



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

Ms. Danielle Chartier, Chair
Saskatoon Riversdale

Mr. Larry Doke, Deputy Chair
Cut Knife-Turtleford

Ms. Jennifer Campeau
Saskatoon Fairview

Mr. Herb Cox
The Battlefords

Mr. Glen Hart
Last Mountain-Touchwood

Mr. Warren Michelson
Moose Jaw North

Ms. Nicole Sarauer
Regina Douglas Park

Mr. Randy Weekes
Biggar-Sask Valley

[The committee met at 09:58.]

The Deputy Chair: — Good morning everyone. Welcome to the Standing Committee on Public Accounts. Before we get started, I'd like to introduce our members. I'll start with Mr. Weekes, Ms. Campeau. We have Mr. Bonk sitting in for Mr. Cox; Mr. Michelson, and Mr. Hart. On the other side we have Ms. Sarauer, and my name is Larry Doke and I'm the Vice-Chair, and I will be sitting in here until the Chair gets here which shouldn't be too long.

Before we get started, we have eight items we'd like to table. I'll just read them off: PAC 5-28, Ministry of Finance report of public losses, January 2016 to March 2016; PAC 6-28, Ministry of Health report of public losses, January 1st, 2016 to March 31st, 2016; PAC 7-28, Ministry of Education report of public losses, December 1, 2015 to February 29th, 2016; PAC 8-28, Provincial Auditor of Saskatchewan financial and HR management policies comparative dated June 28th, 2016; PAC 9-28, Ministry of Education report of public losses, March 1st, 2016 to May 31st, 2016; PAC 10-28, Provincial Auditor of Saskatchewan first quarter financial forecast for the three months ending June 30th, 2016; PAC 11-28, Ministry of Health report of public losses, April 1st, 2016 to June 30th, 2016; and PAC 12-28, Ministry of Finance report of public losses, April 1st, 2016 to June 30th, 2016.

[10:00]

I would like to advise the committee that pursuant to rule 142(2), the following reports were committed to the committee: Provincial Auditor of Saskatchewan 2016 report volume 1; Provincial Auditor *Annual Report on Operations for the year ended March 31st, 2016*; Provincial Auditor *Special Report: Land Acquisition Processes: Global Transportation Hub Authority and Ministry Of Highways and Infrastructure*.

I would just like to introduce, before we get into our first round of reports here, today from the comptroller's office we have Lori Taylor. And is it Donica Smart? Thank you. And we have Ms. Ferguson from the Provincial Auditor. And we will be moving into Parks, Culture and Sport, and Lin Gallagher is here from . . . deputy minister. And I'll get you to introduce your staff as we proceed along.

So we'll start out with a report volume 2, chapter 3. Ms. Ferguson.

Parks, Culture and Sport

Ms. Ferguson: — Good morning, Vice-Chair, committee members, officials. With me today I've got Ms. Regan Sommerfeld. Regan is the deputy that leads the work at Parks, and behind is Ms. Kim Lowe. Kim is our committee liaison.

Before we make the presentations, I just want to pause and say thank you to the deputy minister and her staff for the co-operation that we've received during the course of our work. And also, you know, instead of repeating myself later on, we've got a few other items on the agenda for other agencies, but to also extend our thanks to the co-operation of the staff of those agencies too.

We've got four items on the agenda related to Parks. There's four chapters; three of the four chapters contain new recommendations for the committee's consideration. Ms. Sommerfeld will be presenting each chapter, then pausing after each one to allow for the committee's deliberation. With that I'm going to turn it over to Ms. Sommerfeld.

Ms. Sommerfeld: — Thank you, Ms. Ferguson and Mr. Vice-Chair. Chapter 3, beginning on page 23, reports the result of our 2015 annual integrated audit of the Commercial Revolving Fund.

We draw one matter to the committee's attention. On page 25, we recommend the fund charge fees for battery site leases according to prescribed rates set out in regulation. As noted on page 24, we found the Commercial Revolving Fund did not charge the correct fees for battery site leases. For at least the last eight years, the fees the Commercial Revolving Fund charged differed from the prescribed rates for battery site leases set out in *The Parks Regulations* of 1991.

Differences in rates for the 2014-15 fiscal year charged to individual lease holders ranged from overcharging by 11 per cent to undercharging by 28 per cent. For example in '14-15 the CRF, Commercial Revolving Fund, charged leaseholders fees totalling \$29,000 instead of \$35,000 and resulted in undercharging fees of \$6,000 on an overall basis. In our 2016 audit, we found the ministry implemented this recommendation and charged fees consistent with the regulations.

And this concludes my presentation on the Commercial Revolving Fund.

The Chair: — Thank you. Ms. Gallagher, if you want to introduce your people that you have here today, that's fine.

Ms. Gallagher: — Thank you, yes. Good morning. First, I'd like to introduce Twyla MacDougall. She's our assistant deputy minister of Parks, Culture and Sport. Behind, we have Leanne Thera, the executive director of strategic and corporate services. Beside me here I have Lynette Halvorsen, the director of financial management and operations. With us we have Byron Davis, director of facilities branch. And then representing the two other organizations that are going to be represented in the Public Accounts discussions, we have Shari Hildred. She's the acting manager for the Saskatchewan Heritage Foundation. And Michael Jones, the CEO [chief executive officer] for the Saskatchewan Arts Board.

On behalf of the Ministry of Parks, Culture and Sport, we really appreciate, you know, extend our appreciation to the Provincial Auditor of Saskatchewan for their audit of the ministry, and the third parties here today. You know, we really appreciate the advice provided on management governance and effective use of public resources.

In regards to the recommendations on chapter 3, 4.1, I would just make a few comments. The incorrect battery licence fee under the CRF. In 2015 the Provincial Auditor had the recommendation regarding the commercial revolving fund to change the correct fee for battery site leases as prescribed in *The Parks Regulations, 1991*. The ministry has worked with the

Ministry of Environment under the shared services agreement to ensure that the correct rate is being charged for battery site leases.

A new automatic land lease system was introduced that automatically calculates service and recreation fees, along with the annual lease fees for battery sites, based on the property type and the subtype. The ministry believes that the move to a more automated land lease system will significantly reduce the likelihood of this error happening in the future. So thank you.

The Deputy Chair: — Thank you. Any questions from committee members? I would then . . . Will someone move that we conclude consideration of report volume 2, chapter 3 . . . First error of the day. I guess we need, the committee needs to concur or not concur with the recommendation, so we need a motion on that. Mr. Hart.

Mr. Hart: — Mr. Chair, I'd like to move that the committee concurs and notes compliance with the recommendation contained in chapter 3 of the 2015 report volume 2.

The Deputy Chair: — Any more questions on it? All in favour?

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed. Okay. We'll now move on to report volume 2, chapter 13.

Ms. Sommerfeld: — So chapter 13, starting on page 77 from the same report, includes the results of our 2015 annual integrated audit of the Ministry of Parks, Culture and Sport and seven of its agencies which are listed on page 78. This chapter acknowledges those agencies' compliance with governing authorities that affect the procedures to safeguard public resources with one exception — the continued need for the ministry to remove unneeded computer access promptly.

We initially made this recommendation in our 2014 report volume 2 and while Parks, Culture and Sport has established procedures for the removal of unneeded user access to its computer systems and data, staff did not consistently follow them. For example in 2014-15, 4 out of 10 individuals that we tested who had left Parks did not have their computer network access promptly removed, that it was removed between 9 and 32 days after their last day of employment. Not removing user access of former employees increases the risk of inappropriate access to Parks' systems and data.

We also note the minister implemented our recommendation about recording the estimated cost to close and remediate landfills. That concludes my presentation on the ministry.

The Deputy Chair: — Thank you. Ms. Gallagher, any response?

Ms. Gallagher: — So as the Provincial Auditor has observed, the ministry was not consistently following the employee termination checklists which identifies that a request must be sent to the information technology division for prompt removal of access to terminated employees. The ministry agrees with the recommendation and recognizes the risk that this places on

ministry systems and data. The minister has emphasized to our management team the importance of timely removal of access. The ministry now sends out checklists and reminders to its managers ongoing, and especially at peak times, such as the termination of summer students and labour service students at the end of the summer.

During '15-16, the ministry also began running a MIDAS [multi-informational database application system] report that identifies terminated employees once per week. The ministry ensures that a service request is submitted to Central Services' information technology division after the report is run. And we will continue to make progress in this area.

The Deputy Chair: — Thank you, Ms. Gallagher. Any questions from committee members? Mr. Michelson.

Mr. Michelson: — Thank you. I guess, Mr. Chair, I'm glad to see some progress in that. This issue comes up from time to time in different ministries and I find it hard to take that this can't be corrected. So I appreciate the fact that there have been significant steps that you are putting in place to make sure that this is handled appropriately. So, thank you for that.

Ms. Gallagher: — Okay.

The Deputy Chair: — Any other questions? Will somebody move that we conclude considerations of report volume 2, chapter 13?

Mr. Hart: — I'll so move, Mr. Chair.

The Deputy Chair: — Mr. Hart. All in favour?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. We'll move on to chapter 21 now on the 2015 report volume 2.

Ms. Sommerfeld: — Chapter 21 reports the results of our 2015 integrated audit of the Saskatchewan Arts Board. We made two new recommendations related to the need to comply with grant payment policies.

First, the board's grant policy requires the board to obtain and review reports from grant recipients for previous grants before it makes further grants to that individual. Its policy of allowing only those recipients who have met past reporting requirements on previous grants helps the board ensure it pays grants to recipients who use grants as expected. It also helps the board achieve its mandate.

During our audit we found three instances where the board paid new grants totalling \$162,874 before those recipients had submitted the required reports for previous grants. Non-compliance with its established policies increases the risk that grant recipients may not use the grants for the purposes the board intends and in turn that the board may not achieve its mandate or objectives. On page 111 we recommend that the board follow its established policies to pay grants only to eligible recipients with no outstanding reports.

Additionally we noted that the board did not always comply

with its policy for authorization of grant payments. The board's grant approval policy requires the board to approve grants in excess of \$20,000 and requires annual approval of multi-year grant programs for each year of funding. During the audit we found four instances where the board paid advances on grants totalling \$120,000 to multi-year grant recipients before receiving the board's approval. On page 111 we recommend the board follow its established policies related to obtaining the required approval before paying multi-year grants.

In our 2016 audit we found the board fully implemented both recommendations during its 2015-2016 fiscal year. This concludes my presentation on the Arts Board.

The Deputy Chair: — Ms. Gallagher.

Ms. Gallagher: — Thank you. The ministry accepts the recommendation and the Arts Board has advised the ministry that they will continue to state the policy in their grant application packages and during ongoing communication with grant recipients. They had an outdated database system which they have updated, and the new system will allow them to be compliant with the policies as laid out. The Arts Board will also ensure compliance with policies regarding approval of multi-year grants and have now included travel grants into that review. The travel grants exceeding 20,000 now receive approval of the board of directors. Thank you.

The Deputy Chair: — Thank you. Any questions from committee members? Ms. Sarauer.

Ms. Sarauer: — Thank you for your comments. I'm curious to know, when you were looking at these four instances where there were advances made on grants where there weren't the proper reporting that was supposed to happen before these further grants were given, if you uncovered why there was a delay in the reporting or why you weren't receiving the reports that you were supposed to receive on time?

Mr. Jones: — Hi, I'm Michael Jones. I'm the new CEO of the Saskatchewan Arts Board. I've been with the organization since last October.

We had, as Ms. Gallagher mentioned, we had some severe difficulties with a database system that wasn't tracking properly receipt of reports. In the past they had delayed addressing that in an effort to move towards an online grant application system. When I began work last October, I know how long such implementation can take; the Ontario Arts Council just finished a five-year process of doing it. And so I immediately began work on a new database that allows us to track that more efficiently, which will serve us until an online database can be implemented.

[10:15]

Ms. Sarauer: — Thank you. Just one more question. Have you ever experienced any concerns from grant recipients over the timeliness or the onerous nature of the applications?

Mr. Jones: — Yes, we have. In the past year we've done significant public consultation around our grants processes. And yes, people have certainly identified the onerousness of the

application processes as one of their concerns, and it is something that we're looking into. We're in the middle of revisions on our major operating grant system with new applications being released this month which address some of those issues, and we're in the middle of a major process of review of all of our individual applications.

The Deputy Chair: — Mr. Hart.

Mr. Hart: — Well thank you, Mr. Chair. I wonder, could you just elaborate a bit more on what the auditor has reported on page 110 where there was new grants totalling, \$162,874 were paid to recipients who hadn't submitted their reports. Like how many organizations or individuals were grants paid to, and was the outstanding reporting only for the one year or was it for multiple years? Could you just provide a bit more detail on that \$162,000 grant payments that were done ahead of time, I guess?

Mr. Jones: — I do know that it was for four grants total that were paid out prior to reports being received. I don't actually know the individual details of each of those grants at this moment, so I can't provide that information. I'm sorry.

Mr. Hart: — So the recipients of the grants, were they delinquent for just one year of reporting, or was it over a period of a couple of years? How long were they deficient in their requirements?

Mr. Jones: — I do not have that information, but I'm happy to provide it. I would have to go home and . . .

Mr. Hart: — You'd provide that to the committee? Sure.

Mr. Jones: — Look up exactly which four grants those were.

Mr. Hart: — Okay, sure.

Mr. Jones: — Typically it depends as to whether or not it's an organization who's receiving the grant or an individual because organizations report annually. Individuals who do not receive annual grants only report at the end of the grant. So I can't tell without going back to look when the last grant report would have been due.

Mr. Hart: — If you could provide that, that would be fine. It's just a matter for more information and so on.

Mr. Jones: — Easily.

Mr. Hart: — Okay, good. Thank you.

The Deputy Chair: — Mr. Hart, Ms. Ferguson may want to respond to that.

Ms. Ferguson: — It's actually three incidences. So it's actually three different grants, you know. And so as the CEO indicated, it does depend if it's an organization or an individual in terms of the time frame, as to lateness of the reports. I don't have the breakdown in terms of . . . But it is, it's three different individuals or groups, as opposed to a larger number.

Mr. Hart: — But we don't know whether they were delinquent for one year or two years or . . . You haven't got that

information here.

Ms. Ferguson: — Yes, you're quite correct. We didn't indicate whether or not it was individuals or groups. So the timelines would vary on that.

Mr. Hart: — Okay. Well I wonder ... There's been a commitment made to provide the committee with that information. That's fine. It's just some more information to further clarify this issue.

The Deputy Chair: — Any more questions? If not, I need a motion on the consideration of these two recommendations. Mr. Hart.

Mr. Hart: — Yes, Mr. Chair. I'll move that the committee concurs and notes compliance with regards to recommendations 1 and 2 of chapter 21 of the 2015 volume 2 report.

The Deputy Chair: — All in favour?

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed. We'll move on to the last chapter here now, chapter 23 of the 2015 report volume 2.

Ms. Sommerfeld: — Chapter 23 reports the results of our 2015 annual integrated audit of the Saskatchewan Heritage Foundation. We found the Saskatchewan Heritage Foundation, similar to the Saskatchewan Arts Board, did not obtain proper approval for a grant payment, and we recommended that it do so.

The Heritage Property Act requires the Saskatchewan Heritage Foundation to obtain an order in council to give financial assistance to a single individual or agency when the amount exceeds \$50,000 in a fiscal year. In 2014 the foundation approved a grant of \$57,535 to an agency without obtaining an order in council. In our 2016 audit, the foundation had fully implemented this recommendation.

And this concludes my presentation on all the four chapters in our 2015 report volume 2.

The Deputy Chair: — Thank you, Ms. Sommerfeld. Ms. Gallagher.

Ms. Gallagher: — So as outlined, the ministry and the foundation accepted the recommendation, and the foundation put remedial actions in place to address the Provincial Auditor's findings. They were implemented immediately upon receipt of the findings in 2014.

The foundation has now the proper procedures in place to require an order in council for grant requests that exceed \$50,000 per year. And the board is also aware that this requirement is in place when they are adjudicating grant applications. Thank you.

The Deputy Chair: — Thank you. Any questions? Ms. Sarauer.

Ms. Sarauer: — Yes, thanks. I'm wondering if you could

provide us a little bit more background on what occurred in this specific instance where payment was made in excess of \$50,000 to an agency without obtaining an order in council.

Ms. Hildred: — I'm happy to answer the question. Shari Hildred, interim manager of the Saskatchewan Heritage Foundation since March of this year.

In this particular instance, the grant payment is for the Claybank Historical Society. It's a society that is engaged to operate the Claybank historical site. The grant amount, core grant amount, to that agency on an annual basis is \$49,800. And from time to time there are improvements or enhancements to the facility, corrective measures to the actual physical structures that are required. Typically when that work happens, it's billed directly to the foundation and paid directly to the vendor. In this particular instance, the invoice was billed directly to the Claybank Historical Society who paid the invoice. And in turn, when we reimbursed them for that repair to the facility, that put us over the threshold of the \$50,000 to that \$57,000 total.

Ms. Sarauer: — Thank you.

The Deputy Chair: — Any more questions? Okay, I would consider a motion. Mr. Hart.

Mr. Hart: — Mr. Chair, I move that the committee concur and note compliance with, for the recommendation on chapter 23 of the 2015 report volume 2.

The Deputy Chair: — All in favour?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. Okay, we're going to move on now. I'd like to thank everybody for coming for this first report here. We'll have the real Chair step in now and carry us on. So thank you. We'll take a short recess.

[The committee recessed for a period of time.]

The Chair: — Welcome back, everybody. I'm Danielle Chartier, the Chair of Public Accounts. Thank you to Mr. Doke for chairing in my brief absence here this morning. I'd like to welcome the officials from Labour Relations and Workplace Safety. We have Mike Carr, the deputy minister, and Louise Usick, the executive director for central services division.

Our next item on the agenda is consideration of the Provincial Auditor's report from 2014 volume 2, chapter 14. I would just like to pass it off to Mr. Carr.

Labour Relations and Workplace Safety

Mr. Carr: — Thank you, Madam Chair. It's a great pleasure for us to be here today to answer any questions you have. We are here this morning to deal with chapter 14 of the 2014 Provincial Auditor report volume 2. It's important, I think, to note that we appreciate and value the work of the Provincial Auditor and are in agreement with the recommendations that the auditor's team has made.

Out of chapter 14 there was a new recommendation to ensure

the prompt removal of user access, and that has been implemented and fully operationalized. There was an old recommendation that was no longer relevant with respect to IT [information technology] monitoring.

[10:30]

In terms of the work of the ministry, we are quite confident that we will continue to comply with the recommendations of the auditor, and are happy to answer any questions you may have.

The Chair: — Thank you, Mr. Carr. I'd like to open up the floor for questions. Seeing none, could I have a motion with respect to the new recommendation? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. We would concur with the recommendation and note compliance and that's on chapter 14, recommendation 1.

The Chair: — Thank you. Mr. Doke has moved that for the 2014 report volume 2, chapter 14, that this committee concur with the recommendation and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you, Mr. Carr and Ms. Usick for your time. We appreciate that and we will take a short recess while we bring in the next officials.

[The committee recessed for a period of time.]

The Chair: — Well welcome back to the officials from Parks, Culture and Sport, Ms. Gallagher. We have a couple new officials today from Creative Saskatchewan: Greg Magirescu, who is the chief executive officer, and Hamid Shahzad, the finance and accountability manager. We will be looking at two chapters here: the 2014 report volume 2, chapter 4 of the Provincial Auditor's report, and the 2015 report volume 2, again chapter 4. So I would like to pass it off to the auditor.

Parks, Culture and Sport

Ms. Ferguson: — Thank you, Madam Chair, Vice-Chair, committee members, and officials. With me today I've got Ms. Regan Sommerfeld. Regan leads the works at the Creative Saskatchewan along with Ms. Kim Lowe, who's our committee liaison. Before we launch into the presentation, I just want to make sure I thank the officials from the Creative Saskatchewan for their work. We recognize that you're a relatively new organization and you've been moving forward on the recommendations that our office has been making. So without further ado, I'm going to turn it over to Ms. Sommerfeld to present the chapter before you.

Ms. Sommerfeld: — Chapters 4 of both our 2014 report and 2015 report, volumes 2, contain the results of our 2014 and '15 annual integrated audits of Creative Saskatchewan respectively. In these chapters, we report that Creative Saskatchewan's financial statements are reliable. It complied with authorities governing its activities, and it had effective rules and procedures to safeguard public resources except for the matters noted.

In our 2014 volume 2, we recommended that Creative Saskatchewan obtain an order in council as required by law prior to providing financial assistance where the amount exceeds \$250,000 in a fiscal year to a single individual or corporation.

In 2014 Creative Saskatchewan approved and provided a grant for \$440,000 to a single corporation without an order in council. In 2015 Creative Saskatchewan has put in a process that orders in council would be obtained prior to any further payments.

In chapter 4 of 2015 report volume 2, we made six new recommendations. On page 28 we recommended Creative Saskatchewan's board establish policies and procedures for maintaining accurate accounting records in preparation of financial statements. We've made this recommendation because it did not have complete procedures to aid staff in preparing accurate financial statements.

On page 29 we recommended that Creative Saskatchewan establish a policy for restricting access to its IT systems and data. We found Creative Saskatchewan's policies did not require staff to periodically change their passwords or specify the password setting requirements, increasing the risk of unauthorized access to its IT systems and data.

Also on page 29 we recommended Creative Saskatchewan sign a service agreement with its payroll service provider. We found Creative Saskatchewan did not have a service agreement with its external payroll service provider, and not having a written agreement can result in a misunderstanding of each party's role.

In addition, on pages 29 and 30 we made three recommendations related to Creative Saskatchewan giving staff written guidance for preparing, reviewing, and approving payroll registers, bank reconciliations, and journal entries. Written guidance helps ensure staff understand what is expected and reduces the risk of fraud or error occurring without detection.

In our 2016 audit, we found Creative Saskatchewan had implemented all six of these recommendations. And that concludes my presentation on Creative Saskatchewan. Thank you.

The Chair: — Thank you very much. I'd like to pass it off to Ms. Gallagher. Do you have a presentation on these chapters?

Ms. Gallagher: — Yes, we do. Thank you very much. First I'd like to thank you, the Chair of this committee, and all the committee members for their interest in Creative Saskatchewan. As been mentioned, it's a new organization and developing and evolving as it goes forward. Thank you again to the Provincial Auditor and your staff for your important work. It's work that the ministry and Creative Saskatchewan have found very valuable, particularly in the first few years of existence. So thank you.

And I'm pleased to report, as you've outlined, that all of six of the recommendations have been implemented, and I'm going to turn it over to Greg, our new CEO of Creative Saskatchewan, and he'll go through some of the good work that happened to address the concerns that were raised.

Mr. Magirescu: — Thank you very much, Lin. Good morning everyone, and I am Greg Magirescu, CEO of Creative Saskatchewan. My pleasure to appear before this committee this morning. I would also like to thank the Chair of the committee and all committee members for their interest in Creative Saskatchewan, and I appreciate this opportunity to share a few opening remarks and of course to answer your questions if there are any, as best as I can, about the agency that I've been proud to lead for nearly three months as of next week. So I'm a newbie.

I can report to you today that each of the Provincial Auditor's six recommendations has been fully implemented.

Recommendation 1, to establish policies for maintaining accurate accounting records and preparation of financial statements, was completed as of June 23rd, 2016 when our board of directors approved our detailed financial policy manual.

The second recommendation, to establish a policy to restrict access to our IT system and data, was fully implemented. We now require all staff to regularly change their passwords while ensuring they are complex to prevent unauthorized access to our systems.

Third, the recommendation to sign a service agreement with our payroll provider was fully implemented in November of 2015 when the agency signed such an agreement with Sask Sport Inc.

The next three recommendations all speak to the establishment of financial policies and all have been fully implemented with the creation of the financial policy manual I mentioned just a moment ago or that was mentioned previously this morning.

I'd like to offer you brief specifics about each of these next three recommendations, and they are brief.

The Provincial Auditor recommended that Creative Saskatchewan provide written guidance to staff for approving the payroll register prior to paying employees. Our financial policy manual now requires that the CEO approves the payroll register on a bi-weekly basis.

The fifth recommendation asks Creative Saskatchewan to give staff written guidance for preparing and approving bank reconciliations. Again as part of our comprehensive finance policy manual, the approval this past June, the policy now requires the finance manager to approve the bank reconciliation and the CEO to approve them on a monthly basis.

And finally recommendation six asked Creative Saskatchewan to give written guidance for preparing and approving journal entries. The agency now has specific policy regarding journal entries. This policy requires either the finance manager or CEO approval and no single person is permitted to both enter and approve any journal entry.

Therefore all six recommendations were fully implemented, thanks to the hard work of the Chair of our finance committee, Bruce Willis, and our finance and accountability manager, Hamid Shahzad, who is with me here today.

Again I'd like to take this opportunity particularly to them and to all my staff my appreciation for their efforts.

So in closing, I'm pleased to report on the very latest correspondence we've received from the Provincial Auditor's office. In a letter to the Chair of our finance committee dated August 18, 2016, the deputy provincial auditor points out their most recent audit "... did not identify any significant weaknesses in Creative Saskatchewan's controls."

As Creative Saskatchewan's new CEO, I'm very pleased to see the progress that the agency has made on this front over the past year. And I'm looking forward to continuing to work with the Provincial Auditor's office in coming years with our shared interest in keeping Creative Saskatchewan efficient and accountable. Thank you very much.

The Chair: — Thank you, Mr. Magirescu. I'd like to open up the floor for questions. Ms. Sarauer.

Ms. Sarauer: — Thanks. I just have one question. First I want to congratulate you on the hard work that you and your team have done and the positive letter that you've received now from the Provincial Auditor. I just have one question. In implementing the recommendations, the six recommendations that you've talked about, did it require Creative Saskatchewan to hire any new staff?

Mr. Magirescu: — In implementing these recommendations, no new staff are required at this time.

Ms. Sarauer: — Thank you.

The Chair: — Are there any further questions? Mr. Michelson.

Mr. Michelson: — Well thank you. It sounds like it's a lot of just growing pains that you have to go through. I was kind of interested in that loss of public money, the laptop that was stolen on the London trip. Do you claim insurance on that kind of thing? Is there something that ... Is there any further information on that at all?

Mr. Magirescu: — My understanding is that the value of the laptop was less than the deductible on the policy, and as such, it was just simply written off.

Mr. Michelson: — There was no confidential information on there that we had to worry about?

Mr. Magirescu: — No, there was not.

Mr. Michelson: — Okay, thank you.

The Chair: — Ms. Sarauer.

Ms. Sarauer: — Thanks. Could you elaborate a little bit more on the error that was in the financial statement that resulted in a reporting of a surplus of \$120,000 more than what was actually there?

Ms. Gallagher: — So both individuals are new, and we don't have the specifics on that. We could provide that later. Hamid indicated that he thinks it was an error bringing it in and then it

needed to come off. So we can get some more details if you're interested.

Ms. Sarauer: — That would be great. Thank you.

The Chair: — Any further questions on this chapter, or two chapters actually. No more questions? Ms. Sarauer.

Ms. Sarauer: — Sorry, I'm just confused. Are we talking about just the 2014 report or are we talking about the 2015 report as well?

The Chair: — We've got both before us right now. With respect to the 2014 report, I do have a quick question that the grant . . . I know that you've implemented the recommendation out of the 2014 report volume 2 as indicated in the 2015 report, but the grant of \$440,000 to a single corporation, just out of curiosity, to whom was that grant paid? What corporation?

Mr. Magirescu: — 440?

The Chair: — 440.

Mr. Magirescu: — I don't have the answer at this time. My belief is that that probably came from the SaskTel Equity Fund, but I would have to look into that.

The Chair: — Okay. If you'd report back to the committee when you have the other information, that would be great. Ms. Sarauer.

Ms. Sarauer: — Sorry, that was the one I wasn't sure if we were talking about yet or not. But since we are, I did have a couple of questions about that grant. I'm not sure if you can answer them, but hopefully you can provide us with the information later. Do you know where the error occurred in providing this grant without obtaining an order in council? What happened there? It sounds like you have processes in place now, but I'm wondering if those processes were in place at the time that this error was also made.

[10:45]

Mr. Magirescu: — I just need a moment to consult with my finance manager to see if he knows. Again, I would need some time to provide more detail to you on that. We just don't have the answer at the moment for you.

Ms. Sarauer: — Okay, thanks. And just to clarify, I'm curious to know how the error was made, and whether or not the processes that have now been placed to obtain order in council when it's appropriate, if those were in place prior or subsequent to this specific instance.

Mr. Magirescu: — Just a question on that. Are you referring to the \$250,000 limit on the order in council threshold?

Ms. Sarauer: — Yes. I understand that it's been increased since then.

Mr. Magirescu: — Yes.

Ms. Sarauer: — But I understand it was a \$250,000 limit at the

time that this error was made. So theoretically, that process should be catching anything above \$600,000 now, but at the time it was \$250,000.

Mr. Magirescu: — So I can speak to that. That process is in place, and it has been in place for some time now. That threshold of \$600,000 which requires an order in council, we are following that process. I'm not sure if that answers your question. Those procedures are in place now and are being implemented on any project that has a scope where funding exceeds the \$600,000 threshold.

And I would just add that the requirement to raise it was based predominately on screen-based media sector, which is film and television, where the investments and that business model requires considerable investment compared to the other sectors. And you know, \$250,000 was too low of a threshold to continuously be going through OC [order in council] process. That's why it was raised. So now we have all the measures in place to ensure that we take appropriate measures to go through the OC process on any project where our commitment is over \$600,000.

The Chair: — Ms. Gallagher.

Ms. Gallagher: — Well I would say that, you know, it was early days in Creative Saskatchewan, and so they had . . . I believe this one was that it was iterative and they didn't understand that, you know, because you weren't maxing out the threshold at one time. But it is the collection of grants that are provided within the year, so we can go back and get the details on that. But whether it continued to be 250 or at 600, as Greg has outlined, the mechanisms are in place to ensure that there is an understanding in Creative Sask of what the threshold is for order in council, and those are occurring since that error was recognized.

Ms. Sarauer: — Thank you for that.

The Chair: — Are there any further questions on either of these chapters? Seeing none, could I have a motion for the 2014 report volume 2, chapter 4? Mr. Doke.

Mr. Doke: — Well thank you, Madam Chair. On the 2014 report volume 2, chapter 4 we would concur with the recommendation and note compliance.

The Chair: — Thank you. Mr. Doke has moved that the for the 2014 report volume 2, chapter 4 that this committee concur with the recommendation and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Moving on to the 2015 report volume 2, chapter 4 with respect to those six recommendations, I believe. Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2015 report volume 2, chapter 4, recommendations 1 through 6, we would concur with the recommendations and note compliance.

The Chair: — Thank you. Mr. Doke has moved that for the

2015 report volume 2, chapter 4 that this committee concur with the six recommendations and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you very much, Ms. Gallagher and Mr. Magirescu. We will take a brief recess now. Actually we will take a recess until 1 o'clock because our next officials can't be here until then. So thank you.

[The committee recessed from 10:50 until 12:59.]

The Chair: — Hello. Welcome back everyone to Public Accounts. This afternoon we have several chapters on our agenda starting out with the Ministry of Agriculture, looking at some Provincial Auditor's reports, as well as Education.

But before that I'd like to introduce Tamara Stocker, who is with the financial management branch. Thank you so much for being here today. And we have some new officials from this morning here from Agriculture. I'd like to welcome Mr. Rick Burton, the deputy minister, and I'll allow you the opportunity to introduce whomever you have as well if you'd like to take a moment.

Agriculture

Mr. Burton: — Sure, thank you. Yes, pleased to be here today and introduce my officials. This is Shawn Jaques, president, CEO of Saskatchewan Crop Insurance. Bill Greuel is the assistant deputy minister for regulatory and innovation. Lee Auten, the assistant deputy minister for programs. Cammy Colpitts will be joining us. She's the assistant deputy minister for policy. Janie Kuntz, vice president, finance, Saskatchewan Crop Insurance Corporation. Ray Arcscott is the executive director for corporate services branch. And Abdul Jalil, the executive director for agriculture research branch. And Andy Jansen, our manager of agricultural operations.

[13:00]

The Chair: — Great. Thank you for that, Mr. Burton. I'd like to pass it off to the Provincial Auditor who will let us know how we're going to break these chapters out here today.

Ms. Ferguson: — Sounds good. Good afternoon, Madam Chair, Vice-Chair, committee members, and officials. First off, I just want to introduce who I have with me today. I've got with me Ms. Regan Sommerfeld. Regan is the deputy in charge of the Ministry of Agriculture and the various entities within the agriculture portfolio. And behind is Ms. Kim Lowe. Kim's our committee liaison.

Before we launch into making presentations . . . And we're going to present each chapter that's on the agenda in the order that's presented, and we'll be pausing after each to allow for the committee's deliberation. I just wanted to extend our, the office's, thank you to the co-operation that has been extended to our office by the ministry and the organizations that are on the agenda this afternoon for this segment.

As the Chair noted, there's four chapters that's related to the

Ministry of Agriculture. Chapters 2 and 14 include new recommendations for the committee's consideration. The other two chapters reflect recommendations that the committee has considered in the past.

Without further ado, I'm going to turn it over to Ms. Sommerfeld to present the chapter 2 of the 2015 report.

Ms. Sommerfeld: — So the first chapter on the agenda is chapter 2, beginning on page 15 of the 2015 report volume 2, and it reports the results of our 2015 annual integrated audit of the Ministry of Agriculture and seven of its agencies. It reports the ministry's implementation of most of our recommendations from prior reports and makes one new recommendation on page 19.

We recommended that the ministry obtain an order in council — that is, cabinet approval — prior to entering into a grazing lease agreement for land in excess of 25,000 acres. The provincial land regulations under *The Provincial Lands Act* requires agriculture to obtain cabinet approval when it enters into an agreement with an individual lessee for more than 25,000 acres. We found the ministry renewed two grazing lease agreements in excess of 25,000 acres without obtaining cabinet approval, and therefore these agreements were not properly authorized.

On page 19, we continued to recommend that the ministry promptly remove unneeded user access to its computer systems and data, and although the ministry had established procedures for removing unneeded user access, staff did not consistently follow them. For example, we found that 4 out of 10 individuals that left employment did not have their access removed timely. Not promptly removing unneeded user access of former employees increases the risk of inappropriate access to the ministry's systems and data.

On page 20 and 21, we note that the ministry implemented our other four recommendations. The ministry has obtained orders in council for its animal products inspection administration agreements and has tabled these agreements in the Legislative Assembly. The ministry obtained sufficient information from the Ministry of Central Services to assess the operating effectiveness of controls regarding the Ministry of Agriculture's client systems and data. The ministry worked with the Saskatchewan Crop Insurance Corporation to develop processes to ensure annual fiscal year-end estimates for the AgriStability program benefits are reasonable, consistent, and current.

And finally, the ministry developed a range estimate on the uncertainty of the provincial expense for the AgriStability program and disclosed it in its annual report.

This concludes my presentation on the ministry.

The Chair: — Thank you, Ms. Sommerfeld. Mr. Burton, if you would like to take a few moments to tell us a little bit about the work that you've done with respect to chapter 2, that would be great.

Mr. Burton: — Sure, thank you. The Provincial Auditor's two outstanding recommendations for the Ministry of Agriculture which I'll briefly outline. The other ones that were . . . previous

four that were implemented previously and reported on, we'll just leave that for questions if that's okay rather than go through what we've done.

On the first one, the Provincial Auditor recommended that the Ministry of Agriculture obtain the order in council prior to entering a grazing lease agreement for lands in excess of 25,000 acres as required by law. I'd like to report this is fully implemented. The ministry obtained the order in councils for these two leases on November 25th, 2015. Pleased to have followed up on that one.

The second recommendation where the Provincial Auditor recommended that the Ministry of Agriculture follow its established procedures to properly remove unneeded users' access to computer systems and data. Again we feel it's fully implemented now. The ministry has reminded all managers and supervisors to delete access to computer systems on a timely basis. We'll continue to provide those reminders to our managers and supervisors as well as to our administration officers and the executive assistants within those branches to further increase the likelihood that that is going to get taken care of when people leave the ministry.

With that, I'll leave the rest for questions.

The Chair: — I'd like to open up the floor for questions. Ms. Sarauer.

Ms. Sarauer: — Thank you. With respect to the first recommendation that you were discussing, what procedures have you put in place to ensure that this doesn't happen in the future?

Mr. Burton: — This is a little bit of exceptional circumstances. There was only about 25 of these leases that are in excess of 25,000. And so I mean we've made the mistake in the past. We're taking further due diligence to make sure that this doesn't happen again in terms of our communication within the branch and make sure everybody in the branch is aware of the requirement.

Ms. Sarauer: — Okay. So when you're talking about steps to ensure that this doesn't happen again in the future — I'm understanding that it's a rare situation to begin with — you're talking about communicating with the employees in your ministry.

Mr. Burton: — Yes. Yes, and training for any new staff that might be involved in these situations as well as the oversight from our corporate services branch.

Ms. Sarauer: — Okay, thank you. And with respect to the second recommendation, it sounds like this is a problem that's occurring in a few different ministries. We heard from Parks, Culture and Sport this morning who had a similar recommendation. And I'm just, I'm wondering a few things. First, if there's any talk between ministries about how this issue can be better resolved, and Parks, Culture and Sport mentioned that they are doing ad hoc reports of employee terminations on a weekly basis to ensure that those employees are being removed from the system. So is there any thought to implementing that or any other recommendations that other

ministries have done to further beef up what you've already done on this issue?

Mr. Burton: — Ray Arscott's going to respond on this one.

Mr. Arscott: — Hi. Ray Arscott, executive director of corporate services. This has certainly been a topic of discussion at the FMC, the financial management council, which is sort of all the ADMs [assistant deputy minister] and equivalents, a financial variety from across government. It is a matter we're all trying to get to, and it's quite difficult, you know, because it is a human process to actually submit the forms to make sure that employees terminated are removed from the systems.

For the Ministry of Agriculture, we certainly do look at some of the ad hoc reporting to make sure that all the employees are removed on a timely basis. The standard that we have to meet this is of course immediately. With termination the forms are sent in right away. So unfortunately the ad hoc reporting, there's a slight lag behind it. So it does help so we don't get the really long periods of having an employee on the system who shouldn't have access, but of course it does move us in the right direction where we have to be.

The Chair: — Mr. Doke.

Mr. Doke: — Are we talking about PFRA [Prairie Farm Rehabilitation Administration] pastures or provincial pastures here?

Mr. Burton: — These are ministry grazing leases, so they're land when it's in excess of 25,000 acres. There needs to be an order in council for those leases to be entered into.

Mr. Doke: — And where are we at with the PFRA transfers? Is that still on schedule with the new federal government, or where are we at with that?

Mr. Burton: — We're on schedule. We continue to get more pastures each year, and we have 19 scheduled to come this year. So we continue to work with the patron groups to see that that happens in a . . .

Mr. Doke: — So are we halfway through that then? Or where are we at?

Mr. Burton: — We're over halfway at this point, just over halfway, and this year will take us almost . . . the second-last year.

Mr. Doke: — Okay. And the uptake from lessees, has that been working okay?

Mr. Burton: — We've been able to work with patron groups to have leases in a timely fashion on all of the ones that have transferred so far. So yes, I mean there's a discussion that goes on with the leases and the existing patrons form either a company or a corporation or a co-operative, and they enter into leases with the province, and that seems to have been happening in a very timely basis.

Mr. Doke: — Good, thank you.

The Chair: — Mr. Hart.

Mr. Hart: — Thank you, Madam Chair. Just going back to the leases that are in excess of 25,000 acres, how long a term are these leases generally? These would be, I'm guessing, grazing leases. I believe maybe you said it was grazing leases and so on. My understanding is that they are for quite a long term, the leases?

Mr. Burton: — Yes, these would be the same term as most of our other leases. They're 33-year leases.

Mr. Hart: — And further, how many leases would you have that would exceed 25,000 acres? Have you got . . . I mean 25,000 acres is a lot of grass, or at least a lot of area, quite a large area.

Mr. Burton: — Sorry, I misspoke when I said it was under 25. It's actually 12 other leases. So there'd be 14 in total, I assume, 12 plus the two that were identified here.

Mr. Hart: — In the past when these other leases were renewed, it was customary to get orders in council for this? Or have regulations changed that this is a reasonably new requirement?

Mr. Burton: — It's not a new requirement. It's always been the requirement and this was just a . . . We'd missed those two.

Mr. Hart: — That's fine. Good. Thank you.

The Chair: — Mr. Michelson.

Mr. Michelson: — Yes, I was just going to . . . I think you answered it but I was going to ask, these two that were missed, was the paperwork slow? Like were they new leases, or they'd been leased prior? So was it just a miss or was the paperwork just not caught up with them? If they were new, I think there would be a lot more paperwork and detail to follow but if they were just kind of a renewal, I would think it would just be more of a paper process to have it completed. So was that missed or was just the paper delayed?

Mr. Burton: — So, yes. These both were renewals so the previous tenant was just a renewal of the lease and we missed putting the order in council forward because the ones under 25 we don't do the order in council. And it was just a mistake.

Mr. Michelson: — So there's no issues with these two particular ones that would have been problematic at some point? They were just a renewal?

Mr. Burton: — That's correct.

The Chair: — Are there any further questions on this chapter? Seeing none, could I have a motion on the one new recommendation? Mr. Doke.

Mr. Doke: — Madam Chair, in regards to — boy, I've got to get my papers straightened here — 2015 report volume 2, chapter 2 we would concur with the recommendation and note compliance.

The Chair: — Thank you. Mr. Doke has moved for the 2015

report volume 2, chapter 2, the one recommendation, that this committee concur with those recommendations and note compliance. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. We shall move on to the next, the 2015 report volume 2, chapter 14. I shall pass it off to Ms. Sommerfeld.

Ms. Sommerfeld: — Chapter 14 of our 2015 report volume 2 reports the result of our integrated audit of the Prairie Agricultural Machinery Institute which we affectionately call PAMI. It's for the year ended March 31st, 2015.

On page 82, we note that PAMI lacked written policies that define acceptable donations and approvals necessary when making donations. We recommend it develop such a policy. Lack of a donation policy increases PAMI's risk of making donations or undertaking activities that are not considered acceptable or not considered an appropriate use of public money.

[13:15]

We noted that in our 2016 audit PAMI had implemented this recommendation. It has developed a policy over acceptable donations. And this concludes my presentation on the Prairie Agricultural Machinery Institute.

The Chair: — Thank you, Ms. Sommerfeld. Mr. Burton, do you have any comments?

Mr. Burton: — No. Other than we agree with the recommendation and note that it has been fully implemented, that the board approved the donation policy on December 7th, 2015. That policy sets out the guidelines for making those donations and sponsorships.

The Chair: — Thank you. I'd like to open up the floor for questions. Are there any questions? Ms. Sarauer.

Ms. Sarauer: — Thanks. I just have one quick question, I think, and it's probably with respect to what is in the actual program guidelines. Who is monitoring to ensure compliance of the guidelines? Is it a self-regulated thing or is there another level of approval that's going on here?

Mr. Burton: — So PAMI does have a board of directors, and actually we have a member on that board of directors with the ministry. So that would be part of the responsibility of the board of directors, to ensure that all of their policies and guidelines are being followed.

Ms. Sarauer: — Sorry, I think I might have missed what you said. If there's someone on the board who is potentially in breach of the guideline, who is monitoring that? Is it someone else on the board, or is there a . . . Or are we talking about donations from employees? Because this recommendation goes for board use as well, right? So who's monitoring the board, is what I'm asking?

Mr. Burton: — So that would be the minister's responsibility, and we do have a ministry rep on the board.

Ms. Sarauer: — Okay, thanks. I think I missed that in your answer. Thank you.

The Chair: — Are there any further questions on this chapter? Mr. Michelson.

Mr. Michelson: — Thank you, Madam Chair. Just looking at the operations flowchart on page 81, the total revenue from Saskatchewan operation is 6.4 million and Manitoba is 1.5 million. Is not PAMI part of the responsibility of both Saskatchewan and Manitoba?

Mr. Jalil: — I think so.

Mr. Michelson: — Why would there be such a difference there then?

Mr. Jalil: — I think yes, it is by provincial responsibility both Manitoba and Saskatchewan, and it's part of the agreement which both provinces have signed. The reason it's so different is because the Manitoba operation is a very small operation, whereas the Saskatchewan operation has a very large operation with different capabilities and capacities as well. So that's why the focus is more on the Saskatchewan side.

Mr. Michelson: — Is there a separate operation then in Manitoba as compared to it being in Saskatchewan?

Mr. Jalil: — Yes, there are two separate operations, but they all come under the PAMI management because the CEO, president, and head office is here in Humboldt.

Mr. Michelson: — And it's just one board of directors that operate them?

Mr. Jalil: — That's correct, which have the representation from both provinces.

Mr. Michelson: — Sure. Okay, thank you. That explains it.

The Chair: — Thank you. Are there any further questions on this chapter? Mr. Hart.

Mr. Hart: — Thank you. Just a couple questions for just general information. Could you give some examples of what type of donations PAMI might receive? I'm guessing it may be probably from manufacturers to test some of their equipment, or maybe not, and also donations they might make because the nature of the type of work they do, they would have equipment and articles coming in, and then when they're done with them, need to be disposed of and so on. And so I just thought perhaps we could have a little more information in that whole area.

Mr. Burton: — I'll maybe let Jalil respond to the part about donations that they might receive. I mean they do a lot of fee-for-service and contracts, so they have a lot of contracts that they would generate revenue as well as the Government of Saskatchewan, Government of Manitoba contributions to the PAMI.

In terms of things that they may sponsor, they may sponsor events: field days, those type of things that a normal business would do as well.

Mr. Jalil: — I think, Rick, you covered it very well. So normally PAMI does not receive any donations from other organizations. Mainly it's fee-for-service organizations, so they provide service for whatever arrangement they make with the clients basically in this case. And in terms of sponsorship, there are different events which they can sponsor. Let's say if there is any conference, any field days, they would like to contribute to that, so they would sponsor those.

Mr. Hart: — Good. Thank you.

The Chair: — Any further questions on this chapter? Seeing none, could I have a motion for the one recommendation? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2015 report volume 2, chapter 14, we would concur with the recommendation and note compliance.

The Chair: — Thank you. Mr. Doke has moved that for the 2015 report volume 2, chapter 14 that this committee concur with the recommendation and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right. We shall move on to 2015 report volume 2, chapter 42, and I shall pass it off to Ms. Sommerfeld.

Ms. Sommerfeld: — Chapter 42 of our 2015 report volume 2 reports the results of our first follow-up on recommendations made in our 2013 audit of the livestock waste regulations. By July 2015 the ministry implemented two of the three recommendations. It has set a risk-based inspection policy for re-inspection of intensive livestock operations and was consistently following that policy.

The ministry has partially implemented our recommendation that the ministry confirm that intensive livestock operations approved prior to 1996 have sufficient controls to protect water resources. The ministry was in the process of reviewing all intensive livestock operations that it had approved before 1996, and the ministry expects to complete its review by March 31st of this year. So that concludes my presentation on the follow-up.

The Chair: — Thank you, Ms. Sommerfeld. Mr. Burton.

Mr. Burton: — Just to say that we certainly fully agree with the recommendation and we're partially implemented. Of the 1,665 pre-approvals from 1996, we have 1,163 where we've completed the assessment on, and of those, 471 of those pre-1996 approvals had been cancelled because they were no longer in operation or for some other reason. So that leaves 502 more that we need to do, and we'll continue to work away to get those done as quickly as we can.

The Chair: — Thank you. I'd like to open up the floor for

questions. Ms. Sarauer.

Ms. Sarauer: — Thank you. I just have a few questions with respect to the sufficient controls to protect the water resources in the intensive livestock operations. So what steps have been taken to implement the new drainage regulations?

Mr. Burton: — That would be the Water Security Agency who's responsible for the drainage regulations, and we would work with them on that. That's not part of this. This is the intensive livestock operations that we're talking about and the permitting of those operations.

Ms. Sarauer: — Okay. Can you elaborate on the sufficient controls to protect water resources that pertain to this recommendation?

Mr. Burton: — Andy Jansen will speak to that one.

Mr. Jansen: — The legislation requires intensive livestock operations to develop plans to protect water resources. Pre-1996, we worked under a different Act than we are currently working on, so the requirements have changed between the two pieces of legislation.

Typically what an intensive livestock operation will do is develop waste storage and waste management plans. So that would be largely manure management and dead animal management are the two parts that we would look after there. So the types of controls in place would be the type of manure storage that they put in place, either a tank or an earthen storage, those kinds of things.

In terms of the waste management, there's runoff controls from the actual farmyard site, so we're putting control works in place to divert runoff into holding ponds or away from natural water resources that could be impacted. On the manure management side then, they're developing plans to properly land-apply the manure as a nutrient for crop production.

Ms. Sarauer: — Thank you.

The Chair: — Do you have any further questions, Ms. Sarauer?

Ms. Sarauer: — No.

The Chair: — No. Just in terms of timeline, wrapping them up, this is ongoing. I'm wondering when you anticipate having completed this process with the approvals.

Mr. Jansen: — That's hard to predict. It's a priority for us, so I had a person that was working on this full time. And I no longer have that person, so we've transitioned this to my regional staff who are responsible for site investigations and those kinds of work. So at this point we are going to try to get through them as quickly as we can. The numbers are quite large relative to the number of people I have working on it.

The Chair: — Did the position . . . You no longer have this person in this position. Is the position gone?

Mr. Jansen: — It was a student, so it was a term position. So

the student actually had another opportunity, and so that's why that didn't happen.

The other thing that we're finding is that, like this predates our current legislation and all of my current staff. So it's been a long time for some of these operations. So it's taking a while to touch base with the current landowners because in some cases there's been landownership change taking place.

The Chair: — Thank you. Ms. Sarauer.

Ms. Sarauer: — Sorry, I do have a few more questions. How many reinspections have been done in the past year?

Mr. Jansen: — In this fiscal year to date?

Ms. Sarauer: — Whatever is easiest for you to answer.

Mr. Jansen: — To date from . . . So typically I'm monitoring it on a fiscal year and that's what our policy works on. So we've done 27 reinspections to date this year. I don't know what our reinspection number exactly is. We did 51 last year, and that would be my expectation. We'd be about the same ballpark for this year.

Ms. Sarauer: — Thank you. And how many staff do you have employed to do those reinspections?

Mr. Jansen: — Six.

Ms. Sarauer: — Six throughout the province?

Mr. Jansen: — Six for the province.

Ms. Sarauer: — Do you ever do any random inspections?

Mr. Jansen: — Not specifically. So we would do random inspections when we get a complaint. We would do inspections if a producer calls us because they're making changes or they're inquiring about their current status. So when staff are on the ground for whatever reason, if there's an appropriate time and the producer's able to go through our process, they will do an inspection at that time.

The Chair: — Any further questions on this chapter? Mr. Hart.

Mr. Hart: — Thank you. These permits that were issued to pre-1996, are they permits that . . . Since '96 have the number of animals, the thresholds that would trigger compliance with the regulations, has that changed? Did we reduce the number of cows for instance that a rancher could overwinter in the confined area? Could you kind of speak to, you know, the changes and what it is you're finding? Like the inspections that you're doing on the pre-'96, are they smaller operations, or are they quite large? Or is a mix of both? Just provide a bit of information on that so we get a better understanding of what's out there that needs to be inspected yet, and what you've seen with the inspections that have been done.

Mr. Jansen: — I'll start with the legislative change. Yes, there were differences in terms of the criteria under the old legislation for the new. I don't think it was as much on size, and I wasn't with the ministry under the old legislation so I don't remember

all of the criteria.

The new legislation looks at both sides of operation, and we use animal units to determine which operations require approval under the legislation. So we've got three criteria, three main criteria. One is size, anything over 300 animal units. So I'll use cows as an example: one cow is an animal unit. Then we also have . . . Anything between 20 animal units and 300 animal units only needs approval if they're within 1,000 feet of a watercourse. So it's basically a risk criteria.

Or if it's within 100, or sorry, 300 feet . . . I'm getting my number mixed up. I'm mixing meters and feet. If it's within 100 feet of a neighbour's well, a well that's not part of the property, right . . . So if they control the well, then they're going to protect it. If it's somebody else's well, then we want to make sure that they're implementing appropriate plans.

[13:30]

In terms of what we're finding in the pre-1996, the majority of them are small. Quite a few of them have discontinued operations. There's a few that are operating at less capacity than they're approved for, and some of those want to retain their approvals. Some of them, under our current legislation, might not even need approval anymore because the criteria have changed a little bit. We have identified a few operations that have expanded without getting the appropriate approval for that expansion, and so we're getting them to go through the process to meet those requirements.

Mr. Hart: — Great, thank you. At least gives us a bit of an idea what it is you're dealing with. Thank you.

The Chair: — Mr. Bonk.

Mr. Bonk: — Could you just explain briefly the risk score matrix?

Mr. Jansen: — Briefly? It's not very simple. We're looking at a number of criteria in the risk matrix. So some of them include administrative things, so if they have an approval under our current legislation, they would be less risk than if they got a permit under the previous legislation. So we're trying to capture how old the permit is because, as noted by the auditor, the standards can change over time.

Most of what we're looking at is what are the risk factors that we can identify using existing information, what we call desktop information. So proximity to water courses, we can look at air photos and topography maps to look at that. We're looking at the geology that we have available through surface geology maps. What are the risk factors? And we're assigning a score to those operations.

We do have a rating for the size of the operation, so we're taking that into account. And we're making a distinction between whether it's a liquid manure system or a solid manure system because there is a . . . liquid will move a lot easier than a solid will.

Mr. Bonk: — Also now these inspections, when they are approved, they are transferrable with the property, for example, if it was to be sold.

Mr. Jansen: — That is correct.

The Chair: — Any further questions on this chapter? I just have a quick one. Of the 471 pre-1996 that have been cancelled, were there those who . . . You said some were no longer in operation. Were any cancelled because they couldn't meet the requirements?

Mr. Jansen: — No, I would say not. Now there may have been some that thought about it and were not in a position to meet the requirements so they . . . in which case they would have chose not to continue those operations. So there are . . . I don't think any in the reinspection, that I can recall, where they were operating in non-compliance and either couldn't, and chose to stop production. But that could be an option that would have to be considered.

The Chair: — Thank you. Any further questions on this chapter? Seeing none, there are no new recommendations in this chapter, so could I have a motion to conclude consideration?

Mr. Doke: — So moved, Madam Chair.

The Chair: — Mr. Doke has moved for the 2015 report volume 2, chapter 42, that this committee conclude consideration. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. We shall move on to chapter . . . the 2015 report volume 2, chapter 53. Ms. Sommerfeld.

Ms. Sommerfeld: — Chapter 53 of our 2015 report reports the results of our first follow-up on the five recommendations made in our 2013 audit of the Saskatchewan Crop Insurance Corporation's administration of the AgriStability program.

By July 2015, Crop Insurance implemented three recommendations and had partially implemented the other two. Crop Insurance requires each of its staff members to annually complete a conflict of interest declaration. It used the declaration to disallow staff from processing files where they have declared a conflict of interest.

Crop Insurance had also documented procedures for reviewing the assumptions and reviewing the calculation of the estimate of benefits for its AgriStability program. Crop Insurance has implemented a range estimate for the uncertainty of the AgriStability benefits-liability estimate and disclosed that in its annual report. But by July 2015, while Crop Insurance established a process to compare estimates of past years' benefits for the AgriStability program to actual benefits, it did not yet document its analysis.

Also Crop Insurance has set targets for some but not all of its performance measures — for example, customer satisfaction. Setting targets helps agencies decide the extent and focus of work effort expected within a certain period, and help agencies determine the extent of resources required. Without this, Crop Insurance cannot adequately monitor the AgriStability program to determine if the program is meeting its goals and objectives.

This concludes my presentation on this follow-up.

The Chair: — Thank you, Ms. Sommerfeld. Mr. Burton, do you have any comments on this chapter?

Mr. Burton: — Yes I will. I appreciate the recommendation that Saskatchewan Crop Insurance Corporation establish the process to compare its estimates from past years' benefits for the AgriStability program to the actual benefits to help improve the estimate process for AgriStability benefits going forward. And you know, Crop Insurance and the ministry, we continually work together to ensure that the information used in our forecast for AgriStability benefits are the best that we can come up with and the most current information is available at all times. So we compare estimates from past years' benefits to the actual benefits.

Unfortunately that doesn't really help you predict future error levels a whole lot in this case because of circumstances, and the conditions from one year to the next vary significantly. This is an individually based program and it's extremely hard to predict future expenditure and benefits, but we will continue to work to improve that and refine those cost estimates.

On the recommendation regarding the targets for performance measures related to its AgriStability program payment and report to senior management on the progress of those, we can report that that's fully implemented. Performance measures and targets for the AgriStability program have been set. The Crop Insurance . . . SCIC [Saskatchewan Crop Insurance Corporation] measures and reports its performance related to those targets to senior management and to the board on a regular basis. So I think with that, unless, Shawn, you have anything to add? Okay.

The Chair: — Thank you, Mr. Burton. Are there any questions on this chapter? Seeing none, there are no new recommendations in this chapter. Could I have a motion to conclude consideration?

Mr. Doke: — So moved, Madam Chair.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that for the 2015 report volume 2, chapter 53 that this committee conclude considerations. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right. Well we shall move on to our . . . We'll take a brief recess to change officials here, but thank you very much, Mr. Burton, and all your other officials for your time here today and for providing us with such a great update. Thanks.

So we'll recess briefly.

[The committee recessed for a period of time.]

The Chair: — Welcome back to Public Accounts, everyone. We will be looking at several chapters of the Provincial Auditor's reports from the Ministry of Education. Welcome to Ms. MacRae and your officials. Just a reminder with many of

you here today, and I'm sure some of you will have an opportunity to speak, if you could just . . . I know Ms. MacRae will introduce you, but if you could, when you're at the mike just upon your first time, state your name. That would be very helpful. But with that I would like to pass this off to Ms. Ferguson. We'll start with chapter 20 of the 2015 report volume 1.

[13:45]

Education

Ms. Ferguson: — Thank you very much, Madam Chair. I'm just going to pause to make sure that everybody knows how we're going to deal with these here. So there's 10 chapters on the agenda. What we're planning on doing is actually presenting them one by one and then pausing for the committee's deliberations. Because the topics are quite diverse, we found that we couldn't package any of the chapters together this time around.

So with me for this particular session I've got Mr. Kelly Deis. Kelly is our deputy that leads the education division. And behind him is Mr. Jason Wandy, and Jason led a number of the projects that are on the agenda this afternoon. And beside Jason is Ms. Kim Lowe. Kim's our committee liaison.

So just before Kelly launches into presenting each of these chapters, I just want to pause and say a sincere thank you to the members of the ministry itself, the commission, and each of the school divisions that we worked at over this last period of time that reflects the body of work that's before this committee today. We appreciate your time and energies in working with our office. So without further ado, I'm going to turn it over to Mr. Deis to present the first chapter.

Mr. Deis: — The Ministry of Education is responsible for aligning capital project funding with the educational needs of communities and the provincial pre-kindergarten to grade 12 systems as a whole. As such, effective capital asset planning processes are essential to reduce the risk of funding lower priority capital projects. Chapter 20 of our 2015 report volume 1, and that's on pages 243 to 248, reports the results of our first follow-up on our 2013 capital asset planning for schools audit.

In our 2013 report volume 1, chapter 8, we concluded that the ministry did not have effective asset planning processes for facilities to house and support educational programs and instructional services for students and school divisions. We made eight recommendations.

By February of 2015, the ministry had implemented three recommendations and had plans to address the remaining five. In March 2015, the ministry began to fund 100 per cent of future major capital projects, school projects, instead of expecting school divisions to finance a portion of the cost of these projects. That concludes our overview of this chapter.

The Chair: — Thank you, Mr. Deis. Ms. MacRae, do you have any comments?

Ms. MacRae: — First of all, thank you for the opportunity to be here today. Should I take a moment to introduce my

officials, or would you just prefer to have them introduced one at a time as they speak?

The Chair: — Actually, that might be . . . One at a time would be good, I think. Thank you.

Ms. MacRae: — With respect to the chapter under discussion, we are pleased to report that three of the recommendations have been fully implemented. Another two are partially implemented, and there are three remaining that are in progress. And with respect to any detailed or follow-up responses to that, I'll turn things over to ADM Donna Johnson.

Ms. Johnson: — All right. So I guess what I'll do is just provide a little more detail on the recommendations that we're continuing to work on. And one of the recommendations that we continue to work on is the recommendation to develop and use a capital asset strategy that coordinates overall capital needs for schools in the provincial pre-K [pre-kindergarten] to grade 12 system. And to that end, we are working in a multi-ministry way with the SaskBuilds organization as we develop integrated capital plans and 10-year capital plans. We continue to do that work with SaskBuilds.

We've also for some years now established an infrastructure advisory committee. We involve the infrastructure advisory committee in the review of the capital policy work in particular that we are doing. On the infrastructure advisory committee, we include members from the Saskatchewan School Boards Association, from the Saskatchewan association of school business officers, and from LEADS, the League of Educational Administrators, Directors and Superintendents. We also have representatives on that committee from Saskatchewan Teachers' Federation.

So we have quite a robust way of working within the sector to develop our infrastructure policies. We are expecting the work that would allow us to say we fully addressed this recommendation to be complete with updates to policies, guidelines and, if necessary, any changes to legislation by March 31st of 2019.

Another of the three recommendations that we continue to work on is much similar to what I just said for that first recommendation. We are also in the stages of finalizing the capital asset strategy, with expectation of that being complete by March 31st, 2019. So that speaks to the recommendation where we are asked to develop and implement measures and targets to monitor the success of the capital asset strategy across the pre-K to grade 12 system.

I think that for the most part captures what we are still working on and have yet to do. So if there's any questions on that, I'd be happy to take them.

The Chair: — Thank you, Ms. Johnson. I'd like to open up the floor for questions. Ms. Sarauer.

Ms. Sarauer: — Thanks. I have several questions. I'll try to keep them relatively organized. First of all, you had mentioned the infrastructure advisory committee and some capital policies that have been approved by that committee. Can you elaborate on the recommendations that have been approved by the

committee and when those are going to be implemented?

Ms. Johnson: — All of the policies that we've taken to the infrastructure advisory committee are taken there for input and for advice, essentially, from that group. From there we draft any changes to policy that we might have. And then of course it goes to the minister and for government to approve the policies. So the infrastructure advisory committee is an advisory body. It's not a policy-making body so to speak, but it is a way for us to get input from the sector in developing the policies.

And I don't have a complete list of all of the policies that that body's looked at in the last couple of years but, off the top of my head, I can tell you that one of them would have been policies related to the change in the capital asset contracts that we use with the school divisions. So for instance we, as Mr. Deis has identified, we are now currently 100 per cent funding all of the capital in the education sector, as opposed to the previous approach that we had that involved a 65/35 split. And with that change we've also made a change in the way in which we make the payments to the school divisions for that traditional capital, and that came in the form of both a change to the policy and a change to the supporting document, which is the contract that's in place between us and the school division for the transfer of funds to them as the construction is under way.

We've also had discussions with the school divisions and accordingly amended our policies respecting the purpose of and the use of contingency funds that are built into the capital budgets that are established for each of our major capital projects.

Ms. Sarauer: — Have they also made any recommendations with respect to transparency around the list of new builds and rebuilds. I think it was a top 10 list before. I'm not sure if it's changed since then?

Ms. Johnson: — We still have a top 10 list, and certainly at these committee meetings we have discussed the criteria that are used when we are ranking the major capital requests that come in from the school divisions. And we are working with the school divisions to ensure that they understand the criteria and that they have an avenue for providing us with some feedback for how we might modify those criteria going forward. So that the criteria are as robust as they can be, given the data that we all have available to us, and so that they are also well understood by everyone in the sector.

Ms. Sarauer: — Are those recommended changes part of the 2019 deadline?

Ms. Johnson: — We make those changes on an ongoing basis. So what we would be looking for towards to that 2019 deadline is again making sure that we've fully integrated all of the processes and recommendations that are coming through SaskBuilds, so for instance the need for a business case and a full evaluation when a school division is asking for either a new school or a major renovation or a replacement school.

So that has certainly been one of the topics that we're still working our way through, and that we're working with the school divisions on in terms of what does a business case look

like in the education sector when you're requesting a new school because it isn't exactly the same as what you might imagine it would be if you were in the private sector and you were planning to build a new building for commercial purposes.

Ms. Sarauer: — Yes, for sure. And that sort of feeds into my next, the next thoughts that I was having around SaskBuilds and how SaskBuilds comes into play in all of this. So could you walk me through the whole process? At what point does SaskBuilds get involved?

Ms. Johnson: — I will do my best. And I think that might be a question better answered by the folks at SaskBuilds, but I'll give a really high-level overview. So each year, each ministry that has a significant amount of capital or need to maintain their capital assets puts forward to SaskBuilds its priorities for capital replacement or for new capital. And we provide in the SaskBuilds template our assessment of the capital projects that we're putting forward.

And then SaskBuilds will look at those requests in conjunction with the requests that they receive from other ministries like Highways and Health and so on. And they'll put it through a series of filters essentially to sort out readiness and, you know, the other criteria that they evaluate the capital projects on. Ultimately they'll make a recommendation back to the ministry and to treasury board, and that information is considered as the individual ministry's requests for capital are considered at the treasury board and cabinet table.

Ms. Sarauer: — So how does the SaskBuilds recommendations interplay with the top 10 list?

Ms. Johnson: — Well generally there's a fair bit of consistency, I guess. I'll start there because typically if we've taken a capital project through our ranking process and that capital project has hit the top 10, then that project also tends to fair well in SaskBuilds' assessment of projects.

And I think I'll need to look to Sheldon on this one, but I believe in the last evaluation of capital projects from the Ministry of Education, we had three or four education projects in the government's or in SaskBuilds' priority list.

I'll let you just take that, Sheldon.

Mr. Ramstead: — So I'm Sheldon Ramstead with the Ministry of Education, infrastructure. So what Donna said is correct. So we prioritize . . . The list, we provide that, to our prioritization and assessment, to SaskBuilds. And they do a further filter on that and present it to treasury board.

So they will provide us input in what recommendations or extra information they may require from us, and so it'll be an ongoing process between our submission, which was the end of May, to when budget happens in March. So our top 10 is what gets published after we review it with SaskBuilds.

Ms. Sarauer: — So then are school divisions now being required to make a business case prior to . . . they make the business case and then they find out if they're on the top 10 list? And then that top 10 list goes, including their business cases, go to SaskBuilds?

Mr. Ramstead: — So our goal is to get to a business case stage. Right now we have a fairly detailed application process. So looking at, you know, various options, non-capital options versus capital, what research have they done? A lot of emphasis is put on third party reporting, on the information they can provide for us, so we can make, you know, a non-subjective assessment of the requirements. So we look at the building condition, the age of the building, the third party engineering reports on whether there's any concerns with the facility. And then we rate all those and then come up with our prioritization.

Also there's an efficiency component that we look at on, is there an opportunity to consolidate schools if, you know, both schools are underutilized? And also, is there an opportunity to do joint facilities? You know, partner with areas in the community, things like that, to help with our prioritization.

Ms. Sarauer: — Okay. You mentioned an emphasis on third party reports. Is there a plan to provide funding to school divisions to be able to afford to get these third party reports for their business cases?

[14:00]

Mr. Ramstead: — For sure, yes. So what we do is we provide the preventative maintenance renewal funding right now to do those reports. So we're not looking for, like you know, really expensive reports, but something from an engineer for maybe a few thousand dollars and just saying, okay, what concerns are there?

Also we have our emergent funding pool that we also provide. So if there's an emergent issue, then that can help offset some of those report costs also.

Ms. Sarauer: — Sorry. So wouldn't those reports then be competing with PMR [preventative maintenance and renewal] emergent funding? For example that's usually required if, for example, if a roof is collapsing and they need, a school division needs money immediately to be able to repair these buildings, instead of a rebuild or a new build, helping to maintain the buildings that already exist. So would these reports be competing with that funding as well?

Mr. Ramstead: — Well as we do, the school divisions also need to prioritize on how they're going to spend their funds. So they do a three-year plan and they work through that plan with us. So if that's part of their plan on doing those assessments, then we help them prioritize those also.

Ms. Sarauer: — Another question I had was how you're working with SaskBuilds to ensure that . . . because you said SaskBuilds is an interministry department where many priorities are being sort of sifted through and aligned and then what comes out the other end is a list of what SaskBuilds sees as a priority for creating infrastructure in the province. So you're competing with, potentially, highways and hospitals. How are you ensuring that schools are going to be up on the list at SaskBuilds?

Ms. Johnson: — I think, you know, to answer that question I would just offer that in Education we've had, I think in the last several years, a really good track record of having an increased

investment in capital rehabilitation and in new school development. And you know, from that perspective, we don't have any difficulty explaining the need for the capital work that is going on in the ministry. I mean the needs for capital works in, of course, Health and Highways are also significant and it's important for SaskBuilds to be able to make comparisons across the ministries and to provide that information to treasury board.

But on the whole they've, I think, done a good job of being able to examine the cost benefits of all of these projects and in Education, particularly the real social benefits of rehabilitating and replacing schools as needed. So not concerned that Education is getting lost in the mix, if you will. I think what we have now is some of what we've always had. I mean at the treasury board table for instance, treasury board has always had to consider how much capital money goes to the different ministries. And what SaskBuilds offers and adds to the whole process is a consistent way of analyzing and assessing the allocation of capital dollars across all ministries.

Ms. Sarauer: — Yes, I have some concerns with PMR funding having to compete now with third party reports for . . . school divisions having to decide now whether or not they're doing a rebuild or they're going to spend that money on going towards a rebuild and a business case and to rehabilitate, as you said, which is very important to existing buildings.

Ms. Johnson: — So just to clarify on that point, again I'll point out that over the course of the last three years our PMR funding that's gone to the school divisions has gone from 16 million to over 30 million. I think it's at 31 million, 34 million now. So we've had between 24 and 28 per cent increases to PMR for each of the school divisions each year for the last three years. So that's one thing to note.

I'd also note that when it comes to the preventative maintenance and renewal fund, that fund is expected to manage the regular maintenance and rehabilitation of schools. It's not necessarily expected to cover the costs of a sudden roof problem. So if there is, as you mentioned earlier, a roof come crashing in, that's an emergent issue. So that's what we have the emergent fund for and that's the sort of thing that the schools can apply to us to use emergent funding for. They don't necessarily have to dig into their PMR for those sorts of unforeseen events.

But regular maintenance of roofs, we would expect that to come out of PMR, and we know too from experience and from the experiences that the school divisions have shared with us, that by putting \$20,000 into regular roof maintenance is going to essentially save you having to put 1 million or 2 million into a roof repair later on.

So I think that the folks in the ministry and in the school divisions are getting closer to a place where the preventative maintenance fund is enabling them to address those highest priorities in their facilities.

Ms. Sarauer: — Thanks. You mentioned that you expect to complete the process with respect to the outstanding recommendations by March 31st, 2019. To me that seems a little bit lengthy. Can you explain why the delay?

Ms. Johnson: — Honestly, I don't think of it as a delay. I think of it as the need to address the number of capital policies that we have and to ensure that those policies are in alignment with government policies, particularly as they are evolving through the work that SaskBuilds does. And also in order to get that policy work done, we do need to consult with the sector and that takes time as well. So we've made good progress in the last two years and I think we've got probably two more years worth of policy topics to touch on.

Ms. Sarauer: — Thanks. I'm looking for a little bit more detail on one of the implemented recommendations, the one that requested that you formally review, update, and communicate the process for the prioritization of provincial pre-K [pre-kindergarten] to grade 12 system assets. Could you explain how this process works now?

Ms. Johnson: — Sure, and I think for the details, I'll get Sheldon to talk about it. We've referenced it at a high level already, but essentially the prioritization framework was first implemented in October of 2013, and we used it to assess the projects that were ultimately announced in the March 2014 and 2015 and since then.

As again Sheldon has mentioned already, that process involves each of the school divisions providing us with a capital project application form which provides us with a fair bit of detail, but certainly not a full-business case level, but a fair bit of detail that allows us to take a look at that project and to understand the scope of it and to understand the underlying conditions of existing buildings when we're talking about replacements or renovations. And then we take that information through a series of criteria, so it's evaluating each of those project requests under the heading of health and safety concerns.

And I think from here, I'll turn it over to Sheldon and he can take us through the full prioritization and the criteria that we use in prioritizing the capital requests.

Mr. Ramstead: — So Donna gave just a quick highlight. We talked a little about that when I was sitting here before, so the key is just making sure that we are, you know, prioritizing the projects correctly.

So the previous model had been in play for 20, 30 years, so that's why they obviously, the OPA [Office of the Provincial Auditor] identified that as a change required. So we went through the exercise, met with some school divisions, and pulled in a lot of that information on how we can best prioritize. So before it used to be broken down into two different categories: a health and safety, and a capacity concern.

So one of the first things we wanted to identify is how do we make sure that we can pull capacity concerns into health and safety because, you know, we go into restaurants, public areas today, and they say there's a capacity limit on those facilities. So that was what we wanted to make sure we pulled into our model.

So we've ranked schools if they're highly utilized with the health and safety concerns, so that's incorporated in there too. And the reason we also went to third-party reports on our prioritization model was we found there was a lot of

subjectivity happening in the previous model. So there was no really fact-based evidence that would give them that health and safety criteria. So without that it was basically, yes we think it's a health and safety, but we didn't have . . . our team wasn't trained in some of those areas so we really couldn't make that assessment. So we felt the best way to make sure we were prioritizing properly was having that third party report. And that's the key — targeting the most important projects in the province, right?

And then we talked about some of the efficiency stuff, you know, consolidating schools, joint-use schools, because we want to have an opportunity to make sure that those schools — the best use of the infrastructure — was happening so we've had a good opportunity.

Langenburg's a great example. A new school opened that was . . . we went in there, assessed the school and realized, you know what, the best opportunity there was doing a K to 12 [kindergarten to grade 12]. So it works great for the community and it's a great facility that just opened this year, so that's going really well. So is there more details you were looking for?

Ms. Sarauer: — Yes, just on one part of it. I know there's been some challenges with respect to utilization factors in the past. What steps have been taken or are being taken to address that challenge?

Mr. Ramstead: — That's a great question and that kind of goes back to support why 2019 is, even though it may seem like a long time as you mentioned, it's really important to have that collaboration with the stakeholders in that. So we've set up a committee — a working group — with five school divisions on our utilization model, and we want to make sure that we're getting the correct utilization on those schools. So we're reviewing that now and it is a time-consuming process. A lot of consultation is involved in that so we're working through that now.

Ms. Sarauer: — So there's a goal of having that addressed by 2019 as well?

Mr. Ramstead: — Actually utilization, we hope to have that portion of the 2019 target done by the end of next year.

Ms. Sarauer: — One other question. I can't remember which official now had talked about — I think it might have been yourself — looking at capital and non-capital alternatives. Can you elaborate on what you mean by non-capital alternatives? Are those things like amalgamations?

Mr. Ramstead: — No, no. I didn't speak to amalgamations. What it is, is just simply looking at . . . okay, so you have two facilities perhaps in close proximity of each other. Does it make sense to consolidate them? Or is there an opportunity maybe if it's a short busing alternative? It's more like kind of a business case idea of what options have you looked at other than just a capital project.

Ms. Sarauer: — So like bus routes as an example.

Mr. Ramstead: — Busing can be an example, exactly, or is there an opportunity to partner with another facility that they

may have space for partnering with the school division to help reduce costs. Things like that.

Ms. Sarauer: — Could you elaborate a little bit on, you'd mentioned that there was a decision after speaking with, consulting with the IAC [Infrastructure Advisory Committee] to change funding, capital funding, 100 per cent now to the ministry. Could you elaborate a little more on that process?

Ms. Johnson: — Sure. And just to be clear, the decision to fund 100 per cent was government's decision. And what we consulted on with IAC was the form of the contract or the documentation that we would use to transfer the money to school divisions so that they were able to pay the contractors on time as those schools were built, once they were approved for construction.

Ms. Sarauer: — Is there any plan to address any outstanding reserves in any school divisions?

Ms. Johnson: — I'm not sure what your question is.

Ms. Sarauer: — Traditionally, as you had stated, some of the funding was expected from school divisions while others would be provided, the rest would be provided by government. Now it's 100 per cent government. Typically, but not always, schools would dip into their reserves to pay for their portion of the funding. So is there . . .

Ms. Johnson: — So yes, I've got your question now. So typically what happened in the past before the government changed the policy to fund 100 per cent, what would happen previously is the ministry would work with the school division to determine whether or not they had any capital reserves. And again, under legislation, for instance if a school division were to dispose of a school building, a portion of the proceeds from that sale are to be set aside in a capital reserve that can be directed to be used for future capital projects by the ministry.

[14:15]

And so when any capital project is approved, whether it's now or in the past when we were on a 65/35 ratio, those capital reserves would be expected to be drawn on first. And then, following that, the school division can . . . often acquired its 35 per cent by essentially going to financial institutions and entering into a loan instrument with the financial institution. Now that aspect of the school division going to a bank to get a loan for their 35 per cent share is over with. Government funds these schools 100 per cent. But if a school does have a capital reserve, then we do talk to the school divisions about the capital reserves. And where it's appropriate, those reserves are used as one of the ways to fund the school itself.

Ms. Sarauer: — Thanks. Madam Chair, I'm going to feign ignorance. I don't . . . Can I ask a question of the Provincial Auditor?

The Chair: — Yes.

Ms. Sarauer: — That's fine? There's a lot of heavy recommendations, I think, in chapter 20. Is there any plans of the auditor to review these sooner rather than later again?

Ms. Ferguson: — What you'll find is that as an office we always, what we refer to as follow up our recommendations on a periodic basis. And you'll see that our follow-ups tend to be every two to three years. And we vary that, depending upon sort of the timelines that the organization has set. For example, if there's recommendations and they're working towards a particular timeline, then we'll time our follow-up to coincide with that.

What we try to do is keep the pressure on the organizations to move forward in terms of implementation, but balance that with giving them enough time to actually do the work, you know. So it's a bit of a back and forth.

Ms. Sarauer: — So if there was a desire to maybe review these recommendations sooner than two or three years, like perhaps in a year, would you need a motion from the committee to do that?

Ms. Ferguson: — Our office decides on our work schedule on our own but we can certainly take that under advice. We're not sure off the top when we have it actually slated into our work program, but we can certainly take the advice of the committee in terms of if the committee would like to see us, to look at it sooner. You know, we can work that into our plans and see how it fits.

Ms. Sarauer: — I'm not sure the . . . Perhaps I would probably have to make a motion to see what the other members of the committee feel about that. I'm not sure when that appropriate time would be, but I'll maybe wait until after . . .

The Chair: — And see if there's any further discussion perhaps. Are there any further questions on this chapter? No. I actually have one, just a clarification here, and this is just coming from my experience in Health. So just to clarify, every capital project that the Education ministry wants to bring forward needs to come before SaskBuilds. Is that correct?

Ms. Johnson: — I think it's correct to say that of the Ministry of Education as well as any other ministry, yes.

The Chair: — Okay so . . . and that is your top 10 list that you bring forward. Okay, thank you. Seeing no further discussion, Ms. Sarauer, would you like to make a motion?

Ms. Sarauer: — Yes. I'm just drafting it right now.

The Chair: — Ms. Sarauer, you've got a motion?

Ms. Sarauer: — Yes, I think I'm ready and hopefully it's all in order. But I'd like to move a motion to revisit the recommendations in the 2015 report volume 1, chapter 20, in one year's time.

The Chair: — Okay. Can I just see the motion? I'll read the motion and then we'll take a quick recess to see if the motion is in order. So Ms. Sarauer has moved that this committee . . . So just a correction, or a clarification. Do you want the committee to revisit the recommendations or do you want the Provincial Auditor to . . . Is this a recommendation for the PAC [Public Accounts Committee] committee or for the provincial, the PAC committee directing the Provincial Auditor? Because you

moved that you want to revisit the recommendations in 2015 report volume 1, chapter 1, in a year's time. So I think we need . . .

Ms. Sarauer: — Sorry. Yes. It would be the committee recommending it to the auditor.

The Chair: — Okay. Ms. Sarauer has moved:

That the PAC committee recommend to the Provincial Auditor to revisit the recommendations in the 2015 report volume 1, chapter 20, in one year's time.

So we will take a quick recess to see if that's in order and then we can have a discussion about the motion. So we'll recess briefly.

[The committee recessed for a period of time.]

The Chair: — Thank you for that brief recess. The motion is in order:

That the PAC committee recommend to the Provincial Auditor to revisit the recommendations in the 2015 report volume 1, chapter 20 in one year's time.

I'd like to open up the floor for discussion. Ms. Sarauer.

Ms. Sarauer: — Thanks. I'd like to receive some more clarification from the Provincial Auditor because it sounds like it might already be working within your schedule, and I may not actually have to make the motion.

Ms. Ferguson: — You're quite correct. The advantage of technology and being televised: we've actually had a staff person text in here for us. That's great, isn't it? So what we've done is we've actually checked where it is in our planning cycle, and it is already built into our planning cycle. Our best guess is it might be in the 2017 report volume 1 for the best-case scenario; worst-case scenario, it would be 2017 report volume 2. So that would be in the two to three years from the point in time that this chapter was prepared.

Ms. Sarauer: — Right, and probably within the one year's time from today's date. So I think I'm comfortable withdrawing my motion with that information.

The Chair: — Okay. Thank you. So Ms. Sarauer has withdrawn her motion. All right. I do still need a motion with respect to this chapter though, the 2015 report volume 1, chapter 20. That is if there's no further discussion. No? Could I have a motion? These were all outstanding recommendations, so we can conclude consideration.

Mr. Doke: — So moved, Madam Chair.

The Chair: — Thank you. Mr. Doke. has moved for the 2015 report volume 1, chapter 20 that this committee conclude consideration. Any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right. We shall move on to the next chapter, the 2015 report volume 2, chapter 5. And I shall pass it off to Mr. Deis.

Mr. Deis: — Chapter 5 of our 2015 report volume 2, on pages 31 to 36, reports the results of our 2015 annual integrated audits of the Ministry of Education, the School Division Tax Loss Compensation Fund, the Prince of Wales Scholarship Fund, teachers' superannuation plan, and the teachers' disability plan. We report that they complied with authorities governing their activities and that the 2015 financial savings of the two funds and the teachers' superannuation plan were reliable.

Also we report that the ministry and its two plans had effective rules and procedures to safeguard public resources with one exception. The ministry needs to prepare an information technology plan. We first made this recommendation in 2009. As noted on page 33, the ministry continues to work on developing an information technology strategic plan. The ministry advises that it expected to have a draft of it to its executive committee for approval in January of 2016. That's based on the report I'm talking about.

In addition, the ministry has implemented all of our previous recommendations. That concludes our overview of this chapter.

The Chair: — Thank you, Mr. Deis. Ms. MacRae, could you please make some comments if you'd like?

Ms. MacRae: — With respect to this chapter, as Mr. Deis has noted, four of the recommendations had previously been noted as having been implemented. I'm happy to report that the ministry has in fact prepared its information technology strategic plan and it was approved on May 25th, 2016. We believe that this recommendation has now been fully implemented.

And the second of the outstanding recommendations has also been resolved. It was recommended that the ministry follow Canadian generally accepted accounting principles for the public sector when accounting for assets constructed under shared ownership agreements. The assets for co-owned schools were transferred to Central Services and were reported accurately on government summary financial statements. And so now that matter has been resolved.

The Chair: — Thank you, Ms. MacRae. I'd like to open up the floor for questions. Are there any questions on this chapter 5? Seeing none, are there no new recommendations in this chapter? Could I have a motion to conclude considerations?

[14:30]

Mr. Doke: — So moved, Madam Chair.

The Chair: — Thank you. Mr. Doke has moved that for the 2015 report volume 2, chapter 5 that this committee conclude considerations. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Let's move on to chapter 29 of the 2015

report volume 2. Mr. Deis.

Mr. Deis: — Chapter 29 from our 2015 report volume 2, which starts at page 141, reports the results of our 2015 integrated audit of the teachers' dental plan. The Teachers' Superannuation Commission administers the plan. Since 2008 and 2009, we've reported the need for the Teachers' Superannuation Commission to have better support for its dental payments, establish complete and written guidance for preparing interim and year-end financial reports for the dental plan, and include the financial statements for the dental plan in its annual report.

By June 2015 the commission had not yet completed its reconciliation process for matching details of dental claims to payments made so that it can ensure payments are made only to eligible teachers for eligible services. Once this reconciliation process is complete, the commission plans to revisit its processes to facilitate the preparation of interim and year-end financial statements for the dental plan. That concludes our overview of this chapter.

The Chair: — Thank you, Mr. Deis. Ms. MacRae.

Ms. MacRae: — I'm happy to report that the Teachers' Superannuation Commission continues to make progress on these recommendations, and we anticipate that they will be fully implemented by the end of 2017. Executive director Doug Volk is here to answer any specific questions the committee may have.

The Chair: — Thank you. I'd like to open up the floor for questions. Are there any questions on this particular chapter? Mr. Hart.

Mr. Hart: — Thank you. Just some additional information on this plan. It's indicated that there are quite a number of individuals that are served by this plan. Does the plan cover retired teachers plus the active teachers, or does it just pertain to those teachers who are currently in the classrooms and in the education field?

Mr. Volk: — Doug Volk, executive director, Teachers' Superannuation Commission. The teachers' dental plan covers all Saskatchewan teachers in the education sector. So once they leave, the profession coverage ceases. So it doesn't extend over to superannuated teachers.

Mr. Hart: — Thank you for that.

The Chair: — No further questions? There were no new recommendations in this chapter, so I'd like a motion to conclude considerations.

Mr. Doke: — So moved, Madam Chair.

The Chair: — Mr. Doke has moved that for the 2015 report volume 2, chapter 29 that this committee conclude consideration. Any further discussion? Seeing none, is that agreed? Carried. Let's move on to 2015 report volume 2, chapter 40. Mr. Deis.

Mr. Deis: — Chapter 40 of our 2015 report volume 2, which

starts on page 279, reports the results of our audit of St. Paul's Roman Catholic Separate School Division No. 20's processes to promote good student health and physical fitness. We concluded that for the 12-month period ending June 30th, 2015, St. Paul's had effective processes to promote good student health and physical fitness except in five areas, and that is the recommendations. I'll describe those.

In the course of this audit, we visited six schools in the division. In our first recommendation, on page 284 we recommend that St. Paul's set its expectations for promoting student physical activity. We found that the school division had not set out its expectation on student physical activity to support the implementation of the Ministry of Education's guideline, Inspiring Movement, which provides a sample school division policy. Not setting out physical activity expectations — for example, an expectation that students will have at least 30 minutes of physical activity a day at school — makes it less likely that the division and its schools will achieve the board's goal of increasing the health and fitness of students. This may also have an impact on overall learning.

In our second recommendation, on page 285 we recommend that St. Paul's establish a process to review and update policies on a regular basis. We found the board did not have a process to keep its policies current. We found cases that policies were outdated; for example, the nutrition policy referenced the 2009 version rather than the 2012 version of the ministry guidance. Not having a process to review policies periodically increases the risk of policies becoming outdated or irrelevant.

In our third recommendation, on page 288 we recommend that St. Paul's provide principals with criteria to guide their assessment and selection of health and physical fitness initiatives at the school level. We did not see evidence of schools using, nor the division office recommending the use of guidance and tools from the ministry for assessing and addressing needs related to student health and physical fitness. We found that principals did not use consistent or systematic approaches for assessing initiatives and did not receive guidance to help them assess and select initiatives. Without consistent guidance on assessing and selecting initiatives, principals may not be selecting initiatives that align with division principles and meet the needs of students.

In our fourth recommendation, on page 290 we recommend that St. Paul's monitor partnerships and community relationships related to nutrition and physical activity initiatives. We found that the division office and schools partnered extensively with the private sector and not-for-profit sector to promote student health and physical fitness. The division office does not consistently evaluate or approve school-level partnerships, nor does the division office require reporting from schools on their partnerships. As a result, the division office does not have complete information on which schools have entered into the partnerships and extent of resources and value they provide to the school. The lack of complete partnership information could lead to schools working with inappropriate partners. It could also create competition among schools for partners or missed opportunities to coordinate efforts, increasing the risk of inefficiencies and duplication of effort of school administrators and division office staff.

In our last recommendation, on page 291 we recommend that St. Paul's establish a process to track and report to its board of education on the performance of its initiatives to promote good student health and physical fitness. We found that schools did not always comply with existing policies. As such, the division's monitoring provided it with only limited information of the results of the divisions' and schools' many initiatives and compliance with its nutrition policy.

Without information and corresponding analysis about the effectiveness of its initiatives and policy, the division will be less able to effectively identify issues. The division will also be less able to determine which schools require revised initiatives or assistance to comply with policy and support student health and physical fitness. As a result, there may be uneven results across the division. The division may fail to take effective, timely action to address issues, and students may be less ready to learn. And that concludes our overview.

The Chair: — Thank you, Mr. Deis. Ms. MacRae, do you have any comments?

Ms. MacRae: — Yes. I'd like to note that the school division has concurred with the recommendations of the Provincial Auditor. And we have two representatives of the school division in attendance this afternoon: Joel Lloyd is the chief financial officer for the school division, Terri Fradette is the coordinator for learning services. And they'd be happy to address the committee with an update of their progress.

The Chair: — Thank you. I'd like to open up the floor for questions. Are there any questions on this chapter? Mr. Michelson.

Mr. Michelson: — May I ask a question and a comment. This is specific on St. Paul's Roman Catholic School Division No. 20. Would they not work with best practices with other school divisions within the separate school system, or the public school system for that matter?

Ms. MacRae: — Yes, in fact they would. Our province uses a common curriculum with respect to many of these issues. Individual school divisions are afforded a certain amount of autonomy in terms of how they meet those learning outcomes. But there is provision made for sharing best practices from one division to the other.

Mr. Michelson: — So on a provincial scale — maybe it's not fair to ask you; maybe to the auditor — how does this fare with the rest of the province?

Ms. Ferguson: — We haven't looked at the province as a whole. One of the things that you'll find in this report, what we did is we used the ministry guidelines in this area as a starting point, you know. And what we were doing is really looking at how does the school division line up with those ministry guidelines and make sure that they're implementing and following them.

So we didn't do across-the-sector comparison. It was just to focus on this particular school division.

Mr. Michelson: — So I would assume then you'll be doing that

with other school divisions as well?

Ms. Ferguson: — That's what we do, from time to time, is we do repeat the same project at another school division at a latter point in time. What we try to do though is, frankly, leverage the ministry and some of the various common groups within the education sector and share the criteria and findings, you know. So instead of, you know, frankly instead of forcing them through an audit process, we hope that they take the findings, have a look and consider them, and see if there's anything that they can learn from there.

Mr. Michelson: — The ministry would concur with that?

Ms. MacRae: — We would indeed.

The Chair: — Ms. Sarauer.

Ms. Sarauer: — Thank you. I'm interested in hearing from the school division a little bit more about the nutrition and wellness program partnership policy that's being worked on right now.

Mr. Lloyd: — Good afternoon. I'm Joel Lloyd, CFO [chief financial officer] for Greater Saskatoon Catholic Schools or St. Paul's. When we went through this audit, we realized through a GAAP [generally accepted accounting principles] analysis that there was a few items that weren't mentioned in our policies, and one of those is Inspiring Movements. And the content of that policy is our current practice, so what we're currently doing. What we haven't done in the past is formalize that into a policy and recognize that, yes, we are following the additional 30 minutes as required in that policy. So that's an item that we've identified that needs to be corrected, and as we move forward we'll ensure that the policy does reflect what we're actually doing.

I'll turn it over to Terri to talk a little bit about the Nourishing Minds and how that will be added as well.

Ms. Fradette: — Hi. Thank you for having me. So we have a current GSCS [Greater Saskatoon Catholic Schools] nutrition policy. It was approved by our board in 2010. Since then the Nourishing Minds guidelines have been updated. That's in 2012.

What we have noticed within our nutrition policy is that the reference to Nourishing Minds is outdated and so we will be updating that. What we also noted is within the policy we were missing the review regarding the nutrition offerings and procedures within policy. And so our goal is to bring a committee together, a broad-based committee including our administration, our staff, our parents, as well as the community members, to help us formulate what that review would be, and then obviously communicate that with our schools as well.

Ms. Sarauer: — To elaborate a little bit on what you've done to address the auditor's concerns about the lack of the program partnership policy that I think you've implemented now, so I think the specific recommendation was to monitor partnerships and community relationships related to nutrition and physical activity initiatives. And there's some concerns from the auditor about just ensuring that you weren't partnering with inappropriate partners. And then I'm not too sure . . . Frankly, I

would also be interested to know what an inappropriate partner would be.

Mr. Lloyd: — When we went through the audit, what was identified was we allowed our schools and mostly our administrators to be professionals. The institution that they're in, that's what they do on an everyday basis. And part of that autonomy that they have is to choose who they would partner as community associations or community organizations. An example would be a bakery down the street that wants to provide a discount on some bread or buns for the school. Those types of arrangements are informal arrangements that we have allowed schools to make.

Any type of arrangement which requires a reciprocal obligation from the school division, those types of arrangements, there is only two signing authorities and that's myself and the board Chair. So those types of significant arrangements are self-monitored. We don't have necessarily a policy for it, but just it's not allowed to happen based on signing authorities.

So an inappropriate partner, we struggled with that one as well, but there is the potential of an administrator entering into a contractual obligation with someone in the community, and it might be someone in the community that our board wouldn't support. So we recognize that as something that we need to work on. And we've actually employed an individual and part of their responsibilities is to monitor partnerships, create a procedure of not who only we would accept as a partner but also the process of filtering requests that come forward and ensuring it follows what our board wants us to do.

[14:45]

And then, based on that, we would have now a summary of all partnerships that we have entered into and a reporting mechanism of how effective those partnerships are.

Ms. Sarauer: — Great. I would assume that ensuring there's no conflict of interest as well between administrators and whoever they're contracting with as well.

Mr. Lloyd: — Yes. We have a conflict of interest policy right now which would govern that. But exactly. That's definitely a risk that we try to mitigate as much as possible.

Ms. Sarauer: — Thank you.

The Chair: — Are there any further questions on this chapter? Seeing none, we have five recommendations with which we have to deal. I think some clarification, how we would refer to the second recommendation that is not yet implemented but implementation is planned for 2017. So would we refer to that as not implemented or . . . Although you haven't started work on it yet, you anticipate doing that shortly. So we need to think . . .

Mr. Doke: — Note progress.

The Chair: — Note progress? Okay, although they haven't done anything on it yet. Okay. So I just wanted some clarity on that. All right. Could I have a motion with respect to these recommendations? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2015 report volume 2, chapter 40, all five recommendations, we would concur with the recommendations and note progress towards compliance.

The Chair: — Okay. Thank you, Mr. Doke. Mr. Doke has moved for the 2015 report volume 2, chapter 40, that this committee concur with the recommendations and note progress to compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Thank you, Ms. Fradette and Mr. Lloyd, for your travel down here to answer those questions. We shall move on to the next chapter, chapter 52 of the 2015 report volume 2. Mr. Deis.

Mr. Deis: — Chapter 52 of our 2015 report volume 2 begins at page 347. The chapter reports the results of our first follow-up on the Regina Public and Regina Separate divisions' progress towards addressing the 17 recommendations we initially made in our 2013 audit related to the physical safety of students. Eight recommendations related to Regina Public School Division No. 4, and nine recommendations related to Regina Roman Catholic Separate School Division No. 81.

Your committee considered these recommendations on June 18th, 2015. Since our audit, we found both school divisions had made various improvements, had work actively under way and planned, and had not yet addressed a few of the recommendations.

By September of 2015, Regina Public had implemented three recommendations, made progress on three more, and has yet to address two of the recommendations. Regina Public developed and implemented safety manuals for use in school science labs and shop areas, gave schools guidance on required contents of emergency response kits, and set clear expectations for safety training for school staff. It determined requirements and developed guidelines for safety components. It completed a safety audit that determined it required more eyewash stations. At the time of our follow-up, the division had not completed the replacement of eyewash stations and kits.

While the division determined the best locations for signage and safety equipment, we observed examples of inadequate and inconsistent signage in the schools we visited. Also, while the division had determined it should install video surveillance at all the schools to address security risks it had identified, it had not yet bought such equipment. As a result, we found it needed to make further improvements related to safety-related signage and safety items and the level of physical security at the schools.

Also at the time of our follow-up, the division did not require testing the air quality when construction took place during the school year. Also it did not give its board information on the success of its student safety initiatives.

By September of 2015, Regina Roman Catholic had implemented one recommendation, made progress on four, and had not yet addressed four of the recommendations. Regina

Separate gave schools emergency response plan templates, and reviewed them to submit completed plans for review and approval.

The division had hired a third party to provide shops and science labs with safety manuals by the fall of 2015. It gave administrators emergency response guides. However our testing at selected schools found that not all schools were following the guidelines.

It completed a safety review of practical and applied arts. At the time of our follow-up, it was in the process of implementing the results of the recommendations, and planned to do a similar review in its science labs.

It drafted a security template to help students assess the level of physical safety security required for each school. At the time of our follow-up, it had not yet given the templates to the schools.

At the time of our follow-up, the division had not defined the number of first aid staff required in each school, determined the appropriate location for placement of safety-related signage and equipment, established requirements to test air quality when construction takes place during the school year, given its board information on the success of its student safety initiatives. And that concludes our comments.

The Chair: — Thank you, Mr. Deis. Ms. MacRae, do you have some comments on this chapter?

Ms. MacRae: — Yes. I'm happy to report that the school division is now reporting that all but one of these recommendations with respect to Regina Public School Division No. 4 have been implemented. Partial implementation has been achieved with respect to the installation of video surveillance systems for all high schools, with a target date of having them completed by June 2017.

There are officials from Regina Public in attendance here this afternoon who will also be prepared to answer any questions the committee may have. Greg Enion, Darren Boldt, and Mike Walter are here with us, and I'll pause there before we move on to address Regina Catholic Schools.

The Chair: — Thank you. I'd like to open up the floor for this chapter. Ms. Sarauer.

Ms. Sarauer: — Thank you. To comply with these recommendations, it involved purchasing various equipment — video surveillance, eyewash stations, things like that, signage. I'm curious to know how much money was expended to comply with these recommendations.

Ms. MacRae: — I'll have to defer to the school division staff for that response.

Mr. Walter: — Mike Walter, deputy director with Regina Public Schools. In terms of costing, we budgeted \$200,000 for the installation of the video camera systems, so that's that part. In terms of the signage, it's a minimal cost for the signages and I would estimate the cost for signages and eyewash stations to be around anywhere from 5 to \$10,000.

Ms. Sarauer: — Was that additional money that you were provided by the ministry, or did that have to come out of the funding you were provided?

Mr. Walter: — It would come out of our funding that was provided by the ministry. Not extra funding. Within the funding allocation.

Ms. Sarauer: — Right. Thank you.

The Chair: — Are there any further questions on this chapter?
Mr. Hart.

Mr. Hart: — Yes, thank you, Madam Chair. My questions are somewhat along the line of Ms. Sarauer's. I think we all realize that student safety is a very high priority in our schools, but maybe I'm a little old school. I mean, you know, I think our students have been quite safe in our schools over the years and so on.

So these recommendations that the auditor put forward, were those things that you as a school division were already working on, and so you just needed to perhaps, you know, speed up the process, implementation process a bit more? Are there certain areas where they were new initiatives that the school division had to take?

Mr. Walter: — I don't believe anything was out of the realm of what we are already doing. I think the power of going through this process was to have an outside agency look inside and say, here's what we see. And we work hard to ensure students are safe, but I think from time to time it's wise to have someone from the outside step in and say, have you thought about this; have you thought about that? So that was the power of the process from our perspective that helped to tweak and improve our practices. So overall it was a very good process to work with the auditor's office in terms of trying to do a better job of making sure students are as safe as possible.

Mr. Hart: — Well I'm pleased to hear those responses because I do have to admit there are times when we're examining or looking at some of the work that the auditor has done in certain areas, and the one that comes to mind is when — I don't know what report it was, but it was fairly recent — when the auditor was in long-term care homes and looking at the time it took to deliver the meals and all those sorts of things. And we have to wonder about their capabilities, but what they tell us is that they do refer to and bring on consultants that are quite knowledgeable in this.

Because I do have a son that's a chartered accountant, and I know they are skilled people. But there are some deficiencies, and I'm glad to see that you rely on consultants and knowledge base of people with expertise in the area. And I'm very pleased to hear that you found it was quite a positive . . . And ultimately, I mean, it's the students and their well-being and their safety is the most important thing. And so if this process enhanced that, I mean I think it's a win-win situation. Thank you.

Mr. Enion: — I'd just like to add . . . Greg Enion, director of Regina Public Schools. We actually take a look at all of the auditor reports for every school division in the province, and we

take a look at that as a learning opportunity for us. So I think it's really good, proactive work around student safety. We need to be very, very conscious. As director, this is my number one responsibility to ensure that every student is safe.

So this has been a very valuable process and I think some good learning for us. Obviously there's still some things in progress but we're very pleased with the audit.

Mr. Hart: — Good to hear that.

The Chair: — Any further questions on this chapter? Seeing none, could I have a motion . . . There are no new recommendations in this chapter. Oh, sorry I missed some.

Ms. Sarauer: — I do have a question but it's for the Regina Catholic School Division and I know we hadn't moved on to . . . Can I ask the Regina Catholic School Division a question now?

Ms. MacRae: — Yes, by all means. I will just note for the record that all but one of the recommendations for this school division have also been implemented. I suspect your question may be about the one that remains partially implemented.

Ms. Sarauer: — Well I'll surprise you and ask two questions.

Ms. MacRae: — In attendance this afternoon is Brian Lach from Regina Roman Catholic school board. I think you may be familiar with this gentleman.

Ms. Sarauer: — I think I might be as well. My first set of questions is the same as the ones I asked Regina Public. You also had to purchase some equipment to comply with these recommendations. About how much money did you need to spend?

Mr. Lach: — Brian Lach, superintendent with Regina Catholic schools. In working through the process with the Provincial Auditor and working towards implementing the recommendations, we would have spent approximately \$20,000 on the process. The breakdown of that would be . . . We had an outside group come in, Suncorp Valuations, come in and do an audit of our practical and applied arts shops and our science labs as well to give us a starting point in terms of how do we address the safety needs that are in those spaces within our schools.

So that was again about \$10,000 worth to that company to do that work. They were very thorough reports. They gave us a lot of detailed information on areas that we needed to improve upon and then we set about to start to address those. And that's where those other costs came in, whether that was things like the eye wash stations, whether it was things like electrical, whether it was signage, first aid kits, all of those types of things. So approximately \$20,000.

Ms. Sarauer: — Okay, thanks. And then again, was that additional money that the ministry provided you, or did you have to work within the budget?

Mr. Lach: — No, we worked within our own budget to achieve that.

Ms. Sarauer: — Okay, thanks. I will now ask a question about the recommendation that's still partially implemented. Can you elaborate on what you've been working on so far with respect to our quality testing and when you intend to have the recommendation completed?

Mr. Lach: — Yes. We found this one to be a very complicated recommendation. Not that we were in any sort of disagreement with the need to have air quality testing take place within the schools, particularly around the times when there is construction or renovations taking place within the schools. The challenge that we had was in working with the auditor that we were working through this with, was coming up with the . . . answering the question, what is it that needs to be tested? And as we worked through it, we weren't able to land on a particular specific area.

One of the reasons for that was initially when I responded to the recommendations, I had put forward that we were using the occupational health and safety guidelines. And in particular it would be section 5, general health requirements. And I'll just . . . I'm just using this for the record here. And when you get to section 65 and 66, when we're talking about ventilation and air supply and mechanical ventilation, what we were looking at with that was when we were having construction or renovations done, our thought was that the air quality needed to be tested for the workers that are there, and then by extension, that would make it appropriate for our teachers and our students that are in the building.

[15:00]

There was some concern that came back to us in conversations with the auditor that that wasn't sufficient, that we needed to have more testing completed through the pre-, during, and then after the construction phase. What came out of that though was the question of, what is it that we want to test for? Because there's a lot of different areas that we would be looking to test. Things like dust, and you can do that through a particle counter which tests your mechanical systems. And so that would be one. Are we testing for allergens? Are we testing for moulds? Are we testing just for dust? Are we testing for what I learned was volatile organic compounds or VOCs, which may be carpets that may be off-gassing, glues that are used to put flooring down, and those types of things?

So my comment in my response in that this is in dispute, is in no way that we don't think that it's important for us to do it. Basically what it was is just that we haven't landed on what is it exactly that we want to test for, because it's a very complicated process to go through and to test. So that's where we're at right now with it. It's still a work in progress and I think eventually we will get to a place where we can say that it's implemented, but that's where we are right now with it.

Ms. Sarauer: — Thanks.

The Chair: — Thank you. Any further questions on chapter 52? Seeing none, could I have a motion to conclude consideration?

Mr. Doke: — That would be for all of it?

The Chair: — Oh, for all of chapter 52, yes.

Mr. Doke: — So moved, Madam Chair.

The Chair: — Okay. Mr. Doke has moved for the 2015 report volume 2, chapter 52 that this committee conclude considerations. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. We shall move on to 2016 report volume 1, chapter 3. Mr. Deis.

Mr. Deis: — Chapter 3 in our 2016 report volume 1 is on pages 21 to 28, and it reports the results of our 2015 audits of Saskatchewan's 28 school divisions. As noted in the chapter, our office works with school division appointed auditors to carry out these audits.

We report for the year ended August 31, 2015, all school divisions had reliable financial statements and complied with authorities governing their activities. We report each school division had effective rules and procedures to safeguard public resources, except for the matters related to four school divisions that we'll discuss in a few minutes. We further note that we shall report the results for 2015 audit on the Conseil scolaire francosaskois Internet report.

This chapter contains three new recommendations for the committee's consideration. My presentation will focus on those three new recommendations and highlight the three recommendations either partially or not implemented at the time of our 2015 audits.

First, with respect to Holy Trinity Roman Catholic Separate School Division No. 22, on page 23 we recommend that Holy Trinity only pay for purchases that are properly authorized. The division's purchasing policy requires an appropriate authority, such as a supervisor, to review and approve items prior to payment. Holy Trinity did not follow its purchasing policy for purchases made by employees that have budget oversight, such as superintendents and principals. Inadequate review and approval of payments increases the risk of inappropriate charges through the school division or payments for goods and services never received by the school division.

Second, with respect to Ile-a-la-Crosse School Division No. 112, on page 24 we recommend that the school division develop financial management policies and procedures to address its financial risks. The division had not made sure its financial management policies and procedures addresses financial risks. Policies and procedures help staff complete their work accurately and consistently over time, facilitate supervision of staff, and ease transition in the event that key financial staff leave the organization. On the same page, we also note that the division's policy for recording journal entries did not include an independent review and approval of a second person of these activities. This increases the risk of unauthorized or inaccurate entries being made into the accounting records.

Third, with respect to Lloydminster Public School Division No. 99, on page 25 we recommend that Lloydminster review and approve cheque registers prior to printing signed cheques for

payment. For several months in 2015 the division did not review and approve cheque registers prior to issuing payments. Timely review of cheque registers confirms the accuracy, appropriateness and proper authorization of charges before recording the payments in its accounting records and making the payments.

Fourth, with respect to Northern Lights School Division No. 113, we note on page 25 that while it had developed a disaster recovery plan, it had not yet tested the plan to make sure it worked as expected. And that concludes our comments on the chapter.

The Chair: — Thank you, Mr. Deis. Ms. MacRae, do you have some comments?

Ms. MacRae: — Yes, Madam Chair. I'm happy to report on behalf of the Chinook School Division that their one outstanding recommendation has now been fully implemented. Their information technology disaster recovery plan was approved in June of 2015 and tested on August 25th of 2016.

With respect to the Holy Trinity Roman Catholic School Division, their one outstanding recommendation, or their actually new recommendation has been implemented, and their processes have been changed to require independent review and approval of purchase card transactions and employee expense claims made by senior management and by principals. And accounting and finance now monitors that approval has been provided for all purchase card purchases and employee expense claims.

With respect to Ile-a-la-Crosse one of their two recommendations has now been fully implemented. The other is partially implemented and there is a representative from Ile-a-la-Crosse in attendance this afternoon. Actually there are two of them, Dave Dornstauder and George Luhowy, if there are questions from committee members. Perhaps I'll pause there before moving forward.

The Chair: — Thank you, Ms. MacRae. I'd like to open up the floor for questions. Mr. Doke.

Mr. Doke: — I just have one question. It doesn't relate to much of this but do you have the capability of video conferencing from Ile-a-la-Crosse?

A Member: — We could, yes.

Ms. MacRae: — The answer is yes.

The Chair: — Are there any further questions? Mr. Hart.

Mr. Hart: — Seeing that the folks from Ile-a-la-Crosse travelled a long way, perhaps we could go into the recommendation pertaining . . . that is partially implemented and go into that a bit more. That's dealing with financial management policies and procedures to address financial risk. I believe the deputy minister said that's partially implemented. I wonder if you could just give us a summary of what has been done and what work needs to be done to come into compliance with the recommendation.

Mr. Dornstauder: — Good afternoon. Dave Dornstauder, the director of education from Ile-a-la-Crosse. I was going to say while George is digging I'll just fill in the little bit that I know. I'm relatively new in the position in Ile-a-la-Crosse. I don't believe we were given an option to teleconference. I'll have to double-check that but I don't think it was an option. In fact . . . Well I won't go any further than that.

The recommendation that's partially implemented I think is partial in that we found it to be a bit of an unseen target. I find it pretty ambiguous. I'm not an accountant. When people are asking that we implement policies to alleviate risk I'd kind of like to know what those risks are in some detail. And if we were to get those details I'm sure we would be able to do what we can.

Mr. Hart: — I wonder if the auditor could perhaps expand on the comments that were just made.

Ms. Ferguson: — Most definitely. You know, what we find is the financial risks of one organization do vary from one organization to the next. So you'll find in our findings the very first step that we're asking the school division to do is to do that risk assessment.

And when you're looking at financial risks, what you're thinking of is what is the risk of you making the wrong payment? What's the risk of a payment being unauthorized? What's the risk of not recording that payment correctly? What's the risk of over-expending your budget? You know, those are the types of risks that we're talking about. So it's basic financial management risks that we're thinking about and asking the school division to consider.

This I think, frankly, is an area that you can probably get a lot of synergy from talking to other school divisions and even looking at the policies that other school divisions have and going through them and saying, okay, does this make sense for our school division or not? And I don't think it's, frankly, a situation where you can just take somebody else's policies and say, yes they work for me, because you'll find that the size of your organization will change your policies to some extent. You may have a different level of staffing, maybe different expertise on your staffing. So it's not just a cut-and-paste exercise. There has to be a bit of thought that goes through that.

Mr. Hart: — Thank you. Did you have any other comments with regard to what the auditor has just presented?

Mr. Dornstauder: — No. That's something that we kind of talked about, George and myself. But again being two of us in the office, who is going to do the risk assessment and try and put some type of subjectivity or objectivity to our findings? Would be pretty difficult to do.

Mr. Hart: — You said there was only two of you in the office, the size of your school division that obviously is quite a bit smaller than some of the other ones that are here today. Could you give the committee just sort of a bird's-eye view of, you know, the number of schools you have, how many people you have in the school division, staff, and those sorts of things?

Mr. Dornstauder: — I certainly will. Now that I have the

opportunity, I'll give you the full-meal deal here.

Mr. Hart: — Sure. Well you came a long way so . . .

Mr. Dornstauder: — Ile-a-la-Crosse is a stand-alone school division. It's in the second-oldest community in the province. It used to be called sākitawāk which in Cree means meeting place. So it's at the convergence of a number of rivers and the Churchill River system. It's a Métis community that's been looking after its own education almost exclusively since, I believe, early 1970s, George?

Mr. Luhowy: — Yes.

Mr. Dornstauder: — We have 450 students, give or take, a staff of roughly 15 including both professionals and non-professionals. And in the office, there is a director, myself, the CFO, George, and we have an office clerk. So you may understand a little better now why sometimes we read things like risk assessments and performing certain analysis that probably doesn't make quite as much sense as it might in Regina Public or Saskatoon Separate.

I think some of the risks that would be involved in a larger building probably are less likely in a smaller one, and conversely at times, I suppose. That's why the first recommendation has been implemented. It was one that made sure that journal entries, manual journal entries have been checked by a second person. Now again that second person is probably myself or the board chairperson. So again, you know, our numbers are pretty limited. But hopefully that helps maybe everybody understand a little bit of what we're going through here.

Mr. Hart: — Great. Thank you for those comments that we have a better understanding of your operation for sure. Thank you.

Mr. Dornstauder: — Thank you.

The Chair: — Are there any further questions on this chapter? Seeing none, we have three recommendations with which we need to deal. Can I have a motion?

Mr. Doke: — Madam Chair, do you want to do them individually or together or . . .

The Chair: — How about the two that there's compliance or that have been implemented?

Mr. Doke: — There's three that are.

The Chair: — I know. Two that have . . . One's partially implemented. So 1 and 3 have been implemented. So if I can have a motion for 1 and 3 to . . .

Mr. Doke: — Okay. So, Madam Chair, on chapter 3 with Chinook and Holy Trinity, I would concur with the recommendations and note compliance.

The Chair: — Okay. So I'm just going to double-check here. That is recommendation no. 1, that Holy Trinity . . . and no. 3 is the Lloyd Public School Division.

Mr. Doke: — Those are the new ones.

The Chair: — Those are the new recommendations so . . . I do have that correct, I believe. So recommendation no. 1 and no. 3, the new recommendations.

Mr. Doke: — That's right.

The Chair: — So would you like to make that motion again?

Mr. Doke: — Okay. I'll try again.

The Chair: — Okay.

Mr. Doke: — In regards to the 2016 report volume 1, chapter 3, in regards to Holy Trinity and Lloydminster Public, we would concur with the recommendations and note compliance.

[15:15]

The Chair: — Okay. Sorry, just one . . . and Lloyd. So Mr. Doke has moved that for the 2016 report volume 1, chapter 3, recommendation no. 1 and 3, which is Holy Trinity and Lloydminster, that this committee concur with the recommendations and note compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. For recommendation no. 2, Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2016 report volume 1, chapter 3, with recommendation no. 2 in Ile-a-la-Crosse, we would concur with the recommendation and note compliance.

A Member: — Progress.

Mr. Doke: — Progress, sorry. Progress.

The Chair: — Okay. Thank you. Mr. Doke has moved that for the 2016 report volume 1, chapter 3, recommendation no. 2, that this committee concur with the recommendation and note progress to compliance. Is there any further discussion? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you very much for your time and for your travels all the way to Regina. Much appreciated.

We will move on to the 2016 report volume 1, chapter 11. Mr. Deis.

Mr. Deis: — Chapter 11 of our 2016 report volume 1, which starts at page 113, reports the results of our audit of the effectiveness of North East School Division No. 200's processes to increase the percentage of grade 3 students reading at grade level to meet the education sector strategic plan goal of 80 per cent by 2020.

We concluded that for the 12-month period ended December 31st, 2015 North East School Division had, excepted areas

noted, effective processes to increase percentage of grade 3 students reading at grade level to meet the education sector strategic plan, or ESSP, of 80 per cent by 2020.

We made five recommendations. Our first recommendation, on page 119 we recommend that North East document all of its key risks related to increasing the percentage of grade 3 students reading at grade level.

The division had documented some but not all key risks in meeting student reading goals — for example, risks resulting from students who frequently move among school divisions. Documenting all key risks related to achieving planned reading levels supports understanding and proactive management of risks within each school and across the division.

In our second recommendation on page 120, we recommend that North East document strategies for managing identified risks related to increasing the percentage of grade 3 students reading at grade level.

The division did not document strategies to manage many of its key risks to increasing student reading levels — for example, strategy to assist students struggling with reading. Documentation of strategies helps staff clearly know what actions the division expects them to do to address identified risk and promotes active risk management. Without active risk management by staff, students may continue to struggle to read at grade level by the end of grade 3, resulting in those students falling further behind as they continue in their schooling.

And our third recommendation, on page 123 we recommend that North East work with other school divisions to develop additional guidance for exempting students from provincial reading level assessments. We found provincial guidelines related to exempting students from provincial reading level assessments did not contain sufficient detail to ensure it made exemptions consistently.

The division did not seek or develop additional guidance for its staff. Without additional sector-wide guidance on determining which students to exempt, the division increases the risk that it does not assess exemptions consistently among its schools from year to year or with other school divisions. A lack of sector-wide guidance increases the risk that school divisions could improperly or inconsistently exempt students from reading assessments.

In our fourth recommendation, on page 124 we recommend that North East periodically evaluate the effectiveness of its tools it uses to assess student reading levels. The division uses four different reading level assessment tools and has used some of these tools for many years. The division did not evaluate the effectiveness of its reading assessment tools. Staff in schools had varying views on the value of tools and the frequency of assessments of individual students. Some students are assessed at least five times in a school year. Periodic analysis of the effectiveness of reading assessment tools would enable a division to determine whether they provide teachers with the necessary information to help them increase individual student reading levels and assessments are time well spent.

And our fifth recommendation, and that's on page 125, we

recommend that North East publicly provide reasons for differences between planned and actual results for grade 3 student reading levels, along with key resulting changes to its action plans. The division did not explain in its reports why actual results for student reading levels differed from reading targets, nor did it share in its reports the changes it planned to make in order to achieve the goal.

Without adequate reporting, the board may make uninformed decisions about strategies in resource allocations needed to support students with reading challenges and its staff, and the public may not know how to support the division's action plans. That concludes our overview.

The Chair: — Thank you, Mr. Deis. Ms. MacRae, do you have some comments?

Ms. MacRae: — I'll be brief. These are all relatively new recommendations. I'm happy to report that the school division has made progress in that each of them is now being identified as being partially implemented. I will also note that there are two representatives from the North East School Division in attendance today: director of education Don Rempel and Eric Hufnagel. I would invite them to come forward if there are questions from the committee.

The Chair: — Thank you for that. I'd like to open up the floor for questions. Ms. Sarauer.

Ms. Sarauer: — Yes, thanks. I have a question about the recommendation that's in dispute. And forgive me, I'm a bit new to the committee, so I have yet to see a recommendation that's in dispute. So I'm very interested to hear a little bit more about this.

Mr. Hufnagel: — Eric Hufnagel, North East School Division, superintendent of student services. I somehow knew that the dispute might capture someone's attention. And I do believe, and we discussed this a bit with Ms. MacRae before and with the auditor's office as well, more a matter of semantics than a matter of dispute because the recommendation which discusses that whole complicated area of exempting students from an assessment is indeed a complicated area.

So I think, during the audit which was conducted in December and January of this current year, 2016, carried over into January, in between the time the audit was done and by the time the report was written and the recommendations were made, a lot of good, solid work was completed by the collaborative partners, including Mr. Choo-Foo's provincial leadership team around Sask Reads in the document. There is indeed an appendix to that document which clearly outlines students that can be exempted or excluded from the assessment and also the ministry itself. Prior to the roll-up, which would have occurred in June of 2016, a document was issued on June 1st which clearly reiterated exactly what Mr. Choo-Foo's committee had discussed as well.

So it's not so much it's disputed, and in fact is completed. There is great clarity and very little issue or discussion around who could be exempted; realistically, it's students who are those English-language learners or English-as-an-additional-language learner who might struggle and are on a certain level

where it's not fair nor prudent to try to assess them.

The other one might be due to health, mental or cognitive disabilities, and/or perhaps truancy or absenteeism. So for the most part, typically and traditionally, the North East has been a division that has assessed everybody. You show up, you get assessed. And so that was a matter of making sure that that was conducted in a fair and perhaps even more a consistent manner with our other partners in the province.

Ms. Sarauer: — Thank you. So I guess my next question is for the Provincial Auditor. Is there any follow-up that you're seeing, or do you feel as if this recommendation is in the process of being completed? Or are there still issues that your office has with the definition as opposed to what the school division's definition is?

Ms. Ferguson: — I think in this case it's, you know, hindsight's always 20/20. We probably could have worded this one better. Instead of just working with other school divisions, we probably should have rolled the ministry along with it, which I think is in practice what's occurred here.

So what we are . . . you know, as indicated, we have had conversations with the school division and we're very pleased with the path that was undertaken here. So I don't think there'll be problems. I think it's trying to put, you know, probably square things into round holes that sometimes creates a bit of challenges in terms of how you label things.

Ms. Sarauer: — Thanks. Great. I thought that would be way more exciting than it was, but thank you for the work on that.

Mr. Hufnagel: — You're welcome.

The Chair: — Okay. Are there any further questions? The auditor just . . . Are there any further questions? Seeing none . . .

Mr. Doke: — I have one.

The Chair: — Okay, Mr. Doke. Sorry.

Mr. Doke: — Just to clarify then. You would concur with the recommendation then and note progress? Is that what you're saying?

Mr. Hufnagel: — Excuse me, no progress?

Mr. Doke: — No. Do you concur with the recommendation?

Mr. Hufnagel: — Note progress. Absolutely.

Mr. Doke: — Okay.

Mr. Hufnagel: — Yes.

The Chair: — That would have been my question too, so okay. No, that's good. So can I have a motion with respect to these five new recommendations? Mr. Doke.

Mr. Doke: — Thank you, Madam Chair. In regards to the 2016 report volume 1, chapter 11, five recommendations, we would

concur with the recommendations and note progress towards compliance.

The Chair: — Thank you, Mr. Doke. Mr. Doke has moved that for the 2016 report volume 1, chapter 11 that this committee concur with the recommendations and note progress to compliance. Is there any further conversation? Seeing none, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I'm going to suggest we take a small recess, a brief recess. And I will not be in the Chair when we come back; it will be Mr. Doke. So all right, we'll take a 10-minute recess and come back.

[The committee recessed for a period of time.]

The Deputy Chair: — Okay. We'll get back at this and we're now going to look at the 2016 report volume 1, chapter 12. And I'll turn that over to Mr. Deis.

Mr. Deis: — Thank you. Chapter 12 of our 2016 report volume 1 which starts on page 127 reports the results of our audit of the effectiveness of Prairie Spirit School Division No. 206's processes to maintain its 35 schools located in 26 communities, its division office, school services building, and bus garage and related components such as HVAC [heating, ventilating, and air conditioning] systems.

At November 2015 the division had identified structural deficiencies in about 40 per cent of its schools. It estimated it had deferred maintenance totalling \$44 million related to structural deficiencies at schools and school roofs. We concluded that for the 12-month period ended November 30th, 2015, Prairie Spirit did not have effective processes to maintain its facilities. We made seven recommendations.

In our first recommendation, on page 134 we recommend that Prairie Spirit set out in writing what minimum information it expects staff to gather and record about its facilities and significant components.

The division did not have written guidance that said what information it expects staff to collect and track in its electronic maintenance system or guidance to make sure information in its maintenance system was complete, accurate, or up-to-date. We found that it did not fully use the functionality of the maintenance system to plan for the future maintenance or track maintenance that it did. We found that the information in the division's maintenance system about its facilities and their significant components was incomplete, outdated, and not always accurate.

Not having complete and accurate information could contribute to maintenance activities being reactive instead of preventative. Over time, focusing primarily on reactive maintenance can contribute to poor facility conditions and may lead to unsafe facilities or portions of facilities.

In our second recommendation, on page 135 we recommend that Prairie Spirit provide staff with written guidance on the nature, extent, and frequency of inspections of all its facilities

and related significant components.

While the division felt that ministry-arranged, five-year visual inspections provided the division with insufficient information about the condition of its facilities, it did not have policies or guidance setting out its expectations over the frequency, nature, and extent of inspections of its facilities or about documenting the results of those inspections. We found that the information in the division's maintenance system about the condition of facilities and components was outdated.

Not requiring regular, robust inspections increases the risk that information about the condition of facilities and significant components is not sufficiently robust or available for maintenance planning. Lack of guidance increases the risk staff may not carry out sufficient inspections at appropriate intervals.

In our third recommendation, on page 137 we recommend that Prairie Spirit establish service objectives for each type of facility and significant related component.

We found that the division had set an overall service objective of providing, and I quote, "a safe, healthy, and inviting environment to encourage students to reach their full potential." And that's to guide its maintenance activities. However, it had not set for each type of facility or their significant components, minimum facility conditions or the facility life that it deemed acceptable to meet its needs. We call these service objectives.

Periodically, it hired experts to assess the roofing and structural integrity of schools and to recommend repairs or actions. For example, it hired experts in the 1980s, 2013, then in 2014-15. We found that it did not always carry out its experts' recommendations or recommendations of the ministry facility assessment report experts. For example, we identified five schools with unaddressed recommendations from structural engineer assessments conducted from the 1980s to 2013.

Setting serious objectives would help the division to decide which expert recommendations to implement and when. Determining measureable service objectives like facility condition indices would help the division determine what future maintenance to do and when, and what resources it would need to carry out this maintenance over the short, medium, and long term.

In our fourth recommendation, on page 144 we recommend that Prairie Spirit develop a maintenance plan for all its facilities and their significant components, including short, medium, and long term maintenance priorities, and plan preventative maintenance strategies.

The division did not have document maintenance planning processes. Instead of a documented maintenance plan, such as a use of its maintenance system to set out its planned maintenance, we found Prairie Spirit informally determined its maintenance priorities for the upcoming year. The division relied on the experience of its professional maintenance staff, results of its 2014-15 roofing instructional integrity assessments, ministry-approved and funded maintenance or renewal projects, and other annual funding available for maintenance and capital.

We found that Prairie Spirit did not document how it prioritized its significant maintenance projects. Determining the priorities of maintenance over the short, medium, and long term and strategies to address them are critical steps in developing an overall maintenance plan.

Having a maintenance plan would assist the division in determining the cost of its maintenance needs over the short, medium, and long term. It would demonstrate the division's plans to reduce or potentially eliminate the need for and extent of major repairs in the future. A maintenance plan would also help the division to determine the impact on its facilities of delaying maintenance.

In our fifth recommendation, on page 143 we recommend that Prairie Spirit track maintenance completed on facilities and significant components. While division staff documented in its maintenance system the completion of a request for maintenance — like investigating a natural gas smell in its school or fixing a leak — they did not track the results of preventative maintenance such as inspections of air-handling units or furnace or fire sprinkler systems.

Lack of processes to track maintenance completed and when, reduces the ability to readily monitor maintenance activities. Not updating information on completed maintenance may result in an inefficient use of resources.

Our sixth recommendation, on page 145 we recommend that Prairie Spirit provide its boards with periodic comprehensive maintenance reports, for example, the condition of the facilities, timely completion of maintenance, the deferred maintenance that is ongoing, and its anticipated impact, that is to help inform decision making.

The division board did not receive comprehensive information on maintenance. We found that the board did receive periodic, high-level summaries on the condition of school roofs, and structural integrity of 15 high-risk schools, along with the estimated costs to repair, received quarterly reports on the status of maintenance projects under way or anticipated. These status reports did not indicate the projected budget, the project budget actual cost to date, forecasted cost to complete, or percentage of completion, and quarterly financial information that included the comparison of actual expenses to budget in prior years, did not include reasons for differences between planned and actual costs or estimated forecast for the year.

The board did not receive information on actual maintenance activities as compared to planned. It did not receive trends in the number or nature of service requests. It did not receive percentage of service requests not yet completed or information on the condition of the 20 of its schools and other facilities.

[15:45]

Without sufficient analysis and reporting on maintenance results, management, the board, ministry, and public cannot assess if effective maintenance of facilities and components is occurring or its maintenance funding is sufficient and efficiently used.

Our seventh and final recommendation, on page 146 we

recommend that Prairie Spirit require estimated maintenance costs be reviewed against supporting information for reasonableness by someone other than the preparer of those estimates.

We found that reports on estimated costs of roof repair and structural deficiencies of \$22.6 million provided to the division's board and to the Ministry of Education was comprised of estimates made by external engineers totalling \$3.4 million externally, and internally by its facility staff totalling \$19.2 million. The division did not keep written documentation to support about \$13 million of its internally prepared cost estimates.

Our review of the internally prepared estimate found the division mistakenly double counted about \$2 million of the \$13 million resulting in overstating the cost of repairs by \$2 million. Without written support for the internally prepared estimate, management could not have reviewed the accuracy and reasonableness of the estimate prior to its inclusion in reports to the board and to the ministry. Lack of adequate documentation to support estimates and lack of a review increases the risk of providing inaccurate, incomplete information used to make decisions.

That completes our overview.

The Deputy Chair: — Thank you, Mr. Deis. Ms. MacRae.

Ms. MacRae: — Thank you, Mr. Chair. As one might expect, given the newness of these recommendations, none of them have yet been implemented. However, given the seriousness of the findings or the recommendations that have been made, there is an expectation that these recommendations will be acted upon by the school division with the ministry's support in relatively short order.

I would like to introduce to the committee at this point, Lionel Diederichs, who is the brand new chief financial officer for the school division, and have him come forward to answer as much as he can, given his relatively short tenure, with respect to the plans that the school divisions have made in response to the report. Assuming, as always, that you would want to hear that.

Mr. Diederichs: — Thank you, Minister MacRae. And your comment about new, at my age, is always welcome. So I'm certainly open to any questions you might have.

The Deputy Chair: — Do you want to make any remarks first before I ask for questions?

Mr. Diederichs: — No, I would just echo again what Minister MacRae has indicated. I've been with Prairie Spirit for about six weeks. I can certainly give some background, but that may be limited. You know, welcome again any questions. I can certainly do a better job of answering in greater detail, questions that might indicate plans going forward.

The Deputy Chair: — Okay, I think we'll just move into questions so . . . Anybody? Ms. Sarauer.

Ms. Sarauer: — Sure. I don't have any specific questions, but I would like to sort of broadly ask you what steps have been

taken so far to address these concerns?

Mr. Diederichs: — On June 24th at the board meeting, the administration put forward sort of a broad plan about an approach to dealing with the recommendations, which will be beneficial for our operations certainly, as well as monitoring what goes on. At that time the board approved that plan and set aside, dedicated some of the financial surplus that they have in the facilities area, should that be needed for this particular project. That would be the formal efforts to this point that have happened. Of course summer — July, August, that sort of thing . . . But since late August and the beginning of September, there have been quite a few informal discussions about moving forward.

One of the things we've already done, what school divisions do as a matter of course, what the ministry supports and encourages school divisions to do, is to share learnings with each other, and knowledge. And so we've begun discussions with some other school divisions already in terms of how they are using certainly the software, underlying some of the sort of shortcomings in information and planning.

We know, for example, one school division in the province has gone through the process before. We can learn from them. We know, for example, there is one school division in the province who piloted the use of this software even prior to the province and the ministry rolling it out across all school divisions. We know, for example, there's another school division who, to our knowledge, I guess I should say, probably provides the best use of that software in terms of preventative maintenance module. So we've begun our discussions with those. In fact I'll be meeting with one of those tomorrow. We've talked to others already. We'll continue down that course to learn about the software. We can also learn from them some of their procedures and how they manage things. So those would be the work to date.

We do expect . . . It's not indicated in the status report, but internally we're certainly talking about kicking it into high gear, so to speak, in the October, November time period once school start-up is in place. And some of the other projects and their planning, you know, we can move past sort of that September start-up piece.

Ms. Sarauer: — So the technology that you're talking about, it's used to help analyze priorities in the school division for preventative maintenance funding.

Mr. Diederichs: — It certainly can be used for that. It's a way to capture information, to analyze information, to report on information. So it can, you know, present reports. Some of the things you'll have heard from Mr. Deis from the Provincial Auditor's office will talk about, you know, not all data being in there, so you can't present reports, so you can't schedule. So it's more difficult if you don't have it in there to look at your priorities to assess them, to record costs, to record activity. And so the use of that is really foundational in our mind to moving us towards all the recommendations and the implementation and compliance with all those.

Ms. Sarauer: — Are there any challenges in your school division to implement these recommendations in terms of

staffing levels?

Mr. Diederichs: — At this point, as I described, there was discussion about that at the meeting on June 24th. The board has agreed to set aside some of their dedicated facilities maintenance surplus specifically for the potential, should there be a need for additional human resources. We are however looking at our processes. We're looking internally at how we might adjust what we do before we, you know, sort of move to that stage. So we're going to look hard internally at how we operate.

There are some new skill sets within the division that might help us as well. But we are prepared, should that need arise as we dig a little bit deeper into, as we learn from other divisions what it will take to get our software, the data into it . . . That's always a time-consuming piece, but to learn all those pieces and bring that up to speed, we'll know more specifically whether we can accommodate that internally or whether we may need for some period of time a little bit more resource.

Ms. Sarauer: — So the money that you're setting aside, that's for PMR funding?

Mr. Diederichs: — No. No, that's a separate, internally restricted reserve out of our accumulated surplus. The board has a chunk of that dedicated to facilities work, and a piece of that they set aside specifically for the need for potential resource here.

The Deputy Chair: — Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair, Deputy Chair. Don't feel bad; I get that a lot. I guess maybe my first question or two might be for the auditor. This seems, this is a comprehensive review of the practices of this school division. Now have you done this type of comprehensive review in this whole maintenance area in other school divisions, or is the first one of many more to come? I'd just like to know where your office is at on this whole piece.

Ms. Ferguson: — This is the second one that we've done, as was referenced earlier by Lionel. We have done one at . . . Sask Rivers was the one that we had done a little bit earlier. The findings at Sask Rivers, some of them were similar. But you know, they actually were, I would characterize them as quite a bit different than what we found at this school division. So the message there is that you can't generalize what's happening in terms of facility maintenance at one school division. You can't extrapolate that right across the sector because our findings were quite different from the one school division to the next.

Mr. Hart: — Your report here outlines a lot of deficiencies here. I've been on this committee for quite some time and this is probably one of the more, if not the most serious report that I can recall.

So just going back to the Sask Rivers, were the deficiencies in this area, were they of the same extent as what we're seeing here in Prairie Spirit?

Ms. Ferguson: — Well they were different. I've actually got the recommendations for Sask Rivers with me. A lot of them

were . . . What we found at Sask Rivers, it wasn't a situation where they weren't collecting the information and getting the information into the maintenance management system which is what, you know, as management's indicated, is frankly foundational for when you're doing long-term planning, which maintenance planning, facility maintenance planning is, long-term planning. It's all about getting the information, having the right information, and being able to use that.

So we didn't find problems in that area in Sask Rivers. Rather it was more of a situation that their processes were informal. So our recommendations are more like classic ones where we're asking them, establish written procedures for keeping reliable information. It's making sure people, you know, have that continuity of staff, the turnover of staff aspect, you know, for determining maintenance, have written processes for determining maintenance priorities.

Again it was more formalizing existing processes as opposed to collection of information and the capture of accurate information. So you know, hence different findings, different agency.

Mr. Hart: — Thank you for that. Mr. Diederichs, you indicated you've only been in the position for the last six weeks. Were you with the school division in another position prior to this, or did you come from another school division or another area to your current position? Could you just provide the committee with a bit of your background and your employment history within the last, particularly pertaining to the employment, if you were employed by the Prairie Spirit School Division in the past?

Mr. Diederichs: — No, I'm new to Prairie Spirit School Division but certainly not new to education. And that's why I indicated the appreciation for Deputy Minister MacRae's comments about new. That's great.

I came from Horizon School Division prior to this and worked in other school divisions prior to that, so certainly have good background in my role in terms of facilities management from a broad, general oversight perspective and management systems and information systems and so on.

Mr. Hart: — Thank you. Now I guess my next question is for Ms. MacRae. When these type of chapters are before the committee . . . You have had quite a number of representatives from the various school divisions here. Could you just explain how that comes about? Does the ministry inform the school divisions that, you know, that we're going to be dealing with chapters that pertain to their division? And do you ask them to send representatives, or is that sort of an informal request or a formal request? What's the whole process with the good folks that were with us and are with us here this afternoon?

Ms. MacRae: — We tend to operate on the premise that we can't possibly know all of the internal workings of a school division, particularly, you know, particularly from the viewpoint that each of those school divisions also has its own governance structure. And we are heavily dependent on the information that they provide us in terms of coming to judgment on or making plans on anything connected with their needs.

So essentially yes, once we are notified of the proceedings of this committee and what's on the agenda, we reach out to those school divisions and basically, you know, either invite them to provide us with the information on what they've achieved with respect to the recommendations or invite them to attend in person so that they can respond to the inquiries of the committee. And quite frankly, our judgment around that, I mean there are a lot of things that go into it: distance is one, or the seriousness or perceived seriousness of some of the issues that have been uncovered in the report.

Mr. Hart: — Thank you. So back to Mr. Diederichs, I find it quite troubling frankly that you're the only representative here from Prairie Spirit with this type of a report that's before the committee, and you're the new person on the team as such.

[16:00]

Have you any explanation as to why . . . I mean we've had quite a number of, several directors of education appear before us. The people from Ile-a-la-Crosse came a long ways here to deal with an issue which is not anywhere near as serious as the issues that the auditor have raised in your school division, and yet you're the only person here today. Is there an explanation for that?

Mr. Diederichs: — Sure, and maybe that lies as much on my shoulders, quite frankly, as anybody else. Director John Kuzbik . . . We certainly talked about driving down together, and frankly I'll wear that one. When he asked about it . . . He certainly has commitments, you know, significant commitments through most days, as he did today as well. I think in my conversation with him, quite frankly, having been to these before in prior lives, I felt quite comfortable that I could bring forward good information. And so certainly I think I would blame that on me rather than anybody else.

Mr. Hart: — Well I commend you for taking the blame. I guess the fact is though that you probably don't have the corporate history that someone who has been with the school division for quite a while, because it seems to me these deficiencies have developed over a fairly long period of time. And you know, don't get me wrong, I'm guessing there are similar . . . or some deficiencies in other school divisions. I mean, we just heard the auditor say that they found deficiencies in Saskatchewan Rivers, although they were more in the context of not formalizing what they were actually doing, which is one thing, but where there's a void of information at the board, you know, so the board is making decisions on inadequate and perhaps maybe inaccurate information and that sort of thing. And, you know, I find that rather astounding and so on.

And I would strongly urge that if your school division is asked to come to this committee or other government bodies, that the appropriate people attend. I mean, the government now is the sole funder of the K to 12 system. We have a vested interest. We also have the responsibility of taking responsibility for the outcomes and so on, and we need to have the people in place that have the information that can provide, in this case this committee, with accurate information. So I would just, you know, that would be my message to your senior staff and particularly to, well I guess and perhaps to your board and so on.

So having said all . . . I guess there's just maybe one question that I would have of some detail. You mentioned that the board has said that they would take some money from their maintenance surplus to devote to this whole area to get this whole . . . to address these deficiencies. What is the current surplus in their maintenance budget?

Mr. Diederichs: — I believe we have approximately \$2 million set aside currently for facilities maintenance issues. And those are to use where there might be something unexpected that comes up through the year, you know, other than what we budget. We have used some surplus out of that area for other years as well.

So there is a bit of this piece again set aside, should it be needed. There's no sort of specific indication yet. We haven't done the full analysis about whether we'll actually need to dip into that for additional resources.

Mr. Hart: — I guess I would just have one more question at this time. I'm looking at pages 148 and 149 in this chapter where there's a table, "Facilities in Prairie Spirit by Year Built." And you know, I can see that you have some facilities that were old. I guess the oldest one was built in 1927 and so on. So you know, you certainly have some challenges with the ages of some of the facilities there. But then you also have some facilities that were either major upgrades or new facilities that were built very recently.

But just for . . . I note that there was a new school division office built in 2008. Would you know what the cost of that office was at that time?

Mr. Diederichs: — Sorry, I don't have that with me but I could certainly get that for you.

Mr. Hart: — All right. Could you provide that to the committee?

Mr. Diederichs: — Absolutely. I could find that and get that. And again, I certainly note your comments earlier.

Mr. Hart: — Thank you. Yes.

The Deputy Chair: — I have a couple questions, but first, is there any more from the committee? Mr. Bonk.

Mr. Bonk: — I have a question for the auditor. In Mr. Deis's comments prior to the questions, he had mentioned that there was an overstated \$2 million in their accounting procedure. Could you just maybe clarify that?

Ms. Ferguson: — Most definitely. If I could take you to page 146, so what the division did is it made an estimate as to what it's going to cost to repair the structural deficiencies that were identified by the engineering firms it's identified, and also roofing repairs. And part of that . . . And it's \$22.6 million is what its estimate was to the board and to the minister. And what we did is we tried to drill down to figure out . . . As auditors we're always interested — is that, or, you know, what assumptions are built into that estimate? What's the support for that estimate? And what we found is that the division didn't have documented support for 13 million of the \$22.6 million.

And so then we were trying to figure out, okay, now can we figure out what it's, you know, where that number comes from. And when we were doing the work on that, we figured out that it counted \$2 million twice. So in essence, instead of \$22.6 million, they should have had \$20.6 million.

So it's all about coming up with their estimate, and frankly, from our point of view, the importance of writing down and having support for your estimates and the assumptions that you're making the estimates. So that's the point that we're trying to make — make sure you have support and you document your assumptions.

Mr. Bonk: — Okay. Just another question. So at this point, are you documenting or doing a better job of processing your documents, making sure that you have the supporting documents when you have estimates or when you have a maintenance plan? Because I find this, to be honest, a little bit shocking. I hope at this point you're starting to work on a bit of a plan.

Mr. Diederichs: — Absolutely. What I would say to you, yes, absolutely we are. What I would add to this too, just to be clear, you talked about a \$2 million accounting piece. It's not in our financial statements. It isn't a financial error. It's an error in totalling the estimates, and some of those estimates again were done by professional staff without sort of the supporting documentation for how they got there, and a checkoff as you've heard from the Provincial Auditor's office.

But certainly we're starting to do those on a paper basis at this point. But again, we want to build those into the database and sort of that underlying foundation so we can capture the information in a better way, in a sort of a more sustainable way, and in a way that it's easier to access whether we're looking for it or the ministry requires it or should the Provincial Auditor, you know, care to choose to review this again at some point. So we're starting some of the processes by paper, but we're certainly looking to move those into the software system in the very near future.

The Deputy Chair: — Okay, Mr. Diederichs, I have a couple of questions. You had mentioned that you had worked in other school divisions, or one school division, whatever. When I look at these . . .

Mr. Diederichs: — Several.

The Deputy Chair: — Several. Can't hold a job. Anyway, these seven recommendations here, when I look at them — and maybe I'm simplifying this too much — but a lot of this just seems like common sense. In any business that you'd be running, you'd be doing these things. So in your other areas where you've worked, would you say that this is an issue in the other school divisions you worked in or would they have been addressed?

Mr. Diederichs: — Well I'm not going to go back all the way in history, because if I go back to the beginning, these kinds of things in the small, old school divisions simply didn't reach this level of importance. I guess I'll say it that way. But certainly in the other school divisions, since amalgamation in particular with the larger organizations, these are things that everybody

works at in a whole bunch of areas, and I think you'll have heard from the Provincial Auditor some of the commonalities in some of their audits about process and formality.

I think here there's . . . Certainly we've acknowledged and concurred with the Provincial Auditor's recommendations about improving that formality. We certainly know it's something we should do and something we want to do. It'll help our work. Other school divisions will be more advanced than this, without a doubt, and I think some of, you know, my experience in the past again certainly would help guide how we move forward with this in terms of putting those systems and formalities into place.

The Deputy Chair: — Thank you. And I guess my last question would be, does your board concur with these recommendations?

Mr. Diederichs: — Yes, this is based on discussions around that as well.

The Deputy Chair: — Right, and the board wouldn't have — I guess you wouldn't know this, but talked about these types of things in the past? Were they working on it? You wouldn't know that?

Mr. Diederichs: — Yes. Sorry, that's another piece I wouldn't have the answer to.

The Deputy Chair: — All right, fair enough. That's all I have. Any more questions? Mr. Michelson?

Mr. Michelson: — No.

The Deputy Chair: — Oh you're good? Okay. Okay then, we would need a motion for 2016 report volume 1, chapter 12. Mr. Hart.

Mr. Hart: — Mr. Chair, I would make the following motion: that this committee concurs with the recommendations of the auditor contained in chapter 12 of the 2016 volume 1 report.

The Deputy Chair: — I just have one question. Would you say there's progress being done in these seven recommendations?

Mr. Diederichs: — Absolutely.

Mr. Hart: — I'll amend that to concur and note progress then.

The Deputy Chair: — Thank you. Mr. Hart has moved that for 2016 volume 1, chapter 12 that we concur with the recommendations and note progress towards compliance. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. We'll move on now to chapter 13. Mr. Deis.

Mr. Deis: — Thank you. Chapter 13 of our 2016 report volume 1, on pages 151 to 162, reports the results of our audit of the effectiveness of Regina School Division No. 4's processes for promoting positive student behaviour at school. Regina Public

is one of Saskatchewan's largest urban school divisions. This was our second audit in this area. Our first audit was at South East Cornerstone School Division, a large rural-urban school division. We concluded that for the 12-month period ended November 30th, 2015, Regina Public had, except in the areas noted, effective processes to promote positive student behaviour at school. We've made five recommendations.

Our first recommendation, on page 155 we recommend that Regina Public review and update policies — and those are administrative policies — on a regular basis as this policy expects.

We found that while Regina Public had an administrative procedure requiring the division conduct a regular review of its administrative procedures, we found that it had not done so. Periodically reviewing administrative procedures, for example every three to four years, helps ensure their continuing relevance and applicability.

In our second and third recommendations, on page 158 we recommend that Regina Public communicate to school administrators and staff, in writing, training expectations for initiatives to promote and support positive student behaviour. We also recommend that Regina Public require principals to make readily available, at schools, information on administrators and staff trained in key initiatives to promote and support positive student behaviour.

We found that Regina Public did not set a minimum number of school administrators and staff to train within each school on key behaviour initiatives, or give principals guides on determining the necessary number of trained staff for their school so that schools have sufficient expertise in these areas. Not clearly documenting which training is mandatory, and for whom, increases the risk that school administrators and staff may not receive training at appropriate times. Also, not having a sufficient number of trained school administrators and staff available, or not readily identifiable at each school, increases the risk that skills required to support students and respond to high-risk situations may not be available.

[16:15]

And our fourth recommendation, on page 160 we recommend that Regina Public require consistent and accessible documentation of key discussions, decisions, and steps taken to support positive student behaviour. The division expected staff to review behaviour plans on a regular basis. We found that in 14 of the 30 student files we examined, we were unable to determine whether school staff reviewed behaviour plans consistently.

Regular review of behaviour plans helps verify approaches and interventions continue to be relevant and appropriate. Not keeping key documentation to support positive behaviour of students — such as behaviour plans, actions, discussions, decisions, and evidence of review of plans — makes it difficult for Regina Public to follow a consistent course of action. It also makes it different for Regina Public to monitor steps taken to support positive student behaviour.

And our fifth and final recommendation, on page 162 we

recommend that Regina Public establish a process to track and report to its board of education the overall success of its initiatives to promote positive student behaviour. Other than plan attendance, the division has not identified types of data to collect or evaluate student behaviour such as incidents involving disrespect to staff, fighting, and disobedience. Without collecting additional data regarding student behaviour, Regina Public cannot identify trends to determine whether its student behaviour initiatives are successful and making a difference. And that concludes our comments on the chapter.

The Deputy Chair: — Thank you, Mr. Deis. Ms. MacRae.

Ms. MacRae: — I'm happy to report that even though these are new recommendations, four of the five of them have already been completed. The fifth is in progress. There are representatives, as we noted earlier, from the school division in attendance. If you have questions, I'm sure they'd be happy to respond.

The Deputy Chair: — Thank you, Ms. MacRae. We'll open it up for questions. Okay, seeing none, I would entertain a motion, I guess, on the first four recommendations.

Mr. Hart: — Mr. Chair, I'd move that the committee concurs with the recommendation and notes compliance on those four.

The Deputy Chair: — Mr. Hart has motioned on the 2016 report volume 1, chapter 13, the first four recommendations: concur with the recommendations and note compliance. Agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed. And the last recommendation, Mr. Hart.

Mr. Hart: — Mr. Chair, I move that the committee concurs with the recommendation and notes progress of recommendation no. 5 in chapter 13 of the 2016 report volume 1.

The Deputy Chair: — Thank you. The motion is for the 2016 report volume 1, chapter 13, recommendation no. 5: concur with the recommendation and note progress towards compliance. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. Okay, we'll move on now to chapter 20 and Mr. Deis.

Mr. Deis: — Chapter 20 of the 2016 report volume 1, which starts on page 243, reports the results of our third follow-up on the Ministry of Education's progress towards addressing the three recommendations we first made in our 2009 audit related to the ministry's processes to achieve compliance by school divisions in delivering student instruction time as required by the minister.

The ministry sets a minimum instruction time for each of the seven required areas of study, for instance, math. Having a minimum helps ensure students receive sufficient instruction to

enable them to learn the area of study.

By December of 2015 the Ministry of Education had implemented one of the three recommendations, made progress in one, and had not addressed the other recommendation. The ministry requires school divisions to publicly report their school calendar for the upcoming school year. This includes setting out instructional days and hours of school operation. We found that the ministry monitored whether school calendars contained the total required instruction hours per legislation and took corrective action so divisions met the legislative requirements. However, instead of actively monitoring compliance with instruction time for the seven required areas of study, the ministry relied on the school divisions to monitor their compliance. The ministry did not expect divisions to report to it on their compliance or non-compliance.

We found divisions are not complying with some of the instruction time requirements for their required areas of study. When we contacted five school divisions directly, each school division indicated they had decided to reduce instruction time in required areas of study to enable them to offer high school students more options each semester. The ministry was not aware of these instances of non-compliance; as such, it did not have opportunities to follow up.

That concludes our overview.

The Deputy Chair: — Thank you, Mr. Deis. Ms. MacRae.

Ms. MacRae: — As already noted, the first of these recommendations has been implemented. The two remaining outstanding ones, we've achieved partial implementation. With respect to, I guess, the recommendation that we begin to monitor for compliance with core curricular time entitlements, a letter has been drafted and will be sent out to school divisions directly from me reminding them of the required instructional hours and requesting that they submit notice of non-compliance. The ministry will also be making an offer to help address any barriers that they identify in terms of achieving compliance.

And with respect to the corrective action, to be brutally honest, we're a little less clear about what our options might be if we continue to see continued non-compliance. I think it's important that we continue to look at these issues, as we do all of them, through the lens of what's the right thing for students. And there may be indeed be instances where having a broader range of course options is in students' interest, but there may be other instances where getting the required number of minutes of instruction in a particular subject area is in their best interest as well. And like many issues in our sector, this is essentially a matter of achieving balance between compliance with legislation and guidelines, and making the adaptations that are necessary based on student needs.

The Deputy Chair: — Thank you, Ms. MacRae. Any questions? Ms. Sarauer.

Ms. Sarauer: — I don't think this is necessarily what you're discussing when you're talking about instructional time, but I'm wondering if you could provide us with an update on teacher task time. I understand there was a . . . Was there a committee that was looking into teacher task time?

Ms. MacRae: — Yes, there was. I'll defer your question to ADM Repski who has been working on that file for our ministry.

Mr. Repski: — Clint Repski. In an update around the teacher-time committee, there was a task force that was struck as an agreement to the collective agreement of last January, February. Representatives of the ministry, the STF [Saskatchewan Teachers' Federation], and the SSBA [Saskatchewan School Boards Association] got together to work together to provide recommendations on how to address the teacher-time issue.

The report has been received by the government, and we're having continued conversations with our sector partners of the STF and the SSBA to come to a strategy to move this forward. In the near future, we're going to be communicating with school divisions to see where the recommendations would fit within their existing calendars and what those barriers are on a go-forward basis to make sure that we have a comprehensive picture of what these recommendations look like on the ground.

The Deputy Chair: — Thank you. There's no new recommendations here, so I need somebody to move we conclude considerations.

Mr. Michelson: — I so move that we conclude consideration of chapter 20 for the 2016 report volume 1.

The Deputy Chair: — It has been moved by Mr. Michelson that the 2016 report volume 1, chapter 20 be concluded. And is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed. Carried. I'd just like to thank everybody for staying a little bit later: the auditor's office, comptrollers, Ministry of Education and all your staff, committee members. And now I'd entertain a motion to adjourn. Don't be shy.

Mr. Bonk, so moved. This committee stands adjourned until Thursday, September 15th, 2016 at 9:15 a.m.

[The committee adjourned at 16:25.]