



**Auditor General**  
MANITOBA

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Report to the Legislative Assembly

# **Follow-Up of Previously Issued Audit Recommendations**

Website Version



April 2022

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**Auditor General**  
MANITOBA

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April 2022

Honourable Myrna Driedger  
Speaker of the Legislative Assembly  
Room 244, Legislative Building  
450 Broadway  
Winnipeg, Manitoba R3C 0V8

Dear Madam Speaker,

It is an honour to provide you with my report titled, *Follow-up of Previously Issued Audit Recommendations*, to be laid before Members of the Legislative Assembly in accordance with the provisions of Section 28 of *The Auditor General Act*.

Respectfully submitted,

**Original Signed by:**  
**Tyson Shtykalo**

Tyson Shtykalo, CPA, CA  
Auditor General

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# Follow up of audit report recommendations

We strive to positively influence public sector performance through impactful audit work and reports. All our audit reports contain recommendations that identify areas where improvement is required. Our audit reports achieve their desired impact when the audited entities improve their practices through the implementation of these recommendations.

When tabled in the Legislature, our audit reports are automatically referred to the Standing Committee on Public Accounts (PAC) for follow up on the implementation of our recommendations. To assist PAC in this key role, we report on the implementation status of our recommendations.

This report contains the follow up of our recommendations in previously issued audit reports in the third and final year of follow up by our Office (5 audit reports).

## OUR FOLLOW-UP PROCESS

In 2014, our Office adopted a 3-year follow-up approach. With this approach, we scheduled an initial follow up about 18 months after an audit report was released. This continued annually for 2 more years (a total of 3 years).

We requested status updates as of September 30 from the audited entity's management. When the status update was received, we reviewed the information to determine whether the actions management advised it had taken resolved the issues identified and addressed the recommendations made in the audit report. We did not re-perform audit procedures from the original audit.

The implementation status of each recommendation is described using one of 4 **status categories**: Work in progress; Implemented/resolved; Action no longer required; or Do not intend to implement (see shaded box for further details).

### STATUS CATEGORIES:

- **Work in progress:** Management is taking steps to implement our recommendation.
- **Implemented/resolved:** Recommendation has been implemented, or an alternate solution has been implemented that fully addresses the risk identified in the original report.
- **Action no longer required:** Recommendation is no longer relevant, due to changes in circumstances.
- **Do not intend to implement:** Management does not intend to implement our recommendation or otherwise address the risk identified in our original report.

PAC has adopted a process where it requests Action Plans and Progress Reports from audited entities. This is explained in more detail in the next section, *Public Accounts Committee* progress. As of December 31, 2021, PAC has requested 16 Action Plans for audits issued in 2019, 2020, and 2021—which includes all the audits we would have considered in the first year of follow-up process. With this new process, our Office will no longer use the 3-year follow-up approach. We will take this opportunity to revisit the scope and timing of our follow-up procedures to ensure our reports and recommendations continue to achieve the desired impact.

## HOW WE ASSESS PROGRESS AND IMPLEMENTATION OF RECOMMENDATIONS

Many factors must be considered when assessing the progress and implementation of our recommendations. For example, the complexity of the recommendation, significance of the underlying issues, operating priorities of the entity, as well as resourcing implications and capacity of the entity. While some recommendations may take longer than 3 years to implement, we believe this is a sufficient and reasonable amount of time for audited entities to implement the large majority of the recommendations.

For the recommendations where officials report it as implemented/resolved, we confirm the status through interviews and supporting documentation. For the recommendations where officials indicated that action is no longer required or they do not intend to implement, we review the rationale provided and include it in this report. We continue to follow up on these recommendations and confirm if management has reconsidered its position on the status of these recommendations.

## Implementation status

This report provides the implementation status of 41 recommendations. As detailed in **FIGURE 1**, we found that:

- 21 have been implemented/resolved (51%).
- 3 were no longer relevant due to changed circumstances (7%).
- 4 will not be implemented (10%).
- 13 recommendations remained in progress (32%).



Figure 1: Implementation status, as at September 30, 2021

Report	Total	Implemented/ resolved	Action no longer required	Do not intend to implement	Work in progress
<b>Third and final follow-up review</b>					
<b>October 2017</b>					
Managing Climate Change (a follow up to our December 2010 audit)	8	2	–	–	6
<b>October 2018</b>					
eChart Manitoba	15	7	1	4	3
Pharmacare: Special Audit of Financial Irregularities and Controls	5	1	–	–	4
Thompson District Office: Special Audit of Missing Licences and Cash Management Practices	5	5	–	–	–
Rural Municipality of De Salaberry: Audit of Financial Irregularities	8	6	2	–	–
<b>Grand Total</b>	<b>41</b>	<b>21 (51%)</b>	<b>3 (7%)</b>	<b>4 (10%)</b>	<b>13 (32%)</b>

The implementation rate for third-year recommendations is low for most of the reports in the final year of follow up. While there was an improvement over last year, only half of the third-year recommendations have been implemented.

It should be noted that 2 of the 3 reports with outstanding recommendations, *eChart Manitoba* and *Pharmacare: Special Audit of Financial Irregularities and Controls*, have never been discussed by PAC. Of significance, the Minister of Finance specifically requested an audit of Pharmacare due to concerns raised about the claims process.

Audit recommendations are fully implemented in two reports: *Thompson District Office: Special Audit of Missing Licences and Cash Management Practices* and *Rural Municipality of De Salaberry: Audit of Financial Irregularities*.

The importance of these recommendations do not diminish because it is the third year of follow up. It remains imperative that PAC continue to monitor the status of these recommendations and ask for updates on the progress of implementation. Through its continued follow-up of these recommendations, PAC can bring to bear the full authority of the Legislative Assembly. Without continued attention by PAC, the accountability cycle of government remains incomplete.

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## NEW PUBLIC ACCOUNTS COMMITTEE PROCESSES ADOPTED IN 2020

On October 14, 2020, the Standing Committee on Public Accounts (PAC) passed a motion adopting 2 new processes regarding Action Plans and Progress Reports from audited entities (see shaded box). The related discussion in passing this motion can be found in Hansard.<sup>1</sup> We remain fully supportive of this process as it provides PAC with valuable information on the steps audited entities have planned to implement our recommendations. We further acknowledge that these processes align Manitoba's PAC with recognized good practices for effective public accounts committees across Canada.<sup>2</sup>

In December 2020, Action Plans were requested for all audit reports issued by our Office in 2020 (FIGURE 2). As well, Progress Reports were requested on outstanding recommendations from 7 audit reports dating back to 2014 (FIGURE 3). This continued into 2021, as PAC requested Action Plans for all audit reports issued by our Office in the past year.

The information provided to PAC by these audited entities will be incorporated into our processes for future follow-up work.

1 [www.gov.mb.ca/legislature/hansard/42nd\\_3rd/hansardpdf/pa1.pdf](http://www.gov.mb.ca/legislature/hansard/42nd_3rd/hansardpdf/pa1.pdf)

2 See *Good Practice 14 in Accountability in Action: Good Practices for Effective Public Accounts Committees*, Canadian Audit and Accountability Foundation, 2017. [www.caaf-fcar.ca/images/pdfs/research-publications/AccountabilityInActionEN.pdf](http://www.caaf-fcar.ca/images/pdfs/research-publications/AccountabilityInActionEN.pdf)

### MOTION PASSED:

THAT the Standing Committee on Public Accounts adopt the following protocols which shall remain in effect until the end of the 42nd Legislature:

- (1) Within 48 hours of a new report by the Office of the Auditor General being tabled by the Speaker, whether during session or intersessionally, the Chairperson and the Vice-Chairperson are to send a joint letter requesting an action plan regarding the implementation of the Auditor's recommendations to the department, Crown corporation or other entity which is the subject of the report. A deadline of 90 days from the date of the letter will be allowed for a response.
- (2) Progress Reports, seeking information regarding the status of the implementation of the Auditor's recommendations may be requested from any department, Crown corporation, or other entity which is the subject of a report by the Office of the Auditor General by either of the following means:
  - (a) The Chairperson and the Vice-Chairperson may request a progress report by joint letter or
  - (b) With unanimous consent, the Standing Committee on Public Accounts may ask the Chairperson and the Vice-Chairperson to request a progress report by joint letter.

A deadline of 28 days from the date of the letter shall be allowed for a response.

Figure 2: Action Plans requested by PAC

Audit title (date issued)	Date requested by PAC	Date received by PAC
Management of Foster Homes (November 2019)	December 2020	March 2021
Oversight of Commercial Vehicle Safety (December 2019)	January 2021	Outstanding
Management of Provincial Tourism (January 2020)	December 2020	February 2022
Quarry Rehabilitation Program Investigation (May 2020)	December 2020	March 2021
Vital Statistics Agency (September 2020)	December 2020	January 2021
Provincial Oversight of Drinking Water Safety (September 2020)	December 2020	January 2021
Oversight of Post-Secondary Institutions (October 2020)	December 2020	October 2021
Public Accounts and Other Financial Statement Audits (December 2020)	October 2021	November 2021
Physicians' Billings (January 2021)	January 2021	April 2021
Animal Disease Preparedness (January 2021)	January 2021	May 2021
Automatic Vehicle Location Management Systems (June 2021)	June 2021	Outstanding
Main Street Project Investigation (June 2021)	June 2021	September 2021
Shellmouth Dam Compensation Program (August 2021)	October 2021	November 2021
City of Winnipeg: Sale of Vimy Arena (August 2021)	October 2021	November 2021
Municipal Development Corporations (August 2021)	October 2021	November 2021
Public Accounts and Other Financial Statement Audits (December 2021)	December 2021	Outstanding

**Figure 3: Progress Reports requested by PAC**

Audit title (date issued)	Date requested by PAC	Date received by PAC
Pharmacare Program (April 2006)	December 2020	September 2021
Personal Care Homes Program (November 2009)	December 2020	September 2021
Wireless Network Security (January 2012)	December 2020	September 2021
Helicopter Ambulance Program (March 2014)	December 2020	Outstanding
WRHA's Management of Risks Associated with End-User Devices (July 2015)	December 2020	September 2021
Manitoba Home Care Program (August 2015)	December 2020	September 2021
Improving Educational Outcomes for Kindergarten to Grade 12 Aboriginal Students (January 2016)	December 2020	January 2021

### NO MEETINGS HELD BY PAC IN 2021

The mandate of the Standing Committee on Public Accounts (PAC) is to examine the financial administration of public assets and spending of public funds (including Crowns, agencies, recipients of public money). To fulfill its mandate, PAC examines the reports of the Auditor General. PAC holds meetings with the government departments and Crown organizations we audit to enquire about the performance issues and risks identified in our reports, as well as to confirm that appropriate actions have been taken to address our recommendations.

The Rules, Orders, and Forms of Proceeding for the Legislative Assembly of Manitoba expects that the PAC will meet at minimum 9 times per year. PAC did not meet at all in 2021.

### UNACCEPTABLE NUMBER OF OUTSTANDING REPORTS

As of December 31, 2021, 16 Audit Reports (**FIGURE 4**) and 8 Follow-Up Reports (**FIGURE 5**) have not been considered by PAC. In total, 24 reports remain outstanding. It should be noted that many of these outstanding reports focus on health care, which is a significant area of expenditure for the Government of Manitoba.

Figure 4: Audit reports that have not been called by PAC

Date Tabled	Audit Name
March 2014	Helicopter Ambulance Program
August 2015	Manitoba Home Care Program
April 2017	Management of Magnetic Resonance Imaging (MRI) Services
October 2018	eChart Manitoba
November 2018	Forensic Audits: <ul style="list-style-type: none"> <li>• Pharmacare: Special Audit of Financial Irregularities and Controls</li> <li>• Rural Municipality of De Salaberry: Audit of Financial Irregularities</li> </ul>
December 2019	Management of Foster Homes
January 2020	Management of Provincial Tourism
May 2020	Quarry Rehabilitation Program Investigation
September 2020	Vital Statistics Agency
September 2020	Provincial Oversight of Drinking Water Safety
October 2020	Oversight of Post-Secondary Institutions
January 2021	Physicians' Billings
January 2021	Animal Disease Preparedness
June 2021	Automatic Vehicle Location Management Systems
June 2021	Main Street Project Investigation
August 2021	Investigations Report: <ul style="list-style-type: none"> <li>• Shellmouth Dam Compensation Program</li> <li>• City of Winnipeg: Sale of Vimy Arena</li> <li>• Municipal Development Corporations</li> </ul>

Figure 5: Follow-up reports that have not been called by PAC

Date Tabled	Audit Name
May 2014	Follow-up of Previously Issued Recommendations, <i>Outstanding Sections</i> : <ul style="list-style-type: none"> <li>• <i>Personal Care Homes Program</i></li> <li>• <i>8: Pharmacare Program – Part 2</i></li> <li>• <i>23: Wireless Network Security</i></li> </ul>
May 2015	Follow-up of Previously Issued Recommendations, <i>Outstanding Sections</i> : <ul style="list-style-type: none"> <li>• <i>9: Taxation Division, Audit Branch</i></li> <li>• <i>10: Wireless Network Security</i></li> <li>• <i>18: Senior Management Expense Policies</i></li> </ul>
May 2016	Follow-up of Previously Issued Recommendations, <i>Outstanding Sections</i> : <ul style="list-style-type: none"> <li>• <i>Food Safety</i></li> <li>• <i>Taxation Division, Audit Branch</i></li> <li>• <i>Wireless Network Security</i></li> <li>• <i>Senior Management Expense Policies</i></li> <li>• <i>Helicopter Ambulance Program</i></li> </ul>
March 2017	Follow-up of Previously Issued Recommendations, <i>Outstanding Sections</i> : <ul style="list-style-type: none"> <li>• <i>Office of the Fire Commissioner</i></li> <li>• <i>Senior Management Expense Policies</i></li> <li>• <i>Helicopter Ambulance Program</i></li> <li>• <i>Manitoba Home Care Program</i></li> </ul>
March 2018	Follow-up of Previously Issued Recommendations, <i>Outstanding Sections</i> : <ul style="list-style-type: none"> <li>• <i>RM of Lac Du Bonnet</i></li> <li>• <i>Helicopter Ambulance Program</i></li> <li>• <i>WRHA's Management of Risks Associated with End-user Devices</i></li> <li>• <i>Manitoba Home Care Program</i></li> <li>• <i>Improving Educational Outcomes for Kindergarten to Grade 12 Aboriginal Students</i></li> </ul>
March 2019	Follow-up of Previously Issued Recommendations, <i>Outstanding Sections</i> : <ul style="list-style-type: none"> <li>• <i>WRHA's Management of Risks Associated with End-user Devices</i></li> <li>• <i>Manitoba Home Care Program</i></li> <li>• <i>Improving Educational Outcomes for Kindergarten to Grade 12 Aboriginal Students</i></li> <li>• <i>Keeyask Process Costs and Adverse Effects Agreements with First Nations</i></li> <li>• <i>Management of MRI Services</i></li> <li>• <i>Management of Manitoba's Apprenticeship Program</i></li> </ul>

**Figure 5: Follow-up reports that have not been called by PAC**

<p>March 2020</p>	<p>Follow-up of Previously Issued Recommendations, <i>Outstanding Sections:</i></p> <ul style="list-style-type: none"> <li>• <i>Improving Educational Outcomes for Kindergarten to Grade 12 Aboriginal Students</i></li> <li>• <i>Keeyask Process Costs and Adverse Effects Agreements with First Nations</i></li> <li>• <i>Management of MRI Services</i></li> <li>• <i>Management of Manitoba's Apprenticeship Program</i></li> <li>• <i>eChart Manitoba</i></li> <li>• <i>Pharmacare: Special Audit of Financial Irregularities and Controls</i></li> <li>• <i>Rural Municipality of De Salaberry: Audit of Financial Irregularities</i></li> </ul>
<p>March 2021</p>	<p>Follow-up of Previously Issued Recommendations, <i>Outstanding Sections:</i></p> <ul style="list-style-type: none"> <li>• <i>Management of MRI Services</i></li> <li>• <i>Management of Manitoba's Apprenticeship Program</i></li> <li>• <i>Managing Climate Change (a follow up to our December 2010 audit)</i></li> <li>• <i>eChart Manitoba</i></li> <li>• <i>Pharmacare: Special Audit of Financial Irregularities and Controls</i></li> <li>• <i>Thompson District Office: Special Audit of Missing Licenses and Cash Management Practices</i></li> <li>• <i>Rural Municipality of De Salaberry: Audit of Financial Irregularities</i></li> </ul>

Government departments and Crown organizations are accountable to PAC for the implementation of the Auditor General's recommendations. An effective PAC plays a significant role in ensuring our audit work has the desired positive impact on the performance of public sector organizations. Through this work, PAC is expected to examine the adequacy of safeguards to prevent loss, mismanagement, and waste, as well as whether there is regard for economy and efficiency in the expenditure of public funds. But when PAC fails to meet, it does not fulfil this crucial part of ensuring government accountability.



# Third and final follow-up report

Website Version

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## 1.1 Managing Climate Change (a follow up to our December 2010 audit)

Our recommendations were originally directed to the Department of Sustainable Development. Due to a government reorganization, the Department of Environment, Climate and Parks is now responsible for implementing the recommendations.

Summary of reports and PAC discussion dates	
Reports issued	Discussed at PAC (in meetings up to December 31, 2021)
Original report – October 2017	June 25, 2020
First follow up – March 2020	June 25, 2020
Second follow up – March 2021	–

### What our original report examined

We examined whether the Department of Sustainable Development (now called Environment, Climate and Parks) was adequately leading the Province's response to climate change. We conducted this audit because the impacts of climate change pose a threat to infrastructure, human health and well-being, the economy, and natural environment.

The audit was part of a collaborative audit initiative involving most provincial legislative audit offices and the Auditor General of Canada. The offices agreed to work together to determine the extent to which federal, provincial, and territorial governments were meeting commitments to reduce greenhouse gas emissions and adapt to climate change.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All of our reports are available at our website: [oag.mb.ca](http://oag.mb.ca).

## Status of recommendations as at September 30, 2021

As shown in the table below, 2 of our 8 recommendations have been implemented as at September 30, 2021.

Status date	Implemented/ resolved	Action no longer required	Do not intend to implement	Work in progress	Total
September 30, 2021	2	–	–	6	8

This is the third follow up on the audit of *Managing Climate Change* (a follow up to our December 2010 audit). We prepared the following table summarizing when recommendations were considered as implemented, action no longer required and do not intend to implement.

Timing of recommendations where no further follow up is required			
Follow-up report date	Implemented/ resolved	Action no longer required	Do not intend to implement
March 2022	–	–	–
March 2021	1	–	–
March 2020	1	–	–
<b>Total</b>	<b>2</b>	<b>–</b>	<b>–</b>

Below we list the status of all recommendations.

## Work in progress

### We recommended that:

2. The Department use scientific and economic analyses to help it set short, medium, and long-term targets for reducing greenhouse gas emissions.

**OAG comment:** *The Department stated they are using scientific and economic analysis to identify ways to reduce GHG emissions and identify the impact of various reduction scenarios to help it set short, medium, and long-term emission reduction goals.*

4. The Department develop plans for reducing emissions that show each significant initiative's expected emissions reduction and estimated cost.

**OAG comment:** *The Department provided examples of plans to reduce emissions, although these do not always have the expected emissions reduction and/or estimated cost.*

5. The Department implement processes for monitoring Manitoba's progress in reducing greenhouse gas emissions that include:
  - a. clearly defined roles and responsibilities for the Department, partner departments and agencies, and Cabinet committees.
  - b. regular reporting on whether the overall plan and significant initiatives are on time, on budget, and going to achieve expected emissions reductions and any other stated secondary goals (for example, job creation goals).
  - c. on-going risk management to identify and mitigate risks to achieving expected emissions reductions.

**OAG comment:** *The roles and responsibilities of the partner departments and agencies, and Cabinet committees remain undefined. The Department has publicly issued 1 report (covering 2 years: 2018 and 2019), which had minimal information to assess whether initiatives are on time, on budget, or any secondary goals. The Department indicated it is working on identifying and mitigating risks to achieve expected emissions reductions, and has also contracted an outside consultant to identify potential risks.*

## Work in progress

6. The Department publicly report on Manitoba's progress in reducing greenhouse gas emissions annually and that, for each significant initiative, this include reporting the emissions reductions realized, related costs, and whether any secondary goals (such as job creation goals) were achieved.

**OAG comment:** *As noted above, the Department has released 1 report (covering 2 years), with minimal information to assess whether initiatives are on time, on budget, or any secondary goals.*

7. The Department work with other provincial government departments and agencies, as well as with municipalities, to:
  - a. identify and assess potential risks associated with climate change impacts in Manitoba.
  - b. based on the significant risks identified, develop a provincial adaptation plan with clearly defined actions, timeframes, and budget.

**OAG comment:** *The Department provided evidence that work to identify and assess the potential risks associated with climate change in Manitoba is underway. It also identified that a Provincial Adaptation Plan is being developed with the assistance of external consultants.*

8. The Department develop processes to publicly report on an annual basis:
  - a. the significant risks identified for Manitoba as a result of climate change impacts.
  - b. planned actions and timelines to address those risks.
  - c. progress in implementing planned actions.
  - d. the degree to which planned actions have successfully reduced identified risks.
  - e. related costs.

**OAG comment:** *The Department stated it continues to develop its annual reporting process and is working on identifying Manitoba specific risks. However, as of September 2021, there was little public reporting on how these risks had been reduced, the associated costs associated with planned actions to address the risks, and no timeline for their implementation.*

## Implemented/resolved

### March 2021 report – status as at September 30, 2020

**We recommended that:**

3. The Department support plans for reducing emissions with comprehensive analyses of the benefits, risks, and costs of different approaches and policy tools.

### March 2020 report – status as at September 30, 2019

**We recommended that:**

1. The Department promptly review and update its plan for reducing greenhouse gas emissions whenever progress monitoring shows established targets will not be met, and at a minimum every 3 years.

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## 1.2 eChart Manitoba

Our recommendations were originally directed to Manitoba eHealth. Due to restructuring of Manitoba's health care system, eHealth is now a service within the Shared Health organization.

Summary of reports and PAC discussion dates	
Reports issued	Discussed at PAC (in meetings up to December 31, 2021)
Original report – October 2018	–
First follow up – March 2020	–
Second follow up – March 2020	–

### What our original report examined

eChart is an electronic system that pulls confidential health information from many of the Province's existing electronic health databases.

This audit examined whether Manitoba eHealth (eHealth) was sufficiently managing the significant risks that might prevent it from achieving the following eChart Manitoba (eChart) operational objectives:

- Realizing its intended benefits.
- Ensuring its information is accessed only by authorized individuals.
- Ensuring it is available when needed.

We did not examine practices and controls that prevent, detect and correct inaccurate eChart information.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All of our reports are available at our website: [oag.mb.ca](http://oag.mb.ca).

## Status of recommendations as at September 30, 2021

As shown in the table below, 7 of our 15 recommendations have been implemented as at September 30, 2021.

Status date	Implemented/ resolved	Action no longer required	Do not intend to implement	Work in progress	Total
September 30, 2021	7	1	4	3	15

This is the third and final follow up on the audit of *eChart Manitoba*. We have prepared the following table summarizing when recommendations were considered as implemented, action no longer required and do not intend to implement.

Timing of recommendations where no further follow up is required			
Follow-up report date	Implemented/ resolved	Action no longer required	Do not intend to implement
March 2022	–	–	–
March 2021	1	1	3
March 2020	6	-	1
<b>Total</b>	<b>7</b>	<b>1</b>	<b>4</b>

## Work in progress

### We recommended that:

12. eHealth update their eChart audit methodology to:

- a. include a site selection process that is random and unpredictable.
- b. monitor user activities through automated triggers and alerts.

**OAG comment:** eHealth has implemented recommendation 12 (a). With regards to 12 (b), Shared Health advised that resource requirements to enhance automated monitoring are under consideration; However, we note that limited progress has been made since our follow up last year.

14. eHealth promptly implement the cybersecurity control recommendations presented in our letter to management.

**OAG comment:** Shared Health has implemented 6 of 9 findings noted in the letter to management. We note that limited progress has been made on the remaining 3 findings since our follow up last year.

15. eHealth develop, communicate, implement and test a disaster recovery plan for their data, systems and infrastructure, which would include eChart.

**OAG comment:** Shared Health advised that additional disaster recovery (DR) considerations to manage the risks to the service failures will be included as part of their ongoing transition activities, including understanding resource requirements, development of DR plans, and adoption of high availability infrastructure. We note that no further progress has been made since our follow up last year.

## Implemented/resolved

March 2021 report – status as at September 30, 2020

### We recommended that:

1. eHealth identify, assess and mitigate (if needed) the risks associated with not realizing eChart's intended benefits.
2. eHealth periodically update their vision of the clinical information that will be included in eChart.
3. as part of the annual budgetary process, eHealth clearly communicate to the IT capital-spending decision-makers the impact that significant delays in implementing eChart related releases and projects will have on the ability to achieve eChart's intended benefits.

## Implemented/resolved

4. eHealth develop and implement strategies to achieve eChart usage and site implementation targets.
5. We recommend that eHealth develop key performance indicators for each eChart intended benefit, and that targets be determined for each indicator. We also recommend that eHealth monitor results achieved against the targets and identify any needed corrective action for performance short falls.
6. eHealth ensure their consultant staff attend PHIA training and sign confidentiality pledges.

March 2020 report – status as at September 30, 2019

### We recommended that:

13. eHealth, in collaboration with the WRHA Chief Privacy Officer, update their eChart privacy incident handling process to clarify responsibility for patient and public notifications.

## Action no longer required

March 2020 report – status as at September 30, 2019

### We recommended that:

7. eHealth; as part of their periodic audits of user activities at sites, (referenced in section 2.2.6) obtain assurance from each site that eChart users have signed their PHIA confidentiality pledges.

**OAG comment:** *In our March 2020 follow-up report, Shared Health informed us that action is no longer required for Recommendation 7. Shared Health advised that all sites are required to sign a Master Services Agreement which specifies that each site must comply with The Personal Health Information Act (PHIA). This includes: all employees and agents sign a pledge of confidentiality and all users accept the Terms of Use upon their first login to eChart. The Terms of Use require the users to agree that they will restrict their access to the information that is necessary to provide care to individuals with whom they have a health care relationship.*

## Do not intend to implement

### March 2021 report – status as at September 30, 2020

#### **We recommended that:**

10. eHealth define and communicate minimum timing requirements for sites to request removal of eChart users.

**OAG comment:** *Shared Health chose not to fully implement Recommendation 10. This recommendation addresses defining and communicating the minimum timing requirements for sites to request removal of eChart users. Shared Health relies on site contacts to notify them of necessary removals, such as in the case of terminations. In a reference guide published on its intranet site, Shared Health defined the site contact's responsibility to "disable a user when access is no longer required." It also increased the frequency of user reviews and automated disabling of inactive accounts to reduce the risk of not removing terminated users in a timely fashion. However, Shared Health does not intend to communicate to site contacts the need to remove access 'when access is no longer required' and instead rely on the intranet site reference guide as the sole source of awareness to the site contacts.*

*While we acknowledge Shared Health has improved the definition of the timing requirement for removal requests and implemented some additional controls, we continue to support the value of this recommendation. Communicating to sites the requirement to remove users when access is no longer required serves to remind site contacts of their responsibilities and re-emphasizes the importance of protecting eChart personal health information by removing terminated users in a timely manner.*

### March 2020 report – status as at September 30, 2019

#### **We recommended that:**

6. eHealth update their eChart user access guidance to specifically link health-care roles to appropriate eChart views and establish a process to handle any necessary exceptions identified by the sites.
11. eHealth require sites to certify the quarterly User Account Management Report as reviewed and communicate any needed changes in user views and authorized users in a timely manner.

## Do not intend to implement

**OAG comment:** Shared Health has chosen not to implement Recommendations 6 and 11. These recommendations address limiting access to personal health information to those who “need to know” for the purpose of providing care in accordance with the PHIA. Shared Health has told us that health-care providers and support staff may require access to a broad range of clinical information. Shared Health accepts the risks which they believe are low given the technical limitations and alternate measures in place to prevent, deter, and investigate unauthorized access to eChart information.

While we acknowledge that technical limitations and other control measures exist, we continue to support the value of these recommendations. Restricting access to personal health information in relation to users' health-care roles is a strong preventative control that ensures this information is available only to those required. Additionally, there is a need for detective controls where the sites actively review the User Account Management Reports, which shows whether users have access to information that is in line with their roles and responsibilities.

9. eHealth ensure site privacy officers are trained upon implementation of eChart or upon being assigned to this role, and periodically thereafter.

**OAG comment:** Shared Health has chosen not to fully implement Recommendation 9. This recommendation addresses ensuring health-care site privacy officers are aware of their roles and responsibilities to safeguard patients' personal health information in eChart. Shared Health provides training for privacy officers when new sites go-live with eChart. However, it does not intend to provide any periodic training after the initial implementation. Shared Health does not believe it is appropriate to use eChart access as the mechanism to ensure Privacy Officers understand the PHIA and sufficient reference materials are provided at the time of the initial training. While we acknowledge these views, we continue to support the value of this recommendation. Periodic refresher training is important to ensure Privacy Officers continue to understand their responsibilities regarding safeguarding eChart information and are aware of any updates to eChart privacy information.

## 1.3 Pharmacare: Special Audit of Financial Irregularities and Controls

Our recommendations were originally directed to the Department of Health, Seniors and Active Living. Due to a government reorganization, the Department of Health is now responsible for implementing the recommendations.

Summary of reports and PAC discussion dates	
Reports issued	Discussed at PAC (in meetings up to December 31, 2021)
Original report – October 2018	–
First follow up – March 2020	–
Second follow up – March 2020	–

### What our original report examined

On August 25, 2015, the Minister of Finance requested a special audit under Section 16 of *The Auditor General Act* of the Pharmacare claims process and the transactions made by a specific employee.

Our audit focused on payments resulting from the manual entries made by the suspected employee during the entire period of employment (October 29, 2007 to March 17, 2015). These transactions totaled \$1.1 million.

The audit objectives were as follows:

1. To determine the extent of illegitimate disbursements processed by the employee.

For the employee's entire term of employment, we examined the following transactions processed by the employee for supporting documentation:

- Manual entries of prescription drug purchases.
- Interim payments, including the calculation of the related deductible.

We also examined all manual adjusting entries (carrier 10 and 12) over \$1,000 for all employees for the entire term of employment. We examined entries for all employees because the system is unable to track these entries by employee.

- To determine whether there were adequate controls in place to ensure that only properly supported disbursements were made to individual.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All of our reports are available at our website: [oag.mb.ca](http://oag.mb.ca).

## Status of recommendations as at September 30, 2021

As shown in the table below, one of our 5 recommendations has been implemented as at September 30, 2021.

Status date	Implemented/ resolved	Action no longer required	Do not intend to implement	Work in progress	Total
September 30, 2021	1	–	–	4	5

This is the third and final follow up on the audit of *Pharmacare: Special Audit of Financial Irregularities and Controls*. We prepared the following table summarizing when recommendations were considered as implemented, action no longer required and do not intend to implement.

Timing of recommendations where no further follow up is required			
Follow-up report date	Implemented/ resolved	Action no longer required	Do not intend to implement
March 2022	–	–	–
March 2021	–	–	–
March 2020	1	–	–
<b>Total</b>	<b>1</b>	<b>–</b>	<b>–</b>



Below we list the status of all recommendations.

## Work in progress

### We recommended that:

2. The Department conduct a benefit/cost analysis for making enhancements to the DPIN system to build automated internal controls over the processing of manual Pharmacare transactions, and to implement enhancements where it makes business sense to do so.

**OAG comment:** *The Department of Health advises that Government has decided to accept the risks inherent in the current DPIN system. With the oversight of the system being transferred to Digital Health, the topic is expected to be revisited in the future.*

3. Pharmacare ensure there is supervisory review of all manual transactions and, if applicable, that the review occur before a cheque is generated.

**OAG comment:** *The Department of Health advises that all cheques are supported by documentation which includes support for all manual transactions made in the process of generating the cheque. A sample of cheques is selected for review prior to issuance which may or may not include cheques generated by manual transactions. The Department will continue to explore producing exception reports in DPIN that will list all cheques generated by manual transactions for management review.*

4. Pharmacare develop documentation requirements for each type of entry made into DPIN. This guidance should include checklists of all information required to support a particular entry.

**OAG comment:** *The Department of Health advises that because of redeployments due to the COVID-19 pandemic and other staffing issues this work has not progressed. This will be prioritized upon completion of the process to hire new staff which is currently underway.*

5. Pharmacare establish a process to compare self-reported income figures with income information from the CRA once it becomes available. Recovery processes should be established for situations where self-reported incomes were significantly below actual income reported to the CRA and resulted in Pharmacare paying for prescription drugs that the client should have paid for.

**OAG comment:** *The Department of Health advises that because of redeployments due to the COVID-19 pandemic and other staffing issues this work has not progressed. This will be prioritized upon completion of the process to hire new staff which is currently underway.*

Implemented/resolved

March 2020 report – status as at September 30, 2019

**We recommended that:**

1. Manitoba Health forward our detailed audit findings to Civil Legal Services.

## 1.4 Thompson District Office: Special Audit of Missing Licences and Cash Management Practices

Our recommendations were originally directed to the Department of Sustainable Development. Due to a government reorganization, the Department of Environment, Climate and Parks is now responsible for implementing the recommendations.

Summary of reports and PAC discussion dates	
Reports issued	Discussed at PAC (in meetings up to December 31, 2021)
Original report – October 2018	June 25, 2020
First follow up – March 2020	June 25, 2020
Second follow up – March 2021	–

### What our original report examined

On May 27, 2014, the Minister of Finance requested a special audit under Section 16 of *The Auditor General Act* of cash management processes in the Thompson District Office of the Department of Sustainable Development (now called Environment, Climate and Parks). This request was made after Sustainable Development discovered a missing deposit and missing licences at the Thompson District Office.

The objectives of our audit were to:

- Determine the extent of the missing licences and funds in the Thompson District Office.
- Assess the adequacy of Sustainable Development's control framework over licence inventory, revenues, receivables, and receipts.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All of our reports are available at our website: [oag.mb.ca](http://oag.mb.ca).

## Status of recommendations as at September 30, 2021

As shown in the table below, all 5 recommendations have been implemented as at September 30, 2021.

Status date	Implemented/ resolved	Action no longer required	Do not intend to implement	Work in progress	Total
September 30, 2021	5	–	–	–	5

This is the third and final follow up on the audit of *Thompson District Office: Special Audit of Missing Licences and Cash Management Practices*. We prepared the following table summarizing when recommendations were considered as implemented, action no longer required and do not intend to implement.

Timing of recommendations where no further follow up is required			
Follow-up report date	Implemented/ resolved	Action no longer required	Do not intend to implement
March 2022	5	–	–
March 2021	–	–	–
March 2020	–	–	–
<b>Total</b>	<b>5</b>	<b>–</b>	<b>–</b>

Below we list the status of all recommendations.

## Implemented/resolved

March 2021 report – status as at September 30, 2021

### **We recommended that:**

1. Sustainable Development prepare a documented risk assessment, including fraud exposure evaluations, for each vendor type and location to ensure appropriate controls are in place to mitigate significant risks. We further recommend that the assessments be periodically reviewed.
2. Sustainable Development segregate incompatible duties at its various locations whenever possible and practical. When not possible or practical, we recommend that Sustainable Development conduct additional or extended procedures (for example, supervisory reviews), based on the specific risks associated with each location.
3. Sustainable Development strengthen its inventory Remittance Procedures to include:
  - How often the inventory counts should be done
  - A requirement that the inventory count results be submitted to the Licensing (or responsible) Branch. If inventory counts are not conducted there should be a follow-up process in place
  - Guidance on who should be conducting the inventory counts. The individual who conducts the count should not be responsible for the custody, selling and recording of licence/permit transactions.
4. Sustainable Development include in their quality assurance processes the periodic review of MROs prepared by each district office, campground and park gate to ensure all required information is accurately recorded and properly supported. We further recommend that they provide clerks and supervisors with needed training or directives to ensure expectations are completely understood.
5. Sustainable Development Financial Services staff prepare the monthly bank reconciliations and that they be reviewed and approved by management.

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## 1.5 Rural Municipality of De Salaberry: Audit of Financial Irregularities

Our recommendations are directed to the Rural Municipality of De Salaberry.

Summary of reports and PAC discussion dates	
Reports issued	Discussed at PAC (in meetings up to December 31, 2021)
Original report – October 2018	–
First follow up – March 2020	–
Second follow up – March 2021	–

### What our original report examined

In February 2014 we received allegations about financial irregularities at the Rural Municipality of De Salaberry (RM). On July 29, 2014 we scheduled an audit to assess the validity of the financial allegations, and to identify potential opportunities to strengthen related systems and procedures.

Our audit objectives were to assess:

1. The validity of the financial allegations:
  - Some credit card transactions lacked support.
  - Personal items were charged to RM credit cards.
  - Not all donations at a fundraising event were deposited.
  - There were excessive promotional expenses.
  - Project management services were not tendered.
2. The adequacy of the RM's internal control procedures for processing expense claims.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All of our reports are available at our website: [oag.mb.ca](http://oag.mb.ca).

## Status of recommendations as at September 30, 2021

As shown in the table below, 6 of the 8 recommendations have been implemented as at September 30, 2021.

Status date	Implemented/ resolved	Action no longer required	Do not intend to implement	Work in progress	Total
September 30, 2021	6	2	–	–	8

This is the third and final follow up on the audit of *Rural Municipality of De Salaberry: Audit of Financial Irregularities*. We prepared the following table summarizing when recommendations were considered as implemented, action no longer required and do not intend to implement.

Timing of recommendations where no further follow up is required			
Follow-up report date	Implemented/ resolved	Action no longer required	Do not intend to implement
March 2022	1	–	–
March 2021	4	–	–
March 2020	1	2	–
<b>Total</b>	<b>6</b>	<b>2</b>	<b>–</b>



Below we list the status of all recommendations.

## Implemented/resolved

### March 2022 report – status as at September 30, 2021

**We recommended that:**

6. The RM amend their standard expense claim form for Council and staff to require a signature certifying that all amounts claimed are accurate and incurred on municipal business.

### March 2020 report – status as at September 30, 2020

**We recommended that:**

1. The RM develop a policy on local meal and entertainment expenses that:
  - Defines the circumstances where such expenses are allowed.
  - Requires transactions be supported by original receipts with details of what was purchased.
  - Requires documentation on the purpose of restaurant meals and who attended, and documentation on the nature and purpose of entertainment events.
  - Defines if and when alcohol charges are allowed.
4. The RM tender for project management services every 4 to 5 years and that the RM include this requirement in its purchasing policy.
5. The CAO review all Council member expense claims for compliance with Council's expense policy, and that the Finance Committee review and approve all Council expense claims before they are paid.
8. Bank reconciliations be completed promptly, ideally within 30 days after month end, and that the CAO review and approve them after they are completed.

### March 2020 report – status as at September 30, 2019

**We recommended that:**

7. The RM revise the Council remuneration bylaw to include specific meal per diem rates, and to define the circumstances when meals can be claimed for work within the RM.

## Action no longer required

March 2020 report – status as at September 30, 2019

### **We recommended that:**

2. A municipal official issue receipts at the charity golf tournament immediately upon receipt of the donation.
3. The RM require a detailed listing of expenses for the charity golf tournament, and that this listing be supported by invoices/receipts.

**OAG comment:** *Recommendations 2 and 3 address donations and expenses related to the charity golf tournament. The RM de Salaberry has told us that no golf tournament has been held since our report, nor are any foreseen.*

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