

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Tuesday, September 9, 2014

MINUTE NO. 21
1:31 p.m. – Māwawapiwin Room (Room 8)

1. **Present:** Danielle Chartier in the Chair and Members Larry Doke, Paul Merriman, Warren Michelson, Rob Norris, Randy Weekes and Trent Wotherspoon.

Provincial Auditor's Office

Judy Ferguson, Acting Provincial Auditor
Mobashar Ahmad, Deputy Provincial Auditor
Kim Lowe, Principal
Regan Sommerfeld, Principal

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller
Chris Bayda, Executive Director, Financial Management Branch

2. The following documents were tabled:

PAC 35/27 – Ministry of Health: Status Report of Outstanding Audit Issues in the Health System, dated June 27, 2014.

PAC 36/27 – Ministry of Finance: Reporting of public losses for the period from April 1, 2014 to June 30, 2014, dated August 1, 2014.

PAC 37/27 – Ministry of Health: Reporting of public losses for the period from January 1, 2014 to March 31, 2014, dated May 2, 2014.

PAC 38/27 – Ministry of Health: Reporting of public losses for the period from April 1, 2014 to June 30, 2014, dated August 1, 2014.

3. The Chair advised the committee that pursuant to Rule 142(2), the following reports were deemed referred to the committee:

Provincial Auditor of Saskatchewan, Annual Report on Operations for the year ended March 31, 2014 (June 26, 2014)

Public Accounts 2013-14 Volume 1 – Summary Financial Statements (June 26, 2014)

4. The committee considered Chapter 10 (Health) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 11 (Health) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapters.

The following Health officials appeared before the committee and answered questions:

Witnesses

Max Hendricks, Deputy Minister
Tracy Smith, Assistant Deputy Minister
Mark Wyatt, Assistant Deputy Minister

Shelley Reddekopp, Executive Director, Financial Services Branch
Cindy Fedak, Director, Operations and Internal Audit
Tracey Grohs, Manager, Internal Audit and Contracts
Sue Fairburn, Program Consultant, Primary Health Service Branch
Val Hunko, Vice President, Integrated Health Services, Regina Qu'Appelle Regional Health Authority

5. The committee concurred with recommendation 10-1 made at page 104 of Chapter 10 (Health) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health comply with the *Financial Administration Manual* when entering into contracts for services exceeding the limits prescribed in the *Financial Administration Manual*. The committee noted that the Ministry of Health has complied with the recommendation.
6. The committee concurred with recommendation 10-2 made at page 104 of Chapter 10 (Health) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health document its due diligence and consideration of alternatives when awarding contracts. The committee noted that the Ministry of Health has complied with the recommendation.
7. The committee concurred with recommendation 11-1 made at page 96 of Chapter 11 (Health) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health follow its processes to remove unneeded user access to its IT systems and data promptly. The committee noted that the Ministry of Health has complied with the recommendation.
8. It was moved by Mr. Merriman:

That the committee concur with recommendation 11-2 made at page 97 of Chapter 11 (Health) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health follow Canadian generally accepted accounting principles for the public sector when accounting for assets constructed under shared ownership agreements and the committee note that the Ministry of Health is making progress towards complying with the recommendation.

A debate arising and the question being put, the motion was agreed to on the following Recorded Division:

YEAS – 5

Doke	Merriman	Michelson	Norris	Weekes
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NAYS – 1

Wotherspoon

9. It was moved by Mr. Wotherspoon:

That the committee concur with recommendation 11-3 made at page 98 of Chapter 11 (Health) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health follow Canadian generally accepted accounting principles for the public sector to record, in its financial records, funding provided to regional health authorities for the repayment of principal and interest due on loans and the related liabilities.

A debate arising and the question being put, it was defeated.

10. The committee recessed from 2:34 p.m. until 2:50 p.m.
11. The committee resumed consideration of recommendation 11-3 made at page 98 of Chapter 11 (Health) of the *2013 Report of the Provincial Auditor (Volume 2)*.
12. It was moved by Mr. Merriman:

That recognizing the difference of professional interpretation, the Standing Committee on Public Accounts recommends that the Minister of Finance have his officials continue to examine this issue and discuss it with the Provincial Auditor.

A debate arising and the question being put, it was agreed to.

13. The committee considered Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Health officials appeared before the committee and answered questions:

Witnesses

Max Hendricks, Deputy Minister
Tracy Smith, Assistant Deputy Minister
Mark Wyatt, Assistant Deputy Minister
Shelley Reddekopp, Executive Director, Financial Services Branch
Cindy Fedak, Director, Operations and Internal Audit
Tracey Grohs, Manager, Internal Audit and Contracts
Sue Fairburn, Program Consultant, Primary Health Service Branch
Val Hunko, Vice President, Integrated Health Services, Regina Qu'Appelle Regional Health Authority

14. The committee concurred with recommendation 32-1 made at page 264 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health implement an actionable work plan relating to chronic disease management including diabetes and prevention of diabetes-related health complications and provide guidance for regional health authorities. The committee noted that the Ministry of Health has complied with the recommendation.
15. The committee concurred with recommendation 32-2 made at page 265 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health set goals, objectives, performance indicators and targets to manage diabetes and prevent diabetes-related health complications. The committee noted that the Ministry of Health has complied with the recommendation.
16. The committee concurred with recommendation 32-3 made at page 265 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health establish processes to monitor that people with diabetes receive appropriate services to reduce their risk of developing diabetes-related health complications. The committee noted that the Ministry of Health has complied with the recommendation.

17. The committee concurred with recommendation 32-4 made at page 265 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health establish processes to monitor that people with diabetes have access to appropriate services in the province. The committee noted that the Ministry of Health has complied with the recommendation.
18. The committee concurred with recommendation 32-5 made at page 267 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health implement processes to accumulate, analyse and monitor provincial spending information on people with diabetes, and on diabetes-related complication prevention programs to assess the reasonableness of its resource allocations. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.
19. The committee concurred with recommendation 32-6 made at page 267 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health work with the Saskatchewan Medical Association to establish a method for assessing physician activities in monitoring people with diabetes. The committee noted that the Ministry of Health has complied with the recommendation.
20. The committee concurred with recommendation 32-7 made at page 267 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health work with regional health authorities to ensure resources on a regional basis are effectively deployed to manage diabetes and diabetes-related health complications. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.
21. The committee concurred with recommendation 32-8 made at page 268 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health review regional health authorities' Primary Health Care plans and programs to ensure they contain appropriate actions and align with the Ministry's strategies relating to chronic disease management including diabetes management and prevention of diabetes-related health complications. The committee noted that the Ministry of Health has complied with the recommendation.
22. The committee concurred with recommendation 32-9 made at page 269 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health implement processes to gather sufficient information relating to people with diabetes and diabetes-related health complications to ensure they are receiving care consistent with provincial standards. The committee noted that the Ministry of Health has complied with the recommendation.
23. The committee concurred with recommendation 32-10 made at page 269 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health collect and analyse information to assess whether services delivered by physicians and care providers are effective and if they provide needed services to people with diabetes to prevent diabetes-related health complications. The committee noted that the Ministry of Health has complied with the recommendation.
24. The committee concurred with recommendation 32-11 made at page 270 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that

the Ministry of Health collect and analyse information to assess the effectiveness of regional health authorities' programs to manage diabetes and the prevention of diabetes-related health complications. The committee noted that the Ministry of Health has complied with the recommendation.

25. The committee concurred with recommendation 32-12 made at page 271 of Chapter 32 (Prevention of Diabetes Related Health Complications) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health publicly report progress in implementing its strategies to manage chronic diseases separately identifying diabetes and prevention of diabetes-related health complications. The committee noted that the Ministry of Health has complied with the recommendation.
26. The committee recessed from 3:37 p.m. until 3:44 p.m.
27. The committee considered Chapter 20 (Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority) of the *2013 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Health officials appeared before the committee and answered questions:

Witnesses

Max Hendricks, Deputy Minister

Tracy Smith, Assistant Deputy Minister

Mark Wyatt, Assistant Deputy Minister

Shelley Reddekopp, Executive Director, Financial Services Branch

Cindy Fedak, Director, Operations and Internal Audit

Tracey Grohs, Manager, Internal Audit and Contracts

Sue Fairburn, Program Consultant, Primary Health Service Branch

Val Hunko, Vice President, Integrated Health Services, Regina Qu'Appelle Regional Health Authority

Brent Kitchens, Director, Kaizen Operations Team, Surgical Services at Regina, Regina Qu'Appelle Regional Health Authority

28. The committee concurred with recommendation 20-1 made at page 263 of Chapter 20 (Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Regina Qu'Appelle Regional Health Authority establish and approve standards for the use of surgical facilities. The committee noted that the Regina Qu'Appelle Regional Health Authority is making progress towards complying with the recommendation.
29. The committee concurred with recommendation 20-2 made at page 265 of Chapter 20 (Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Regina Qu'Appelle Regional Health Authority develop and approve clear policies and guidance for allocation of time and surgical facilities to physicians who provide surgical services. The committee noted that the Regina Qu'Appelle Regional Health Authority is making progress towards complying with the recommendation.
30. The committee concurred with recommendation 20-3 made at page 265 of Chapter 20 (Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Regina Qu'Appelle Regional Health Authority develop and approve clear policies and guidance for scheduling time and surgical facilities for individual patients receiving surgical services. The committee noted that the Regina Qu'Appelle Regional Health Authority has complied with the recommendation.

31. The committee concurred with recommendation 20-4 made at page 266 of Chapter 20 (Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Regina Qu'Appelle Regional Health Authority establish efficiency-focussed performance measures and targets for assessing the use of surgical facilities. The committee noted that the Regina Qu'Appelle Regional Health Authority has complied with the recommendation.
32. The committee concurred with recommendation 20-5 made at page 267 of Chapter 20 (Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Regina Qu'Appelle Regional Health Authority work with surgeons to develop a standard surgical request form that surgeons must use. The committee noted that the Regina Qu'Appelle Regional Health Authority has complied with the recommendation.
33. The committee concurred with recommendation 20-6 made at page 269 of Chapter 20 (Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Regina Qu'Appelle Regional Health Authority establish formal processes for the composition, review, and approval of scheduling daily surgeries. The committee noted that the Regina Qu'Appelle Regional Health Authority has complied with the recommendation.
34. The committee concurred with recommendation 20-7 made at page 270 of Chapter 20 (Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Regina Qu'Appelle Regional Health Authority implement a system to collect all needed information relating to the efficient use of surgical facilities. The committee noted that the Regina Qu'Appelle Regional Health Authority is making progress towards complying with the recommendation.
35. The committee concurred with recommendation 20-8 made at page 270 of Chapter 20 (Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Regina Qu'Appelle Regional Health Authority monitor efficiency-focused information about the use of surgical facilities. The committee noted that the Regina Qu'Appelle Regional Health Authority has complied with the recommendation.
36. The committee concurred with recommendation 20-9 made at page 271 of Chapter 20 (Use of Surgical Facilities at Regina Qu'Appelle Regional Health Authority) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Regina Qu'Appelle Regional Health Authority take timely action to address issues that negatively impact the efficient use of surgical facilities. The committee noted that the Regina Qu'Appelle Regional Health Authority is making progress towards complying with the recommendation.
37. The committee considered Chapter 55 (Standing Committee on Public Accounts) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 52 (Standing Committee on Public Accounts) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Ms. Lowe of the Office of the Provincial Auditor provided an overview of the chapters.
38. The committee concluded consideration of Chapter 55 (Standing Committee on Public Accounts) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 52 (Standing Committee on Public Accounts) of the *2013 Report of the Provincial Auditor (Volume 2)*.

39. It was moved by Mr. Norris:

That this committee do now adjourn.

The question being put, it was agreed to.

40. The committee adjourned at 4:18 p.m. until September 23, 2014 at 9:00 a.m.

Kathy Burianyk
Committee Clerk

Danielle Chartier
Committee Chair