

Alberta Advanced Education

There are no new recommendations to the department in this report. The department has four outstanding recommendations, all of which have been outstanding for more than three years, and none are ready for assessment.

The department has implemented two outstanding recommendations:

- implementing an enterprise risk-management framework—see page 40
- improving processes over travel, meals and hospitality expenses—see page 41

We issued an unqualified independent auditor's report on the 2019–2020 financial statements for the Access to the Future Fund. The Access to the Future Fund was dissolved on December 5, 2019.

Post-secondary Institutions Report Card⁵

We will report separately on the results of our 2019–2020 audits of 20 public post-secondary institutions, and will update our annual Report Card on the post-secondary institutions' financial reporting processes and controls when those audits are complete.

In our Report on Post-secondary Institutions (December 2019), we issued seven new recommendations to post-secondary institutions. Four outstanding recommendations were implemented. There are 12 outstanding recommendations, two of which have been outstanding for more than three years. Four are ready for assessment.

Status of Recommendations

as of November 2020

2	Implemented
0	New Recommendations
16	Outstanding Recommendations
4	Ready for Assessment
12	Not Ready for Assessment
6	Outstanding Recommendations Older than Three Years

⁵ See also *Report on Post-secondary institutions 2019—December 2019*.

IMPLEMENTED Recommendations

Improve Enterprise Risk Management

IMPLEMENTED Recommendation:

Enterprise risk management framework

Original: *Report of the Auditor General of Alberta—October 2015*, no. 15, page 124

Repeated: *Report of the Auditor General of Alberta—October 2017*, Financial Statement Auditing, page 13

We again recommend that the Department of Advanced Education implement an integrated enterprise risk management framework to identify and mitigate relevant risks.

Findings

Department

Context

In 2015, we found the Department of Advanced Education had not formalized the enterprise risk management (ERM) processes it started in 2008. ERM is a continuous and proactive process to understand, manage and communicate risks from an organization-wide perspective. We recommended that the department implement an integrated ERM framework to identify and mitigate relevant risks. We repeated our recommendation in 2017 because the department still had not implemented a formal framework.

Current findings

The department implemented in 2018 an ERM Framework that conforms to Government of Alberta guidelines. The department's process for identifying risks includes gathering input from all department staff levels on a continuous basis as they make operating decisions. Staff communicate identified risks to risk leads and the ERM Manager. The risks are then included in the department's risk register for the department's executive team. The executive team assesses the risks annually based on likelihood and potential severity of impact.

We found the department's processes contain all the elements of an adequate ERM framework. The framework defines the roles and responsibilities for risk owners and leads, management and the executive team. We examined the updated risk register in 2019 which summarizes the key risks, their ranking, mitigation actions and assignment of risk owner and lead. We found that the department takes a holistic approach to designing and implementing programs or procedures for identified risks. The department designs mitigating procedures to prevent the occurrence of a risk event and to minimize the impact if it does. The department incorporates this risk assessment process into its business planning processes to identify key programs which achieve ministry objectives while mitigating risks.

Travel, Meal and Hospitality Expenses of the Premier, Ministers, Associate Ministers and Their Staff**IMPLEMENTED** Recommendation:

Improve review of travel, meal and hospitality expenses

Original: *Report of the Auditor General of Alberta—May 2017*, no. 4, page 56

We recommend that the Department of Advanced Education improve its review processes for travel, meal and hospitality expenses.

Findings

Department

Context

In 2017, we recommended that the Department of Advanced Education improve its review processes for travel, meal and hospitality expenses. The department's expense claim review processes did not identify several deviations from policy.

Current findings

Based on the results of our current year testing at Advanced Education, we conclude all criteria are now met. We identified no exceptions related to purpose, appropriateness or public disclosure of travel, meal and hospitality expenses. All expenses were adequately supported with receipts and other documentation where required. In general, we found the level of documentation supporting the nature of expenses was robust, and processes to review expenses are operating effectively.

Outstanding Recommendations as of November 2020

Recommendation	When	Status
<p>DEPARTMENT COLLABORATIVE INITIATIVES AMONG POST-SECONDARY INSTITUTIONS:</p> <p>Develop strategic plan and accountability framework</p> <p>We again recommend that the Department of Advanced Education, working with institutions:</p> <ul style="list-style-type: none"> develop and communicate a strategic plan that clearly defines the minister’s expected outcomes for Campus Alberta, initiatives to achieve those outcomes, the resources required and sources of funding develop relevant performance measures and targets to assess if the outcomes are being achieved publicly report results and the costs associated with collaborative initiatives review and clarify the accountability structure for governing collaborative initiatives 	<p>Repeated October 2017, Performance Auditing, p. 37</p> <p>> Originally reported July 2013, no. 6, p. 48</p>	<p>Not Ready for Assessment</p>
<p>DEPARTMENT COLLABORATIVE INITIATIVES AMONG POST-SECONDARY INSTITUTIONS:</p> <p>Develop processes and guidance to plan, implement and govern collaborative projects</p> <p>We again recommend that the Department of Advanced Education, working with institutions, develop systems and guidance for institutions to follow effective project management processes for collaborative initiatives.</p>	<p>Repeated October 2017, Performance Auditing, p. 40</p> <p>> Originally reported July 2013, no. 7, p. 51</p>	<p>Not Ready for Assessment</p>

Outstanding Recommendations as of November 2020

Recommendation	When	Status
<p>DEPARTMENT FOR-PROFIT AND COST RECOVERY VENTURES AT POST-SECONDARY INSTITUTIONS:</p> <p>Document and communicate expectations and guidelines</p> <p>We recommend that the Department of Advanced Education:</p> <ul style="list-style-type: none"> • document its expectations in terms of desired results and risk management for institutions participating in for-profit and cost recovery ventures • establish approved guidelines for cost recovery ventures, to support best practices and align with the department's expectations • update and approve for-profit venture guidelines to support best practices and align with the department's expectations • develop a process to communicate the department's expectations and guidelines to all institutions 	<p>October 2015, no. 1, p. 25</p>	<p>Not Ready for Assessment</p>
<p>DEPARTMENT FOR-PROFIT AND COST RECOVERY VENTURES AT POST-SECONDARY INSTITUTIONS:</p> <p>Improve department's oversight of institution's risk assessment of ventures</p> <p>We recommend that the Department of Advanced Education improve its oversight processes to ensure that boards of governors oversee management's assessment of the risks associated with for-profit and cost recovery ventures by:</p> <ul style="list-style-type: none"> • tailoring board training to examine these ventures • maintaining relevant documentation of the institution's risk assessment and venture approval requests • requiring the institution to comply with the department's expectations and guidelines • requiring the institution to report on venture results on an ongoing basis • providing effective feedback and ongoing guidance to the boards 	<p>October 2015, no. 2, p. 27</p>	<p>Not Ready for Assessment</p>

Outstanding Recommendations as of November 2020

Recommendation	When	Status
<p>ALBERTA UNIVERSITY OF THE ARTS POST-SECONDARY INSTITUTION REPORT CARD:</p> <p>Implement processes for testing and monitoring the effectiveness of internal controls</p> <p>We recommend that Alberta University of the Arts test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.</p>	<p>December 2019, p. 7</p>	<p>Not Ready for Assessment</p>
<p>GRANDE PRAIRIE REGIONAL COLLEGE POST-SECONDARY INSTITUTION REPORT CARD:</p> <p>Internal Control Over Information Technology Environment</p> <p>We recommend that the Grande Prairie Regional College consistently enforce its IT policies, which set out internal controls to protect its IT systems, applications, and data.</p>	<p>December 2019, p. 9</p>	<p>Not Ready for Assessment</p>
<p>KEYANO COLLEGE POST-SECONDARY INSTITUTIONS REPORT CARD:</p> <p>Improve financial reporting processes</p> <p>We again recommend that Keyano College improve its financial processes by:</p> <ul style="list-style-type: none"> • training staff on Canadian Public Sector Accounting Standards • improving its monitoring and reviewing processes to ensure that financial information is accurate 	<p>Repeated November 2018, Financial Statement Auditing, p. 19</p> <p>› Originally reported February 2016, no. 13, p. 102</p>	<p>Ready for Assessment</p>
<p>KEYANO COLLEGE POST-SECONDARY INSTITUTIONS REPORT CARD:</p> <p>Improve systems to ensure compliance with legislation</p> <p>We again recommend that Keyano College implement systems to:</p> <ul style="list-style-type: none"> • understand what legislation they must comply with • develop appropriate policies, procedures and controls to ensure compliance with legislation • monitor and report non-compliance to senior management and the audit committees 	<p>Repeated November 2018, Financial Statement Auditing, p. 20</p> <p>› Originally reported February 2013, no. 7, p. 60</p>	<p>Not Ready for Assessment</p>

Outstanding Recommendations as of November 2020

Recommendation	When	Status
<p>KEYANO COLLEGE POST-SECONDARY INSTITUTION REPORT CARD:</p> <p>Implement processes for testing and monitoring the effectiveness of internal controls</p> <p>We recommend that Keyano College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.</p>	December 2019, p. 7	Not Ready for Assessment
<p>LAKELAND COLLEGE POST-SECONDARY INSTITUTION REPORT CARD:</p> <p>Implement processes for testing and monitoring the effectiveness of internal controls</p> <p>We recommend that Lakeland College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.</p>	December 2019, p. 7	Not Ready for Assessment
<p>MACEWAN UNIVERSITY REPORT ON POST-SECONDARY INSTITUTIONS:</p> <p>Strengthen controls supporting key financial and business processes</p> <p>We recommend that MacEwan University improve its processes for management to regularly communicate to the board of governors and its committees the adequacy and operating effectiveness of the university's internal control environment.</p>	February 2018, p. 36	Ready for Assessment
<p>MEDICINE HAT COLLEGE POST-SECONDARY INSTITUTION REPORT CARD:</p> <p>Implement processes for testing and monitoring the effectiveness of internal controls</p> <p>We recommend that Medicine Hat College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.</p>	December 2019, p.7	Not Ready for Assessment

Outstanding Recommendations as of November 2020

Recommendation	When	Status
<p>OLDS COLLEGE POST-SECONDARY INSTITUTION REPORT CARD: Implement processes for testing and monitoring the effectiveness of internal controls</p> <p>We recommend that Olds College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.</p>	December 2019, p. 7	Not Ready for Assessment
<p>PORTAGE COLLEGE POST-SECONDARY INSTITUTION REPORT CARD: Implement processes for testing and monitoring the effectiveness of internal controls</p> <p>We recommend that Portage College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.</p>	December 2019, p. 7	Not Ready for Assessment
<p>SOUTHERN ALBERTA INSTITUTE OF TECHNOLOGY REPORT ON POST-SECONDARY INSTITUTIONS: User access controls for information technology systems</p> <p>We recommend that the Southern Alberta Institute of Technology improve its network access controls for terminated employees.</p>	August 2019, p. 6	Ready for Assessment
<p>UNIVERSITY OF CALGARY REPORT ON POST-SECONDARY INSTITUTIONS: Improve internal controls program to mitigate key financial risks</p> <p>We recommend that the University of Calgary improve the design and effectiveness of its internal controls program to mitigate key financial risks.</p>	November 2018, Financial Statement Auditing, p. 17	Ready for Assessment