Alberta Advanced Education

Report on Post-secondary Institutions 2020

Auditor General
OF ALBERTA

Report of the Auditor General

March 2021

Mr. Joseph Schow, MLA
Chair
Standing Committee on Legislative Offices

I am honoured to transmit my *Report on Post-secondary Institutions 2020* to the Members of the Legislative Assembly of Alberta, under Section 20(1) of the *Auditor General Act*.

We conducted our work under the authority of the *Auditor General Act* and in accordance with the standards for assurance engagements as set out in the CPA Canada Handbook—Assurance.

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Auditor General

Edmonton, Alberta
March 2021

Contents

Related Reports:

- Post-secondary Institutions Report Card 2019 (December 2019)
- Post-secondary Institutions Report Card 2018 (August 2019)

Appointed under Alberta's *Auditor General Act*, the Auditor General is the legislated auditor of every provincial ministry, department, and most provincial agencies, boards, commissions, and regulated funds. The audits conducted by the Office of the Auditor General report on how government is managing its responsibilities and the province's resources. Through our audit reports, we provide independent assurance to the 87 Members of the Legislative Assembly of Alberta, and the people of Alberta, that public money is spent properly and provides value.

Report Highlights

We issued unqualified audit opinions on the 2020 financial statements of the 20 post-secondary institutions we audit p. 6

Recommendations

3 **New** recommendations in 2020 p. 6

11 **Outstanding** recommendations at eight institutions
p. 13

1 **Outstanding Recommendation older than three years** (issued prior to 2018)
p. 13

Outstanding recommendations **implemented** by:

- Keyano College p. 11
- MacEwan University p. 11
- Southern Alberta Institute of Technology p. 12
- University of Calgary p. 12

17 of 20

institutions audited have effective processes to prepare accurate financial statements for their stakeholders & decision-makers p. 3 to p. 5

All institutions were able to prepare financial reporting within six weeks subsequent to year-end despite the challenges of the COVID-19 pandemic
p. 6

Why this is important to Albertans

Strong, sustainable processes improve management's decision-making ability and provide opportunities to use results analysis to communicate to Albertans about the institution's performance and accountability for results p. 2

About This Report

This report compiles the status of recommendations from our 2020 financial statement audits of post-secondary institutions. It also includes a report card on each institution's financial reporting processes and internal controls with comparative assessments from our 2019 and 2018 audits.

To govern effectively, boards need accurate and timely financial information throughout the year, not just at year-end. To manage effectively, management needs the same information. We see a direct correlation between a strong year-end process to prepare financial statements and the ability to prepare quality financial information throughout the year. Strong, sustainable processes improve management's decision-making ability and provide opportunities to use results analysis to communicate to Albertans about the institution's performance and accountability for results. The Minister of Advanced Education, through the department, must ensure the boards of governors of post-secondary institutions hold management accountable for sustaining strong internal control environments and improving identified control weaknesses in a reasonable period of time.

Consistent with our prior report cards, we evaluated the following key indicators of effective financial reporting processes and internal controls for each institution:

- the quality of draft financial statements prepared for the board, as evidenced by the number of differences from public sector accounting standards our audit found

- the time it took management to prepare complete and accurate year-end financial statements

- the number, age, and nature of current and outstanding recommendations

A post-secondary institution could have a yellow or red status yet still receive an unqualified audit opinion on its financial statements, as management can correct errors and financial statement disclosure deficiencies during the audit process. The number of errors and disclosure deficiencies we find in the draft financial statements indicates how effective internal controls are for preparing accurate financial statements.

We occasionally make observations to management at the end of our financial statement audits. The observations usually relate to less significant control weaknesses that do not require immediate remediation like recommendations do. We would consider noting a caution in the report card, typically over financial statement accuracy, if we make more than two observations to a particular institution.

Effective control environments include clear policies, well-designed processes and controls to implement and monitor compliance with policies, and secure information systems. Such control environments help provide timely, accurate financial and non-financial information to manage and govern the institution.

Our conclusion on the status of outstanding recommendations considers not just the number, but also the age and nature of the outstanding recommendations. See "Post-secondary Institutions: Summary of Recommendations" on page 13.

The Report Card

◆ Significant improvement is required

▲ Improvement is required, but this item does not require immediate attention

● We have not identified significant weaknesses in the institution's control environment

Institution	Preparation of Financial Statements		
	Accuracy	Timeliness	Outstanding Recommendations
Alberta University of the Arts			
2020	▲	●	▲
2019	●	●	▲
2018	●	●	●
Athabasca University			
2020	●	●	●
2019	●	●	●
2018	●	●	▲
Bow Valley College			
2020	●	●	●
2019	●	●	●
2018	●	●	●
Grande Prairie Regional College			
2020	●	●	●
2019	●	●	●
2018	●	●	●
Keyano College			
2020	●	●	◆
2019	●	◆	◆
2018	◆	◆	◆
Lakeland College			
2020	●	●	▲
2019	●	●	▲
2018	●	●	●
Lethbridge College			
2020	●	●	●
2019	●	●	●
2018	●	●	●

Institution	Preparation of Financial Statements		
	Accuracy	Timeliness	Outstanding Recommendations
MacEwan University			
2020	🟢	🟢	🟢
2019	🟢	🟢	🔺
2018	🟢	🟢	🔺
Medicine Hat College			
2020	🟢	🟢	🔺
2019	🟢	🟢	🔺
2018	🟢	🟢	🟢
Mount Royal University			
2020	🟢	🟢	🟢
2019	🟢	🟢	🟢
2018	🟢	🟢	🟢
NorQuest College			
2020	🔺	🟢	🟢
2019	🟢	🟢	🟢
2018	🟢	🟢	🟢
Northern Alberta Institute of Technology			
2020	🟢	🟢	🟢
2019	🟢	🟢	🟢
2018	🟢	🟢	🟢
Northern Lakes College			
2020	🟢	🟢	🟢
2019	🟢	🟢	🟢
2018	🟢	🟢	🟢
Olds College			
2020	🔶	🟢	🔶
2019	🔺	🟢	🔺
2018	🟢	🟢	🟢
Portage College			
2020	🟢	🟢	🔺
2019	🟢	🟢	🔺
2018	🟢	🟢	🟢

Institution	Preparation of Financial Statements		Outstanding Recommendations
	Accuracy	Timeliness	
Red Deer College			
2020	🟢	🟢	🟢
2019	🟢	🟢	🟢
2018	🟢	🟢	🟢
Southern Alberta Institute of Technology			
2020	🟢	🟢	🟢
2019	🟢	🟢	🟢
2018	🟢	🟢	🟢
University of Alberta			
2020	🟢	🟢	🟢
2019	🟢	🟢	🟢
2018	🟢	🟢	🟢
University of Calgary			
2020	🟢	🟢	🟢
2019	🟢	🟢	🔺
2018	🟢	🟢	🔺
University of Lethbridge			
2020	🟢	🟢	🟢
2019	🟢	🟢	🟢
2018	🔺	🟢	🟢

Report Card Summary

Preparation of Financial Statements

We issued unqualified audit opinions on the 2020 financial statements of the 20 post-secondary institutions we audit.

Strong financial reporting processes and internal controls result in timely information on which users of the financial statements can rely. Institutions can also better respond to unexpected events and report results analyses of their performance.

The COVID-19 pandemic created new risks for institutions. These risks include the valuation of portfolio investments with volatile markets, revised actuarial estimates for pension plan liabilities and temporary and permanent adjustments to staffing. Institutions also adjusted operations to a remote work environment, which posed new risks related to segregation of duties, IT security and review and approval processes. We found that Alberta's post-secondary institutions were able to adequately adjust their financial reporting processes and controls, and were able to prepare financial reporting promptly after year-end.

Aside from the challenges of the pandemic, a few institutions had challenges in maintaining the sustainability of their financial reporting processes and internal controls. **Olds College** needs to improve its financial reporting processes. To issue an unqualified audit opinion on the college's financial statements, we required management to make adjustments to the financial statements presentation and disclosures not adequately dealt within their financial reporting processes. We provided observations to improve processes and internal controls for the **Alberta University of the Arts** and **NorQuest College,** which, if not improved, could result in reduced accuracy of future financial reporting. Management and the board of governors of the institutions have communicated their desire to make these improvements.

Outstanding Recommendations

Eight institutions have 11 outstanding recommendations. Of the 11 outstanding recommendations, we reported one earlier than 2018.

New Recommendations

We issued a new recommendation to **NorQuest College** to implement consistent cloud computing processes related to data security and monitoring of cloud providers' controls. We also issued a new recommendation to **Medicine Hat College** to improve its purchasing processes, and to **Olds College** to improve its financial reporting processes.

Implemented Recommendations

Four institutions implemented recommendations during the year. **MacEwan University** strengthened controls supporting key financial and business processes. The **Southern Alberta Institute of Technology** improved its network user access controls. The **University of Calgary** improved its internal control program to mitigate key financial risks.

Keyano College improved its financial reporting processes, implementing our recommendation from 2016. We acknowledge the efforts of both management and the board of governors of the college to complete their implementation in 2020 while directly dealing with the impacts of the on-going COVID-19 pandemic and the destructive flooding experienced in the Fort McMurray region in the spring.

Audit Findings

NEW Recommendations

Medicine Hat College
Improve purchasing processes

Context

Effective purchasing processes are essential in an organization. Regular monitoring of purchasing allows the organization to identify, assess, and respond when policies and procedures are not being applied appropriately. Effective purchasing processes help ensure that financial reporting is accurate and complete, and that the organization is in compliance with all applicable legislation.

Effective purchasing processes should identify clear roles and responsibilities to ensure all tasks are done, and by the correct level of employee. Management is responsible for designing, implementing, testing and monitoring these processes, with the appropriate oversight from the board of governors.

Current findings

Key finding

- We found purchasing policies and procedures are not being applied consistently and are not reviewed periodically by management.

We found while management has a formal purchasing policy, it is not followed consistently. The college has a decentralized purchasing process where different departments are responsible for purchasing goods and services.

We found occurrences where departments applied purchasing processes that did not follow the college's formal policy. For example, there were instances where purchase orders were not used consistently, an invoice was authorized by an individual without signing authority, and some purchasing documentation, such as packing slips, was not retained on file. We found one department had no formal vendor list, receiving processes or tracking of consumable inventory.

We also found management does not regularly review and revise the policy to keep it current. In addition, there is no formal process for monitoring and testing compliance with the policy.

RECOMMENDATION:
Improve purchasing processes

We recommend that Medicine Hat College improve monitoring and consistent application of its purchasing policies and procedures.

Consequences of not taking action

Without effective purchasing processes and procedures, the college may not be able to confirm purchases made are an appropriate use of college resources and in compliance with its policies.

NorQuest College

Implement consistent cloud computing processes

Context

Use of cloud-based systems provides organizations with flexible, on demand, and scalable IT services. However, cloud-based systems also carry a unique set of risks in areas of security, privacy, service accessibility, as well as significant reliance on the integrity and trustworthiness of the cloud service provider.

Organizations can outsource their IT activities and services, but they should remain accountable for the effectiveness and efficiency of those services. While the shared responsibility model of cloud computing allows for the delegation of some responsibilities to a cloud service provider, a user organization is responsible for managing and monitoring the residual risk under which the cloud services will be operating. Organizations should have processes to identify and plan the mitigation of the risks of using cloud-based systems before procuring and implementing those systems. Once implemented, an organization should complete regular monitoring of the overall effectiveness of its controls as well as controls relied on from its cloud service provider.

NorQuest College has been using cloud-based solutions for mail, calendar and Microsoft office 365 applications since 2016. In June 2019, the college expanded its use of cloud-based systems to process payments from international students. In January 2020, the college implemented a new cloud-based time management system to manage employee timesheet and leave hours, and automated certain previous manual processes.

Given the college's expanded use of cloud-based systems in recent years, we expected the college to have a mature process to manage the risk of implementing cloud-based systems. An effective process would include, but is not limited to:

- implementing organization-wide policies and procedures that define business rules and processes to manage the risk of cloud computing, before migrating data and sensitive information to the cloud

- regularly monitoring the effectiveness of its cloud service providers' computer controls, as well as specific end-user controls that cloud service providers require the college to have

We examined management's processes, policies, and procedures around data management and security for its cloud-based time management and payment processing systems including general computer controls over those systems.

Current findings

Key finding

- NorQuest College does not consistently apply, nor have complete cloud computing processes related to, data security and monitoring of cloud providers' controls.

Consistent policies and practices

It is important that an organization have well-defined processes, policies and procedures, with clearly defined roles and responsibilities for implementing a cloud-based system. The implementation of a cloud-based system may require involvement of multiple business areas of the organization. Business areas should consistently follow the established practices and understand what needs to be done, how, when, why and by whom.

Despite the college having several cloud-based applications in use, we found management has not yet implemented a cloud strategy, policies and standards. The college's IT security and data classification standards do not include specific procedures and business rules related to cloud computing. For example, the current data classification standard is not clear what is required when a cloud service provider stores college data outside of Canada.

Management created a cloud strategy document and a data residency policy to connect the college's current data security, classification, and transmission standards. However, we found these documents have not been finalized and integrated in all business areas to ensure all staff understand what processes need to be followed. Without well-understood and documented policies and procedures, the college will not be able to manage the risks of using cloud-based systems.

For example, we found weaknesses in the system implementation processes resulting from a lack of clear business rules, procedures, and communication amongst different business areas. We also found management did not evaluate the cloud-based time management system against the expected design specifications.

Before implementation, an organization should ensure a new system meets the design requirements and needs of users to realize all expected benefits of the system. We found that user acceptance testing was not designed, reviewed, approved and followed up appropriately to verify user needs were met before the system was implemented. Consequently, the college did not implement some required system configurations, resulting in business areas needing to manually reconcile timesheet and employee leave information for accuracy.

We found management did not complete a security system assessment (SSA) for its cloud-based time management system and application to process payments from international students prior to those systems being implemented. The purpose of an SSA is to provide management with an assessment that a cloud service provider can secure the college's data adequately. The assessment includes information on cloud service provider security, data location, backup/retention capabilities, and security incident management.

After notifying management, they completed SSAs and found issues with the service providers' compliance with college requirements. Management is working to rectify those issues.

Monitoring of cloud service provider's controls

Cloud service providers provide an independent service auditor's report to their clients annually. This report provides an audit opinion on the effectiveness of the cloud providers' operating controls, and lists responsibilities and control requirements users are required to implement. Cloud service providers require users to establish their own internal controls, referred to as end-user controls, to complement the control environment of the cloud service providers. These control requirements include implementation of appropriate access controls, restriction of administrative privileges, data storage requirements, encryption protocols, disaster recovery and business continuity plans.

We found management was inconsistent in its review of service auditor's reports. We found reviews of some independent reports, but no reviews on reports on the time management and tuition payment systems. Based on sample testing, we also found that some specific end-user controls the college was required to have for its time management and tuition payment cloud systems were either not implemented, or not operating effectively.

RECOMMENDATION:
Implement consistent cloud computing processes

We recommend that NorQuest College implement consistent cloud computing processes related to data security and monitoring of cloud providers' controls.

Consequences of not taking action

Without clear and consistent cloud computing policies and practices, the college risks exposure to data loss, privacy breach, and business interruption.

Olds College
Improve financial reporting processes

Context

Management is responsible for the preparation and fair presentation of the college's consolidated financial statements and accompanying notes in accordance with Canadian Public Sector Accounting Standards. Preparation of the financial statements requires processes to ensure that the financial reporting as a whole is free from material misstatement.

Effective financial reporting processes provide timely and reliable information to management and the board of governors, and support results analysis of their performance with accurate and reliable financial information.

Current findings

Key finding

- Management did not consistently follow the college's financial reporting processes.

During our audit of the college's consolidated financial statements, we found the analysis and conclusions of certain accounting matters were not comprehensive, did not apply relevant accounting standards, and lacked supporting documentation. Adjustments were required to revenues, expenses, prepaid expenses, capital assets, accrued liabilities, and deferred revenue. We found a lack of adequate management oversight of the financial reporting processes.

RECOMMENDATION:
Improve financial reporting processes

We recommend that Olds College improve its financial reporting processes to:

- provide sufficient update training to staff of public sector accounting standards
- ensure proper management oversight of the preparation of consolidated financial statements

Consequences of not taking action

Without effective financial reporting processes there is a higher risk of financial reporting errors.

IMPLEMENTED Recommedations

Keyano College
Improve financial reporting processes

IMPLEMENTED

Context

In 2018,[1] we repeated our recommendation from our 2015 fiscal audit to improve financial reporting processes.[2] Material adjustments were required to the college's draft financial statements. As a result, the college's management was unable to promptly prepare accurate financial statements.

Current findings

The college implemented our recommendation to improve its financial reporting by training staff on Canadian Public Sector Accounting Standards, and its monitoring and reviewing process to ensure that financial information is accurate.

Management identified critical weaknesses in the financial reporting processes and implemented adequate policies and procedures to address identified risks. Specifically, management implemented a timely review of processes for interim and year-end consolidated financial statements. Management provided accurate consolidated financial statements and supporting documentation. Our audit did not identify any significant adjustments to the consolidated financial statements.

We also found that the college's staff were attending meetings and collaborating with senior finance officers of other post-secondary institutions in Alberta, as well as attending courses on public sector accounting standards.

MacEwan University
Strengthen controls supporting key financial and business processes

IMPLEMENTED

Context

Strong internal controls and processes ensure reliable financial reporting, effective and efficient operations, and compliance with laws and regulations. While a strong internal control environment will mitigate many risks within an entity, over time it may fail to effectively mitigate new and emerging risks. Changes to existing controls may also introduce new risks, causing unintended consequences. To limit the possibility of weaknesses in internal control environments from newly introduced risks, management should design internal controls well, re-examine the processes and controls regularly, and periodically test whether the processes and internal controls are operating effectively.

In 2018, we issued a recommendation to MacEwan University to strengthen controls supporting key financial and business processes.[3] We found that the university did not have effective processes to:

- periodically assess whether there are gaps in existing controls
- assess whether changes in processes may introduce weaknesses to the control environment
- provide reporting to the board and its committees on the results of its internal control program

Current findings

Management implemented our recommendation. Management evaluated the impact of new risks on its current control environment for each of the university's departments to identify gaps in the existing controls. Management made changes to the processes in several business areas based on its risk assessment and assessed those changes for impact on the internal controls. Management also developed a comprehensive report on the status of the university's internal controls and provided it to the audit and risk committee.

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[1] *Report of the Auditor General of Alberta—November 2018*, page 19.

[2] *Report of the Auditor General of Alberta—February 2016*, no.13, page 102.

[3] *Report of the Auditor General of Alberta—February 2018*, page 34.

We interviewed university staff, examined a sample of departmental risk registers, and internal control reports. We also examined a report to the audit and risk committee regarding the status of the internal controls. We found management had developed adequate processes to strengthen controls supporting financial and business processes.

Southern Alberta Institute of Technology

User access controls for Information Technology systems

IMPLEMENTED

Context

In 2019, we recommended that the Southern Alberta Institute of Technology improve its user access controls for terminated employees.[4] We found that the institute did not consistently remove access for terminated employees promptly. In addition, the institute did not have a system to review user access privileges.

Current findings

Management implemented our recommendation. During the year, the institute developed procedures that have enhanced its system user access controls. These enhancements included the establishment of an Identity Access Management Working Group; monthly controls on the Banner ERP system Active User Reports; and automatic disabling of contracted staff accounts, non-permanent accounts, and inactive accounts. The institute's internal audit group completed an audit of the network access controls towards the end of the year and confirmed management actions to enhance security practices. Management periodically reported progress on implementing the recommendation to the audit committee.

We examined the design of the processes implemented and found them adequate and complete. We sample tested the system user access controls for the Banner ERP system and Active Directory and found no differences.

University of Calgary

Improve internal controls program to mitigate key financial risks

IMPLEMENTED

Context

An effective and efficient internal controls program that mitigates key financial risks ensures reliable financial reporting, effective and efficient operations, and compliance with laws and regulations.

In 2018, we found the University of Calgary's internal controls program was incomplete. The program did not include all key financial business processes, nor did it include processes to test the operating effectiveness of key internal controls and report results.

Current findings

The university implemented our recommendation to improve the design and effectiveness of its internal controls program to mitigate key financial risks.[5] The university improved its processes to:

- assess key financial risks
- review and assess the design of key controls that mitigate key financial risks
- test the operating effectiveness of its key internal controls
- report on the results of its internal controls program

The university has also clearly defined roles and responsibilities for internal controls, including oversight.

We examined the:

- design of the internal controls program, including management's assessment of key financial risks
- work performed by the Controls and Compliance group to assess control design and test the operating effectiveness of key internal controls
- internal controls program reporting provided to the audit committee

We found the internal controls program process design was adequate, and the program had been implemented.

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4   *Report of the Auditor General of Alberta—August 2019*, page 6.

5   *Report of the Auditor General of Alberta—November 2018*, page 17

Post-secondary Institutions: Summary of Recommendations

Institution	New Recommendations	Outstanding Recommendations			Ready / Not Ready	Implemented
		> 3 Years[6]	< 3 Years	Total		
Alberta University of the Arts	–	–	1	1	0 / 1	–
Athabasca University	–	–	–	–	0 / 0	–
Bow Valley College	–	–	–	–	0 / 0	–
Grande Prairie Regional College	–	–	1	1	0 / 1	–
Keyano College	–	1	1	2	0 / 2	1
Lakeland College	–	–	1	1	0 / 1	–
Lethbridge College	–	–	–	–	0 / 0	–
MacEwan University	–	–	–	–	0 / 0	1
Medicine Hat College	1	–	1	2	0 / 2	–
Mount Royal University	–	–	–	–	0 / 0	–
NorQuest College	1	–	–	1	0 / 1	–
Northern Alberta Institute of Technology	–	–	–	–	0 / 0	–
Northern Lakes College	–	–	–	–	0 / 0	–
Olds College	1	–	1	2	0 / 2	–
Portage College	–	–	1	1	0 / 1	–
Red Deer College	–	–	–	–	0 / 0	–
Southern Alberta Institute of Technology	–	–	–	–	0 / 0	1
University of Alberta	–	–	–	–	0 / 0	–
University of Calgary	–	–	–	–	0 / 0	1
Total Outstanding						
Ready for Followup Audit[7]	–	–	0	0		
Not Ready for Followup Audit	3	1	7	11		
Total	**3**	**1**	**7**	**11**		**4**

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[6]   Originally issued in the October 2018 and earlier reports.

[7]   Based on management representations to November 30, 2020.

Outstanding Recommendations by Institution

Recommendation	Consequences of Not Taking Action	When	Status
ALBERTA UNIVERSITY OF THE ARTS POST-SECONDARY INSTITUTION REPORT CARD: **Implement processes for testing and monitoring the effectiveness of internal controls** We recommend that Alberta University of the Arts test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.	Without effective internal controls, the university increases its exposure to financial errors, financial loss, and reputational damage.	December 2019, p. 7	**Not Ready for Assessment**
GRANDE PRAIRIE REGIONAL COLLEGE POST-SECONDARY INSTITUTION REPORT CARD: **Internal Control Over Information Technology Environment** We recommend that Grande Prairie Regional College consistently enforce its IT policies which set out internal controls to protect its IT systems, applications and data.	Without fully enforcing its IT policies, the college is at risk of unauthorized or fraudulent access, disclosure, modification, or destruction of its information systems and potential system failures.	December 2019, p. 9	**Not Ready for Assessment**
KEYANO COLLEGE POST-SECONDARY INSTITUTION REPORT CARD: **Implement processes for testing and monitoring the effectiveness of internal controls** We recommend that Keyano College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.	Without effective internal controls, the college increases its exposure to financial errors, financial loss, and reputational damage.	December 2019, p. 7	**Not Ready for Assessment**
KEYANO COLLEGE POST-SECONDARY INSTITUTION REPORT CARD: **Improve systems to ensure compliance with legislation** We again recommend that Keyano College implement systems to: • 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	Without a clear process to ensure it complies with legislation, an institution faces significant financial, operational, legal, and reputational risks.	Repeated November 2018, Financial Statement Audits, p. 20 ❯ **Originally reported February 2013, no. 7, p. 60**	**Not Ready for Assessment**

Recommendation	Consequences of Not Taking Action	When	Status
LAKELAND COLLEGE POST-SECONDARY INSTITUTION REPORT CARD: **Implement processes for testing and monitoring the effectiveness of internal controls** We recommend that Lakeland College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.	Without effective internal controls, the college increases its exposure to financial errors, financial loss, and reputational damage.	December 2019, p. 7	**Not Ready for Assessment**
MEDICINE HAT COLLEGE REPORT ON POST-SECONDARY INSTITUTIONS: **Improve purchasing processes** We recommend that Medicine Hat College improve monitoring and consistent application of its purchasing policies and procedures.	Without effective purchasing processes and procedures, the college may not be able to confirm the purchases made are an appropriate usage of college resources that are in compliance with its policies.	March 2021, p. 7	**Not Ready for Assessment**
MEDICINE HAT COLLEGE POST-SECONDARY INSTITUTION REPORT CARD: **Implement processes for testing and monitoring the effectiveness of internal controls** We recommend that Medicine Hat College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.	Without effective internal controls, the college increases its exposure to financial errors, financial loss, and reputational damage.	December 2019, p. 7	**Not Ready for Assessment**
NORQUEST COLLEGE REPORT ON POST-SECONDARY INSTITUTIONS: **Implement consistent cloud computing processes** We recommend that NorQuest College implement consistent cloud computing processes related to data security and monitoring of cloud providers' controls.	Without clear and consistent cloud computing policies and practices, the college risks exposure to data loss, privacy breach and business interruption.	March 2021, p. 8	**Not Ready for Assessment**

Recommendation	Consequences of Not Taking Action	When	Status
OLDS COLLEGE REPORT ON POST-SECONDARY INSTITUTIONS: **Improve financial reporting processes** We recommend that Olds College improve its financial reporting processes to: • provide sufficient update training to staff of public sector accounting standards • ensure proper management oversight of the preparation of consolidated financial statements.	Without effective financial reporting processes, there is a higher risk of financial reporting errors.	March 2021, p. 10	**Not Ready for Assessment**
OLDS COLLEGE POST-SECONDARY INSTITUTION REPORT CARD: **Implement processes for testing and monitoring the effectiveness of internal controls** We recommend that Olds College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.	Without effective internal controls, the college increases its exposure to financial errors, financial loss, and reputational damage.	December 2019, p. 7	**Not Ready for Assessment**
PORTAGE COLLEGE POST-SECONDARY INSTITUTION REPORT CARD: **Implement processes for testing and monitoring the effectiveness of internal controls** We recommend that Portage College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.	Without effective internal controls, the college increases its exposure to financial errors, financial loss, and reputational damage.	December 2019, p. 7	**Not Ready for Assessment**