STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Lloydminster

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Mr. Hugh Nerlien
Kelvington-Wadena

Mr. Dana Skoropad
Arm River

Ms. Aleana Young
Regina University

[The committee met at 08:35.]

The Chair: — Good morning, everyone. We'll convene the Standing Committee on Public Accounts. I'll introduce committee members at this time. We have the Deputy Chair, Ms. Colleen Young, Lloydminster. We have Mr. Dana Skoropad; Mr. Hugh Nerlien; Mr. Delbert Kirsch; Mr. Todd Goudy; Mr. Marv Friesen; and Ms. Aleana Young, Regina University.

I'd like to introduce officials from the Provincial Comptroller's office: Terry Paton, Provincial Comptroller, one of the finest lake trout fishers in the province; as well as Jenn Clark, director of finance and policy. Thank you for being here today.

I'd like to welcome and introduce our Provincial Auditor, Tara Clemett, and her officials that are with us here today. It looks like it's a little lighter duty for Ms. Lowe this morning than it was yesterday, a busy day for her.

And just as a note, we've moved these hearings inside the Chamber. Of course this isn't our normal place to hold these meetings. We'd be normally meeting in room 8. We've done this to make sure that there's space and doing our best to make sure that we're accommodating concerns and ensuring we're able to have some distance and hold this meeting in a safe way amidst the pandemic.

With respect to our agenda here today, we've had a request to reorder some of the considerations, which makes a lot of sense. And I would just look for confirmation from the committee that folks are fine with going through the Ministry of Education and school divisions first, and then we'll flip into the chapters relating directly to the Ministry of Education. So I'm just looking to see if folks are agreed on that front?

Some Hon. Members: — Agreed.

The Chair: — That's how we'll proceed. I'll also table at this point PAC 43-29, Ministry of Education: Status update, dated January 12th, 2022. And I'd like to thank everybody involved, school divisions through the Ministry of Education, that have put together their responses on the status updates. They really help committee members to focus their questions here today and aid the consideration.

At this point in time, I'd like to welcome all the officials that are here certainly from the Ministry of Education, Deputy Minister Johnson and senior officials that are with us, as well as school division officials that are present here right now and that will be joining us throughout the morning from various school divisions across Saskatchewan.

We will start then with our considerations. I know the auditor will have the first two chapters on our agenda together, those will be chapter 5 and chapter 2 from the 2020 report volume 1 and the 2021 report volume 1, respectively.

And at this time I'd ask Deputy Minister Johnson to introduce the officials that are with her here today, you know, and certainly the ones that are specific to these considerations. We'll hold comments on these chapters right now, or further comments. We'll turn it over to the auditor at that point, and then we'll welcome comments subsequent to that. So I'll turn it over to Deputy Minister Johnson for introductions.

Education

Ms. Johnson: — All right, thank you. Thank you and good morning, everyone. And I'm just checking if the mike is working okay? Perfect.

All right, so we're pleased to be here today to speak to the progress that the Ministry of Education and school divisions are making on the recommendations provided by the Office of the Provincial Auditor. I'd like to extend special thanks to our school division officials for being here today to answer questions on the progress that they have made on the recommendations that are before us today.

You will know, having reviewed the agenda, that today we are looking at five chapters related to the ministry and 15 chapters related to the school divisions, those 15 chapters impacting 13 school divisions. Today three of those school divisions will have officials present at the meeting. As you can appreciate, we are operating, and school divisions in particular are operating in very challenging times. And as such, I took the liberty of talking to several of the school divisions to let them know that some of them did not need to attend the session today in person. They are watching the livestream, so when we get to those school divisions that do not have someone here in person, if you have a question for them that I cannot answer, we are happy to, by text message, relay that to them and get an answer from them and we'll respond in that fashion.

And at this point I would like to make a pitch for having the rules adjusted so that we can have virtual attendees here. It would certainly benefit — thanks for that thumbs-up — it would certainly benefit our school divisions who in many cases have to travel, as in the case of Northern Lights School Division who is here with us today, who have to travel 16 hours round trip in order to perform their fiduciary and stewardship functions for this committee. And again, we take those responsibilities seriously but certainly would appreciate in the future the opportunity to have some of our school divisions' officials attend virtually.

Having said that, I will introduce the colleagues that we have here to answer your questions today. From the ministry we have Gerry Craswell, assistant deputy minister; Susan Nedelcov-Anderson, assistant deputy minister; Sara Hawryluk, the acting executive director of corporate services.

And coming up here shortly from Northern Lights School Division, we have Jason Young, our director of education; and Tom Harrington, the chief financial officer for Northern Lights. Also from St. Paul's Roman Catholic Separate School Division, we have Joel Lloyd, the chief financial officer; and Marc Gobeil, coordinator of educational technology. And also present today from the Saskatoon Public School Division is Michelle Howard, coordinator of learning supports; and Trish Reeve, superintendent of education.

So at that I think I will end my comments there and will let the proceedings carry on. Thanks very much.

The Chair: — Thank you. Thank you very much, Deputy Minister Johnson. And to respond to your plea for virtual hearings and flexibility on these fronts, this is something that I'm fully supportive of and that we've been aiming to advance in this Assembly for the last couple of years and something we'll continue to push for. And you've identified well why that makes sense, so thank you very much.

I'd also just want to say thank you to you and importantly all those school divisions across Saskatchewan, folks that are involved in the work that we're considering here today, and those that are leading and serving every single day during, you know, a historic challenge. And so we just say to all of them, thank you so very much for what they do.

I'll turn it over now to the Provincial Auditor's office to lead the presentation on chapters 5 and 2, then we'll flip it back your way.

Ms. Clemett: — So thank you, Mr. Chair, Deputy Chair, members, and officials. With me today is Mr. Trevor St. John. He is the deputy provincial auditor for the education division in our office, and he is responsible for the portfolio of work that does involve the education sector. Also behind me is Ms. Kim Lowe who is the liaison with this committee from our office as well.

So Trevor will present the chapters on the agenda for the audit with regards to the Ministry of Education and the school divisions. So after each chapter or presentation, he will pause for the committee's discussion and deliberation. There are a few chapters — I believe it's about seven — that do have new recommendations for the committee's consideration.

And before I turn it over to Trevor, I do want to thank the ministry officials and all of the school divisions for the co-operation that was extended to us during the course of our audit work. And with that, I'll turn it over to Trevor.

[08:45]

Mr. St. John: — Thank you. I'll present those first two chapters together as mentioned. Chapter 5 of our 2020 volume 1 and chapter 2 of our 2021 volume 1 report the results of our annual integrated audits of school divisions for the years ended August 31st, 2019 and August 31st, 2020. As noted in the chapter, our office works with school division-appointed auditors to carry out these audits.

In these chapters we report the school divisions for both years ended had reliable financial statements, complied with authorities governing their activities, and had effective rules and procedures to safeguard public resources except for the matters we will discuss today.

These two chapters contain four new recommendations for the committee's consideration. I will present the recommendations from chapter 5 of our 2020 volume 1 first, with updates from the 2021 report where appropriate.

On page 43 of the 2020 report we recommend Northern Lights School Division prepare and review monthly bank reconciliations and financial reports for school-generated funds. During 2018-19, Northern Lights did not prepare monthly bank reconciliations and financial reports for all school-generated funds such as student fees and proceeds from fundraising activities. Not regularly preparing and reviewing financial reports for school-generated funds increases the risk that money may be misappropriated, inappropriate expenses may be incurred, and revenues recorded in the financial statements may not be complete.

Our 2021 report provides an update that during the fiscal year '19-20, Northern Lights implemented the recommendation and prepared and reviewed monthly bank reconciliations.

On page 43 we made two new recommendations for Northwest School Division. First we recommend Northwest School Division independently review and approve monthly bank reconciliations. Northwest did not independently review and approve monthly bank reconciliations. Regular reconciliations and their review and approval of such reconciliations checks that all charges to bank accounts are proper and all money has been received and deposited into the right accounts. It also checks the accuracy and reliability of the accounting records.

The second recommendation is Northwest School Division independently review and approve journal entries. Audit testing identified some journal entries made by the school division were not independently reviewed and approved. Lack of independent review and approval increases the risk of unauthorized entries into the accounting records which could result in decision makers using inaccurate financial information.

Our 2021 report provides an update that during the '19-20 fiscal year, Northwest School Division implemented both of those recommendations and independently reviewed and approved bank reconciliations and journal entries.

On page 43 we provide an update on the outstanding recommendation related to Sun West School Division No. 207. We continue to recommend that Sun West test its disaster recovery plan. Without a tested disaster recovery plan, it may not work as expected and the school division may not be able to deliver its programs and services as expected.

Our 2021 report provides an update on this recommendation and notes that the recommendation remains outstanding as of August 2020.

In section 5 of the 2020 chapter we also summarize two recommendations that Lloydminster Public School Division No. 99 implemented in 2018-19 fiscal year. It now independently reviewed and approved bank reconciliations and journal entries.

Chapter 2 of our 2020 report volume 1 contains one new recommendation for the committee's consideration, and updates which I already covered when I was discussing the 2020 report. On page 9 of this chapter, we recommend Regina school division No. 4 follow its purchasing policy for its facilities department contracts. Regina school division did not follow its purchasing policy and publicly tender purchases, obtain prior approval for single-source purchases, or obtain appropriate approval for certain facilities department purchases. Audit testing identified three facility management contracts that did not follow expected purchasing processes.

Following its comparative procurement method policies for buying goods and services helps ensure staff treat suppliers equitably and fairly and helps Regina Public buy goods and services at a fair price. Contracts entered into without the proper authority increase the risk of fraudulent transactions or contracting for items Regina Public does not need.

I will pause now for the committee's consideration of these two chapters.

The Chair: — Thank you very much for the presentation and for the focus of the work. I'll turn it over to Deputy Minister Johnson to respond or the school divisions to respond, and we'll open it up for questions.

Ms. Johnson: — All right. Thank you. The ministry appreciates the recommendations from the Provincial Auditor on the school divisions' 2018-19 and 2019-20 annual integrated audits. As they noted, they worked with appointed auditors to carry out the annual integrated audits of the school divisions, and the auditor reviewed the opinions of the appointed auditor on the reliability of financial statements, effectiveness and processes to safeguard public resources, and compliance with authorities.

With respect to chapter 5 and chapter 2, we were pleased to see that a number of the recommendations that had been made had been cleared by the follow-up in the report of 2021 volume 1, chapter 2. There are, as they have noted, a couple of recommendations that remain. Sun West School Division in particular is continuing to work on their IT [information technology] disaster recovery plan. They have a plan in place to fully address this recommendation, and they have indicated that they will have the necessary work completed by August of 2022. I do have a few more details related to Sun West that I can provide the committee if you are interested. And I see a nod over there so I'll just go straight to that.

With Sun West, what they have reported to us is that they had their initial disaster recovery plan approved by their board on January 22nd, 2019 and as the auditor noted, the initial recommendations, I believe, were made in 2017. So they have had their initial disaster recovery plan approved by their board in January of 2019. They have held meetings with Cisco, SaskTel, and Charter regarding their plan and alignment with current industry best practices.

And as a result of COVID, Sun West was also, like many school divisions, required to move online quickly, so with that they updated the existing disaster recovery plan. They have signed an agreement with SaskTel regarding hosting services, and that agreement was signed effective April 1st of 2021. And the IT department is continuing to test components of their plan.

They have also plans to move Navision to cloud hosting in January of 2022, and all services to be cloud hosted by the end of the year through the SaskTel domain hosting. As such, SaskTel is an essential part of support for the Sun West School Division disaster recovery plan. And I will just conclude those remarks by reiterating that they intend for the plan to be fully implemented by August 31st, 2022.

The Chair: — Thank you very much for the report on the actions that have been taken towards implementation. I'll open it up for questions at this time. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. And nice to see you, Deputy Minister, and as well to all of your officials and representatives from school division-land who were able to be here today. It is nice to see some familiar faces. And I would note for the record — I was of course paying close attention to your remarks — but I was observing the number of people with connections to the education sector sitting amongst the elected folks on this committee. I believe we have three former trustees and, in addition to that, two former educators, if I'm correct, which is a remarkable number of people from this sector, and I think speaks to the calibre of people within it.

So with those glowing comments, I'll proceed. To assist, kind of, with the direction of my questioning, I'll just proceed through the recommendations as they're laid out from 1 through till 3, I believe. And I would like to just begin with a couple questions as would relate to Northern Lights and recommendation no. 1, which as noted is partially implemented.

Ms. Johnson: — And I'll just invite the director of education, Jason Young, and the CFO [chief financial officer], Tom Harrington, to join us here. Thank you.

Mr. Young: — Good morning, Mr. Chair.

The Chair: — Good morning.

Mr. Young: — Jason Young. Glad to be here. Thanks for the opportunity for us to showcase our work in northern Saskatchewan. So I'm grateful for this opportunity. Tom is our CFO for our school division so he's been working diligently on addressing some of these recommendations. So I think he can speak to part of the recommendation for no. 1.

Mr. Harrington: — Yes. I mean, we have a range of schools. We have schools from 500 students down to 10 students. I would say it's partially implemented because most of our large to medium schools are already doing the bank recs monthly and they send them in. Some of our small schools, they have very little activity so they don't necessarily submit a bank rec every month.

What we are doing is during this, I guess last school year, we kept closer track to make sure monthly we were getting those bank recs in and tracking those things. And then this year we're making sure all our schools from big to small are always in the SchoolCash software which has the bank rec function in it, and then we can look at those reports remotely, and we have access to everything. So that's where we're at right now.

Ms. A. Young: — Thank you, Tom. I believe you covered off both of my questions there. So just to ensure I understand, in regards to the strategy to onboard the schools not yet using SchoolCash software, they're all as of August using this software?

Mr. Harrington: — It's during this current school year we're making sure everybody else . . . Yes, by the end of this school year.

Ms. A. Young: — Pardon me. By the end of this school year.

And my last question as it relates to Northern Lights was, it's noted in the update that it's — and as you've expanded upon in your comments — it's the smaller schools within Northern Lights who, just by virtue of their makeup, it makes it more challenging to do that if they have, for example, 10 students and limited school-based activities.

So my question was going to be, what constitutes a small school for Northern Lights School Division?

Mr. Harrington: — Small school? I would say, yeah, kind of 50 and under. I would say 50 students and under. I'd say kind of the next jump is the 80-to-100 range, so those schools are submitting those reports monthly. It's just the really small schools don't necessarily have a lot of admin support, so it's tough to . . . and I think we also look at supporting those ones internally. Maybe we do those at central office because we have a little bit more, I guess, people with those skills to do that. So that's what we're looking at as well.

Ms. A. Young: — And so recognizing the strategy to have schools onboarded by this year as you've spoken to to date, how many wouldn't be using that? Do you know off the top of your head?

Mr. Harrington: — I'd say probably half a dozen, about that.

Ms. A. Young: — Thank you so much. I have no further questions.

The Chair: — Any other questions as it relates to this recommendation with Northern Lights? Because I know we have other school divisions. No other questions.

Thanks for being here. You preside over such a beautiful region in the province, beautiful people, wonderful communities, and yeah, just thank you to you and your entire team.

We'll move, I guess, on to the other recommendations at this point if there's other questions. Ms. Young, Regina University. She always comes prepared.

Ms. A. Young: — Very kind, Mr. Chair. I do have two questions about the recommendations made to the Northwest School Division, which I do note are fully implemented. But the status update provided to the committee notes that the explanation was provided in an email stream to the Provincial Auditor, and none of the details are available for us.

So I was just wondering, Deputy Minister, if there was any expansion on that update that could be provided as to how the remaining two recommendations, which would be I believe 2 and 3, were fully implemented by Northwest.

[09:00]

Ms. Johnson: — Thank you. I'll just check my notes for Northwest. So the reference to the email stream, there is simply an email between the Provincial Auditor's office and either ourselves at the ministry or the school division noting that they have examined it and concurred that the recommendations have been fully implemented, which of course is what the auditor's office mentioned when they were highlighting the updates in the 2021 chapter.

Ms. A. Young: — Thank you. And I should note, as you have mentioned, that you have people watching remotely and texting in as well. If there's ever a delay, because I do believe there is a lag from the video in the chambers to the outside world, I believe the committee's very content to wait and proceed and receive that information when it does come in.

My last questions are in relation to the recommendation for Sun West. And I am correct in remembering, it's Sun West who has the distance learning centre. Is that correct?

Ms. Johnson: — They do operate a distance learning centre near Kenaston, yes.

Ms. A. Young: — And I suppose two questions then, Deputy Minister. Does the operation of this program add additional complexity to the disaster recovery for the IT department for Sun West?

Ms. Johnson: — Well I guess in my view I would say possibly yes and no. Yes, in that having another delivery channel for your educational services is an added complexity to a school division. No, in that it is, that online service delivery model is one that most school divisions operate. And so it's not unusual for a school division to need to keep that in mind as they're working out their IT disaster recovery plan.

Ms. A. Young: — And in regards to that disaster recovery plan, it's noted that Sun West's disaster recovery plan will essentially be that of SaskTel's. And not being an expert on disaster recovery plans myself, does the Crown telecom plan appropriately duplicate to the ed sector?

Ms. Johnson: — Sorry, does the Crown what?

Ms. A. Young: — Does the disaster relief plan appropriately duplicate to the ed sector? Perhaps I'm misunderstanding the recommendation or the update, but it's noted that for a disaster recovery plan, Sun West will be adopting SaskTel's, anticipated to be implemented by the end of August of this year.

Ms. Johnson: — Yeah, so I think we'll certainly put that question to Sun West via text, and we'll get back to you with a fuller answer. My initial explanation I think would be to say that while they're using SaskTel as a data or a host . . . for host services, that addresses part of their issue. And SaskTel's disaster recovery plan for being the provider of host services will in fact form part of Sun West's recovery plan too, but that would not be the only component of the IT disaster recovery plan for Sun West.

Ms. A. Young: — Thank you. So I'm understanding that it is a key component of that plan but not the totality of the disaster recovery plan for Sun West.

Ms. Johnson: — That would be my take on it.

Ms. A. Young: — And my last question is in relation to chapter 5 and the disaster recovery plan for Sun West. I note the planned implementation by August 31st, 2022, and I suppose my question likely to Sun West would be if it's anticipated that the plan will

be tested prior to this date.

Ms. Johnson: — That's my understanding.

Ms. A. Young: — Okay. No further questions on this chapter, Mr. Chair.

The Chair: — Thank you. Any other questions from committee members on these two chapters? Not seeing any. With respect to the 2020 report volume 1, chapter 5, I'd welcome a motion that we concur and note progress with respect to recommendation no. 1. Mr. Nerlien moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. With respect to recommendations 2 and 3, I'd welcome a recommendation that we concur and note compliance. Moved by Deputy Chair Young, Lloydminster. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Moving along to chapter 2 relating to the Regina Public School Division, chapter 2 of the 2021 report volume 1. I'd welcome a recommendation that we concur and note compliance for recommendation 1. Do we have a mover? Mr. Friesen. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Okay, we'll move along. Thanks folks, everyone that's been involved in these chapters and the work, and some of the work that still is under way to ensure implementation.

We'll move along to chapter 8 of the 2019 report, and I'll turn it over to the auditor's office.

Mr. St. John: — Thank you. I'll give a presentation on chapter 8, Northern Lights School Division, purchasing goods and services.

Strong processes to purchase goods and services supports transparency, fairness, and achievement of best value in purchasing activities. Not having effective purchasing processes increases the risk of not using public resources wisely, increases risk of fraud, or increases potential legal risks. Northern Lights School Division spends about $26 million on goods and services each year.

Chapter 8 reports the results of our audit of Northern Lights School Division's processes to purchase goods and services. We concluded the school division did not have effective processes for purchasing goods and services. We made 14 recommendations for improvements and my presentation will focus on these 14 areas.

The first recommendation: on page 127 we recommend Northern Lights School Division No. 113 update its purchasing requirements to align with applicable external trade agreements, establish requirements for staff involved with purchases to declare real or perceived conflicts of interest, set out requirements for the use of different purchasing methods, and incorporate expectations for use of contracts.

We found that the division's policy to favour local suppliers was not consistent with the terms of applicable external trade agreements, and thus may result in the appearance the division would provide unfair or unequal treatment of suppliers and may expose the division to financial penalties under these trade agreements.

We also found the division's procurement policies do not require staff involved in purchasing decisions to declare in writing as to whether any real or perceived conflict of interest exists, such as an ownership interest in a supplier, and outline potential mitigation to these conflicts. Staff with real or perceived conflicts of interest may appear biased in their decision making and increase the risk of the division not treating potential suppliers fairly and equitably.

The division's procurement policies also do not set out requirements for the use of different purchasing methods such when to use tenders or quotes. Establishing guidance about the use of different purchasing methods will provide clarity to staff and help the division purchase goods and services in a consistent manner.

And the division's procurement policies do not set out expectations for when staff must obtain a written contract for certain types of goods and services. Not having clear expectations increases the risk of staff not using an appropriate form of contract, possibly exposing the division to unwanted legal or financial risks.

The second recommendation is on page 128. We recommend Northern Lights set out in writing its requirements for using single- or sole-source purchasing.

We found that the division periodically single- or sole-sourced purchases of goods or services. However contrary to good practice, the division has not set requirements as to when it is appropriate to single- or sole-source goods and services, requirements on what staff must consider and document when using this procurement method, and what approvals are necessary.

Without a policy to establish appropriate requirements for using single- and sole-source purchasing methods, the division is at risk of not facilitating fair and equitable treatment of suppliers and may not obtain best value in making purchasing decisions.

The third and fourth recommendations are on page 130. These are: we recommend Northern Lights revise its purchase card guidelines to align with good purchasing practices, for example, required approvals, processes for changing transaction limits and restrictions and use.

And we recommend that Northern Lights actively monitor adherence of cardholders with its purchasing card guidelines. The division's purchase card guidelines do not sufficiently align with good purchasing practices, such as setting out all required approvals, processes for changing transaction limits, and restrictions on use. In addition the division does not actively monitor cardholders' adherence with its purchase card guidelines. Without comprehensive guidelines for purchase cards, the division may be susceptible to fraudulent transactions and at risk of staff not understanding their responsibilities when

it comes to purchase card use and approving transactions.

The fifth recommendation: on the next page, we recommend Northern Lights agree purchases on monthly fleet card invoices to supporting receipts prior to making payment. The division does not agree monthly invoices to supporting individual fuel receipts for purchases made through credit cards or fleet cards prior to paying the monthly invoice. We found that the division did not monitor receipt of the monthly travel logs for each of its passenger vans. In addition staff did not agree or append individual fuel receipts to the monthly fleet card invoices.

Not agreeing fleet card receipts to purchases on the monthly fleet card statements increases the risk of the division paying for inappropriate purchases and not detecting misuse of fleet cards promptly. In addition the division cannot know or assess staff use of fleet cards when staff do not retain all receipts.

The sixth recommendation is also on page 131. We recommend the board of education of Northern Lights School Division approve the division's key policies related to the purchase of goods and services. The board of the division did not review or approve the division's purchasing policy, construction policy, or delegation of authority to approve the initiation or payment of purchases. We found the division did not maintain evidence of the last time it reviewed and updated its purchasing policies or its delegation of authority to initiate the approval of purchases. In addition the division did not formally approve its policies.

Board approval of key operational policies is essential, as the policies should set out the board's expectations for the operations of the organization. Inappropriately designed and non-approved purchasing policies and delegations of authority can lead to financial, legal, and reputational risks to the organization.

The seventh recommendation is on page 133. We recommend Northern Lights School Division consistently document its evaluation of suppliers when tendering for the purchase of goods and services. The division does not consistently maintain adequate documentation of its evaluation of suppliers when tendering for the purchase of goods and services. In 15 of 17 tenders tested, the division did not document its evaluation of the suppliers using the selection criteria it established for the tenders.

When the division does not document its evaluation of bids, it is not complying with its purchasing policy. Also it cannot sufficiently support its supplier selection decision and demonstrate achievement of best value for purchasing decisions.

The eighth recommendation: on page 134 we recommend Northern Lights School Division maintain appropriate documentation of its tender communications with suppliers. The division did not consistently maintain appropriate documentation of communication with suppliers during the tender process. Its purchasing policy does not address its expectations associated with supplier communications. In addition it did not request feedback from unsuccessful suppliers to assist with improving its tendering process.

If the division does not maintain appropriate documentation of its communications with suppliers, it can be difficult for the division to demonstrate that its purchasing process is fair and transparent, and it may also be in violation of external trade

agreements.

The ninth recommendation: on page 135 we recommend Northern Lights establish a standard minimum amount of time to allow suppliers to respond to tenders. The division has not established a standard minimum amount of time to ensure suppliers have sufficient time to submit responses to tenders. For 16 of the 17 tenders we tested, the division did not allow a tendering time consistent with good practice. Not providing suppliers with sufficient time to prepare tender responses increases the likelihood of suppliers choosing not to respond, resulting in the division having fewer options to acquire the goods and services it needs. Fewer options may increase the risk of not achieving best value. Also establishing standard minimum amounts of time helps ensure it treats suppliers fairly and equitably.

[09:15]

The 10th recommendation: on page 136 we recommend Northern Lights periodically assess the robustness of the service contract and purchase order templates used for purchasing goods and services. The division does not periodically review its contract templates for completeness and robustness. Its service contract and purchase order templates do not include clauses or provisions that are typically necessary when purchasing goods and services.

Maintaining robust standard wording of contracts, or contract templates, helps organizations save time on purchasing activities and can reduce legal costs. They can also help both staff and suppliers to consider key aspects common to purchasing certain types of goods and services. Not having robust contract templates increases legal or financial risk where signed contracts do not sufficiently address relevant contract terms.

The 11th recommendation: also on page 136 we recommend Northern Lights maintain complete documentation of properly authorized contracts with suppliers before the division receives the related goods or services. The division did not consistently maintain timely or complete documentation of contracts with suppliers.

For the 24 purchases we tested, we noted several instances where the division signed the contract after it received the goods and services or the division cannot locate the contract or the division did not maintain complete contract information. If suppliers provide goods and services to the division before finalizing a contract, suppliers may not fully understand their responsibilities to the division potentially resulting in suppliers not meeting the division needs.

Not maintaining complete documentation of signed contracts makes it difficult to hold suppliers accountable for providing goods and services when performance issues arise. In addition if appropriate division staff do not sign contracts as expected, there is increased risk of the division entering into contracts that do not fully meet its needs.

The 12th recommendation: on page 137 we recommend Northern Lights School Division separate incompatible purchasing duties — for example, initiating purchases, tendering, receiving goods and services, approving invoices for payment, adding suppliers to the financial system — and closely monitor transactions where

it is not feasible to do so.

The division did not take additional steps to actively identify and monitor transactions when the same individual carries out more than one of the purchasing duties in an individual purchase. We found the division did not provide financial staff with written guidance about not processing requests for payment where the same individual had approved initiation of the purchase, received the goods, and requested the payment. Providing one individual with the ability to control multiple aspects of the purchasing process does not appropriately separate incompatible duties and increases the risk of fraudulent transactions going undetected.

The 13th recommendation: on page 139 we recommend Northern Lights document its due diligence procedures used to validate suppliers before entering them into the financial system and keep the supplier listing in the financial system up to date. The division does not document due diligence procedures taken to confirm the validity of suppliers before paying them or properly maintaining its listing of suppliers included in the financial system. In addition two individuals with the ability to enter new suppliers into the financial system can approve invoices for payment and other financial transactions. The division informally assesses the validity of suppliers upon receipt of invoices for payment after suppliers provide the goods or services. The division's purchasing policies do not require staff to research the validity of a new supplier prior to making a purchase.

Not carrying out sufficient due diligence procedures to confirm the validity of suppliers before entering them into the financial system increases the risk of making payments to fictitious suppliers or fraudulent changes to supplier information, which can result in payments to scam artists. Also, periodic maintenance of suppliers included in the financial system can reduce the risk of duplicate or fraudulent payments and help monitor the existence of fictitious suppliers.

In addition we found the division, through its assignment of IT user access, gave two individuals incompatible responsibilities. These individuals can approve invoices for payment and add suppliers to the division's financial system. Allowing users with the ability to approve or enter payments into the financial system, in addition to the ability of adding suppliers, does not appropriately separate incompatible duties. Not appropriately separating incompatible duties between different individuals increases the risk of fraud and not detecting errors.

The 14th and last recommendation: on page 139 we recommend Northern Lights School Division require staff to document the receipt of heating fuel purchases and to adhere to its delegation of authority when approving invoices for payment. The division did not consistently document the receipt and appropriate approval for the payment of heating fuel purchases. For two heating fuel purchases we tested, division staff approving the invoice did not have the authority to do so, and in another instance we were unable to determine if the division appropriately separated the purchasing duties, as goods received was not documented.

If the division does not require staff to approve invoices in accordance with its delegation of authority and document its receipts of goods and services, there's an increased risk of the division paying for goods and services it did not receive.

That ends my presentation and I'll pause now for the committee's consideration.

The Chair: — Thank you for the report. I'll turn it over to Deputy Minister Johnson and director and officials of Northern Lights to respond.

Ms. Johnson: — All right, thank you. Just a couple of sentences from me and then I'll turn it over to Jason Young and Tom Harrington. Again we want to thank the auditor for the work that they have done. We appreciate their attention to these issues and concur with their recommendations.

We're also pleased to note that the Northern Lights School Division has taken steps as of December 31st, 2021 to implement or begin implementing many of these recommendations made by the auditor. The division will expand on this, but they have made plans to either partially or fully implement 12 of the 14 recommendations by August 31st, 2022, and the final two recommendations are planned to be implemented by September of 2024.

With that I will turn it over to Jason and Tom if you have any opening remarks, and then we'll open it up for questions again.

Mr. Young: — Sure. I guess I wouldn't mind starting with questions that anyone might have about the recommendations that were provided. So I would like to entertain questions, I guess, from anyone on the floor around this. I think we've been working really hard at addressing some of these recommendations, and I can just share with you some of the challenges around that for us, and I would say one of them starts with partnerships.

You know, we have increased number of partners that want to partner with Northern Lights School Division. In northern Saskatchewan, we are the largest employer. How is it that a non-profit is the largest employer in northern Saskatchewan? We have 700 employees and there is no other organization in the North that has that many employees. There are a number of people who are unemployed, looking for work.

One of the challenges with the recommendation around the external trade agreement — I realize that's something that we've got to be, we need to be aligned with — it was difficult for our board to accept that. You mean we can't have our local people who aren't working, trying to make ends meet, do the work for us and the organization? And that was tough to convey that to the board, to say we have to be in compliance, right? And so we recognize that. So that's where we have to pivot and we've got to follow that. So that is a challenge.

I think with increased partnerships I'm seeing in the school division, you know, it's fantastic to see. The Ministry of Education, Saskatchewan Health Authority, they want to partner with us to give us dollars to implement programs in the school division. And it's exciting, but someone has to be responsible for administrating all of those dollars that come in, and when that administration of those dollars falls upon my department who deals with, you know, the finances. And that's Tom mainly and one other person under him that does that.

So we recognize some of those challenges, and I think

recognizing those, trying to mitigate some of those, you know, risks by some strategies and some solutions we have internally that we're looking at to address those and meet some of these timeline targets of implementation by August 31st, 2022.

So some of the partnerships I'm just thinking of are things like ISSI [invitational shared service initiative]. We're looking at the Jordan's principle funding. We're looking at partnerships with Métis Nation, KFN [KidsFirst North], FRC [family resource centre], and there's a host of others that just come and say, hey, we've got money for you. Run this program in the North.

And I'll say, sure. Of course I'm going to say yes to the dollars, but then I guess there's sort of just this . . . You've got this just bottleneck, right, of just administration of those dollars to ensure that they are sort of I guess appropriately . . . that that process is done appropriately to meet the expectations of the auditors and of our own standards that we have in our school division. So I think these are just some of my opening remarks.

Lastly I'd also say that we have 200 teacher housing units that require, you know, ongoing maintenance. And that's where some of those fuel costs come in, where sometimes it is the co-op that's in a northern remote community that's providing fuel to a teacherage, and that teacher needs that fuel that day because it's minus 40 out. And sometimes we might just sort of sign off that receipt, and someone will sign it off, right, because of the urgency of that particular situation and that particular context.

So those are just some of the challenges we face and in dealing with, you know, our region. I'm not complaining. Proud of the work, I love the work because I mean there are so many challenges, but we're prepared to continue to do the work that we need to to support our people in northern Saskatchewan.

When I say that there are 200 teacher housing units in Northern Lights, you know, I think of just the fact that it's like running a town in addition to trying to provide education in Northern Lights School Division. We provide an education to students but we also run a town half the size of Kipling, Saskatchewan, right? Those are just some of the challenges that we're presented with. But we are optimistic with our timeline to implement some of these goals or just implement some of these items within the timeline provided, just because of the other internal strategies we have in place to address these items.

So I think those are just my opening remarks. And I don't know, I think if there are any other questions — I appreciate the questions — and then I guess Tom could speak to some of the specifics around the accounting side of things in our school division.

The Chair: — Thank you very much for the presentation and for the context as well. And without a doubt you're presiding over a school division in a region that's diverse and different than, you know, any other part of the province. So thanks for giving some of that context here today and for the leadership. I'll open it up for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. And thank you Northern Lights for those introductory comments. One piece of clarification perhaps, before I begin, to help me focus. Director Young, I think you mentioned that, Tom, it's yourself and one

other. Is that the full staffing component for the financial services portion?

Mr. Harrington: — Yeah. So in financial services we'd have myself as the CFO, then we have a finance manager, and then we have three accounts payable clerks.

Ms. A. Young: — So you would have essentially five individuals total responsible for . . . Okay.

Mr. Harrington: — Yeah.

Ms. A. Young: — In regards to a number of the recommendations, most of the actions and implementation are contingent on updating board and organizational policies either in the creation of them or kind of that routine updating. So going forward, Director, I'm wondering if you could speak to some of the kind of concrete monitoring or routine updating that is planned for the board and administration going forward.

Mr. Young: — Yeah. Sure. I think one of the things we'd like to do is really take a look at a new AP [administrative procedure] we've created. So I mean there's an AP that other school divisions have in place. So we can work with those other divisions in looking at that AP and I guess modifying that to meet sort of what we need. And that's just an administrative procedure as to how we sort of operate within the system financially.

So I think that's one key piece for us is just looking at that AP, sharing that with the board, and begin implementing the AP. But I think the implementation piece will also require additional person resources to manage that. So that's just something we'll be looking at doing as well. We have to.

Ms. A. Young: — One question specifically for recommendation I believe no. 9, that the Northern Lights School Division establish a standard minimum amount of time to allow suppliers to respond to tenders. The auditor spoke to some of the challenges that can occur for divisions who don't . . . or organizations that don't have that standard minimum amount of time for suppliers to respond to tenders, and I believe recommended a 21-day minimum for tender response which is detailed in that AP 515 that you've spoken of. Has this been a challenge in the past for Northern Lights?

[09:30]

Mr. Harrington: — The tender period? Yeah, I think at times it can be, just trying to get that tender out in time to allow that period for people to respond. I think the tendering process is one we focused on, and we kind of already focused on that once before to improve our processes. And since this, I mean we've made sure in our recent tenders we have a very clear points system for evaluating.

And I think before, you know, when you said 15 and 17 weren't documented, which would be true, but there would be . . . I mean we didn't just put it out and then, you know, pick it out of a hat who we were going to award it to. We would have talked to the board about it. It's just we were weak in our documentation. We didn't document the process on how we came to who we selected.

So we've tightened that up to make sure we have a clear

document. Here's the criteria; here's how we scored everybody; and here's who we recommend awarding it to. Yeah, just with everything going on that sometimes we would put out a tender, and just it's a time crunch so you don't allow enough time. But we now have to make sure that we do that.

Ms. A. Young: — Thank you. Just a couple questions in regards to the provisions for local or northern supplier preference. And, Director Young, you spoke to that a little bit in your comments, I believe specifically to fuel purchases. For the committee, could you expand on your comments in regards to instances where provisions for local or northern suppliers, and being able to make those choices, is more feasible for your division?

Mr. Young: — Yeah sure. I can think of one example that would come to mind is just related to maybe facilities, you know, just in terms of we've got lots of people who have a carpentry trades background, you know, and we've got some local companies that would want to sort of bid for a job to do some renovations within one of our teacherages or with a specific school. And sometimes they just might not be eligible to meet that criteria, right, to be given that job. And I think that's just a specific example that I can think of around the facilities side of things.

That's one that comes to mind, but I'm not sure if there are others I can think of in terms of other departments within the organization. I'm not sure if Tom has another specific example.

Mr. Harrington: — Well just more in general, I think. Everybody knows our region is, you know, high unemployment, all that. So it was very important to our board to try and give work to local people. Their old policy was not compliant with legislation and agreements. So within the new board policy, they've tried to keep some of that but keep it in compliance with the legislation. So you might award a tender, and you know, one of the criteria is you need to employ local labour as a percentage. So that's part of the criteria people know, and they can deliver on that. So that's how we've moved towards trying to accomplish both things, still having that focus but making sure we're complying with legislation.

Ms. A. Young: — Thank you. And perhaps a question for some of the ministry officials present on this. You know, Jason, you spoke about the bulk fuel purchases for the teacherages. And that twigged for me, hopefully remembering accurately, that the ministry was, or continues to be, exploring bulk purchasing options for this sector.

And initially, if I recall correctly, one of the first . . . kind of the low-hanging fruit that was explored was in fact fuel purchases. And I believe northern school divisions were exempt from that due to, I think it was . . . Am I remembering correctly? It was, like, fuel for buses, and you'd have to drive down to the co-op in Meadow Lake to fill up, so it just made no sense. And as a consequence northern school divisions didn't have to participate in that bulk purchasing initiative. And again this is highly contingent on my memory, so I'm very open to be corrected as I'm quite confident things have evolved since then.

But I do remember, following that fuel purchasing agreement that a number of boards entered into, there was some pushback from local suppliers who had lost contracts with school divisions — largely, I believe, local co-ops or local suppliers who used to

have those contracts. And I guess I'm wondering, perhaps to the ministry people, where that ended up, if those contracts were then returned to the local fuel suppliers for other divisions, or if that bulk purchasing of fuel has continued.

Ms. Johnson: — That's an excellent question. And I have some recollection of the bulk fuel purchases. I wasn't directly involved in it when that came into being in the ministry. And then of course I did go off to another ministry for a couple of years. So my recollection of this is not perfect. We're going to have to ask through text messaging to get the correct answer and get back to you on that later in our time together here this morning. I don't know if Jason or Tom have some direct experience that they could relate.

Mr. Harrington: — Yeah, I'm a little fuzzy on it as well, but I think who it was awarded to for us, they didn't have a depot in every one of our communities, so I think . . . We do our own. So every year we tender out, or for maybe a two-year period, we tender out our heating oil, our heating fuel. We do a tender and then it's . . . not everybody bids everywhere because not everybody serves everywhere. So that's kind of how I think was the process.

Ms. A. Young: — Thank you, yeah. And I suppose the line of my questioning — I'm happy to receive clarification at a later date — is more around whether this . . . And of course we have to be compliant with trade agreements and on and on. But if the comments from the auditor, noted specifically in section 4.1 around, you know, Northern Lights struggling with that desire to be compliant with those agreements but also to support their local economies is sector-wide as opposed to specific to Northern Lights. And if there are other school divisions who also would be challenged by, you know, the desire to support local economies through some of these larger purchases, and you know, their local small businesses which in turn support those communities, or if this is a particular challenge to the North specifically. So again, happy to receive any clarification at a later date but just to offer some additional context for my question.

Ms. Johnson: — Thank you for that clarification. And I guess I would just offer . . . While I'm not going to speak to the specifics of the original bulk fuel purchase agreement, I would note generally that when we are, in the education sector, engaging in procurement opportunities like bulk fuel, if we didn't do this the first time, in future purchase requests or tenders we certainly can put in language in that tender noting the importance of service delivery. So again, using a bulk fuel example, one of the criteria for evaluating bids could be that the provider is able to deliver the product within X number of hours of someone picking up the phone saying "I need." So that should be able to address the fact that not every bulk fuel provider is in every community. And as a result, you know, you could get multiple bidders that one is then able to award the contract to.

Ms. A. Young: — Thank you for those comments. I have no further questions, Mr. Chair.

The Chair: — Any further questions from committee members at this point? Mr. Goudy.

Mr. Goudy: — Yes. Sorry, I guess we're leaving it on at these committee meetings? So I can certainly feel for some of the

situations that you've probably found yourself in over the last little while. One question that I would have more for the auditor is . . . There's a lot of recommendations here. Systematically we probe into different divisions and different areas throughout the year. We don't blanket the whole province, all our divisions in each area of your audit each year obviously.

So do you know how long it's . . . These recommendations, there's quite a few. Have these concerns been out there for quite a while or are they . . . You know, when did they arise, these concerns?

Ms. Clemett: — So I guess I'll make a couple comments. So I guess from a performance audit selection standpoint, you are correct that we, to some degree, try to identify various areas of risk and then like rotate around various school divisions obviously across the province. In terms of, I think you're asking whether or not . . . maybe a comparison here or what we will be following up to some degree. These were reported in I believe 2019, so I imagine we must be following up right now in 2022 to figure out, you know, whether or not these recommendations have been addressed and progress made.

I believe as the school division has indicated, there is a fair amount of progress we do anticipate by, kind of, the end of this school year. So we will then obviously do our audit work to provide an update to the committee in regards to those recommendations.

If you're asking whether or not, in terms of comparison, we have done potentially work in terms of purchasing in other school divisions, I would say that when we do these types of performance audits in school divisions, we always do encourage other school divisions across the province to be aware of the findings and recommendations we have made and then to utilize the results and consider what we are finding some school divisions could do better in comparison to the processes that they do have in place.

I hope that answers. If not, feel free to redirect.

Mr. Goudy: — Oh, and for the fellows there: do you find anecdotally sometimes that with all the process and all the procedures that you have to follow, do you ever find that things can be more expensive just because some of the local community people that aren't able to jump through those hoops? Or maybe they could jump through those hoops, but you know, it just seems quite onerous for them to follow the policies and procedures of maybe larger communities where the businesses are larger. Do you find that sometimes things could be more expensive having to go to larger businesses and maybe there's less volunteerism, and you know, some of those things? That's a little bit my concern, you know, having friends up in the North at times and living in smaller communities. Is some of this onerous for that community involvement? Are you concerned at all about that?

Mr. Young: — I guess to your point, it is expensive. I mean it's just . . . I could go into a long-winded spiel on sort of how expensive it is to live in the North, having lived there my whole life, growing up in northern Saskatchewan. Cumberland House, for example, right, I mean the nearest bank for us was two hours away. I mean there's that whole side of it.

But I think for us we want to be in compliance. I think if the auditor is making recommendations about the organization, we want to be in compliance. And so we'll do whatever we need to, to do that. And sometimes it does come at . . . I guess it's challenging for us to say we've got to be in compliance, yet our staff know the challenges that exist there to say, well we're doing this. It comes at a price to be in compliance, but we have to. So there's just no question around that and that's what we'll continue to work towards again to meet these timelines.

I'd welcome you to come up to visit us in La Ronge and we'll talk more.

Mr. Goudy: — Last question. So lots of school divisions . . . SSBA [Saskatchewan School Boards Association], have they . . . Like obviously you're spread out over a large region and roads and travel and everything. SSBA, is there supports for you within the SSBA — for other divisions reaching out, you know, facing the same kinds of issues that you are, working together on that — do you find?

Mr. Young: — Yeah. No, I think we're grateful for the educational partners, you know, that we have with the SSBA, with LEADS [League of Educational Administrators, Directors and Superintendents], with SASBO [Saskatchewan Association of School Business Officials], with the STF [Saskatchewan Teachers' Federation].

I think for us, SSBA is a great place for us to get some support. So we're grateful for that organization, lean on them for advice on how to move forward with whatever sort of problem we're facing. So grateful for that network of individuals as well that we can sort of work with and just exchange ideas, you know, from them. So grateful for that support and for that organization and for what they do for us, and I think the networking is really important.

I know like for example, in the LEADS organization, which I'm a part of, just being able to network with my colleagues. I can call up a director of education from, you know, Regina Public and say, hey Greg, I'm dealing with this challenge, you know; what has your division done? Right? So I think that's really important as well, to have that network that you can reach out to, to assist us.

And Tom does the same thing. He reaches out to Saskatoon Public School Division to say, hey, what is your administrative procedure around dealing with some of these pieces on the financial side of things? And we have this AP. Well we sort of borrow that AP for that procedure and then just sort of again tweak that for our purposes and roll it out within our system.

[09:45]

Mr. Harrington: — That's what we did here, was Saskatoon Public had gone through a similar audit and they had a recommendation to update their purchasing policy. So we contacted them and said, do you mind if we use your policy as a baseline? And they said yeah, for sure; do whatever you want with it. So yeah, we do always look to other school divisions to see what they're doing and leverage that, not start from scratch.

Mr. Goudy: — Thank you very much for what you do.

The Chair: — Mr. Nerlien.

Mr. Nerlien: — Yes, thank you very much. I'm from a small town as well, so I can recognize some of your challenges. I mean obviously not all. I wonder if you could maybe touch on what you do with your suppliers and your administrative staff across the school system and so on to educate them on the policy requirements that go with a lot of these recommendations and why they're important, why they're necessary.

And in fact, if the policies are appropriately in place, it probably would make things quite a bit more streamlined, and that's both in education of administration but also with your supplier chain. And I know that that's a challenge in small towns. I understand that. But is there a process to reach out to the suppliers, the potential suppliers to educate them on why you need certain things and what the requirements are?

Mr. Young: — I'll just start. I agree with you in terms of just making sure you've got policies and procedures in place, because it can really help your system be that much more efficient and effective. And I think in my case, I pride myself on being a good steward of the resources we have. I think that was something I was always brought up with, is to be a good steward of whatever resources you have. So I think that's something I keep in my mind as we carry out the work in the division, is always looking at that with whatever, you know, resources we have, let's be a good steward. So I again pride myself on that and ensuring that we do that.

But specific to your question, was there anything else you want to add to that, Tom?

Mr. Harrington: — No, I think, yeah, your point is very . . . What we do once we have those policies in place, then we can point people to our policies. Because they're going to be on our website; they're going to be easy for anybody to see.

As far as right now what we do with suppliers, we don't have a general process to reach out, but if suppliers contact us, then we do take the time to go through this. You know, we can't just . . . I know you're local, but we can't just buy it from you because you're local. We have these criteria we have to meet and, you know, you're free to compete like anybody else. But here's the criteria and how it works. That's what we do right now. But having those policies in place will help us a lot with that.

Mr. Nerlien: — Okay, I mean again in a small town I find, you know, probably the sophistication certainly of the local carpenter, or you know, in terms of some of those processed things that we would typically see in a large contract in a larger centre and so on — that sort of awareness of why these things are important might not be there. So I'm wondering, is that part of your tender process? Do your administrators in your larger schools, for example, are they aware of these kinds of requirements so that they can communicate effectively in the early stages as to why they have to be compliant with certain things?

Mr. Young: — Yes. One example I can think of, in one of our northern communities when we talked about the trade agreement and having to be in compliance there, and we can't look at local suppliers. And for one I think of is just the fuel purchasing. There

was a local supplier, a fuel purchaser, who would be interested in that but just wasn't able to, and we couldn't award that contract to him in particular.

So I think it's something we all need to look at doing with our administrators once we've got this AP in place, to say okay, and I think we've shared this locally with that particular situation to say we've got to be in compliance, but not to the large audience of all our administrators. And maybe Tom has and I just wasn't listening when he was saying that to the administrators. But I think it's something, now that I'm here today and see the recommendations, and it's like wow, okay, this is sobering. We've got to make sure that we're doing what we need to be in compliance. So there'll be some urgency on our side for sure to share that message as you are articulating. So thank you for that.

Mr. Harrington: — And when we do inform our schools that we did go through this, the recommendations when they came out, with our principal, so they are somewhat aware. I would say, you know, as far as things that have to go to a tender, you know, the criteria are $75,000 or 200,000 for construction. So you know, the bulk of our purchasing is not at that level. So I mean, there's maybe a dozen things a year that have to go through that process. But most things are below that criteria. So I mean you still want to get quotes from, you know, three different people or three different companies at least. You know, our schools and our facilities guys, they know the local people. So when those jobs come up they definitely let them know that they're coming up and they put in bids. They can be with everybody else, so I think in most cases they do have the capacity to compete. It's just that on those bigger ones, maybe not. But for most things they do.

Mr. Nerlien: — Thank you.

The Chair: — Okay, well thank you very much. Just to enter in, just a little bit of a commentary. I really appreciate the discussion here today. And I really appreciate what was identified around concerns around the local procurement and the aims that you'd want to have and then the policy that's in place by way of the province. It's important to note that the auditor doesn't enter us into trade agreements or set that policy. They come in to do the accounting for whether or not entities are compliant with the trade agreement that's been established by the province.

And I was really heartened to hear that you're doing work locally to look at the ways that you can ensure best value procurement for your local region and for your school division within the confines of that agreement. And you were talking about local labour. I think there was some discussion around that ability to serve locally or local service. Things like local knowledge are, you know, things that can be factored in, is my understanding.

I'm not suggesting I'm an expert in this area, but it's been an area of discussion and debate and I'm mindful not to get into the political debate on this front or the policy debate, I should say. But certainly other provinces have taken different approaches on this front — community benefit agreements as an example out of British Columbia. Alberta has some different local preference tools that they employ as well, all within that same trade agreement.

We will be consistent in entering in with a push provincially that we look at that space, but I would just urge you to continue to

look at the way . . . you know, to go down that route that you have been, to look at how can you build out a procurement policy that's, I guess, adherent to the agreement that the province has but that makes sense for your region and your division. And certainly you identified very well that, you know, the division is a big economic player, big social actor in the North but a big economic player as well.

So thank you very much for your time here today. I'm told that Director Young is a pretty solid guy, super well respected as a local director, and that he could probably still hit the ice with the Ice Wolves I'm told and, you know, keep pace with them. So thank you for joining us here today.

With respect to these recommendations, I believe I've kept track here, and I'd welcome a recommendation that we concur and note . . . or that we simply concur with recommendations 4 and 5. These are the ones that still have, you know, the bulk of the work to be taken on. Would there be somebody that would move that? Mr. Goudy. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. I'd welcome a recommendation that we concur and note progress for recommendations 1, 2, 3, 6, 9, 11, 12, and 13. Is that agreed? That's agreed. That's carried. And I'd welcome a recommendation, a motion that we concur and note compliance with respect to recommendations 7, 8, 10, and 14. Moved by Deputy Chair Young. And is that agreed?

Some Hon. Members: — Agreed.

The Chair: — All right. That's carried as well. Well listen, thank you so very much for being with us here today. And I think it's of value for all of us to hear first-hand from you and you know, hear some of the distinct challenges that your division . . . and distinct circumstances that your division faced. So thank you very much.

With that, we'll move it along to chapter 15, and I'll turn it over to the Provincial Auditor's office.

Mr. Young: — All right. Thank you for listening. Thank you to the Chair. Thank you, Auditor. Thank you, committee members, for listening. And thank you to the Ministry of Education. Much appreciated.

The Chair: — Right on. Thank you.

Mr. St. John: — Thank you. I will present chapter 15 of our 2019 report volume 2. I will also provide an update from the 2020 volume 2, chapter 18, which wasn't on the agenda.

So the 2019 report volume 2, chapter 15 reports the results of our annual integrated audit of the pension plan for non-teaching employees of the Saskatoon Board of Education for the year ended December 31st, 2018. We worked with the appointed auditor to carry out the audit of the pension plan. We found that the financial statements of the pension plan were reliable. The plan complied with relevant authorities and had effective rules and procedures to save good public resources other than noted in our recommendation.

On page 103 we recommend that Saskatoon School Division No. 13 complete monthly reviews of the bank and investment reconciliations for the pension plan for the non-teaching employees of the Saskatoon Board of Education.

From December 2017 to May 2019, the division had not carried out an independent review and approval of the bank and investment reconciliations that the plan's manager prepared. At December 31st, 2018 the plan had cash and investments totalling $131.2 million. The timely bank and investment count reconciliations check the accuracy and reliability of the plan's accounting records and can identify bank errors, if any. Without timely independent review and approval of bank and investment reconciliations, the school division risks using inaccurate financial records to make decisions and risks losing public money without timely detection.

We provide an update to this recommendation in our 2020 report volume 2, chapter 18. And during the 2019 fiscal year, the school division completed monthly reviews of the bank and investment reconciliations for the pension plan. I'll pause now for the committee's consideration.

The Chair: — Thank you so much for the presentation. I'll turn it over to Deputy Minister Johnson for a brief response, and we'll get to the questions.

Ms. Johnson: — The Saskatoon School Division No. 13 is responsible for administering the pension plan for the non-teaching employees of the Saskatoon Board of Education, and responsible for paying the costs of that plan. As the auditor noted, we agree that properly administering the plan is key to providing benefits to which plan members are entitled and managing the costs of the plan.

We agree with the auditor's recommendation and note that the audit, of course, was first undertaken in 2018, and are also pleased to report that, beginning in June of 2019, the division implemented a monthly process whereby all reconciliations are reviewed and approved, and therefore this recommendation is considered fully implemented.

The Chair: — Thank you very much. I'll open it up if there's any questions. Committee members? Ms. Young, Regina University.

Ms. A. Young: — Thank you. Just two quick questions, Deputy Minister. It's noted in the Auditor's report that regular independent review is necessary, and I don't believe that word "independence" was captured in the status update. Should the committee understand that that is . . . Okay.

Ms. Johnson: — Yes. These reviews are undertaken.

Ms. A. Young: — Perfect. And two last questions. Do you have any insight as to how the division documents those monthly pension plan reviews and if there is reporting out to the board?

Ms. Johnson: — I will reach out to them. We do have two members from Saskatoon Public School Division with us here today. But I'm not going to put them on the spot to ask these questions because they are not the CFO. But we will reach out to their CFO, Daniel Burke, to get a confirmation of that.

[10:00]

Typically these reconciliations are documented and signed . . . in my experience, they are physically signed by the person preparing the reconciliation and physically signed by the person reviewing that reconciliation, which would be someone independent of the preparer of the reconciliation.

And the typical process would be for those reconciliations, at the completion of the reconciliations, to in some way be reported to the board, but typically the reconciliation itself is not tabled at a board meeting, just a comment provided to the board that reconciliations are up to date.

Ms. A. Young: — Appreciated, thank you. No further questions, Mr. Chair.

The Chair: — Any other questions from folks? Not seeing any, I'd welcome a motion to concur and note compliance. Mr. Skoropad moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along now to chapter 41, with respect to the Saskatoon school division, and I'll turn it over to the Provincial Auditor's office.

Mr. St. John: — Thank you. Chapter 41 of our 2020 report volume 2 reports the results of our third follow-up audit at the Saskatoon School Division No. 13 related to its procurement processes. We made 11 recommendations in our 2014 audit and one recommendation remained outstanding for this follow-up.

We found that by July 2020 Saskatoon Public implemented the last outstanding recommendation. The division introduced and consistently followed processes to assess and document the validity of new suppliers. Following its established procedures related to confirming the validity of new suppliers decreases the risk of paying inappropriate or potentially fraudulent suppliers.

I'll pause now for the committee's consideration.

The Chair: — Thank you. I'll turn it over to Deputy Minister Johnson, and then we'll open it up for questions.

Ms. Johnson: — And very little for me to add here too. I would just also note that the school division has implemented the final recommendation, and we're pleased to see that work done.

The Chair: — Thank you very much. Questions? MLA [Member of the Legislative Assembly] Ms. Young, Regina University.

Ms. A. Young: — Thank you. Thank you, Mr. Wotherspoon. A question just for the auditor on this recommendation as this is the second time we've seen this this morning. I believe a similar recommendation was contained for Northern Lights as well. I'm wondering if you could just offer some comment for the education of the committee in regards to the risk and frequency of this occurrence, as it has been noted for a couple school divisions here today.

Ms. Clemett: — So I guess from a supplier list perspective, what

we would be looking for is, periodically when new suppliers are added to that list, that there is a mechanism by which . . . You've probably got two individuals — someone's making a request; I would like to add this new supplier — and that there is some due diligence work.

And so I think this school division has implemented a checklist whereby you go through and you make sure I'm not a fictitious supplier, and we aren't just going to be paying money to somebody that doesn't make sense. The form or checklist is probably completed and somebody reviews and approves it. And so it is a matter of, you are searching that they are a legitimate business and so forth.

The other thing you periodically want to make sure you do from a supplier list perspective is just continually update and remove those suppliers that you're no longer probably utilizing and clean it up. So if we haven't bought probably goods and services from a supplier in over a year or two years, get a fair amount of those suppliers off. So this process also makes sure you don't end up with duplicate suppliers. So you fill out the checklist. I'm going to add a new supplier; we don't have another one that already exists.

Ms. A. Young: — And is there increasing prevalence of fraudulent suppliers existing within public entities?

Ms. Clemett: — I don't think the risks have changed necessarily with regards to supplier lists. I think that the only thing that has changed in terms of risk is sometimes with electronic approvals now. A fair amount of payments that are made to suppliers are necessarily paid through an EFT [electronic funds transfer] process, so it is about making sure that that process is properly set up and appropriately segregated.

But I do think there is agencies though that, to some degree, they have a list of suppliers that are fairly lengthy, that haven't been cleaned up in a while, and doing so just does reduce that risk of, like you said, fraudulent payments. But no, I don't think anything has changed or . . . Go ahead.

Mr. St. John: — I would just say I think in recent years we have seen an increase in actors out in the world requesting changes to suppliers and making those supplier change requests. So making sure that the agency is verifying that those changes are valid is an important step so that payments aren't made to . . . Because they're electronic, as Tara mentioned, they're electronic funds transfers to someone . . . is going to the correct person.

So that type of fraud has been, or you know, I think has increased a lot in current periods. You know, especially with electronic approvals and electronic funds transfers, because once those transfers are gone, those people have it, and it's more difficult to get that money back. So that is a risk with the supplier listing that I think is important for ensuring that those suppliers' banking information is valid.

Ms. A. Young: — Yeah, as you were speaking, I'm recalling we have seen this with some municipalities in recent years, I believe, in the news. So yeah, thank you for that. No further questions, Mr. Chair.

The Chair: — Any further questions from others at this point?

Not seeing any, I would . . . I've lost track of my sheet here to make sure I'm . . . [inaudible interjection] . . . Because we don't have a new recommendation? We don't have a new recommendation here. All right. Thanks for the help from all. I would welcome a motion to conclude consideration of this chapter 41. Thank you very much, Mr. Nerlien. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And we'll move along, and I'll turn it over to the Provincial Auditor's office to focus in on chapter 11.

Mr. St. John: — Thank you. Assessing kindergarten students helps educators identify students who may be in need of professional services or additional support. Identifying issues early can help reduce future student challenges and set up students for future success. Research shows that quality education early in life leads to better health, education, and employment outcomes later in life especially for children from disadvantaged backgrounds.

So chapter 11 of our 2021 report volume 1, Monitoring Success in Readying Students for Learning in the Primary Grades When Exiting Kindergarten, reports the results of our audit at Saskatoon Public School Division. It contains five new recommendations for the committee's consideration.

For the period ended June 30th, 2020 Saskatoon Public School Division No. 13 processes were effective to monitor its success in readying students for learning in the primary grades when exiting kindergarten, except in the areas reflected in our five recommendations, and I'll focus on those five recommendations.

Our first recommendation is on page 159. We recommend Saskatoon school division give schools and teachers written expectations about the minimum frequency of assessing kindergarten students using standard assessment tools in all key areas of learning and development. We found that Saskatoon Public did not clearly or formally communicate to schools and teachers the expected frequency for assessing the numeracy of kindergarten students. Saskatoon Public management noted it expects teachers to assess student numeracy at least twice a year; however we found not all kindergarten teachers were aware of and followed this expectation.

Also we found that Saskatoon Public had not communicated this expectation in writing. Clear written communication helps reduce the risk of misunderstandings and ensures tasks are completed as and when expected. Clear communication on the timing and minimum frequency for assessments of students helps reduce the risk of teachers not collecting sufficient and complete information on student learning and development in key areas.

Our second recommendation is on page 160. We recommend Saskatoon school division confirm alternative tools, used to assess key areas of kindergarten students' readiness to learn, collect sufficient and relevant information.

Teachers have the option of choosing alternative assessment tools to assess students. We found that Saskatoon Public does not determine whether the alternative assessment tools collect sufficient and relevant information about a kindergarten student's learning and development in the area being assessed. We found that some alternative assessment tools in use were not as robust in assessing kindergarten students as the division's standard assessment tools. Not confirming whether alternative assessment tools are sufficiently robust increases the risk of teachers not collecting sufficient information to identify all of a student's potential areas of struggle in the particular subject, which may lead to the risk teachers may not identify necessary adjustments to instruction or pursue other strategies to improve student outcomes.

On page 161 we recommend Saskatoon school division understand reasons for kindergarten students who did not participate in required reassessments of student learning and development.

Saskatoon Public did not always know why kindergarten students missed participating in standard assessments. It does not expect teachers to document reasons for students not participating in these reassessments. We found that 47 kindergarten students did not participate in the early years reassessment during the 2018-19 school year and the division management does not have a reasonable explanation for not assessing some of the students. Not having a process to know why teachers did not complete required reassessments of students increases the risk of overlooking struggling students. In addition it increases the risk of teachers not getting sufficient information to make instructional changes to help the students succeed.

Our fourth recommendation is on page 165. We recommend Saskatoon school division provide kindergarten teachers with additional training and guidance on application of key instructional practices used to increase student readiness.

We found that kindergarten teachers are not always documenting their use of Sprint cycles, rationale for Sprint topics or participants. Sprint cycles are short and repeated instruction for a small group of students, usually no more than approximately six students, on a specific area of focus. And Sprint cycles are a key strategy used by Saskatoon Public to drive adjustments to instruction and improve student outcomes. We also found principals did not always approve teachers' use of Sprint cycles as expected. Consistent use of Sprint cycles can help ensure this strategy effectively helps students that are close to achieving curricular outcomes, and results in the most effective use of teachers' time and resources.

Our last recommendation is on page 168. We recommend Saskatoon school division analyze kindergarten assessment data to identify trends and common areas of struggle across all schools in the division.

While Saskatoon Public analyzes some student assessment data centrally, its assessment was not robust and did not consider key factors relevant to learning and development of kindergarten students, for example, class sizes, participation in pre-kindergarten, or resource support allocations. Without a robust analysis of student data, Saskatoon Public may not identify the root causes for issues at certain schools or division-wide gaps. A thorough analysis of student data will also support decisions for how the division directs resources to its schools. Thank you. I'll now pause now for the committee's consideration.

The Chair: — Thank you for that presentation, and I'll turn it over to Deputy Minister Johnson. And officials from Saskatoon Public, welcome to the committee.

Ms. Johnson: — All right, thank you. First of all, I would like to introduce Michelle Howard, our coordinator of learning supports from Saskatoon Public School Division, and Trish Reeve, the superintendent of learning from Saskatoon Public School Division.

The Saskatoon Public School Division's responsible . . . oh, sorry. The Saskatchewan education sector established an early-learning goal associated with kindergarten students' readiness to learn. Saskatoon school division is one of three divisions with more than 1,500 kindergarten students each year. As the auditor noted for the 18-month period ended June 30th, 2020, the Saskatoon Public School Division had effective processes to monitor its success for readying students for learning in the primary grades when exiting kindergarten. However the auditor did have the five recommendations as they've noted.

As you will have seen in your packages in the status update, the school division has taken steps to fully implement one of those recommendations and to partially implement the remaining four. They have plans to fully implement all recommendations by June of 2022. And with that, I'll turn it back to the committee for questions. Or if there's any opening remarks that you'd like to make?

Ms. Reeve: — Yes. Thank you, Deputy Minister Johnson, and thank you, Mr. Chair. We do recognize that increasing kindergarten school readiness has a significant impact on children reading at grade level by the end of grade 3. And we know that's a provincial target for us. We know that grade 3 reading levels matter and that the achievement can predict further academic success for our students, as well as on-time graduation rate. Numeracy, as well, are critical elements for our students' readiness.

And so Michelle and I actually had the opportunity last night to present our early-learning accountability report to our board Chair and our trustees. So this is timely in the sense that we can talk about the key initiative that we had there was to fully implement the recommendations from the audit.

[10:15]

The Chair: — Thank you very much and thank you for all the work on this front. I'll open it up for questions at this time. Ms. Young, Regina University.

Ms. A. Young: — Thank you. Thank you for travelling during what sounds like a tight turnaround time between yesterday's board meeting and today's attendance here in the Chamber.

Ms. Reeve, just to clarify, you said that you presented last night to the board indicating that there would be full compliance with the recommendations. That's correct?

Ms. Reeve: —Yes.

Ms. A. Young: — Okay. That addresses a couple of my questions. I have, I believe, three questions. Recognizing the information I've just confirmed with you, with the timelines given for the end of this school year in June, are there any challenges that you anticipate implementing some of these changes, specifically for kindergarten obviously, during COVID?

Ms. Reeve: — Yeah, I can speak to the last one, the last recommendation, certainly on, you know, having a centralized data collection and analyzing the data. One of the things that we have done with the new MySchoolSask, the student information system, is we do have an assessment and communication platform called Edsby that we've implemented with our school division, pre-kindergarten to grade 12.

And Edsby is, again, a place for parents to go to actually see children's learning stories, to see assessment portfolios, to be able to communicate messaging to parents, and this is where our progress reporting will occur. With the Edsby platform, because it is a third-party company that we're working with, there are Edsby analytic potential where we would be able to actually house and store school-based data, where we would have as a system.

And we know with working with third-party companies, sometimes their timelines aren't always matching up with ours, so we are, you know, cautious that we may not have those analytics in place. So in terms of collecting centrally that data, we may have to do a little bit of old-school-type spreadsheets and sending in that type of thing so we're able to get all of that data centrally.

Right now we currently get, for kindergarten, just our EYE [early years evaluation] data that comes to us from the ministry. Everything is at the school level because that's where we want our teachers to be able to respond to that data with their classrooms.

So Michelle and I will be working with a subcommittee of principals as well as our Deputy Director Scrimshaw to look at how we might do this not only for kindergarten, but we know for our grade 1 to 8, we will be in the same situation if the analytics aren't quite right. So we have a plan, a secondary plan in place if the analytics are not there for teachers to actually upload the data. We may have to do that in a bit of a paper type of a way, I guess.

Ms. Howard: — I would also add that a potential other challenge that we've been trying to address and face is the fact of bringing teachers together in a space to do professional learning. So we've looked to outside ways to be able to communicate with teachers. That might be in way of Canvas courses, so online professional learning opportunities, some after-school professional development, you know. Communication through email and through our administrators are also some of those ways that we're trying to access our teachers. Just with the current landscape, it's very challenging to pull 70 kindergarten teachers into a space together at the same time, so we're trying to work around those challenges as well.

Ms. Reeve: — Yeah, and one last one that I know is not in the document here, but I think Deputy Minister Johnson alluded to the trying times right now. And we know that we do have teacher shortages due to the pandemic, and so even if we are trying to provide some learning opportunities for our teachers, even if it's

after school, we don't always have the full component of our teachers simply because many of them have to be away from the classroom for either their own needs or their family needs.

Ms. A. Young: — Thank you. That's an excellent segue into my second question, although I will add one here. You mention teacher shortages. Do you have even a ballpark figure for the staffing challenges that Saskatoon Public is, as with all divisions, struggling with?

Ms. Reeve: — I would say we are much more fortunate than some of our public counterparts in the room here. We have a very healthy substitute list, so that's fantastic.

The challenge becomes when our substitutes are unable to substitute because they've, you know, either been in quarantine or have family issues. We do have a plan in place that we have some of our central office coordinators and consultants are triaging and supporting on certain days. But I would say we probably, you know, in the last week or so maybe have been down 10 substitutes that we haven't been able to place.

And so we work internally with our principals, and they work with our coordinators and consultants or whether it be another teacher that, you know, maybe has a smaller class size that day or is an itinerant teacher that is possibly able to cover. But we've been able to manage to do that. But I know our colleagues in rural are probably finding that much more difficult.

Ms. A. Young: — Thank you. And my question's going to be . . . You know, as we're speaking about the early years here today, I don't have the information at my fingertips, but I recall certainly during the 2020 school year there was anticipated decline in kindergarten attendance as some parents, more parents than would be typical, elected not to send their children to kindergarten which of course is not mandatory. And I'm curious if you can offer any comment as it would relate to kindergarten attendance rates broadly for your division and what, if any, impact you anticipate this having on the division trends for the early years assessments.

Ms. Reeve: — I can maybe just start with our pre-kindergarten because I think that speaks to and gives a little bit of a picture. And then maybe Michelle can speak to the kindergarten as well. In the 2020 — and this is again just something we presented last night — our utilization rate for our pre-kindergarten classes in 2020-2021 was at 45 per cent utilization. And that would have been very common across the province for all pre-kindergarten. And so when you think about three- and four-year-olds only attending at a 45 per cent rate, that's going to have an effect on obviously kindergarten as well.

This year we were at 74 per cent in pre-kindergarten, so knowing that we were seeing more of our students coming, and families were sending their children to school. And just over the last number of months, we've had an opportunity to relocate some pre-kindergarten programs that weren't used, so our utilization rate is even higher.

In terms of our kindergarten attendance, we do have an Early Learning Equal Start campaign through our foundation, the Saskatoon Public Schools Foundation, where the foundation is funding additional dollars so that we have full-day

pre-kindergarten in 13 of our schools and full-day kindergarten in 14 of our schools. And so Michelle has done a great job of collecting the data for just what our kindergarten would have been last year, but we are seeing a trend of increased attendance.

Ms. Howard: — I would agree with that as well, that the increased attendance, we do see an increase this year compared to last year for sure. And we've recorded that within our . . . I have the data for the full-day programs for sure. I don't have for the system-wide at this point. But we were, in the spring of last year we were at 78 per cent of enrolment within our full-day kindergarten programs. And we also saw a significant increase in the rest of their data in being able to attend more frequently.

Ms. Reeve: — The one thing I would just add to that is when you walk into a school, you would maybe as an adult and as a parent . . . And thinking of my children when they were younger, I can't imagine trying to put a mask on my now 23-year-old son. But these little ones, it's nothing to them. It just is just common and they just are rolling with it and you wouldn't know any different.

So I think just having parents know that it's really critical to have our children in-person for that learning has really shifted. And we have seen a decline of our kindergarten students that would have been online last year are now returning because we do not have as many kindergarten classes that are learning from home.

Ms. A. Young: — Thank you. Thank you very much. My last question may be better put to the ministry officials in attendance but . . . and pardon me, I can't remember if it was Ms. Howard or Ms. Reeve. But one of you spoke to I believe it was Edsby in relation to, I think it was perhaps recommendation 3 from the auditor in terms of . . . or perhaps it was recommendation 5.

But regardless, I'm thinking of recommendation 3 in regards to documenting why students miss reassessments. And I believe the auditor's report noted that for a small sample of I believe 11 students, there was some uncertainty as to why that assessment hadn't occurred. And it was noted that some of them had shifted between schools, but of course that that information should follow them. And this twigged for me the unified student information system. And I'm wondering, is that Edsby or is that . . .

Ms. Reeve: — That would be MSS, MySchoolSask.

Ms. A. Young: — MySchoolSask is what we're calling that.

Ms. Reeve: — Correct. But what that will allow us to do is it will allow us to know when a student has transferred school divisions within the province. So one of the recommendations was to understand why there may not be a reassessment or why there would not be record of the early years evaluation. When the early years evaluation is done in the fall, teachers are prompted to put the report — it's a one-page report — in their cumulative file. When students move, the school division requests for the cumulative folder and that takes some time, obviously.

At least now with the new data system, we will know if a student is coming from North Battleford, if they're coming from P.A. [Prince Albert], so that we have a little bit, you know, a quicker timeline as to being able to reach out to those schools if we need to get that information or to understand why that information was

not present in the cumulative folder.

Ms. A. Young: — Thank you. No further questions.

The Chair: — Thank you very much. Thank you for the time with us here today and for all you do. You're doing such important work in challenging times. I see a question here from Mr. Skoropad, and I know this will be a real good one.

Mr. Skoropad: — Well I can't guarantee that, but I'll do my college best. I really appreciated your comments about the importance of in-class learning. That certainly resonates with folks across the province.

In particular, I wanted to just ask a question regarding PD [professional development] and the challenges that you face in PD. And I know you identified already that it's rather challenging to get people together right now, and you've indicated some of the things you've done to try to overcome that, and certainly educating, PD-ing administration staff and others to bring that understanding back to the school.

Speaking as a former administrator, sometimes I wasn't the one to bring that or the most knowledgeable person to bring that back to my kindergarten teachers. The expertise regarding kindergarten oftentimes lives within kindergarten and those folks. So I guess with that said, I'm wondering what role do you see your LITs, your learning improvement teams, or an iteration of those, playing in rolling out the professional development within your system?

Ms. Reeve: — We're very fortunate again in Saskatoon Public in that we have a number of processes in place, not only for professional learning but for collaboration, and so in the audit report you would have probably seen the TEAMS, capital letter, that talks about our multi-disciplinary support services members that are all part of a school-based team. So that would be our speech-language pathologists, our psychologists, counsellors, special ed consultants. And they have an opportunity to meet monthly with school-based administrators, resource teachers, classroom teachers to really look at the needs within the school. And often these are targeted supports and assessments. But also it is to wrap around that school team to really build capacity in areas that may be identified in a need based on the EYE or what a classroom teacher is seeing.

[10:30]

So I'm also responsible for special education and student services, so work very collaboratively with those TEAMS in understanding, you know, when do we need to support in terms of language development, and who's the best person to support that school team? Likely our speech-language pathologist or a number of our speech-language pathologists to do that work. So what's nice about that is we have those TEAMS going into the building still. We continue to have our meetings monthly and they're able to support either, you know, lunch-and-learns or staff meetings, or to be able to come back to central office and say to Michelle and I, you know what, here's a need; are we able to do this centrally? And Michelle can talk about the different ways we do that.

But we also, again, are very fortunate to, through the federal funding, through the ELIS, early learning intensive support funding that we get for pre-kindergarten and kindergarten — or targeted to pre-kindergarten; we also work with our kindergarten teachers. — we have a speech-language pathologist dedicated to that support. And she does a lot of professional development with our pre-kindergarten and kindergarten teachers, as well as Michelle's team, which I can let her speak to because she works with that team very closely to deliver not only the Canvas online PD, which again are our professional development modules that we've created in-house. They're not ones that we've gone. These are done by our team. But if you want to speak to the team under you.

Ms. Howard: — Yeah, I would also add that within all of the professional learning opportunities that we're providing for our teachers, one of the fortunate things of working online and delivering PD online is that we can access more people. So not only can our kindergartens attend, but then we invite our resource room teachers and our SLPs [speech-language pathologists] to work alongside and get all of the information, kind of all at the same time.

So that's been one benefit to us, that we can have multiple groups in the same space online while we're doing our learning. So I think we've really appreciated that, compared to that in-person just with a targeted one group of teachers.

And yes, as Trish mentioned, that our team . . . I have some consultants that work alongside me as well. And they have been instrumental in developing these Canvas courses, online PD. They've videotaped some of the things that we now have access to, all teachers on our portal or in other ways that then they can use that information later on.

Ms. Reeve: — And just in closing, you mentioned that kindergarten teacher having that knowledge. On one of the courses that . . . It was not a Canvas course but it was an invitation to attend an after-school number of modules on supporting students in writing in kindergarten to grade 12. Michelle led that, but she co-led it with other kindergarten teachers, which I think is so powerful when they're networking with their colleagues because they're the ones in the classroom day to day and can speak to that.

Mr. Skoropad: — Thank you very much.

The Chair: — I've got Edsby on my phone here. I've got a seven-year-old in school. As we were sitting here, I just got the third exposure message, you know, in the past week. You know, between child care and school, these are . . . the challenging world that all parents and school officials and teachers are navigating right now.

With respect to the recommendations before us, I would welcome a recommendation to concur and note progress with respect to recommendations 2, 3, 4, and 5. Do we have a mover? Mr. Goudy. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And with respect to recommendation no. 1, do we have someone that would care to move that we concur and note compliance? Mr. Friesen. All

agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Okay, thank you very much. Thank you so much to the officials from Saskatoon Public for their time with us here today and for what they bring to students throughout Saskatoon Public every day. So thank you very much.

Now we'll just take a five-minute break. I just know that this is a long haul for quite a few members around here, so roughly five minutes to take the time folks need to refill a coffee or get to the washroom, and we'll reconvene as soon as folks are back.

[The committee recessed for a period of time.]

The Chair: — Okay, we'll reconvene the Standing Committee on Public Accounts, and we'll turn our attention to chapter 20, relating to the North East School Division. And I'll turn it over to the Provincial Auditor's office.

Mr. St. John: — Thank you. Early mathematical skills are shown to be a predictor of academic success in both literacy and math, and early achievement gaps tend to be sustained or widened over time. Students also use math skills in everyday life, such as purchasing goods or following a recipe. Chapter 20 of our 2019 report volume 2 reports the results of our audit of Chinook School Division No. 211's processes to support grade 2 students in achieving grade level in math.

The provincial education sector strategic plan, or ESSP, goal at the time of our audit was that by June 2020, 80 per cent of students would be at or above grade level in math. For the 13-month period ended December 31st, 2018, Chinook School Division No. 211 had effective processes to support grade 2 students in achieving grade level in math to meet the ESSP goal of 80 per cent by 2020.

At June 2018 Chinook's results showed it had achieved its goal and that about 97 per cent of grade 2 students were meeting or exceeding grade level in math. We found the division used plans to clearly outline expectations for math; communicated regularly with and engaged with stakeholders such as parents, other divisional staff, and the communities within the division, including First Nation bands; provided sufficient support to successfully deliver grade 2 math; suitably equipped teachers to teach math; consistently measured progress in math; actively evaluated student math progress; and sufficiently informed its board and public on the students' progress in math.

We determined no recommendations were needed. I'll pause now for the committee's consideration of the chapter.

The Chair: — Thank you very much for the presentation. And my apologies to the committee. I stated North East School Division. There's a chapter 20 on North East that we'll be touching on later. Of course this one's focused on Chinook School Division. I'll turn it over to the deputy minister.

Ms. Johnson: — Thank you, and to our members here, I'll just note that we do not have any officials from the Chinook School Division with us today. And I'm also wanting to just also go on record by saying that we are pleased that during the Provincial

Auditor's work, they found that the Chinook School Division has effective processes in place to support grade 2 students in achieving grade level in math. And noting again that the auditor did not make any recommendations related to this work, so very pleased with those results for Chinook School Division.

The Chair: — Thank you very much. I'll open it up if there's any questions on this chapter. Not seeing any, I'll welcome a motion to conclude consideration of chapter 20. Moved by Mr. Nerlien. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll now turn our attention to chapter 25 of the 2019 report volume 2, and I'll turn it over to the Provincial Auditor's office.

Mr. St. John: — Thank you. Having strong processes to support and encourage technology use in classroom instruction helps students develop essential competencies to succeed. Today's students must be fluent with digital technologies to be competitive in an ever-changing workforce as our lifestyles and workplaces embed technology.

In June 2013 the Ministry of Education published a framework that provides high-level direction for the use of technology within the Saskatchewan education system. At June 2019 the ministry encouraged the use of technology to teach students, but does not require it.

Chapter 25 of our 2019 report volume 2 reports the results of our audit of St. Paul's Roman Catholic Separate School Division No. 20's processes to adapt technology for learning in elementary schools. For the 16-month period ended June 30th, 2019 St. Paul's processes were effective to adapt technology for learning in elementary schools other than the areas addressed in our six recommendations, and I'll focus on those six recommendations.

The first recommendation can be found on page 231. We recommend St. Paul's Roman Catholic Separate School Division No. 20 periodically determine the extent it integrated technology use in its elementary schools' classroom instruction. The division does not have a clear picture of the current instructional use of technology in its elementary classrooms. As a result it did not know whether it is making progress in integrating the use of technology into classrooms.

Having an understanding of the current level of integration of technology use in the classrooms by grade and by school would provide a reference point for assessing whether the division is making progress in improving technology integration. It would also assist in determining the desired level of integration and determine how long the division would need to achieve the desired level.

This leads to the second recommendation. The second recommendation is also on 231. We recommend St. Paul's determine the extent it wants to integrate technology use in its elementary schools' classrooms instruction, and by when.

The third recommendation can be found on page 232. We recommend St. Paul's communicate its future vision of

integrating technology in the classrooms to its teachers. As the division has not determined to what extent or how fast it would like elementary teachers to integrate the use of technology into classrooms, teachers remain unclear as to what extent and how fast they are expected to do so.

Good practice directs that knowing how far and by when helps an organization more optimally direct its resources. Not determining this current state or desired future state of technologies in schools means the division cannot reasonably assess whether its current actions are sufficient and appropriate. And not establishing and communicating a clear vision may make engaging teachers in meaningful use of technology and classrooms difficult.

The fourth recommendation can be found on page 233. We recommend St. Paul's Roman Catholic Separate School Division No. 20 periodically verify the existence and location of educational technology devices available in its elementary schools. The division did not periodically confirm devices assigned to schools continue to exist. St. Paul's assigned over 9,000 devices for student use in classrooms.

The division used a master list of devices that tracks device type and location. However the division did not periodically determine whether the devices on the master list continue to be at the assigned location or elsewhere, disposed of, or lost. We also found significant differences between the master list and school device listings. Not periodically verifying the accuracy of its master list for devices increases the risk the division will not detect missing devices or know location of devices. This could result in devices being unavailable for teachers and students to use in the classroom.

The fifth recommendation can be found on page 234. We recommend St. Paul's periodically assess the cost-benefit of its decision for using differing device brands and IT platforms for classroom use in its elementary schools. The division updates education technology devices provided to schools on a four-year rotational cycle by allocating budget to purchase devices to schools. The educational technology team gives schools allocated budgets to purchase devices, a list of various devices, and prices to guide decisions on what devices to buy for classroom use. We found the list included about 35 different devices from different brands operating on different platforms.

The education technology team noted that this approach allows students to benefit from exposure to different device brands and platforms, but the division had not analyzed the cost-benefit of taking this approach. Using a multiple-brand-and-IT-platform approach could lead to reduced buying power as there is less opportunity to negotiate for volume discounts. It also increases the cost and time for IT support and staff training and may require additional support for teachers moving between schools to use different devices effectively. As a result, not formally analyzing the cost-benefit of its decisions to purchase and support multiple brands of devices using different platforms increases the risk of the division not using resources efficiently.

The sixth and last recommendation can be found on page 236. We recommend St. Paul's better link technology purchasing decisions to its education technology plan or equivalent documents. In 2018 the division developed a forum to help

school administrators engage with teachers on technology purchase decisions and guide educational technology team discussion with school administrators about technology purchases and use. The forum helps gather information on where the school is currently, where it hopes to go, and how the division can help provide that support.

However we found the forum does not provide a clear link to the division's educational IT plan or its technology integration matrix. In addition at June 2019 we found the forum had only been used once, and in this case was largely incomplete.

Not assessing whether individual technology purchases supports the technology goals of the division through the technology integration matrix increases the risk that limited resources are not used to their full potential. Effectively using assessment information from schools when purchasing technology would provide the division with valuable information about where schools are at in technology integration.

I'll pause now for the committee's consideration of the six new recommendations.

The Chair: — Thank you. Thank you very much. I'll turn it over to Deputy Minister Johnson as well as leadership from Greater Saskatoon Catholic that are here today to respond.

Ms. Johnson: — All right, thank you. And I would like to welcome and introduce Joel Lloyd. Joel is the chief financial officer for St. Paul's Roman Catholic Separate School Division. And Marc Gobeil, Marc is the coordinator of educational technology for the school division.

So with respect to this chapter, the school division set a vision to adapt technology to enrich learning and promote excellence in education. The auditor provided six recommendations regarding the effectiveness of processes to adapt technology for learning in elementary schools. The ministry agrees with the auditor's recommendations that it's important for school divisions to implement effective processes to ensure the effective use of technology in elementary schools.

And as noted in the status update, the school division has taken steps to fully implement one of the recommendations and partially implement the remaining five recommendations. All recommendations are planned to be fully implemented by June of this year. And with that, I'll turn it over to Joel to offer a few more comments.

Mr. Lloyd: — Thank you, Deputy Minister Johnson, and thank you, Mr. Chair and committee members.

With these recommendations, we are again planning to implement those by the end of the fiscal year or the school year as well. I think with technology, it's one of those items that is not a requirement by any means; it's an encouragement that we would have with our staff. We all know it's important. As mentioned earlier in the proceedings, an online option is kind of our new world now with meeting with our staff and other school divisions. When it comes to technology though, we do know it's important in our schools, and we provide those resources to our schools.

[11:00]

But we have delegated a lot of decision making to the school level. And the schools will look at their staff, the skill set on their staff. They'll look at the student demographic. And we've allowed some flexibility within our schools to choose the technology and the equipment that best suits the needs of their school, and we've delegated that. So we've decentralized a lot of decision making down to the school level. And as the recommendation has mentioned, we can do a better job of collecting that information and seeing how that's working at each of the schools that we've implemented that.

We continually make investments in our technology at the school level. As referenced, we have a rotating refresh of technology. Every four years schools have the opportunity to buy new equipment to a certain extent for their student body based on a number of conversations with our ET [educational technology] staff as well as with our school community councils. And we do thank all of our staff for their contributions as well as our school community councils. They do also fundraise and support those efforts from time to time as well. Maybe I'll turn it over to Marc, if you have any other comments.

Mr. Gobeil: — Yeah, I think throughout some of the line of questioning you might find that we have taken many of these considerations into account, even though the last few months have been a challenge for us in the educational technology sector. But we certainly have made significant progress, and I think we're well on our way of completing these by the end of the current school year. So, happy to talk about our progress.

The Chair: — Right on. Well thank you so very much for the work and your presence here today and all your leadership and efforts for students in your division. I'll open it up to members for questions. Ms. Young, Regina University.

Ms. A. Young: — Sure. Thank you. Thank you both for being in attendance here today. It is important and we appreciate it. My question specifically to start would be asking you just generally to expand upon the first recommendation, as it seems somewhat foundational to understand the rest of them. And understanding that you've said work is ongoing, and you anticipate these recommendations being implemented by, I believe, you said June 2022. But if you could perhaps offer some comment on what the committee can expect through the implementation process.

Mr. Lloyd: — Sure. I'll start with the response. So historically what we've done is, again, every four years when those schools get refreshed, we would meet with the staff and determine how they've integrated technology into their classroom and within their school. With this recommendation what we're looking at doing is doing more of a mass survey. So we would survey all staff to determine what the extent of technology is.

The pandemic has offered us many challenges but also some opportunities to look at some online options, and our teaching staff now have done tremendous work in incorporating a virtual option if ever need be within their classroom. So they've been given the tools and resources. They've supported development of those courses as well. So we fully anticipate, when doing a survey across the entire school division, the results will show quite a bit of integration of technology now in our classrooms

due to that. So Marc can . . .

Mr. Gobeil: — Yeah, just to kind of build upon what's been discussed, we had actually developed a plan and procedure to go out into classrooms, developed tools on iPads to survey students to get direct feedback on their experiences. That was slated to take place in May of 2020, but as a result we were able to shift that survey into a much larger survey that identified all of our stakeholders, so directly with our parents, our staff, and our students.

And so we used that to actually inform our decisions for both the blended and online learning guides. So in a sense we had a plan for garnering support in one area, but we've actually been able to expand it to gain significantly more insights into all the possibilities.

Ms. A. Young: — Thank you. And for the two subsequent recommendations, which I note in the update are identified as implemented, but it also seems to imply given the timeline noted that it is a bit of an iterative process. It is ongoing. Is that accurate?

Mr. Gobeil: — Yeah, as with Saskatoon Public, we've also implemented Edsby as a learning management system in combination with our student information system of MySchoolSask. So we have been working together with a planning committee at our division level for the implementation of Edsby for the last three years.

Last year, and with March of 2020, our foundational shift was bringing all teachers up to speed with educational technology. So one of the recommendations that we fully implemented would be establishing a base of educational technology use among all educators, which would be that any educator might be able to move online should the opportunity present itself through our current situation.

After that we were able to follow up with that and provide additional training in the form of resource hubs, we call them, online websites. We created a YouTube channel and I think we're at over 70,000 views with over 3,000 hours of PD consumed by our folks. So we've certainly been able to see different opportunities created as well as new opportunities for analytics to determine how effective those are in our implementation.

Ms. A. Young: — Thank you. And one final question. You spoke about the decentralized nature of the distribution of technology across your system and the decision that you've made as a school division to supply your support as best meets the needs of those individual classrooms. And I'm wondering if you can expand a little bit on that, the implication certainly for that digital literacy that you've spoken about for staff as well as access to technology and any consequences that it would be having for your school budgets or as a division.

Mr. Lloyd: — And maybe I'll start. Sure, yeah. One of the recommendations is to conduct a cost-benefit analysis of having different types of devices within the school. And we have, again, we've given that flexibility to schools to select if they want Chromebooks over computers, or maybe they want iPads. Again it's really dependent on the school and what their priorities are.

Part of a cost-benefit for us wouldn't be just cost. You know, obviously it would be probably less expensive to have all the same device throughout the entire system. But then you also lose that ability for students to experience different operating systems and different types of equipment. So when we do do a cost-benefit analysis, there'll be more emphasis on the benefit and the value that would have on those devices.

And we're not aware of too many of those types of analyses that have been conducted so far, so we are looking forward to doing that and showing the support that we would have for those types of devices. So that's ongoing, and we plan to do that for the next little while here. But we also want to prioritize the ability to have our students experience different types of softwares and types of equipment.

Mr. Gobeil: — Absolutely. And noting the recommendation, initially we had . . . During the refresh process, a school would be essentially given kind of a shopping list — different technology we have used in the division as well as estimated costs. And I think the number was noted at about 35 different items. What we have since done is we have reviewed that list, and we have now pared it down to roughly three. Generally it'd be kind of your Chromebooks, your iPads, and then kind of desktop or laptop-ish type models.

And even though we say we've decentralized it in that we're not necessarily just specifically allocating a set amount per school, we actually have myself as well as some other consultants that are able to work with the school and find out, what are their goals? What are they trying to achieve? What do they already have in place already? And we establish kind of what we think might be the best model and make sure that it's similar to models in other schools, especially where we've seen success.

So as Joel had mentioned, one device might make everything much easier, but we could all imagine that an iPad might be great for a specific set of years, but may not be perfect for a grade 12 classroom. So it is definitely a balanced approach in finding out what is the best tool to complete that task in any given scenario, and we have many different diverse needs across our large division that some are contextual based on programming.

Ms. A. Young: — And last question from me. When you speak about working with individual schools to kind of identify what success looks like for them through the purchasing and use of technology, how do you evaluate that?

Mr. Gobeil: — Yes, so first we have a four-year rotation with roughly 13 schools. And so that rotation is made aware to all those school individuals. And we usually try to start that process in May for the next upcoming year. We invite the school administrators and we have ET facilitators or educational technology facilitators, who's typically an educational leader within the school, to a meeting where we usually present some of the pedagogy, some of the thought processes behind why you might want to go one versus the other, as opposed to maybe just trying to buy as many devices as you can for the amount of students.

What that process looks like is we start with initial conversations. We don't even talk about costs or devices, we primarily start with the pedagogy. What is it that you want to achieve? We also then work with our IT groups to find out exactly what is in that building as far as current technology. Are there any concerns? Things they found work well versus not work well. Moving into the next school year, we'll find that our budgets are finalized and we have the exact amount approved. And then we could then work with the school on a one-on-one basis.

So it's very much an effort between educational technologists and the school providing support one-on-one. We try to focus our support on those schools, as opposed to being able to offer something for all 50 schools. We really try to heavily focus our work on those 13 schools per year. That being said, we've never said no to a request. So it's not like we only focus on those schools. That's where we're lucky in that regard to have a lot of tremendous support.

Mr. Lloyd: — Just maybe to expand that to your question, Ms. Young, around what success looks like. Part of those conversations would be, you know, you had a plan, you used the technology for a certain purpose. How have you utilized that in the school? And there would be ongoing conversations to ensure that you're utilizing it based on that plan. And if they're not able to, for whatever reason, we provide resources, training to ensure that's happening in our schools as well.

Ms. A. Young: — Thank you. No further questions.

The Chair: — Deputy Chair Young.

Ms. C. Young: — Ms. Young asked a couple of these questions, and this is sort of a bit of a follow-up to her last one. You obviously have a four-year cycle. You have a tech budget in place. But you are . . . Because you are putting the decisions down at the school-base level and allowing them to choose between three different technologies, when you collect data on student success, whether it's through reading, math levels, whatever it is, do you see disparity amongst the schools that are choosing not to use as much tech as others that are? Because this boils down to student success and what that means across the division, and particularly in these elementary schools.

Mr. Gobeil: — Yeah, what I can tell you anecdotally from the records we collect, there is no study that we were aware of that definitively says a piece of technology will make this student exponentially have a better experience. And that's why we don't necessarily mandate the use of technology, because we know that many of our teachers are fantastic teachers, and the technology is a tool. So we recognize the importance of the tool, and we will provide as much support as possible. But we don't necessarily say, you must use this tool.

There are certain contexts now obviously with the online use where we would make sure they are prepared, but we fully plan on working with the schools and the individuals to find out what works best for their scenario, what is success for them. And for one of our schools, that success criteria might be slightly different than the other, so we're very much not necessarily where we say decentralized. It's very much a personal one-on-one conversation with the schools and our consultative teams to facilitate that learning.

Ms. C. Young: — A second question is regards to, because you are using different technology and different licensing, have you

seen an increase to your tech budget necessarily because of the different devices you're using and the upgrades you have to do on a regular basis to this, and also to connectivity possibly for different devices?

Mr. Lloyd: — I'll try to answer that question; there's a few different ones in there. For us, we are seeing increasing costs in software just across the board. There's definitely a movement towards annual licensing where we used to buy old 1995 Microsoft Word; you'd have it for 10 years and you would pay nothing after the first year. Everything now is moved to annual-type licensing, so we're seeing significant increases in all of our platforms for that.

We are trying to minimize that as far as possible. MSS, MySchoolSask, we're able to utilize that. You heard Edsby is also able to collapse a few other software platforms into one. So we are attempting to do that. We're working with other school divisions to try to reduce our software costs by mass procuring those types of software platforms we want to do. So we are seeing increasing costs for sure.

Obviously regarding budgets, our funding is unconditional. We're able to allocate it, and we are a lot of times with our technology budget looking at our core infrastructure first, ensuring that we have the backups happening, that we have the connectivity available to students. Would we want to expand that? Of course. As we look at technology nowadays and every person has a portable device, the ability to connect would be something that we were working towards.

But what we haven't necessarily done is a cost-benefit analysis on individual devices, and I think to your question around, you know, is it better to buy an Apple computer compared to a PC [personal computer]? Does one last longer or not? That's the work that we're planning to do here in the next year to be able to determine what's the benefit and what's the cost. And if it is more cost, is the benefit there? And we haven't collected that information yet, but we plan to do that in the next 12 months.

[11:15]

The Chair: — Any other questions from folks at this time? Not seeing any, I'd welcome a motion with respect to recommendations 1, 4, 5, and 6 that we concur and note progress. Deputy Chair Young. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And with respect to 2 and 3, would someone care to move that we concur and note compliance? Mr. Skoropad. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — All right. That's carried as well. We'll move along now to chapter . . . Again that's with respect to Greater Saskatoon Catholic, and shift over to the Provincial Auditor to present on chapter 30.

Mr. St. John: — Thank you. Chapter 30 of our 2021 report volume 1 reports the results of our second follow-up audit at St. Paul's Roman Catholic Separate School Division No. 20 related

to processes to promote good student health and physical fitness. We made five recommendations in our 2015 audit, and only one recommendation remained outstanding.

We found that at March 2021 the division had not implemented the one outstanding recommendation as it was not following its nutrition policy and limiting the availability of non-healthy food choices it sells and/or serves to students. While St. Paul's has implemented centralized purchasing for schools and standard menus for use in high school cafeterias, and its standard menus have healthy choices for students, not all schools were following the standard menus and were providing vending machines with items on the nutritional policies restricted list, for example carbonated drinks.

Schools not following its nutrition policy for provision of unhealthy food choices puts St. Paul's at risk. It will not meet its strategic goal of increasing health and fitness of its students.

I'll pause now for the committee's consideration.

The Chair: — Thanks for the presentation. I'll turn it over to Deputy Minister Johnson and leadership of Greater Saskatoon Catholic.

Ms. Johnson: — Thank you. Again we are pleased that the auditor has noted in their follow-up audit on this topic that the school division has generally improved its processes to promote good student health and physical fitness. We recognize that students who are physically active and properly nourished are better learners.

The auditor found that one recommendation remains partially implemented as noted in the status update provided to you. Since that follow-up audit was completed, the school division has taken steps to implement the remaining recommendation and plans to have it fully implemented by the end of the current school year. So with that, I will turn it over to Joel.

Mr. Lloyd: — Thank you, Deputy Minister Johnson. At the end of last school year, we did constitute really a school division broad committee consisting of members from different labour groups, from nutrition workers to school administration to division office staff, and looked at our policy. Our policy was dated 2012, so it was due for an update, and then this work allowed us to really align that with provincial guidelines, which we've done — update it based on product changes. As we've seen new products enter into the market, we made those changes.

The board approved the new policy last June, and we've communicated those changes to our staff this last September. And with the vending machines, we do contract that service out, so that poses a couple challenges. One is our vendors are profit-driven vendors, so they were looking at putting in products in our machines that will drive up sales, but obviously we want to ensure compliance with our nutrition policy. So we've also enacted a monitoring system to ensure that our vendors are following our policy, which was communicated to them during this audit as well. That's everything. Any questions?

The Chair: — Thanks so much. I'll open it up for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you. Just one quick question from me. I note the physical fitness initiatives portion of the recommendation isn't included in the status update. I'm just wondering if you could expand on that a bit further.

Mr. Lloyd: — Sure. So we've updated a number of pieces within this audit. So there was obviously the nutrition part, which is around our nutrition policy, that we have updated. There was also physical education guidelines, and we updated those procedures and policies as well to reflect provincial guidelines around extra time. We've updated our extracurricular groups as well as those activities that we approve and those that we would shy away from. Those have all been communicated out to our schools and staff, and those have been updated. So we've implemented those prior to this audit occurring.

Ms. A. Young: — Thank you.

The Chair: — Any other questions on chapter 30? The outstanding recommendations have been implemented. Thanks so much for the work and attention on it. I'd welcome a motion to conclude considerations of chapter 30. We have a mover, Mr. Friesen. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Talking about a good lunch, don't hesitate to stop down to the legislative cafeteria before you find your way back to Saskatoon. Linda down there, she'll treat you well. And thank you so much for your time and attention here today.

Okay, I'll turn it over to the Provincial Auditor's office to focus on chapter 8 as it relates to the Horizon School Division.

Mr. St. John: — Thank you. Having effective maintenance processes helps ensure facilities can perform at optimum levels over their expected service life, reduces the risk of service disruption, and identifies and reduces risks associated with aging facilities. The consequences of not carrying out effective maintenance and repairs on facilities includes potential health and safety problems for users of the facilities which includes school staff and students, reduced quality of space, higher future repair costs, and facilities needing to be replaced earlier than intended.

Chapter 8 of our 2020 report volume 1 reports the results of our audit of Horizon School Division No. 205's processes to maintain its facilities. For the 12-month period ended September 30, 2019, Horizon School Division No. 205 processes were effective to maintain its facilities other than the areas identified in our five recommendations. My presentation will focus on those five recommendations.

On page 92 we recommend Horizon School Division prioritize all identified maintenance deficiencies associated with fire protection and suppression systems and boilers to enable determination of the nature and timing of necessary maintenance. Horizon School Division does not always formally track and prioritize identified deficiencies in their recommended maintenance for fire protection and suppression systems and boilers. Rather it relied on a small number of staff involved in maintenance decisions to informally prioritize and address the

deficiencies.

In our audit we found staff did not address all significant identified deficiencies within an appropriate time frame. For example, as of September 2019 our review of year-old third-party inspection reports of fire sprinkler and alarm systems found the division had not repaired seven sprinkler systems and 19 fire alarm systems with identified deficiencies. As a result of these deficiencies, the facilities did not comply with the provincial fire code, resulting in expired inspection certificates for 23 facilities. Prioritizing identified maintenance deficiencies can help the division avoid non-compliance with applicable codes and provide safe environments for all students and staff.

The second recommendation is also on page 92. We recommend Horizon develop a strategy to better use the maintenance IT system to plan, track, and monitor maintenance of its facilities and significant components. The division did not update condition and replacement-year information in the asset planning module based on the results of its annual or periodic inspections of significant components — such as roofs, heating systems, and boilers — or completed maintenance activities. The division also did not use the preventative maintenance module to track its preventative maintenance requirements and activities for several significant components where it uses third-party contractors to carry out the maintenance activities, such as the fire protection and suppression systems, boilers, and roofs.

So tracking key information for almost all significant components in the maintenance IT system would enhance the division's ability to plan, track, and monitor the maintenance of its facilities and components. It would also enable the division to use the system to monitor changes in FCI, facility condition index, and deferred maintenance to help determine whether it is doing the right maintenance at the right time.

Our third recommendation: on page 97 we recommend staff of Horizon School Division maintain up-to-date and accurate information in the maintenance IT system about completion of assigned maintenance activities. The division expects staff to complete assigned maintenance based on priority or stated time frame and document the completion of maintenance in the appropriate module of the maintenance IT system.

We tested service requests and preventative maintenance requests and found several instances where requests were not completed promptly, were not completed at all, or completed maintenance items were not closed promptly. Not documenting completed maintenance promptly leads to overstating the number of uncompleted service requests assigned to staff, and outdated information impacts the expected priority of service requests which can lead to ineffectiveness of maintenance staff. Documenting the completion of maintenance items, or reasons as to why maintenance was not done, gives management key information to enable monitoring of the maintenance staff performance.

Our fourth recommendation can be found on page 98. We recommend Horizon actively monitor the timeliness of completion of requested and expected maintenance. Horizon did not actively monitor the timeliness of completion of requested and expected maintenance, or the accuracy of information tracked in the maintenance IT system. Without effective

monitoring of the timeliness of maintenance activities, there is increased risk of maintenance not being completed as expected, which can result in further deficiencies with the division's facilities or significant components.

Our fifth and final recommendation can be found on page 99. We recommend Horizon provide its board with periodic comprehensive maintenance reports about the results of its maintenance activities, including facilities' condition, deferred maintenance, and anticipated impact, to inform decision making.

Management gives the board monthly reports on its maintenance activities, but its reports did not provide sufficient information about whether its activities are maintaining its facilities and their significant components so that they can operate in a satisfactory manner. We found reports did not include information on planned versus actual maintenance costs, or project status and schedules. Reports also did not include information about year-over-year trends in the facility condition index, or FCI, or deferred maintenance on an overall basis or by-school basis. The reports should highlight facilities with higher maintenance concerns.

The FCI and estimate of deferred maintenance show whether maintenance activities are achieving the desired result and whether the division is doing the right maintenance at the right time. The maintenance IT system automatically determines this index based on deferred maintenance in the system. Without sufficient analysis and reporting of maintenance results, the board cannot assess whether the division effectively maintains its facilities and components or whether maintenance funding is sufficient and efficiently used. I'll pause now for the committee's consideration of the five new recommendations.

The Chair: — Thank you very much for the focus of the work and I'll turn it over to Deputy Minister Johnson for brief remarks. I want to thank the Horizon School Division for what's a substantial and detailed update here on the status update. I'll turn it over to Deputy Minister Johnson.

Ms. Johnson: — Thank you. And with this chapter for Horizon School Division, again I will note that we do not have officials present with us today, but they are watching us on livestream, so if there are particular questions that I'm not able to respond to, Kevin Garinger, the director of education for Horizon School Division and his other officials will be available to us.

And what I would like to note is that Horizon School Division is responsible for maintaining 38 schools and four other facilities located across east central Saskatchewan. This chapter, which provided observations from the year 2020, summarized the audit results of the effectiveness of the processes used by Horizon School Division at that time to maintain its facilities. The auditor concluded for the 12-month period ended September 30th, 2019 that the school division had effective processes to maintain its facilities.

However there were five recommendations as they have just outlined. And what I would note, and I guess reiterate the Chair's comment that in the status update document that's been provided to you, the school division has taken significant steps to implement four of the five recommendations and has partially implemented the remaining recommendation.

Now I have also a note here from Kevin Garinger. If it's all right, I'll read part of it. And he has noted for us that, again like the ministry, they value the Provincial Auditor's report as they continue their journey moving from good to great. We always want to get better and this report identified some areas where they are having opportunities to improve. They've noted compliance on all of the recommendations except one. And of course we can talk about that further. But they do expect that when the auditor is able to return for the follow-up audit, that they will be able to demonstrate compliance with that final recommendation.

[11:30]

And one of the areas that Kevin has noted that he'd like to speak a bit to is the area of fire monitoring. Of course that was one of the recommendations. And he notes that the auditor's report indicates that they had deficiencies in the fire alarm monitoring. What he wanted to highlight is that all schools always had operating fire monitoring systems, and all systems worked.

They have now fixed all of the deficiencies, including the seven sprinkler systems, two of which had some implementation problems with that fix, but that has been corrected. Nineteen deficiencies included the things such as code issues related to bulbs needing to be removed on indicator systems and non-locatable devices in some areas such as ductwork or crawl spaces, and they have undertaken the work necessary in order to either remove or relocate those devices. So they're again very pleased for the auditor's report. It has enabled them to improve their operations.

They're also noting that they are very appreciative of the ministry's support for the stimulus funding for emergency and exit light upgrades in all of their schools, and that they have almost completed moving all schools to LED [light-emitting diode] lighting, including the emergency lighting upgrades. So very thankful for the 1.8 million that they received through the stimulus funding.

And I will end my comments there and see if there are questions.

The Chair: — Thank you. Thank you for that report. Thank you for the report from Director Garinger and the team that's tuning in here today as well, and for the work on these fronts. I'll open it up if there's any questions from members. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. Deputy Minister, perhaps I'll start with a question that I anticipate may have to go to Kevin and his team, and then perhaps proceed with one that I believe you and your officials could answer.

So my question, likely for Horizon, is some clarification around the notes from the auditor in regards to the fire protection and suppression system. I did listen closely to that update provided by Director Garinger, and I'm just trying to understand, so perhaps looking for a little more clarification on what he's noted in his update and what is noted in the auditor's report. Recognizing I think it's 23 of the 38 or 43 schools operated by Horizon had expired inspection certificates for the facilities, and seven had sprinkler systems in need of repair, and 19 had fire alarm systems with identified deficiencies. Does this mean that seven schools were operating for some period of time without

fully functional sprinkler systems?

Ms. Johnson: — I know Kevin is watching and he's caught your question, so as soon as I get the answer from him, I will relay that.

Ms. A. Young: — Thank you. My higher level question relates to figure 6 on page 95 in the auditor's report where it discusses that Horizon has not in recent years spent the totality of its budget each year. And I'm wondering, is this that perennial issue with school divisions where there's that conflict between the calendar year, the fiscal year, and the school year in terms of how spending rolls out? Or is the committee to understand that the dollars just simply were not spent by any of those ways in which we classify a year within education?

Ms. Johnson: — Thank you for the question, and that one I know I can answer. So with respect to the information in figure 6, what you are seeing there is the result of a number of issues. You identified one of them, and that is the timing difference that we have with the differences between school divisions. Well I'll call it a timing difference. Tara might correct me on the use of that particular phrase.

But we in our process, we provide the preventative maintenance and renewal grants to school divisions in June, and the school divisions' year-end is August. And so obviously that gives them roughly three months to make use of those funds, which oftentimes means that they're putting them in reserve and drawing them out of reserve the following year when they are undertaking whichever work that they are planning on. So that's one of the reasons for the differences between budget and actual.

Other differences really are just dealing with the fact that sometimes school divisions will purposely accumulate the PMR [preventative maintenance and renewal] funds in reserves so that they can have a larger sum to do a larger project in a future year. And sometimes they have plans to do projects, and through the tendering process or what have you, other circumstances come into play that result in a delay in those projects proceeding on schedule. So sometimes it's just project delays that result in those differences between budget and actual.

Ms. A. Young: — Thank you for that. So just to be fully clear on this, the committee can understand that those dollars do in fact get spent on PMR or on facility projects then?

Ms. Johnson: — They do indeed. The funding that's provided to school divisions for PMR is conditional. You heard Joel mention earlier that the operating grant that's provided to them is largely unconditional, but the PMR grant is required to be spent on maintenance and repairs in the school division.

Ms. A. Young: — Thank you. My next two questions are somewhat related, and these may be better put to Director Garinger or you or your officials may be able to answer them. In regards to the implementation of these recommendations, are you able to offer comment on whether the implementation of these recommendations will have short-term and long-term implications on the facility condition index for Horizon? And if yes, what that is anticipated to be?

Ms. Johnson: — Will the implementation of the recommendations have an impact on the FCI? Yeah, I think it will, particularly when we look at the recommendations requiring the school division to make use of the, I think the generic term is the maintenance IT system. The name we call it in the school division and in the ministry is AssetPlanner. That's the name of the product.

So if they make full and regular use of AssetPlanner and enter data into that database on a regular basis, it will help them better track facility condition index information and that ultimately will have an impact on reported FCI for the division.

Ms. A. Young: — Thank you. And in regards to AssetPlanner, thinking in particular of recommendation no. 2, better using that IT system and then undertaking like the tagging and the barcoding that accompanies that, do the costs associated with recommendation 2, would those come from PMR funding typically?

Ms. Johnson: — Yes, I believe they would. And you know, I'll also throw in a comment related to the tagging of assets under PMR. The choice to tag an asset is in itself something that needs to have a bit of a cost-benefit analysis. There will be assets in a school facility that, when you look at the long term and you think, well should I put a tag on that asset or not? You know, what benefit will there be to doing that? School divisions will need to take a look at that and say, well should I, do I really need to tag that asset? Because every time you tag another thing then that's data that needs to be monitored and collected and analyzed. So there is a bit of an art, a bit of a science involved in determining which assets are worth tagging and including in the AssetPlanner system.

Ms. A. Young: — Thank you. Mr. Chair, do you need me for anything?

The Chair: — No, you proceed.

Ms. A. Young: — Thank you. Perhaps two other broad questions while we wait for the answer to the first, and then I can move on. Obviously any mention of fire suppression systems in schools is cause for concern. Of course not having the scope or understanding of the severity of those deficiencies that have been identified there, I'm curious if you can offer comment as to what the situation may be like across the sector more broadly.

Obviously with 27 school divisions ranging in size and, for lack of a better term, in scope, I guess I'm looking for any comment from the ministry on whether this audit and its findings have prompted further communication or follow-up with divisions more broadly in regards to the up-to-date nature of sprinklers and fire alarm systems, as well as inspection certificates, or whether the committee can conclude that perhaps this is an outlier as opposed to more of an indication of something more systemic.

Ms. Johnson: — I do not have any information available to me right now to be able to accurately respond to that question, so I apologize. I don't know.

Ms. A. Young: — Perfectly okay. My last question or comment is, I believe last year at . . . Forgive me. I can't recall if it was our winter or spring meeting of Public Accounts, but it was with former auditor Ferguson. There was a conversation I believe with

Assistant Deputy Minister Jensen about this committee's ability to see facility indexes and FCI. And I believe at that time he had indicated that that was not possible, and both the former auditor and myself thought, although we didn't follow up, that it had been provided before. And I just note that I do see here for Horizon their FCI index has been provided, so I would just perhaps follow up on that and just put that request back to the ministry from last year if that could be provided.

Ms. Johnson: — Thank you for that reminder. And I believe we were addressing that question through a freedom of information request as well, so I believe it will be responded to shortly.

Ms. A. Young: — I wasn't aware of that. How embarrassing. Thank you. Mr. Chair, no further questions.

Ms. Johnson: — And I do have a response from Kevin related to your first question, and what he is saying is that most of our schools had deficiencies in some sprinkler areas but not throughout the school. So there was no school that was completely without sprinkler systems. He goes on to say that we were getting this fixed, but the problem was that some of the components needed to be replaced every five years in order to get certified. We needed to upgrade, so it's not that they weren't functioning, but the pieces of equipment needed to be replaced . . . Oh that's a bit of a repeat. Sorry.

So they again reiterate that the systems were functional in most sections of the schools. He goes on to say that they have been replaced but there was a pump that was not working and the pump was on order, hence the deficiency. So that has been addressed. He says we are now up to code as we brought in outside agencies to help them come into compliance. The fire monitoring systems were operational. The suppression side was working in most cases, but there were a few where they were in the process of fixing them. So that is what I have from Kevin on that question.

[11:45]

Ms. A. Young: — Thank you, Deputy Minister, and to the staff at Horizon.

The Chair: — Thanks so much. Any other questions from committee members? I'd welcome a motion with respect to recommendation 2 that we concur and note progress. Moved by Mr. Kirsch. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. With respect to recommendations 1, 3, 4, and 5, I'd welcome a recommendation that we concur and note compliance.

Ms. C. Young: — I so move.

The Chair: — Deputy Chair Young moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll now turn our attention to chapter 20. I know the member from Melfort will have particular interest in this one. It's the North East School Division.

Mr. St. John: — Thank you. Chapter 20 of our 2020 report volume 1 reports the results of our second follow-up audit of North East School Division's processes to increase the percentage of grade 3 students reading at grade level. We made five recommendations on our 2016 audit. One recommendation remained outstanding. We found that by March 2020 North East had implemented the one outstanding recommendation.

Since May 2018, the division appropriately requires that schools use a single tool to assess grade 3 student reading levels. North East previously evaluated the effectiveness of the tool. Focused assessments and monitoring of grade 3 reading levels helps North East efficiently identify students who need additional support or resources.

I'll pause now for the committee's consideration.

The Chair: — Thanks so much for the follow-up on this recommendation that we've already concurred as a Table with, and I see that it's been implemented. Quick comment from the deputy minister?

Ms. Johnson: — Nothing that wouldn't just be repetitive of what the auditor has already said.

The Chair: — Okay. Any questions from committee members? All right. We've already voted on this, you know, already passed a motion on this front. So I would welcome a motion to conclude consideration of chapter 20 relating to North East School Division. Mr. Nerlien moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — All right. That's carried. Of course, thank you to all the good folks at North East School Division for their work on this front and many others.

We'll flip it over to the Provincial Auditor's office and turn our attention to the Prairie Valley School Division with respect to chapter 21.

Mr. St. John: — Thank you. Chapter 21 of our 2020 report volume 1 reports the results of our first follow-up audit of Prairie Valley School Division's processes to monitor home-based education programs. In our 2018 report, we concluded the school division did not have effective processes and made eight recommendations for improvement.

By January 2020 we found the division significantly improved its processes and addressed all the outstanding recommendations. The division revised its forms and templates to help educators provide all required information for their home-based education programs. It effectively registered home-based education programs and assessed the education plans and annual progress reports provided by home-based educators.

Following its assessments, the division consistently gave educators timely feedback on learners' annual progress reports. As well, to encourage educators to comply with home-based education documentation requirements, the division implemented a practice of reimbursing educators for eligible expenses only after it received and assessed learners' annual progress reports.

Effective monitoring of home-based education programs helps ensure they assist home-based learners in making sufficient educational progress for their age and ability and provide them with a quality education.

I'll pause now for the committee's questions.

The Chair: — Thanks so much. These recommendations have already been considered by this table as well and have been concurred in. We see implementation by Prairie Valley, and we thank them for those efforts. Any comments, Deputy Minister, on this front?

Ms. Johnson: — No, I just also offer my thanks to Prairie Valley School Division. And the director of education there is Luc Lerminiaux, so I would thank him and his team for their excellent work in addressing all eight of those recommendations.

The Chair: — Certainly appropriate recognition to Director Lerminiaux and the team. Any other . . . Deputy, or MLA Ms. Young, Regina University.

Ms. A. Young: — Thank you. I'm not sure if you're promoting or demoting me with that. But just one question. Contextualizing this obviously coming from 2018 and now obviously in the situation of COVID-19, this report notes I think at the time there were 180 home-based learners in Prairie Valley. And I'm just taking this as an opportunity to inquire about any trends that the sector may be seeing in regards to home-based learning.

Earlier I believe the representatives from Saskatoon Public indicated that they were actually seeing increased in-class enrolments, which I would certainly find positive at that kindergarten level, but as we look at home-based learning across K to 12 [kindergarten to grade 12], I'm curious if we're seeing any trends.

Ms. Johnson: — Yeah, thank you for that question. I'm going to invite Gerry Craswell, one of our ADMs [assistant deputy minister], back to the table here, and he can expand on the beginning of my response here.

What we are seeing in terms of online learning is that obviously there's been a significant reaction based on the pandemic. And in I guess it was March of 2020, all of the students went home as a result of the declaration of the pandemic. If we think of that 2019-2020 year as a bit of a baseline, shall we say, for online learning — and again I don't have perfect recollection of the numbers and Gerry will attempt to look them up for us here — our online learners in 2019-2020 would have covered more than half of the school divisions and probably in the neighbourhood of, you know, 3,000 or so online learners across the province.

With the next school year of 2020-21, the online learners that were registered had gone up substantially. So we did have probably a doubling or more of our registered online learners, and at that stage they were registered with most of our school divisions. Not all of the school divisions, but most of the school divisions did operate online learning. In the current school year there has been a decline in the number of online learners. It has not gone down as low as it was in the 2019-2020 school year, but it is substantially declined from the second school year in this pandemic.

Mr. Craswell: — I'd first make a distinction between online learning and home-based education. So home-based education is that education where the parents are responsible for the education of the student, whereas online learning, the teachers and the schools are responsible for and direct the learning of the child.

So in terms of home-based education, as of September 30th, 2021, there were 4,539 home-based students in the province, which was a decrease of 123 from the previous year. So the previous year we did see a significant increase in home-based education and obviously a large number of those have continued to provide home-based education with, like I said, a small decrease — 123 fewer this current year than there was last year.

Ms. A. Young: — Thank you. And thank you for that distinction. I was going to have many follow-up questions about the financial part if online learning and home-based learning were now combined. But that is not the case.

Mr. Craswell: — Correct.

Ms. A. Young: — Okay, thank you.

The Chair: — Okay, thanks so much. And of course these are outstanding recommendations so I would just . . . And thank you to all that are involved in the important work. But I would welcome a motion to conclude consideration of chapter 21. Moved by Mr. Goudy. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Moving along. And just a note to folks, I know we have other items on our agenda, some that are specific to the Ministry of Education. I think we've realized that we're going to run out of time for those ones. We will work to book those in at a time that works into the future. We have some upcoming dates.

This is a message to folks, everyone, because I know everyone's thinking about when they're going to eat and everything else. The committee's will is that if folks are willing to stick around to about 12:15, if we could conclude the chapters that relate to the school divisions. Are folks generally cool with that? And yeah, the other ones don't . . . they're not new recommendations and whatnot either.

Okay. So then saying that, I'll shift it over to the Provincial Auditor's office and they'll turn our attention to chapter 22.

Mr. St. John: — Thank you. Chapter 22 of our 2020 report volume 1 reports the results of our second follow-up of recommendations made on Regina school division's processes for promoting positive student behaviour. We made five recommendations in our 2016 audit. There were three outstanding recommendations for follow-up.

By March 2020 the school division implemented the remaining three outstanding recommendations. During the 2018-19 school year the division collected, analyzed, and reported detailed information on attendance. It also collected and reported data on behaviour incidents and student suspensions to the board. Analyzing attendance and student behaviour enables the division to determine if its initiatives are making a positive difference.

The division maintains ... documented key decisions, discussions, and steps taken to support student attendance in accordance with the division's guidance. Keeping documentation of actions taken to address attendance issues helps provide a consistent course of action and helps it monitor steps taken to promote regular student attendance. By September 2019 the division conducted an annual review of its administrative procedures. Periodically reviewing administrative procedures helps ensure their continued relevance and applicability. I'll pause now for the committee's consideration.

The Chair: — Thank you very much for that presentation. I'll turn it over. Of course we have the update here from the Regina Public School Division that they've implemented this recommendation. Thanks to them for their work on this front. Any comments from the deputy minister?

Ms. Johnson: — Again I would just thank the director of education, Greg Enion, at Regina Public Schools and his team for their diligence in attending to the auditor's recommendations. We appreciate the work that the auditor has done here and very much appreciate the work of all of the staff at Regina Public School Division for attending to these recommendations.

The Chair: — I'd echo that with thanks to Director Enion and their team. I don't say that just because I'm on leave from Regina Public Schools still, but thanks for all the work on this front. Any questions from committee members? All right. I'd welcome a motion to conclude consideration of chapter 22. I see Mr. Nerlien. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Okay, that's carried. I'll shift it back over to the Provincial Auditor's office and they'll turn our attention to chapter 35.

Mr. St. John: — Thank you. Chapter 35 of our 2020 report volume 2 reports the results of our second follow-up of the Regina Roman Catholic Separate School Division No. 81's processes to provide English as an additional language, or EAL, programming.

We made four recommendations in our 2016 audit. Two recommendations were outstanding for follow-up. We found that by June 30, 2020 the division implemented one recommendation and made progress on the other outstanding recommendation. We found the division gives its board of education a report each year on the kindergarten to grade 8 EAL program. It plans to incorporate the results of its analysis into future annual reports.

Periodic reporting to the board helps the board evaluate the delivery of the EAL program and identify whether program changes are needed. We also found the division developed a process to periodically analyze the results of its EAL program but did not complete its analysis because of discrepancies in student data collected. For example, data entry by schools was not consistent and accurate.

The division recognized meaningful analysis needs consistent and comparable data and plans to take steps to confirm the accuracy and consistency of the data. Periodic analysis helps the division assess the success of its EAL program, for example, the percentage of students progressing, struggling, or achieving desired English proficiency level, and makes sure students receive the support they need to improve English language skills. I'll pause now for the committee's consideration.

[12:00]

The Chair: — Thank you for the presentation. Thank you to Regina Catholic schools for the substantial information they've supplied us here on the status update. And I'll turn it over to the deputy minister if she has any comments.

Ms. Johnson: — Again I would like to acknowledge that there is a growing need for English as an additional language programming, as well as the importance of English language proficiency for immigrants, refugees, and their families to ensure they not only attain Saskatchewan educational goals but are also able to contribute positively to Saskatchewan.

We're pleased that the auditor found in their follow-up audit that Regina Catholic School Division had implemented one recommendation and partially implemented the other outstanding recommendation. And, as the Chair has noted, the status report provides a substantial piece of information respecting the steps that they have taken to address the final recommendation. As you note from our attendance here in the room, we do not have a member from Regina Catholic School Division with us. Director Sean Chase is the director of Regina Catholic. We do have Stacey Gherasim, and I apologize, Stacey, if I pronounced your last name incorrectly. But Stacey is available to us if there are any questions for Regina Catholic School Division.

The Chair: — Thank you very much. And big thanks, of course, to Director Chase and the team over there at Regina Catholic. Any questions from committee members? Not seeing any. Yeah, thanks for the work on this front. Thanks for the detailed work, and you know, continued best wishes towards full implementation of that outstanding recommendation. I'd welcome a motion to conclude consideration of chapter 35. Mr. Skoropad. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along to chapter 34. And I'll turn it over to the Provincial Auditor's office.

Mr. St. John: — Thank you. Chapter 34 of our 2020 report volume 2 reports the results of our second follow-up of recommendations on Living Sky School Division's processes to engage grades 7 to 12 students. We made four recommendations in our 2017 audit. There were two outstanding recommendations, and by June 2020 the school division implemented both of those outstanding recommendations. By June 2020 the division and its schools established targets related to the OurSchool survey and its schools analyzed the year-over-year survey results. Having targets increases the ability of the division to assess the impact of its initiatives to engage students in learning. Analysis of survey results at a school level helps schools focus their resources on initiatives that engage students and reduce the potential for initiative overload. I'll pause now for the committee's consideration.

The Chair: — Thank you for the presentation. Of course these recommendations we've already considered at this table and supported them, concurred with them, and we see implementation by Living Sky. I want to say thanks to them for all of their work on this front. Deputy Minister Johnson, do you have any comments?

Ms. Johnson: — Again just my thanks to Living Sky School Division. Brenda Vickers is the director of education at Living Sky School Division, and she and her team have done a tremendous job in implementing these recommendations. I think we all recognize that having engaged students increases their success rate and positively impacts their future academic and employment opportunities, so recognize again the importance of the work that the school division is doing in engaging students.

The Chair: — Thank you very much. Thanks to Director Vickers and team. Questions from committee members? Not seeing any, I would welcome a motion to conclude considerations of chapter 34. I see that from Mr. Friesen. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Okay folks, thank you very much. Just as a bit of a housekeeping note here before we adjourn for lunch, thank you so much to all the school divisions. Thank you to Deputy Minister Johnson and all of the leadership of the Ministry of Education, all those connected to the work here today, and for their time.

As far as our agenda, we didn't get through all of the considerations that we had on the agenda. That's fine. These were important considerations here today. So we'll just simply work to follow up with you as a ministry to book those other chapters into some of our dates that are coming forward in the months to come.

So again thanks so much for your time and for all of your work, and we'll adjourn for lunch. We'll reconvene at 1 o'clock with the Ministry of Health.

[The committee recessed from 12:05 to 13:01.]

The Chair: — Okay, folks. We'll reconvene the Standing Committee on Public Accounts this afternoon. We'll welcome back the officials from the Ministry of Health. Of course they took time with us yesterday as well. Thank you so very much again for your presence here today. I know that ADM, Associate Deputy Minister Macza, will sort of direct the traffic and lead the way here today. But thank you to all the officials that are with us here today.

At this point I'll turn it over to the Provincial Auditor's . . . I guess maybe before that, Associate Deputy Minister Macza, if you could introduce the officials that are here with you today and then we'll shift it over to the auditor.

Health

Ms. Macza: — Thank you. So good afternoon. On behalf of the Ministry of Health, thank you again for the opportunity to discuss the 2018, '19, 2020, and 2021 Provincial Auditor's report.

Several ministry and health-partner staff are here with me today to answer any follow-up questions from the report. With me again is Billie-Jo Morrissette, assistant deputy minister for Health; and Mark Wyatt, assistant deputy minister for Health. And also with me is Kevin Wilson. He's the vice-president of population health, quality and research at the Cancer Agency. And I have Davin Church. He's the vice-president of programs and technology at eHealth Saskatchewan. So thank you.

The Chair: — Great. Thank you very much. Thanks to everyone that's with us here today.

I'd also table at this time PAC 44-29, Ministry of Health: Status update, dated January 12, 2022. And I'd thank everybody that was involved in the work, of course, reflected in that document. But for that document, it really helps members here to focus their questions and to get an understanding of where there might be some gaps and certainly to identify the progress.

I'll turn it over at this point to our Provincial Auditor's office to focus on the first two chapters here today with respect to Saskatchewan's Impaired Driver Treatment Centre. And I think chapter 9 and 38 will be sort of treated together here, and then we'll flip it back towards you as the ministry.

Saskatchewan Impaired Driver Treatment Centre

Ms. Clemett: — So thank you very much, Mr. Chair, Deputy Chair, members, and officials. With me today is Ms. Kim Lowe, and she worked on the audit that was done at the Saskatchewan Impaired Driver Treatment Centre, and so she is going to do the presentation. Behind her is also Ms. Rosemarie Volk, and she is going to be doing the presentation with regards to eHealth Saskatchewan.

So chapter 9 with regards to the driver treatment centre has 10 new recommendations for the committee's consideration. We have since followed up on these recommendations, so we will provide a status update as at August 2020 in a combined presentation. And before we do make the presentation, I do just want to say on record that I'd like to thank the officials that work at the Saskatchewan Impaired Driver Treatment Centre for the co-operation that was extended to us during the course of our audit work. With that I'll turn it over to Kim.

Ms. Lowe: — Thank you. The two chapters before us include the results of our audit of the processes that the Saskatchewan Impaired Driver Treatment Centre use to deliver its impaired driver treatment program to reduce recidivism or driving impaired again. You can find the original audit in chapter 9 in our 2018 report volume 1 on pages 127 to 141 and our first follow-up in chapter 38 of our 2020 report volume 2 on pages 273 to 281.

The centre provides a residential treatment alternative to incarceration for adults convicted of a second or subsequent impaired driving offence. The centre runs a three-week treatment program and can accommodate up to 28 coed clients. In chapter 9 of our 2018 report volume 1, we reported that the centre had, other than the areas noted in our 10 recommendations, effective processes to deliver the treatment program to reduce recidivism. By August 2020 the centre had implemented 9 of the 10 recommendations we originally made. I will now focus my

presentation on those 10 recommendations.

Our first recommendation: we recommended the Saskatchewan Impaired Driver Treatment Centre regularly review its program objective. Not reviewing program objectives every 5 to 10 years increases the risk of them not aligning with current good practice. In April 2020 the board of directors developed and approved three new program objectives for the centre and plans to review them again in April 2022.

Our second recommendation: we recommended the Saskatchewan Impaired Driver Treatment Centre set measureable expectations to use in evaluating and reporting on the success of its treatment program to reduce impaired driving. Having clear and well-defined measures would enable tracking and monitoring of progress towards achieving program objectives. This was the only recommendation partially implemented at the time of our first follow-up. The centre developed measures for two of its three new objectives and planned to develop the remaining measure and targets in October 2020. The centre did not have a measure for working with partner agencies to maintain health services and positive public relations.

Our third recommendation: we recommended the Saskatchewan Impaired Driver Treatment Centre regularly refresh its treatment program to incorporate relevant good practices to help reduce clients from driving impaired again. At the time of the audit, certain videos and exercises used by the centre were not considered good practice. Also the centre uniformly applied the same treatment program to all clients. By March of 2020 the centre had updated the treatment program and was now annually reviewing and updating its program. The centre began using individual treatment plans for each client and the centre updated the content of sessions delivered as part of its program by removing outdated and no-longer-relevant videos and exercises. Providing relevant good practices in its program decreases the risk of the program not doing enough to effectively support clients in permanently changing behaviour.

Our fourth recommendation: we recommended the Saskatchewan Impaired Driver Treatment Centre work with the Ministry of Justice to develop guidance for who to take into the program and information needed to inform treatment. By March 2020 the centre developed a client admittance policy as a guide to who may be admitted into the treatment program. The centre admits clients based on priority. First priority are court-ordered clients, second are client referrals from correctional centres with impaired driving-related charges, and third are client referrals from correctional centres with substance-related charges. Client referrals are admitted on a first-come, first-served basis. All 30 clients tested met the criteria set out in the admittance policy, and placement reports included information needed to inform treatment.

Our fifth recommendation: we recommended the Saskatchewan Impaired Driver Treatment Centre assign the same identification numbers to repeat clients. Upon admission, the centre assigns a unique identification number to each client. Starting April 2018 it assigns returning clients a new identification number each time they return and includes previous identification numbers and previous treatment information in the new file. Clients' previous identification numbers were included in each of the 16 repeat client files we tested, making it easy to review prior treatment

information.

Our sixth recommendation: we recommended the Saskatchewan Impaired Driver Treatment Centre consistently complete client assessment information to support treatment. At the time of the original audit, client assessment information was not consistently complete. The centre implemented a checklist to guide and document a client's assessment in April 2018. The checklist documents the client's treatment plan, the objectives of the client, and other assessment information required.

Our seventh recommendation: we recommended the Saskatchewan Impaired Driver Treatment Centre require its staff to document the results of one-on-one counselling sessions with clients. At March 2020, the centre consistently documents the date and time and makes notes of discussions in the one-on-one counselling sessions with clients. One-on-one sessions assess the client's progress and unique needs, help develop their treatment plan, provide the client with information on post-program support, and help prepare relapse prevention plans.

Our eighth recommendation: we recommend the Saskatchewan Impaired Driver Treatment Centre customize its treatment program to focus on the specific, unique needs of individual clients or groups of clients in the program. At March 2020 the centre has implemented two unique groups to help its clients. It increased its elder program and added a specific female group. Also in each of the 30 files we tested, the file checklist documented each client's specific treatment plan, focus, and objectives.

Our ninth recommendation: we recommended the Saskatchewan Impaired Driver Treatment Centre have clients consistently complete relapse prevention plans before leaving the centre. Relapse prevention plans are key documents clients take with them to help them reduce the risk of driving impaired again. At March 2020 the centre's clients consistently completed relapse prevention plans. For each of the 30 files we tested, the file contained the client's completed relapse prevention plan, and the final report noted the counsellor's review of the relapse prevention plan with the client.

Our 10th recommendation: we recommended the Saskatchewan Impaired Driver Treatment Centre actively connect clients with specific support upon completion of the treatment program. Since April 2018 counsellors discuss with clients, prior to them leaving the treatment program, supports the client thinks may be a benefit after released from the program. The counsellors document the community supports the client plans to access upon completion of the program in the final report. From the 30 files we tested, documentation of post-treatment support information provided to the client and client intentions was included.

Overall since 2018, the centre really improved its processes for delivering the impaired driver treatment program.

And this concludes my presentation.

The Chair: — Thank you very much for the presentation and the focus of this work, and thanks again for all the work on this front to those in Health and those, you know, involved in the work of this centre. I'll turn it over to ADM Macza to provide a brief response, and then we'll open it up for questions.

Ms. Macza: — Okay, thank you. With regard to recommendation 1 regarding the regular review of its program objectives, we would note the Provincial Auditor has noted that this recommendation has been implemented. With regard to recommendation 2, the centre considers this recommendation as implemented, as the measures and targets for all of the objectives have been established and are in use and shared with the board, the Ministry of Justice and Attorney General, on a quarterly basis. And with regard to the remaining recommendations, recommendations 3 through 10, the Provincial Auditor has also noted that these recommendations are implemented.

And that concludes my comments.

The Chair: — Thanks very much. I'll open it up at this point for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. Some introductory questions to begin. What's the current wait time for admission to this program? I note in 2016-17 it was five to eight months. Does that remain consistent?

Ms. Morrissette: — Thanks for the question. Yes. I don't have exactly the wait times, but we do have a wait-list at the centre of 72, and that was as of mid-January. And so as noted, it has a 28-bed capacity and the next cohort would be in March. So it will take some time I think to, you know, at least a couple of cohorts to catch back up. Some of that is a result of some of the service interruptions due to the COVID situation. And so that is the wait time information that I have.

Ms. A. Young: — So in regards to those service interruptions, I note in '16-17 I believe there were 470 clients seen by the Saskatchewan impaired driver treatment program. And in the most recent update from the auditor, I believe it's 430 who were seen. Can you speak to the decline in clients seen with the outstanding wait time? Can the committee assume it's correlated to the pandemic?

[13:15]

Ms. Morrissette: — The information that you would have had when we were seeing . . . you know, traditionally the number of admissions in a year ranged between 430 and 500. And so we weren't seeing a big reduction in the years prior to COVID. But during COVID years we've seen a more significant reduction. So the latest information in 2021, we've seen just around 200 in admissions as opposed to that kind of between 4 and 500. And so what I think you're seeing is, the wait-list of 72 really was a result of some of those COVID interruptions. And of course that's just due to physical distancing and other kinds of safety measures that they've had at the centre.

And so certainly, like many of our other community-based services, we have a real strong priority in getting back to operating these services more fully. And the centre has been, since July, back up to full operations. So we have lots of measures in place to maintain safety but now allow them to operate at full capacity.

Ms. A. Young: — So as a consequence, my next question was going to be, if the current structure remains the same as it was in '16-17 in regards to staff, spaces, funding, we can assume it's

remained the same even though there was that year where it was running essentially at half capacity.

Ms. Morrissette: — Correct. The capacity of the centre has been pretty consistent at the 28 beds for some time. And so the discrepancy in a year where your bases would just depend on different kinds of admissions issues, you know, maybe you would have someone booked but they couldn't make it, or maybe there was less of a demand in certain times. But I think, you know, it's fair to say that it is a high-demand service and it's a service that is really well received and pretty unique across Canada and has proven to be very beneficial to our patients, and so something that we're happy to continue.

Ms. A. Young: — Yes, that was noted in the chapters and I think should be an object of pride for all of us. In regards to meeting that demand, would this program currently be sufficient?

Ms. Morrissette: — I think that's something that we'll want to assess as part of our broader, you know, assessment around community-based services and any backlogs that we'll need to address going forward. So I think we're happy to see it running back at full capacity and we will monitor that wait-list fairly closely. And from a practical perspective, when there's a wait-list, what happens is the . . . You know, it's really a 30-day treatment. And so it's essentially that the individuals can't carry out their, you know, treatment or sentence, if you will, for a better term, until the space becomes available. Having said that, you know, if there are health needs of the individual in the meantime, certainly the system is working to meet those.

Ms. A. Young: — I note there were three new objectives developed and approved as a consequence of, I believe, recommendation 1. And I'm curious, it notes that the board of directors next plans to review these three objectives in April 2022. Is this now part of what we can expect will be a regular review of policies and objectives?

Ms. Morrissette: — Yeah, I think it's fair to say that. And the board in my understanding has prioritized that, and they have moved to set some targets around those objectives, so we're happy to see that work is under way. And I think just as we have some more experience with those targets, we'll continue to monitor whether or not they are the right ones under the various objectives.

Ms. A. Young: — I understand that one of the targets now being reported on is client recidivism rates, which I understand have been regularly reported to the board as of October 2020. And I'm hoping you can provide an update to us on what those rates are.

Ms. Morrissette: — Yes, they're sitting at around, just under 5 per cent, and so their target for the centre is 5 per cent. And so they are, you know, meeting that target. I think there is some work under way at the centre to understand, you know, is that the right target? It's a little tricky given the uniqueness of this program. But I do know that they are working to do a bit of research to just make sure that there are, you know, while it is unique in the realm of various kinds of treatment, there might be some benchmarks from the province or other places that they could use to kind of just check that.

Ms. A. Young: — Is there a date or a timeline being worked

towards for re-examining some of those internal targets?

Ms. Morrissette: — I know they had intended on having that done, but haven't been able to. So I would say that it just . . . I don't have a date with me today, but I do know that it is a priority for them to finish that research.

Ms. A. Young: — I'm wondering if you can offer any further comment on consequences or improvements seen by some of the shifts in service delivery to clients, whether it's through CBT [cognitive behavioural therapy] or, I believe, the implementation of the women's program or the elder program.

Ms. Morrissette: — Yeah, I think it's fair to say that adjusting a program to meet some of the specific needs has been really well received. With respect to some of the outcome data, I don't have that here with me today in terms of, you know, is that leading to better recidivism rates or those kinds of things. But certainly those are questions that we'd want to ask going forward once we have a bit more experience with some of those specialized programs.

And you know, research and best practice would tell you that certainly if you're able to implement those kinds of programming, that we would expect to see some of those outcomes improve, whether that be, you know, recidivism rates or even the client experience and how they move through that program.

Ms. A. Young: — Those are measures that are being kept internally then.

My last question on this file is, I believe my last question is whether you can provide some information on what collaboration, if there is collaboration, that takes place with SGI [Saskatchewan Government Insurance], who obviously would have shared objectives with this program. And I know it is included in some of the source materials, specifically figure 1 in chapter 9.

Ms. Morrissette: — You know, I can't comment first-hand on that, but certainly there would be a strong linkage between what . . . They'd have interest in having a program like this that helps us, you know, reduce what we're seeing there and reduces some of what they would be concerned with for sure. But the centre might have some more specific feedback in that regard that we can certainly table if they're able.

Ms. A. Young: — That would be wonderful. It came to mind given our conversation yesterday certainly in regard to STARS [Shock Trauma Air Rescue Service], and I know when I've spoken to officials at SGI in the past they've really highlighted those shared interests between the STARS service and SGI. I'm not asking a question by way of attempting to provide advice or policy guidance, but I am curious if there is any funding or collaboration that goes on between these two agencies.

Ms. Morrissette: — From a financial perspective, you know, the Ministry of Health is the most significant funder. There's a small amount of third-party funding, but I don't have quite on hand if SGI would be part of that.

Ms. A. Young: — Thank you, Mr. Chair. No further questions.

The Chair: — Thank you for the questions. Thanks for all the work and the responses. Other questions from committee members? Deputy Chair Young.

Ms. C. Young: — With regards to the admission of clients — and as I heard and understand is that most of them, the referrals are from the court system or the justice system in some way or corrections as well — is there a priority list based on these clients? Because if the courts have ordered a certain time frame for an individual, but you're saying that it may be a five- to eight-month waiting period, is there priority based on certain clients based on court referrals?

Ms. Morrissette: — Yes, the centre has developed a prioritization system — and I'm just trying to navigate it here — but certainly I think that prioritization system is based on some of that feedback from the justice system.

The Chair: — Further questions? Not seeing any, I'd welcome a motion to — we'll deal with all these recommendations together because they're sort of in the same status — recommendations 1 through 10, that we concur and note compliance. Do we have a mover? Deputy Chair Young moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And the second chapter of course was a follow-up, so with respect to chapter 38, I would welcome a motion to conclude considerations. Deputy Chair Young. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Okay. That's moved. I'll turn it back over to the Provincial Auditor's office at this point, and they'll turn our attention to the Saskatchewan Cancer Agency with chapter 21.

Saskatchewan Cancer Agency

Ms. Clemett: — Thank you, Mr. Chair, Deputy Chair, members, and officials. With me today is Ms. Kim Lowe who is going to do the presentation with regards to the Saskatchewan Cancer Agency. There are two chapters on the agenda relating to the Cancer Agency. We will pause after each presentation to allow for the committee's considerations and deliberations, and chapter 21 does have six new recommendations for the committee's consideration.

Before we do make our presentation, I do want to just thank the officials from the Saskatchewan Cancer Agency for the co-operation that they did extend to us during the course of our audit work. With that, I'll turn it over to Kim.

Ms. Lowe: — In Saskatchewan, colorectal cancer is the second-leading cause of cancer death. Also colorectal cancer cases in Saskatchewan are rising due to an aging population. Chapter 21 of our 2020 report volume 2, on pages 145 to 164 reports the results of our audit of the Saskatchewan Cancer Agency having effective processes to deliver its population-based screening program for colorectal cancer. It contains six new recommendations for the committee's consideration.

We concluded that for the 12-month period ended July 31st, 2020, the Saskatchewan Cancer Agency had effective processes to deliver its population-based screening program for colorectal cancer other than the areas highlighted in the six recommendations. I'm going to focus my presentation on each of those recommendations.

In our first recommendation on page 152, we recommend the Saskatchewan Cancer Agency analyze if its promotional strategies help increase participation in its screening program for colorectal cancer. We found the agency had not analyzed if its promotional strategies and participation in events intended to raise awareness helped increase participation in its colorectal cancer screening program. We found the agency formally assesses the value of its participation in promotional events. It requires agency coordinators who attend promotional events to complete a post-event evaluation form. For each of the four events we tested, staff completed a post-event evaluation form as expected. However we found the agency had not analyzed if its promotional strategies and participation in events raise awareness to help increase participation in its program.

Our analysis found the participation rate in the agency's colorectal cancer screening program has slowly decreased over the past six years to about 47 per cent. The program participation rates fall short of Canada's national benchmark of 60 per cent participation in colorectal cancer screening programs. Focusing promotional strategies on under-screened areas of the province to raise awareness and educate eligible target groups should lead to increased program participation rates. Higher program participation should lead to early detection and better health outcomes for individuals diagnosed with colorectal cancer.

Our second recommendation is on page 158. We recommend the Saskatchewan Cancer Agency work with the Saskatchewan Health Authority to reduce the time patients wait for colonoscopies with an aim to provide these services within the nationally accepted benchmark for colorectal cancer screening programs. The Saskatchewan Cancer Agency and the Saskatchewan Health Authority do not have consistent approaches for booking endoscopic services for patients with an identified risk of colorectal cancer. This results in patients not having colonoscopies booked 60 days after receiving an abnormal screening result 90 per cent of the time.

In our testing of 30 individuals with an abnormal FIT [fecal immunochemical test] result, 25 of 30 patients required a colonoscopy. For these 25 patients we found 11 of 25 colonoscopies were not booked within 60 days. Of these 11, four patients were part of the agency's screening program. In one case the agency did not book one colonoscopy because it could not reach the individual with the abnormal test result after numerous attempts. In three cases the agency booked the colonoscopy late due to the authority's pause on providing non-urgent medical procedures because of the COVID-19 pandemic. Once advised by the authority that it was resuming non-urgent medical procedures, we found the agency booked these appointments. Seven colonoscopies were not part of the agency's screening program, that is, the client's primary care provider was responsible for booking the appointment, and lateness ranged from 6 to over 119 days. One colonoscopy was not booked at time of our testing.

Without a consistent provincial approach for booking colonoscopies, patients who are not navigated through the agency's screening program often wait longer for colonoscopies. Delays in receiving colonoscopies can result in delays in a colorectal cancer diagnosis. Research shows 90 per cent of colorectal cancer can be prevented or successfully treated if caught early.

[13:30]

Our third recommendation is on page 160. We recommend the Saskatchewan Cancer Agency work with the Saskatchewan Health Authority to determine a time frame or benchmark for providing patients and health care providers with pathology results related to screening for colorectal cancer. The Saskatchewan Cancer Agency and the Saskatchewan Health Authority have not set a benchmark for providing pathology results from colonoscopies to patients and primary care providers within a target time frame. The agency does not routinely analyze how long its clients wait to receive pathology results. Good practice is to have a diagnosis within 14 days after a colonoscopy.

In our testing of 25 colonoscopies, 16 patients were diagnosed with cancer. We found 14 of these patients had a diagnosis within 14 days after colonoscopy. In the two instances where pathology results exceeded 14 days, pathology results were provided 25 and 37 days after colonoscopy. Having benchmarks for expected time frames to give pathology results from colonoscopies to patients and primary care providers would help the agency and authority assess wait times.

The fourth and fifth recommendations are on page 162. We recommend the Saskatchewan Cancer Agency periodically include analysis of key quality indicator results for its screening program for colorectal cancer in its reports to senior management and the board. We also recommend the Saskatchewan Cancer Agency report on results of key quality indicators timely for its screening program for colorectal cancer.

Saskatchewan Cancer Agency's reporting on key indicators does not contain analysis or explain where it has not met national benchmarks. In addition the agency provides senior management and the board with key program information later than good practice expects.

The agency tracks data on the six indicators it uses to regularly assess its colorectal cancer screening program. Good practice suggests reporting results on key indicators three to six months after the results period. The agency reports on two of its six key indicators — that is, participation rate and positivity rate — within time frames consistent with good practice. However it does not for the four other key indicators.

In addition we found concerns with the accuracy of data the agency uses to measure the participation rate. The method the agency uses is not consistent with the calculation method set by the Canadian Partnership Against Cancer. We also found the agency's quarterly reporting to senior management and the board does not include trends or analysis of trends. In addition it does not include reasons why the program has not achieved national benchmarks or management's actions or plans to improve program performance.

Periodically providing trends in results for performance indicators and written detailed analysis would help the agency understand its progress and identify opportunities for improvements. Providing timely performance information increases the ability of senior management and the board to identify potential improvements sooner.

The sixth and final recommendation is on page 163. We recommend the Saskatchewan Cancer Agency align quality indicators it regularly uses to report on the screening program for colorectal cancer with nationally accepted indicators. Saskatchewan Cancer Agency has not considered whether to update its six key indicators to make them all consistent with the revised set of national indicators.

Only four of the agency's six indicators are consistent with the 10 national indicators in place since October 2019. In October 2019 the agency completed a feasibility scan and concluded it has information available to report on 9 of the 10 revised national indicators, yet at July 2020 we found the agency was not regularly using the revised national quality indicators key to monitor effectiveness. Without having key performance indicators consistent with national good practice, the agency risks using outdated and inappropriate measures to keep its senior management and board informed about its colorectal cancer screening program throughout the year.

And that concludes my presentation.

The Chair: — Thank you very much, and thank you, certainly it's a real important chapter and presentation. I'll turn it over to Associate DM [deputy minister] Macza, and I note we also have a new official at the table: VP [vice-president] Wilson from the Saskatchewan Cancer Agency. I'm just told by Hansard that, since you're not one of the regulars at the table, when you go to speak, just to state your name each time for *Hansard*. Go ahead.

Ms. Macza: — Thank you. With regard to recommendation 1, this recommendation is seen as partially implemented. The Cancer Agency has hired an outreach manager with a portfolio focused on increasing participation in all programs, including screening for colorectal cancer. They are also working with the Athabasca Health Authority to increase participation in northern Saskatchewan.

This work is ongoing. This area has been targeted for collaborative work due to local stakeholder interest, and its current fit completion rate is the lowest in the province at nearly half the provincial average. Some of this work has paused due to COVID but is expected to resume in the spring.

With regard to recommendation 2, this is seen as partially implemented. The SCA [Saskatchewan Cancer Agency] has initiated work with partners here, including the SHA [Saskatchewan Health Authority], in order to reduce wait times for colonoscopies, and working on the necessary strategies and improvement work here. This work is expected to be ongoing for the next two years.

With regard to recommendation 3, this work is under way. They have taken preliminary steps to address this recommendation, and plans to engage with the SHA to address in the very near future.

With regard to recommendation 4, this work is planned. And the Cancer Agency expects to include analysis of key quality indicators in reports to senior management by June of 2022.

With regard to recommendation 5, this work is being planned. The Cancer Agency expects to report on key quality indicators by summer of 2022.

With regard to recommendation 6, this item is seen as partially implemented as the necessary reorganization is in progress. The Cancer Agency expects to align quality indicator reporting with nationally accepted standards by the summer of 2022.

And that concludes my comments.

The Chair: — Thank you very much. I'll open it up to members for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you. Thank you, Mr. Chair. We've seen 14 per cent of diagnosed cases in Saskatchewan in the year of the audit. Is that consistent or are we seeing a growth in this proportion?

Mr. Wilson: — Kevin Wilson, VP, population health, quality and research at Saskatchewan Cancer Agency. To clarify, the percentage you referenced was . . .

Ms. A. Young: — Fourteen per cent, I believe, in the 2020 audit year.

Mr. Wilson: — Is that in the follow-up? Typically with the program, when we send out the test kits to people, they're returned; our positivity rate is about 7 per cent. That would just indicate people that would potentially have issues. And the real intent of the program is to actually prevent people from actually getting to get cancer, right. So within that 7 per cent we get to a place where we have about two out of every 100 or thereabouts that would actually have cancer. So the 14 per cent, we would need just a little bit more . . .

Ms. A. Young: — I will dig as I ask my next question, as I made my notes in December when we first received notice. Yes, here we are. Fourteen per cent of new cancer cases in the province were colorectal cancer.

Mr. Wilson: — Oh, right. Well that would be . . . It is increasing slightly over time just because we're getting a larger group of people as the population ages. And this is certainly one of the top cancers as people grow older too.

Ms. A. Young: — Thank you. And as a follow-up to that, we've seen, at least captured in these reports, that the colorectal cancer screening program participation rate was declining over time. Does that remain the case? And are you able to provide an update for the 2021 year?

Mr. Wilson: — We do have an update available. I would say it is continuing to decrease. This last year is somewhat conflicted because of the COVID scenario, but we have seen a continuing slight decline over time. One piece that . . . We still retain being the top participation from a provincial perspective when we compare nationally, right? So we had participated in a national data collection that was actually over the summer into the fall

that looked at earlier participation. So we continue to be the top in Canada as far as participation, but we are certainly aware that overall our participation is decreasing and are looking to address that.

Ms. A. Young: — That is both good news and bad news I suppose in regards to that participation nationally and the trend. But picking up on the COVID piece, the report does note that the program was paused in I believe it was March of 2020. For the committee, are you able to speak to how long it was paused for, when it resumed, some of the direct impacts from that pause? And I guess I was unclear in the report if there was more than one pause or if it was just the singular pause.

Mr. Wilson: — The program was paused from March 17th, 2020 to May 12th, 2020. The approach with this program is a little bit different than some because really as we actually completely did a full stop and then at that time continued. We have a program that navigates people who have received a positive FIT to make sure that they get to colonoscopy, to the next step.

So whereas a lot of our staff were actually redeployed to assist in clinic and other areas during the initial part of the pandemic, we kept those folks in place to make sure that we kept tabs on people that were waiting to get to that next step. And we worked really closely with SHA. And we're fortunate in that relationship that they, when they were able to, prioritized a positive FIT test with colonoscopy.

So what we did for a restart was really to look at working with our medical advisor to triage patients, to try to get those where it most needed to, to get into colonoscopy as quickly as possible. And then as we started to reinstitute the program, we only mailed or provided kits out to areas where we knew there was capacity in the colonoscopy suites, etc., to follow up with that. So the restart was over a period of really more like a couple of months or something, but over time we were able to catch up to where we were.

Ms. A. Young: — Okay, excellent. That was going to be my next question. I did note in the report it appeared that there was a very thoughtful and strategic reinitiation of that program following the pauses as to not overwhelm laboratory capacity, and it is apparent in the report that it was done quite thoughtfully.

But just to ensure that I understand, I believe the provincial lab had tested all of the FIT kits that it received between August 2019 and March 2020 within five days of receipt. And so when the program was suspended in March, the screening work was also suspended?

Mr. Wilson: — They would've continued to process. We discontinued sending out tests so that we were able to continue to navigate or to alert people who needed to get into, you know, for the next step with the colonoscopy or whatever appropriate step was in place.

Ms. A. Young: — Okay. So the turnaround times would've remained the same for those kits which were essentially still out in the wild and came back in, but there were just not FIT kits that continued to be distributed following that pause.

Mr. Wilson: — Right. Yes.

Ms. A. Young: — Okay. In regards to that, do you have available the number of kits that were processed in 2019 versus in 2020 or 2021?

Mr. Wilson: — April 2019 to March 2020 we sent out completed FIT tests, so not ones that were sent but ones that were completed: 157,727. And then April 2019 to March 2021: 137,625.

[13:45]

Ms. A. Young: — There is a drop but not perhaps as precipitously as some could anticipate.

Mr. Wilson: — Right. Yeah, and we were fortunate because it's a home-based test.

Ms. A. Young: — Yeah. And so I guess as follow-up to that then, I believe in the report it noted from that same period of time, August 1, 2019 to March 31, 2020, there were I believe just over 3,100 patients, I think 3,137 patients who had an abnormal result from that completed kit. Do you have available the number between March 2020 and 2021? If it's not readily available, I'm very happy to receive it at a later time. It's no critical urgency for today.

Mr. Wilson: — You know, I don't have right at fingertip for that time period but certainly could get that for you.

The Chair: — Just a flag on that. Thank you so very much. Maybe just to be consistent with it, thanks for that undertaking. When you send that information, once you have it, if you're able to send it to the committee Clerk and they'll supply it to all committee members at that point. Thank you.

Ms. A. Young: — I guess one further question with specific numbers for you, sir. Do you know how many individuals would be waiting for an endoscopy for an abnormal FIT kit from March 2020 through to now?

Mr. Wilson: — How many would be waiting or . . .

Ms. A. Young: — For that follow-up procedure.

Mr. Wilson: — I don't have that here but we could determine that, I think, for that time period.

Ms. A. Young: — Okay. I suppose what I'm trying to suss out is if there's a backlog, essentially, of colorectal cancer diagnostics as a result of, you know, the pandemic and the obvious consequences.

Mr. Wilson: — We've been very fortunate that, you know, to work with SHA where FIT positives were prioritized, so that for the most part there weren't long delays. But there have been certainly various differences by location too. So we could definitely look into that and provide that as follow-up.

Ms. A. Young: — Okay. And when you say location, you mean like geographically dependent on where the individual would be in the province.

Mr. Wilson: — That's correct. Yeah.

Ms. A. Young: — Okay. And would that be as a result of capacity or a shortage of specialists?

Mr. Wilson: — It would be, you know, just as through the pandemic SHA would have shifted resources to various services, so at some point there might have been fewer endoscopy opportunities in different locations.

Ms. A. Young: — A few perhaps just technical questions to clarify, can you help me understand the difference that's meant between . . . in the report it speaks of navigated, dual-navigated, and non-navigated regions?

Mr. Wilson: — Sure. So the agency actually has nurses that are navigators so that when clients receive a FIT positive, they connect and obtain permission to help them navigate to a colonoscopy. That service is not available across the full province, so in some cases we are not involved in navigation. But in some cases we only navigate what we call programmatic, which would be FIT kits that we send to people and they complete. And then there are some what we call opportunistic FIT kits where, for example, your physician or primary health care provider could give it to you. And so in some areas we actually do both; in some we only do one.

Ms. A. Young: — Thank you. The more you know. A couple specific questions about the recommendations, perhaps starting with recommendation no. 3. I viewed the recommendation and my question is really on the update provided by the ministry. It reads:

> Under the actions taken to implement since the Provincial Auditor's report, advised SHA of audit report recommendation regarding pathology results time frame as SHA provides patients and health care providers pathology results.

So just to ensure I understand the action being explained here, the Saskatchewan Cancer Agency can only ask the SHA to implement this recommendation. The Cancer Agency can't fulfill it itself. It's dependent on SHA. Is that accurate?

Mr. Wilson: — That's accurate.

Ms. A. Young: — Okay, thank you. On recommendation no. 4 on page 162, it notes in the progress report that planning is under way and actions have been identified and initiated for senior management and board reporting. And by way of follow-up to some of the comments contained in the auditor's report, does this reporting now include trends and rationale as suggested by the auditor?

Mr. Wilson: — We're in the process of implementing that. For example in the summer we provided the last data requested by the Canadian Partnership Against Cancer for the national comparison, and for that we included 9 of the 10 indicators that are the national indicators that were referenced. There's only one we weren't able to provide because it was from a hospital data source, which we don't have ready access to. But we'd like to do so going forward.

So from an agency perspective, knowing how we want to be more strategic in our approach — especially around increasing participation and ensuring the quality of the program — what we're doing in our reporting to both senior leadership and to our board is that we're providing regular participation updates for all of the screening programs, but on a quarterly basis, doing a more significant deep dive to do some of that more in-depth analysis to compare, for example, with where we sit with others on a national basis; to look more closely at areas that are under-serviced within the province; and come up with a corrective action plan — what we would call — as to how we're going to try to implement that and make those changes, with the end goal of trying to increase participation for sure. So it's in progress but has not been actually delivered at that point.

Ms. A. Young: — And on recommendation 5, also on page 162, it's noted here and I believe in the next recommendation that there's a major reorganization of the early detection department in progress. And I'm wondering if you could expand perhaps on that for the committee.

Mr. Wilson: — Sure. So certainly given the recognition that participation has been declining, we realize that we need to focus more on our under-serviced populations. So we have chosen to bring together what was previously our prevention program with early detection.

So prevention is really focused on a population health approach. So for example, within the North, we have a northern bus which has been successful in making interactions or relationships with communities. So we want to build on that and use public health or population health approaches in a more meaningful way to establish better rapport in ways that are going to work with those communities.

So that requires us to have a different skill set of people, people that are more attuned with delivering those kinds of programs, establishing those, and then certainly following up. So that's where we're enhancing the skill set of folks that are involved in some of that, in addition to what we currently did as far as our promotion activities, to take a more population health targeted approach, particularly with our under-serviced populations.

Ms. A. Young: — And is that bringing on new people or enhanced professional development or development of some of the staff that you'd have or perhaps a combination?

Mr. Wilson: — It's all within our existing resources so that we're redistributing what we have just to, we think, to focus it more appropriately for our current needs.

Ms. A. Young: — Thank you. One final question, and just to circle back to diagnostics. And apologies if you mentioned this and I missed it in some of your comments, as I suspect you may have and I just didn't write it down. But in that August 2019 to March 31, 2020 time period that the auditor's report is looking at, it's noted on page 160 that there were 2,650 individuals who had colonoscopies. And of these, 95 per cent had pathology results provided within 14 days. For 2020-2021 what was the time frame for results?

Mr. Wilson: — I'd have to get back to you on that.

Ms. A. Young: — Thank you, Mr. Chair. No further questions.

The Chair: — Great. And thank you again for the undertaking to get some of the information back to us and through the Chair. That's appreciated. Other questions from committee members on this chapter? Mr. Goudy.

Mr. Goudy: — [Inaudible] . . . it means a lot to see that there's people who actually are looking after us. One of my closest friends is a local surgeon and the things that you do are very important. So again, thank you for all you're doing.

The Chair: — Thank you, Mr. Goudy. Well said. Mr. Nerlien.

Mr. Nerlien: — Yes, thank you, Mr. Chair. A quick question on . . . I think it's a technical question. I'm not sure if it applies in this chapter or one of the other chapters, but I was informed recently that the computer systems between the Cancer Agency and the SHA are not . . . they don't talk to each other. And so is there information that kind of gets lost in translation between a cancer assessment diagnosis and what might be going on with the local physician because there is a gap in information sharing because of systems?

Mr. Wilson: — The Cancer Agency system would have some connectivity to provincial or SHA-type systems that would be, for example, with the lab system for results. We're looking, or in process of upgrading the system or replacing it to . . . and one of the areas where we'd be looking to improve would be in that area of connectivity, for example, Right? There may be scenarios, but for a screening program we are definitely dependent on other systems like from eHealth, ministry-related type systems to populate, for example, the people who we send out letters to, etc.

Mr. Nerlien: — So if I was diagnosed with a colorectal cancer, for example, by the Cancer Agency, would that information automatically be entered into the SHA system?

Mr. Wilson: — Depending . . . For example the pathology is SHA. So SHA would be the source of that. That would be in the case of the screening programs, for example, or with our clinic. But there would be — I'm sure I can't give the exact answer for that not knowing all of the detail — but there probably are some scenarios where there is potential for miscommunication. But generally those things are fairly, are pretty good, I would say. So eHealth may have a better understanding of that.

Mr. Nerlien: — Perhaps that's an answer that we could get later in one of the other conversations. Thank you.

The Chair: — Any other questions from committee members? Not seeing any, just thanks again to the auditor for her focus. This is a real important focus.

Thank you to the Saskatchewan Cancer Agency for all their efforts on this front to address these recommendations in the report here today. And importantly, just your service to the people of our province. And it's such an invaluable service that you provide each and every year, but we've faced these last couple of years by way of resources and diversions of those resources and everyone responding to the pandemic. I just want to say thank you to you and through you to all your team and all those that are involved in this important work, so thank you.

[14:00]

And I guess we have one more chapter that we'll move to now. We'll move to chapter 37. And I'll flip it over to the Provincial Auditor's office for their presentation.

Oh sorry, we have the recommendations that we should deal with as well is probably a good idea. And I would look to my committee members here. With respect to recommendation no. 3, I would look for a motion that we concur with recommendation 3. I see Mr. Goudy. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. With respect to recommendations 1, 2, 4, 5, and 6, I would look for a motion, or welcome a motion, that concurs and notes progress. Deputy Chair Young moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Thank you. We'll flip it over now for chapter 37.

Ms. Lowe: — Chapter 37 of our 2020 report volume 2 on pages 269 to 272 reports the results of our second follow-up of the recommendations originally made in our 2016 audit on the agency's processes to deliver a systematic, population-based screening program for breast cancer.

Our first follow-up reported in our 2018 report found that the agency had implemented two of five recommendations made in our 2016 audit. By July 2020 the Saskatchewan Cancer Agency implemented two recommendations and made progress on the third outstanding recommendation. The Saskatchewan Cancer Agency consistently evaluated its promotional activities to determine if they promote awareness of the breast cancer screening program. In addition, the agency periodically tracked, analyzed, and reported on all but one key quality indicator designed to help measure the success of its breast cancer screening program.

The agency still needed to track, analyze, and report the interval cancer rate in a timely manner to senior management. Analysis of interval cancer rates is a key measure in the quality of the screening program, as it tells the number of invasive breast cancers found within a year or two after a normal screening result. Timely reporting will allow the agency to have relevant information for decision making.

And that concludes my presentation.

The Chair: — Thank you. Thank you for the presentation. Of course, this committee's already considered these recommendations, and we've concurred them in. So I'll flip it over to ADM Macza for response and then open it up for questions.

Ms. Macza: — Perfect, thank you. With regard to recommendation 1 and 2, we see these recommendations as implemented, and the Provincial Auditor has noted that. With regard to recommendation 3, this recommendation is seen as partially implemented. The Cancer Agency has expanded its reporting to the board and the public. However, more work needs to take place on broadening this reporting, and that is expected to

commence shortly. With that, I conclude my comments on this area.

The Chair: — Thank you very much. Thanks to the folks as well that put together the status updates. They're helpful with the detail that they provide us as committee members.

I'll open it up to committee members for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you. Just a few questions here, as the majority of these recommendations have been implemented. Specific to 3.3, it does note in the follow-up audit that there are plans to have a new IT system in by 2022. Do those plans remain on track?

Mr. Wilson: — You know, it's been delayed. We would still plan to have it implemented by 2022 to the best of our ability to do so. But it has been delayed.

Ms. A. Young: — Are you able to speak to the nature of those delays?

Mr. Wilson: — I would say there's a number of factors. Certainly just in the difficulty with resourcing generally over the last couple of years through pandemic and some changes and just, you know, having the right skills of people there on the team to move that forward. But we're working hard to do that, and I'm sure we'll expect to have it in place within 2022, maybe a little later than we had anticipated.

Ms. A. Young: — Thank you. Thank you for those comments. In regards to some of those impacts and challenges over the past couple of years, are you able to provide some comment for the committee on the impacts of pandemic slowdowns on the program? For example is there a reduction in mammograms, radiology?

Mr. Wilson: — So the program was closed for the same period of time as the colorectal was. Little bit different because it actually does involve inviting women to come in for mammography. So changes were made to ensure that everything . . . conditions were safe for both staff and for clients coming in. So that created a little bit . . . probably took a little bit of capacity away.

At the same time, the mammography bus that typically would be on route and does a fair number of . . . quite a significant portion in outlying areas for our program, was not initially put back out on the road until later in the year. So we definitely did fewer mammography on that and can provide you like a comparison, if that's of interest too. I think our report, for example, from April 2019 to March 2020, we had a total of 35,677 whereas April 2020 to March 2021 we're down to 20,356.

Ms. A. Young: — Would those numbers be just for the mobile bus or would that include the Regina centre, the Saskatoon centre, the satellite centres?

Mr. Wilson: — That would be for all of our sites including the mobile, yes.

Ms. A. Young: — In regards to the various centres that you have

that perform those functions, would there be one centre in — I mean if you have those numbers, I guess, available per centre, that would certainly answer this question — but would one centre or one location have seen a greater reduction than others?

Mr. Wilson: — So we have, you know, continually update sort of what we would refer to as invitations in the queue, so ones that we would want to have out in a timely way. We've, over the last number of months in particular, have been using the mobile bus to try to get caught up. So it was in Regina for a number of months to try to address the backlog there, and then it was in Saskatoon and in the North and P.A.

So we're currently, if you're interested, we're caught up in Lloydminster and North Battleford, and we have backlogs in the others, which vary from 400 or thereabouts in Swift Current to up to about 3,500 in Saskatoon, so variations within that. And we're, you know, certainly looking to try to address that as best we can. It's just a matter of how we increase capacity to do that.

Ms. A. Young: — Thank you. It is really interesting. That's one of the things I enjoy the most about this committee, is just the ability to learn about the scope of services and government in the province. I had no idea prior to reading these reports that there was a bus that went around and did this, so I thank you for that.

In regards to the various diagnostics that are available for breast cancer in the province, compared to March of 2020, what does that look like today?

Mr. Wilson: — As far as . . .

Ms. A. Young: — The wait-list. Pardon me.

Mr. Wilson: — Oh, on the wait-list? Okay, well the wait-list is . . . It is higher than it would have been, so I could provide that. We probably have, you know, close, maybe 8, 9,000 at this point, what would be invitations in the queue in the sense that those are just delayed. So it's a little bit different than some wait-lists but it is still how we would measure where we're at with that. But I can provide that, more detail, if it's of interest, by location.

Ms. A. Young: — Sure, that would be wonderful. And that's just specifically for the diagnostic portion?

Mr. Wilson: — For the mammography portion. Right.

Ms. A. Young: — Yes, okay. And in regards to kind of next steps in terms of like scheduled oncological treatments, therapies, and surgeries — did we see an increase in cancellations therein as well?

Mr. Wilson: — That I would have to get back to you on. I think we've, you know, we've been fortunate again that certainly cancer surgeries were priorized in the province, so better than certainly many other jurisdictions to my understanding. But to actually provide detail on that, I would have to get back to you.

Ms. A. Young: — Thank you. I guess my last question, kind of broadly, which is related to your last point directly, I would anticipate that we are not caught up to where we would have been in March 2020. Is there any indication of when we might be caught up to that point, basically to get back to where we were?

Mr. Wilson: — You know, we're working on that with our partners at SHA. SHA really provides most of the staff from a mammography perspective. So we're trying to address how we can, you know, obtain additional capacity to try to get to that, but we don't have a target date at this point.

Ms. A. Young: — Thank you, and I have one last question. Just for clarification on recommendation no. 3, it's noted in the update and in the comments that were provided that breast cancer cases are being finalized first. Can you help me understand what that means?

Mr. Wilson: — Sure. So the recommendation referred to the interval cancer rate, which is when a cancer occurs in between screenings. So our screening process is over a two-year period, as far as invitation to do that. So in order to confirm that there has been a cancer, it's registered, right. And that's the source of the data for this metric.

So our registry is . . . We're really proud of our registry. It's one of the oldest in North America and it's received the gold standard for, you know, the work that they do. But often . . . our work is very meticulous and sometimes quite behind in time, so what we've moved to, to try to be able to provide more metric that's more useful from an operational perspective is to use what we would call a preliminary diagnosis. So that may increase the time that it's available by a few months, which in turn will allow us to report on that metric in a more timely way.

Ms. A. Young: — Thank you, and thank you for your engagement with my questions. I appreciate it. No further questions, Mr. Chair.

The Chair: — Questions from any other committee members? Not seeing any, I'd look for a motion to conclude consideration of chapter 37. Deputy Chair Young moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Thank you. So I think that's it for the Saskatchewan Cancer Agency here today. Thank you so much for your presence and of course for your work and your leadership.

At this time I'll kick it back over to the Provincial Auditor and we'll shift gears a little bit and turn our attention to eHealth. And I think they've got the first two chapters on our agenda there will be grouped together, is my understanding.

eHealth Saskatchewan

Ms. Clemett: — Thank you, Mr. Chair, Deputy Chair, members, and officials. As indicated previously, with me is Ms. Rosemarie Volk and she's going to do the presentation in regards to eHealth Saskatchewan as she is the engagement lead on the annual integrated audit and worked on various performance audits before you on the agenda today.

So there are nine chapters with regards to eHealth Saskatchewan on the agenda and we are going to combine those into five presentations. So we will continue to present the chapters in the order that they do appear on the agenda. We will pause after every presentation to allow for the committee's deliberations.

You will find there are three chapters that have a total of 18 new recommendations for the committee's consideration. You will also find that there are some recommendations that we made during the course of our performance audits, like the portable computing devices performance audit, that we then ended up determining that those recommendations fit and applied to our annual integrated audit at eHealth Saskatchewan as well. And therefore those recommendations were followed up annually and therefore sometimes reported in the course and under that audit. So we will try to articulate when that happened as we do go through the presentation.

Before we make the presentation I do want to thank the officials from eHealth Saskatchewan and their co-operation that was extended to us during the course of our audit work. I'll now turn it over to Rosemarie.

Ms. Volk: — Good afternoon. Chapter 3 of our 2019 report volume 1, on pages 23 to 42, includes the results of specified auditing procedures over eHealth's policies and processes to mitigate vendor influence and related conflict of interest used during the period April 1st, 2017 to January 31st, 2019.

[14:15]

We decided to do this work because at times, as part of its vendor contracts, eHealth accepted vendor-paid training and development opportunities from vendors. In addition in April 2018, eHealth determined that two of its staff and one individual seconded to eHealth accepted from an eHealth vendor, flights, hotels, and tickets to events at no cost to the staff or to eHealth. Two of these individuals had decision-making responsibilities over eHealth's procurements of goods and services.

This chapter includes 10 new recommendations for the committee's consideration. In 2019-20 we followed up on four of these recommendations in the annual integrated audit and found them to be implemented. We followed up on the remaining six recommendations and found them to be implemented in 2020-21. This work was reported in our 2021 report volume 1, chapter 13 on pages 177 to 182.

Our first recommendation is found on page 28 of chapter 3. We recommend that eHealth Saskatchewan require all staff complete written conflict-of-interest declarations annually. In our original audit, we found that eHealth's conflict-of-interest guidelines for staff did not align with good practice in four areas. It had insufficient examples of real, perceived, or potential conflicts of interest that existed, and good practice finds the inclusion of varied examples helps staff identify conflicts. Declarations were only required when hired and on an ongoing basis as potential conflicts arise instead of annually like eHealth's boards of directors' conflict-of-interest guideline.

For six employees we tested with signed declarations in their personnel files, almost all employees signed the declaration upon hiring with one form being nearly 10 years old. Instructions tell staff to complete the form only if they identify a real, perceived, or potential conflict of interest whereas the policy suggests the form be completed regardless if a conflict is identified.

And finally documentation is not required as to how to mitigate declared conflict of interest and by whom. Without written

declarations on file, eHealth did not have any documented evidence substantiating that the employee had no conflicts of interest. We followed up this recommendation in our 2020 annual integrated audit and found that eHealth's board approved an updated code of conduct conflict-of-interest policy in June 2019. We also found that during 2019-20 all board members and staff completed a written conflict-of-interest declaration.

Our second recommendation can be found on page 32. We recommend that eHealth Saskatchewan update its policies over buying goods and services to provide explicit guidance on identifying and managing vendor conflict of interest, evaluating vendor proposals, negotiating contracts with selected vendors, and standard tendering times.

In 2019 we found that eHealth procurement policy did not align with good practice in a number of key areas. eHealth policies did not define what constitutes a vendor conflict of interest, what was considered acceptable or prohibited vendor conduct, and how to respond to identified vendor conflicts. It did not provide guidance on evaluating bid submissions of vendors, nor did it explain how or which positions should conduct the contract negotiations with the selected vendor through competitive bid or sole-source purchase, and finally, had not established the minimum times to allow a vendor to submit a tender.

Having a comprehensive policy . . . consistent and fair procurement. It aids staff in documenting procurement steps, which shows transparent and just process to make purchase decisions. We followed up this recommendation in 2020-21 and found that eHealth updated its policy appropriately, and it aligns with good practice as set out by SaskBuilds and the Ministry of Trade and Export Development.

Our third recommendation can be found on page 34. We recommend that eHealth Saskatchewan develop an improved policy outlining permitted vendor-sponsored travel. In the original audit, we found eHealth did not give staff sufficient written guidance on what it considered to be acceptable vendor-sponsored travel. eHealth staff's conflict-of-interest policy clearly did not permit accepting travel from vendors; however its pre-approval travel/training form expected other parties may help to pay for travel.

Not providing explicit guidance on where it is acceptable for other parties to pay for travel — such as when items are specifically identified in a contract or purchase order with a vendor — may cause confusion. We identified 37 instances between April 2017 to January 2019 where a pre-approved travel/training form indicated someone other than eHealth or a staff member would pay for the travel.

We found eHealth employees did not use or fill out this form consistently. We found eight employees' travel/training forms where eHealth vendors paid for travel or training costs, but the vendor agreements did not include provisions to pay for such costs. We also found the business reason for attending the IT conference outside of Canada was unclear in three employee travel/training forms.

In addition two employees on these trips were also involved in the procurement process of the two vendors who had been awarded the agreements. Good practice does not permit public

sector employees to accept gifts from vendors because of real and perceived risks associated with influencing employees to promote or select that vendor for future contracts. Good practice also sets out the rules and principles to guide employees and board members on how to conduct themselves when working with vendors. It provides them with specific guidance and examples.

We followed up this recommendation in our 2020-21 and found that eHealth implemented treasury board's vendor-sponsored travel policy in October of 2019.

Our fourth recommendation can be found on page 35. We recommend that eHealth Saskatchewan actively track employees with declared conflicts of interest, and actions taken to manage them. In 2019 we found that eHealth did not do enough to enforce consistent application of its code of conduct and conflict-of-interest policies.

With respect to its code of conduct, three staff refused to acknowledge in writing that they had read, understood, and complied with eHealth's code of conduct. eHealth did not have a mechanism for tracking employees who declared conflict of interest and how the declared conflicts were to be managed.

Not having a systematic approach for tracking declared conflicts of interest and not documenting actions taken to manage them increases the risk of failing to put policies into practice. In addition it increases the risk of ineffectively identifying and managing individual conflicts.

We followed up this recommendation in 2020-21 and found that since November of 2019, eHealth tracks employees' annual conflict-of-interest declarations.

Our fifth recommendation can be found on page 37. We recommend that eHealth Saskatchewan follow its policies that require all source procurement decisions have a completed and approved justification form. As of March 2019 eHealth had not put into practice any documentation requirements for sole-source purchases resulting from its September 2018 policy update.

Specifically the updates required staff complete a sole-source procurement justification form for purchases over $5,000. This form standardized the documentation for reasons for using the sole-sourcing method, how eHealth is attaining best value for purchases, and how approval of its use and vendors are selected. Without documented justification of sole-source purchases, eHealth is not facilitating fair and equitable treatment of vendors and may not have obtained the best value when making purchases.

We followed up this recommendation in the 2020 annual integrated audit and found that eHealth had one sole-source purchase. The purchase followed eHealth's procurement policy and had all required documentation on file. This recommendation is considered implemented.

Our sixth recommendation can be found on page 37. We recommend that eHealth Saskatchewan follow its policies that require all individuals involved in making vendor selection decisions complete a standardized conflict-of-interest form for each procurement. Without formally documenting declarations

of conflict by staff involved in vendor selection, eHealth cannot show that it has treated potential vendors equitably or fairly. Particularly in those situations where past breaches occurred, it increases the risk of staff not respecting the importance of complying with them.

We followed up on this recommendation in 2020-21 and found that since November of 2019, eHealth requires that all individuals involved in making vendor selection decisions complete a non-disclosure and confidentiality agreement form that acknowledges any actual or potential conflict of interest or perceived conflicts of interest for each purchase decision.

Our seventh recommendation can be found on page 38. We recommend that eHealth Saskatchewan provide each of its employees with ongoing training on its key policies such as its code of conduct and conflict-of-interest policies. We found eHealth needs to give staff more frequent training on key policies, like the code of conduct, conflict-of-interest policies, or sensitive policies such as our vendor-sponsored travel, in our original audit. eHealth did not provide ongoing or refresher training to employees, nor did they actively educate staff on changes to key policies. Training provides an opportunity to increase staff awareness of obligations and expectations policies place upon them. We followed up this recommendation in our 2020-21 and found since November of 2019, eHealth tracks training employees receive on code of conduct and conflict-of-interest policies.

Our eighth recommendation can be found on page 38. We recommend that eHealth Saskatchewan track value-added items expected and received through vendor contracts. In the original audit we found that eHealth did not track value-added clauses or have a method for monitoring whether it received value-added items included in contracts. Value-added items include staff training, travel, or other incentives related to the goods and services being procured. We found one contract that included covering attendance at a customer education conference. eHealth could not show us whether it received the stated service from the vendor.

Not tracking or monitoring the receipt of value-added items promised, eHealth may miss receiving benefits that it's paying for as part of the contract. We followed up on this recommendation in our annual integrated audit and found that eHealth had one contract with value-added items in 2019-20. We found that eHealth was tracking expected and received value-added items for this contract appropriately.

Our ninth recommendation can be found on page 39. We recommend that eHealth Saskatchewan properly approve purchases before it receives the related goods and services. We found staff were inconsistently following eHealth's policies and expected processes. eHealth's procurement policy expects the vendor to be selected and the contract awarded and signed prior to services being provided. We found 2 of 20 purchases made between January of 2017 and July of 2018 had support signed and dated after the vendor starting providing services. If vendors provide goods or services before finalizing a contract or purchase order, vendors may not fully understand their responsibilities and/or may not fully meet eHealth's needs. We followed up on this recommendation in the 2020 annual integrated audit and confirmed goods were received before the payment approval date

for the sample of payments.

Our final recommendation can be found on page 39. We recommend that eHealth Saskatchewan properly approve all vendor-sponsored travel and training in advance of the event. We identified staff who did not follow eHealth's travel policy when another party paid for travel expenses for eHealth staff. We identified 37 training or travel forms dated between April of 2017 and January of 2019 where the form indicated another party would pay for eHealth employee travel. We found 2 of the 37 forms we tested lacked appropriate approval as the training/travel policy required. In addition, 3 of the 37 forms we tested lacked dates or were dated after the travel took place.

Obtaining prior approvals for travel and training ensures that employees plan to attend business-related events at a reasonable cost. We followed up on this recommendation in 2020-21. Since October of 2019 eHealth had only one instance of vendor-sponsored training with travel. This instance complied with the policy as management granted approval for travel and training, and the training was paid for by the vendor, which aligned with the agreement.

This concludes my presentation.

The Chair: — Thank you for the presentation here today, and I'll turn it over to Associate DM Macza. And we've also had a new official join us; the VP from eHealth, Mr. Church, has joined us. Just as a point, when you go to speak if you can just introduce yourself at the microphone. I'll flip it your way and then we'll open it up for questions.

Ms. Macza: — My only comments on this area would be to confirm that all 10 recommendations have been implemented as noted by the Provincial Auditor.

The Chair: — Thank you very much. Questions from committee members? Ms. Young, Regina University.

Ms. A. Young: — Yes, surprise, questions from me. I suppose just to begin, many of the other updates that we've had here have had fairly substantive actions or processes noted. And while of course we see and we note compliance, there's a whole lot of changes that were made, and very important ones, and I commend you for that work. And I'm wondering if you could offer some further comment on the processes that were undertaken.

[14:30]

Mr. Church: — Davin Church, vice-president of eHealth Saskatchewan. So I guess, you know, in all of these areas our focus has been one to have all policies reviewed on an annual basis and approved by our board. And any anomalies against those policies are reported on regular occasions to our board. We have implemented annual code of conduct as well as conflict-of-interest training that is required on an annual basis by all staff. We do require all staff at point-of-hire to complete their conflict-of-interest declarations. We also require all staff to complete those on an annual basis. And should anything change between the annual re-declaration, that management is notified of any changes of conflict of interest as well. As well as all of our staff now require training prior to engaging any procurement

processes and also any procurements that we have also do also require that any value-added services be included in the original procurement and not after so that they can be included in the contract from the onset and known and tracked.

Beyond that we also have adopted a number of the exec government policies around procurement, vendor-sponsored travel, and those pieces, and have a much more engaged relationship with SaskBuilds and Procurement on any of our procurement processes. And so we do engage them for all of our procurements, seek advice, and implement their input in any of our competitive processes. As well as should we be considering any sole sources, we do consult with SaskBuilds and Procurement prior to making those decisions. So those would be some of the key aspects that we have . . . [inaudible].

Ms. A. Young: — Excellent, thank you. In regards to those sole-sourced purchases, are you able to expand on how many sole-sourced purchases were made in 2020 and 2021 respectively?

Mr. Church: — Yes, so on the sole sources in 2021? That's correct?

Ms. A. Young: — 2020 and 2021.

Mr. Church: — Yes, so in 2020 we had four sole sources, and in 2020-21 we had one sole source.

Ms. A. Young: — And I appreciate you've offered some comments already in regards to the changes that you've undertaken as an organization and that your board members have stewarded. But can you expand upon what the process looks like today in terms of purchasing limits, approval processes, etc.?

Mr. Church: — Yeah. So we do have a designation of financial authority policy which outlines financial authority and sign-off by role, or by role in the organization. We also do require that any purchases complete a purchase request form. That goes to our contracts and finance department to assess what sign-off is required, what procurement processes are required, and what other engagement from either SaskBuilds or any other areas within the organization are required. And so prior to any contract being signed, that form and that documentation is routed throughout the organization, through management, and most responsible executive prior to any final decisions being made.

Ms. A. Young: — And in regards to the small controversy of the vendor-sponsored trips in the past, in 2020 or 2021 were there any vendor-sponsored trips?

Ms. Macza: — Maybe I can answer that for you. There were three approvals related to vendor-sponsored expenses associated with those trips. Two were training events and covered through service agreement and one was through Stats Canada.

Ms. A. Young: — Thank you. I believe those were contained within the report as well. Can you speak to the training opportunities that were associated with those trips?

Mr. Church: — Sorry, Davin from eHealth. Yes, I can. So one trip was for a power user meeting for a software that we use within our health registries. And so that was in collaboration with all other provinces as well, so it was a national . . . Most

jurisdictions who use the same software had that training. And that was covered under the existing service agreement that was in place with that vendor.

There was one trip to Ottawa for an annual vital statistics general meeting, which two employees attended. One was paid for by eHealth and the other by Stats Canada.

And the third was vendor-paid training that occurred with a group of eHealth employees. The training was performed remotely, so there was no travel involved. However, we did still report it, as it was vendor-sponsored training. And that was for the radiology information system which we support on behalf of the SHA.

Ms. A. Young: — Thank you very much. On page 179 of chapter 13, the report indicates that the recommendation is for RFPs [request for proposal] to be posted for 25 days and then notice given on who received the contract. And this question may be for the audit team. It's noted that there was one instance in which this happened. Was there more than one example tested, and if so, how many?

Ms. Clemett: — No. So yeah, that's all that either would have been tested and perhaps happened. I don't have that in front of me, but for sure we only looked at one and were satisfied.

Ms. A. Young: — Great. Would it just be one that would have occurred?

Mr. Church: — So are you referring to . . . Which year, I guess? In the current year . . .

Ms. A. Young: — An important question. I believe based on the introductory notes in 3.1 it would be 2019.

Mr. Church: — So in 2019 we did 12 requests for proposals under which we would have met or exceeded the 25 days.

Ms. A. Young: — Thank you. And I believe I just have one final question. I do note on the same page 179 of chapter 13, I do note and have reviewed footnote 5, but it speaks to designated officer authority. Who currently holds, not necessarily individuals, but what positions would hold those roles, like what type of individuals?

Mr. Church: — Right. So we would have, either for anything procurement or financial related, it would be our chief financial officer, and anything related to the conflict-of-interest declaration and those would be our vice-president, HR [human resources] and performance.

Ms. A. Young: — Thank you, Mr. Chair. No further questions.

The Chair: — Thank you. Any further questions from any other members? Not seeing any here right now. Thanks to eHealth and to the Ministry of Health for the work in implementing these recommendations. These are important controls and important actions that you've taken on.

With respect to these recommendations, we've never considered them at this table here before. So with respect to recommendations 1 through 10 for chapter 3, I'd seek a motion that concurs and notes compliance for the entire group.

Mr. Skoropad moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. With respect to chapter 13 of eHealth, there's no new recommendations there. That's our follow-up. So I would simply look for a motion to conclude consideration.

Ms. C. Young: — So moved.

The Chair: — Deputy Chair Young moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Okay. That's carried as well. We'll move along then, and I'll turn it back to the Provincial Auditor's office, and I believe their focus will be chapter 6.

Ms. Volk: — Thank you once again. Chapter 6 of our 2020 report volume 1, on pages 47 to 63 reports the results of our audit on the processes eHealth Saskatchewan had to secure health information on portable computing devices from unauthorized access. At August 2019, eHealth had effective processes, other than in areas where we made recommendations, to secure health information on portable computing devices.

We decided to do this work because having proper controls over portable computing devices reduces the risk of security breaches, including having personal health information fall into the wrong hands. We made seven new recommendations in this audit for the committee's consideration. In 2020-21 we followed up on two of these recommendations in the annual integrated audit of eHealth and found them to be partially implemented.

We made our first recommendation on page 53. We recommend eHealth Saskatchewan work with the Saskatchewan Health Authority to implement an annual security awareness training program for users of the portable computing devices with access to the eHealth IT network. eHealth had not set minimum confidentiality and privacy training requirements for individuals accessing the eHealth IT network through use of portable computing devices.

We found eHealth staff are required to complete confidentiality and privacy training annually; however, the Saskatchewan Health Authority is aiming to have its staff complete training every three years. At December 31st, 2019, approximately 21,900 out of the authority's 40,000 employees completed the training. The importance of awareness training is higher for staff using portable devices because those devices can pose security risks beyond those of wired computers.

Our second recommendation is on page 56. We recommend eHealth Saskatchewan implement a written informed plan to protect laptops with access to the eHealth IT network from security threats and vulnerabilities. We found eHealth's plan to manage health sector laptops is not sufficiently robust. It does not contain sufficient detail on how to mitigate security threats and the vulnerabilities of laptops with access to the eHealth IT network. This network houses critical IT health systems and data essential to the provincial delivery of health services.

We found over 80 per cent of the laptops with access to the eHealth IT network are not encrypted. As of January 2020, eHealth did not have plans to encrypt all laptops with access to the eHealth IT network. Protecting laptops through encryption helps reduce the risk of compromising the event that the laptop is lost or stolen. In addition, encrypted laptops could protect eHealth from unauthorized individuals gaining access to locally stored passwords in the eHealth IT network.

We found over 80 per cent of the laptops with access to the eHealth IT network use an unsupported operating system as of January 2020. Laptops using operating systems that exceed their end-of-support dates are susceptible to compromise and failure. Without regular security patches and updates, these laptops are vulnerable to unauthorized access resulting from an increased risk of malware and ransomware attacks. In addition, not keeping laptops sufficiently secure can place IT systems on the eHealth IT network at risk.

eHealth did not have plans to limit the use of USBs [universal serial bus], CDs [compact disc], or DVD [digital versatile disc] burners in laptops used by the authority staff. Appropriately restricting users from transferring data via portable devices can control sensitive and confidential health information from leaving the care and control of eHealth.

We followed up on this recommendation in 2020-21 annual integrated audit and found eHealth had made improvements for controlling network access with a new password policy and two-factor authentication for remote users, and had updated its security threat risk assessment process. However, eHealth had not completed its threat and risk assessment or had begun scanning systems for vulnerabilities. In 2021 eHealth was developing strategies for exerting control over access and permissions. This recommendation is considered to be partially implemented at March 31st, 2021.

Our third recommendation is on page 59. We recommend eHealth Saskatchewan standardize the configuration settings for mobile devices with access to the eHealth IT network to mitigate associated security threats and vulnerabilities. eHealth does not have a plan to properly secure corporate or mobile devices such as smartphones or tablets with access to the eHealth IT network. Since December 2017 eHealth is responsible for about 5,000 mobile devices. As of August 2019 it had only directly managed about 125 mobile devices. Other health sector agencies like the Saskatchewan Health Authority owned and managed the rest. Corporate-owned mobile devices have access to email, contacts, and calendars only.

[14:45]

At least three sets of mobile-device provisioning processes and standard configuration settings were in place. We tested three sets of mobile-device provisioning processes and standard configuration settings. We found the following variations amongst the standard configuration settings. Not all jailbroken, rooted devices were blocked. Password settings did not align with good practice. There was unlimited unloading of applications was allowed and the auto-lock setting was too lengthy. Inconsistent configuration settings on mobile devices resulted in increased security risks. Without appropriate password settings or security settings, lost or stolen mobile

devices are an important potential point of access for malicious software into the eHealth IT network.

On page 59 we made our fourth recommendation. We recommended eHealth Saskatchewan analyze the cost benefits of using a central mobile-device management system to secure and monitor mobile devices with access to the eHealth IT network. We note that organizations can efficiently enforce consistent configuration of mobile devices through the use of a central mobile-device management system. Such a system provides corporate data segregation; email security; enforcement of configuration settings such as password settings, device tracking, and device usage. Additionally it can be used to lock and wipe the hard drive of a device.

Our fifth recommendation is noted on page 60. We recommend that eHealth Saskatchewan take appropriate action to minimize the risk of security breaches when a portable computing device is reported lost or stolen. Although adequate processes exist to appropriately minimize security risks associated with lost or stolen laptops and mobile devices, they are not always followed. Our review of three sets of incident management policies found that they allowed for quick and effective response to incidences including those of wearing portable devices with access to the eHealth IT network. We found in 3 of 14 such incidents, IT staff did not take action consistent with the IT incident management policies, that is, the laptop's access to the eHealth IT network was not removed or a lost mobile device was not wiped. This increases the risk of unauthorized access to the eHealth network and private and confidential health information.

Our sixth recommendation is on page 61. We recommend that eHealth Saskatchewan implement a risk-based plan for controlling network access to mitigate the impact of security breaches. We found eHealth does not sufficiently control access to the eHealth IT network, nor has it evaluated the effectiveness of its network access controls. Our testing of security configuration of two of three laptops was able to bypass laptop security and gain access to the eHealth IT network. The connection of portable devices to corporate networks creates attack paths for security threats. The more portable devices that connect, the greater the risk of the corporate network being breached. Establishing IT network access controls restricts the access of users to only what they need, making it harder for attackers to escalate privileges and take aim at vital assets in the event a portable device is compromised.

Our final recommendation is on page 62. We recommend that eHealth Saskatchewan utilize key network security logs and scan to effectively monitor the eHealth IT network and detect malicious activity. We found eHealth is not effectively monitoring network security logs to detect and prevent malicious activity on the eHealth IT network. At August 2019, eHealth was not using network security equipment to log security alerts, errors, and warning messages to detect malicious activity on the network, such as reports related to vulnerability scans, network usage, potential security violations like invalid login attempts, or unauthorized attempts to modify sensitive servers or files.

We followed up this recommendation in the 2020-21 annual integrated audit. In April 2020, we found eHealth had installed a new network monitoring tool that generates alerts about potential malicious activity. eHealth told us that it plans to start a security

operations centre to allow for 24-7 real-time security monitoring of its IT network. We consider this recommendation to be partially implemented at March 31st, 2021.

This concludes my presentation.

The Chair: — Thank you very much for the presentation and for the focus of the audit. I'll flip it over to ADM Macza for a response and open it up for questions.

Ms. Macza: — Thank you. With regard to recommendation 1, as noted, this recommendation is seen as partially implemented. eHealth introduced security awareness training for all employees in 2020. They also consulted with their health-partner organizations to introduce the same security awareness training. The SHA is fully engaged and has committed to participation, and all partners are at different stages of deployment in this training.

With regard to recommendation 2, this one is also noted as partially implemented. Network access is an integral element of eHealth's overall risk-based security plan. As part of that plan, eHealth has developed policies and is deploying tools to improve network access controls. This plan and related policies are reviewed with the health system-wide security committee and includes actions on items such as privileged-user access management and multi-factor authentication, along with other measures. Standardized end-user computing-device settings throughout the environment is part of ongoing upgrade to a Windows 10 project.

With regard to recommendation 3 as noted, this is seen as partially implemented. eHealth is utilizing a mobile-device management software system to standardize and manage mobile devices and a plan is in place to implement more advanced software with a higher degree of standardization and control in '22-23.

With regard to recommendation 4, eHealth has not yet completed a cost-benefit analysis here but has plans to do so in '22-23. They are utilizing a mobile-device management software system to standardize and manage devices with plans to strengthen this capability in '22-23.

With regard to recommendation 5, this is seen as partially implemented. Health sector security awareness training includes notification procedures for lost or stolen devices. eHealth uses a mobile-device management software to remotely wipe devices reported lost or stolen and then to block them.

With regard to recommendation 6, this is seen and noted as partially implemented. eHealth has implemented a number of network access controls to mitigate the risk of network breaches. These include: user security awareness, training, policies for password management, reviews of access privileges, and deployment of tools that monitor network access and provide alerts about suspicious activity. eHealth has developed a risk-based plan that will further improve network access control through the deployment of identity-management capability, a redesign of network structures, and introduction of 24-7 security operation centres, and improved incident-response capability.

With regard to recommendation 7, this is seen and noted as

partially implemented. eHealth has implemented logging, monitoring, and threat-alert capability and software to protect end-user devices connected to the network. More advanced scanning and assessment and logging capabilities will be introduced over time.

And that concludes my comments.

The Chair: — Thank you very much. I'll open it up now to the committee for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you very much, Mr. Chair. One clarification question before I get into some of the more substantive questions. Chapter 6 from the auditor notes that eHealth expected IT staff from the former Regina-Qu'Appelle and Saskatoon health regions to have transitioned into eHealth by January 2020. But by February of that year that had not happened. Given what we know about the two subsequent years from then, has that transition taken place by now?

Ms. Macza: — That work is still ongoing and that transition has not been completed yet.

Ms. A. Young: — Thank you. So this audit, which focuses on the security of eHealth portable devices, of course preceded the ransomware attack that took place in December 2019 and January 2020. And I believe my understanding is that the source of that attack was a portable device that accessed the network off-site. Are you able to provide some more details about what exactly led to that breach in 2019?

Mr. Church: — Yes, so . . . Sorry, Davin, eHealth Saskatchewan. A user accessed a file on a personal device from a personal email that had the malware embedded in that file and had transitioned that file to a workplace.

Ms. A. Young: — So forgive me if some of these questions are for you hashing over old ground, but this would be information that I think at least I wouldn't have had when preparing this and certainly don't today. But my understanding is as of June of 2020, which I think was the last report, eHealth had not determined what information had been taken, who had taken it, where it went, or what this information had been used for. Are you able to provide further update on that?

Mr. Church: — So we've continued to, with different controls or different evaluations, to determine if anything has been shared. To date we have not found that anything has been shared. We've continued to work with the Saskatchewan Health Authority on identifying what files may have been contained; however there was no definitive evidence found by the security experts that anything did, in fact, leave. However, we do treat it that if there is a potential that that data may have or did leave the organization. So we are continuing to work with the SHA on investigating. However, with COVID and redeployment of our resources, that has been a challenge in continuing to assess the data within those files.

Ms. A. Young: — I can certainly appreciate that. You mention — just briefly one question — you mention security experts. Are these internal to eHealth or would these be external consultants?

Mr. Church: — They're external consultants.

Ms. A. Young: — Okay. Are you able to provide the name of which firm is being used?

Mr. Church: — In for the ransomware we had two firms used to support our response. One was SaskTel and one was Microsoft.

Ms. A. Young: — Thank you. So circling back to the attack . . . I'm trying to remember the exact number, but I believe it was around potentially 500,000 patient records that could have potentially been impacted by this. Does eHealth have any additional clarity on how many patients or patient files were impacted?

Mr. Church: — So yes. To clarify, there was 500,000 files, which combination would have been administrative files. What the work with the SHA is determining what level of patient information or employee information may have been included in any of those files, and so that is the work to be determined as to what may have been impacted by that. But certainly we have not determined the number of files that may have contained patient-level information. That is part of the work that needs to be continued to be assessed.

Ms. A. Young: — And I promise I'm not trying to, like, hold you to a timeline or anything on this, but at some point you would anticipate that work being completed?

Mr. Church: — Yes.

Ms. A. Young: — Okay. Again recognizing . . . I think all committee members would recognize, you know, that the threat of cyberattacks is increasing significantly, certainly for public sector organizations, private sector. It's huge in insurance. We're all aware of the increasing risks associated with this.

I suppose by odd coincidence the auditor's report does precede this, but contained a number of recommendations which I promise I am tangentially discussing here today. So I suppose, focusing on the auditor's report specifically, if some of the recommendations outlined in this audit that I do see are in the process of being implemented for the most part, if these recommendations were in place in 2019, is it of the opinion of eHealth that these recommendations would have helped to mitigate the attack?

[15:00]

Mr. Church: — Yeah, certainly the recommendations that were made, had they been in place prior to, certainly would have had a positive outcome on either avoiding or helping in the reduction of any impact or the ability to manage the attack in general.

Ms. A. Young: — Thank you. There was a briefing note written on October 26th within eHealth that I believe was obtained through an access to information request by the media which noted that many of eHealth's hardware and software systems are obviously in need of updating, and that I quote, " . . . major outages that impact patient care delivery are increasing at a rate of 25 per cent per year." Is it possible to get a bit more information on this? That's a stark number, the 25 per cent. Even are you able to provide how many major outages there would have been in the past year?

Mr. Church: — I don't have that information with me today. It is something that we do track and can provide to the Clerks' office.

Ms. A. Young: — Thank you very much.

The Chair: — Thanks for that undertaking.

Ms. A. Young: — So just to continue my last question on the briefing note, I believe it also notes, and I quote, "A major equipment failure which may disrupt service and risk lives appears inevitable with the current funding model." Are you able to expand on what kind of equipment failure is being referenced here?

Mr. Church: — So not having the briefing note, I think more generally we have been working with the ministry and others on our broader infrastructure refresh requirements, which that was outlining the risks associated with our infrastructure to date. And over the past two years that we have been working with the ministry and government on plans, investments to continue improving that, and continue to work on the future plans and funding models around that.

Ms. A. Young: — So in regards to the funding model then, it does go on to talk about, you know, to meet the expectations of customers and mitigate unacceptable risks to patient safety, that eHealth would require an additional investment of $50 million per year above the historical base budget for the next three fiscal years. So in regards to that funding model, has there been a deviation from that in the 2021 budget?

Ms. Macza: — I mean I would note that with regard to the current-year budget, this current-year budget provided a substantial increase in funding to eHealth in the next year's budget. Requests are going forward at this time.

Ms. A. Young: — So what has that increased funding level then meant for the risk in operations?

Ms. Macza: — I don't have budget information with me at this point. Our information right now just pertains to this audit. I can get you that information if you choose.

Ms. A. Young: — Thank you. And in regards to kind of the root concern here of service disruptions, have there been any major service disruptions thus far in 2021-2022?

Mr. Church: — So again, that will be included in what we provide to the Clerk's office. But that would be . . . what we consider major service disruptions are any system outage that would impact the potential of information flow related to patient care. So that could be a single system outage. That could be as a result of SaskTel outages, network outages, or SaskPower, power outages, floods, examples like that that would impact access or any systems. And so that would be included. Any for this current year, we can include in that report.

Ms. A. Young: — Thank you. I do note in the auditor's report it notes, as of 2019, eHealth's IT security team, including the chief security officer . . . I believe the team was a staff component of 3.5 FTEs [full-time equivalent]. Does that remain consistent?

Mr. Church: — No, we can . . . I don't have the exact . . . There has been some increased staffing in our security department that has been ongoing. And so we do expect . . . It has and we expect that to, as we move forward with the current staffing under way, to grow.

Ms. A. Young: — So it would be anticipating that being prioritized as potentially an area for further resourcing?

Ms. Macza: — Yeah, absolutely.

Ms. A. Young: — Thank you. I'm just flipping through the report, trying to find a mention of it, but the auditor's report does note in the context of the ransomware attack, obviously it was dealt with at significant cost of resources to eHealth Saskatchewan. And I'm curious: by mention of the significant resources required to deal with that, if you're able to provide either costing for that attack and clarify for the committee whether there was any ransom paid?

Ms. Macza: — I don't have any information on the cost per se of the ransomware, but with regard to the payment of a ransom, no ransom was paid.

Ms. A. Young: — Yes, thank you. In regards to . . . pardon me, Trent, I've lost my place. Are we only addressing chapter 6 currently or are we addressing chapter 3 as well?

The Chair: — Chapter 6 right now.

Ms. A. Young: — Chapter 6?

The Chair: — All the other chapter 3's will be lumped together.

Ms. A. Young: — Oh that's right. Thank you. Pardon me, the multiple chapter 3's is . . . Okay. Thank you. Thank you for that.

In regards to I guess my last questions here, it's noted that there's a significant amount of work under way, and it is a multi-year plan, and I appreciate the timelines given in this are 2020 to 2023 and in the context of everything, are admirable, maybe ambitious. I'm not sure. I'm quite confident in the good work of the people at eHealth in order to meet those.

But are you able to provide some context specifically to the mobile-device management software? It says that, you know, a plan is in place to implement. Is there a plan currently under way, or is there just a plan in existence?

Mr. Church: — Sure. Davin, eHealth Saskatchewan. So there is a plan under way. We have conducted pilots with that software to assess a number of different forms of standardization and meeting all of our upcoming policy requirements around device management. And so we do expect that next year we will begin more broadly deploying that in a staged manner.

Ms. A. Young: — Thank you. And lastly, are there any challenges that you foresee in regards to implementing the recommendations from the auditor? You know, as a layperson reading through this, I was interested in reading some of them. For example, you know, the one that stuck with me was that computers with CD burners — which I honestly didn't even know still exist — are considered high-risk, as are computers

with USB ports, in the context of this.

So recognizing that these chapters speak to the full staffing component of eHealth, is even including physicians and their offices and a number of moving pieces and a number of different organizations, are there any recommendations in particular that are going to be more challenging to implement?

Mr. Church: — I think that I guess, you know, from a deployment implementation perspective we will work, you know, however required — dependent on work with our partners — to meet those whether those be through, you know, the training deployment or change management as results to changes of passwords and things like that. And so I think those would be our biggest dependencies. And you know, so as far as the risks go I think it's, you know, we were in a pretty fluid situation with COVID response, and so I think our plans will need to adjust based on where the health system is with that response.

Ms. A. Young: — Thank you so much. Mr. Chair, I have no further questions.

The Chair: — Any further questions from committee? Mr. Nerlien.

Mr. Nerlien: — Yes I missed my opportunity I think to go full circle back to the question I asked earlier about the integration of services between the Cancer Agency and SHA. And I guess second to that is maybe just an update quickly as well on where we are with SHAs consolidation of IT services across the province because I think there's still a line between the North and South, transferability of data and so on.

Ms. Macza: — Maybe I'll start and then Davin can fill in. But I mean as you said, like the amalgamation of the previous health regions is a work in progress, and especially with regard to COVID I mean. And the amalgamation of the various IT systems is ongoing. There are still some gaps when it comes to a single IT system and the work continues. It's not perfect. There's not a perfect flow of information yet, but improvements are continuing. I don't know if you want to add anything further, Davin.

Mr. Church: — Sure. So I think that, you know, in relation to your question around the integration specific of information between the Saskatchewan Health Authority and Sask Cancer Agency, so we certainly work with our health system partners on prioritizing what information flow is necessary at that time, and we do work with them on multi-year plans to say what information needs to be shared across systems. And then we begin to work with them on prioritizing and planning those.

And so we do have clinician involvement and clinical committees that advise the integration requirements for information flow across the health sector. And we certainly continue to work through the SHA's priority of their clinical information system consolidation on an ongoing basis and how that translates and involves Sask Cancer Agency. They would be part of informing those requirements on what information they would need from the Health Authority to improve their delivery.

Mr. Nerlien: — Thank you. That's good, thanks.

The Chair: — Any further questions, committee members? Not seeing any, thanks for all the work on these fronts and for the report here today. Certainly this is an incredibly important focus and chapter, and good questions. And best wishes and you know, encouragement with the next steps towards full implementation.

Of course for anyone watching at home and wondering how this all works, the auditor will of course be tracking the progress. eHealth and the ministry will be engaged in leading that work, and the auditor will be back in to be doing those checks and reporting back all publicly as to that work. So thank you very much. I would welcome a recommendation, or a motion to concur with recommendation no. 4. Mr. Goudy. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. I would welcome a recommendation to concur and note progress with recommendations 1, 2, 3, 5, 6, and 7. Mr. Friesen. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried as well. Okay. We'll move along now. And I'll let the auditor speak to them. There's a group of chapters. They're all chapter 3, and they'll be treated or grouped together for the next set of considerations. And I'll toss it over to the Provincial Auditor's office.

Ms. Volk: — Thank you once again. Chapters 3 in our 2018, 2019, 2020, and 2021 volume 2 reports summarize the results of our annual integrated audits of eHealth Saskatchewan for the past four years. We found for fiscal years 2017-2018 to 2020-2021 eHealth Saskatchewan financial statements were reliable. eHealth also complied with relevant authorities governing its activities and had effective rules and procedures to safeguard public resources, other than noted in our recommendations.

[15:15]

In chapter 3 of our 2018 report volume 2, on pages 23 to 26, for the 2017-2018 fiscal year, we made one new recommendation for the committee's consideration. We recommend eHealth Saskatchewan sign an adequate service-level agreement with the Saskatchewan Health Authority. This recommendation remains outstanding in 2020-21.

As of March 2020-21, eHealth continued to manage IT services provided to the Saskatchewan Health Authority under an inadequate agreement. The operating agreement is inadequate to allow for appropriate monitoring of IT services. For example, it did not include provisions about IT change processes, service levels such as response times and system availability, security requirements, and disaster recovery.

IT is an integral part of delivering and managing health care services. eHealth is responsible for the majority of the authority's IT systems. The authority depends on its IT data systems to deliver health care services to the public. Having an inadequate service-level agreement increases the risk that eHealth will fail to meet the authority's IT needs.

At March 31st, 2021, we also continued to recommend the need for an approved and tested disaster recovery plan. This

recommendation was first made in 2008. eHealth continues to work on its disaster recovery plans. At March 2021, eHealth had completed a recovery playbook for 14 of 35 critical IT systems and had conducted a tabletop simulation on 4 of the 14 completed playbooks. It had not completed any disaster recovery testing in relation to the 35 IT critical systems.

Without tested disaster recovery plans, eHealth and the Ministry of Health and the Saskatchewan Health Authority may not be able to restore in a timely manner their critical IT systems and data in the event of a disaster. These entities rely on the availability of those systems to deliver time-sensitive health services.

In 2019-20 eHealth experienced a disaster when its IT network was subject to a ransomware attack. eHealth recovered systems and data made from backups prior to the attack. Disaster recovery plans need to be able to quickly and easily recover data from the point of attack.

That concludes my presentation.

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

Ms. Macza: — Thank you. With regard to recommendation 1, this is seen as partially implemented. Work is under way. eHealth and the Saskatchewan Health Authority have jointly engaged a law firm to assist with the drafting of an overarching master agreement. The final IT service agreement will contain all the services provided to the SHA by eHealth as well as service-level standards and financial responsibilities. Work has been impacted by the pandemic response, but we expect this agreement to be signed in '22.

With regard to recommendation 2, this recommendation is also seen as partially implemented. The use of technology increases within the health care delivery, and the reliance on having systems available becomes increasingly important. The establishment of a complete disaster recovery plan for critical and clinical systems is an important component to the delivery of patient care.

eHealth is developing a disaster recovery plan to protect against and recover from a sudden catastrophic event which significantly impacts the Saskatchewan health care information technology systems and eHealth's ability to deliver services that health care providers rely on. eHealth has developed its disaster recovery plan for all critical IT systems identified by the Provincial Auditor. A third-party facilitator has been engaged this year to conduct disaster recovery tabletop exercises to test each of the plans that have been developed by eHealth, and these tests are expected to be completed this year. So with that . . .

The Chair: — Thank you. Thank you very much. I'll open it up for questions. We have one recommendation that hasn't been dealt with here in this host of chapters. And yeah, open it up for questions at this point. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. In regards to the outstanding recommendation related to the adequate service-level agreement with the Saskatchewan Health Authority, can you help the committee understand what the eventual completion

and execution of this agreement will facilitate and what is currently on hold?

Mr. Church: — Sure. Davin Church, eHealth Saskatchewan. So the agreement that's being worked on is a fairly robust IT service agreement which will outline a number of different factors including the transition plan of all the services that are being moved from the SHA to eHealth. It will include annual planning processes that our organizations will undergo in the delivery of IT services; various governance structures to govern both the services as well as the agreement; any dispute resolution processes.

Also include a service catalogue, so all of the services that we provide to the Saskatchewan Health Authority — how those will be delivered; how those will be paid for; who's responsible for paying for them; what the service levels that they can expect as it relates to those services, whether those be response times, whether those be planned outage times, unplanned outage acceptability.

As well as all of the contracts and assets that are transferring from the SHA and former health regions to eHealth, an inventory of those and acknowledgement that those have in fact transferred. As well as the financial information related to the four more health region budgets that are transferring as part of that, and that was agreed to back in 2017.

Any security requirements, as well as disaster recovery plans for those services and systems, insurance requirements, and some other general information such as listings of sites and so forth would be included in that new agreement.

We intend it to be a phased approach, and so the initial version wouldn't be as robust as all of those schedules. However we would expect that items such as the service catalogue would be included — service levels, financial model — on that first iteration. And then on an ongoing basis continue to improve that to include maybe some of the less imminent schedules required in that agreement for us to operate between our organizations.

Ms. A. Young: — So again being largely ignorant of the full scope of the work that's ongoing to date and appreciating obviously there would be necessity for this agreement, but what will . . . How has the relationship been functioning in the . . . I guess I'm not even clear. When was this agreement first undertaken? 2018?

Mr. Church: — 2018 an interim agreement was put in place in anticipation of a longer term IT service agreement, correct.

Ms. A. Young: — Okay. And so theoretically from an outsider perspective it will continue as business as usual. This just formalizes the behaviour and processes and transition that's already under way.

Mr. Church: — Correct.

Ms. A. Young: — Okay, wonderful. Thank you. And my next question is in relation to the second outstanding partially implemented recommendation vis-à-vis the disaster recovery plans. And I recognize this was spoken to in the update in regards to the tabletop exercises that are undertaken.

I'd note over the course of the updates I believe, you know, they've kind of rolled out I would say slowly — not as a value judgment — but you know, one from 14 to 16, and now we're seeing the intention to move to a full 35 being completed by the target date in the implementation timeline, if I understood the update correctly. Can you speak to the shift perhaps in urgency in seeing all of these completed by, I believe it was said, the end of this year?

Mr. Church: — So we have completed those as of I guess the third quarter of last year, so in that September to December time frame. We did complete the tabletop exercises and any outstanding recommendations from that third-party assessor that was assessing both our playbooks as well as assessing the tabletop exercise outcomes. They came back with recommendations for improvement, and we did make those on all 39 original systems.

And so we did make a concerted effort, beginning in last fiscal year to this fiscal year, to have that completed simply based on one of recent events, and certainly notable, the ransomware event. However just also it has been an outstanding, I believe, auditor requirement for a number of years, not simply I think the chapters referenced here but prior to eHealth being an organization in and of itself. And so we put a concerted effort of our organization into completing this for this year to have these tabletop exercises done for these original 39 critical systems.

Ms. A. Young: — Wonderful. So just to make sure I fully understand, the disaster recovery testing in relation to those 35 is complete.

Mr. Church: — The tabletop exercises are complete. What we would be looking to do as we move forward is robust actual technical testing which requires substantial planning with our partners for downtimes of these systems to, I guess, practise those playbooks in a real-life environment as opposed to simply simulation exercises. So the simulation exercises that are complete are reviewed by an independent third-party assessor, and their recommendations included in these playbooks as well as the tabletop exercise simulations.

Ms. A. Young: — Understood. So essentially the former is war-gaming out a potential disaster occurrence and then the actual substantial testing, that will be undertaken with the anticipated timeline of '22-23.

Mr. Church: — That wouldn't be . . . So the '22-23 was the playbooks. The more broad testing out requires further planning as well as potential technical investments to perform in a real-life scenario.

Ms. A. Young: — And is that final stage of testing necessary in order for disaster recovery plans and testing to be considered complete, recognizing again it is a bit of an evergreen process?

Mr. Church: — From our organization's perspective, that is our goal to have a robust disaster recovery plan that includes regular testing of those. And so that's how we would focus this on a longer term basis as including in a longer term business continuity disaster recovery planning as well as practice and execution process.

Ms. A. Young: — Perfect. My last and final question in regards to multiple chapters 3, is perhaps more broadly if you could speak to the priority placed by your board and senior leadership on the digital security and information security and disaster recovery testing. I'm not sure if there's a broad category that you prioritize in your risk assessment or what the internal term that you'd use for it, but essentially the security of your IT systems and where that would fall as a priority for the leadership of the organization.

Ms. Macza: — Yeah, I would say that the security of the IT system is one of our number one priorities and will continue to be.

Ms. A. Young: — Okay. And that would be certainly a priority for eHealth as an organization in terms of planning, certainly in terms of risk, and for future investment of resources either financial or human.

Ms. Macza: — Correct.

Ms. A. Young: — Thank you, Mr. Chair. No further questions.

The Chair: — I just have a, just to seek a little bit of clarity here. I've seen these recommendations in the past and of course, the one, the outstanding recommendation too as was identified goes back to 2007. And I don't have a great understanding of IT security and, you know, what goes into it. What I know is that it's a real long period time, right —15 years — and we're still looking, you know, into the future to this possibly being concluded. And I know there's lots of important work that's gone into this and complexity.

But what I'm wanting get an understanding is, it's less clear as well where it's this timeline for implementation. It says 2022-23, so that's sort of forecast into the next year, but then it says ongoing. So will there be a point in time in the next fiscal year that this will have been implemented? And then is the ongoing sort of in some updates — I'm sure there's evolutions to making sure that these plans are appropriate — or is the ongoing sort of unclear as to when we can count on this recommendation being implemented?

[15:30]

Ms. Macza: — I guess I would say that in terms of the disaster recovery plan there is a plan currently in place, and it will be continually updated and upgraded and enhanced going forward. So yes, it is an ongoing evolution.

The Chair: — Appreciate that. Maybe what I'll do is, I just wouldn't mind getting the perspective of the auditors if they have any entry on this point. Of course they've been there since 2007. You've been active on these files. You've been working together back and forth. From your perspective, do you care to comment as to whether or not the timelines we're dealing with are adequate at this point in time to have implementation occur?

Ms. Clemett: — So I guess I would say that I think that in recent years that eHealth has definitely . . . and as I think the eHealth official has articulated it may be due to the recent ransomware attack, but to some degree I would say in recent years we have seen eHealth as an organization prioritize this recommendation and start to put some real effort into making progress in this area

for sure.

In the past I think there were requirements obviously in terms of identifying what are those critical IT systems that we should even have plans for. That continues to evolve as obviously systems do, to some degree, life cycle out, and we have new ones come on board. And so there was some collaboration that was needed with partners that sort of would start and then end and not sort of come to fruition to some degree. I think there was also intentions from eHealth's perspective to sometimes dedicate specific resources. And I think again, as has been indicated, there has been some external consultants now used.

So do I think they're totally there though? I agree with the eHealth official in his comments in that at the end of the day, until you test whether in the event of a disaster can I bring that actual IT system up within whatever recovery time objective they set — so if this is a key system we want up within 24 hours — until they test that, even though they do the tabletop simulation, they won't know whether or not it would, could, and actually be realized.

That said, from the audit perspective, if we can see plans are in place, good progress is being made, I'm not sure I need all 35 of them done before we give them a pass on this recommendation. I would say as of late eHealth is moving a lot quicker than they were in the past.

The Chair: — Thanks, everybody. Thanks for that response. Any other questions for eHealth on these chapters? I'd welcome a motion at this point to concur and note progress with respect to recommendation no. 1. Mr. Kirsch moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And then I would seek a motion to conclude consideration of the other three chapters that are before us. And to be clear, those are chapters 3 of the 2019 report, 2020 report, 2021 report volume 2s respectively. Do we have a motion to conclude consideration? Mr. Friesen. All agreed.

Some Hon. Members: — Agreed.

The Chair: — Okay. That's carried. All right. We'll turn our attention to chapter 21. And I'll turn it over to the Provincial Auditor's office.

Ms. Volk: — Thank you once again. Chapter 21 of our 2019 report volume 1 on pages 245 to 247 reports the results of our second follow-up audit of management's actions on the two remaining recommendations of our 2014 audit in relation to eHealth's processes to share patient data among health care professionals through provincial electronic health records. By January of 2019 eHealth Saskatchewan had implemented the two outstanding recommendations.

In our 2014 audit eHealth identified the following seven key provincial health care data repositories: laboratory results, drug information, diagnostic imaging reports, discharge summaries, immunization information, chronic disease information, and synoptic reports. By January of 2019 eHealth had standard data requirements for all key data repositories. Standardized data helps ensure relevant and timely information is readily available

for patient care.

And in 2017 the ministry consolidated health sector IT services into eHealth and provided 102.6 million to eHealth for IT funding in 2018-19 which included IT capital funding. Consolidated IT priorities and services help reduce duplication of IT systems across the health sector, reduce costs, and create efficiencies.

That concludes my presentation.

The Chair: — Thanks for that presentation and thanks as well for the status update here that shows that these have been implemented. But I'll certainly toss it over to leadership of eHealth or of the ministry to offer a brief response and we'll open up for questions.

Ms. Macza: — I have no response.

The Chair: — Very brief response.

Ms. Macza: — Thank you.

The Chair: — Indeed. Any questions from committee members? MLA Young, Regina University.

Ms. A. Young: — Thank you. Just one question for the officials present: in regards to the recommendation no. 2 which I do see is implemented, but given the conversation we've just had over the past hour here in regards to the importance of health sector IT in the province as well as cybersecurity, on an ongoing basis is there confidence that the ministry will be able to adequately provide IT capital funding going forward, supporting the recommendation of the Provincial Auditor?

Ms. Macza: — All of the funding that we provide has to come through the regular budget cycle, but we are doing what we can to request the necessary funding going forward.

The Chair: — So you're all done? Isn't that rare? Deputy Chair Young, Lloydminster.

Ms. C. Young: — Yes, I noted in the report also that it says that you have been able to work on the IT system in order to be able to share lab results, blood work test results, all through most of the areas of the province, but not all. Could you tell me first where you haven't been able to work on that and have those shared IT services between physicians and labs and things like that. And what areas haven't you been able to work on?

Mr. Church: — So as . . . sorry, Davin, eHealth Saskatchewan. As far as the listing of sites that we haven't been able to collect their results electronically, we can certainly table that list. What I would say is it's over 95 per cent of all lab results done by the SHA are available electronically and are distributed to any physician or medical office that has an electronic medical record system. And so the number of facilities that do not have their results being shared into the provincial EHR [electronic health record], the Saskatchewan Lab Results Repository is I'd say minimal and really dependent on their facility's ability to have access to a lab information system implemented by the SHA.

Ms. C. Young: — Can I ask if it's mostly in our northern area

or, yeah, where they may not have the ability to transfer that information through IT services.

Mr. Church: — It would be predominately on whether or not they have the technology within their local lab in order to have those results sent electronically. There are still facilities that are capturing those manually.

Ms. C. Young: — And one other question. What about between provinces, of physicians particularly in the border city, where the physicians are located on the Alberta side but use hospitals which are in Saskatchewan?

Mr. Church: — Yeah, so we have done work particularly with border communities on access to the electronic health record which shares a broad set of clinical information, certainly not all, but predominantly the diagnostic information as well as now the ability to have physician-visit information shared there as well for participating physicians.

So we have done work with the border communities as well as particularly children's hospitals that have been seeing . . . So Stollery in Edmonton does have access to our electronic health record in order to access any child's records that might be coming to seek services there from a children's hospital perspective. So that work has been under way. It is on a case-by-case basis as the priority is raised either by our local providers or by those providers within out-of-province providers.

Ms. C. Young: — Thank you.

The Chair: — Thank you very much. Any further questions? At this point then we've already dealt with these, concurred in these recommendations. They've been implemented. Thanks for the responses here today. I'd welcome a motion to conclude consideration of chapter 21 of this 2019 report volume 1. Mr. Goudy. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Okay, we'll move along to the last chapter for eHealth here today. And that would be chapter 28, and I'll turn it back to the Provincial Auditor's office.

Ms. Volk: — Sure. Thank you once again. Chapter 28 of our 2020 report volume 1 on pages 225 to 227 reports the results of our second follow-up audit, with three outstanding recommendations made in our 2015 audit related to securing confidential patient information in the Saskatchewan Lab Results Repository.

eHealth Saskatchewan has now fully addressed the two remaining recommendations. eHealth established a policy in July 2020 to confirm monthly with key health care organizations like the Saskatchewan Health Authority, whether access to the eHR viewer for certain users remains appropriate. eHealth expects the organization to confirm within one month whether the access to users listed continues to be appropriate. We found eHealth removes access of users who no longer need it. This reduces the risk of someone gaining access to confidential patient information.

We also found in June of 2020, eHealth implemented a

password-reset work standard for its key applications such as the Saskatchewan Lab Results Repository. The work standard requires passwords in each key application, set to never expire, to be changed at a prescribed interval. As of July 2020, eHealth last reset passwords for the repository in March 2020, consistent with its work standard.

We also found eHealth updates the Saskatchewan Lab Results Repository system within a reasonable time frame. We found, other than one component of the Saskatchewan Lab Results Repository system, eHealth kept the system up to date and supported. It applied security patches to servers supporting the repository within a reasonable period. At July 2020, eHealth had a plan to update the one remaining component by December 2020.

That concludes my presentation.

The Chair: — Thanks for the focus and the presentation. Both these recommendations have been concurred in by this committee, but I'll toss it over to the leadership of the ministry and/or eHealth to provide a response.

Ms. Macza: — Okay. I'll just confirm that these recommendations have been implemented, and I have no further comments.

The Chair: — Thank you very much. And I'll look to committee members for questions. Mr. Friesen, you got any? No. All right, not seeing any questions here. Thank you so much for the work towards implementation on this front. Not seeing any on that front, I will welcome a motion to conclude consideration of chapter 28 of the 2020 report volume 2. Mr. Friesen. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. VP Church, thanks so much for spending some time with us here this afternoon and for all the work that you're engaged in and all the work that you've committed to. And there was a couple of areas that you'd undertaken to provide some information back with a few of the questions that can flow through the Clerk. Thank you very much for your leadership and your time here today.

All right. Our last bit of consideration before we get to grill the auditor is 3sHealth [Health Shared Services Saskatchewan], and I'll turn it over to the Provincial Auditor's office for their presentation.

3sHealth

Ms. Clemett: — So thank you, Mr. Chair, Deputy Chair, members, and officials. With me today is Ms. Kim Lowe who is going to lead the presentation with regards to the 3sHealth chapter. Before we do make our presentation, I do want to just thank the officials at 3sHealth for the co-operation that they did extend to us during our audit work. I'll now turn it over to Kim.

Ms. Lowe: — Thank you. Chapter 14 of our 2020 report volume 1 on pages 201 to 205 reports the results of our second follow-up of the recommendations originally made in our 2015 audit on 3sHealth's processes to procure goods and services for the Saskatchewan Health Authority, health care affiliates, and the

Saskatchewan Cancer Agency. These are referred to as member agencies.

[15:45]

3sHealth is responsible for leading and taking a provincial approach to procure goods and services for member agencies in an effort to obtain economies of scale and does so by leading some procurement directly and hiring a national group purchasing organization to lead the procurement of others.

Our first follow-up found that 3sHealth had implemented 8 of the 13 audit recommendations by July 2017. By January 2020, 3sHealth implemented the five remaining recommendations. 3sHealth used a checklist to adequately document the rationale for the procurement method selected for group purchases of goods and services, periodically assessed and reported on the performance of suppliers, provided feedback to the national group purchasing organization before the organization extended its existing purchase commitments with suppliers, and published its estimate of an annual cost savings to the health care system, along with information to help the public understand the basis for its annual and cumulative estimate.

And that concludes my presentation.

The Chair: — Thank you very much for the presentation and for the focus. Thanks to 3sHealth and its leadership for the actions here that have resulted in implementation of these recommendations. I'll turn it over to Associate Deputy Minister Macza for comments, then open it up for questions.

Ms. Macza: — I will just say that I can confirm that these recommendations have been implemented, and I have no further comments.

The Chair: — Thank you. Questions from committee members? Well isn't that something? Two days of hearings, lots of questions. And 3s, they've reported out their implementation and they're not going to get too many tough questions from the committee it looks like. Thanks again to the team there at 3sHealth — the leadership team — for their work on this front.

At this point in time, I'd welcome a motion to conclude consideration of chapter 14 of the 2020 report volume 1. Mr. Nerlien moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. I just want to say briefly thank you so much to the leadership of the Ministry of Health, Associate Deputy Minister Macza, all of the officials that have been involved in the last two days of hearings. And as I hope I reflected yesterday, and I think I heard from other members as well, just thank you to all of you and everyone else that's involved in your efforts day in, day out. It's been an extraordinary effort that you've brought forward, you know, amidst a historic challenge. So thank you so very much.

And we'll take a . . . Rob always helps me out here lots. And we'll take a quick five-minute recess just to make sure we have really tough questions ready for the auditor for the last consideration.

[The committee recessed for a period of time.]

The Chair: — Okay, thanks. We'll reconvene here the Standing Committee for Public Accounts this afternoon. And we'll turn our attention to the business and financial plan of the Provincial Auditor. Thank you so much to our Provincial Auditor, Tara Clemett, for her leadership. We've had, of course, two days of hearings and will now consider the business plan of the office. I would turn it over to Tara to introduce her officials that are with us here today. Oh sorry. We're dealing with the annual report first.

Annual Report on Operations for the Year Ended March 31, 2021

Ms. Clemett: — Sure. So thank you, Chair, Deputy Chair, and members. With me today is Ms. Angèle Borys. She is our chief operating officer and the deputy provincial auditor in our office for the support services division.

So first on the agenda, as the Chair did indicate, is our 2021 annual report on operations, and then the 2023 business and financial plan. So I am going to make some opening comments on the '21 annual report. Then I'll answer any questions that the committee does have and then we will move on to the '23 business and financial plan.

So I do just want to remind any of the listening public today that our reports are available on our website as soon as they are tabled. So you will find them at www.auditor.sk.ca.

So with that I'll start with the *Annual Report on Operations for the Year Ended March 31st, 2021*. To ensure members and the public receive the value they deserve from our office, we follow a clear process of accountability for results and report these results in our annual report on operations. We set and communicate key expected and measurable results. We plan what needs to be done to achieve those results. We do the work and then we monitor our progress. We evaluate our results and provide feedback for continued improvement and then we publicly report on the results of our work.

The annual report completes that accountability cycle that would have started when our office tabled its 2021 business and financial plan in November 2019. The report includes the details on the office's operational and financial performance for the year ended March 31st, 2021. It includes seven unqualified, independent audit reports on key aspects of the office's operations, finances, and controls. These reports, issued by Virtus Group, give legislators and the public confidence in the reliability of the office's administration and in the content of the report. Virtus Group is an accounting firm who is independent of our office.

I will just briefly highlight a few of the achievements from the report. So if you turn to page 18, between 18 and 25, it provides the details on our operating results for each of our four strategic goals and their associated performance measures and targets. For the year ended March 31st, 2021, the office achieved six of its nine performance targets. The performance targets we did not achieve in 2021 related to time spent on staff training, timelines for tabling our public report, and the percentage of survey respondents having familiarity with our office.

COVID did have an impact on a couple of these measures. As an office we planned to but did not incur as much travel-related training time due to COVID. So therefore we spent 6 per cent of our staff available working hours on training hours as compared to the planned 7 per cent in 2021. We also tabled our '20 report volume 1 on June 23rd, 2020, and this was two weeks later than planned and really due to the declaration of the COVID pandemic in March 2020.

The third performance measure where we did not meet the planned target was where 33 per cent of omnibus survey respondents indicated familiarity with our office compared to 35 per cent in 2020. And we are always hoping for an upward trend.

During 2020-21, through our 2020 report volume 1 and volume 2 which we made public in June and December 2020, the office gave legislators quality, relevant audits and objective advice. The high percentage of our audit recommendations that this committee accepts reinforces that we do do relevant and reliable audit work. You will also notice on page 19 that the high percentage of implementation of audit recommendations by government agencies along with management's positive feedback received through post-audit questionnaires which can be seen on page 20, shows the office work contributes to better management in the public sector and adds value.

COVID made 2020-21 a challenging year from an audit standpoint. The majority of our audit work was done remotely in 2020-21 with our staff and clients working from home. This meant we had to rethink audit risks, audit approaches, the way to conduct staff training, and enhance our audit software capabilities. Audits weren't as efficient. However savings did occur because we did get to spend less money on audit travel, and as previously noted, the extent of training-related travel time also was reduced, and it allowed us to spend more time on audit work. We also had less employees leave the office in 2020, which meant we spent more money on salaries, but then we spent less money on contracted staff.

Overall I am very proud of our office's staff's ability to adapt and still perform timely and quality work during the onset of the COVID pandemic. And we definitely appreciate the co-operation that was extended to us by the government agencies that we do audit.

As an office we did sign our audit opinion on the government's summary financial statements by June 17th, 2021, and this was in line with previous years pre-COVID. This couldn't have been done without the dedication and the determination of our office's staff and the finance staff across government.

With that I'd be happy to answer any questions that you do have with regards to our annual report on operations for March 31st, 2021.

The Chair: — Thank you so much, Provincial Auditor Clemett, for your remarks. I'll open it up to committee members for questions. I'm not seeing any, and I know we have the business and financial plan to move on to.

Just to say, you know, not unlike any of the entities we're dealing with, you know, before us, this has been an incredibly challenging year for any operation, and we just want to say thank you to you and all of the leadership and your entire team in the Provincial Auditor's office for being able to evolve and adapt throughout, you know, a challenge, a period where we really had so much uncertainty. And you were able to fulfill your audits and report out to the public and get us high-quality audits. So thank you so very much. I know that's not a small undertaking. Thank you for your extraordinary service.

And you know, all of the work of your office, I think it really can't be understated how important it is to ensuring good government, improved performance of government, protection of people and public resources, maximizing the value of public dollars and resources. And you know, awfully important to . . . sort of central in many ways to the trust in democracy. And so thank you for your very important role to the people of Saskatchewan.

We sit here going through these considerations, and you know, you've done all that heavy lifting, and then you go back in, making sure that the improvements are made and that recommendations are implemented. And you're often shining a new light on areas of, you know, high risk and importance. So just as Chair, to you and to your entire team, thank you so very much for what you do for the people of Saskatchewan.

I see Deputy Chair Young has a question. Sorry. I didn't see your question before.

Ms. C. Young: — That's okay. I just wanted you to explain to me, in your chart, and I know you talked about . . . there was, in 20-21, training-related travel was reduced, but there were salary increases. But I want you to explain to me what you mean by out-of-pocket costs. Those are individual ones, or what are you speaking to on your out-of-pocket costs on these?

Ms. Clemett: — Okay. Yeah, so it would be the audit travel, like related to actually the training itself. So is there a specific page you want me to look at?

Ms. C. Young: — Well any of them. Going back to even 2014 and you show the difference in what was actually paid out and then the out-of-pocket costs. Some of them are significant. So are they, individuals, actually paying that for training?

Ms. Clemett: — No. Like, our office pays for the training. I guess what I'll just explain is what we do is in terms of our budget for our training. We do anticipate, we consider obviously the time and effort that it'll take to send those people to training, the travel to get them there as well. And obviously then there's hotels usually and so forth, you know, flights, perhaps kilometres involved.

When it came to COVID that should have, like, decreased and we didn't incur as much and therefore it didn't take as much time. So a lot of the work that we do in terms of our Canadian Council counterparts too . . . on the CCOLA [Canadian Council of Legislative Auditors], basically, committees usually does . . . We meet in person. A lot of that has not taken place over the past year and a half with COVID either.

Ms. C. Young: — It was just confusing to me because you put it as a total cost rather than the differences for the out-of-pocket, so okay.

Ms. Clemett: — Are you in the business plan on . . .

Ms. C. Young: — I'm on page 29. It's okay, I understand it now. It's just that . . . [inaudible interjection] . . . you put it as a firm amount rather than just the differences and that's what confused me. I thought if it was 175,000 over 139,000, that's significant. But I get it now.

Ms. Clemett: — Okay.

Ms. C. Young: — Okay, sorry. Thank you.

The Chair: — Any further questions from folks? I guess just as a final comment too from your committee here, and as Chair, and we've discussed this as well, is that obviously this last year impacted some of the function of the Public Accounts Committee as well. Certainly we still did function. We still held hearings. We undertook work to hire a new Provincial Auditor, which is you know, not an insignificant process. But we did fall a little bit behind this year with the pace that we'd like to maintain as a committee for hearings. We know that it's very important for your recommendations to be as effective as they can be, that those reports are considered in a timely way. And I know as Chair that's something that I've, you know, valued in the past and made a priority. I know that your Public Accounts Committee is committed to that moving forward. It's part of why we're here in January meeting right now. And we're committed to other days in the months ahead here to make sure that we have the pace that's required to ensure that we're on track for timely considerations. So that's our commitment to you.

[16:15]

Any further questions? Not seeing any, I would ask a member to move the consideration of the *Office of the Provincial Auditor Report on Operations for the Year ended March 31st, 2021*. Mr. Nerlien moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — All right. We'll turn our attention to where I started by accident, and that being the business and financial plan. And I'll turn it over to our Provincial Auditor.

Business and Financial Plan for the Year Ended March 31, 2023

Ms. Clemett: — Thank you. So this is our *Business and Financial Plan for the Year Ended March 31, 2023*. It contains information that *The Provincial Auditor Act* requires, along with additional supporting information. It's prepared using the CPA [chartered professional accountant] published statement of recommended practice, SORP-2, about performance reporting. And before we do discuss our request for funding, I'm just going to do a quick recap of the content of the plan itself.

Section 1 describes the Office of the Provincial Auditor, briefly describes the purpose of the office, highlights key accountability mechanisms included in *The Provincial Auditor Act*, and the legislative framework for the independence of the office and its staff. It highlights our responsibilities to the Legislative Assembly and in particular, this committee.

Section 2 outlines our 2022-23 funding request. It includes our request for resources for 2022-23 to enable us to carry out our work so we can appropriately discharge our responsibilities under the Act.

Section 3 includes our annual work plan and supporting schedules. And this includes an audited financial forecast, including a schedule of planned costs to audit government agencies.

Section 4 includes other supporting information. It contains detailed supporting details around our work plan, including potential areas of focus for our performance work over the next three years. And it does contain information the committee has requested in the past.

And section 5 outlines the office's 2021 to 2024 strategic plan. It sets out the four strategic goals of the office and related performance measures and targets.

So now I'm going to focus on section 2.0, or really, section 2 of the report, so our 2022-23 funding request, which does start on page 8. So consistent with *The Provincial Auditor Act*, the funding request includes two separate appropriations. The first is our main appropriation and the second is our unforeseen expenses appropriation to enable the Provincial Auditor to retain the independence to manage effectively.

For our 2022-23 main appropriation, which is found on pages 8 and 9, we are requesting $8.834 million. This reflects a net increase of 2.9 per cent or $250,000 more from prior year from the approved appropriation. When determining our 2022-23 request we carefully considered work necessary to achieve our mandate and factors, forces, and trends affecting our appropriation. We used information known at October 31st, 2021. We describe these factors starting on page 10.

I'm going to highlight a few of the external forces that are making us request additional funding. Our main costs, and thus the significant increase in our request, is for salaries and benefits. The market for auditors remains aggressive. This has meant staff from our office are frequently sought and we know as an office and plan for some turnover each year.

You will note that we do have a new performance measure added to our strategic plan that strives for a maximum of 13 per cent of employees will voluntarily leave our office each year. This works out to roughly about eight employees each year we expect to leave. By comparison we have had 13 employees leave in 2021-22. The tight hiring market for professional accountants is boosting salaries for many positions and expectations for our employees are changing and looking for a more hybrid work environments.

Employees are definitely our most valuable resource because the quality and timeliness of the office's work depends on them. We actively monitor market conditions and salaries, staff qualifications, and expertise. It is critical our office attracts and retains qualified staff and that we offer fair compensation with benefits similar to those provided in the public service.

This funding request includes a 2 per cent economic adjustment authorized by the government for salaries of public servants

effective April 1st, 2022, as well as market adjustments required to meet the demand for competitive wages and benefits for professional accountants.

Our profession has been increasing the requirements for audit quality over the last several years with things like the convergence with international standards. A new quality management standard will be required by the Canadian assurance standards board, and are to be implemented in 2022. To prepare and maintain compliance with these new standards, the office, or myself, has appointed a new assistant provincial auditor, Mr. Kelly Deis, who will be responsible and is responsible for maintaining the office's quality management system.

As such we have increased our full-time equivalent positions by one. We expect in our planning for 61 FTEs in the office in 2022-23. A sound and robust quality management system helps ensure that the office and its staff comply with the professional standards, and the office's reports or our audit reports are reliable. Having appropriate leadership roles in our office responsible for audit quality reinforces quality as an essential objective in our audit work and allows us to meet professional standards.

To augment our staff and help us address peak workloads, particular because most of the government agencies have March year-ends and we have lots of audits to complete each year in May, we also hire contract staff. The use of contract staff helps us in meeting our reporting deadlines and obtain the necessary expertise for our performance audits. We are finding the rates for contract staff continue to increase, and so we are using small to mid-size CPA firms where possible to help us keep down costs.

Changes in the number and size of government agencies and whether the government hires appointed auditors to do the annual integrated audits also affects our costs. For 2022-23 we estimate the changes in the number of government agencies increases our costs overall by $15,000 and page 31 in the plan provides more details on those changes.

Using the treasury board recommended anticipated inflation rate of 1.5 per cent, we do anticipate an increase of $17,000 in our costs of goods and services like office software and licensing, travel costs, and supplies. The ability to conduct our audits is very dependent on IT systems. The security and availability of our IT systems are critical to effective operation of the office. In order to enhance our network in administration and IT security requirements, we are also asking and require an additional $17,000.

So moving on to the appropriation for unforeseen expenses, which is also on page 8 or 9 in the business plan. For 2022-23 we are requesting an appropriation of $588,000 for unforeseen expenses. *The Provincial Auditor Act* requires the inclusion of a second appropriation with estimates presented each year. Its purpose is to provide our office with the resources in order to respond to unforeseen circumstances. This includes unforeseen work, such as requests from this committee, costs to improve the timeliness of our work, or unplanned salary and benefits expenses.

The quid pro quo on this appropriation is that when our office uses it, we must report back to this committee on its use. We do

this through our quarterly financial forecast and in our annual report on operations. We don't just tell you how much we spent, but we also tell you why and on what. We return any unused amounts to the General Revenue Fund at the end of each fiscal year. And consistent with prior years, we have determined our request to equate to one month's salaries and benefits.

So in summary, our office is requesting and respectfully asks the committee to approve our 2022-23 funding request. Section 2.3 of the plan, at page 9, sets out the request in the Assembly requested format.

And in closing, I do appreciate and value, obviously, the co-operation and assistance that the legislators, the government officials, and the appointed auditors do provide our office. In particular I do want to make a comment and say that we thank this committee for its attention and the support that is paid to the work that our office does. Its continuous public review of our reports helps ensure that the work that our office does do is making change and making a difference.

With that we would be happy to answer any questions you may have.

The Chair: — Thank you very much for the report and the presentation. I'll open it up for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you. Thank you, Mr. Chair. I just have a question for clarification about the schedule of planned costs to audit government agencies contained within the business plan on page 23. Are the costs indicated here, should I understand these are essentially like the cost in regards to the number of hours required for each of the government ministries and agencies and Crowns contained therein?

Ms. Clemett: — Correct, but it has been translated into dollars, I guess.

Ms. A. Young: — Yes.

Ms. Clemett: — It is a matter of we went through and we figured out what is the extent of projects we are going to do, what is the cost associated with that, and this is for each of the different sectors or agencies, what each of them . . . You will see that in terms of the variations that occur is probably often around the extent of performance audit work that we are going to do at specific agencies or sectors. That almost, like, ties then to our three-year business plan in that we do obviously spread it out. And probably, as we've indicated in some of the meetings recently, we don't want to keep going to the same agency over and over every year, and so we do do audits at various agencies over various time frames. So hence why those dollars do kind of go up and down and you see fluctuations.

Ms. A. Young: — Thank you. And just one further question on it. I believe it speaks to a seven-year lease commencing . . . Is that commencing April 2022 or is it ending and being renewed as of . . .

Ms. Clemett: — So we're in the process of renewing right now and it is effective April 1st, 2022 we'll be renewing for, and then it'll be effective for seven years from then. So we did decide from

an office perspective, as I've highlighted in my opening comments, that we didn't decide to go for sort of a 10-year term — I believe our last term, our lease term was 10 years — in that we do know there is the potential for, you know, working environments to change in the near term.

And so we did well in terms of the rates we were able to get, so it's good that we have the space. And we continue to work through some changes we plan to make to the space in terms of making a few modifications to do more in terms of collaborative space. But we did decide to go with a shorter term, yeah, overall lease term just so that if there is changes to come before I'm gone and my term is over, we will make those adjustments.

Ms. A. Young: — Thank you.

The Chair: — Sounds great. Mr. Goudy.

Mr. Goudy: — So I'm just curious, to absorb $41,000, how do you — well it's curious not just for you, but for government — how are you going to absorb $41,000? What's your plan on absorbing that?

Ms. Clemett: — Yeah, so in terms of some of the ways that we are able to absorb some of those costs would be from the administration side, there are some things that . . . well some things require more money. I think we've heard officials talk here about how IT's going up. There is certain costs that are going down. I think an example that Angèle said to me is photocopiers, for example, apparently in terms of, like, I assume leasing those would be less.

The other thing is in terms of our turnover, it does create some efficiencies and some savings. So we do anticipate for those 60 people over the course of the full year, but as you can see as an office we kind of have people come and go, and so to some degree from the salary cost perspective, we don't always have everybody there for that full year. And so we do gain some efficiencies when perhaps I hire someone at a better rate, obviously a lower salary than the person who just left. And also when we have a gap in terms of as the transition and the turnover occurs, we don't have anyone working for the office in that interim. So there is some efficiency to be gained there.

[16:30]

Mr. Goudy: — So to round it off at 250,000, it's just interesting. I think that's sometimes . . . You know, it's nice to see your auditors aren't maybe 100 per cent precise on everything. Nice it rounds off to 250,000 in total but that's . . .

Ms. Clemett: — No, it is interesting though. That's what we had said when we actually made it. It is weirdly rounded because you'd think we would've ended up at, like, 251, like, 256 or something, right? Yeah.

Mr. Goudy: — You'd have to do it twice like the rest of us.

Ms. Clemett: — Yes. Right.

Mr. Goudy: — But no, that's great. Thank you.

Ms. Clemett: — Okay.

The Chair: — Mr. Nerlien.

Mr. Nerlien: — Yes, thank you. I too want to recognize, you know, the valuable work you do, and it's just incredible what we see here at the committee and obviously what goes into your work with us. We really appreciate that.

I wonder if you could just touch base a little bit more on the staffing challenges. And maybe if you've done a scan across the country, do you have a sense of how we do relative to other provinces in terms of staffing, turnover, that kind of thing? And are there issues in there that we need to be more conscious of? Thank you.

Ms. Clemett: — Thanks for the question. So I'll make a couple comments. So again, I am on various committees and meet with auditors general across Canada on a periodic basis. And I am hearing that recruitment or retention is something that is rising to the forefront in terms of those offices right now as well. So while Ontario office, for example, has probably maybe twice the size of us, I believe when I was talking to the Auditor General there, they had 35 vacancies or something at a certain point in time.

So I would also say that in terms of the preparation for this plan and the work — Angèle's obviously an HR expert. So she does a fair amount of research to figure out is this, like you said, unique to us as an office and so forth. It is not. I think overall in terms of the work does seem to show that accounting professionals right now are going through their high demand. So we've got a number of instances where various employers are trying to figure out, what is that work environment we should be providing? What are some of these bonuses they should be providing? That type of thing. So as an office we have to sort of stay competitive to keep our good people.

I would say in terms of our structure, I'm fairly lucky in that we are obviously doing some promotions to fill at the top, but a fair amount of more senior people in the office have stayed and have been with us and continue to remain so, and I appreciate that obviously during the course of my new term. But it's sort of like our manager level seems to be . . .

And we do find there is certain CPAs right now where they come to our office. We usually anticipated that they would train with us, become a CPA within three years, but they're not necessarily. They're leaving before they even become certified and professional accountants. So that's interesting. It's probably because of the emergence obviously of all the CMAs [certified management accountant], CPAs, and CAs [chartered accountant] a long time ago in that they have the ability to go and train in a variety of different organizations to become professional accountants. So we are seeing a bit of that as well.

So yeah, we always have a recruiting process whereby we know we're going to hire a fair amount of new CPAs that we want to train and that they will leave us and go off to the public sector. And we just want to continue to keep that number very manageable from our standpoint.

Mr. Nerlien: — Thank you for that. And just a comment. You know, I'm hearing from other industry as well that the turnover in pretty much any professional body these days seems to be unusually high but not necessarily something that we should be

terribly concerned about because it's just the circumstances that we're in combined with, you know, new mobility in the marketplace and the fact that people can work more remotely than they ever have before. There's lots of factors I think that go into that. But I do appreciate your answer. Thank you so much for that.

Ms. Clemett: — And I guess I just would make that additional comment too that, like, as we indicated, it did seem like basically the first year of the pandemic, 2020, everybody almost . . . just a lot of us went home. We worked from home, but everybody just wanted that stability and sort of stayed in the job. So I do think there is a bit of a catch-up we're seeing right now. So you are and I'm hopeful as well that I think there's just a bit of a bounce right now that hopefully will just level off and stay consistent for us going forward.

Mr. Nerlien: — Thank you.

The Chair: — Mr. Skoropad.

Mr. Skoropad: — I just have one quick, or quick-ish, question. I'm always interested in where we're going next . . . [inaudible] . . . and you folks do the heavy lifting with this, and determining where we go next is part of that heavy lifting in regards to performance work that takes place. You know, I'm looking at over the course of the next three years where some projected areas are. I'm just wondering if you could speak a little bit more as far as the process that, I guess, that takes place in determining those target areas, those areas of focus.

Ms. Clemett: — Sure. So I think you're probably referring, yeah, like page 36.

Mr. Skoropad: — Yeah.

Ms. Clemett: — The highlights are our performance audits that we are planning over the next three years. And I do want to just say that we do reach out and discuss these with the government agencies so they are aware and apprised of what we plan to do in terms of work going forward. The way we determine that work is probably I think what you're asking, is we do look . . . As I've mentioned, we want to spread it out among the various sectors. Obviously health and education are significant dollars as part of government spending. So if you do look at those particular sectors, it will look like we're going there a lot and it's because they spend such a significant amount of dollars.

We continually though also, we look . . . We have concerned citizen submissions that come to us so we do consider those. We look at other audit work that is being undertaken at the other audit offices across Canada. We do also look at, is there any new programs that are arising, significant spending in that area, in an area of risk. We also look and go and evaluate environmental scans of the various government agencies to figure out what are they identifying in terms of new risk areps for themselves as well.

And we also then obviously, like, pay attention in terms of media interest, and to be honest, like the *Hansards* of the Legislative Assembly on a periodic basis. We are looking at what is the discussion that almost from that public standpoint, people are interested in, and audits that we might and should be doing.

Mr. Skoropad: — Thank you.

The Chair: — Mr. Friesen.

Mr. Friesen: — Yeah, I will follow up with comments. Thank you so much for what you guys do. Like wow, you know, reading through the reports, what an amazing amount of work that goes into this in the background. Just following up with Dana's question, when you do an audit on specific areas or whatever, if you find that there is maybe an excessive amount of problems, does that trigger a future audit for, you know, maybe a more timely audit instead of waiting three or four years to go back and revisit that place? Do you know where I'm going with this?

Ms. Clemett: — So I think, and also we always are continually doing our annual integrated audit, so each year. And as part of that work we're always looking at the various controls the organizations have. So again, while we set this three-year plan . . . So COVID might be a good example whereby we probably had intentions as an office but now to some degree there was a fair amount of money that was spent on COVID, really, financial support programs. So we did have to decide as an office, okay, this is new, not planned for, but we've got to kind of like direct our work and do some effort there.

In terms of the follow-up, I don't know, I guess from an implementation standpoint we do the performance audits. If we find a significant amount of recommendations or issues, we hope the agencies are obviously not taking two years. We probably won't come back for two years. We hope that they're, you know, prioritizing and do what they need to, to address things very quickly I would say.

So we do find various government agencies do have internal audit or some type of liaison with our office that does track the recommendations we make. And then from that board governance standpoint, I do find they take those recommendations, and then they prioritize their actions in terms of which ones should we be moving on and moving on quickly.

The other thing I would say, while our reports only come out sort of twice a year, we are providing those management letters to agencies on a much more timely basis. So there is examples where . . . And the IT work that we had done on eHealth might be a great example, in that that report probably didn't come out until June, but we were actually done our work and they would have had those detailed findings, and they would have known all the issues we identified by like fall of the year before. And we would have provided the management letter, you know, by the beginning of the new year. But then our public report doesn't . . . So yeah, I do think that agencies are aware of sometimes issues that they need remedied in a more timely fashion than necessarily you the legislators or the public are.

Mr. Friesen: — Okay, thanks.

Ms. Clemett: — [Inaudible] . . . probably whether or not that means we need to do more reports, more timely.

The Chair: — Going once. Looks like questions have been satisfied. Thank you so very much, and good questions from folks. I would welcome a motion with respect . . . two motions with respect to subvote (PA01) and one for subvote (PA02).

Ms. C. Young: — I so move:

That the 2022-23 estimates for the Office of the Provincial Auditor, vote 28, Provincial Auditor (PA01) be approved as submitted in the amount of 8,594,000.

The Chair: — Moved by Deputy Chair Young. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried.

Ms. C. Young: — And I'll also move:

That the 2022-23 estimates of the Office of the Provincial Auditor, vote 28, unforeseen expenses (PA02) be approved as submitted in the amount of 588,000.

The Chair: — Moved by Deputy Chair Young. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried.

I'll ask a member to move a motion that the 2021-2022 estimates as approved be forwarded to the Speaker as Chair of the Board of Internal Economy pursuant to section 10.1(4) of *The Provincial Auditor Act*.

Ms. C. Young: — I'll so move:

That the 2022-23 estimates of the Office of the Provincial Auditor as approved be forwarded to the Speaker as Chair of the Board of Internal Economy pursuant to section 10.1(4) of *The Provincial Auditor Act*.

The Chair: — Moved by Deputy Chair Young. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Okay. That's carried.

All right. Well listen, thank you so very much for your service and your leadership. That concludes our work before us here today, so I'd welcome a motion of adjournment.

Ms. C. Young: — So moved.

The Chair: — Moved by Deputy Chair Young. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. This committee stands adjourned until the call of the Chair.

[The committee adjourned at 16:44.]

CORRIGENDUM

On page 95 of the January 11, 2022 verbatim report No. 9 for the Standing Committee on Public Accounts, the portion of the right-hand column following the fifth paragraph should read:

. . . and the new agreement does provide for a commitment for increased funding through the life of the agreement.

Ms. A. Young: — And any clarification in regards to contributions from the Saskatchewan Crown corporations?

Mr. Wyatt: — I don't have information on Crown contributions . . .

The online transcript for January 11, 2022 has been corrected.

We apologize for this error.