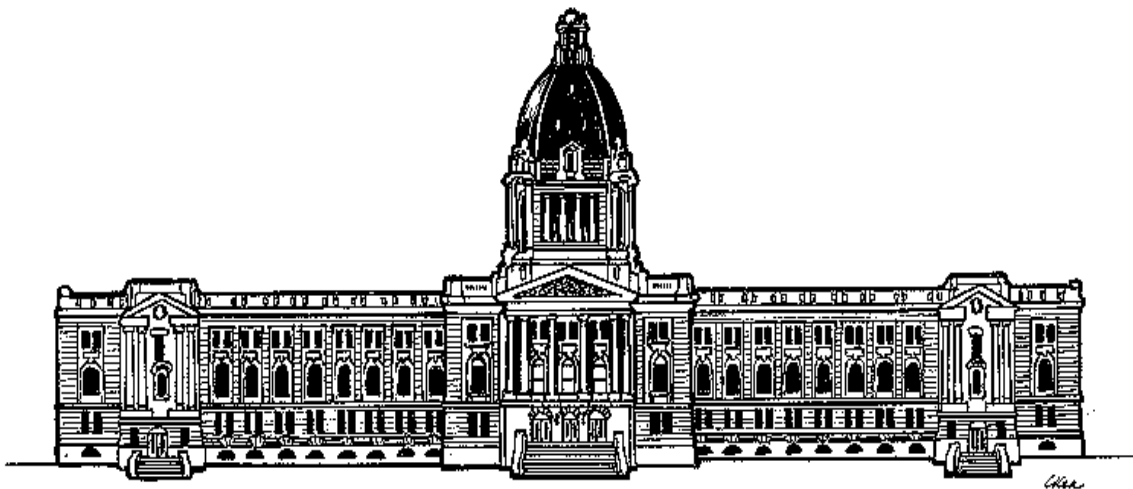




# **STANDING COMMITTEE ON PUBLIC ACCOUNTS**

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## STANDING COMMITTEE ON PUBLIC ACCOUNTS

Ms. Danielle Chartier, Chair  
Saskatoon Riversdale

Mr. Paul Merriman, Deputy Chair  
Saskatoon Sutherland

Mr. Larry Doke  
Cut Knife-Turtleford

Mr. Glen Hart  
Last Mountain-Touchwood

Mr. Warren Michelson  
Moose Jaw North

Mr. Rob Norris  
Saskatoon Greystone

Mr. Randy Weekes  
Biggar

Mr. Trent Wotherspoon  
Regina Rosemont

[The committee met at 09:59.]

**The Chair:** — Good morning, everyone. Welcome to Public Accounts. I'm Danielle Chartier, the Chair of Public Accounts. I'd like to take a moment to introduce the members here today. We have Mr. Merriman, Mr. Michelson, Mr. Norris, Mr. Weekes, Mr. Wotherspoon, and today we have Mr. Marchuk sitting in or substituting for Larry Doke. Welcome again, everybody, on this Tuesday morning.

I'd like to introduce Judy Ferguson, our Acting Provincial Auditor, and welcome to the folks from the Water Security Agency today, Mr. Dybvig.

We do have one item of business here . . . Oh, I need to introduce, we have Terry Paton who's the Provincial Comptroller and Chris Bayda, the executive director of the financial management branch. Thank you for being here today.

One item of business we need to attend to, I just need to advise you that, pursuant to rule 142(2), the following report was deemed referred to the committee: the 2014 *Report of the Provincial Auditor* volume 2, December 3rd, 2014.

We have a fairly diverse agenda today. We'll be looking this morning at the Water Security Agency, Public Service Commission. As well a little bit later this morning and this afternoon, we'll be looking at the Provincial Auditor reports that looked at the University of Regina. So that's our day. But we'll be starting with the Water Security Agency. So I'd like to pass it off to Ms. Ferguson for her comments.

#### Water Security Agency

**Ms. Ferguson:** — Thank you, Madam Chair, Deputy Chair, members, and government officials. This morning I'm joined by Rosemarie Volk. Rosemarie's an audit principal in our office and is leading the division right now that's responsible for the work that's before you this morning. Behind is Ms. Tara Clemett. Tara actually led the work again that's on the agenda this morning here.

What we're going to do this morning, as normal protocol, is provide a brief overview of both of the chapters that are before you. Before I do that, I just want to take a moment to thank the Water Security Agency's management and officials for the excellent co-operation that we received in the course of these engagements. We very much appreciate that. So at this point I'm just going to turn it over to Rosemarie to present the result of our work.

**Ms. Volk:** — Okay. Thank you, Ms. Ferguson. The Water Security Agency is responsible for regulating waste water system owners under *The Environmental Management and Protection Act, 2002* and *The Water Regulations, 2002*. The regulations set standards for effluent treatment and quality in the province. Effective regulation is essential to avoid and mitigate the threats posed by waste water to our water resources.

The time of the audit is set out on page 136, figure 1 of the report. The agency regulated 590 waste water systems, of which

96 per cent are lagoon systems. In chapter 15 of our 2014 report volume 1, we concluded that for the year ended March 31st, 2014, the Water Security Agency's processes to regulate public waste water systems were effective, except for the matters reflected in the following four recommendations.

Our first recommendation, on page 141, is that the Water Security Agency update its waste water system design requirements and regulations so that new waste water system constructions and expansions are designed to meet future stricter effluent standards. Saskatchewan waste water systems that handle waste water volume of more than 100 cubic metres daily are subject to federal regulations. New federal regulations come into effect in January 2015. The new federal standards are stricter than the provincial standards under *The Environmental Management and Protection Act, 2002*.

The agency is responsible for setting design requirements. The provincial design regulations in effect at the time of the audit were less strict than the federal requirements. For example, the provincial regulations require waste water storage to hold a minimum of 180 days of waste water, instead of 220 days required under the incoming federal regulations.

Constructing and expanding waste water systems is expensive. We made this recommendations because we think the provincial regulations should align with the federal regulations to avoid the risk that newly constructed or expanded systems would discharge inadequately treated effluent, increasing the negative impacts on the environment.

As noted on page 140, the agency has drafted new regulations that align and, as an interim measure, place a 220-day storage requirement on construction and expansion permits.

Our second recommendation, on page 142, is that the Water Security Agency address non-compliance of waste water system owners that do not upgrade waste water systems for subdivision expansions. As explained on page 141, the agency adopted a parallel growth policy in 2009 to handle situations where existing waste water systems did not have capacity to support new developments. Under this policy, the agency issued construction permits to waste water system owners with a condition that allowed them to expand or build new subdivisions at the same time a new waste water system was being built or upgraded — hence, parallel growth. The time of the audit had 20 such arrangements.

We made this recommendation because we found that for two out of ten upgrades tested, the owners did not meet their upgrade commitments by the required deadline and the agency did not take any enforcement action. If waste water systems are not built to handle additional demands from expansions of subdivisions, inadequately treated effluent may be discharged.

Our third recommendation, on page 145, is that the Water Security Agency require and review evidence that mechanical waste water system owners are meeting effluent sampling requirements throughout the year. Mechanical waste water systems handle higher capacity of waste water and continuously discharge a large volume of effluent into the environment. As a result, they are subject to stricter effluent testing than lagoon

systems.

Waste water system owners by law must regularly test the effluent for contaminants to make sure their system removes the contaminants as expected. The agency does not require most of its larger mechanical waste water systems to submit the results of its effluent tests throughout the year for review. We found that some of the mechanical systems were not testing the effluent as frequently as required and that effluent being discharged did not always meet the required quality standards.

Because most mechanical waste water systems continually discharge a large volume of effluent into the environment, the lack of regular review by the agency of effluent test results increases the risk that negative environmental impacts may go undetected and not be addressed in a timely manner.

Our fourth recommendation, on page 147, is that the Water Security Agency report to the public on waste water systems' noncompliance with permits. We made this recommendation because the agency does not provide summary information on the agency's inspection findings on waste water systems' noncompliance with permit terms and conditions or explain why the agency considers that about 120 waste water systems put the environment at risk, and what the agency is doing to reduce these risks.

Providing the public with summary information on the agency's inspection findings on waste water systems' noncompliance with permit terms and conditions would provide a more complete picture of the risks associated with waste water treatment in the province.

Madam Chair, that concludes my overview.

**The Chair:** — Thank you, Ms. Volk. Mr. Dybvig, if you'd like to take a moment to go through, let us know what's going on with each recommendation in terms of where you're at, timelines, actions taken, that would help direct our questions. But I'll pass it off to you to introduce your officials and to make any remarks that you'd like.

**Mr. Dybvig:** — Thank you, Madam Chair. With me this morning I have Irene Hrynkiw, behind me, our executive director of corporate services. To my left is Sam Ferris, our executive director of environmental and municipal services, and to my right is Doug Kilgour, director of dam safety and major structures.

So thank you for the comments, and I will just briefly run through each recommendation and indicate what progress we've made in dealing with the recommendation. We do regulate 590 waste water treatment plants, and this responsibility was transferred to the new Water Security Agency in October of 2012.

The recommendation, the first one was that the Water Security Agency update its wastewater design requirements and regulations to reflect upcoming stricter effluent standards. We have a number of documents that guide our practice and design of these works, and the existing document *Guidelines for Sewage Works Design* have been revised to reflect the stricter waste water standards, including the new federal standards.

These guidelines also address the need to design waste water systems to meet the effluent quality required of the Canada-wide strategy for municipal waste water effluents created by the Canadian Council of Ministers of the Environment.

Stricter standards for effluent quality have also been included in the pending new waterworks and sewage works regulations. These have been approved by government and due to come into force in June of 2015. Currently any new works are required to meet new standards through conditions on their permits. So with this updating, we believe that this recommendation has been met.

The second recommendation was "... that the Water Security Agency address non-compliance of wastewater system owners that do not upgrade wastewater systems for [new] subdivision expansions." We do track our regulated systems for compliance on an ongoing basis. We use the parallel growth policy to allow municipalities to build their future required works at the same time as they expand their subdivisions. The new works are to be in place when the subdivisions are completed.

A new compliance and enforcement protocol for implementation of the parallel growth policy has been developed and implemented and requires follow-up with non-compliant communities. Of the 13 existing parallel growth agreements in place, only one is in non-compliance due to a flooded lagoon. So we believe this recommendation has also been met.

The third recommendation is "... that the Water Security Agency require and review evidence that mechanical wastewater system owners are meeting effluent sampling requirements throughout the year." We are currently tracking effluent from 19 mechanical systems. Lab results from compliance sampling automatically generate an alert email to one of our staff if there's a non-compliant result. There is then follow-up to the community by the staff member. Frequency of sampling is being monitored manually but has been found to be good. Any time sampling is not undertaken as required, there is follow-up to the community. We believe that maintaining this approach will ensure that this recommendation is met.

The fourth recommendation was that the Water Security Agency report waste water system noncompliance to the public. So since 2002 the government has been issuing an annual safe drinking water report, and in 2014 the Water Security Agency completed some 570 inspections. The 2013-14 annual report on the state of drinking water in Saskatchewan now includes information on waste water system compliance as per table 15 on page A25 of the annual report. This reporting will continue into the future. Waste water system inspection reports on effluent quality information are available to the public on the Saskatchewan H<sub>2</sub>O website, and again continuation of these processes will ensure that this recommendation is met.

That concludes our report on the progress today.

**The Chair:** — Thank you, Mr. Dybvig. I'd like to open up the floor for questions. Mr. Wotherspoon.

**Mr. Wotherspoon:** — So thanks for the update here today and

thank you to yourself and officials for all the work you do throughout the year, and certainly the actions that you've shared here today that, if I'm hearing correctly, have from your perspective brought you into compliance with or will have addressed the recommendations that are before us here today. Is that correct?

**Mr. Dybvig:** — That's correct.

**Mr. Wotherspoon:** — I guess, you know, I won't get outside the scope of this committee, but I hear regularly from rural municipalities and municipalities that are really struggling with the actual costs of the infrastructure required to meet these standards. Are you hearing those concerns? Are those being shared back with you?

**Mr. Dybvig:** — We do hear it quite regularly, and certainly we appreciate that it is a challenge for many communities that are experiencing growth. And we try to work with communities as best we can to help them work through the improvement in their systems and to expand them to meet the new requirements. Perhaps I'd ask Sam to maybe speak to that since he works with that on a daily basis.

**Mr. Ferris:** — Yes, thank you. In many respects that's true and that's one of the reasons why we have something known as this parallel growth policy. A lot of the infrastructure in the waste water side was put in in the 1960s and now is reaching the end of its working life, and so there's a need to annually maintain and upgrade that as things go along. And many of those systems have not been expanded to meet the current capacity, so that's why this parallel growth policy was put together to maintain the benefits of growth while at the same time moving the communities forward to compliance.

So there's a number of communities. We've got, I think, 13 right now in the parallel growth policy aspect on the waste water side. There's another five right now that have parallel growth policy agreements on the drinking water side. So we do hear these concerns from time to time, yes.

**Mr. Wotherspoon:** — Could you just share the 13 communities that you have the agreements with?

**Mr. Ferris:** — Sure. I do have a listing here. I can provide that to you if you like or I can read it out if you like, whatever is your preference.

**Mr. Wotherspoon:** — You could read it out briefly and then if you could supply it, that be great.

**Mr. Ferris:** — Okay. Right away here. So on the waste water side: Carnduff, Fox Valley, the Hillvale Hutterite Colony, Lampman, Lanigan, Leask, Norquay, Smeaton, Stoughton, Watrous, Watson, White Fox, and Radville.

**Mr. Wotherspoon:** — Well thank you. The new regulations that came, they were primarily changed federally a few years ago. Is that correct?

[10:15]

**Mr. Ferris:** — The waste water system effluent regs were

adopted by the federal government, I think it was in July of last year. And right now we're in the process of working towards an agreement with them to administer those regulations in Saskatchewan, trying to avoid two regulators basically covering the same thing. And the new waterworks and sewage regulations, sewage work regulations, and Mr. Dybvig mentioned, were approved by government here, I think it was in October some time. And those are due to take effect in June of next year. And those include all the same sections.

If you look at section 11(3) of those regulations, you'll see that they reference a number of standards for technical requirements for waste water effluent, where effluent is discharged to fish-bearing streams. And that means we sort of enabled ourselves to meet the federal regulations and deliver the fed regulations for them through admin agreement.

**Mr. Wotherspoon:** — So is it your . . . Are you confident that municipalities are going to be able to meet these regulations at that timeline? Are plans in place? Are the resources dedicated to where they need to be to allow this to happen?

**Mr. Ferris:** — Well we've certainly met with the communities involved. Right now, I think the report from the Provincial Auditor mentions 71 sewage works subject to the federal waste water system effluent regs and a larger number of, subject to the municipal waste water effluent standards.

There is a phase-in timeline depending on the risk associated with the facility. So we're looking at either high-, medium-, or low-risk facilities, and that's spread out over 10, 20, and 30 years respectively. And a lot of the testing has been done to determine the level of risk associated with those facilities.

I think for the most part we're looking at a couple of medium- and the rest low-risk facilities. So timelines are a little bit ways off, but we are moving the communities forward. And when a community such as the city of Regina is in a growth mode, we get them to upgrade through the permanent requirements to meet the federal requirements right off. So like why would you want to upgrade now and then do it 10 years later or 20 years later when you can meet the standard right now? It's better for the environment and health protection.

**Mr. Wotherspoon:** — And you know, this isn't for this committee, but I certainly hear from many municipalities or RMs [rural municipality] that are feeling really squeezed on this front, both by, I hear the pressure on the timelines and then the capital requirements. And this isn't for this committee, but certainly for others it's sort of that important reminder of the need for dedicated infrastructure funding for our municipalities. Because I'm hearing from many municipalities that if they're forced to do this on their own, that it's going to be a heavy tax burden laid back out onto those within their communities. But that's a bit of a side note.

Could you comment just on what's going on in the RM of McKillop, by chance?

**Mr. Ferris:** — Yes, certainly. The RM of McKillop has approximately, a little over 1,000 residences. Some are residents, some of them are full-time residents and right now there is only one lagoon that serves a couple of communities,

Saskatchewan Beach and Kannata Valley. For the most part, the communities along the, I guess it'd be the east side of the lake from Pelican Pointe on northwards up to about Rowan's Ravine, relying on sewage haulers. And we've had some difficulties with sewage haulers following the terms and conditions of their permit.

So I believe, last I heard, that the RM was in the processes of finalizing a final design for a municipal, a regional sort of sewage lagoon to serve these communities. They did receive a grant through the Building Canada Fund here last year on the order of 2.4 million, I believe. It was one-third provincial, one-third fed, and they're supposed to put in one-third, to build a new sewage lagoon to address those concerns so that the materials are properly disposed of.

**Mr. Wotherspoon:** — Okay. And so then at that point those haulers would then take the waste to that lagoon, I assume?

**Mr. Ferris:** — Uh-huh, yes.

**Mr. Wotherspoon:** — Okay. And right now is the — what do they call it? — laying it in the field and stuff, is that a permitted practice at this point in time?

**Mr. Ferris:** — Right now for one of the haulers serving the area we have something known as a waste management plan in place for that operation to land spread in an area where we know the conditions — in other words, how deep is it to groundwater; is there a slope that runs toward a slough or a water body? — to make sure that they're not putting on too much waste that will overload the plant growth. Typically it's done on a pasture or on a hayfield. It's not done on a continuous crop plot because you can't get in, in the summertime.

**Mr. Wotherspoon:** — Those are in essence my questions for now. I do hear lots of concerns from municipalities just being squeezed by timelines and short on resources. Certainly it's important for government to be there with some of the infrastructure funding, from my perspective, and so that's something we'll track and follow up at a different committee. But thanks for the work that each of you do.

**The Chair:** — Mr. Norris.

**Mr. Norris:** — Great. Thanks very much, Madam Chair. And Mr. Dybvig, thanks very much to you and your officials. I'd like to just applaud you for what the report says, that the sharing of information has been good. I know there's always more work to do, but we appreciate that.

You made one reference on a community that's having some trouble on a lagoon that's flooded. Can you just give us an update on that and what the circumstances are around that?

**Mr. Dybvig:** — Yes, that's the community of Lampman. So perhaps Sam again could relate to that.

**Mr. Ferris:** — Right. So actually Lampman was the very first community to obtain a parallel growth policy agreement, and that was I think about four years ago. They were supposed to upgrade their sewage lagoon by September 2012. But the winter, I think it was '10-11 when the flood came in

southeastern Saskatchewan, sort of expanded Lake Roy. And right now so their lagoon is pretty much under water. It's on, I guess it would be on the west side of the grid road that runs north out of the town. I think there's a railway embankment there as well.

And so they also have some other land but the flooding has limited their ability to actually access that land. And in order to do any upgrade to their sewage works, they'd need to be able to get in and add some additional lagoon capacity in that area. So they're kind of stuck until the flood subsides. But there has been very limited or some limited growth in that community since that time. They actually haven't applied, as far as I know, for any significant subdivision approvals. So the situation I guess in my view isn't getting any worse. It's not getting any better, but those are the circumstances that they face.

I don't know if I mentioned, but they were supposed to be done their upgrade by September the 4th, 2012.

**Mr. Norris:** — Great, Madam Chair. Thanks very much for that and we appreciate your approach, sensitive approach for that community. Thank you.

**The Chair:** — Mr. Weekes.

**Mr. Weekes:** — Thank you, Madam Chair. Good morning. I've had some concerns from municipalities. The one thing you spoke about, this Building Canada Fund, one-third, one-third, one-third go towards financing these projects, and that's a very important part of financing for the communities also. The provincial government, we have, you know, we also give 1 per cent of PST [provincial sales tax] to municipalities for infrastructure.

The one concern that I've had from communities that are doing lagoons or water treatment plants is the cost of engineering and the consultants. And after a while when communities get together, mayors, they realize that they're basically a cookie cutter type of process but they still have to pay the full rate to these engineers and consultants. I don't know if you have a comment on that or if you had that concern raised to you from communities.

**Mr. Ferris:** — The concern has been raised from communities directly and also through SUMA [Saskatchewan Urban Municipalities Association] in the past. And while I understand the concern associated with design, we're the regulator and so it'd be difficult for us to approve the construction of the works as well as design it. Each water, because of its chemistry, does require adaptation of a water treatment system. So while it may appear to be a cookie cutter approach, it's not always the case. And what you'll find is that quite often when a new water plant is being commissioned, it takes some time to tune that system.

There is other legislation right now that's in effect under the engineering and geoscientists Act that requires an engineer to develop the design for any project with a net worth of greater than \$30,000. So that's what we're left to deal with.

We do try to minimize the costs as much as possible, and part of that is through the waterworks and there's also sewage works design guide which was referenced in I think the first

recommendation of the auditor. So the idea there is to try and lay out a set of standard approaches that can be used to treat either water or waste water.

There is benefit in having an engineering design to any works. It gives some guarantees that the facility will actually work and meet the standards in the end.

**Mr. Weekes:** — Thank you.

**The Chair:** — Mr. Wotherspoon.

**Mr. Wotherspoon:** — I just wanted to touch on one of the comments that was just made, and from my perspective it's one of the . . . I know that the municipalities don't appreciate when it's characterized in this way, but the 1 per cent of the PST isn't for infrastructure. It's for operating, and it's the municipal operating grant. And it's an important distinction because our growing communities require that dedicated operating funding that's predictable. But I hear from mayors all across this and councils from all across Saskatchewan that it's a big problem if that's misunderstood that somehow that's addressing the infrastructure needs of the province.

So I think when we're talking about the 1 per cent, it's important that that's there for operations. And it's an important fund, one that we support. But the infrastructure needs certainly require dedicated funding, or at least that's our perspective. And I think that's the perspective of most in the municipal community.

**The Chair:** — Mr. Michelson.

**Mr. Michelson:** — Yes, thank you. Actually the 1 per cent is dedicated for municipalities to use it at their discretion. So wherever they want to use it, they will decide what is the best process to utilize it.

I want to just talk about the lagoon storage, from 180 to 220. The 220 is new federal regulations. Is that right?

**Mr. Ferris:** — Yes, the federal regulations set out effluent quality standards, and there's two ways you can reach those. It doesn't matter how you do it. You can use a mechanical plant. And those are the numbers that apply. Usually the mechanical plants are rapid treatment. And it goes in one day and it's out, you know, several weeks, possibly less, later, depending on the size of works.

Lagoons is sort of, provides the same means of treatment but by biological and natural means of breaking down the waste. And so what we found that is actually Saskatchewan has been a leader in waste water management across the nation. We've required secondary treatment or two-cell facultative lagoons in series with 180-day storage for a number of years.

So the 220 days is a means to achieve those effluent quality standards that the feds demand, and which are in our pending regulations, through the lagoon treatment means. And typically where you might encounter most problems is in the spring of the year because there's been ice on the lagoon and there hasn't been oxygen for the bacteria and algae to work on the waste breakdown. So by adding that extra storage time and treatment

time into the lagoon system, it should enable the communities that rely on sewage lagoons and discharge to waters frequented by fish to meet the new standards imposed by the feds.

**Mr. Michelson:** — Thank you. That's all I've got.

**The Chair:** — Mr. Wotherspoon.

**Mr. Wotherspoon:** — I just wanted to touch . . . I don't know if you have a brief summary on the impacts of the high water of this past year where there were impacts, some of which I believe were impacted by waste water through some of the flooding and heavy rain that occurred. And then I know there were some of the information, some of the water advisories that were put out by the Water Security Agency, some of which I believe may have been impacted by waste water, others that might have been agricultural or other pieces. So maybe just a quick statement around I guess what sort of damage or what sort of impacts occurred as a result of waste water, and then where the system's at. Has it been rehabilitated? I don't know what that process is for seeing the E. coli and these different bacterias, if the systems have rehabilitated.

**Mr. Dybvig:** — I guess the major impact was in that late June, early July three-day weekend storm that we had, and certainly one of the most extreme precipitation events that we've ever had in the province here, not only by its magnitude — some places recorded as high as 260 millimetres of rainfall in one place — but it had an expanse of over 150 kilometres north and south and then 100 kilometres east and west, of major, intense rainfall. So there was some extreme consequences to that. And certainly Sam was directly involved in issuing precautionary well water advisories for a number of those communities, and perhaps he can speak to that.

[10:30]

**Mr. Ferris:** — So over the time period, the July long weekend there and probably up to two weeks after that rain event, there was approximately 60 communities in the southeast corner of the province affected to some degree by the rain event. There was a lot of facilities that were relatively minor impacts, some release of untreated sewage to surface waters. For example, there was a number of lift station bypasses that were necessitated simply because of the flow rates. In a few cases, there was wells, community drinking wells that were flooded or water treatment pumphouses, that type of structure, that was flooded. Sorry, I didn't anticipate this question so I didn't bring that with me today.

Probably the most significant event was the city of Regina in terms of volume. There was a number of things that the city did in advance. They actually did anticipate, and to minimize the potential for flooding and loss of capacity in the lagoon system, they did do some bypassing from the municipal treatment system here west of the city. And there was actually three different types of bypasses going on at the same time from the lagoon. And regardless of those bypasses — it was partially treated effluent — they actually did meet their permit requirements throughout that time period for those bypasses.

The other part that happened was that because of the simple flow volumes, they did have a raw effluent discharge to

Wascana Creek, and that went for a few days. I can't remember the precise number of days. I think it was on the order of five days. But I think the understanding or belief that that was a direct consequence for the Qu'Appelle lakes in terms of elevated E. coli levels is wrong. We actually took a look at what the travel time is from the city of Regina down to the upper Qu'Appelle lakes. And the effluent wouldn't have reached there, the raw effluent wouldn't have reached there by the time the samples were collected on July the 3rd, and certainly wouldn't have reached further downstream to Katepwa Lake where there was an exceedance, or somewhat upstream to Last Mountain Lake. So there are a number of localized sources. There must be.

And we don't do tracing that looks at trying to identify what the sources are. That's very complex and expensive work, but there are a number of efforts to try and improve waste water management. I think all the waste water systems have recovered and actually did recover quite rapidly, and that all the advisories associated with drinking water facilities have been removed because of that flooding event. There are other advisories from time to time. So we're making progress, and in a number of fronts one of the ways it's done is through watershed associations that work to improve a variety of water quality for a variety of reasons in their areas. That would be it.

**Mr. Wotherspoon:** — That's really interesting information and thanks for sharing it. When the advisories were put in place I think that certainly there was the understanding of many, or the feeling of many that it was because of some of the bypasses that were there with some of the sewage.

So if the timeline didn't allow for that sewage to get to the various lakes at that given time, did you continue to track . . . Well I know you tracked the bacteria rates, the E. coli rates on an ongoing basis. Did you track what the impact was as those bypasses would have made their way through the system?

**Mr. Ferris:** — Yes, we actually asked the city to do that tracking. We were responding to a number of events at the time, and so we did receive the information from the city. What you need to realize is that there's natural die-off of E. coli. It's a gut bacteria so it doesn't persist in the environment in cooler water temperatures, UV [ultraviolet] light, predation. So yes, we did track that to some degree. We didn't do an exhaustive level of sampling downstream lakes at Last Mountain or the fishing lakes near Fort Qu'Appelle, but we did do some monitoring and we do have a routine monitoring program looking at nutrients there right now.

**Mr. Wotherspoon:** — Well that's good information. The E. coli then, it has an end of its life and so the system sort of naturally rehabilitates itself. Is that . . . And what about the impact of fall and into winter here, then you're suggesting colder water will aid maybe that process then? Is that correct?

**Mr. Ferris:** — Yes, there is natural die-off. And cold water, typically you'll see lower bacteria levels in any surface water in winter or ice-cover months.

**Mr. Wotherspoon:** — So I guess this information, certainly it's important to people from those . . . you know, whether it's their drinking water or certainly as well the lakes that they access for

recreation or for protection of habitat and fish and all these other areas. I'm certainly an avid fisher and will get out on the ice at some point around Christmas I suspect, so out onto those lakes. And one of my favourite spots is Last Mountain to go for some perch or walleye. Do you have any concerns over the water quality and the impact on consumption of fish in those lakes?

**Mr. Ferris:** — I don't believe we would have any concerns associated with that. It would be difficult to discern from the regular releases of effluent versus this short-lived raw effluent release. And as I mentioned earlier, the bypasses from the lagoon did achieve their permit requirements throughout that period.

**Mr. Wotherspoon:** — Thank you very much. I know other jurisdictions have gone where the . . . because you're collecting a lot of data, and then sometimes the information as it's conveyed to the public comes in a blanket statement. And I think of in the summer here where it came out that there was an E. coli warning and sort of a blanket statement, but not really any information as to actual levels or strands to be more specific.

Is there any thought or any plans in place to start posting the actual hard data and information in a regular way so that Saskatchewan people can have an understanding of the water quality within the watersheds that they're accessing?

**Mr. Ferris:** — There is some thought to that. Actually on the SaskH<sub>2</sub>O website, since about June of 2003, you can go in and pull up either drinking water quality or waste water effluent quality on a community-specific basis. It's posted there. You can specify the timelines that you want to look at or the parameters.

There actually has been some active discussion on posting information related to surface water quality. We have 24 primary network monitoring stations across the province and we're looking at potentially doing that right now.

We're looking at, because of the changeover from Environment to Water Security Agency, we're still trying to juggle all that. Put it that way.

**Mr. Wotherspoon:** — Right.

**Mr. Ferris:** — So that's something that you could see within the next year or so for surface water quality.

**Mr. Wotherspoon:** — No, it's good. Thanks for sharing that. And surface water quality, you're talking about then the lakes and the rivers that are reported on. Like right now you go onto the website . . . It's a good website. It has of course the lake levels and the watershed levels, which is important data. But I appreciate hearing what you're saying here today, and I know this is maybe entering into a bit of the policy field discussion that maybe isn't quite the purview of this committee, but I certainly appreciate some of the plans that you're discussing.

I think it would be in everyone's interest to have the information that's been collected by government made available to the public at large. And I think it allows a very informed



citizenry to be making decisions and being aware of what's going on in these various watersheds. So thanks for your answers on those, and I'd certainly be supportive of seeing that information made public.

**The Chair:** — Are there any further questions on the 2014 chapter that we're dealing with, chapter 15? Seeing none, what is the will of the committee with respect to these four recommendations? Mr. Merriman.

**Mr. Merriman:** — Thank you very much, Madam Chair. If I could group 1 through 4 on 2014 volume 1 and concur with the auditor's recommendation and note compliance on all four, inclusive.

**The Chair:** — Thank you, Mr. Merriman. So for the 2014 Provincial Auditor report volume 1, chapter 15, Mr. Merriman has moved that this committee concur with the recommendations and note compliance. Is there any further discussion about that? Seeing none, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you for that. So we're moving on now to the 2014 Provincial Auditor's report volume 1, chapter 30. For that I will pass it off to our Acting Provincial Auditor to give some remarks.

**Ms. Ferguson:** — And I'm just going to keep rolling it down the table and pass it along to Ms. Volk here.

**Ms. Volk:** — Thank you, Ms. Ferguson. Chapter 30 of our 2014 report volume 1, starting on page 209, contains the results of our fourth follow-up of two recommendations related to our audit of the Water Security Agency's processes to ensure the safety of the four major dams in the province. Failure of any one of these dams would risk serious downstream flooding. By December 2013 the agency had made limited progress on both of these two recommendations.

We had recommended that the Water Security Agency have up-to-date, tested emergency preparedness plans for each of its major dams. By December 2013 the agency had emergency preparedness plans for three of its four major dams and had distributed them to other affected agencies. However it does not have an emergency preparedness plan for the Qu'Appelle River dam and has not formally tested any of its emergency preparedness plans. Emergency preparedness plans can safeguard lives and reduce property damage.

We also recommended that the Water Security Agency set processes to ensure its manuals always include complete procedures to operate, maintain, and monitor dam safety. By December 2013 the agency had 32 manuals that collectively explained how to operate, maintain, and monitor its four major dams. While 21 manuals were complete, four manuals were not, and the update on the remaining seven manuals had not been started. Up-to-date manuals support the safe operation of the dams. Madam Chair, that concludes my overview.

**The Chair:** — Thank you, Ms. Volk. Mr. Dybvig, if you'd like to make some comments where you're at with these two outstanding recommendations, that would be very helpful.

**Mr. Dybvig:** — Thank you, Madam Chair. Dam safety is something we take very seriously, and we've certainly been improving our approach to dam safety over the past few years, been working closely with the Canadian Dam Association in adopting their guidelines to how we should deal with dam safety.

We currently own and operate 48 dams in the province, and we classify these according to the consequences that they could have should they fail from a dam safety perspective. And four of these dams are classified as extreme consequence structures. These are Gardiner, Rafferty, Alameda, and the Qu'Appelle dams, and they are the ones that we're currently talking about in terms of the need for emergency preparedness plans and manuals.

So with respect to the emergency preparedness plans, what these are intended to do is identify the areas that could be impacted by a dam failure and basically provide information for local governments so they can prepare their emergency response plan if necessary.

The emergency preparedness plans have been rewritten now for each of the major dams for which each one is required. And this past year we did work with rolling them out with local governments, and we have met and discussed these with all local governments that would be impacted and will use them in future years. The final step is testing of the plans, and we plan to do that in the remainder of 2014 and complete that in 2016.

**The Chair:** — Thank you for that. If I could . . . [inaudible interjection] . . . Yes, the next one, sorry.

**Mr. Dybvig:** — The second recommendation was that the Water Security Agency "set processes that ensure its manuals always include complete procedures to operate, maintain, and monitor dam safety." So in general when the major dams were constructed, operating manuals were provided by the design engineers. So we've always had manuals and information in place to be able to ensure the safe operation of these dams, but with changing water management conditions and changing of equipment and rehabilitation of the dams over the years, these require updating and that's currently the process that we're involved with.

All manuals are continuously updated and changed due to changes in water management or equipment. We use a document management system to track the status of all of our manuals. Thirty-two manuals are required for the four major dams that we've talked about. Twenty-one of these are complete, eight are in progress, and three have not yet been started. We've established a target date of March 31st, 2016 to have all the remaining manuals complete.

I would say that the focus in 2014 and 2015 will be the completion of a new operating plan for Gardiner dam and Lake Diefenbaker, and this forms a major part of the documents for Lake Diefenbaker. This is quite involved work. We started public consultation on the development of that plan last year. We've been doing a simulation of alternative operation scenarios and we just completed a major piece of economic work to evaluate the implications of any one of these operations. But we will be having a new plan developed in 2015

which will then form part of the basis of our manuals for Lake Diefenbaker. That concludes our progress.

**The Chair:** — Thank you, Mr. Dybvig. I'd like to open the floor for questions. Mr. Wotherspoon.

[10:45]

**Mr. Wotherspoon:** — Well thank you for the comments. It's good to see dam safety being a priority. The impacts of I guess a breach of these dams, and when you're talking about some of the emergency responses that would involve many of the other municipal partners, I'm just interested in and I think the public would be interested in understanding how catastrophic or how severe the impacts could be with failure in some of these dams that are identified. And so what sort of scenarios have been laid out and what sort of impacts could there be by way of property and certainly lives?

**Mr. Dybvig:** — Certainly. As I've indicated, the four dams we're talking about are classified as extreme consequence structures. So something like Gardiner dam on Lake Diefenbaker, we make assumptions about how it might fail. And if that was to happen, then we do an analysis of how that water would discharge from the dam, flow down the river, and what the consequences would be for that. And with the emergency preparedness plans, we then map the area. We do a simulation of that break and then map the area that would be inundated. So the inundation on something like that would certainly have a major impact on the city of Saskatoon.

Places like Rafferty and Alameda in the southeast part of the province, if they were to fail, would have consequences all the way down into North Dakota. I'll perhaps ask Doug if he can speak more directly to what some of those impacts would be.

**Mr. Kilgour:** — Yes. I guess referring to the Gardiner dam failure and Saskatoon, the city of Saskatoon had a major emergency planning exercise they completed in October 2013. It was I guess based on some of these impacts of a breach at Gardiner dam, so we provided them with some numbers and the mapping. To put it in perspective, a simple way of looking at it, some of the bridges in downtown Saskatoon were under about 20 metres of water actually. So really a good portion of that downtown core was inundated.

With the other dams, Qu'Appelle River dam, obviously again it's a huge reach from Qu'Appelle River dam to the Manitoba border. And with all of the resort communities along the lakes in there, they're all inundated by several metres of water. So again consequences are severe.

As far as financial dollars, when we see these kind of impacts we don't really put a concrete number on it in terms of financial dollars. Because once you get above a certain level, it's automatically extreme and you have to apply the most stringent due diligence to the management to those dams. I don't know if that maybe gives you enough . . . to your question, or do you need more specifics or . . .

**Mr. Wotherspoon:** — No. Thanks for the information. I mean it's really alarming to, you know, understand the severe impacts of one of these circumstances. So this is really important work

(a) to understand what the impacts would be and then of course to plan accordingly. I'm wondering if that information, the assumption work that you've done in the areas that would be impacted, if that's information that could be provided back to this committee.

**Mr. Kilgour:** — Are you saying the actual, like, the maps?

**Mr. Wotherspoon:** — Right.

**Mr. Kilgour:** — Yes. We have that all electronically and that. So we can provide that.

**Mr. Wotherspoon:** — Thank you. Thank you for that. And then if you could just give us a bit of an understanding of what an emergency preparedness plan would look like for the circumstance with Saskatoon and Gardiner. You've highlighted a significant impact to downtown Saskatoon and probably other parts of Saskatoon. How much time does the community have to respond? And how confident are you that they can as, you know, working in partnership, that you could effectively respond to making sure that people are out of the way of harm? And just what does that sequence of events look like?

**Mr. Kilgour:** — Okay. Well on these maps that are in the emergency preparedness plans, they provide details at various stations from Gardiner dam all the way to SaskPower's first dam there. I believe it's Codette reservoir. And at these stations, we provide arrival times for the first flood wave and then for peak flood wave and then also peak stage or depth of water.

Again I'll refer to Saskatoon. I think the flood arrival time there is probably 14 to 16 hours, and the peak flood is in around that 30 to 35 hours. So there's not a whole lot of time. But you know, the city of Saskatoon, I guess, realizes this hazard and, you know, is one of the reasons they got their group together to do this domino exercise.

And as far as what else we have in emergency preparedness plans, I mean we have all our notification charts and contacts that, you know, it's not just obviously the city of Saskatoon. You've got all your RMs and towns and First Nations along the river reach that are impacted by the flooding.

I believe the Gardiner dam, we have 80 plan holders. Some of those are internal; probably 15 are internal to government. The rest are local governments or some private organizations as well. The Qu'Appelle River dam, we probably have 100 or so plans that are distributed. The Rafferty-Alameda of course is a lot shorter reach to the American border. There we're looking probably 30 to 40 groups that are impacted and have these plans.

**Mr. Wotherspoon:** — Certainly really, really important work to be completed in making sure that there's adequate plans in place to respond. Where's the location of the Qu'Appelle River dam? Sorry.

**Mr. Kilgour:** — Highway to Douglas Park, Highway 19. It's the town of Elbow. I guess we're looking about 15 minutes south of the town of Elbow on Highway 19.

**Mr. Wotherspoon:** — Yes. I'm familiar that. Okay.

**The Chair:** — Mr. Norris.

**Mr. Norris:** — Madam Chair, thanks very much. I appreciate the update. I just want to go . . . just build on that last question, just get a little bit more information on the Qu'Appelle River dam. If I'm not mistaken, a railway either runs over top of it or close by. And I'm just wondering, has that factored in to some of the work that you're undertaking regarding your emergency response and preparedness?

**Mr. Kilgour:** — Only in again that we provide the information obviously to the rail company. You know, they get a copy of the EPP [emergency preparedness plan]. You know, I'm not really sure I understand fully what you're asking. It doesn't really, you know . . . Obviously that's the first thing to go if the dam fails. The railway there is lost.

So you know, as far as warning, you know, we do our ongoing monitoring. We're developing an early warning system there. If we do start to see a rise in downstream water levels, we can provide the early warning to these, what we call, I guess, key groups that are in a local emergency plan that need, you know, real close to immediate notification of an incident that might be occurring, an emergency. So obviously they're on our list of our local warning system and would be one of the first if not the first bodies that we do call.

But we don't get into, you know . . . The dam breaks, they have to have their own emergency response plan to deal with what they do in the event of a dam emergency. How are they going to reroute their rail traffic and deal with the loss of not only that line but others in the valley, downstream across Qu'Appelle Valley all the way to the border?

**Mr. Norris:** — If I could, Madam Chair, I was actually thinking the reverse. And that is if there's a critical incident on the railway, how might that affect and in what way would that pertain to some of the preparatory work that's being undertaken?

**Mr. Kilgour:** — Okay. So again with our emergency response plans, we're dealing with threats to the dam itself. If we have a derailment or a spill on the dam, it's not a threat to the structural integrity of the dam. I mean there's environmental issues and perhaps some operational issues, depending where the derailment would occur, but I can't envision any rail incident that would impact the safety of the structure there.

**Mr. Norris:** — Okay, great.

**The Chair:** — Are there any further questions? Seeing none, as we have already, this committee has already dealt with these recommendations in the past. If I could have a motion to conclude consideration. Mr. Merriman.

**Mr. Merriman:** — Thank you, Madam Chair. If I can make that motion to conclude consideration on 2014 report volume 1, chapter 30.

**The Chair:** — Mr. Merriman has moved that for the 2014 Provincial Auditor's report volume 1, chapter 30, that this committee conclude consideration. Is there any further discussion? Seeing none, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you to the officials from the Water Security Agency. We appreciate your time and the information you've provided this morning. Do you have any further comments that you'd like to make?

**Mr. Dybvig:** — Just one thing I'd just add with respect to dam safety. The emergency preparedness plans are one aspect, one component, but there are many, many components. And certainly like at Lake Diefenbaker, we have eight staff that are continuously stationed there. At Rafferty and Alameda we have five staff that are continuously stationed there. So these staff are involved with daily inspections and monitoring of the condition of the dam and doing evaluations, monitoring technical data to detect any movements or anything un-forewarned there. So certainly because of the importance and the consequences that either breaks of those dams could have, we feel it important that we have staff right on site at all times.

**The Chair:** — Well thank you very much for your time this morning, and with that this committee will recess for a brief 10 minutes here so we can switch officials for the next piece of work.

[The committee recessed for a period of time.]

**The Chair:** — Welcome back to Public Accounts and welcome to the officials from the Public Service Commission. Ms. Cheryl Senecal is here today, and I'll give you a moment, shortly, to introduce the officials here with you today. But this afternoon . . . This morning we will be — I'm jumping ahead here; we're still only at 11 o'clock — this morning we'll be looking at the Provincial Auditor report volume 1 from 2013, chapter 16, and the 2014 Provincial Auditor report volume 1, chapter 8 looking at the Public Service Commission. So I will pass it off to our Acting Provincial Auditor to give some remarks.

### Public Service Commission

**Ms. Ferguson:** — Thank you, Madam Chair, Deputy Chair, officials, and other members here. This morning I'm joined by Ms. Tara Clemett. Tara's responsible for the audit of the MIDAS [multi-informational database application system] HR [human resources] payroll.

Each year we actually conduct the audit of the Public Service Commission's controls to manage and secure MIDAS HR payroll. Today we're discussing the results of two years of audits, 2012 and 2013. There's one new recommendation for the committee's consideration.

Before Tara provides an overview of the two chapters before you, I just want to take a moment to thank the officials for the cooperation that we received in the course of this engagement, these engagements here that are before the committee. So with that, I'm just going to turn it over to Tara.

**Ms. Clemett:** — Thanks. MIDAS HR payroll is the central HR payroll system for about 12,000 staff, primarily in ministries. It contains confidential personnel and payroll information of ministry staff. Chapter 16 of our 2013 report volume 1, starting

on page 221, contains the results of our 2012 annual audit. And chapter 8 of our 2014 report volume 1, starting on page 49, contains the results of our 2013 annual audit of MIDAS HR payroll. In our 2013 and 2012 audits, we found PSC [Public Service Commission] had effective controls to manage and secure MIDAS HR payroll, except for two areas highlighted in our recommendations.

Because we do this audit each year and the 2013 report volume 1 does not contain any new recommendations, I am going to focus my comments on the 2014 report volume 1, chapter 8. On page 51 you will find the one new recommendation: we recommend PSC follow its established procedures requiring prompt removal of unnecessary privileged user access to MIDAS HR payroll data.

We made this recommendation because we found PSC did not request removal of unneeded human resource payroll administrator access on a timely basis. Individuals with this access have access to sensitive and confidential information necessary to process payroll. Not removing privilege access increases the risk of inappropriate access and unauthorized changes to system and data.

We found that in the past two years, while PSC has significantly improved its review of payroll reports from prior years, doing so consistently remains an issue. In our 2013 audit, we identified one instance where a report used to approve payroll prior to payment was not reviewed until after the pay date. Lack of consistent review increases the risk of incorrect pay being made to an employee. As reported in our 2013 report volume 1, this was the case in 2012 when a \$1.4 million payment was made to an employee in error.

As noted on page 52, PSC fully implemented a recommendation related to the service level agreements with ministries. The revised agreement more clearly outlines the key payroll responsibilities of PSC and the ministries. That concludes my oral review of these chapters.

**The Chair:** — Thank you very much for that. Ms. Senecal, if you'd like to introduce your officials and make any comments about these two chapters, that would be very helpful.

**Ms. Senecal:** — Okay. Good morning. Pleasure to be with you this morning. And with me to my right, is Raman Visvanathan who is our executive director of business services. And Scott Kistner also joins us as executive director of the employee service centre.

First of all I'd like to acknowledge the work and recommendations of the Provincial Auditor. And we certainly take our relationship with the Provincial Auditor very seriously and know that they have important work to do, and we work closely with them to make that sure we understand the substance of their recommendations and the actions then that we can take to correct and to address those recommendations.

So with respect to recommendation 4.1 from the 2013 report chapter 16, that we formalize the responsibilities for key payroll activities in our service level agreements with our clients, we note that we have fully implemented the recommendation from the 2013 report.

Regarding the recommendation to promptly remove privileged-user access when individuals leave the employ of the PSC, recommendations 4.2 from each report, we have taken steps to remind all staff members of their responsibility for removing access and that there are processes and timelines regarding the prompt removal of privileged-user access to MIDAS HR payroll data.

Regarding the recommendation, the need to timely review payroll reports, which of course is also included in both reports, we note that this is partially implemented. And in the 2014 report of the Provincial Auditor it's noted that the PSC has significantly improved its review of payroll reports. We acknowledge that timely review is critical to ensure the accuracy of payroll, and we continue to take steps to ensure that all required control reports are reviewed in advance of payroll production.

The PSC has also taken several steps to ensure that staff are involved with the review and approval process to address key payroll reports on a priority basis and have had a full understanding of the use of payroll reports as a control mechanism. We have also ensured regular quality assurance meetings have been initiated to discuss the reports, the requirements of those reports, and any areas of challenge or improvement that are required. Expectations and responsibilities of all those involved in these reviews are frequently reinforced. We appreciate the acknowledgement that PSC has made progress in our procedures for reviewing payroll reports, but understand that work is still outstanding. And we continue to make improvements in that regard.

During 2014 we have implemented a centralized SharePoint environment that has automated the process for the review of reports. Each step is tracked and monitored to ensure payroll documentation and review deadlines are met. We have confidence that the use of this technology has helped us to bring additional management oversight and to strengthen our ability to ensure that we are tracking our actions and that we are following through on the implementation of the Provincial Auditor's recommendations.

We are pleased with the progress that we've made while recognizing of course that there continues to be work that still must be done. And I, along with my officials, are pleased to answer any more specific questions that committee members may have in regards to the recommendations that apply to the PSC.

**The Chair:** — Thank you, Ms. Senecal. I'd like to open up the floor for questions. Just seeing none at this moment, can you . . . Oh sorry, Mr. Marchuk. I'll let you ask instead of me.

**Mr. Marchuk:** — Thank you, Madam Chair. Just for interest's sake, how is prompt defined?

**The Chair:** — How is prompt defined?

**Ms. Clemett:** — Yes, so we anticipate that actually the PSC has a bar in which they would like . . . We would expect 24 hours, but that is the level on which they . . .

**Mr. Marchuk:** — So it's in terms of hours.

**Ms. Clemett:** — Yes. And it would be working days though too. So like if it happens on a Friday, you've got until the Monday end-of-day type thing.

**Mr. Marchuk:** — Okay, thank you.

**The Chair:** — Are there any further questions? Just a clarification with respect to the new recommendation. Ms. Senecal, you talked about processes, reminding staff. Do you consider this recommendation fully implemented or in progress from your perspective?

**Ms. Senecal:** — I would say that it's in progress, but Raman and Scott can maybe add some more detail to that.

**Mr. Visvanathan:** — Yes, we have taken a number of steps that we hope will avoid this in the future. What happened during the reporting period is a manager had 65 staff or so reporting to that individual manager. We've now delegated down to the team lead level the ability to remove access. So a particular manager has 13 people reporting to them and can make the request directly. I think what happened was something got stuck in the email saying, please make this request to remove access. And in a busy life of a manager, I think it just didn't get undertaken in a timely basis.

That process, in addition to regular reminders that we need to remove access, and the importance of doing that from a risk perspective, we believe in the future we will be successful in implementing that fully and avoid future occurrences of this situation.

**The Chair:** — Thank you for that. Any further questions? Seeing none, with respect to the 2013 Provincial Auditor Report volume 1, chapter 16, as there are no new recommendations, if I could have a motion to conclude consideration? Mr. Merriman.

**Mr. Merriman:** — Thank you, Madam Chair. I so move that on the 2013 report volume 1, chapter 16, that we conclude considerations on the two recommendations.

[11:15]

**The Chair:** — Mr. Merriman has moved that for the 2013 Provincial Auditor report volume 1, chapter 16, that this committee conclude consideration. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. With respect to the 2014 report, chapter 8, volume 1, could I have a motion for that? What are the committee's wishes? Mr. Merriman.

**Mr. Merriman:** — Thank you very much, Madam Chair. I would so move that we conclude considerations and note progress towards compliance.

**The Chair:** — Mr. Merriman, I might ask you to add a little bit to that recommendation. So we do concur with the . . .

**Mr. Merriman:** — Sorry, I concur with the recommendation and note progress towards compliance.

**The Chair:** — Okay. Mr. Merriman has moved that for the 2014 Provincial Auditor report volume 1, chapter 8, that this committee concur with the recommendation and note progress to compliance. Are there any further questions, discussion? No? Seeing none, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. As that concludes our business on the Public Service Commission, thank you very much to Ms. Senecal and the officials here today. We really appreciate your time, and we will see you next time you're before the committee. Thank you. And with that, we shall recess now until 1 o'clock this afternoon.

[The committee recessed from 11:16 until 13:01.]

**The Chair:** — Good afternoon, everyone. Welcome to Public Accounts, and welcome to the officials today from the University of Regina, to President Vianne Timmons. I'll give you an opportunity shortly to introduce the officials that are here with you today, but to start with we will pass it off to the Acting Provincial Auditor to give her presentation.

### University of Regina

**Ms. Ferguson:** — Thank you very much, Madam Chair, Deputy Chair, members, and officials. This afternoon we're going to talk about two chapters on the agenda. One is from the 2012 report volume 2, chapter 26 and the second is the 2013 report volume 1, chapter 15.

Before we launch into that, I just want to pause and introduce who I've got with me today. I've got Mr. Kelly Deis. Kelly leads our education division within our office which encompasses our work on the university. And behind him is Ms. Charlene Drotar and Mark Anderson. Both Charlene and Mark actually led the work that's before the committee today, in particular the work on the research chapter.

And again before we make our presentations, I do want to pause and thank the officials at the university for the excellent co-operation that we received. We are, you know, we were quite impressed with the attitude and their perspective in terms of the audit findings and their view to be transparent too.

So we are going to present two chapters. I'm going to do, quickly do the chapter 26, and Kelly's going to do the chapter 15. So chapter 26 is very short. It includes the . . . describes the results from our annual integrated audit of the university. In that chapter we report that the university's financial statements for April of 2013 and its pension plan for the academic and administrative employees of the university, the University of Regina non-academic pension plan, and the University of Regina master trust for the year ended December 31st, 2011 were reliable. We also report that the university, its pension plans and master trusts had effective rules and procedures to safeguard public resources and comply with their legislative authorities.

In the chapter 15 you'll find that there is a number of recommendations in that chapter. When you go through it you'll see that a lot of . . . a number of those recommendations

relate to each other and they're intertwined. So in our presentation we're going to group some of them, and I understand that the university will also be grouping them when they'll be discussing them too. So with that I'm going to turn it over to Mr. Deis to present chapter . . .

**The Chair:** — I'm just going to interrupt here for a moment. So sorry to change the flow of things, but perhaps we'll deal with chapter 26. As there are no recommendations, we'll get that out of the way. And then we have a lot to deal with, with the next chapter. So perhaps, President Timmons, if you'd like to make a few comments on chapter 26.

**Ms. Timmons:** — Thank you, Madam Chair, and thank you, committee, for having us here.

We're pleased with the chapter 6. I think we take great pride in our financial controls and management, and this audit reflected that for this year that we were able to demonstrate to the auditors that was done. So I don't have a lot to say because there were so few recommendations — well, none.

**The Chair:** — None. Yes. I'd like to open up the floor for questions. Any questions? Seeing none and with no recommendations, I'm wondering if I could get a motion to conclude consideration for chapter 26. Mr. Merriman.

**Mr. Merriman:** — Thank you, Madam Chair. I vote that . . . or I guess I put it forward that for 2012 report volume 2, chapter 26, that we conclude considerations.

**The Chair:** — Mr. Merriman has moved that for the 2012 Provincial Auditor's report volume 2, chapter 26, that this committee conclude considerations. Is there any further discussion? Seeing none, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Okay. I just want to welcome Mr. Hart to our committee this afternoon. He had other commitments this morning, but he has joined us now. So I will now pass it off to Mr. Deis.

**Mr. Deis:** — Thank you. Chapter 15 of our 2013 report volume 1 is on pages 179 to 219. This chapter contains 26 new recommendations for consideration by the committee this afternoon.

Research is one of the core functions of the university. Research also plays a pivotal role in the university's ability to carry out its other core function — education — since a strong research program helps to attract qualified professors which in turn attracts students.

Without effective processes to protect interests in research, the university could risk loss of reputation, a diminished ability to recruit academic staff or engage in collaborations, a diminished ability to attract research funding, and loss of potential earnings that could have been achieved through commercialization.

I do want to just pause and note that both the university and our office recognize the needs for an audit in this area. This is consistent with the university's commitment to continuously

improve its transparency, operations, and its business processes. The objective of the audit was to assess whether the University of Regina had effective processes at March 31st, 2013 to protect its interests, for example: financial, reputational, and ownership interests as it fosters research and commercialization of research.

We concluded that the University of Regina's structures and processes could be improved. As reflected in our recommendations, we found the university needs to focus on improving its processes for oversight, updating policies and procedures, evaluating risks and the benefits of research initiatives, and monitoring compliance.

Our first recommendation, on page 184, is that the university assess whether its organizational structure is effective to support the achievement of its strategic research goals and make necessary changes. We found multiple lines of authority for research exist at the university. This created difficulties with adequate oversight and consistent communication of research.

In our second recommendation, on page 185, we recommend that the University of Regina document in policy and enforce its requirement to centrally manage all research agreements to protect its interests in research. Although the university expected staff to use the office of the research innovation and partnership to help manage risk related to research, such as this office creating or reviewing research agreements, it had not set out that expectation in a documented policy. We found several examples where the office was not involved in the creation or review of research agreements.

Our third, fourth, and fifth recommendations, on page 186, are related. In the third recommendation, we recommend that the board of governors of the University of Regina receive and review regular reports on the university's strategic research plan. In recommendation 4, we recommend the University of Regina prepare action plans for review by the board of governors to support the university's strategic research direction. In recommendation 5, we recommended that the University of Regina prepare more detailed performance measures and targets for approval by the board of governors to support measurement of progress towards the university's research goals.

While the University of Regina had a strategic research plan that included high-level strategies, it did not have action plans or performance measures or targets. We found the university board of governors did not receive and review sufficient information about the strategic research plan. The university needs to describe how it intends to actualize its strategic research plan and how it will know if it is successful in its research activities.

Recommendation no. 6 is at page 186. We recommend that the University of Regina reassess its risks related to research and develop further mitigation strategies. In 2012-13, the university had identified several risk areas that impact research and strategies to reduce those risks to levels acceptable by the board of governors. However, we noted during the audit various additional research-related risks that were not appropriately mitigated.

In our seventh recommendation, on page 187, we recommend that the university regularly review and update its research policies, educate staff about the policies, and have senior staff sign off on an annual basis that they have read and understand those policies. We found that the university's policies and procedures related to research were outdated and not consistently followed.

Our eighth recommendation is on page 187. We recommend that the University of Regina ensure that intellectual property disclosures are completed in accordance with policy, and communicate this requirement to staff. The university expected academic staff to disclose to the university their intent to commercialize intellectual property. In our testing we found that intellectual property files did not always include such disclosure. As such, it was not clear that intellectual property disclosures were being completed by academic staff as required. Not receiving disclosures may result in the university not being aware it is missing the opportunity to decide if it wants to share in the commercialization of intellectual property.

Recommendations 9 and 10, on page 188, are related. We recommend that the University of Regina define, and the board of governors approve, what constitutes specialized resources for the purpose of the university's intellectual property policy in order to protect the university's rights to intellectual property. In recommendation 10, we recommend that once University of Regina defines and the board of governors approves what constitutes specialized resources, that the university assure that the definition is used consistently and applied consistently. The university's right to share in commercialization of intellectual property can depend on whether the intellectual property was created with the university's specialized resources.

We found that the university had not clearly set out or documented what constituted these specialized resources. Not doing so increases the risk that the university may not have enforceable rights to share in the intellectual property created by academic staff and any potential profits from commercialization.

Recommendations 11 and 12, on pages 188 and 189, are related. In 11 we recommend that the University of Regina ensure that it has the expertise to assess the commercialization potential of intellectual property. In 12 we recommend that the University of Regina establish policies and procedures for evaluating when to pursue and when to discontinue commercialization efforts. During the audit we found the university had experienced recent reorganizations and turnover of staff in the research administration area. We also found that, in the past, patents were obtained without adequate evaluations to support the decisions to pursue commercialization. As I'll discuss further in recommendation 24, the university was in the process of re-evaluating its patents, and this can involve significant expense.

On page 190 we make our 13th recommendation, and there we recommend that the board of governors of the university update its policy on the university's centres and institutes to define the creation, classification, monitoring, and reporting requirements for institutes and centres.

The university uses research institutes and/or centres to support

collaboration of academic staff, both internally and externally, and to manage research. This includes using them to generate significant funding for larger research projects. It varied the approval process for how it created, operated, or managed these based on how they were classified — that is as the university would call it, type I, type II, or other. For example, the board was to approve any institute classified as type I.

We found the university had not clearly defined the classification of its research institutes. We also found examples where research initiatives did not seem to be properly classified. Lack of clear definitions and requirements increases the risk that the university may not appropriately classify an institute or centre resulting in it not providing adequate oversight or reporting from these institutes or centres. This in turn can result in financial or reputational risk or damage to the university.

[13:15]

Recommendation 14 is on page 190. We recommend that the university take prompt action on the board of governors' decisions regarding institutes and centres. We found an example where, by March 2013, management had not complied with a December 2011 board of governors' decision to create a new institute that was to consolidate the International Test Centre for CO<sub>2</sub> Capture with other research areas in the university.

At page 190, we make recommendation no. 15. We recommend that the University of Regina update, communicate to its academic and administrative staff, and enforce its policy for recovery of the indirect costs of research service contracts. We found inconsistent application of and compliance with the university's policy for recovering indirect costs of research and service contracts. That is overhead. As a result, it may not be collecting overheads on agreements as was expected.

Our 16th recommendation is at page 191. We recommend that the university immediately confirm, document, and enforce its delegation to staff of research-related signing authority. The board gave the vice-president, research authority to sign research agreements. The vice-president, research had the ability to delegate this authority as he felt appropriate. We found that the vice-president, research at the time had delegated signing authority informally and that is not in writing. We also find that administrative staff approved decisions to continue a subgrant for an academic staff, and decisions to pursue commercialization were made without evidence of approval of the vice-president of research.

Recommendation 17 is at page 192. We recommend that the university centrally maintain complete and up-to-date information about all of its research initiatives and intellectual property, for example, grants, contracts, partnership agreements, patents.

We found the university did not maintain information about all of its research initiatives and intellectual property. For example, we noted that the office of research, innovation, and partnership did not track all research grants and contracts in its database. The university did not keep up-to-date lists of its institutes, external board directorships, or external partnerships. The university cannot effectively manage and oversee research initiatives if it does not have effective processes to identify and

track them.

Recommendations 18 and 19 are related in that both relate to staff not following university policies. In 18 we recommend that the university ensure that all staff follow its policy requiring declaration, at least annually, of any conflicts of interest or conflicts of external commitment. In 19 we recommend that the university follow its policy to have external boards pass resolutions allowing university-nominated directors to share information with the university. Where such resolutions cannot be obtained, the university should consider not naming directors to those external boards.

University policy requires staff to declare conflicts; however, we found that only the president, the vice-presidents, and members of the board of governors complete disclosure forms each year confirming or updating to the university about any conflicts. Not requiring all staff to provide this information increases the risk of unidentified conflicts of interest at the university.

University policy requires staff appointed as university representatives on external boards to seek board resolutions to allow them to share information on a need-to-know basis with the university. We found only one board had passed such a resolution. To protect the interests of the university, these university representatives need to be able to share what they learn from these external directorships with the university, for example, with the president.

At page 193 we make two related recommendations. In 20 we recommend that the university regularly evaluate external directorships held by staff. In 21 we recommend that the university take action when it identifies conflicts of interest or conflicts of external commitment.

These recommendations relate to other situations where university staff may serve on external boards for a variety of reasons. The university did not maintain an up-to-date list of staff serving on these external boards. The university should maintain information about these external directorships to enable it to assess risks, for example, related to conflict of interest or commitment, and take action as necessary.

Recommendation 22 is at page 193. And here we recommend that the university review the classification and operations of all its research institutes, assess their contribution to the university's strategic research goals, and take any necessary actions identified by these reviews. As noted with respect to recommendation no. 13, we identified issues related to the creation and classification of research institutes. This recommendation is directed at the review of these research institutes.

At page 193 we make our 23rd recommendation. We recommend that the University of Regina strengthen its research agreements by including all relevant requirements to protect both researcher and university interests. Even though the university had procedures and agreement templates, we found that research agreements did not always include all relevant requirements. For example, they did not always include governance requirements, research ownership and rights, operating rules and procedures, identification and allocation of

funding, interests on windup, and the right to audit.

At page 194 we make recommendation 24. We recommend that the University of Regina complete its evaluations of patents to support its decisions to continue maintaining patents. Organizations obtain patents when they plan to pursue commercialization of a product or an idea. Patents automatically expire and must be maintained to remain in effect. Maintaining the patents and re-evaluating them involves significant expense. At the time of the audit, the university had 19 files with an estimated 109 patents.

We found that prior to the period of our audit, the university had obtained patents without adequately evaluating its decision to pursue commercialization. During the audit the university was re-evaluating these patents to decide whether it should maintain them or discontinue its commercialization efforts. At the time of the audit it had completed evaluations for about 30 per cent of those files. Not completing evaluations and letting patents lapse would result in the university losing the benefit, if any, of having the patents.

On page 195 we make recommendation 25. We recommend that the University of Regina review and update research reporting requirements to ensure that both senior management and the board of governors receive and review sufficient information to assess the success of the university's research strategies. We found that neither senior management nor the board of governors receive sufficient performance information on the fulfillment of research agreements, benefits of holding patents, or its research initiatives to evaluate research.

Recommendation 26, and this is the last one, is at page 195. We recommend that the University of Regina monitor compliance with research-related policies and agreements. We found that the university did not routinely identify and address non-compliance with research agreements and policies. At the time of the audit, it did not have regular review processes such as an internal audit function to help identify non-compliance issues. And, Madam Chair, that concludes our overview.

**The Chair:** — Thank you, Mr. Deis. President Timmons, if you would be so kind as to introduce your officials and when making remarks on these 26 recommendations, if you would speak to each recommendation and let us know where you're at with respect to actions taken, timelines, those kinds of things, that would be incredibly helpful in guiding our discussion. So I will pass it off to you.

**Ms. Timmons:** — Thank you, Madam Chair. I will love to introduce the people that are with me today: vice-president of research, Dave Malloy, is here; Sylvia Waterer, and she's the project manager for the implementation of the audit recommendations we have; Mr. Dale Eisler who is our senior government relations adviser; and I have Dale Schoffer here who's our associate vice-president of finance.

So with permission, Madam Chair, if there's specific questions directed to me that require more detailed information, I'd like permission to refer to one of my colleagues.

**The Chair:** — Oh yes.



**Ms. Timmons:** — Okay, thank you. So I was introduced. My name is Vianne Timmons. I'm president and vice-chancellor of the University of Regina. And, Madam Chair, and members of the Standing Committee on Public Accounts, my colleagues and I are pleased to be here today. Believe it or not, we are pleased to be here today to answer any questions you may have regarding either of the audits but in particular the one that our Provincial Auditor just presented.

First I'd like to provide you with some context on the 2013 Provincial Auditor's report volume 1, chapter 15. I think that will be helpful. Specifically I want to talk about the origins of the audit, and Kelly did in his opening remarks say that this research-related audit, as with the procurement-related audit that we will be discussing together in January, was unusual. In my time in seven years, we had not done any of these types of audits and it's because it's one that the university collaborated with the Provincial Auditor on. It's one we welcomed and we looked for and so we were pleased.

This collaboration with the Provincial Auditor was done for a specific reason. As a university, we had grown: 40 years independence this year. In all honesty, our research enterprise had grown dramatically but our infrastructure and our policies, processes, and controls had not grown at the same rate. So we had hired young, ambitious, entrepreneurial researchers and they moved forward very quickly. And we had not put in all the processes we required, and we recognize that.

Another challenge we had while I was president: over seven years, I've had four different vice-presidents, research. So there was instability in the leadership in the research enterprise. And I knew as president, and relayed that to our board, that we were vulnerable unless we made sure that we could build the supports and enterprise for our faculty. And we, trying to figure out how to do it, we did two initiatives, one where I brought in reviewers from two other institutions to do a review at the same time, around the same time, worked with the Provincial Auditor to do a review of the entire research enterprise. And we asked for a comprehensive review. We wanted one that delved deep and that had breadth. So that's what we wanted.

We could have done this a number of ways, but we decided this would be the best for the institution. We also recognized there was a vulnerability going with a Provincial Auditor because it would make it public, but felt that we knew as an institution we could do better and we had to do better.

So I want to also mention, as Kelly did, we wanted to ensure that we were transparent and open, that we were looking to change the culture of our research enterprise in addition to ensuring there was accountability there. University professors are entrepreneurial and often very independent, and we needed to make sure that they understood the challenges we had. Many of these challenges require compliance by individual researchers . . . [inaudible].

I guess there's an old saying that says, be careful what you wish for. But that is applicable in this case. Whenever you invite critique, analysis, and evaluation, you need to be prepared to act upon it. By working with the auditors and collaborating, we invited an objective evaluation of our research processes. And we were very pleased, believe it or not, very pleased to have

such a comprehensive response with the Provincial Auditor's 26 recommendations. It gave me the information, the research that I needed to make changes. Now I could make changes anyway, but I'm trying to change a culture, which is very difficult at times.

So you can imagine implementing the 26 research-related recommendations has entailed a considerable amount of work, and the process is still ongoing. We have operationalized many of the recommendations, and we intend to have them all completed by March 2015. Now the education process will be ongoing after that, as you need to change a culture. So I'm going to provide you, as Madam Chair asked me to, with an overall update on our progress.

You will recall that section 1.0 of the Provincial Auditor's report identified four general areas that required attention. And I'm going to quote: "The university needs to focus on improving its processes for oversight, updating policies and procedures, evaluating risks and benefits of research initiatives, and monitoring compliance."

And so that's how we took those as four themes and that's how we approached and grouped the 26 recommendations. Why we did that is to try to get efficiency. And so we weren't doing 26; we were working on four specific areas.

In July 2013 after receiving the report, the university formed an advisory audit task force, developed terms of reference, dedicated a full-time staff person to oversee and implement, and created an overall action plan that included a projected timetable for completion of all the recommendations.

One of the task force's earliest initiatives was to group the 26 recommendations into seven clusters that made sense for us from an institutional standpoint. By grouping related recommendations together and placing each of these groupings under the responsibility of a member of a task force, then it would be possible to address them in the most efficient way and again get our researchers' buy-in. Our researchers found this very threatening, and we needed them to own it and to buy into it. And that's why we laid out an 18-month process. We could have implemented this in probably six months, but we would have lost the momentum of having our faculty onside. The way we've done it, I'm very pleased to say, faculty are very much onside and worked with us, some with irritation. Especially now with the whole university focus on transparency and accountability, it's a different culture for our faculty.

The leads from the task force were assigned to each grouping, and individual action plans, progress reports were developed as work continued in each area. Throughout, the task force consulted widely across the campus and met a total of 16 times in its capacity to advise on policy, structure, and compliance. Nine of the 26 recommendations were fully implemented early on in the process because they were stand-alone ones that were not dependent on other recommendations. It was a bit of a domino effect here. You know, we had to set up a policy before we could make some changes in other ones. Example of these are the conflict of interest policy and the delegation of signing authority. Easy to do. Done.

The remaining recommendations, which all linked with other

ones in the groupings, have been part of a wider process involving consultation and policy revisions. The implementation, as I mentioned, is still intended to be completed by March 2015, of all of them. So I will try to provide you with an overview of the progress to date, but I'm going to do it by talking about the seven different clusters that we set up, if that's okay.

So the centres, which is recommendations 13, 14, and 22. Those recommendations are all very much connected. Now the culture of a university, a research centre is set up by an initiative by a faculty member typically, and they pull together other researchers to work with them. They very much own the centre; it is theirs in their minds. So it's a bit of challenge then to bring a structure to something that was initiated by a group of people. So we did interviews and reviews were conducted in 2013 looking at the university's policies and procedures, constraints, risks, interactions with central units, performance measures, reporting all around these centres. So we did a good analysis.

On the basis of the collective input, the reported recommendations on policy and operational changes for the University of Regina centres and institutes was drafted. So we pulled together a good report in early 2014, and then that was presented to the audit task force.

The revised policies and procedures were drafted this past October, and the consultation now on the changes we made continues. So this is a longer process with the centres. Once we get the buy-in by the different owners of the centres, we will move very quickly — 13, 14, 22 will be done.

**The Chair:** — You know what? I might actually see if there are . . . As you break it down into your groupings, maybe we could have questions for each grouping, rather than having them all at once at the end. So I'd like to maybe open up the floor for questions. Are there any questions at this point? Mr. Wotherspoon.

**Mr. Wotherspoon:** — Thank you very much as well to our president for being here today, along with officials and representatives of the university, leadership of the university. That's really appreciated. Certainly there's many recommendations that are here, so I appreciate the way it's been broken up as well for our ability to digest the different pieces.

So on recommendations 13, 14, and 22, I'm hearing that there's actions and timelines in place to see that these issues or these concerns will all be resolved or there will be compliance with the recommendations that are in place. Is that correct? And just maybe a comment around the timeline for full compliance?

**Ms. Timmons:** — It is. So we did the analysis. I missed one important piece. In the summer this year we brought in an expert from UBC [University of British Columbia], Martin Kirk, to work with our own professors, to help them understand the challenges that the audit presented and how to implement that. That was part of the consultation that we needed to do to put this report together. So absolutely on the timeline, I think it's February 2014 that the three recommendations — 13, 14, and 22 — are anticipated to be fully implemented. Is that correct?

**Mr. Malloy:** — Yes. If I could comment. So we had an internal report done, and we followed that up with the external report that Dr. Timmons's just mentioned. That report has . . . We've received a draft of that. We've commented on the report, and we're waiting for the final draft. Once we receive that, we'll distribute that widely around the university.

In a parallel process, we've developed a new policy for centres and institutes. We've had two drafts circulated with feedback from faculty, and we're planning to have a third draft, hopefully final, in January of 2015. So we're bang on target.

**Mr. Wotherspoon:** — Thank you.

**The Chair:** — Are there any further questions at this point on this? On 13, 14 or 22? No? Seeing none, if you would like to carry on, Dr. Timmons.

**Ms. Timmons:** — Thank you, Madam Chair. So commercialization is a big one, as the auditor has mentioned, and the recommendations that we've clustered are 8, 9, 10, 11, 12, and 24. These all are around commercialization. So our progress to date is the partnership portfolio has been defined. Certain patents have all been reviewed. The assignment of patents is in progress. So we've reviewed them all and now we're returning some back to faculty. So they're no longer university patents, so that provides individual consultation. As you know, we had over 100 over them.

And again it's very tricky. Faculty, this is their patent. They think it is fabulous and going to make millions for the university. And we're going back to them and saying, we've evaluated and we're saying, no we don't want to invest in this. And we're trying to give it . . . We're not trying; we are giving it back to them. But it has to be handled carefully, and we want to keep the entrepreneurial spirit and want them to continue to do this work. So we're working very closely with a large number of faculty.

The intellectual property policy has been revised and harmonized with the collective agreement, and a definition of specialized resources has been drafted, which is one of the very specific recommendations.

In terms of process, disclosure has been streamlined and evaluation framework for disclosures refined. So we really have moved this area along significantly. Anything you want to add, Dr. Malloy?

**Mr. Malloy:** — Yes. One of the initiatives we've taken as far as patents are concerned is creating what we're calling a commercialization advisory group. And this is going to be composed, it hasn't been formed yet, it's going to be composed of academics as well as business people from the community. And what their task will be is to get together and have a thorough evaluation of any patents coming forward, any issues dealing with commercialization. And this is going to be a university-industry joint discussion, and then those recommendations will then be forwarded to the vice-president of research's office.

**The Chair:** — Thank you for that. I'd like to open up the floor for questions on this particular section. Mr. Merriman.

**Mr. Merriman:** — Thank you, Madam Chair. Just for my own personal records, recommendations 8, 9, 10, 11, 12, and 24 are all grouped together, and they're all in process of being completed. And the timeline on that was?

**Ms. Timmons:** — This March is all of them, right?

**Mr. Malloy:** — Yes, our intent is to have everything completed by March. We're hoping to have it sooner than that, but our drop-dead date is March.

**Mr. Merriman:** — So March of 2015.

**Mr. Malloy:** — That's correct.

**Mr. Merriman:** — Okay. Thank you.

**Mr. Malloy:** — And much of this is very, very close to being completed as we speak.

**Mr. Merriman:** — Okay. Thank you.

**The Chair:** — Just a clarification, is no. 8 in compliance? You're fully in compliance with no. 8? That the university "... ensure that intellectual property disclosures are completed in accordance with policy ..."

**Ms. Timmons:** — Our disclosure form is updated to ensure compliance and documentation.

**The Chair:** — Okay. Thank you for that. Mr. Norris.

**Mr. Norris:** — Great. Thanks very much. I appreciate the progress in the work that's under way.

On this advisory group combining academics and those from the corporate community, do you envision that the corporate community ... well, actually for both mix, would those be mostly focused locally? Would they include those from the province, the nation, globally? I'm just trying to get a sense of the scope or scale of where those, the members of the advisory group would come from.

**Mr. Malloy:** — We haven't formed that advisory group yet. Our initial sense was that we would have experts locally, in the Regina area. It certainly doesn't preclude us from going provincially or perhaps nationally. We haven't gotten that far.

**Mr. Norris:** — Okay. Thank you.

**The Chair:** — Mr. Marchuk.

**Mr. Marchuk:** — Thank you, Madam Chair. This is really interesting and exciting stuff around the patents. How much revenue actually is generated by 109 patents? Do we know that?

**Mr. Malloy:** — Well currently we don't have 109 patents. We're down to 59.

**Ms. Timmons:** — Because we've been returning them.

**Mr. Malloy:** — Yes. So we've done an analysis and we've let some lapse. We've given some back to professors and then

we're hanging on to a few that we see potential in.

**Mr. Marchuk:** — Okay. And just a follow-up, if I may. Of those that you're keeping, I'm going to use that term, the advisory group then will make recommendations as to how to proceed commercially with those?

**Mr. Malloy:** — Yes.

**Mr. Marchuk:** — They're no longer the property of the researcher?

**Mr. Malloy:** — Oh no, they'll be the property of the researcher. But this advisory group will then be the, I guess, the next step in moving it to market, advice on how to get it out the door from the university.

**Mr. Marchuk:** — Okay.

**Mr. Malloy:** — So our intent is now to engage industry at a much earlier time in the process. So almost from good idea that we want to bring industry in to say, hey, is this a good idea? Is this marketable? And now what are the steps we need to take to make it a viable patent and licence?

**Mr. Marchuk:** — Thank you.

**The Chair:** — Mr. Wotherspoon.

**Mr. Wotherspoon:** — So this advisory — and thanks again for the work on these fronts — the advisory that's in place, will that be the capacity to deal with no. 11, assessing the commercialization potential?

**Mr. Malloy:** — Yes.

**Mr. Wotherspoon:** — Okay. And the whole discussion around specialized resources, what constitutes specialized resources and a common understanding of specialized resources? Could you just give us a little bit of context about what the discrepancy is or what the challenge is and what, I guess, what the risks are if that's not clearly understood and defined?

**Mr. Malloy:** — Well the whole argument around specialized resources was that if a professor was patenting something or has a licence making, hopefully making a profit based on equipment that had been received as a function of his or her research, there's an argument around how much stake does the university have in that particular patent or licence as a function of the money that the university's provided that professor.

So if one gets an NSERC [Natural Sciences and Engineering Research Council of Canada] grant, is that the professor's money or is it the university's money? Well it's in fact the university's money. But the discrepancy was the professor would think, well it's my grant; this is all mine. So what we wanted to make sure we had is a policy that would identify what is university resource, when the university had a stake in the patent, and when the patent or the intellectual property was completely the purview of the individual professor.

**Mr. Wotherspoon:** — So I suspect this isn't the easiest matter to resolve at times. Is there fairly strong disputes that exist with

some of the projects and some of the researchers?

**Mr. Malloy:** — Well we're trying to resolve that by making the bar for specialized resources so high that most professors will fall under it.

**Mr. Wotherspoon:** — Okay.

**Mr. Malloy:** — So yes, the dollar value of the equipment that they're using, we want to make it high enough that most projects are going to fall under it.

**Mr. Wotherspoon:** — So talking about the changes to kind of the university environment and the value for research and the complexity of these environments in sort of the modern times and sort of how important it is moving forward in the future as well, have you found that you're charting either some new terrain here on these fronts? And will some of these standards and best practices then lend themselves to potentially other universities across Canada? Are there some universities that you've been able to draw upon and find some best practice?

You've identified working with someone from BC [British Columbia] that was able to come in and possibly work with some of the faculty at the university, that were able to bring about some understanding, I guess, just some learning. Where are you charting new courses, and where are you able to draw upon practice from other universities?

**Ms. Timmons:** — We brought in, remember, I mentioned two people also to do the external review. We also brought in the vice-president research from Dalhousie who has a tremendous amount of expertise. So we did look at other universities for best practices and for the critical eye on what we're doing.

What was interesting is how many universities are facing the same kind of situation as we are, in which the professors . . . We had a bit of a boom in research monies, not in the last five years but the decade before, a big investment in tri-council funding by the federal government, much more money put into research by provinces. So the research portfolio in most universities across Canada grew dramatically and fast. And there were a few universities that were able to really move with it in their infrastructure. We didn't. We're not one of them. We didn't. And I would say part of that was just the instability in leadership and staffing. I mean that's a problem that we own as a university.

So absolutely we're looking at other institutions for best practice. And our hope is that when we've completed all these audit recommendations, which we will end of March, and looked into, critical eye on commercialization in particular, that we will have a model that other universities may look towards, especially in the comprehensive universities.

You know, and we went through a transition from, I would say, more of an undergrad to a comprehensive. And so then there's a research-intensive group, right? And so when we made that transition, it's a big transition. And I think it's a lesser transition to go from a comprehensive to a research-intensive. And so that's where we are right now, trying to build all that. Does that answer your question?

Anything you want to add?

**Mr. Malloy:** — Well yes, if I could. This is something I'm really quite proud of — and I can tell you that other medium comprehensive universities and small universities are watching us on this one — and that's the development of annual strategic research plans within each faculty. And perhaps you'll be asking about that later on. I'll briefly address it now.

When I first presented this to, it's called the Alliance of Canadian Comprehensive Research Universities, I presented this to them as an idea about a year ago. They said, you're crazy; this will never work because they won't buy into it. And our faculties, every single faculty at the University of Regina has bought into this process of developing strategic, annual strategic research plans. They should be completed before Christmas. And it's been remarkable how much engagement they've had. So in terms of groundbreaking, I think this is one area that other universities will watch us and, you know, see what happens and see what the outcome is.

**Mr. Wotherspoon:** — It seems like a really big task that, you know, across the whole piece but certainly even when you're looking at these aspects and breaking out ownership and whose resources are whose, and I'm impressed that you're seeming to arrive at this in a way that seems to be resolved in a way without, it seems, legal processes or otherwise. Going through these processes for these recommendations and determining who owns a patent, whose resources are whose, have you had to engage in any legal processes? I'm sure you have legal advice, but are you engaged, potentially engaged in any legal processes related to these recommendations?

**Mr. Malloy:** — As yet, no.

**Ms. Timmons:** — Oh, but we have. We have one. We're in one legal case where we're in dispute.

**Mr. Wotherspoon:** — And that was before though?

**Ms. Timmons:** — Yes, that was before. We're in dispute, and that one is just taking a lot of time to go through.

**Mr. Wotherspoon:** — Yes.

**Ms. Timmons:** — We did get legal advice on a number of the patents. Just IP [intellectual property], a lawyer who had IP expertise, and that helped us through some of . . . just with some of the more complex patent agreements.

**Mr. Malloy:** — But we've had no issues, other than the ones that are kind of on hold. But we've had no issues.

**Mr. Wotherspoon:** — And sorry, I'm just making sure that I understood the other piece about the resources, the specialized resources. And you're talking about how you're resolving that. You said, well you set the threshold rather high to allow for this process to occur. So are you saying that you set it . . . Can you just explain that so I fully understand what . . .

**Mr. Malloy:** — Yes, so we want to give a flexibility to the professors. So we didn't want to restrict what they're doing by setting a fairly low level of what a specialized resource is. I

mean some people may say, well once you get past your computer everything else is a specialized resource.

**Mr. Wotherspoon:** — Right.

**Mr. Malloy:** — And then defining that from each faculty's perspective. So someone in kinesiology has certain equipment they're using, someone in science has something else, and they're varying in price or cost. So what we wanted to do is set a high value so most professors could have leeway in doing their IP work, doing their patent work, without the university really getting involved in terms of, you know, to what extent do we, you know, demand shares in this enterprise?

**Ms. Timmons:** — So maybe I could help to . . . This is a complex thing because this is in the collective agreement, right? This is in . . . So in the university collective agreement it refers to the use of specialized facilities, any specialized equipment regarding intellectual property, but doesn't define it. So it's one that the auditors point out, you need to define this. So we do have a draft definition that we're now circulating, and we say specialized resources mean research tools or instruments that have an individual value of greater than 800,000. And so this isn't just about doing a definition. It's actually to make sure we're in alignment with the collective agreement, that we don't get a dispute from it, that we get faculty onside agreeing that that's a definition.

So that got into the collective agreement without any definition, years ago, and so our challenge is to not get a grievance. And that's why we've taken more time to try to get the faculty onside, and this is something that really could spark our union to say, you know, top-down decision making. So the vice-president and the project manager have been in extensive consultation to get to identify it. Is that helpful?

**Mr. Wotherspoon:** — Yes, for sure it does. You know, the interesting processes and yes, lots of moving parts. So the \$800,000 potential threshold that might be achieved collectively with your faculty, if let's say assume that that's agreed to within the collective process, then how's that accounted for? How does, you know, how . . . I guess if someone's entering into, if they're doing research, who's doing the checks and balances on those resources that are the specialized resources?

**Mr. Malloy:** — That would be the office of research and innovation partnership.

**Mr. Wotherspoon:** — Okay. Yes. And so they'd be just tracking those and there'd be sort of a file and there'd be an accounting for how many resources were allocated, specialized resources allocated to project such and such?

**Mr. Malloy:** — That's correct. And we've hired a new individual who is focusing on commercialization of partnerships, so that would be his specific responsibility.

**Mr. Wotherspoon:** — Very interesting.

**The Chair:** — Mr. Marchuk.

**Mr. Marchuk:** — Just wondering how this work that you've done with regards to this has informed your new five-year plan

that you announced?

**Ms. Timmons:** — That's what I'm going to talk about next.

**The Chair:** — Good. Great. Setting the stage. Are there any . . . Oh, Mr. Michelson.

**Mr. Michelson:** — Yes. This idea of turning back the patents, can you just explain that process?

**Mr. Malloy:** — Patents are paid for by the university, and if a patent isn't perceived to be, I guess having potential to be money-making, then we will give the patent back to the professor and he or she can then continue the patent if they wish. But the university itself won't continue paying for a patent that we don't believe is going to be a marketable one.

**Mr. Michelson:** — Because I would think there'd be a market analysis before the patent was applied for?

**Mr. Malloy:** — Oh, that's right. That's correct.

**Mr. Michelson:** — But then after research, you find out that it doesn't . . . Is that correct?

**Mr. Malloy:** — That's right, or ones that have gone dormant.

**Mr. Michelson:** — Yes. Okay, thank you.

**Ms. Timmons:** — I would also suggest that we probably didn't do a good market analysis on all of the patents initially. We had a very . . . Can I use the word entrepreneurial? Because I could use the word maverick if I wasn't so kind. Members in the research initiative who are not with us anymore, staff members who felt that a sign of success was the number of patents that we were able to secure versus the quality of the patent. So that's what I talk about, the change of culture. So once we recognized that had kind of run away on us and the auditors helped us then get that message through to our faculty, we were able to pull back.

And so now this committee that the vice-president is setting up will do a much better market analysis and have responsibility for it. Before, then it was one person could determine whether a patent could go or not. And I think we were just immature in that area. We didn't have enough knowledge or expertise in commercialization as an institution, which I think we've learned a lot.

**Mr. Malloy:** — This committee will be our own version of *Dragon's Den*.

**Mr. Michelson:** — You indicated that the patents are bought by the university, are paid for by the . . . What would the cost of that be?

**Ms. Timmons:** — We can get that.

**Mr. Michelson:** — Absolutely. Yes, if you would please. Thank you.

**A Member:** — I have it here somewhere.

**The Chair:** — When you find it, you can provide it at that point in time here. Shall we move on? Are there any further questions on the recommendations around commercialization, at this moment anyway? Moving on here, if you'd like to continue.

**Ms. Timmons:** — Thank you, Madam Chair. So the next area that we clustered, recommendations 3, 4, 5, and 25, is reporting to the board of governors. And the provincial auditors, as I indicated, were correct. We did present data and metrics to the board at every board meeting on research monies and monies spent.

But the university, the history was that if you signed off on a large research grant, you didn't necessarily, you didn't get . . . report it to the board. It was again seen as an individual faculty member's prerogative to do all of that. And even as a senior administrator, as a president, I may not know that a . . . Someone could get involved in a \$2 million grant that I would not know anything about, as a professor. That's just the culture of universities, not unusual.

So I have very exciting news in that the board of governors approved our strategic plan in November, a new five-year strategic plan in which it has a real focus on research impact. And in that now, once we got that plan approved, a lot of these recommendations are going to fall out of them on terms of how people report.

So the vice-president had mentioned that he's setting up a process for developing annual faculty research plans. That's put in place. Now they have to align that with our strategic plan, and so that in January as they get those up and running, they will be reporting regularly. And then that vice-president will have to collect that information and report to every board meeting on it. In the strategic plan it identified research clusters. That is quite unique in a strategic plan to be that specific about the research, but we identified research clusters that were a priority for the university. They're defined and incorporated into 2015-2020 plan. And that was done through a good analysis of research impact and performance in those areas, so it was an evidence-based process. So we're looking forward to seeing all of this align now as we move forward.

We kind of put the reporting to the board a bit on hold. We still report research revenues and research grants achieved and stuff, but we didn't get into more of the narrative and that information because of the new strategic plan that we were bringing forward, because it shifts a bit. The reporting will now have to align on research impact because that's what's in the strategic plan.

So you could have 100 grants that have very little impact, and what the university is saying is we care about research impact more, so quality more than quantity, and that's really important to us. And so it's again shifting the culture and shifting the way faculty will report to us on the research, and that will go to the board. So those recommendations will fall out now that the plan was improved in November. Does that make sense? You think so?

**The Chair:** — I'll maybe open up the floor for questions.

**Mr. Wotherspoon:** — These recommendations 3, 4, 5 . . .

**The Chair:** — 5 and 25.

**Ms. Timmons:** — Now I will mention that for every board meeting we've had since this provincial audit was done, we report on the progress on every one of these recommendations to the board. It's done at every meeting. So that was something we put in place immediately after we got the audit. The board was aware we had collaborated on the audit, and they want and have received a report at every board meeting. Right, Kelly?

**The Chair:** — Mr. Norris.

**Mr. Norris:** — Thank you very much, and again I appreciate the grouping that's come together. I'm just wondering about, and I'm sure it's a work-in-progress, the performance measurement piece. And obviously with probably different faculties that would be a work-in-progress. How is that going? Because that's pretty groundbreaking actually.

**Ms. Timmons:** — So what was very interesting is when this new strategic plan was done, it was done . . . Many companies, the president and the senior team, they do the strategic plan. At the University of Regina it's done by . . . a faculty member is given the lead and there's a task force set up. And we, behind the scenes, work with that team, but we don't do the plan. So we're held accountable for the plan, but we don't do it.

So what they did this time, which was very unique, was they put in success indicators into the plan on every one of the objectives in the plan. So our plan has three pillars, new strategic plans: student success, research impact, and that's a key, and the third is community outreach. And then there's two themes that cross those: indigenization and sustainability.

So under research impact, what they did is actually identify those performance measurement frameworks from the community. So what they called them was success indicators. So we've set up already, right in the plan, a focus on that. So now every faculty will have to set up specific objectives around research impact and identify the performance indicators and set targets. And then that gets fed in centrally to the vice-president, research who will report to the board. Does that make sense?

So you're right. It's a change . . . we've been doing lots of things to try to change the culture.

**Mr. Norris:** — No. It's terrific. I appreciate that. What might they look like? I'm just trying to think of the broad array of programs that you have, just a couple of examples. Again this is very . . . it's innovative.

[14:00]

**Mr. Malloy:** — Sure. In terms of performance measures?

**Mr. Norris:** — Sure.

**Mr. Malloy:** — Oh yes. So let's take the department of psychology. Their measure is primarily peer review journals. If you look at the department of history, peer review journals are very much secondary. They focus on books. If you go over . . .

[inaudible interjection] . . . He's asking about matrix. And then if we look at fine arts, it's more performance-based. One group is going to be focusing on Social Sciences and Humanities Research Council grants, and others, there's going to be the Canada Council grants.

So what we've done is we've asked each faculty to tell us what their measures of excellence are, and then what we'll do is then not compare fine arts with psychology because there isn't a comparison. One values peer review journals; the other values public performances. Was that your question?

**Mr. Norris:** — No, no. That's very helpful. Thank you.

**Mr. Malloy:** — Okay. And actually they're very glad to hear that we're listening to these different kinds of measures. You know, the old currency was peer review journals and money, but that's an archaic way of measuring excellence.

**Mr. Norris:** — Great. Thanks.

**The Chair:** — Mr. Marchuk?

**Mr. Marchuk:** — Just where are the other jurisdictions in the country on research impact? So U of R [University of Regina] is leading the pack. Is that what I'm hearing?

**Mr. Malloy:** — For medium-sized comprehensive universities, yes.

**Ms. Timmons:** — We're ranked number one.

**Mr. Marchuk:** — So is this practice . . . It's not.

**Ms. Timmons:** — It wouldn't be a common practice. Many institutions want to look at research impact versus the quantitative number of grants you get. We are leading the country in that to have it right in our strat plan . . . [inaudible] . . . The other thing that we're doing is evaluating. And why don't you talk about the Thomson Reuters analysis of research impact?

**Mr. Malloy:** — Sure. I think medium-sized comprehensive and small universities are very interested in this because we can't and shouldn't be competing with UBC and McGill. And if all we're looking at are the sheer number of publications, like papers going out the door and money coming in, you know, we're always going to look small and not as effective.

So this whole notion of research impact is looking at the quality of the article. So how many times an article is being referenced around the world shows that it's a valuable article typically, as opposed to how many we send out the door. You know, if I publish five articles that are read around the world and someone else publishes 15 that are read by no one, I have a greater impact on the research community than that colleague.

So what we're doing is we're tapping into the Thomson Reuters system, which uses the Web of Science database. This is all independent, so this isn't our data. This is independent data that we're, you know, we're looking at what we do to see what kind of impact we have on the community.

**Mr. Marchuk:** — I couldn't agree with you more. And that quality of research is what it's all about. And it's my understanding that there's a piece of software that exists out there that measures that.

**Mr. Malloy:** — Yes.

**Mr. Marchuk:** — Could we have that? Could we get the name of that piece of software? I just don't . . .

**Mr. Malloy:** — Yes. Well it's by Thomson Reuters. It's called InCites.

**Mr. Marchuk:** — And it tells you how many are reading a particular piece of research.

**Mr. Malloy:** — Yes. Come to my office. I'll run you through it. It's great. It's great.

**Mr. Marchuk:** — You're on.

**Mr. Malloy:** — Okay.

**Ms. Timmons:** — Well I'll be real specific. Two things that will help you, maybe, with it. So in October 2014, there was a study by Research Infosource determined that the University of Regina ranked number one among Canadian comprehensive universities in Canada, and number two in all Canadian universities in Canada in the terms of international research collaboration, okay? So that meant more than 51 per cent of all the publications of the University of Regina researchers between 2008 and 2012 were collaborations with researchers from other countries, right? And it doesn't show impact, but it shows a interesting aspect of our researchers, right?

The second, the recent study we're talking about, Thomson Reuters, they call it normalized citation impact, determined that between 2004 and 2013 the University of Regina ranked number one among Canadian comprehensive universities in terms of research impact. And they measured that by exactly what the vice-president said: the number of times our researchers' work was cited in other researchers' work, right? And our nationally and internationally recognized researchers, in particular in the areas of clinical psychology, were some of the faculty members who were at the very top of this impact. Computer science is another area. So our researchers in those areas are number one, number one, number one on the number of times they're cited.

So we have some challenges with our support in our research enterprise but we don't have a challenge with the quality of the research that comes out of University of Regina. And I want to make that distinction. The University of Regina, it's one we all should be proud of the quality of the work our researchers do. Our job though now is to help them with the structure, processes, and policies so that they don't get too entrepreneurial and in trouble, right, because they're jumping ahead on it without doing the proper processes. So that's what we need to do.

**Mr. Malloy:** — And if I could add, that data is the basis of the new research clusters that we've created.

**The Chair:** — Thank you for that. Mr. Wotherspoon.

**Mr. Wotherspoon:** — I sure appreciate this discussion. It's really thoughtful and fairly wide-ranging. And when we're looking at these sorts of recommendations and some of the issues that you had identified and sort of having to build out a system of systems and controls and governance and all these pieces, I give you credit that you've . . . It seems that you've had a specific eye on ensuring that that doesn't jeopardize or compromise the quality of research or stifle the important intellectual activity, the purpose of a university in many ways, back to society. Because when you're building in systems and controls, I suspect sometimes there's a caution, I guess, that you build out a process that's too standardized, too rigid, that doesn't allow for some of the very important pieces that should be achieved by a university and are being achieved by the University of Regina. So I appreciate some of the broader context you're providing to some of the decisions that you're making here today.

**The Chair:** — Are there any further questions on this particular section on reporting to board of governors at this point in time? Seeing none, we can move on here.

**Ms. Timmons:** — Madam Chair, I'm going to get into these other recommendations but I'd like to just tell you a story, just to kind of . . . of a researcher that came to see me. A year ago last September, the University of Regina, we had a difficult time. We had been the first university in Canada to do a performance, who did a program review, a comprehensive program review. We made 200 program changes, closed 24 programs. There was some issues that went in the media around overtime in education, if you recall, and overspending in an engineering research grant. It was a perfect storm. A collective agreement was trying to be resolved.

September hit. There was a vote for a vote of non-confidence on myself and the provost . . . [inaudible] . . . It didn't pass but it was probably one of the . . . It was the most turbulent time I had experienced at the University of Regina. An older gentleman came to see me, a professor, 64 years old, and he came to tell me his support for me. But he wanted to tell me that he was upset. And he said to me, everything has changed on me. He said, when I came here as professor, my classes, I had small classes. I could have four students and do this great seminar. He said, if I wanted a piece of equipment for my research, I could pick up the phone and call procurement and say, I want this piece of equipment from this company and could you fill out the form for me, and they would do it. He said I, you know, I taught when I wanted. If I didn't want to get up early on Wednesday, I wouldn't. I'd say, don't book me Wednesday morning for a class, right.

He said, I want to tell you how my world has changed. He said, I was a very successful professor, did very well. I'm still successful but, he said, I'm struggling. I have no more small seminar classes. They've all been cut. He said, I have large classes now. He said, a lot of my classes have international students and students with learning disabilities. I have to schedule separate exams for all the students with learning disabilities. He said, I have to try to understand how to teach someone who has English as a second language. I've never been trained to do that. He said, my research enterprise, if I

want to get a certain piece of equipment from a certain vendor, he said, I have to fill out forms; I have to provide justification. He said, the processes that are put in place for me are daunting, he said.

Then he said to me, I have no choice when I teach. You've gone to a computerized scheduling based on students first, which is the right thing to do, he said. But now I don't have any control when I teach. He said, my world has changed and it is not the same world I entered as a professor.

So this is what I mean by a culture change. Our professors are good people, men and women, but their world has changed, as your world has changed in terms of transparency and accountability. I want to say that because these recommendations have a big impact. For each professor to fill out a conflict of interest form and to tell us what boards they're on, they feel like big brother's looking over their shoulder. They feel their independence is being compromised, that we're really watching what they do in their free time, that we have no right to ask those questions.

So we had to put a new policy in place, which is done. The board approved a conflict of interest policy. We just reported today all the external boards that are legislated to our board. But this is one that's . . . We've got the policies done on this but the compliance will take a bit of time. We have our union protesting compliance on this one. They don't have a problem with us doing it but they are telling their professors, you don't have to fill it in if it makes you uncomfortable. So it's going to take more education and time. And we're pushing it hard. So our new policies, in particular around listing of boards that professors and staff are on, conflict of interest, all of these things are going to take time for our professors to feel that we're not being a big brother and that we're not doing something nefarious with them. So the policies have all been done and changed. Compliance will take a little bit of time on this one because we don't want to come with a big stick. We want to educate them to why we need to do it this way.

And I will say that over the last three years our . . . We have said and I put out publicly in one of my messages — I do a message every month — I put one month out a message of zero, zero tolerance for non-compliance with policy. So the message is out. People understand it. It's just there's so many policy changes we've made that some professors are going to take a little time to get them onside.

**The Chair:** — So just to clarify then, for recommendations 18, 20, and 21 then — and 19? — 18, 19, 20, and 21, that you would consider that being in progress? Those are just comments that you've made with respect to basically those four recommendations.

**Ms. Timmons:** — Yes. We've done all of the policy changes required for those.

**The Chair:** — Okay.

**Ms. Timmons:** — What we need to do . . . We're still in the process of education and getting them signed off by every single staff member. That's the only difference.



**The Chair:** — Okay. Thank you. Mr. Merriman.

**Mr. Merriman:** — So if I understand, the administration side of it is done. It's just the trickle-down effect that is in progress, and it will take a little bit of time to get that, everybody's buy-in on it.

**Ms. Timmons:** — We have 2,500 . . . 2,600 employees. 2,600 employees. And so we have not got a stick. If a tenured faculty says, I'm not going to sign your conflict of interest form, we're still working through what our stick is on that one. And you know, we're trying really hard to try to do the education piece so we don't need sticks.

**Mr. Merriman:** — So carrots are much better.

**Ms. Timmons:** — Yes.

**Mr. Merriman:** — Perfect. Thank you. Thanks, Madam Chair.

**The Chair:** — Mr. Wotherspoon.

**Mr. Wotherspoon:** — These are important pieces, and I recognize the challenge in changing a policy and cultural change. If there was a project that was being entered into and some sort of joint partnership that was evaluated as something of interest to the university and you had various faculty engaging in it, would you . . . I suspect you'd have the ability to encourage or ensure — I guess ensure might be the word — disclosure of those that are entering into that venture of sorts.

**Ms. Timmons:** — Yes. I mean we can ask and if someone says . . . They would have to sign off on it if they want to be a part of it, right? But if someone says, I have no conflict of interest, and they do, I can't control that, right? And so we have to be very careful. But we absolutely can say, you will not be able to apply to any research grants unless you sign this form. We can do that. We're not there yet, but we're doing a lot of education so that if we have to get there, they're aware of it.

**Mr. Malloy:** — Yes. And having said that, no grant or contract goes out of the university's door, hypothetically, without either my signature or, depending on the amount of money involved, without my signature and the president's signature. So if they do something, they're going outside policy. Or if they do something without our signature, they're going outside policy.

**A Member:** — That's a whole other issue.

**Mr. Malloy:** — That's a whole other issue.

**The Chair:** — Mr. Norris.

**Mr. Norris:** — Yes, if I could. And I certainly appreciate the conversation and the sensitivities around it, and for the university it's really about risk identification, management, and mitigation if someone goes outside of it. Could there be existing circumstances where there are risks to the university because of current or previous board appointments or responsibilities with other agencies or entities?

[14:15]

**Ms. Timmons:** — Yes, absolutely, with both. Especially ones that are not disclosed to us. And even . . . We have legislated board appointments. Like I have to sit on the Wascana board, for example. There could be absolutely a conflict of interest because university lands are under Wascana authority. And so we're always very careful about that. So absolutely there is potential for conflict based on board appointments. Or I'll give an example, you know. Somebody's on the Regina Association for Community Living, who is one of our professors and secures a research grant from the Regina Association for Community Living, but doesn't disclose to the university that they were actually on the board. That could be very difficult. So that's part of the things we're trying to avoid.

**Mr. Norris:** — No, and I appreciate that. And I have no doubt about your judgment and the interests of the university, but it's just important for us to try to understand that process. This isn't just on a go-forward basis. This is also about aspects that you've inherited along the way too.

**Ms. Timmons:** — Absolutely, and some of those things are under investigation now. Right? I will mention also that this is not common in universities. Like I've been at four other universities. I've never signed a conflict of interest or had to declare my external directorship. This would be unique. There may be a couple of others, but this is not standard in universities. Autonomy of professors, you know, is considered sacred, and we are inching — in their view — into that autonomy. So the steps we've taken, we would not get support from the CAUT [Canadian Association of University Teachers], the national association of university teachers. You know, if one of our professors goes and complains, we will not get the . . . we will naturally have to defend ourselves. So that's why again we're trying to do it carefully.

**The Chair:** — Okay. Any further questions on this? Mr. Wotherspoon.

**Mr. Wotherspoon:** — That was one of my questions as to if this disclosure-type model is being utilized in any other university, and this would be sort of a . . . this would be a first. Is that . . .

**Ms. Timmons:** — One of the few. I think there are others. I don't have a sense that any university's got a really good compliance process in place.

**Mr. Wotherspoon:** — Right.

**Ms. Timmons:** — It's one we're working on.

**Mr. Wotherspoon:** — And could you maybe expand then? The conflict disclosure is, it would be a full, broad statement of anything that a person is a member of and . . .

**Ms. Timmons:** — We're very specific about family members. For example, they have to disclose if they have any familial relationship with any involvement on university business. So that will identify, are they teaching their partner or their child? Have they secured a research grant from a company in which the husband or wife is employed? I mean, it is very broad reaching. We've asked for board of governors' directorships no matter what the board is — not for profit, profit.

**Mr. Wotherspoon:** — And membership in any association or political parties?

**Ms. Timmons:** — No, we didn't ask that.

**Mr. Wotherspoon:** — No.

**Ms. Timmons:** — No, we didn't ask that. But we do ask them to disclose any perceived conflict of interest that they themselves can identify.

**Mr. Wotherspoon:** — Right.

**Ms. Timmons:** — But no, we don't ask political parties and we don't ask if they're members of any associations. It's only on board of directors and then other specific conflict of interests that really they have to self-identify.

**Mr. Wotherspoon:** — Right.

**Ms. Timmons:** — And the supervisors have to sign off on any identified conflict, because conflict of interest is not an issue if you mitigate it, right? If it's mitigated. So they have to disclose it to their supervisor who has to sign off on it, and that has not been done in the past.

**Mr. Wotherspoon:** — So I really respect that you're building a system and you're working, you know, collaboratively with your faculty to do it. It was identified that there were possible examples in the past for recommendation no. 21 where that hadn't occurred, where when a conflict's identified — sorry, what's the recommendation use? — to take action when it identifies conflicts of interests or conflicts of external commitment. Are you able to share? Is that a long list or are you able to share that with us?

**Ms. Timmons:** — Yes, the auditors may have a specific one. Well I can share one that caused us great grief. We had two staff members — not faculty — staff members who were founding directors of a company, and then they were instrumental in signing a \$2.1 million contract with that company and never disclosed that they were founding directors of the company. Now, you know, they did not disclose it to the university at all. So that would be a specific example in the past.

Another example that I will give you that is not a huge issue, but came out, is one of our facility plant staff ended up getting home renovations and contracted the same company that had contracted with the university to do similar carpentry work, and we investigated that. And he paid market price; there was no special deals. But he wasn't aware that it could be potentially in conflict. So that was an education one, nothing nefarious, but we did follow through and investigate. So they're as simple as that.

To a faculty member teaching one of their children. Right? And they need to clear that and they need to make sure the supervisor knows that. But if it's the only course that that student needs to get the degree in advanced physics, quantum physics, and this is the only professor with the expertise, then they should teach their child. But then we have to set up mitigation around who actually marks it. So many areas that it

can spill over.

**The Chair:** — Thank you. Are there any further questions on this particular set of recommendations? Seeing none, would you like to continue?

**Ms. Timmons:** — Okay. Under research. So recommendations 2 — these are a lot — so 2, 7, 15, 16, 17, 23, and 26. So all of these are really around research policies, the majority of them.

So recommendation 2, I think all these policies have been drafted. Two went to our board . . . One went to our board today. The one that went to our board today was on cost recovery on overhead. So that went to the board today. So these new policies have been drafted, some passed, some in consultation. I think all of them are in process, or not. I would mention the research cost recovery is done. Delegation of authority is done. Approval authorities and execution of documents is done. So many of them are done and passed by the board.

A software management system for keeping track of all the research grants for the university is currently under review, that we would look at purchasing and putting in place.

**The Chair:** — For that I'd like to open up the floor for questions. Mr. Norris.

**Mr. Norris:** — Great. Thanks very much. On no. 7, there's a notion of not simply having these policies, but a notion of — and a pretty important one — educating staff about these policies. And I'm assuming that's an ongoing process. I wonder if you could just highlight that a little bit as far as what some of those efforts look like.

**Ms. Timmons:** — So we have done, again, not just research policies. We have done a complete overhaul of all of our policies at the University of Regina, every one of them. And each one of them that we have done an overhaul on goes out for consultation with a group in faculty, almost like a focus group to take a look at it.

So the campus is aware that we're doing a complete policy revamp, and we've gone through I think about nine-tenths of it. We're almost done and it's been a massive job. We've had someone full time dedicated to doing these policy revisions. What we have required, based on the auditor's report, is that the supervisor now will be notified that the policies need to be checked and he or she has to sign off that no revisions are required, and then every five years every policy will go through another overhaul. So this is a massive job, and it's a resource-intensive job because there's not just a full-time staff member that's working on the policies. So all financial policies, for example, Dale and his team under finance would be responsible for drafting, monitoring, you know, and held accountable to make sure that's done.

Is that helpful?

**Mr. Norris:** — That's very helpful. Thanks.

**The Chair:** — Any further question? Mr. Wotherspoon.

**Mr. Wotherspoon:** — No, I don't have any further questions yet but I'm flipping through my pages just reading the recommendations, so maybe just don't move along yet. I'm sure there's some other ones here yet before me.

**The Chair:** — Maybe if you just give us a moment. Mr. Merriman.

**Mr. Merriman:** — Thank you. I just wanted to clarify. In the research section you had recommendation 2, 7, 15, 16, 17, 23, and 26. And those are all, from your perspective, in compliance?

**Ms. Timmons:** — Or in process. So for example, if you look at recommendation 7, it says the research policies. So we have completed budgetary limits on spending, conflict of interest, conflict of commitment, appointing employees to external boards and committees, research cost recovery — all completed, approved, done. We are in process in consultation with stakeholders, care and use of animal policy, intellectual property policy, and integrity policy. So all are in process, many completed.

**Mr. Merriman:** — Okay.

**The Chair:** — Mr. Norris.

**Mr. Norris:** — If we go to no. 15, it's always a complicated conversation around overhead. And then as we get into notions of indirect costs for research and services — and you've touched on this a little bit along the way — can you give me just a little bit more information for us about how those conversations are going regarding essentially the policy regarding recovery?

**Ms. Timmons:** — I can give you a great detail because we just approved it at the board this morning. So we had a policy on overhead that was not applied consistently. So a professor would get a . . . want to put in a research grant and did not want to put overhead in because . . . And our policy had 40 per cent overhead. So they go knock on the VP [vice-president] of research's door and the VP may say yes or no, but no process, right? It was inconsistently applied.

So our new policy has a 25 per cent cost recovery on all grants, with the exception of grants that specifically in their terms of reference they do not allow for cost recovery or overhead. If a professor now wants to be exempt from the 25 per cent, they actually have to apply to a committee to get permission. So it is now formalized.

And I want to be quite candid. I wasn't comfortable with the inconsistent application of some of our policies. One person would have the authority to say, like . . . could get in a situation where they say yes to a friend and no to someone they have a conflict with, right? And so this takes away all of that subjectivity. So there will be a committee set up that any professor who wants exemption from this policy must apply to this committee and then go through a hearing.

So that is a kind of compliance we're putting in place in processes. So what we also have done is 25 per cent across the board. And then we have very specifically said, that 25 cost

recovery, so much goes to the faculty member, so much to the faculty, and so much to central. And it's very specifically laid out.

**Mr. Norris:** — Great. That's very, very helpful. And I appreciate again how difficult those kind of cultural transitions can be. But that's very, very helpful. I'm sure everyone will see the value in that.

**The Chair:** — Are there further questions? We can come back to this section too to cover that off if someone has missed asking a question, but at this moment are there any other questions? Okay, we'll move on.

**Ms. Timmons:** — So this one recommendation, risk, is only one: no. 6. So what we did when we got the audit is our enterprise risk manager went on the task force that looked at implementing all of the audit recommendations. So we actually had the lens of risk mitigation on everything we did. So we've taken it further than this recommendation even implied. So he has been a key member of the task force on all of the audit recommendations. So he will be formalizing a research-specific risk assessment in early 2015.

But he has been intimately . . . In everything we've done, he's done the risk analysis. So the new policy on cost recovery, he's provided us oversight on risk analysis and helped us with mitigation with it. So it isn't . . . I can't say, here is what he did. He was, it was infused in everything we did on the risk file, on this whole research file. But there will be a specific risk assessment compiled and sent into the board in the new year. We wanted his influence on all the other pieces first, and then this one. Does that make sense?

**The Chair:** — Mr. Wotherspoon.

**Mr. Wotherspoon:** — I think it's really smart. It's, you know, good utilization of resources to identify where your greatest risks are and to move forward from there. So no, I appreciate hearing that piece. And you know, certainly impressed again just with all the different pieces that have been identified here that, you know, there's some really strong systems it seems that are being built out that will, you know, serve the university and the public at large, well into the future. So I appreciate hearing these pieces.

**The Chair:** — Any further questions? No? We've just got one more recommendation I think, or one to cover off.

**Ms. Timmons:** — So the last recommendation I want to speak to is the recommendation 1, that we assess whether the organizational structure is effective to support achievement of the strategic research goals and make necessary changes. So in our review that we brought in two external reviewers, they said ideally we should invest \$10 million more into our research enterprise. We can't do that. We don't have the resources.

So it has been something that professors have held in front of me since we've . . . Yes, I can kick myself for having that, because they keep saying to me, you need to invest \$10 million. We can't invest 10 million. We have invested a lot of money. We have hired a new, a director of our office of research and, I don't know the whole title, office of . . .

[14:30]

**Mr. Malloy:** — Research innovation and partnerships.

**Ms. Timmons:** — We changed the name, research innovation partnership. She's looked at her whole structure and has made changes, a whole commercialization area we restructured in and hired a new staff member in that, to look at industry partnerships.

We had a vacant position, a vice-president, an associate vice-president, research. We had an opening with associate vice-president, academic. We merged the portfolios. Again, at the same time we're doing this, we're trying to find efficiencies on our campus. So it's a bit of a challenge. So now we have an associate vice-president, research and academic, so it's two positions we merged into one. But one was vacant. We didn't have an associate VP, research at the time. So we have done a complete analysis of the organization and the structure.

We had the review of the centres and institutes going on. The commercialization, we've reviewed. The structures, I mentioned the research office. We have identified gaps that we need to look at; one in particular is graduate student funding. It's one I know that ex-minister Norris is quite aware of. It's one that we have to look at investment. We have, in the last couple of budgets, put money into that area, not as much as we need, but whenever we have any opportunity we have funded that area because it is part of the research enterprise.

And so I think, with the resources we have had, we've completed this recommendation. With the resources we've had, we've done the restructuring we needed to be able to move forward.

**The Chair:** — Any further questions? Mr. Wotherspoon.

**Mr. Wotherspoon:** — Maybe just on the piece there. So you've restructured in a way to make sure that you can manage the research and control risks and have systems of checks and balances that are built in. Am I hearing . . . So you had a report that came in that said that you, to effectively respond to and manage the research as a university, you'd require an additional \$10 million.

**Ms. Timmons:** — It's more to do that, but also to enhance our whole research enterprise to a certain level.

**Mr. Wotherspoon:** — Right.

**Ms. Timmons:** — Like, to take us to probably be one of the top in the comprehensives, they said it would require a \$10 million . . . [inaudible] . . . a lot of that in graduate students rather than the actual infrastructure of research. But they, you know some of the things they recommended in terms of the software package for us to manage research grants was up in the million dollar one, the recommended . . . Well, we've gone with one that's a lot less money that will serve the same purpose. So we've invested in — and I have to be careful about car owners in here — we invested in a Kia, not a Cadillac.

**Mr. Wotherspoon:** — Right. So that other discussion though is an important one as well. I mean, you've addressed, you know,

maybe some of the . . . I guess, put those controls in place and are on a good, solid footing to move forward. And then this whole discussion about the potential and the importance of research certainly I'll be interested in. And it's for more of a different committee than this one here, than the after-the-fact audit. But important for those treasury board folks and for others to certainly be aware of the importance of enabling the full potential on the research side if that's identified as a very important priority to the University of Regina. So I'll actively be observing . . .

**Ms. Timmons:** — Supporting us.

**Mr. Wotherspoon:** — Yes, looking out for those priorities and proposals of sorts that we could see how we could possibly lend some support.

**Ms. Timmons:** — Maybe make some final comments, Madam Chair?

**The Chair:** — That would be great, yes. Oh, you know what? There may be other questions. I see some questioning faces. Mr. Norris?

**Mr. Norris:** — Great, thanks very much. Just two brief kind of questions or comments as we begin to wind up. On the classification or categorization of institutes — and it takes us back to the first one — are you comfortable with where you are as far as processes for having an understanding regardless of . . . And I understand many of these are often set up organically. They begin very organically from faculty members and others that are interested.

Are you satisfied that there's an adequate system in place so that those centres of excellence or institutes that are of strategic significance to the university, that you can identify those or bring them to the attention of the board as required so that you can see the typology and more clearly have criteria set up to be able to classify them, categorize them, or judge them?

**Ms. Timmons:** — Yes, I'm confident that is in process and we will have it. Absolutely.

As the Provincial Auditor's mentioned, you know, there's really three types of different research institutes. You know, I as a faculty member can call my office the national centre of excellence in autism research. I don't need any permission to do that. I can actually do that.

We have one that's faculty endorsed, which is a faculty makes a conscious effort to set up a research institute within their faculty, and they financially support it. So Faculty of Education has a research centre in their faculty. A business school has a research centre in their faculty, and it's under the authority of the dean. And then we have, they're called number two institutes. And the tier one institutes are one with the university, through the vice-president of research, has decided is a university centre of excellence. And they were, the tier one and two ones, were getting muddled.

So for example, you know, and I'm going to do a hypothetical one because I don't want to do the real one. So let's say that the Faculty of Arts had a geography, a centre of excellence in

geography research. And the vice-president of the day felt that that geography research was a real area of importance, would be out advertising it and promoting it as a university institute. And we didn't have clarity on that and consistency on that. So even as the staff changed, the emphasis on different institutes changed. And I at one point remember saying to vice-president of research — not Dave, a previous one — is this a one or a two? And the answer was, well both.

And that's what the auditor's identified. It can't be both. It has to be either funded by the faculty or funded by the university. And that means . . . And so I think we have the process in place to get that clarity. Dave, do you agree?

**Mr. Malloy:** — Yes. And if I could just add, with strategic directions of research, we have a strategic research plan. It identifies three dominant research themes. Below that are subthemes, and then the clusters emerge from those subthemes. Each cluster has a type one research institute connected to it.

So for example, if we have the signature theme of human development; the sub-theme of health; the cluster anxiety, pain, and stress; the institute of aging and health; the centre for aging and health, that's a type one institute. So what we're really trying to do is align our broad conceptual strategies with what hits the ground running, where you see grad students in offices writing papers.

**The Chair:** — Any further questions? Mr. Norris.

**Mr. Norris:** — Just one more, and it's probably very short in its response. It's the connection between governance and delegation of authority on signing. And it seems to me it's consistent with or concomitant to this previous discussion. Are you comfortable with the progress to date on kind of the demarcation of where that sits?

**Ms. Timmons:** — Yes. On signing authority?

**Mr. Norris:** — Yes.

**Ms. Timmons:** — And oversight, absolutely on that one. I think we've gone through a real steep learning curve in the last two years of university. I mean I found out things I had no idea weren't functioning well. And that's why the research enterprise was one of my top priorities, to try to get what I thought were, to be honest I thought it was our vulnerability. And it turned out to be true. It was our vulnerability. It's where we had the processes, policies in place but it was slipping through, things were slipping through. And I think that some of the issues we've dealt with, you know, in the media reflected that.

We're not going to be without issues. You can't have a university and have entrepreneurial, independent thinkers and not have issues. When you've got 14,000 students, 2,600 faculty and staff, you're going to have issues. What my job is to do is to make sure that I can deal with, proactively with as much as possible to prevent those issues getting legs.

And I am really proud of the campus. I talked about that one professor's story, but we have put in dramatic changes in the last five years for a campus. Just look at our demographics of

our student population have been significantly changed. You know, the growth in our research enterprise has changed dramatically. Our professors have gone through, I would say, a rapid rate of change for a conservative institution.

And I could easily have had a rebellion. I almost did. I almost did. But they've really stepped up to the plate. And I don't have people knock on my door and say, I don't want to comply with policy. You know, I have people knock on my door and say, there's a lot of policies I have to comply with. It's a different conversation. So I'm really pleased.

**Mr. Norris:** — Great. Well, Madam President, to you and to the leadership team and to others on campus, I want to just thank you for your earnestness and thoroughness of the work that's been undertaken and the spirit of integrity and the sincerity of the task that you've brought to bear.

It's obvious that the University of Regina is serving the students and scholars very, very well, and therefore certainly Saskatchewan very well. And I just want to say a sincere thanks to you and to everyone for the work that's been undertaken and continues.

**Ms. Timmons:** — Thank you so much. Thank you.

**The Chair:** — Mr. Wotherspoon.

**Mr. Wotherspoon:** — And certainly I'll have some remarks of a similar nature, but just as a . . . And you've identified this as a big, complex organization with lots of moving parts. And like any organization, this is about having systems and controls in place to manage the risk and ensure public reporting and these sorts of pieces are in place. My question is, so you're building a system that's really important to having that integrity of that system to move forward, the trust in that system moving forward. And certainly you've had that in the past as well, but these are definite improvements to those controls.

And so where there were weaknesses before in some of the controls that you've identified, I suspect you've been reviewing some of the past practices and activities. I suspect you haven't gone and done a full audit of all entities, but are you in a position to identify if there were any entities that haven't been part of the public discussion to date that where activities were either inappropriate or potentially illegal? And then if so, how have those been dealt with through this process?

**Ms. Timmons:** — So one of the things we've done is in terms of change. Again, we have identified a safe disclosure policy. And so we've encouraged whistle-blowing on our campus, and there have been a number of issues brought to our attention. When they're brought to our attention, we immediately let the Provincial Auditor know about them. We initiate, even if they're anonymous, we initiate an investigation right away, and we have a process in place to do that. And have there been incidents? Absolutely. And they continue to come forward all the time. A majority of . . . We have not found cases of fraud in the analysis that we have done that I'm aware of.

There have been cases of checks, external checks, that were done on the University of Regina, but . . . that we caught it. Our controls caught it. And they were out of New Brunswick, so it

wasn't someone internally doing it. I think this is a continuous process, and we will always probably have some type of investigation going. I'm hoping there'll be less and less, or maybe there'll be more and more because people are more comfortable coming forward with assumptions and allegations. And that's okay. That's good. We want a safe environment where people can do so. So I'm not sure I'm answering the question.

There are, even presently, things that . . . looking out. And I'll give you an example again about the controls that got slipped. So we signed a large research agreement with a group that assigns research grants to our own faculty members. And in that agreement it said that if there were unspent funds, it was to return to the funding agency. In the contracts that were done with the faculty, that was not explicit, but it did say that the master contract was . . . was referenced to the master contract. Some faculty did the contracts, did all the deliverables, and had funds left over that they used to fund grad students. They used it in very legitimate ways. When we realized that they had to . . . We didn't catch it fast enough so they had committed the funds. So that was an example of a control that didn't catch fast enough.

Soon as we found out that this was going on, we notified the professors the funds had to be returned. Well of course you can imagine how upset they are. They've committed them to grad students. This was a system failure on our part as a university. We now have a control in place that will make sure that'll never happen again. We've worked with the funding agency to have those grad students funded, but any additional funds can go back. We still have a bunch of angry professors, right, and it may end up going public on us.

[14:45]

So as many controls as we try to put in place, we are going to constantly be learning and becoming a better institution because some are going to fail on us. This is a case that when it didn't work. We didn't catch it fast enough, didn't communicate well enough with the professor. So there'll be more and more of these. Every time we find it though, we put the systems in place to correct it. Does that help?

**Mr. Wotherspoon:** — For sure it does. You know, thank you very much for that answer. And I mean that's right. I think it's the reality of managing a big organization or a government. I mean as a government we regularly have . . . You know, there's controls and there's systems and there's reports of public losses, and then there's appropriate scrutiny and checks and balances on those.

So I really appreciate some of the big improvements that you've been focused on and just really thankful to you and to your entire team and those that are here today for the significant body of work that you've engaged with. And thank you to the auditor's office as well for working together. I mean the role of the University of Regina to Saskatchewan as a whole is critically important. The proud reputation that rightfully is yours as an institution is one that is important to all of us. So thank you for all of the work, and I know there is significant efforts to continue to see these recommendations through. So thank you for continued efforts on those. And then I might just

say that it's wonderful as well to have that sort of testimony today that's so constructive, frank, open. Maybe it can serve as a model for the odd minister, but thank you very much for just a really good, open, frank dialogue here today.

**The Chair:** — If you'd like to make some final remarks, that would be great but I'd just like to clarify with you in terms of our note keeping here, ensuring the recommendations with which you're in compliance would be no. 1 . . . I've got 1, 2, 8, 15, 16, and 25 as compliance and all the rest as progress. So again no. 1, 2, 8, 15, 16, and 25. Would you . . . Do I have that correct?

**Ms. Timmons:** — 15, 16 . . .

**The Chair:** — So I'll just show you. How about no. 1 and no. 2?

**Ms. Timmons:** — One is, we're in compliance. Yes.

**The Chair:** — No. 2?

**Ms. Timmons:** — Yes.

**The Chair:** — Compliance. No. 8.

**Ms. Timmons:** — No. 8, yes.

**The Chair:** — No. 15.

**Ms. Timmons:** — No. 15, yes.

**The Chair:** — No. 16.

**Ms. Timmons:** — Yes.

**The Chair:** — And no. 25.

**Ms. Timmons:** — 18, in compliance at least with the policy.

**The Chair:** — Okay, I'm just going to . . .

**Ms. Timmons:** — That's the one on conflict of interest.

**The Chair:** — Okay. And 19, in compliance?

**Ms. Timmons:** — In terms of policy. We just have to get every single professor to sign off on those.

**The Chair:** — Okay. Okay. So you've got the policy in place for 18 and 19.

**Ms. Timmons:** — Yes.

**The Chair:** — But I don't know if . . . would we consider them implemented and once you've got professors in . . .

**Ms. Timmons:** — 2,600 people to sign off every year.

**The Chair:** — Yes, yes.

**Ms. Timmons:** — It's going to be ongoing forever.

**The Chair:** — Okay. Okay. So you consider 18 and 19 in compliance.

**Ms. Timmons:** — Yes.

**The Chair:** — And no. 25.

**Ms. Timmons:** — 20 and 21 and 25.

**The Chair:** — Okay. 20, 21, and 25. Okay. So can I review this one more time to make sure that we're on the same page here?

**Ms. Timmons:** — Yes.

**The Chair:** — So you would consider no. 1.

**Ms. Timmons:** — Yes.

**The Chair:** — No. 2

**Ms. Timmons:** — Yes.

**The Chair:** — No. 8.

**Ms. Timmons:** — Yes.

**The Chair:** — No. 15, no. 16, no. 18, 19, 20, 21, and 25 as in compliance.

**Ms. Timmons:** — Yes.

**The Chair:** — Okay. If you'd like to make some final remarks before we vote on the recommendations, that would be great.

**Ms. Timmons:** — Okay. So just my final remarks. I just want to say that the University of Regina, 40 years of independence, our research enterprise has grown up faster than the clothes we had on it. So we now had to get a tailor in, which was the Provincial Auditor, to help us with a whole new wardrobe.

And I want to thank the Provincial Auditor's office for providing us with such a comprehensive pathway to go forward. And I will say that it hasn't been without growing pains, but we appreciate the thoroughness that you undertook this initiative, and it was extremely thorough. And it really challenged us to up our game and it's one that I think is a unique endeavour to have a collaborative approach to doing in one of these audits, one in which the institution is welcoming and wants to have done. I'm not sure how many the Provincial Auditor would do of this kind. I think this would be unusual to be . . .

**Ms. Ferguson:** — No, we have had others.

**Ms. Timmons:** — Well unusual for us to have this kind of a collaborative approach. And it worked really well for us.

I think you'll see the University of Regina, you know, as a comprehensive institution, now over 14,000 students, is one that you can be proud of. And the growing pains we have is because we are growing, and growing so fast and furious. But it's an institution I'm proud to be president of, and I am committed to transparency and accountability.

We've made steps beyond research. For example, I post all my travels. So do all the vice-presidents. This is not legislated to us. We took it on ourselves to do that.

We now post all of our budget documents online. We even post line by line for every faculty, you know, and we were challenged to do that. We have gotten no problems from it except a lot of faculty don't understand why we're spending this on this. So lots of, again, intensity in terms of workload of the staff to respond in a very positive way to all the inquiries we get. But it is a commitment that I make as president, but my senior team makes that we are going to improve and be an institution that you can be proud of and you can hold up in terms of an example of accountability and transparency. And I believe you can do that now in terms of the best in the country. Because I think we post now more information than any other institution in Canada. We've done an environmental scan on that and we will continue to do more of that.

So thank you so much for having us, and I hope we were able to respond. I would've loved to have come in and said everything was done, finished. But a university by its nature is collegial and it's a conservative institution. Ours is one that's gone through rapid change. And so to get this done, adopted, and accepted by the campus, we needed to take our time and do proper consultation. And I'm very proud of the work that the task force and the staff have done — not that I have done — to ensure that it has been and is going to be and continue to be accepted by our university community. So thank you, Dave, and thank you, Sylvia and Dale, for the hard work you do.

**The Chair:** — Thank you, Dr. Timmons. Mr. Merriman.

**Mr. Merriman:** — Thank you very much, Madam Chair. I just wanted to have a couple of comments. I think that the University of Regina has handled this absolutely fabulously in setting up the advisory task force to deal specifically with the audit because there was a lot of recommendations out there. And I just like the approach of the university working with the auditor to be able to see that these are areas that needed to be worked on from the university's perspective.

I think the faculty buy-in is critical, and I think you're handling that extremely well as far as making sure that there is understanding versus pushback. So I commend you absolutely and your team for doing that, and thank you very much for doing what you're doing.

The University of Regina is an absolute fabulous institution, and I think you guys have made it that much better by complying with some of the auditor's . . . or complying or in progress, accepting all of the auditor's recommendations. So again, congratulations. It's an absolute fabulous job in a short amount of time.

**Ms. Timmons:** — Thank you so much.

**The Chair:** — What is the will of the committee with respect to these recommendations? Mr. Merriman.

**Mr. Merriman:** — Thank you very much, Madam Chair. I'll go through these. On the 2013 report volume 1, chapter 15, I will group all of the ones that the university has reported that

are in compliance. I have recommendation 1, 2, 8, 15, 16, 18, 19, 20, 21, and 25.

**The Chair:** — And what is your motion with respect to those? Does the committee concur . . .

**Mr. Merriman:** — That I concur with the recommendation and note compliance.

**The Chair:** — Okay. Mr. Merriman has moved, for the 2013 report volume 1, chapter 15, for recommendations 1, 2, 8, 15, 16, 18, 19, 20, 21, and 25, that this committee concur with the recommendations and note compliance. Is there any further discussion on these recommendations? Seeing none, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Mr. Merriman.

**Mr. Merriman:** — Thank you again, Madam Chair. Again in the 2013 report volume 1, chapter 15, I will group the . . . concur with the recommendations and note progress towards compliance in the following recommendations: no. 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 17, 22, 23, 24, 26, and as I just overheard, also no. 6.

I would concur with the recommendation and note progress towards compliance in all of those, inclusive.

**The Chair:** — Mr. Merriman has moved for the 2013 report volume 1, chapter 15, that this committee concur with the recommendations and note progress to compliance for the recommendations no. 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 17, 22, 23, 24, and 26. Is there any further discussion on the recommendations? Seeing none, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. So that concludes our business here for today with the University of Regina. Thank you, Dr. Timmons, and to Dr. Malloy and all your other officials here today. We appreciate your time and your openness and the really great dialogue that we had.

**Ms. Timmons:** — Well thank you so much. This was very intimidating to come to. Now I'm better prepared for January. Thank you so much.

**The Chair:** — Oh great. Oh we're not . . . Oh. May I have a motion to adjourn? Mr. Norris. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. This committee now stands adjourned until January 14th at 9 . . . 10 . . . This committee now stands adjourned.

[The committee adjourned at 14:56.]