016 report highlighted three areas of concern and three areas of improvement. During 2016-17, eHealth improved two areas of concern: the timeliness of bank reconciliations; it also verified the existence of its capital assets and updated its accounting records accordingly.

We continued to report one matter for the year ended March 31st, 2017 — the need for an approved and tested disaster recovery plan for systems and data. While eHealth continued to work towards a plan, significant work remained. As of March 31st, 2017, eHealth had created detailed recovery plans for only four of its 39 critical IT systems. It had tested whether the plan worked for one of these IT systems. eHealth is the IT service provider for the health sector. Without tested disaster recovery plans, eHealth, the Ministry of Health, and the Saskatchewan Health Authority may not be able to restore their critical IT system data, like the provincial lab system, in an event of a disaster.

That concludes my presentation.

The Chair: — Thanks for the presentation on chapters 5 and 2 and the work that went into them. Thanks to the ministry for the status updates. I'll open it up for questions. Ms. Chartier.

Ms. Chartier: — Thank you for that. Going to chapter 30 and 5 around the disaster recovery planning progressing, so in the 2017 report there were four . . . I've got it right in front of me. Too many papers. So you had only developed four of 39, I believe, and only tested one of your plans. Can you tell me where that's at?

Mr. Church: — Yes. So a three-year plan has been developed to address the remaining of the 35 applications to have a disaster recovery plan in place. A lot of the foundational pieces required to execute in that plan were addressed as part of the IT transition, which would have been the consolidation of the various data centres across the province. There's about 35 of them within the former health regions, so consolidating those into the eHealth data centres and then upgrading a number of the network components and bandwidth between the Saskatoon and Regina data centres. So now over the next three years we'll have a plan in place to . . . or we do have a plan in place for the next three years to address those deficiencies.

Ms. Chartier: — Okay. But just to note, this recommendation first came . . . So I know you mentioned the consolidation, which changes the landscape quite a great deal, but this has been a recommendation since the 2007 auditor's report. So I'm wondering, what's taken so long?

Mr. Hendricks: — Yes, I've been in this committee several

times with this issue. And I think it actually was the complexity that we had several health authorities with I think varying levels of sophistication in terms of their ability and their own data centres and what they were doing and the adequacy of their disaster recovery. So you'll recall that, you know, we would report on seven or eight regions that had this similar recommendation.

So now it's kind of being brought together in terms of the health authority, and as Davin mentioned, now that we're able to consolidate all into our two large data centres in Regina and Saskatoon and we have failover in nearly real time between those two data centres, so if one goes down, the other one can take over. And so we're integrating and bringing all of those smaller systems into that larger system so that we will have that kind of consistency throughout the province.

But you know, just to be honest, because of the complexity of that and the state that they were in, you know, when we were talking about this the other day in our exec committee meeting, we have a lot that still need to be converted and pushed into our large data centre. So it'll take a couple or a few years.

Ms. Chartier: — Okay. Just thinking about back — I'm sure you're aware — in 2012, there was a fire in a data centre in Calgary that knocked things out. There was, just quoting a newspaper article, "sudden absence of some programs and services [which] increased the risk to the safety and well-being of Albertans." I know just chatting with folks who even with the two data centres have flagged for me that our data, especially with the consolidation under eHealth, that people are wondering what kind of safeguards have been built into the data centres. Can you tell me a little bit about that?

Mr. Church: — Yes. So the data centres that have been put in place are what they term tier 3, which is one of the highest level of data centre that you can have, which would protect against a lot of those fire, tornado, natural disaster type events.

Ms. Chartier: — But it's the challenge then with the rest of that, the plan then over the next three years is that you don't have that data in those centres yet. Is that . . .

Mr. Church: — So the requirements vary from application to application. So though the backups would be occurring, some of the particular challenges are around applications that require zero down time or that type of thing, where it's a significant complexity of the infrastructure to have it I guess the same environment in Regina as in Saskatoon with the exact same data and be able to flip over. So the data would be available, but getting to that near real-time failover and availability of the exact same data regardless is where the challenge is. So it just would create a delay in the restore or getting that backup, not a loss necessarily of the data.

Ms. Chartier: — Is there full redundancy of our core critical IT systems?

Mr. Church: — So that's part of the infrastructure work that had to happen as part of the IT consolidation to, I guess, position us to get there with a number of the clinical applications.

Ms. Chartier: — So here at 2018 now, we don't have full redundancy of those systems?

Mr. Church: — Not of all of them.

Ms. Chartier: — Not at . . .

Mr. Church: — But that's what's being addressed as part of the three-year plan.

Ms. Chartier: — As part of the three-year plan. So if something happens between . . . in the next three years, that data could be at risk?

Mr. Hendricks: — No, like we have to be careful. The difference between, you know, as Davin said, the backup which is done and the kind of the failover. So if there was, God forbid, a tornado in Saskatoon that took out our data centre, that real-time, you know, failover to Regina to start doing everything, we have that in place for some systems, but not all of our systems. And the complexity of doing that is because a lot of the real-time are production systems, that sort of thing, and being able to actually take, you know, kind of be downloading constantly into a Regina data . . . We have to figure out how to do that, and it's not without its challenges technically.

Ms. Chartier: — Could this . . . I mean, the consolidation is happening fairly quickly. Do other systems, like would the Saskatoon Health Region prior to consolidation have had that full redundancy of their own system? No? Did anybody?

Mr. Hendricks: — But backups they had. And also like the repositories that exist like, you know, when you're talking about that historical data, that is all within the health data centre. But if you're talking about things like, you know, our provincial PACS [picture archiving and communication system] or something in real time so . . . and I don't know, I'm just using this as an example because of . . . it's one if, if you have one that's running in Regina and . . . or Saskatoon, sorry, and Saskatoon got hit by a tornado, would the Regina one be able to automatically restore that image and wherever, right? That may not be happening right now.

Ms. Chartier: — Okay. And I think that that's what the auditor has flagged — that it's important to have the plan, but not only do you have to have the plan, you have to test the plan to make sure it works. So okay, walk me through this as a non-tech person, the difference between full redundancy and backup then.

Mr. Church: — Yes. So full redundancy would be we have PACS running in Regina and Saskatoon.

Ms. Chartier: — PACS, sorry, is . . .

Mr. Church: — Sorry, that picture archiving is where all of your MRI [magnetic resonance imaging], CT [computerized tomography] images go. So you have Regina and Saskatoon, both have that system. And as an image comes in, it's going to both locations, and some users are using the Regina application and some are using the Saskatoon application. And if Regina goes down, Saskatoon is in real time, has all the exact same

information. So really that is what that full redundancy is versus, as an image comes in, we back it up. We keep a copy of that in Saskatoon. If something happens in Regina we restore that information and it's not in real time. It would be, say, four hours or eight hours or something like that.

Ms. Chartier: — Okay. So if something happened with the system, it could impact people's health or decisions that health care providers make if a system fails for a tornado or whatever disaster?

Mr. Hendricks: — Yes. I think, you know, in certain cases, in a certain situation if there is . . . And that happens, you know, if a network goes down temporarily or whatever for an hour or two, right, if we lose SaskTel bandwidth or something. You know, the ability of health professionals to access information, that obviously presents some hazard to patient care, right?

Mr. Church: — So there are business continuity plans in place with the individual users as to in that event what their processes are that they switch to. And then part of that is also kind of what they term uptime procedures of, how do we catch that information up in the system that occurred. So that kind of goes hand in hand with those scenarios.

Ms. Chartier: — I appreciate that you've got a three-year plan going forward here. So people who are chatting with me about their concerns, are their concerns valid?

Mr. Hendricks: — You know, the fact that it would be better to have a disaster recovery plan fully implemented and tested would suggest to me that we're not quite where we should be. So I wouldn't say that their concerns are invalid. When you have the potential — although albeit unlikely — for a system to go down, I think that, yes, I think anybody that's in this sector doesn't relish that idea, right?

Ms. Chartier: — So a three-year plan, I mean often things boil down to resources and funding. And there isn't a magic money tree, but if the resources were there, could these plans be created and tested more quickly than three years if you did have a significant injection of resources?

Mr. Church: — So I mean, there are certainly some prerequisite steps there. So before we get to executing on the very heavy lifting and some of that work we've done around categorization of the criticality and a lot of the requirements around how much downtime could it endure or how many, you know . . . if there is a loss of data, what would that look like? What could the business or the clinical service line accept as part of that?

And so as we've documented that, the focus on that three-year plan is focusing on those high-criticality items first and then moving on through that 35 to the lower criticalities. So not all of them are of the same severity level, and so the ones that we focus on are of the highest severity and highest impact in the event of a disaster.

Ms. Chartier: — For sure. But again the question is, if you had more — again, forgive me; this isn't my area and I know things take time — but if you had increased resources, is that something that one could do more quickly?

Mr. Church: — It's certainly something we could look at, for sure.

Ms. Chartier: — If someone came in with a pot of money and said, okay, this is really an issue that we need to ensure that these systems have sufficient redundancy and are backed up and the plans are in place and they've been tested — if there was an injection of money, could that happen quickly?

Mr. Hendricks: — Yes. You probably can expedite it, yes.

Ms. Chartier: — Okay. And what is the cost? Do you have any sense of what the cost over the next three years for this plan will be?

Mr. Church: — So some of what we are . . . Part of the initial stages of the plan are assessing the cost by application. Each application has different requirements, different severity, and different infrastructure requirements to be built out. So that would be assessed in kind of that first year of the plan.

Ms. Chartier: — Okay. So you don't have an estimated cost for this three years of work on the strategies, or on creating the plan and testing?

Mr. Church: — Not that I have.

Ms. Chartier: — Okay. Okay, I am just going to check my notes here. I'm just going to make sure that . . .

Mr. Hendricks: — You know, can I just actually . . . Because I'm concerned about unduly alarming people about this, because our current network availability time for eHealth is 99.982 per cent of the time, which means we have less than 95 minutes a year of downtime.

Now in a disaster that would change, but I just don't want people to be worried. And typically we wouldn't be rolling people into surgery if there was a tornado warning either or something. So I think that, you know, I just don't want people to be alarmed that this is a common occurrence or anything like that.

Ms. Chartier: — Oh no, it's a disaster and planning for a disaster, and we never know. We can look at fires and floods and all the things that happen with climate change. And anyway I know the auditor has flagged this and people with whom I've spoken, who work in this area, say we should be concerned about this.

[15:00]

So I appreciate that it's never good to alarm people, but it's important to put the resources in and do the necessary work to make sure that people are safe and secure. I mean, there was an event in Calgary where I'm sure they didn't expect a fire in a data centre that took the system down and impacted services. So things like this do happen; that's why we plan and test.

I noticed on the outstanding recommendation on the update. I just want to double-check that, and maybe this was just an oversight for the outstanding recommendation that we're talking about right now. Your planned actions are a three-year

road map for a disaster recovery plan completion has been developed. The deliverables at the end of the three-year period will be disaster recovery procedure plans for each critical system and a combined disaster recovery plan to encompass all systems in case of a disaster. It didn't mention anything about testing in that. So I just wanted to make sure that that was in fact part of the three-year plan as well.

Mr. Church: — Yes. So that would be one of the final stages of a three-year plan, or as that application is completed, we would do that testing as part of that.

Ms. Chartier: — Okay. Okay. I think that addresses my concerns. Thank you very much for your time.

The Chair: — Thank you for the questions. Thanks for the responses. Other questions? Mr. Michelson? Ms. Carr? Ms. Lambert, I think you've got a few. No? Well, if there's no other questions at this point, I would entertain a motion to conclude consideration of chapters 5 and 2. Okay. So moved. All in favour?

Some Hon. Members: — Agreed.

The Chair: — All right. That's agreed. Let's move along to chapter 30 which, I think, is the last chapter for eHealth.

Ms. Clemett: — Chapter 30 of our 2017 report volume 2 on pages 227 to 230 reports the result of our first follow-up of recommendations we initially made in our 2015 audit of eHealth processes to secure patient information in the Saskatchewan Lab Results Repository, also referred to as SLRR. By August 2017, eHealth had fully addressed two of the five recommendations originally made in our 2015 audit.

Since our 2015 audit, eHealth improved its processes for removing unneeded user access promptly to the eHR Viewer. The eHR Viewer is a secure website that health care providers use to access patient information, including lab results, no matter where a patient goes for care. eHealth also enhanced ways to identify inappropriate access to lab results.

eHealth continues to need to implement a policy to confirm periodically with health care organizations that existing users have appropriate access to SLRR through the eHR Viewer, follow its password expiry policy for privileged user accounts that access SLRR, and properly configure and update on a timely basis its SLRR systems for critical vulnerabilities. Doing so will reduce the risk of unauthorized access to eHealth's systems and data. That concludes my presentation.

The Chair: — Thank you very much for the presentation. We'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you very much. Just on page 230 of the auditor's report here, I'm looking at section 3.3, passwords not changed periodically for accounts with privileged access, and specifically the section, "Contrary to its password expiry policy, eHealth continues to have accounts with privileged access . . . to SLRR with passwords that do not expire." I'm just wondering if this has been addressed or if folks from the ministry can speak to this.

Mr. Church: — So we are working on addressing that piece of it. So those users would be eHealth internal type of users that are administering the system and so would be supporting it after hours. And so we just need to validate how we go about that and have appropriate ways of resetting that password in the event that they're providing support and if there was an issue. Some of those passwords are also system-based passwords, so they aren't held by an individual user, and so when those . . . if those passwords were to expire there would be an impact to the delivery of lab results to providers. So part of it is we're looking at how do we best assess that and manage that risk, but we are looking to address that password expiry.

Ms. Mowat: — So just in terms of this recommendation, I just note that it looks like it was first recommended in the 2015 report. So I'm just wondering if a process is being developed, where it's at, and sort of what the delay is in that process.

Mr. Church: — Yes, so really . . . So we are in the process of reviewing that, and right now a big part of it is around the risk assessment of that password expiry and how that impacts both patient care as well as supportability. So we're just reviewing those pieces.

Ms. Mowat: — Thank you. I have no further questions on chapter 30, Mr. Chair.

The Chair: — Thank you for the questions. Any further questions from folks around the table? Without seeing any, I'll welcome a motion to conclude consideration of chapter 30.

Ms. Carr: — I so move.

The Chair: — So moved by Ms. Carr. All in favour?

Some Hon. Members: — Agreed.

The Chair: — All right. Moving along, I guess thank you very much to folks from eHealth for your time here today, all the officials that are here today, and all those that are doing the important work daily as well. So thank you very much. And we'll move along to considerations that pertain to various health authorities. And I'll kick it over to the auditor.

Prairie North Regional Health Authority

Ms. Clemett: — So chapter 36 of our 2015 report volume 2 on pages 219 to 233 presents the results of our audit of Prairie North's processes to prevent residents' falls within its long-term care facilities.

Chapter 29 of our 2018 report volume 2, which was just released last week, contains the status of Prairie North's recommendations of each of these recommendations by February 2018. We concluded for the 12-month period ended August 31st, 2015, Prairie North Regional Health Authority had, other than reflected in our recommendations, effective processes to prevent resident falls within its long-term care facilities. We made 12 recommendations. I'm going to now focus my presentation on those 12 recommendations.

So on page 225 we recommended that Prairie North Regional Health Authority place chairs in hallways at regular intervals

within its long-term care facilities. We found the facilities did not place chairs within arm's length at regular intervals in hallways. As residents often have mobility limitations, it is important to place chairs with arms in hallways so that residents can rest if needed. Lack of chairs with arms in hallways through a facility increases the risk the residents who are mobile but unable to walk the full length of the hallway will experience a fall.

On page 226 we recommended that Prairie North Regional Health Authority develop processes to maintain functionality of its bed alarm systems used in its long-term care facilities. We found the call bell systems in a number of long-term care facilities were outdated, presenting limitations in their effectiveness. Bed alarm systems that don't function properly may limit nursing staff's ability to respond to situations that arise in a timely manner. A malfunctioning system can present a significant fall risk to residents and may result in a serious fall-related injury.

On page 227 we recommended that Prairie North Regional Health Authority provide training to staff on the new fall prevention program once implemented. During the 12-month period ended August 31st, 2015, Prairie North provided limited new training to staff on falls prevention. Management was waiting for the new fall prevention program to be fully developed before providing any additional training to staff across the region. The region expected to roll out the new program to facilities prior to the end of the 2015-2016 fiscal.

On page 228 we recommended that Prairie North Regional Health Authority follow its policy to perform fall risk reassessments. We also recommended Prairie North Regional Health Authority give staff additional guidance to help them determine when they need to perform a fall risk reassessment following a change in health status.

For the resident files that we tested, 49 per cent of residents were not reassessed for fall risk on a quarterly basis as required per policy. Furthermore, 13 per cent of residents did not receive fall risk reassessments for periods extending greater than a year. Also for the resident files we tested, 31 per cent of residents who had experienced a fall did not have a fall risk reassessment performed following that fall.

As residents' fall risks are not static and change over time, it is important to regularly reassess resident fall risks to enable the use of interventions to address any changes that arise. Failure to perform fall risk reassessments on a regular basis, or subsequent change in the health status after a fall, increases the risk of a future fall resulting in injuries to the resident.

On page 229 we recommended Prairie North Regional Health Authority regularly update its key fall prevention policies. The region was in the process of updating its fall prevention program. Some of its policies were not being updated on a regular basis. The region's safety reporting policy had not been updated since 2008. The region's standards for use of restraints had not been updated since 2007. Regularly updating policies helps ensure the continuous improvement of process is taking place and policies reflect changes in current best practices.

On page 230 we recommended Prairie North Regional Health

Authority establish a process to investigate significant resident falls in accordance with policy. We found that 25 per cent of residents' files with a fall noted on the quarterly assessment did not have a post-fall review completed. Uninvestigated falls increases the risk that residents may experience a future fall leading to injury. In addition, management may make poor decisions on fall-related matters if fall reporting information collected is not accurate.

On page 230 we recommended Prairie North Regional Health Authority require each long-term care facility to complete and document regular fall prevention safety checks. We noted the region's policies did not require facility management to perform fall prevention safety checks, so for example, environmental audits within its long-term care facilities. We found that five of seven facilities visited during our audit did not perform regular, documented, fall-prevention safety checks. Management indicated long-term care nursing staff do these checks as part of their rounds but were not asked to formally document them. Nursing staff are expected to bring forward identified issues and address them during nurse team meetings. Lack of regular, documented, safety checks increase the risk the facility management may not know of environmental hazards in their facilities. Unaddressed environmental hazards increase the risks of residents' falls occurring.

On page 231 we recommended Prairie North Regional Health Authority consistently link residents' individual care plans to identified fall risk factors. For the resident files we tested, 31 per cent did not clearly link care plans to fall risk interventions identified in the fall risk intervention form. As a result it was not clear whether the care plans addressed all fall risk factors identified. Linking individual care plans of fall risk assessments helps ensure that the individualized interventions are in place to minimize resident fall risks. Failure to develop care plans linked to fall risk assessments could result in serious fall-related injuries to residents.

On page 233 we made two recommendations. We recommended Prairie North Regional Health Authority collect information on fall-related injuries, example, the percentage of falls causing injury, the number of falls causing injuries, the severity of fall injuries. We recommended also that Prairie North Regional Health Authority give senior management and the board regular reports on fall-related injuries.

Prairie North collected and reported quarterly to senior management some performance information related to falls occurring in the region. However more falls-related injury information could have been collected to better monitor and prevent falls. For example, the percentage of falls causing injury and the severity of fall injuries could have been captured and reported.

We also note that Prairie North did not report falls as critical incidents unless it resulted in a resident's death. That is in, it did not report adverse health events leading to a serious disability, such as a hip fracture from a fall, as a critical injury. Without complete fall injury information senior management and the board's ability to address trends and take timely action to address issues identified is limited.

[15:15]

In our last recommendation, on page 233, we recommended Prairie North Regional Health Authority establish fall-related injury benchmarks and, once developed, take timely action to address issues identified. Each quarter Prairie North compared its actual fall results to the ministry's target. From April 2015 to June 2015, eight facilities did not meet the target. They exceeded the target by just over 10 per cent, up to 22 per cent. While setting and monitoring this target provides one valuable benchmark to monitor performance and take timely action, further measures were needed to effectively monitor falls within the region.

Targets for fall-related injuries are also needed to allow the region to monitor injury trends. Without this information, trends for fall-related injuries may not be identified by the region. This could increase the risk that Prairie North may not take timely action to address common fall-related injuries across the region.

We are pleased to report that by February 2018, the former Prairie North Regional Health Authority had fully addressed each of the 12 recommendations. That concludes my presentation.

The Chair: — Thanks so much for the presentation and for the work. And thanks for all involved within the health authority and the ministry on this front. Certainly very important work, and appreciate seeing all the action and all the implementation of recommendations. Are there questions of committee members? Ms. Mowat.

Ms. Mowat: — Thank you. And am I correct in assuming that I'm also able to ask questions about chapter 29 of the 2018 report? Okay. We spoke about it very briefly in the report here, but I just wanted to make sure we're considering these together.

The Chair: — We're looking at 36, for anyone following along at home, 36 and chapter 29 here together.

Ms. Mowat: — Yes, they seem to be folded in together quite well and also in the ministry's status update as well. So pleased to see that all recommendations have been implemented. I have a few general questions that I flagged while going through chapter 36 of the 2015 report.

And just looking for a few updates here. On page 221 there is a figure that discusses fall-related hospitalization rates, and it provides some of that information there. But I'm wondering, since the province appeared to have around 15 per cent as a rate for fall leading to hospitalization — when it was taken, I believe 2012, 2013 — do we know where we are at today with these rates? . . . [inaudible interjection] . . . Chapter 36 of the 2015 report, yes.

Mr. Hendricks: — So I'll just start, and then Assistant Deputy Minister Kimberly Kratzig will provide you with some information. But just so that you're aware, when a long-term resident does fall and is hospitalized, the health system does generate a critical incident report. I receive all of those. And certainly falls are obviously a leading cause of critical incidents within our health system. I don't have the exact numbers with me right now, but that's kind of an attainable number, the number that result in hospitalizations. But we do have some statistics on falls that we can find.

Ms. Kratzig: — As you may know, the Ministry of Health works with the Saskatchewan Health Authority to track a number of quality indicators in long-term care, and falls is one of the key indicators that we track. It is a different measure though than the auditor included in the report. The measure that we track on a consistent basis, and I can talk to you a little bit about, is falls in the last 30 days. So I can tell you that over the past 10 years that number has stayed somewhat static in Saskatchewan.

In Prairie North, however — the region that we're talking about, the area that we're talking about — in 2017-18 it was down to 8.9 per cent compared to the national average of 14.2 per cent and the provincial average of 10.2 per cent. So Prairie North, the work that it has done, does have it below . . . When you look at the former regional health authorities, it has one of the lower fall rates, and certainly below the provincial average.

One of the things about fall rates that we always want to flag is that it really can't be looked at in isolation because there are other metrics that we track as well that can impact falls, and that's use of antipsychotic drugs in long-term care and use of restraints as well. So we typically look at those three metrics together to determine quality around this issue.

Ms. Mowat: — Thank you. And it's certainly good to hear that the measures that have been implemented have made an impact. I think that that would make a tremendous difference.

On page 224 there's a discussion about the audit criteria. And I'm wondering — I'm still in chapter 36 — I'm wondering if the Provincial Auditor can speak to the plan going forward to do these targeted audits post-amalgamation because I know that that's probably going to be a little bit tricky. Is there a plan to stick to the former regions that existed, or will it be looking a little bit different in the future?

Ms. Ferguson: — It'll definitely look different because like, as you know, the authority is one entity now, right? So what we'll be doing is, we're in the process of rolling out our plan and actually looking at how we're doing follow-ups too.

You know, some things we'll be able to look at facilities, you know, and so we might have a look in that respect. Other aspects, you know, we'll probably end up looking at the different service areas that the health authority has organized itself into. And others may be a look right across the entire region; so it might be like, see Saskatchewan for our staff. So it'll be a multi-faceted approach is what we'll have to take.

Ms. Mowat: — Thank you. Moving on to page 225, close to the bottom of the page, the second last sentence: "Prairie North has a plan to replace all the call bells in its long-term care facilities as finances allow." I'm just wondering, have these upgrades been possible over the last several years, or what is the state of the call bells.

Ms. Kratzig: — I do have some information from Prairie North. In 2013 there was an Urgent Issues Action Fund that was provided by government to the former regional health authorities to provide a variety of improvements in long-term care. Prairie North received $484,000 from that fund. And I know that some of the funding has gone towards a variety of

fall prevention alarms. I don't know if that was full replacement or if that was more on the bed alarms. So I don't have the information that would say it's been fully replaced, but some of the funding did go towards falls prevention.

Ms. Mowat: — Thank you. And did you say that was in 2013? Sorry.

Ms. Kratzig: — Yes, that was money from 2013.

Ms. Mowat: — Thank you. On page 227 leading up to recommendation no. 3, it's talking about the falls training program. I'm wondering what does the new falls training program look like and how frequently does it take place. Might be improper to call it new at this point.

Ms. Kratzig: — The Ministry of Health has a special-care home guidelines that all of our former regional health authorities and now Saskatchewan Health Authority long-term care homes follow. Within that there is a strategy, or rather a requirement that each home has to have in place a strategy to support safe care and prevent falls and injuries. A fall-prevention program must be implemented, and it aligns with the Safer Healthcare Now Canadian falls curriculum, and there are accreditation standards within that. It is referred to in the audit as well. I don't know exactly how long, sort of what the requirements are for each training.

Another element that we did as a ministry, in terms of working with the former regional health authorities, is we implemented a training program with a long-term care DVD [digital versatile disc] and modules that were online that people can use to ensure that every staff member of every long-term care home in the province understood what all of the requirements were throughout, not just falls but all elements of the special-care home guidelines, and that has been implemented throughout the province as well.

We can follow up specifically. We actually don't have any officials here from the Prairie North region to give you the specifics on their timeline, but we could certainly follow up on that for you.

Ms. Mowat: — Thank you. That would be great. And it's good to hear that the incidents have decreased, but it's also good to know what training has been taking place considering that was part of the recommendation, so we would appreciate that.

With regards to recommendation no. 4 on page 228, "We recommend that Prairie North Regional Health Authority follow its policy to perform fall risk re-assessments," is it accurate that these reassessments are happening quarterly now?

Ms. Kratzig: — The information that we have indicates they would be completed quarterly, and then a broader annual review as well, yes.

Ms. Mowat: — And would this be the same for the other former health regions as well?

Ms. Kratzig: — That would be some of the expectations. And I should also just flag, when an audit like this is done in one area of the province, the former Prairie North Health Region, we

certainly as a ministry work with all of the health regions to ensure that they get the learnings from each audit that's done. So that information is shared throughout the province, so it's not just isolated to one region. We have an expectation that everyone is sort of learning and improving as these audits come in.

Ms. Mowat: — Thank you. With regards to recommendation no. 8 on page 230, there is some discussion about each long-term care facility. Is there a concern that infrastructure issues contribute to falls in the region? There's just a note here about the last paragraph: "Unaddressed environmental hazards increase the risk of resident falls occurring."

The Chair: — You can maybe engage the auditor on this question as well.

Ms. Ferguson: — So what we're referring to, actually if I can refer you to page 295 of the chapter 29, it gives you some examples of environmental ones. So we're talking about, you know, things like really the room being free of clutter, you know, the bed brakes being on, the light switches. You can appreciate some have cords so that the residents can . . . So it's those types of things that, you know, the housekeeping is supposed to be checking. The first time around we didn't see any evidence of that occurring. The second time around, they actually have a systematic process to make sure that's happening and they're documenting.

Ms. Mowat: — Okay, thank you very much for clarifying that. I think the rest of my questions have already been answered. So that concludes my questions on these two chapters, Mr. Chair.

The Chair: — Thank you for the questions. Thanks for the responses. Any further questions? Mr. Michelson.

Mr. Michelson: — If I could, Mr. Chair, just interested in, or curious about recommendation no. 1 of placing chairs in hallways at regular intervals. Can you define regular intervals?

Ms. Ferguson: — When we undertook this engagement, we actually hired an expert that that's what she specializes in, is helping deal with patient falls. I think really there was actually a distance. There was actually a certain distance that's a recommended practice that chairs be placed in. It's not just random chairs. You'll notice that in the presentation. It's chairs with arms on them so that a resident, when they sit down, they are able to get back up. But there is standard practice as to how many feet apart they should be. Yes.

Mr. Michelson: — That's kind of what I was interested in. Thank you.

Ms. Ferguson: — Yes, we learn all sorts of stuff when we do these audits.

Mr. Michelson: — Just regular intervals, yes.

Ms. Ferguson: — Yes.

Mr. Michelson: — But thank you for your answer.

The Chair: — Any further questions? Not seeing any, would

someone move that we conclude consideration of chapters 36 and 29.

Mr. Michelson: — I will so move that we conclude 36 and 29 considerations.

[15:30]

The Chair: — Oh, right. Sorry about that. That's right. It was just pointed out to me that there are 12 . . . these are 12 new recommendations that we're dealing with. So we're not just concluding; we have the status updates. That being said . . . yes.

Mr. Michelson: — So I'll move we concur with the recommendations and note compliance too.

The Chair: — In all cases, 1 through . . .

Mr. Michelson: — 36, and then conclude consideration on 39 . . . or 29, rather.

The Chair: — So it's the new recommendations from 36 and so . . . Okay. So as it relates to chapter 36, it's moved by Mr. Michelson that we concur and note compliance with recommendations 1 through 12.

Mr. Michelson: — That's correct.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved. And I believe it was moved by Mr. Michelson that we conclude consideration of chapter 29. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved. We'll move along to 28 and 41.

Ms. Clemett: — Chapter 28 of our 2016 report volume 1, on pages 277 to 279, reports the results of our second follow-up of recommendations we originally made in our 2011 audit of Prairie North Regional Health Authority's processes to grant physician privileges. By February 2016, Prairie North had implemented the four outstanding recommendations. Prairie North aligned its processes with the practitioner staff bylaws; clarified the responsibilities of its medical advisory committees and chief medical staff granting and monitoring physician privileges; developed requirements for physicians doing special procedures like general surgery — these requirements set out the required skills along with mandatory training required; and analyzed and revised medical privileges as necessary. That concludes my presentation.

The Chair: — Thank you very much for your presentation. I'm opening it up for committee members for questions. Ms. Mowat.

Ms. Mowat: — Thank you, Mr. Chair. I see that these have all been addressed and the Provincial Auditor has noted that. But I'm curious about what spurred this audit in the first place, and maybe the Provincial Auditor would want to speak to that.

Ms. Ferguson: — So what we try to do when we select audits, you'll find that we look at different types of activities. Granting physician privileges is one of the key things that all, well all facilities do. It happened at the health authority level, each of the health authorities. So it's really looking at one of the key activities. It wasn't that we were focusing on Prairie North just because we thought it was a problem area. Frankly, it was just at that time it was their turn. It looks like there's a lot of them, but it just kind of dominoed in terms of different years.

Ms. Mowat: — Thank you. And so have these recommendations, have these been challenges in other regions as well? And maybe that's a question for the ministry officials.

Mr. Hendricks: — Yes. I did want to comment on this because one of the things, the early things, that we've been working on with the health authority is standardizing our medical credentialing and bylaw processes so that they'll be a standard set of bylaws and credentialing procedures, because they're no longer credentialed with regions or credentialed with the health authorities.

So we've been working with the SMA on establishing the new bylaws. We put an interim set of bylaws in place that were kind of consistent with the older bylaws, and then those we're going to commute into, or under negotiation with the SMA and others, to actually commute them to a new set of bylaws for the health authority.

Ms. Mowat: — Okay, thank you. And I have no further questions on this chapter, Mr. Chair.

The Chair: — Any further questions from committee members as it relates to 28, chapter 28? Someone care to move that we conclude consideration? Ms. Lambert. All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved. And we'll move along.

Ms. Clemett: — So chapter 41 of our 2016 report volume 2, on pages 275 to 277, reports the results of our second follow-up of recommendations originally made in our 2011 audit on Prairie North's processes to protect patients from hospital-acquired infections.

We are pleased to report that by July 2016, Prairie North had implemented the two outstanding recommendations. Prairie North had formalized its processes to consistently monitor and report its key practices to control hospital-acquired infections. It also provided senior management with a written analysis of emerging risks, based on the trends and causes of hospital-acquired infections.

That concludes my presentation.

The Chair: — Thanks for your presentation. Questions? Ms. Mowat.

Ms. Mowat: — Thank you. I appreciate that in this chapter these are all outstanding recommendations that have been deemed to be implemented by the Provincial Auditor.

Have a few questions. On page 275 in the second paragraph, it's discussing the fact that there's a formalized process to consistently monitor and report key practices to control hospital-acquired infections. It looks as though this type of reporting goes to the region's senior management or did go to the region's senior management. Does this information generally get reported to the ministry as well?

Mr. Hendricks: — We do get reports on certain hospital-acquired infections but not all of them. Like I know that at the regional level this is obviously a considerable issue and one that, you know, I think senior management pays a lot of attention to. I know, and maybe Sharon can speak to it, but Regina Qu'Appelle for example went through a major hand-disinfection blitz to make sure the people were kind of doing that. That's a major cause of hospital-acquired infection. And so I think it's more at that level, but we only have certain things reported to the ministry.

Ms. Mowat: — Thank you. And would it be when it becomes more severe or more critical that it would be reported? Is there a process for how that takes place?

Mr. Hendricks: — Yes, I think, you know obviously if we felt that there was an emerging — for example, MRSA [methicillin-resistant Staphylococcus aureus] infections, that sort of thing, you know — we do have a safety group that would kind of look at that and take more action. A lot of times what we do though, like if there is a hospital-acquired infection that we think can be prevented, you know, if it does result in a patient becoming ill or sick, we do have critical incidents, and we share those learnings with other. . . Well this time, now we share them throughout the health authority; we used to share them between regions. And so, you know, there are mechanisms if we did have an outbreak, that sort of thing.

Ms. Mowat: — Thank you. And can you just clarify that acronym? I see it appearing here too. MRSA.

Mr. Hendricks: — Methicillin-resistant Staphylococcus aureus.

Ms. Mowat: — Is there a layman term for that? Layman's term?

Mr. Hendricks: — MRSA.

Ms. Mowat: — That's the layman's term? All right. You can see that I am not a medical professional. Was there a particular type of hospital-acquired infection that was problematic for the region?

Mr. Hendricks: — I don't know of a particular one. Like you know, we'll have, you know, in our hospitals we'll have certain ones that kind of crop up from time to time, right. And usually you'll have an infection specialist or something, and they look at taking increased measures to eradicate it, right.

In long-term care, you know, sometimes it's norovirus. Or even in hospitals, you know, you'll have that crop up from time to time. And you know, sometimes it's brought in from outside. Sometimes it's because of infection control within the hospital. Like earlier on, we did a lot of work on surgical-site infection in

the ministry in developing standard bundles for surgeons to follow and that sort of thing . . . or checklists, sorry. And so it's become something that we're very aware of, but, yes.

Ms. Mowat: — Thanks. Would the rates of infection be comparable in this former region to other regions then?

Mr. Hendricks: — Yes, nothing would lead me to . . . I've never actually heard that Prairie North is any different than any other region.

Ms. Mowat: — Thank you. I have no further questions on this chapter, Mr. Chair.

The Chair: — Any further questions from committee members? Will someone move that we conclude consideration of chapter 41? Moved by Mr. Goudy. All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved.

Regional Health Authorities

The Chair: — We'll move along to the regional health authorities chapters, chapter 16 and 11 from the 2016-2017 reports, both volume 2.

Ms. Clemett: — So these chapters include the results of our annual integrated audits for the year ended March 31st, 2016 and '17. Each former regional health authority had reliable financial statements. Each complied with their governing authorities, other than Keewatin Yatthé have continued to not have written agreements with health care organizations it gave money to, as required by the Act.

For both years each former regional health authority had effective controls to safeguard public resources, other than the following: Regina Qu'Appelle and Mamawetan Churchill River both needed to strengthen IT controls, including have up-to-date and tested disaster recovery plans. Mamawetan Churchill River also needed to pre-approve overtime costs resulting from calling staff back to work, and Regina Qu'Appelle also needed to implement an internal audit function.

Specifically chapter 16 of our 2016 report volume 2 reports the results of our annual 2016 audit of 11 regional health authorities, and this chapter contained one new recommendation for the committee's consideration. On page 83 we recommend that Prince Albert Parkland Regional Health Authority comply with *The Regional Health Services Act* when providing funding to health care organizations in the region. By March 31st, 2017, P.A. [Prince Albert] Parkland had addressed this recommendation.

Please note that when we reported our 2016 results that it did not include Regina Qu'Appelle Health Region as we did have a separate chapter for them, which we will discuss really in the next agenda item.

So chapter 11 of our 2017 report volume 2 reports the results of our annual 2017 audit of all 12 former regional health authorities, and this chapter included one new recommendation

for the committee's consideration. On page 70 we recommended that the Saskatchewan Health Authority's non-centralized purchasing areas, if any, comply with their purchasing policies. We found nine instances where purchases in Regina Qu'Appelle were inappropriately approved. Individuals approved purchases above their signing limit of $100,000, and these purchases totalled $2.1 million. That concludes my presentation.

The Chair: — Thank you for the presentation. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you. So we'll start off in chapter 16. I just have some questions going through the chapter. So we talked about this a little bit with the fact that audits are going to look a little bit differently with the new amalgamated health region. I see that each of the regional health authorities had appointed auditors. What is that going to look like with the new amalgamation? What is that system going to — for audits — going to look like now?

Ms. Ferguson: — What the government has decided is that we're always the auditor. In the case of the authority, we did the audit directly. Well, we actually just finished doing the audit directly for March 31st of 2018, so . . . Okay. So one big audit.

Ms. Mowat: — All right. Thank you. On page 84, the recommendation under 4.3, "We recommended that all regional health authorities establish disaster recovery plans . . ." Will disaster recovery now be the responsibility of eHealth?

Ms. Ferguson: — To me? Okay. Max, do you want me to answer that? Sure. Our understanding is because the eHealth is assuming the responsibility for all IT systems, that they will be responsible for disaster recovery. If there happens to be any residual systems residing in the Health Authority that are significant, they may need a disaster recovery plan for that. But if they do roll them across to eHealth, then it will be eHealth.

Ms. Mowat: — So in light of eHealth's shortfalls in this area, could that make the situation a little bit worse if there was a disaster?

Ms. Ferguson: — The key will be actually the relationship between the Health Authority and eHealth. One of the things that you'll find in our reports when there's significant relationships like that, our office looks for formal service agreements between organizations. So that's what we'll be looking for in this situation.

[15:45]

Ms. Mowat: — Okay. And can the ministry speak to whether these formal service agreements are under way or what the process is?

Mr. Hendricks: — So the formal service agreements, you know, like . . . You're still talking abut disaster recovery? Yes, so with disaster recovery, now that eHealth is the service provider for all the systems, we've signed an interim agreement right now. And what's happening as part of that governance structure I was talking about earlier, we're developing a very highly detailed service level agreement with not only the SHA,

but with our other service partners throughout the health care system. So this would be amongst the deliverables for eHealth.

Ms. Mowat: — Okay, thank you. So there's an interim one right now and they're developing a more detailed one. That's what you're saying?

Mr. Hendricks: — Correct, yes.

Ms. Mowat: — Okay. On page 70 the second-last paragraph says: "In 2016-17, Regina Qu'Appelle started the hiring process . . . for the internal audit function." There's some reference to this in the status update as well. Sorry, my words are not coming to me as quickly now. There's some reference to this in the status update as well, so it looks like there's a hiring process ongoing for a chief audit officer. Can officials speak to this a little bit?

Mr. Hendricks: — Well now that Regina-Qu'Appelle doesn't exist anymore, they won't be hiring an internal audit. But I am pleased to say that the Health Authority has run a competition for internal audit and has had some success and will be announcing a person fairly quickly.

Ms. Mowat: — Right, so that is what I was referring to. That's what I was reading, but yes, the transition complicates all of the follow-up. Is there any concern about workloads and timelines with the amalgamation into a single region with the role of this individual?

Mr. Hendricks: — You know, I think that that's an assessment that the region will have to make. They'll have to make, you know, a determination whether one internal audit . . . And you know, there'll be an internal auditor, but like my internal audit, they have people that also support them as well. And so they'll have to decide what type of supports that person needs. An authority that's this large . . . like it's a big operation; it has a three-and-a-half-billion-dollar budget. So they'll make that determination.

Ms. Mowat: — Right. So moving toward the end of chapter 11 — and we've already talked about how eHealth is to become the service provider for the Saskatchewan Health Authority — how has the integration of IT services gone in this respect? Do you want to speak to that a little bit broadly?

Mr. Hendricks: — So we're in fairly early days. What we've been working with the Saskatchewan Health Authority on is, obviously within each of the former health regions there would have been personnel that provided IT services and so would now . . . Many of those folks will eventually, in the next few months, come under the umbrella of eHealth.

So we're trying to work with the SHA first of all, to determine who those people are, but also with the unions and that sort of thing, to determine a process for moving them into eHealth. So this will involve a fairly large migration of staff to eHealth and potentially a few the other way as well, when you get into your clinical informatics and that sort of thing that are kind of more within the bailiwick of the SHA. And so that part is proceeding.

As I mentioned, we're working on the governance pieces. We're also working on developing an agreement with the SHA,

and so there are kind of several balls in the air right now in terms of that transition. It is a complex one just because of the, you know, the employment issues that we're going . . . the personnel issues that we're going through with transfer of employees and that sort of thing, assignment of responsibilities. It's going to take a little time.

Ms. Mowat: — Thank you. And sorry, I'm not cross-referencing on the spot as well as I was before. Can you speak to the timeline for implementation of the full integration of IT services?

Mr. Hendricks: — Well eHealth is to be like . . . It depends on what phase you're talking about. Like eHealth technically has responsibility. It's been given responsibility, but as you transfer the employees and that sort of thing, we're anticipating that that will happen in the fall sometime — late summer, early fall. But different clinical systems and responsibilities will kind of transfer to eHealth as we go along and they have the employees in place and they're able to manage it.

I should point out though, that while the employees might become employees of eHealth rather than the Health Authority, they will still be in the communities where they currently work generally. Like you need to have a remote presence and so not everything is run out of Regina under the new model.

Ms. Mowat: — Thank you. And I know that there initially were some significant challenges with program integration. And so I'm wondering if you could speak to what some of those challenges were or if those are still being faced?

Mr. Hendricks: — I'm not clear what you mean, program integration.

Ms. Mowat: — So I have some notes that . . . I'm just trying to figure out which region I was talking about. The region's annual report indicated there were significant challenges with program integration in terms of the IT service provider and eHealth becoming it. I'm not sure if I'm talking about Regina Qu'Appelle or Mamawetan.

Mr. Hendricks: — So I'll take a stab at what I think it probably is. Certain regions over the years have acquired certain information technology systems that are different from the region next to them or the other regions, and so obviously then you're in a situation where you have to pick the appropriate system and decide which one will become the provincial system. So I assume that that's what it leads to. Like I'll give you an example. In mental health, Regina has a different system than the rest of the province and so the ability to have a standardized system across the province would require some cobbling together and/or, you know, the implementation of the common system throughout the province.

Ms. Mowat: — For sure. Thank you. I have no further questions on these chapters, Mr. Chair.

The Chair: — Thank you for the questions and the responses. Any further questions as it relates to chapters 16 and 11, with the one new recommendation that's before us and in each? . . . [inaudible interjection] . . . Very good.

There's just one of the recommendations was noted as new on the status update that wasn't new. So we have one new one from chapter 16 that we'll deal with first that pertains to the P.A. Parkland Regional Health Authority. I believe it's been demonstrated that that's been implemented. So I welcome a motion to that effect. Ms. Lambert.

Ms. Lambert: — We concur with the recommendation and note compliance.

The Chair: — Moved by Ms. Lambert. All agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved with respect to recommendation no. 1 of chapter 16 that we concur and note compliance.

As it relates to the other new recommendation that would be from chapter 11, I would . . . No. 1 from chapter 11, and there's progress that's been demonstrated. I'd welcome a motion to that effect.

Mr. Michelson: — Concur with the recommendation and note progress.

The Chair: — Moved by Mr. Michelson. All agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved that we agree with recommendation no. 1 and note progress towards compliance from chapter 11. That concludes consideration of these two chapters, and we'll move along to the chapters pertaining to the Regina Qu'Appelle Regional Health Authority.

Regina Qu'Appelle Regional Health Authority

Ms. Clemett: — Chapter 17 of our 2015 report volume 2, and chapter 15 of our 2016 report volume 2 each report the results of the annual integrated audits for the Regina Qu'Appelle Regional Health Authority for the years ended March 31, 2015 and March 31, 2016, respectively. For both years the financial statements for Regina Qu'Appelle were reliable and Regina Qu'Appelle complied with the authorities governing its activities.

In our 2015 report we make one new recommendation for the committee's consideration. We recommend that Regina Qu'Appelle Regional Health Authority follow its established procedure for removing unneeded user access to its computer systems and data. We noted 6 out of 26 instances where Regina Qu'Appelle had not removed unneeded user access promptly. One instance was six months late. By March 31st, 2018, we found the authority had fully implemented this recommendation.

In addition, for each year, we report that Regina Qu'Appelle was in the process of establishing an internal audit function and completing and testing its disaster recovery plan. That concludes my presentation.

The Chair: — Thank you. Thank you very much for the presentation and the recommendation that's been brought

forward. Questions of committee members? Ms. Mowat.

Ms. Mowat: — Thank you, Mr. Chair. I'll just note that I think that it's great that we've seen implementation in a number of these outstanding recommendations. I think we have canvassed these issues that are outstanding in partial implementation in other areas already. So I am comfortable not asking any questions at this time in these chapters.

The Chair: — So we'll deal with the . . . Thank you very much for the question, or the, I guess, lack thereof this time, Ms. Mowat. But we'll deal with that new recommendation which I believe has been implemented. I'd welcome a motion. That'd be no. 1 from chapter 17.

Mr. Michelson: — I will so move that we concur with the recommendation and note compliance on recommendation no. 1.

The Chair: — Moved by Mr. Michelson. All agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved that this committee concurs with recommendation no. 1 from chapter 17 and notes compliance.

The second chapter under consideration here, chapter 15, there's no new recommendations so I would ask that somebody move that we conclude consideration. Moved by Ms. Lambert. All agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved. And moving along.

Ms. Clemett: — Chapter 10 of our 2017 report volume 1 on pages 133 to 146 reports the results of our audit of Regina Qu'Appelle Regional Health Authority's processes for the efficient use of MRIs. It contains seven new recommendations for the committee's consideration.

We concluded for the 12-month period ended January 31st, 2017, Regina Qu'Appelle had, other than reflected in our seven recommendations, effective processes for the efficient use of MRIs. Given the government's announcement to consolidate the 12 regional health authorities into one provincial health authority in January 2017, we directed our recommendations to the new provincial health authority. We didn't know it would be named the Saskatchewan Health Authority at the time so it says provincial health authority. I'm going to focus my presentation on the seven recommendations.

[16:00]

At the time of our audit, Regina Qu'Appelle had two MRI machines and contracted with two private MRI operators. The same two private operators were also licensed by the Ministry of Health in March 2016 to provide privately paid-for MRIs, which we refer to in our chapter as the one-for-one model.

On page 140 we recommended that the Provincial Health Authority regularly analyze MRI data to determine causes of significant waits of patients for MRI services. Regina

Qu'Appelle was not doing analysis of the data about the MRI services it provided. For example, it did not analyze the length of time between when physicians ordered an MRI scan and when an MRI scan is booked to determine reasons for delays.

For two emergency — so level 1 — MRI scans we tested, the time between the request and the booking was 1 and 10 days past the 24-hour suggested guideline. Its radiology information system, also known as RIS, was the key system for tracking MRIs. It can name no explanations for delays. For non-emergency MRI scans, so those assessed as semi-urgent, patients waited on average two times longer than the guideline of 30 days.

Systematic analysis of MRI data is the first step to enable identification of root causes for delays or inability to meet demand. Such analysis provides a basis for developing strategies to reduce the length of time patients wait for MRI scans and the use of MRI as an effective diagnostic tool.

On page 141, we recommend that the provincial health authority track actual dates of each stage of MRI services and reasons for rescheduling MRI appointments to help determine the causes of significant waits of patients for MRI services. Although Regina Qu'Appelle tracks certain information in the radiology information system about the provision of its MRI services, it did not track certain other data that could be useful in determining causes of waits.

For example, the system did not track the date the radiologist completed MRI triaging or protocoling. This would help assess the timeliness of radiologists completing their steps. The system also did not track the date the MRI request was sent to the private MRI operator. This would help assess the timeliness of MRI scans by the private MRI operators.

Having radiology information system track information to support the determination of causes of MRI delays will in turn assist the development of actions to reduce MRI wait times. Without sufficient information on the dates of various stages of the MRI services, Regina Qu'Appelle could not develop targeted strategies to address the causes of MRI service delays.

On page 141 we recommend that the provincial health authority validate the accuracy of MRI services in its radiology information system. Regina Qu'Appelle does not track accurate information about each of its MRI services in the radiology information system. For four MRI scans that we tested, the dates of the physician's order for the MRI scan recorded in the radiology information system was not accurate. Also the radiology information system was not updated within a reasonable time to record the second MRI scans that were provided under the one-for-one model, not . . . Recording the scan was not done until a month after the patient received the scan at the private operator.

Accurate information is vital to decision making. Without accurate information in the radiology information system, there's a risk that the public may lose confidence in the MRI wait times being publicly reported, and Regina Qu'Appelle may make incorrect decisions about MRI services.

On page 143 we recommend the provincial health authority formally and systematically assess the quality of MRI services that radiologists provide. Regina Qu'Appelle informally monitors the quality and timeliness of radiologist interpretations of MRI scans, but does not check the results of this informal monitoring. For example, it didn't keep notes from discussions with radiologists.

Regina Qu'Appelle does not formally assess on a periodic basis the quality of interpretations for a sample of MRI scans. For example, a second radiologist could assess the quality interpretation of the image of the original radiologist. This approach is often referred to as a quality assurance program. Tracking key information about the quality of work of radiologists providing MRI services would also help it know whether they provide reliable MRI services. Accurate interpretation of MRI scans can be crucial to proper diagnosis and treatment plans for patients.

On page 144 we recommend that the provincial health authority regularly monitor the selection and volume of MRI scans sent to the private MRI operators. Staff at Regina Qu'Appelle responsible for MRI scheduling decide which patients to send to the private operators for MRI scans, under the terms of the contract. There is no monitoring or second review of MRI scans selected by the scheduling staff. This increases the risk that MRI scans selected by the Regina Qu'Appelle MRI staff are not for patients that have been waiting for an MRI the longest, or not meeting required volume levels.

On page 144 we recommend that the provincial health authority regularly monitor the quality and timeliness of MRI services that the contracted private MRI operators provide. The radiology information system lacks information to allow senior management to assess the quality and timeliness of scans the contracted private operators complete and confirm that the private operators are meeting the wait-time guidelines. Lack of timely MRI scans performed at the private MRI operators may indicate a concern with their prioritization methods or capacity. This impacts how long patients are waiting for MRI services. Although its contracts with private operators required the operator to conduct quality audits of radiologist reporting, Regina-Qu'Appelle did not receive formal reporting on these quality audits.

In our last recommendation on page 146, we recommend the board of the provincial health authority receive periodic reports on the timeliness and quality of MRI services, including actions taken to address identified deficiencies. The board of Regina-Qu'Appelle monitored the volume of MRI scans provided. It did not monitor MRI wait times or the quality of MRI services. The board did not receive reports on the total number of patients waiting for MRI scans, the extent of MRI wait times by urgency level, or whether MRI scans delivered met wait-time targets. It also received limited information about the quality of radiologist service related to MRIs.

Timely and quality MRI services are a vital component for diagnosing of medical conditions. Without periodic and robust reporting, Regina-Qu'Appelle may not know whether it has shortfalls to address. That concludes my presentation.

The Chair: — Thank you for the presentation and the substantive report here and all of the recommendations. I'll

open it up to . . . Now these are new recommendations, so I don't know if the deputy minister would want to address them first briefly, or if you'd like us to move into questions.

Mr. Hendricks: — Why don't we just go into questions.

The Chair: — Into questions, sure. Ms. Mowat.

Ms. Mowat: — Thank you. So from the look of the status update, it appears that the provincial dashboard is under development and that there hasn't really been an opportunity to track and analyze data yet. Is that correct?

Mr. Wyatt: — I guess what I would say in response to that question is that we do have significant data available to us on a number of different . . . a number of different measures, whether it's the wait time for a patient to receive an MRI exam, the number of patients who are waiting for exams, the . . . There are a number of different volume and wait-time indicators that we have. I think the intention of the provincial dashboard is to try to bring some of that information together from a provincial perspective, more from the purpose of the Health Authority in being able to better manage their operations and address some of the concerns that were identified by the auditor.

Ms. Mowat: — Sure, thank you. And I wasn't trying to imply that there was no tracking taking place, just with regards to the specific recommendations that have been put forward here.

I see for recommendation no. 5 in planned actions for implementation, there is some discussion about being able to bring private MRI operators into providing data that supports the provincial dashboard. Are we foreseeing that there will be any particular challenges with this or will it be a very similar type system as the public model?

Mr. Wyatt: — The privately funded cases that are contracted out through the regional health authority with the . . . I guess there are two vendors that do publicly funded, privately contracted work; those are reflected within the overall provincial numbers that are captured through the regional health authority. They're done under contract for the health authority, and so we do currently have access to the information around the scans that are performed on a contracted basis. And then for those that are privately paid, we are also capturing information related to the number and the time waiting for those patients as part of the overall record or data that we have available to the ministry and to the Health Authority.

Ms. Mowat: — Thank you. And there is still two private operators as there were as of the last report here at March 2016? That hasn't changed?

Mr. Wyatt: — That's correct.

Ms. Mowat: — Okay. Just a couple pieces of the statistics that are available. This report is specifically . . . On page 133 at the very top, the auditor is providing some numbers of the MRI patients that are served each year within the former Regina Qu'Appelle Health Region. Is there still a record of statistics in that former region so we could compare it to how many were available in 2017? Is that still . . . Yes, that's still available. So could you provide that information please? So how many

patients were served in 2017?

Mr. Wyatt: — So I think there are maybe two questions that you have that I can respond to. One is in terms of the volume of exams that are performed within Regina Qu'Appelle. So we can, you know, I can report for the former Regina Qu'Appelle health authority, you know, the numbers have tracked from 13,033 in 2014-15; 13,640 in '15-16; 12,502 in '16-17; and then back up to 14,202 in 2017-18.

And then provincially, you know, we can bring together the numbers from both, from Regina, Saskatoon, as well as the new MRI in Moose Jaw. And that includes the contracted scans that are performed through those private contracts as well. And then the other question would be, you know, we have information on the number of patients waiting greater than a particular time frame by urgency, by former region as well.

Ms. Mowat: — Great. You know what all of my questions are. Let's stick with Regina Qu'Appelle Health Region or former Regina Qu'Appelle Health Region for now. In 2017-2018 you gave me that number of how many patients were served. Out of that number, how many paid?

Mr. Wyatt: — How many paid out of Regina?

Ms. Mowat: — Yes.

Mr. Wyatt: — So the number of . . . The numbers I just reported include those that are publicly funded and contracted with the private providers as well as those done through the public delivery system, but do not include the ones that are privately funded.

[16:15]

Ms. Mowat: — Okay, thank you. And in terms of the patients who are waiting, the report mentions a number. As of December 2016, RQHR [Regina Qu'Appelle Health Region] had 2,610 patients that were waiting. You mentioned . . . And it says that over half of them expected to receive a scan within 30 days, but waited an average of 36 days. Can you provide some updated information on the MRI waits within the former Regina Qu'Appelle Health Region?

Mr. Wyatt: — Yes, we have seen a very significant reduction in both the numbers of patients waiting and the time that patients are waiting for their exams in the former Regina Authority. So I can tell you that the number of patients waiting has gone from . . . And I'll give you three years worth of data, and this is year-end. So to the year-end of 2015, 2,387 patients were waiting. By the following year-end of 2016, there were 1,942 patients waiting at year-end. And now, at the end of 2017, we're down to 1,663 patients waiting.

When we look at the wait time for patients to receive an MRI in Regina, you will see that the number has gone from as high as at the 90th percentile, so 9 out of 10 patients. The wait time in the second quarter of 2016-17, the 90th percentile was at 234 days. That's come down last year to 110 in quarter one, 78 days in quarter two, 77 days in quarter three, and back up to 97 in the fourth quarter, but still very significantly below the 234 days that would have been the high point over the last few years.

Ms. Mowat: — Thank you. And in terms of the overall provincial health authority, Saskatchewan Health Authority, can you provide numbers on how many patients were served and what the overall wait looks like there?

Mr. Wyatt: — So for the number of MRIs, I'm just going to make sure I have whether this is patients or exams. I believe it's exams. So this is the number of patients, not the number of exams performed, I'm advised. And I can just walk through, I can give you five years of data. From 2013-14, that would be 29,367 patients received MRI exams; '14-15 would be 30,828; '15-16 would be 31,971; '16-17 would be 32,497; and '17-18 would be 34,820. So we have seen an increase of over 5,000 exams performed from '13-14 through '17-18 . . . sorry, people. My mistake.

Ms. Mowat: — Okay. So on page 145 there is some detail provided about the second scans that were provided through the one-for-one model. And there's some numbers here that private operators provided 1,192 second scans through this model. The majority of these MRI scans were for patients with requests that were classified as semi-urgent under the four different levels of classification. Is there some information about the 2017 numbers in how many of these second scans were run by the private operators?

Mr. Wyatt: — Yes. So if you're interested in the total number of second scans, the number for 2017-18 would be 1,576.

Ms. Mowat: — And is that for the province or for the RQHR, former RQHR?

Mr. Wyatt: — That would be kind of both. Patients can receive a second exam from anywhere in the province. It's not restricted in terms of the patient location because there are only private MRI facilities in Regina. Basically all of these exams would have been through one or the other of those two facilities located in Regina.

Ms. Mowat: — Yes. That's how it's recorded, so that makes sense. There's also a note here that as of March 2017, RQHR scheduling staff noted that managing the one-for-one model is time consuming, and it was largely a manual process at that time. Is this still a challenge that's ongoing?

Mr. Wyatt: — There is some additional work involved, you know, with the introduction of this process, to enable the patients to be drawn from the wait-list and those names to be shared with the private facility that is conducting the patient-paid scan. I guess I would say that it's somewhat to be expected that, you know, with the additional number of scans that we are seeing in the system, that there would be some additional administration that would come with being able to arrange those.

So I guess I can't speak to whether it has changed from the initial introduction to today. We don't have that information available with us here. As I say, I think it's to be expected, because we are introducing this new process, that there would be some additional steps that would be required of the staff who are doing the scheduling and the reconciliation once those exams are performed so that they can be removed from the wait-list.

Ms. Mowat: — Thank you. So there's some notes in the auditor's report about manually sending lists back and forth, and how the region is working with private operators to determine a more efficient or electronic method of communicating and tracking scans. So you're not familiar with what change has occurred over time?

Mr. Wyatt: — No, we don't have that information today.

Ms. Mowat: — Okay. I'll conclude my questions here, Mr. Chair. Thank you.

The Chair: — Thank you. Good questions. Thanks for the responses. Any further questions from committee members? Ms. Lambert.

Ms. Lambert: — You mentioned that the private MRI facilities are located in Regina only. So under the current system, where a second scan is given to a patient on a public wait-list at no charge, does that patient reside in the former Regina Qu'Appelle Region only?

Mr. Wyatt: — The second patient would be pulled from the Regina Qu'Appelle wait-list, which would include patients who could be from Regina, or they could be, I guess, from anywhere that would be within the catchment area that would be referred into Regina Qu'Appelle.

So I mean, I guess it's possible that you could have somebody from central or northern Saskatchewan who for, I'm not sure the reasons. But it's possible that it could capture some patients from central and northern Saskatchewan, but I would say predominantly is going to be from, I would say, southern Saskatchewan because certainly all of the referrals . . . The only MRI site in southern Saskatchewan is Regina, so all of your referrals . . . Sorry, now with Moose Jaw. But your referrals coming into Regina would be from — I don't want to forget about Moose Jaw — would be from the southern areas of the province.

Ms. Lambert: — So the system does not necessarily extend that benefit to other geographic areas of the province where that person is pulled and able to get that MRI more quickly?

Mr. Wyatt: — That's the current system as it exists. With the new regional health authority, I think there's an opportunity to look at how we can integrate and potentially look at drawing patients from other parts of the province.

I will say that with the arrival of the MRI at the Wigmore Hospital in Moose Jaw, there has been a lot of movement from patients coming from Saskatoon down to Moose Jaw to have their exams performed in Moose Jaw, where there isn't as high, there isn't as long of a waiting list for patients who are referred directly to Moose Jaw.

So we are seeing . . . It's interesting because, when you look at the wait times, Moose Jaw at some periods will have some of the highest wait times in the province. And it's not based on their own referral pattern; it's based on the fact that they are pulling patients down who have waited a significant time in Saskatoon. And so the wait times are reflected on the Moose Jaw MRI because it is really helping to sort of level load some

of the wait times by drawing patients from central Saskatchewan or northern Saskatchewan who would be on the Saskatoon wait-list.

I guess the other thing I would say is right now we only have private MRI facilities in Regina. And I think, you know, it's certainly something that is under consideration about whether we begin to contract with a private operator in Saskatoon. And there may be an opportunity with a contracted facility would then be, have the opportunity should they so choose, to provide the private pay process as well.

Ms. Lambert: — That was going to be my next question, if there was any consideration to perhaps looking at Saskatoon for a private . . .

Mr. Wyatt: — There definitely is.

Ms. Lambert: — Yes. I would think that if people . . . My husband was one of them that has been down to Regina to access this private MRI. And people are willing to travel for the private MRI. I would suggest they're willing to travel for being moved up the list.

Mr. Wyatt: — And we do see that with, as I said, with the Moose Jaw Wigmore Hospital, where we are seeing patients who are coming down from somewhere in the Saskatoon catchment area and are willing to come down to have it done in Moose Jaw in order to move that ahead.

Ms. Lambert: — Thank you.

The Chair: — Any further questions from committee members? Without seeing any, maybe we'll deal with some motions on these recommendations. It seems to me that the first six could be dealt with together with a motion to concur and note progress.

Ms. Carr: — I'll make that motion.

The Chair: — Moved by Ms. Carr. All in favour?

Some Hon. Members: — Agreed.

The Chair: — So moved that we concur and note progress with recommendations 1, 2, 3, 4, 5, and 6 of chapter 10 relating to MRIs.

Looking at recommendation no. 7, maybe on this front we just simply concur. It looks like there's work that may be undertaken in the future here. Would someone care to put the motion?

Mr. Michelson: — I'll move that we concur with the recommendation.

The Chair: — Moved by Mr. Michelson. All agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved that we concur with recommendation no. 7 within chapter 10. We'll move along now to our next considerations, chapter 24.

Ms. Clemett: — Chapter 24 of our 2017 report volume 1, on pages 253 to 260, reports the results of our first follow-up of recommendations originally made in our 2015 audit of Regina Qu'Appelle's processes for safe and timely discharge of hospital patients. By early March 2017, Regina Qu'Appelle had implemented 8 of 11 recommendations and was working on implementing the other three.

Regina Qu'Appelle improved completion of timely admission assessments, implemented a strategy to facilitate communication with physicians, constantly used visual aids to provide information about estimated discharge dates and goals, established mechanisms to support timely completion of discharge summaries, developed a medication reconciliation policy, used and reported on performance measures.

At March 31st, 2017, Regina Qu'Appelle still needed to require health care professionals involved in patient care prepare a comprehensive multidisciplinary patient care plan. Not documenting consultations may result in an uncoordinated approach to patient care. Follow its policy to document patient instructions and discuss those instructions with patients before discharge. Not maintaining documentation of patient instructions increases the risk that the patient may not receive all the information needed to prepare them for discharge.

[16:30]

And require staff to follow the policy when completing medication reconciliations prior to discharging patients. Not consistently performing medication reconciliations at discharge may lead to adverse drug-related incidents. Safely and timely patient discharge is a key to patient flow within a hospital and plays an important role in patient safety. That concludes my presentation.

The Chair: — Thank you for that presentation. These have been considered by this committee before and we have the status updates before us. Are there questions of committee members? Ms. Mowat.

Ms. Mowat: — Thank you. On page 255 close to the bottom there is a discussion here where the Provincial Auditor is talking about Regina Qu'Appelle using accountable care units as its main strategy to facilitate communication with physicians to better coordinate patient discharge time frames. On the following page it notes that as of March 2017 Regina Qu'Appelle was assessing options to expand the accountable care unit to both the Pasqua and General hospitals' in-patient units. Are there more accountable care units now?

Mr. Wyatt: — So we are looking at moving to six units, a total of six units at the Pasqua Hospital, and eventually we do anticipate that this will be moved to the General as well. But right now where we see accountable care units would be in Regina at the Pasqua Hospital, in Saskatoon at St. Paul's, and there is also some work around the development of an accountable care unit or a similar type of unit in Lloydminster Hospital as well. But within Regina, three initially and then moving to — or four now, I guess — and moving to a total of six.

Ms. Mowat: — Thank you. On page 260 it's noted that:

Regina Qu'Appelle annually monitors its readmission rates against The Canadian Institute for Health Information benchmarks. These benchmarks provide information about how Regina Qu'Appelle is doing compared to its peers, and provincial and national averages.

Are we meeting the CIHI [Canadian Institute of Health Information] benchmarks?

Mr. Wyatt: — We don't have specific data with us here, but sort of the general response that we would give is that there are some categories where you look at readmission rates after either a 7- or 30-day hospital visit. And depending on the diagnosis for the patient and the type of admission, there are some areas where we would say that we are meeting or exceeding readmission rates, and others where we would definitely see a need to improve to achieve the targeted rate.

Ms. Mowat: — Thank you. So is the former RQHR, are those readmission rates comparable with outside of the region as well?

Mr. Wyatt: — Sorry?

Ms. Mowat: — Like you said you don't have the rates, but anecdotally do you know if they're comparable, or if there's a specific reason to be looking at that region?

Mr. Wyatt: — Again we don't have the specific . . . and I was going to use the word "region." We don't have the specific site-by-site readmission data with us, but we would have comparable readmission data to give us the ability to compare Regina with the Saskatoon or with other, you know, other hospital sites.

Ms. Mowat: — Okay, thank you. I have no further questions on this chapter, Mr. Chair.

The Chair: — Important chapter and good questions. Thanks for the responses and thanks to all that are involved in the important work. Any further questions with respect to chapter 24? Mr. Weekes? Nothing. All right.

Let's deal with, you know, a couple motions then on these. Some of them have been implemented. Let's maybe have a motion that deals with those together . . . Oh, and we don't need motions here at all. We've dealt with all these. So the only motion I need is to conclude considerations of chapter 24. Moved by Ms. Lambert. All agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved. Let's move along to chapter 25.

Ms. Clemett: — Chapter 25 of our 2017 report volume 1, on pages 261-262, reports the results of our second follow-up of recommendations originally made in our 2013 audit on Regina Qu'Appelle's processes to support the efficient use of its surgical facilities. We initially made nine recommendations to help Regina Qu'Appelle strengthen its processes. By 2015, Regina Qu'Appelle had implemented eight of the nine recommendations. By mid-March 2017, Regina Qu'Appelle had implemented the outstanding recommendation. It assessed the use of its surgical facilities by monitoring its efficiency-focused performance measures. That concludes my presentation.

The Chair: — Thank you for the presentation. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you. In talking about assessing the use of surgical facilities, on page 262 the Provincial Auditor notes that in July 2015, the surgical executive committee started to monitor the following efficiency-focused performance measures at each of its meetings, including operating room vacated time, late theatres, same day cancellations, and booked time versus utilized time by service and surgeon. Are any of these challenges around booking and usage contributed to . . . Have they contributed to increased wait times for surgery?

Mr. Wyatt: — Sorry, can I just ask you to reframe the question? You're asking whether . . . So this is noting that the executive committee started to monitor these following things, and your question is whether . . .

Ms. Mowat: — So whether these different pieces, these challenges that have been identified, are contributing to increased wait times for surgery.

Mr. Wyatt: — As a general rule any one of them would, because it's reducing your overall capacity within your operating theatres and the volume that you can deliver. So I mean if you have late theatres or cancellations, that is reducing your throughput through the operating theatres and, you know, the efficiency of your theatres. And it will have an impact on the number of patients that you can complete surgeries on and over time it will increase your waiting lists.

Ms. Mowat: — Great. Thank you. That concludes my questions on this chapter, Mr. Chair.

The Chair: — Rigorous questioning from anyone else on this matter? I think this is our last consideration here today. Not seeing any, if someone can move that we conclude consideration of chapter 25. It's so moved by Mr. Goudy. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's moved. And thank you to Deputy Minister Hendricks and all of the health officials from the various authorities and organizations that were here today and others that might have been plugged in from afar and all those working in health care across the province. So thank you for your time here today.

Mr. Hendricks: — I just would like to thank the auditor. I acknowledge all of the work that they do. We really feel that their work helps us to contribute, you know, contributes to help us deliver effective health care. So we appreciate everything and enjoy our relationship with them. I'd like to thank my colleagues who have been here to support me through the last couple of days and all of their time, as well as this committee.

The Chair: — Thank you very much.

We'll move our considerations along here. There's been a draft report that's been distributed to members, so I think folks have had that for the last couple of days. I know people have gone through it. I'm just looking to see if anyone's in a position to move the following motion:

Pursuant to rule 136(6), the second report of the Standing Committee on Public Accounts be adopted and filed with the Clerk.

Mr. Michelson: — Mr. Chair, if I could I would make that motion:

That pursuant to rule 136(6), the second report of the Standing Committee on Public Accounts be adopted and filed with the Clerk.

The Chair: — Moved by Mr. Michelson. All in favour?

Some Hon. Members: — Agreed.

The Chair: — So it's moved. And I think we're down to . . . Do you have everything you need from us on moving that? You've got the vote all there. So I would welcome . . . Or I guess before that, just thanks to all the committee members and Provincial Comptroller's office, certainly to the Provincial Auditor and her office and all those that have been here and those that are working from afar as well, and certainly to the Clerk and to Hansard of course. So thanks to everyone that's been active these last two days.

We will reconvene in the coming weeks at some point at the call of the Chair, but I would welcome a motion of adjournment.

Ms. Carr: — I'll make a motion of adjournment.

The Chair: — Moved by Ms. Carr. All in favour?

Some Hon. Members: — Agreed.

The Chair: — This committee stands adjourned until the call of the Chair. Thank you.

[The committee adjourned at 16:41.]