

# Report on Post-secondary Institutions 2022

Alberta Advanced Education

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Report of the Auditor General  
March 2023



**Auditor  
General**  
OF ALBERTA



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## Related Reports:

- [Post-secondary Institution Report Card 2021](#) (February 2022)
- [Post-secondary Institution Report Card 2020](#) (March 2021)
- [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 properly accounted for and provides value.

# Report Highlights

**We issued unqualified audit opinions on the 2022 financial statements of 20 post-secondary institutions** p. 6

## 19 of 20

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

**Most institutions have adequate processes to promptly prepare accurate financial statements. We have found many institutions have experienced significant turnover in finance staff which has strained their ability to prepare accurate financial statements** p. 6

## 2022 Recommendations

**4** **New** recommendations pp. 7-9

**5** **Implemented** recommendations pp. 11-12

**1** **Repeated** recommendation p. 10



10 outstanding recommendations  
No outstanding recommendations at 14 institutions  
3 outstanding recommendations were issued prior to 2019 p. 13



### 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 the institution's performance and accountability for results. p. 2

# About This Report

This report compiles the status of recommendations from our 2022 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 2021 and 2020 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		Outstanding Recommendations
	Accuracy	Timeliness	
<b>Alberta University of the Arts</b>			
2022			
2021			
2020			
<b>Athabasca University</b>			
2022			
2021			
2020			
<b>Bow Valley College</b>			
2022			
2021			
2020			
<b>Keyano College</b>			
2022			
2021			
2020			
<b>Lakeland College</b>			
2022			
2021			
2020			
<b>Lethbridge College</b>			
2022			
2021			
2020			

Institution	Preparation of Financial Statements		Outstanding Recommendations
	Accuracy	Timeliness	
<b>MacEwan University</b>			
2022	●	●	●
2021	●	●	●
2020	●	●	●
<b>Medicine Hat College</b>			
2022	●	●	▲
2021	●	●	▲
2020	●	●	▲
<b>Mount Royal University</b>			
2022	●	●	●
2021	●	●	●
2020	●	●	●
<b>NorQuest College</b>			
2022	●	●	●
2021	▲	●	●
2020	●	●	●
<b>Northern Alberta Institute of Technology</b>			
2022	●	●	●
2021	●	●	●
2020	●	●	●
<b>Northern Lakes College</b>			
2022	●	●	●
2021	●	●	●
2020	●	●	●
<b>Northwestern Polytechnic</b>			
2022	●	●	▲
2021	●	●	●
2020	●	●	●

Preparation of  
Financial Statements

Institution	Accuracy	Timeliness	Outstanding Recommendations
<b>Olds College</b>			
2022	❖	●	❖
2021	❖	●	❖
2020	❖	●	❖
<b>Portage College</b>			
2022	●	●	●
2021	●	●	▲
2020	●	●	▲
<b>Red Deer Polytechnic</b>			
2022	●	●	●
2021	●	●	●
2020	●	●	●
<b>Southern Alberta Institute of Technology</b>			
2022	●	●	●
2021	●	●	●
2020	●	●	●
<b>University of Alberta</b>			
2022	●	●	●
2021	●	●	●
2020	●	●	●
<b>University of Calgary</b>			
2022	●	●	●
2021	●	●	●
2020	●	●	●
<b>University of Lethbridge</b>			
2022	●	●	●
2021	●	●	●
2020	●	●	●



# Report Card Summary

## Preparation of Financial Statements

We issued unqualified audit opinions on the 2022 financial statements of 20 post-secondary institutions. Strong financial reporting processes and internal controls result in timely information that users of the financial statements can rely on. Institutions can also better respond to unexpected events and report results analyses of their performance.

Post-secondary institutions are in various stages of migrating financial reporting processes and controls back from being fully remote during the COVID-19 pandemic. We found that institutions have adequately adjusted their financial reporting processes and controls to prepare accurate financial reporting promptly after year-end. Institutions are also adapting their processes to properly recognize department operating grant revenue tied to the institution's performance. The proper recognition of revenue by institutions continues to be a focus area of our audits.

Most institutions have adequate processes to promptly prepare accurate financial statements. We have found many institutions have experienced significant turnover in finance staff which has strained their ability to prepare accurate financial statements. Management and the board of governors of all institutions should regularly monitor and test that the financial reporting processes and internal controls they rely on to prepare accurate financial reporting, work as expected. Strong processes can mitigate the risk of staff turnover and improve operating efficiency and quality of data for decision making. **Olds College** is encouraged to continue to improve its financial reporting process.

## Outstanding Recommendations

Six institutions have 10 total outstanding recommendations. Three recommendations were originally reported more than three years ago, all relating to improving testing and monitoring of the effectiveness of internal controls. The pandemic has created delays in these institutions' implementation efforts.

## New Recommendations

We issued two new recommendations to **Lakeland College** related to managing the risks of using cloud computing service providers. We also repeated a recommendation to **Northwestern Polytechnic** to improve its disaster recovery processes and physical controls over its data centres. These recommendations highlight the importance of sustaining controls and developing new processes to mitigate information and related technology risks at institutions. We also issued a new recommendation to Northwestern Polytechnic to improve the consistent application of its procurement and contracting processes. Lastly, we issued a recommendation to **Bow Valley College** to improve the consistent application of its financial statement preparation processes.

## Implemented Recommendations

**Portage College, Lakeland College and Keyano College** implemented processes to monitor and test the continued effectiveness of their internal controls and processes. **Medicine Hat College** improved its monitoring and consistent application of its purchasing policies and processes in the current year. **NorQuest College** improved its processes to consistently apply its cloud computing processes related to data security and monitoring of cloud service providers.

The implemented recommendations demonstrate that certain risks are common in the post-secondary sector as they are very similar to the new recommendations issued this year. We encourage institutions to use our reported audit findings and recommendations to reassess the strength and sustainability of their own processes and avoid a future recommendation for improvement of their processes.

# Audit Findings

## NEW Recommendations

### Bow Valley College

#### Consistent application of processes

**NEW Recommendation:**  
Improve consistent application of financial statements preparation processes

We recommend that Bow Valley College consistently apply its processes to produce accurate year-end financial statements.

#### Context

Management is responsible for preparing the financial statements and accompanying notes in accordance with Canadian public sector accounting standards and ensuring effective internal control over the preparation and review of year-end financial statements.

Bow Valley College has a robust process for the preparation and review of year-end financial statements. The college's financial statement preparation process shares responsibilities between the controller, finance director and chief financial officer.

#### Our findings

##### Key findings

- Due to staffing changes, the college did not consistently apply its financial statements preparation processes.

We found management did not follow its year-end financial statements preparation process. We identified several accounting and presentation differences from accounting standards in the draft financial statements, which management adjusted. In the current year, the college experienced the departure of key finance personnel, including the college's controller and chief financial officer. Neither position had been replaced at the time of the draft financial statement preparation.

As a result, the year-end financial statements preparation and review processes were not applied as designed and certain review controls were ineffective in preventing accounting and presentation differences from occurring.

Management needs to examine its process and determine if changes are required to designed roles and responsibilities or how it will ensure those processes are consistently applied in future periods.

#### Consequences of not taking action

Without consistent application of sustainable financial preparation processes, there is a higher risk of financial reporting differences from accounting standards.

### Lakeland College

#### Risk management of cloud computing

**NEW Recommendation:**  
Develop, formalize, and document risk management processes related to cloud computing services

We recommend that Lakeland College develop, formalize, and document its risk management processes related to cloud computing services.

#### Context

The use of cloud-based computer systems provides organizations with flexible, on demand, and scalable information and related technology (IT) services. 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 when procuring and implementing those systems. Lakeland College transitioned its financial system to the cloud environment during the year.

## Our findings

### Key findings

- Cloud computing risk assessments were not documented.
- Information technology policies and procedures were not updated for the use of cloud service providers.

### Cloud computing risk assessments were not documented

The typical risks of cloud computing based services are the reliance on the integrity of the cloud service provider and its controls around security, privacy, and service accessibility. When transitioning to a cloud environment, organizations need to implement appropriate mitigating controls to address these risks and document the assessment and actions in the IT risk register.

We examined the college's enterprise risk register, IT risk register and a cloud migration document. While management identified and documented its recurring IT risks, we found that no specific risks related to using cloud based services were identified in these documents. Management told us that risk assessments were completed but not documented. Having formal documentation of operational processes is important to any organization to clearly articulate what steps in the process must be applied and by whom. Documentation of decisions made previously is also important.

### IT policies and procedures were not updated for the use of cloud service providers

Information technology policies and procedures are important rules and guidelines for employees to follow to ensure risks are managed. IT policies and procedures need to be up to date and reflect the current information technology environment. When transitioning to a cloud based environment, it is important to develop cloud computing policies and procedures to ensure the cloud service is being used appropriately and productively. Cloud computing policies should reflect the type of cloud service being used as well as specific security and privacy considerations and controls.

We examined existing IT policies and procedures related to access, security, privacy and change management and found they were not updated for the type of cloud services being used. We also found no policies and procedures specific to the acquisition, implementation, and use of cloud applications/ services. We also inquired if management used a data classification and security standard, or completed a security threat and risk assessment before transitioning the financial system to the cloud. We found that data classification was not completed, and security standards were not defined and aligned with the sensitivity of data migrated. Management told us that a security threat and risk assessment was completed prior to cloud transition but we found no evidence of this assessment.

## Consequences of not taking action

The college exposes itself to the risk of data loss, privacy breach and business interruption if risks related to cloud computing services are not managed effectively.

### Monitoring of cloud service provider controls

**NEW Recommendation:**  
Monitor cloud service provider controls and ensure end-user controls are effective

We recommend that Lakeland College regularly monitor the effectiveness of the controls of its cloud service providers and its own end-user controls.

## Context

Cloud based services are normally designed with the assumption that the user organization will implement specific computer controls because it is not feasible for the cloud service provider to achieve all the control objectives related to a particular cloud system. Therefore, the cloud service providers require its service users to establish their own internal controls, referred to as end-user controls, to compliment the control environment of the cloud service provider.

## Our findings

### Key findings

- Management does not evaluate the effectiveness of cloud service provider controls or its own end-user controls.

Most cloud service providers make available to their users an independent service auditor's report annually. This report provides an opinion on the effectiveness of the cloud service provider's operating controls and list responsibilities and control requirements of end-users. End-user control requirements often include the implementation of appropriate access controls, restriction of administrative privileges, data storage requirements, encryption protocols, disaster recovery and business continuity plans.

We found that management reviews specific exception reports sent by the cloud service provider, but does not review the auditor's report on the effectiveness of the provider's controls. We also found that management does not assess the effectiveness of the end-user controls the college is required to have.

## Consequences of not taking action

Corporate data will not be appropriately managed and protected without regular monitoring of cloud service providers and end-user controls.

## Northwestern Polytechnic

### Procurement processes

**NEW Recommendation:**  
Improve consistent application of procurement and contracting processes

We recommend that Northwestern Polytechnic consistently apply its procurement and contracting policy and processes.

## Our findings

### Key findings

- Procurement and contracting processes were not consistently applied.

Northwestern Polytechnic (NWP) has a procurement policy which requires a competitive bid or sole source process is followed for all procurements. Consistently applying procurement processes ensures NWP is being fair and equitable when selecting a vendor and obtaining the best value for money contract for NWP.

We found during the year where NWP:

- entered into procurement agreements without completing either process
- documented it met all the requirements of the competitive bidding process, but it did not post a public tender notice which is a requirement of competitive bidding process
- entered into a sole source agreement with a vendor without following its sole source processes
- could not provide evidence that its contract award decisions were fair and equitable
- permitted a vendor to commence work before a contract was signed. The vendor started its work on December 6, 2021; however, neither NWP nor the vendor signed the contract until January 27, 2022. NWP also did not complete the required vendor suitability assessment to confirm the vendor's legal status, workers compensation board coverage, and existence of actual or perceived conflict of interest before the vendor started its work.

## Consequences of not taking action

Without consistently following its procurement policy, NWP will not be able to demonstrate that its procurement practices are fair and equitable and do not lead to inappropriate, biased, and uncompetitive procurement practices.

# REPEATED Recommendation

## Northwestern Polytechnic

### Internal control over information technology environment

**REPEATED Recommendation:**  
Improve internal controls over information technology environment

We again recommend that Northwestern Polytechnic consistently enforce its IT policies, which set out internal controls to protect its IT systems, applications and data.

### Context

In 2019, we recommended NWP consistently enforce its IT policies to test its disaster recovery capabilities, remove terminated employees' access to its IT systems timely, and improve physical controls over its data centre.

We repeat this recommendation because NWP still needs to improve its disaster recovery processes and improve physical controls over its data centres.

### Our findings

#### Key findings

- NWP did not comply with its IT disaster recovery policy.
- NWP improved processes to remove access rights of terminated employees in a timely manner.
- Controls over physical access to IT systems were not adequate.

### NWP did not comply with its IT disaster recovery policy

NWP conducted a recovery test during fiscal year 2022; however, the scope of the test only included the recovery of two virtual servers. The test did not represent a real disaster scenario as the scope did not

include the recovery of network infrastructure or any of the IT applications it identified as having a high priority in the disaster recovery plan.

### NWP improved processes to remove terminated users in a timely manner

We examined a sample of terminated employees and confirmed that NWP promptly removed terminated employees' access to its IT systems and ensured only authorized individuals had access to its IT systems.

### Controls over physical access to IT systems were not adequate

Although NWP improved its physical access controls over its primary data centre, the physical access controls over its secondary data centre were not adequate. We also noted that NWP did not consistently complete a weekly review of the data centre access logs to ensure only authorized individuals physically accessed the data centre.

### Consequences of not taking action

NWP may not be able to deliver essential services and programs promptly in a disaster. In addition, NWP may not be able to effectively safeguard its IT systems, application and data against unauthorized access and disclosure of its sensitive data.

# IMPLEMENTED Recommendations

## Medicine Hat College

**IMPLEMENTED** Recommendation:  
Improve purchasing processes

### Context

In 2020,<sup>1</sup> we recommended that Medicine Hat College improve monitoring and consistent application of its purchasing policies and procedures. Purchasing is performed on a decentralized basis by various departments within the college. We found the college had a formal purchasing policy but it was not following the policy consistently. The policy wasn't regularly reviewed by management to ensure it was up-to-date and there was no formal process for monitoring that the policy was being complied with.

### Our findings

Management implemented our recommendation. Management reviewed and revised the purchasing policy and updated related internal controls and processes, including:

- review of signing authority limits
- threshold requirements for purchase orders
- retention of supporting documentation
- management review to ensure transactions were consistent with the new purchasing policy when payment was requested

We examined the new purchase policy and related controls and processes and assessed the design of these was reasonable. We also examined a sample of purchase transactions applying the new policy and procedures and found no deviations, including evidence of management review prior to payment approval.

## NorQuest College

**IMPLEMENTED** Recommendation:  
Implement consistent cloud computing processes related to data security and monitoring of cloud providers' controls

### Context

In 2020,<sup>2</sup> we examined whether NorQuest College had processes to manage the risks of implementing cloud-based systems, including:

- 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 and end-user controls

We found that the college did not consistently apply, nor have complete cloud computing processes related to, data security and monitoring of cloud service providers' controls.

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

### Our findings

The college has implemented our recommendation. Management has implemented the following processes:

- developed a cloud strategy that defines their "cloud smart" approach to adopting cloud technology which includes identifying the risks of using cloud services, and how they will be mitigated through their established control processes and procedures
- identified the importance of having a cloud strategy in place as one of the top thirteen entity wide risks in their enterprise risk register, and three other cloud related risks listed in their IT risk register
- completed System Security Assessments (SSA) for all relevant cloud systems. The risk assessment within the SSA affected the ultimate decision of

<sup>1</sup> Report on Post-secondary Institutions 2020, *Report of the Auditor General—March 2021*, page 7.

<sup>2</sup> Report on Post-secondary Institutions 2020, *Report of the Auditor General—March 2021*, page 8.

moving forward with the implementation of these cloud services with respect to the technical and security requirements (also defined in the SSA). We found that an SSA decision tree is now in place for all IT and cloud solutions alike.

- established a cloud strategy and governance policy to distinguish the college's overall cloud computing approach. Management also defined data classification requirements as well the SSA procedures that incorporate risk assessment at the application/service level for cloud solutions.
- designed and implemented a process to obtain audit assurance reports from cloud service providers for the purposes of monitoring and reviewing vendor controls. Any cloud service that will involve financial data will require a Service Organization Control report (SOC 1). Any cloud service that will host financial data as well as have the data classification of "restricted" will require an additional IT related SOC 2 Type 2 report from the provider/vendor.
- re-evaluates annually its cloud services and their SSA's to determine at a high level if the cloud vendor's control environment has changed significantly

## Keyano College, Lakeland College, Portage College

### Testing and monitoring of internal controls

**IMPLEMENTED** Recommendation:  
Implement processes for testing and monitoring the effectiveness of internal controls

### Context

In 2019,<sup>3</sup> we recommended to six institutions to implement processes for testing and monitoring of internal controls because there was no regular monitoring and periodic examination of controls for operating effectiveness. Without effective internal controls, institutions increase their exposure to financial errors, financial loss, and reputational damage.

## Our findings

Three institutions implemented our recommendation to test and monitor the effectiveness of their internal controls. During the year, Keyano College, Lakeland College, and Portage College completed an analysis of the financial risk areas, tested key financial processes and related controls and reported findings and observations to those charged with governance.

We examined processes that the institutions implemented that included analysis of the risks, testing approach and methodology; and reporting to those charged with governance. We found no deviations from the process implemented.

<sup>3</sup> Report on Post-secondary Institutions 2019, *Report of the Auditor General—December 2019*, page 7.

# Post-secondary Institutions: Summary of Recommendations

Institution	Total	Outstanding recommendations - Prior Year	New Recommendations	Implemented	Repeated	Outstanding recommendations - Current year		Ready / Not Ready <sup>4</sup>
						< 3 Years	> 3 Years	
Alberta University of the Arts	1	1	0	0	0	0	1	0 / 1
Athabasca University	0	0	0	0	0	0	0	0 / 0
Bow Valley College	1	0	1	0	0	1	0	0 / 1
Keyano College	0	1	0	1	0	0	0	0 / 0
Lakeland College	3	2	2	1	0	3	0	0 / 3
Lethbridge College	0	0	0	0	0	0	0	0 / 0
MacEwan University	0	0	0	0	0	0	0	0 / 0
Medicine Hat College	1	2	0	1	0	0	1	0 / 1
Mount Royal University	0	0	0	0	0	0	0	0 / 0
NorQuest College	0	1	0	1	0	0	0	0 / 0
Northern Alberta Institute of Technology	0	0	0	0	0	0	0	0 / 0
Northern Lakes College	0	0	0	0	0	0	0	0 / 0
Northwestern Polytechnic	2	1	1	0	1	2	0	0 / 2
Olds College	2	2	0	0	0	1	1	0 / 2
Portage College	0	1	0	1	0	0	0	0 / 0
Red Deer Polytechnic	0	0	0	0	0	0	0	0 / 0
Southern Alberta Institute of Technology	0	0	0	0	0	0	0	0 / 0
University of Alberta	0	0	0	0	0	0	0	0 / 0
University of Calgary	0	0	0	0	0	0	0	0 / 0
University of Lethbridge	0	0	0	0	0	0	0	0 / 0
<b>Total Outstanding</b>	<b>10</b>	<b>11</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>7</b>	<b>3</b>	<b>0 / 10</b>

<sup>4</sup> Based on management representations to January 1, 2023.



## Outstanding Recommendations by Institution

Recommendation	Consequences of Not Taking Action	When	Status
<p><b>ALBERTA UNIVERSITY OF THE ARTS</b> REPORT ON POST-SECONDARY INSTITUTIONS 2019:</p> <p><b>Implement processes for testing and monitoring the effectiveness of internal controls</b></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>Without effective internal controls, the university increases its exposure to financial errors, financial loss, and reputational damage. The board of governors may not get the information from management it requires to exercise proper oversight.</p>	<p>December 2019, p. 7</p>	<p><b>Not Ready for Assessment</b></p>
<p><b>BOW VALLEY COLLEGE</b> REPORT ON POST-SECONDARY INSTITUTIONS 2022:</p> <p><b>Improve consistent application of financial statements preparation processes</b></p> <p>We recommend that Bow Valley College consistently apply its processes to produce accurate year-end financial statements.</p>	<p>Without consistent application of sustainable financial preparation processes, there is a higher risk of financial reporting differences from accounting standards.</p>	<p>March 2023, p. 7</p>	<p><b>NEW</b></p>
<p><b>LAKELAND COLLEGE</b> REPORT ON POST-SECONDARY INSTITUTIONS 2021:</p> <p><b>Improve processes to promptly remove terminated employees' access</b></p> <p>We recommend that Lakeland College improve its process to promptly remove terminated employees' access to its network and Enterprise Resource Planning (ERP) system.</p>	<p>Without effective controls over user access, the college is at risk of unauthorized access to its confidential data which could lead to data corruption, inappropriate modification, or disclosure.</p>	<p>February 2022, p. 7</p>	<p><b>Not Ready for Assessment</b></p>
<p><b>LAKELAND COLLEGE</b> REPORT ON POST-SECONDARY INSTITUTIONS 2022:</p> <p><b>Develop, formalize, and document risk management processes related to cloud computing services</b></p> <p>We recommend that Lakeland College develop, formalize, and document risk management processes related to cloud computing services.</p>	<p>The college exposes itself to the risk of data loss, privacy breach and business interruption if risks related to cloud computing services are not managed effectively.</p>	<p>March 2023, p. 7</p>	<p><b>NEW</b></p>

Recommendation	Consequences of Not Taking Action	When	Status
<p><b>LAKELAND COLLEGE</b> REPORT ON POST-SECONDARY INSTITUTIONS 2022:</p> <p><b>Monitor cloud provider controls and ensure end-user controls are effective</b></p> <p>We recommend that Lakeland College regularly monitor the effectiveness of the controls of its cloud service providers and its own end-user controls.</p>	<p>Corporate data will not be appropriately managed and protected without regular monitoring of cloud providers and end-user controls.</p>	<p>March 2023, p. 8</p>	<p><b>NEW</b></p>
<p><b>MEDICINE HAT COLLEGE</b> REPORT ON POST-SECONDARY INSTITUTIONS 2019:</p> <p><b>Implement processes for testing and monitoring the effectiveness of internal controls</b></p> <p>We recommend that Medicine Hat College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.</p>	<p>Without effective internal controls, the college increases its exposure to financial errors, financial loss, and reputational damage. The board of governors may not get the information from management it requires to exercise proper oversight.</p>	<p>December 2019, p. 7</p>	<p><b>Not Ready for Assessment</b></p>
<p><b>NORTHWESTERN POLYTECHNIC</b> REPORT ON POST-SECONDARY INSTITUTIONS 2022:</p> <p><b>Improve consistent application of procurement and contracting processes</b></p> <p>We recommend that Northwestern Polytechnic consistently apply its procurement and contracting policy and processes.</p>	<p>Without consistently following its procurement policy, NWP will not be able to demonstrate that its procurement practices are fair and equitable and do not lead to inappropriate, biased, and uncompetitive procurement practices.</p>	<p>March 2023, p. 9</p>	<p><b>NEW</b></p>
<p><b>NORTHWESTERN POLYTECHNIC</b> REPORT ON POST-SECONDARY INSTITUTIONS 2022:</p> <p><b>Improve internal controls over information technology environment</b></p> <p>We again recommend that Northwestern Polytechnic consistently enforce its IT policies which set out internal controls to protect its IT systems, applications and data.</p>	<p>NWP may not be able to deliver essential services and programs promptly in a disaster. In addition, NWP may not be able to effectively safeguard its IT systems, application and data against unauthorized access and disclosure of its sensitive data.</p>	<p>Repeated March 2023, p. 10</p> <p>&gt; <b>Originally reported December 2019, p. 9</b></p>	<p><b>Not Ready for Assessment</b></p>

Recommendation	Consequences of Not Taking Action	When	Status
<p><b>OLDS COLLEGE</b> REPORT ON POST-SECONDARY INSTITUTIONS 2019:</p> <p><b>Implement processes for testing and monitoring the effectiveness of internal controls</b></p> <p>We recommend that Olds College test and monitor the effectiveness of its internal controls to ensure key risks are mitigated.</p>	<p>Without effective internal controls, the college increases its exposure to financial errors, financial loss, and reputational damage. The board of governors may not get the information from management it requires to exercise proper oversight.</p>	<p>December 2019, p. 7</p>	<p><b>Not Ready for Assessment</b></p>
<p><b>OLDS COLLEGE</b> REPORT ON POST-SECONDARY INSTITUTIONS 2020:</p> <p><b>Improve financial reporting processes</b></p> <p>We recommend that Olds College improve its financial reporting processes to:</p> <ul style="list-style-type: none"> <li>• provide sufficient update training to staff of public sector accounting standards</li> <li>• ensure proper management oversight of the preparation of consolidated financial statements</li> </ul>	<p>Without effective financial reporting processes there is a higher risk of financial reporting errors.</p>	<p>March 2021 p. 10</p>	<p><b>Not Ready for Assessment</b></p>



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