



# **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. Don McMorris  
Indian Head-Milestone

Hon. Paul Merriman  
Saskatoon Silverspring-Sutherland

Mr. Warren Michelson  
Moose Jaw North

Ms. Nicole Sarauer  
Regina Douglas Park

[The committee met at 08:00.]

**The Chair:** — Good morning, everyone. Welcome to Public Accounts. I'm Danielle Chartier, the Chair of Public Accounts, and I'd like to welcome our members this morning. I'm going to introduce them. We've got Ms. Campeau, Mr. Cox, Mr. Merriman. Welcome officially to the committee. Mr. Michelson, Mr. McMorris, welcome to Public Accounts. Mr. Doke, Ms. Sarauer.

I'd like to say welcome as always to the folks from the Provincial Comptroller's office. We have Terry Paton, and Chris Bayda. Welcome this morning. Ms. Judy Ferguson, our Provincial Auditor, who actually just became a grandma yesterday for the first time. So congratulations to Ms. Ferguson on her first granddaughter.

And with that . . . And welcome to the folks today from . . . We've got the Ministry of Parks, Culture and Sport on our agenda, as well as the Ministry of Government Relations. And you'll have an opportunity in a moment to introduce your officials. Ms. Sarauer.

**Ms. Sarauer:** — Thank you, Madam Chair. Before we get started on the agenda for today, I still feel that there's some unfinished business with the committee with respect to matters we've talked about in relation to the GTH [Global Transportation Hub] and the bypass.

Madam Chair, we've been trying to call, and I've been trying to call, relevant officials who were there at the time of these decisions being made, time and time again. And time and time again, the Sask Party members of this committee have been shutting down debate. Based on the conversations we've had with . . . we've been able to have so far with officials, not only are there a lot of questions that the officials weren't able to answer because they weren't there at the time, there were also a lot of questions that they weren't able to answer because it was clear that a lot of decisions that were being made were happening more at the cabinet level, Madam Chair. So I'd like to table a motion this morning requesting . . . Excuse me, I've got a bit of a cold. We had a bit of a late night last night in the House.

I would like to table a motion requesting that we have a former cabinet minister come here and answer some questions in relation to the questions that we had with the officials in previous meetings that were unable to be answered because they were decisions that happened at the cabinet level. My motion is:

That this committee requests that the former minister of Highways who held the position between May of 2012 and August 2016 appear before this committee as a witness at a meeting of the Public Accounts Committee.

**The Chair:** — Thank you. Ms. Sarauer has moved:

That this committee requests that the former minister of Highways who held the position between May 2012 and August 2016 appear before this committee as a witness at a meeting of the Public Accounts Committee.

Is the committee ready for the question? Mr. Doke.

**Mr. Doke:** — Thank you, Madam Chair. Well firstly we won't be supporting this. The recommendations by the auditor have been dealt with, and the outstanding questions that need to be answered, when they arrive here we will deal with those at that time. At this point we won't be supporting that motion.

**The Chair:** — Thank you, Mr. Doke. Any further comments? Seeing none, is the committee ready for the question? All those in favour?

**An Hon. Member:** — Recorded division.

**The Chair:** — Recorded, okay. All those in favour, please raise your hand. All those opposed, raise your hand. That motion is defeated six to one. Thank you.

And moving on to Ministry of Parks, Culture and Sport. Thank you for that. I'll pass it off to Ms. Ferguson.

### Parks, Culture and Sport

**Ms. Ferguson:** — Good morning, Madam Chair, Deputy Chair, members, and officials. With me today I've got Ms. Regan Sommerfeld. Ms. Sommerfeld is the deputy responsible for the portfolio that's before us this morning. And behind her is Ms. Kim Lowe, and Kim is our committee liaison.

So before Ms. Sommerfeld makes our presentations, I would like to thank the deputy minister and her team for the co-operation that's been extended to us, and also for the co-operation extended to us by the Western Development Museum officials.

This morning's agenda focuses on two chapters. The two chapters aren't linked to each other, so we will be presenting them separately and pausing after each chapter for discussion with the committee.

So at this point, I'll turn it over to Ms. Sommerfeld.

**Ms. Sommerfeld:** — Good morning. Thank you, Madam Chair. Chapter 13 of our 2016 report volume 2, beginning on page 71, contains the results of our annual integrated audit of the Ministry of Parks, Culture and Sport for the year ending March 31st, 2016. The chapter contains one recommendation related to prompt removal of unneeded user access. We first made this recommendation in 2014.

While the ministry has made progress towards following established procedures for promptly removing user access to computer systems and data, we continued to identify instances of non-compliance. Not removing user access to the ministry's systems promptly increases the risk of inappropriate access to systems and data. And that concludes my presentation on chapter 13.

**The Chair:** — Thank you, Ms. Sommerfeld. I didn't introduce Ms. Twyla MacDougall, who is the acting deputy minister of Parks, Culture and Sport, so welcome, and if you'd like to make some comments with respect to that chapter.

**Ms. MacDougall:** — Great. Thank you. Good morning, and as everybody's been told now, I'm Twyla MacDougall, acting deputy minister for Parks, Culture and Sport, and I'd like to thank you first of all for the opportunity to present here today and introduce my officials. Just to my right is Lynette Halvorsen; she's the director of financial management and operations. And then I have a few backup people, you know, being the acting DM [deputy minister]. I have got back behind me, Scott Brown is the assistant deputy minister of stewardship division. Jennifer Johnson is the acting assistant deputy minister of parks division. And then in the back I have Gerry Folk, who is an executive director of culture branch; he'll be up here later for chapter 30. And I also have Ruth Bitner from the Western Development Museum.

So on behalf of the Ministry of Parks, Culture and Sport, I would like to first of all acknowledge the work of the Provincial Auditor of Saskatchewan and extend my appreciation and thanks for your recommendations. We appreciate the advice provided on management governance and effective use of public resources. And today we are here to discuss the recommendations from the Provincial Auditor's 2016 report volume 2.

The 2016 Provincial Auditor had one recommendation for Parks, Culture and Sport. Chapter 13, 4.1, timely removal of user access needed. The Provincial Auditor recommended the ministry "... follow its established procedures and promptly remove unneeded user access to its computer systems and data." The Provincial Auditor observed the ministry was not consistently following the employee termination checklists, which identify a request must be sent to the information technology division for prompt removal of access for terminated employees.

The ministry agrees with the recommendation and recognizes the risk this places on systems and data. We continue to reinforce the importance to management of timely removal of access. The ministry sends out checklists and reminders to its managers during peak times, such as the termination of summer students and labour service employees.

During '15-16 and ongoing, the ministry began running a MIDAS [multi-informational database application system] report that identifies terminated employees once a week. And the ministry follows up with supervisors to ensure a service request is submitted to Central Services information technology division if they are still active and will continue to work at improving timeliness of this process.

Timely removal has been a matter of discussion for some time and many ministries are seeking ways to address this issue. The ministry will collaborate with other ministries to look for proactive and standardized process and will certainly participate in this initiative as required. Thank you.

**The Chair:** — Thank you, Ms. MacDougall. I'd like to open up the floor. Ms. Sarauer.

**Ms. Sarauer:** — Thank you, and thank you for your preliminary comments. I appreciate them. I just have one question. When you're sending this information to supervisors and managers recommending that they remember to do this,

what sort of buy-in are you getting from that level?

**Ms. MacDougall:** — Well we're getting, you know, a fair bit of buy-in. I would say that we have shown improvement over year if we take out one exception that occurred, and we do send out the requests at the senior level in our operations and strategic planning services division. As well as, you know, after a Provincial Auditor report and recommendation such as this, there would be an email that comes from myself directly as well. So we hope that that stresses the importance of it.

**The Chair:** — Mr. Michelson.

**Mr. Michelson:** — Yes, this is a pet peeve of mine and I don't understand it. I understand that you're taking some steps, but when the Public Accounts agreed with this in September of 2014, and you come back and say it's partially implemented, somebody's not doing their job. I'd like to know what disciplinary actions are being taken when this isn't done.

**Ms. MacDougall:** — Well so far to date there have been no disciplinary actions. What we've been trying to do is be more proactive in finding solutions to better assist us in determining when these terminations occur. And our latest effort here is that we're now working, and we're in our early stages so I hesitated to mention it, but we're also now working to find out if we can get notified when an employee resigns as opposed to when that employee is terminated. That gives us a little bit more time to then inform the manager and work with them, ensure the importance.

**Mr. Michelson:** — But that's not where the difficulty is. The difficulty is that they're not taken, deleted after they quit. So whether you get advised beforehand or after, immediately after, it should still be taken off. Somebody is responsible for that.

**Ms. MacDougall:** — Yes, I would agree with you. And we will continue to look at it. But like I said, so far we have not taken any disciplinary action.

**Mr. Michelson:** — So do we get any assurance that this won't come up again? Thank you.

**The Chair:** — Thank you for that. Are there any further questions with respect to this chapter? We have already voted on this recommendation, so we can conclude our considerations. Could I have a motion to that end?

**Mr. Doke:** — So moved, Madam Chair.

**The Chair:** — Thank you. Mr. Doke has moved for the 2016 report volume 2, chapter 13 that this committee conclude its considerations. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you. Moving on to the next chapter, chapter 30. Ms. Sommerfeld.

**Ms. Sommerfeld:** — Yes, thank you. Chapter 30 of our 2016 report volume 2, beginning on page 205, contains the results of our audit of the Western Development Museum's processes for decommissioning historical artifacts for the period of January

1st, 2014 to August 15th, 2016.

We found that WDM's [Western Development Museum] processes were effective except for the eight areas reflected in our recommendations. I will highlight each recommendation and then explain why we made it.

On page 209, we recommend that management follow established policies and seek approval of the board of the WDM for revisions to those policies. WDM last revised its collection management policy in 2016. However, it did not keep documentation of these revisions or approval thereof. Management indicated that senior management had approved these revisions but had not sought board approval of these revisions. Not seeking board approval of policy revisions is contrary to the WDM's board policy. And lack of board approval of the policies and revisions increases the risk that inappropriate decisions may be made.

On page 211 we recommended that WDM provide its staff with written guidance on: systematically identifying artifacts for removal from its collection; reporting aggregate artifact deaccessioning and disposal activities to the board and obtaining independent appraisals of artifacts. While WDM's collections management policy mostly aligned with best practices — that is, the Canadian Museum Association guidelines — it did not include the following three areas.

It did not require a systematic deaccessioning review program. Such programs help space pressures, control costs, and keep collections relevant. It did not set expectations for periodic reporting to the board on deaccessioning and disposals to help the board oversee these activities, nor did it have a guide of when to obtain independent appraisals of artifacts such as those above certain dollar thresholds.

On page 212 we recommend that the WDM systematically review its collections to identify potential artifacts for removal. Over the past 10 years, WDM acquired almost 4,000 artifacts, deaccessioned about 2,400, and disposed of about 1,200 of them. It has over 75,000 artifacts and it stores about 65 per cent of them outside.

WDM identified artifacts for removal primarily in conjunction with the development of new exhibits or when moving artifacts. Best practice encourages museums to systematically consider whether the benefits of preserving duplicates outweighs the cost of preservation and storage. Not having an active systematic review process to evaluate the condition and relevance of artifacts increases the risks of having duplicate artifacts, deteriorating artifacts, and constant storage pressures.

[08:15]

On page 213 we make two recommendations. We recommend that WDM's collection management policy clarify its expectations to staff to actively assist in identifying artifacts for removal. And in addition we recommend that WDM update job descriptions of staff involved in collections management to reinforce the roles and responsibilities in deaccessioning and disposing of artifacts.

Although its collection policy expects many staff to be involved

in deaccessioning artifacts, staff at museum locations were not actively consulted. Many indicated that they did not consider themselves responsible for identifying artifacts for removal. We noted job descriptions of staff involved in collection management activities were not finalized — that is, remained as draft — and a few were outdated.

WDM has a staff of about 50 full-time employees over its four exhibit locations. Staff at museums have valuable information on the condition of artifacts and are well positioned to assist in identifying items for removal. Leveraging staff at museum locations in deaccessioning would also broaden the number of staff with knowledge about collections management beyond the curator and facilitate succession planning.

On page 215 we recommend that WDM use information in its collection database to analyze its collection to aid deaccessioning and disposal decisions. While WDM did a good job of collecting and tracking key information about its artifacts in a database, it could better utilize this information to analyze its collection. Using the database would contribute to a systematic review of its collections and informed decision making.

Also on page 215 we recommend that WDM dispose of deaccessioned artifacts within an established time frame. Artifacts that WDM has approved as deaccessioned did not have a planned disposal date. We found that there was a significant time lag between when the board approved artifacts for deaccessioning and their removal. Deaccessioned artifacts require storage until they are removed. Not tracking and disposing of artifacts within a reasonable time frame results in lost storage space and may result in artifacts being restored inappropriately to the main collection.

And finally on page 215 we recommend that WDM approve disposals of artifacts consistent with its collection management policy. WDM's collection policy expects the CEO [chief executive officer] to approve the disposals of artifacts. There was no evidence of the CEO's approval of any of the WDM's disposals. Management indicated that the CEO was aware of the disposal of assets. It acknowledged it did not have evidence of the CEO's approval. Keeping support of required approvals enables staff to show awareness and compliance with policies. Not obtaining required approvals of disposals increases the risk of staff using inappropriate artifact disposal methods. That concludes my presentation.

**The Chair:** — Thank you, Ms. Sommerfeld. Ms. MacDougall, would you like to make some comments on this chapter?

**Ms. MacDougall:** — Yes, please. Thank you. So chapter 30 — excuse me, I also am suffering from a cold — Western Development Museum. I'd first like to thank the committee for the opportunity to speak regarding the Provincial Auditor's recommendation on the Western Development Museum's collection policy.

As stated by the Provincial Auditor, for the period of January 1st, 2014 to August 15th, 2016, the time period of the audit, the Western Development Museum had, except for the following areas, effective processes to permanently remove historic artifacts from its collection. I'm very pleased to say the Western

Development Museum has fully implemented four of the eight recommendations, has partially implemented three, and will be addressing the final recommendation as part of their policy update scheduled for May 2018.

Let me be specific in regards to the recommendations. First on page 209 of the report, it was recommended that management follow established policies and seek approval of the board of the Western Development Museum for revisions to policies. This recommendation has been implemented as the management will take the policy to the board for approval at the June 2017 board meeting.

Second, on page 211 of the report it was recommended that the Western Development Museum provide its staff with written guidance on systematically identifying artifacts for removal from its collection, reporting aggregate artifact deaccessioning and disposal activities to the board, and when to obtain independent appraisals of artifacts. The recommendation has been partially implemented. Aggregated deaccessioning and disposal information is being reported to the board and written guidance to staff will be addressed in the revisions to the Western Development Museum's collections management policy, which will be completed in May of 2018.

Third, on page 212 of the report it was recommended that the Western Development Museum systematically review its collections to identify potential artifacts for removal. This recommendation has been implemented as a systematic review of pre-1930 automobiles is under way. Also, a review of player piano rolls in the collection has been initiated. The Western Development Museum is committed to ongoing reviews of the collection.

Fourth, on page 213 of the report it was recommended that Western Development Museum collections management policy clarify its expectations of staff to actively assist in identifying artifacts for removal. This recommendation has not been implemented to date. However, it will be included in the revisions of the collection management policy which again is scheduled to be completed in May 2018.

Fifth, also on page 213 of the report, it was recommended that the Western Development Museum update job descriptions of staff involved in collections management to reinforce their roles and responsibilities in deaccessioning and disposing of artifacts. This has been partially implemented. The collections curator, as well as the collections assistant job descriptions, have been reviewed and updated and the remaining job descriptions will be updated over the next year and a half.

Sixth, on page 215 of the report it was recommended that the Western Development Museum use information in its collection database to analyze its collection to aid in deaccessioning and disposal decisions. This has been fully implemented and the Western Development Museum is committed to continue using the database for this purpose.

Seventh, also on page 215 of the report, it was recommended that the Western Development Museum dispose of deaccessioned artifacts within an established time. This has been partially implemented, as 217 deaccessioned artifacts have been disposed of since January 2017 and recommendations on

the time frame for the disposal of deaccessioned artifacts will be included in the revised collections management policy that will be completed by May of 2018.

Finally, the eighth recommendation, also on page 215 of the report. It was recommended that the Western Development Museum approve disposals of artifacts consistent with its collection management policy. This has been fully implemented, as now the CEO approves and signs off on deaccessioned artifact disposal.

I want to once again thank the committee for this opportunity to provide an update on the implementation of the recommendations, and we are happy to respond to any questions you may have.

**The Chair:** — Thank you, Ms. MacDougall. Ms. Sarauer.

**Ms. Sarauer:** — Thank you for that lengthy commentary. You actually answered quite a few of the questions that I already had, so I appreciate that.

I still do have one remaining question. In the auditor's report there was discussion and concern around storage space, and how your collection might be getting large for the space that you have. I'm just curious if you can elaborate a little bit more on the space you currently have and how full it is right now, and if there is anything in the works besides deaccessioning or if you feel that that's going to resolve any tight spots that you have right now.

**Ms. MacDougall:** — I will let Ruth here, the expert at the Western Development Museum, answer that question.

**Ms. Bitner:** — I'd like to thank the Provincial Auditor for her work, and we appreciate the opportunity to improve our policies and procedures. And to answer your question, the Western Development Museum storage areas are quite full. Deaccessioning will alleviate a small part of the problem. It depends on what we're deaccessioning, too. If we're deaccessioning small items, not so much space would be gained. If we're deaccessioning larger items, of course there will be some space to be gained. If we deaccession automobiles, for example, there will be considerable space to be gained.

**Ms. Sarauer:** — Thank you. So what's your plan then as an organization? Are you trying to advocate for more storage space, or are you trying to advocate for a larger culling of the items that you have currently?

**Ms. Bitner:** — I guess I would have to defer that to our CEO, who has been unable to be here today. I would like to think that we are advocating for both.

**Ms. Sarauer:** — Thank you.

**The Chair:** — Mr. Doke.

**Mr. Doke:** — How do you dispose of, you know, if you've got 10 of one thing, does it go to auction or do you put it up for public bids, or how is that handled?

**Ms. Bitner:** — Our first and much preferred method of disposal

is to offer to other public museums in the province.

**Mr. Doke:** — And if that doesn't, if there's no uptake on that?

**Ms. Bitner:** — If there's no uptake on that, we look for alternate methods which could include public sale.

**Mr. Doke:** — Okay. Thank you.

**The Chair:** — I actually have a question. I'll take my Chair hat off for a moment. So just with respect to the WDM, I understand that there was a cut this last year, like post-, between budget and now. You normally have a statutory amount, or the WDM has a statutory amount. Can you just remind the committee what the statutory amount was, and what the cut was? Or it's not a . . .

**Ms. MacDougall:** — It's not a statutory . . .

**The Chair:** — Okay, so what . . . The last year's budgeted amount was?

**Ms. MacDougall:** — I can get that for you. I don't have that. Do you . . . Yes. They were reduced by 200,000. Their total budget, we can get that for you. I'm not sure. But it isn't a statutory amount.

**The Chair:** — Okay, no. My apologies about that.

**Ms. MacDougall:** — Yes.

**The Chair:** — But so the reduction, sort of mid-year, just a few months ago, was 200,000?

**Ms. MacDougall:** — Yes.

**The Chair:** — And just out of curiosity, will that impact . . . So obviously you've made some really good progress on implementing a good chunk of the recommendations. But will this cut . . . In terms of the 200,000 and staffing, will that have an impact on the ability to implement the rest of the recommendations fully?

**Ms. Bitner:** — I guess I would have to defer to the CEO on that as well.

**The Chair:** — Okay. Has there been a . . . With the \$200,000 cut, how has that impacted the budget? Were there staffing decisions made around that?

**Ms. Bitner:** — That's not my area of responsibility, but I don't believe so.

**The Chair:** — Okay. Thank you for that. Ms. MacDougall?

**Ms. MacDougall:** — Excuse me, if I could add just one bit. Although the CEO isn't here today, they were encouraged to make operational efficiency savings and not to reduce staff, so I don't think . . . There shouldn't have been any staff impacted with that 200,000.

**The Chair:** — Okay. And do you have the amount from which it was cut? So it was cut 200,000, but what was it . . .

**Ms. MacDougall:** — Was the total?

**The Chair:** — Yes.

**Ms. MacDougall:** — I'll just defer back here, because I think we can get that for you.

**Ms. Bitner:** — I would just like to make one remark, and that is . . .

**The Chair:** — Yes, Ms. Bitner.

**Ms. Bitner:** — I'm sorry. When Ms. Sommerfeld commented on the number of artifacts in the collection, 75,000 is right. Approximately 48 per cent are stored in our curatorial centre in Saskatoon, and the rest are mostly at the four museum sites on exhibit.

**The Chair:** — So what percentage is at the curatorial?

**Ms. Bitner:** — About 48.

**The Chair:** — Okay. And it's quite a remarkable place actually, if anybody has had an opportunity. I know that the invitation has been opened to other elected members to tour it. It's quite a remarkable place, that curatorial centre.

**Ms. Bitner:** — When we say that many are in our curatorial centre, it's almost misleading in a way because so many of the items are very, very small. So you know, you can squeeze a lot of very small things into a very small space.

**The Chair:** — Well thank you for that.

**Ms. MacDougall:** — And I do have an answer for you now.

**The Chair:** — Thank you.

**Ms. MacDougall:** — The relocation for '16-17 was just over \$4 million — 4.181 million.

**The Chair:** — Thank you. Are there any further questions with respect to this chapter? Seeing none, we have eight recommendations with which we need to deal. Mr. Doke.

[08:30]

**Mr. Doke:** — Thank you, Madam Chair. In regards to the Provincial Auditor report 2016 volume 2, chapter 30, recommendations 2, 4, 5, and 7, we would concur with the recommendations and note progress towards compliance.

**The Chair:** — 2, 4, 5, and 7?

**Mr. Doke:** — Yes.

**The Chair:** — Mr. Doke has moved that for the 2016 report volume 2, chapter 30, recommendations 2, 4, 5, and 7, that this committee concur with the recommendation and note progress to compliance. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

**Mr. Doke:** — Thank you, Madam Chair. In regards to Provincial Auditor report 2016 volume 2, chapter 30, recommendations 1, 3, 6, and 8, we would concur with the recommendations and note compliance.

**The Chair:** — Thank you. Mr. Doke has moved that for the 2016 report volume 2, chapter 30, recommendations 1, 3, 6, and 8, that this committee concur with those recommendations and note compliance. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Well thank you, Ms. MacDougall and Ms. Bitner and to the officials here today for your time. And we will just take a brief recess and move on to our next chapters. Have a very good day.

[The committee recessed for a period of time.]

### Government Relations

**The Chair:** — Good morning everyone. Welcome back to Public Accounts. The next four chapters we're reviewing are with respect to the Ministry of Government Relations. Welcome to Ms. Kirkland, the deputy minister, and to your officials. You'll have an opportunity in just a moment to introduce folks who are here with you today. We'll go through each chapter separately, but I shall pass it off to Ms. Ferguson to make some comments.

**Ms. Ferguson:** — Thank you, Madam Chair, Deputy Chair, members, and officials. With me this morning, I've got Mr. Jason Shaw. Jason's the principal who led some of the work that's before us this morning. And behind him is Ms. Kim Lowe, and Kim is our committee liaison.

Before we start launching into our presentations, I'd like to extend a thank you to the deputy minister and her officials for the assistance and co-operation provided to us in the course of our audit work that's on the agenda.

As the Chair indicated, we are going to present each chapter separately in the order that is presented on the agenda, allowing committee's discussion in between. There's only one new recommendation before the committee this morning, and it will be in our third presentation on the Northern Municipal Trust Account. So without further ado, I'm going to turn it over to Mr. Shaw to make the presentations.

**Mr. Shaw:** — Thank you. Chapter 24 in our 2016 report volume 1, starting on page 257, reports on the results of our first follow-up of 10 recommendations we made first in our 2012 audit relating to the ministry's processes to provide safe drinking water to northern settlements. By December 31st, 2015, the ministry had implemented 5 of the 10 recommendations.

The ministry clarified responsibility for safe drinking water for northern settlements. It better communicated how it is addressing the results of the 2010 waterworks system assessments to residents. It defined a long-term approach for

providing safe drinking water. It consistently received water quality test results from First Nations communities that provide drinking water to northern settlements. It reported results of drinking water testing and related issues to senior management.

Five recommendations remain. The ministry still needs to test drinking water samples and document the results as required by its water system permits. While the ministry was improving, it continued not to complete all required water quality tests. Complete water system maintenance as expected for all drinking water systems; consistently document its supervision of the completion of maintenance activities; communicate the safety of drinking water to the residents of the northern settlement of Stanley Mission; and resolve long-standing issues with the safety of drinking water for the northern settlement of Uranium City.

That concludes my overview of this chapter.

**The Chair:** — Thank you, Mr. Shaw. Ms. Kirkland, if you'd like to make some comments on this chapter.

**Ms. Kirkland:** — Thank you. So first I would just like to say that we're pleased to be here to address the committee and answer your questions on behalf of Government Relations. And I'd like to introduce my officials. I have with me today Laurier Donais, my ADM [assistant deputy minister] of corporate services, public safety standards and disaster recovery; Keith Comstock to my left, the ADM of municipal relations and northern engagement; Jeff Markewich, who is our executive director of corporate services; and Cheri Kellington, who is our executive assistant.

So thank you again. We're pleased to have the opportunity to speak to these chapters. On volume 1, chapter 24, the Northern Municipal Trust Account, as said, the first chapter sets out the results of the follow-up of management's actions on the 10 recommendations that were made in the 2012 report volume 1, chapter 12 resulting from the audit of the ministry's process to provide safe drinking water to northern settlements. Do you want me to read through again what the auditor's office found?

**The Chair:** — Just where you're at with the recommendations would be great.

**Ms. Kirkland:** — All right. So the ministry notes that it has now implemented four of the outstanding recommendations and has made progress on the one that is remaining as follows.

On the "testing of drinking water samples as required by its water system permits", the ministry considers this implemented. We recognize the difference in opinions there. In areas where the ministry operates a water system, water samples are now consistently submitted for testing by an accredited lab as required by its operating permit. In remote northern settlements, test samples do not always reach the labs located in major urban centres in southern Saskatchewan on time when air transport or courier services are unavailable.

The ministry continues to work to minimize these events; however, in most cases these events are beyond the control of the ministry.



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

**Ms. Sarauer:** — Sure and thank you for your preliminary comments. I do have a few questions about this. First of all, how many communities are we talking of, as of right now, that are in the northern area that are without safe drinking water?

**Mr. Comstock:** — There I go. Hi, it's Keith Comstock, ADM of municipal relations. There's only one community in the North that we are responsible for that currently has a drinking water advisory of well water and that's Uranium City.

**Ms. Sarauer:** — And that's a community that's mentioned in the auditor's report as having a long-standing issue with the safety of drinking water. So what work are you doing right now to resolve that?

**Mr. Comstock:** — We're happy to address that now. We do address that in some detail when we get to that in the recommendation. I'm happy to deal with that now if you want to flip to it.

**Ms. Sarauer:** — Sure. I thought that was part of chapter 24. Is that not part of chapter 24?

**Mr. Comstock:** — Oh it is. It's a different recommendation. I'm sorry. I thought we were going in order, but that's okay.

**The Chair:** — No, my apologies, I just realized that, it's just dawned on me now that you just did one of the recommendations. So my apologies about that. You know what? Why don't we let you carry on with the rest of the recommendations and then we'll open up the floor for questions. Sorry.

**Ms. Kirkland:** — Second recommendation, "completing water system maintenance as expected for all drinking water systems." The ministry rates this as partially implemented.

All water system maintenance continues to be completed as verified by the assigned environmental protection officer and scheduled prevention maintenance is carried out as per each maintenance plan. Since February 2016, separate maintenance and operational logs are being maintained in all water systems owned and operated by the ministry. Wollaston Lake and Uranium City still require upgrades and system improvements to address their water quality issues. Plans are under way to complete the required upgrades in both locations.

The third recommendation, consistently documenting supervision of the completeness of maintenance activities. The ministry considers this recommendation implemented. Ministry officials are now reviewing and signing maintenance logs that are submitted by the system operators on a monthly basis. Any maintenance issue is brought to the attention of the senior ministry officials and corrective action is initiated immediately.

The fourth recommendation, resolving long-standing issues with safety of drinking water for the northern settlements. The ministry considers this implemented.

[08:45]

The ministry has implemented a plan for each settlement water system outlining the roles and responsibilities of the branch and the local community. The plans include requirements and activities as per operating permits, recent assessments, and consulting reports.

The fifth requirement, recommendation, communicating the safety of drinking water to the residents of the northern settlement of Stanley Mission and Wollaston Lake — implemented.

The ministry is required through legislation to provide annual notice to the consumers showing the results of the water quality testing for the prior year. The ministry provides these notices to local advisory committees, northern settlement households, and water system operators. At present there are no outstanding annual notices to consumers of northern settlement potable water systems. This concludes our remarks on this chapter.

**The Chair:** — Thank you very much, Ms. Kirkland. I'd like to open up the floor for questions now. Ms. Sarauer.

**Ms. Sarauer:** — Sorry. Maybe you can elaborate on the question I had earlier.

**Mr. Comstock:** — Sure. So Uranium City presents us with a challenge unique both in the North and in the South because Uranium City's system was built in 1958 and had some fairly major additions done to it in 1979. It was designed and built for a population of up to 5,000. The current population of Uranium City is 42. And we estimate, in consultation with our colleagues in the Ministry of Environment, now that the major mine site remediation work is pretty much complete, that population is going to fall to probably about 30 this year and over the course of the next couple of years to virtually nothing.

Our problem in this situation is, we know it's going . . . In order to fix the existing system, it would be close to \$3 million. And the northern municipal services branch of our ministry operates as the municipality in the North, so we don't act as the provincial government when we're operating these systems. We are in the same situation as what an ordinary municipality would be in, in terms of resources and taxation authority and commercial tax base and that sort of thing.

So it's just frankly too expensive for us to try and fix that system. So we've been working with the local advisory committee there. The option that we're exploring right now is to actually have the LAC [local advisory council] agree that they would have a hygienic water use system, which is we would partially treat the water. It would come to houses still needing to be boiled before it could be used for human consumption. But we're exploring the feasibility of actually providing each household with a reverse osmosis water system so that they could purify the water, not having to boil it. That's the latest plan.

We've gone through a whole series of engineering and other sorts of investigations in terms of options that will work there. But at this point, that's the latest plan. And I hope to, by the end of 2017, have that decision made in consultation with the local advisory committee and the resources in place to implement that.

**Ms. Sarauer:** — Thank you. I appreciate that. Do you have a . . . I don't think I heard a time frame for when you planned on potentially implementing this. Do you have one in mind?

**Mr. Comstock:** — Yes. Our hope is by the end of 2017.

**Ms. Sarauer:** — Okay. Thank you. You've spoken about the only outstanding community in the North under provincial jurisdiction that still has issues with water — Uranium City. Are you in consultation with the federal government about any of the communities that are under their jurisdiction? And if so, what sort of communication have you been having with them? Because I know there are quite a few communities that do have water issues that may not be under provincial jurisdiction but are still struggling.

**Mr. Comstock:** — So we co-operate and have a relationship with two First Nations that own water systems to distribute to communities that our minister is responsible for, and that's the Stanley Mission and Lac La Ronge Indian Band and the Wollaston Lake which is Hatchet Lake First Nation. Those are the two that we co-operate with and operate and monitor those systems jointly. We do not have the responsibility for working with other First Nations on a regulatory basis. That responsibility falls to Health Canada and to the Water Security Agency.

That said, we do work with INAC [Indigenous and Northern Affairs Canada] and with our neighbours in the North when we can see a benefit to working on a water system that is either in a neighbouring community or one that might be able to be used. So we have lots of examples in the North of water system upgrades that we've undertaken in co-operation, but we do not have regulatory responsibility for them.

**Ms. Sarauer:** — Right. I understand that. Do you know how many communities that are outside of your jurisdiction that fall within the federal jurisdiction that are currently under water advisories?

**Mr. Comstock:** — I do not.

**Ms. Sarauer:** — Thank you.

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

**Mr. Michelson:** — I'm just kind of curious. I imagine there's a frequency where you test the water down there. How often is the water tested across some of these municipalities?

**Mr. Comstock:** — The testing frequency is outlined in the water system permit that is issued by Water Security Agency. Ordinarily the water is tested every day by the local operator, and then samples are sent south to a lab for further testing and more detailed testing at least twice a month.

**Mr. Michelson:** — Thank you.

**The Chair:** — Any further questions on this chapter? Seeing none. There were no new recommendations and so we at . . . this committee has dealt with them in the past, so this committee can chose to conclude considerations. Could I have a

motion to that end?

**Mr. Doke:** — I so move, Madam Chair.

**The Chair:** — Thank you. Mr. Doke has moved that for the 2016 report volume 1, chapter 24, that this committee conclude its considerations. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Moving on to the next chapter, chapter 8. Mr. Shaw.

**Mr. Shaw:** — Thank you. Chapter 8 of our 2016 report volume 2, starting on page 47, reports the results of our annual integrated audit of the Ministry of Government Relations for the year ended March 31st, 2016. This chapter contains no new recommendations.

At March 31st, 2016 the ministry had effective financial-related controls that complied with financial-related authorities other than the following two areas: the ministry still needs to provide guidance for staff for analyzing and taking action on issues arising from its monitoring of the 2002 Gaming Framework Agreement, and remove unneeded user access to its computer systems and data promptly. That concludes my overview of this chapter.

**The Chair:** — Thank you. I will pass it off to Ms. Kirkland if you've got some comments on this chapter.

**Ms. Kirkland:** — Thank you. First outstanding recommendation is that the ministry needs to provide guidance to staff for analyzing and taking action on issues arising from its monitoring of the 2002 gaming framework agreement.

The ministry has prepared a formal written guidance document for staff to follow in order to analyze and take action regarding issues from the monitoring of the gaming framework agreement. This process outlines the key clauses of the agreement to be monitored, along with an accountability process for staff to follow if there are any issues of non-compliance. We have shared this guidance document with the Provincial Auditor's office and the goal is to implement it in the 2017-18 fiscal year.

The second outstanding recommendation is that the ministry document and implement procedures to ensure unneeded user access to its information technology systems and data are removed promptly. The main challenge to implementing this recommendation is to find a consistent, timely way of ensuring that the individuals responsible for terminating user access are given sufficient notice when someone leaves the ministry so they can initiate the termination. The ministry continues to reinforce the importance of timely removal of access. The ministry also continues to monitor the results of the process they have in place, and we are striving to improve in order to ensure removal of unneeded user access is done on a timely basis.

The ministry will be working with other ministries, including Central Services and the Public Service Commission, to explore whether there is an enterprise solution to this issue. To date, we

are not aware of any unauthorized access by staff that have left the ministry. Thank you.

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

**Ms. Sarauer:** — Thank you. And thank you for your comments, that you answered the question that I had with respect to 4.1. But I am curious to know, is there currently . . . and I might be mixing things up right now in my head, but are you currently negotiating a new gaming framework agreement?

**Mr. Donais:** — Laurier Donais, assistant deputy minister with the Ministry of Government Relations. We're not currently negotiating, and it's really the five-year review. So the gaming framework agreement is a 25-year agreement that was entered into back in 2002, and so every five years there's a review of that gaming framework agreement. And it may or may not result in some amendments to that agreement.

So right now . . . That five-year review is going on right now and it's being led through Saskatchewan Liquor and Gaming Authority and the FSIN [Federation of Sovereign Indigenous Nations].

**Ms. Sarauer:** — Okay. Thank you. And if the ministry decides that there are some amendments that are needed, about when would that occur within this five-year time frame that we're talking about?

**Mr. Donais:** — So the five-year time frame expires, I believe it's June 11th because the agreement was entered into in June 2002. So I think the five-year anniversary would be June 11th of this year.

**Ms. Sarauer:** — Thank you.

**The Chair:** — Are there any further questions on this chapter? Seeing none, there are no new recommendations with which the committee needs to deal, so we can conclude our considerations if the committee wishes. Could I have a motion to that end?

**Mr. Doke:** — I so move, Madam Chair.

**The Chair:** — Thank you. Mr. Doke has moved for the 2016 report volume 2, chapter 8 that this committee conclude its considerations. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Moving on to the 2016 report volume 2, chapter 12. I shall pass it off to Mr. Shaw.

**Mr. Shaw:** — Thank you. Chapter 12 of our 2016 report volume 2, starting on page 67, reports the results of our annual integrated audit of the Northern Municipal Trust Account for the year ended December 31st, 2015. The Minister of Government Relations is responsible for administering the trust account.

This chapter contains one new recommendation. At December 31st, 2015, the trust account had reliable financial statements. The ministry had effective financial-related controls and

complied with financial-related authorities related to the trust account other than the following three areas. First, the ministry did not reconcile the trust account's bank accounts properly and prepared the reconciliations later than its policies expect. Without accurate and timely bank reconciliations, the ministry increases the risk of using inaccurate financial information to make decisions and monitor the trust account's operations. We recommended that the Minister of Government Relations prepare timely and accurate bank reconciliations for the Northern Municipal Trust Account as its policies require.

At December 31st, 2015 the ministry still needs to adequately supervise staff responsible for recording trust account financial information and prepare accurate quarterly financial reports for the trust account. That concludes my overview of this chapter.

**The Chair:** — Thank you very much. Ms. Kirkland, do you have some comments on this chapter?

**Ms. Kirkland:** — We do. Thank you. The ministry agrees with the recommendations made by the Provincial Auditor. The staffing vacancies which occurred during the fiscal year delayed the timely and accurate completion of the monthly bank reconciliations. In 2016, the ministry hired a contractor to assist in the completion of all outstanding bank reconciliations. The ministry is working towards addressing its staffing issues and has hired an additional consultant to review processes and assist in the timely and accurate completion of all financial reporting. The ministry, along with the consultant, will complete a review of the Northern Municipal Trust Account's policies, processes, procedures, and systems to ensure timely and accurate financial information is reported and plans to implement changes to the financial reporting process.

Going forward, senior management responsible for the trust account will ensure that a detailed review of quarterly and year-end financial information is completed. Thank you.

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

**Ms. Sarauer:** — Thank you. When I was reading this chapter, I was surprised to see that 4.1 hadn't already been done, that the auditor needed to point this out. And in your comments you've mentioned that staffing issues were essentially to blame for why this hadn't been rectified sooner. Can you elaborate a bit on what sort of staffing issues you're talking about? Is this turnover? Is there something going on in that particular department?

**Mr. Comstock:** — It's Keith Comstock again, ADM of municipal relations. It's actually a combination of factors, including some extended sick leave that the manager of that unit was on for about six months.

We also have, as most companies and municipalities in the North do, trouble recruiting and retaining qualified people, particularly in the financial services area. So we've had vacancies that we've tried to fill and been unable to fill. We've tried to mitigate the risk of that by calling on Jeff's folks here in Regina, and as mentioned in Deputy Minister Kirkland's remarks, hiring some outside expertise to give us a hand with that. We are one position short of being fully staffed now.

We've got plans to get that fully staffed.

And I should also mention too that, again back to this . . . It's not a conundrum. It's just the situation that we're in where the Northern Municipal Trust Account operates both as a special account of the provincial government. That's also how we operate all the municipalities in the North.

[09:00]

So we have a significant technological clash between the MuniSoft system, which we use on the municipal side, and the MIDAS system which is used on the provincial side. And we've spent an enormous amount of time and effort on trying to get those systems to mesh, and we're very close to actually having the technological solution that we need in place in order to be able to do that. It is a very complicated system, and in many ways it's a system that has evolved over the years as the situation has changed both in the South and in the North.

But we think we've got it more or less on the run now. We've got the staff mostly looked after and we've got a technological system figured out. And with the help of our colleagues here in Regina, I'm hopeful that when we come and report back to you next time that we'll have things shipshape.

**Ms. Sarauer:** — Thanks.

**The Chair:** — Are there any further questions on this chapter? Seeing none, we have one recommendation. Mr. Doke.

**Mr. Doke:** — Thank you, Madam Chair. In regards to the Provincial Auditor report 2016 volume 2, chapter 12, recommendation no. 1, we would concur with the recommendations and note progress towards compliance.

**The Chair:** — Okay. Thank you, Mr. Doke. Mr. Doke has moved for the 2016 report volume 2, chapter 12, that this committee concur with the recommendation and note progress to compliance. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. And we'll move on to the next chapter; that would be chapter 37. Mr. Shaw.

**Mr. Shaw:** — Thank you. Chapter 37 in our 2016 report volume 2, starting on page 259, reports on the results of our first follow-up of four recommendations we made in 2014 relating to the ministry's processes to assess public concerns regarding municipalities.

By September 2016, the ministry had improved its processes to assess public concerns. It implemented all of our recommendations. The ministry gave its staff central guidance on tracking, assessing, and documenting analysis of public concerns. It required staff responsible for assessing public concerns to document potential conflicts of interest, and then assigned staff accordingly. Its community planning branch also documented key information about public concerns in its electronic system. That concludes my presentation.

**The Chair:** — Thank you, Mr. Shaw. Ms. Kirkland, do you

have some comments on this chapter?

**Ms. Kirkland:** — Only that the ministry is pleased the auditor has concluded that all four of those recommendations have been adequately addressed. Thank you.

**The Chair:** — Thank you. I'd like to open up the floor for questions. Seeing none, as those are all outstanding recommendations and this committee has voted on them in the past, I just need a motion to conclude considerations.

**Mr. Doke:** — So moved, Madam Chair.

**The Chair:** — Thank you. Mr. Doke has moved for the 2016 report volume 2, chapter 37 that this committee conclude its considerations. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Well that concludes our business for today. Thank you to the officials from Government Relations. We appreciate your time and the opportunity to ask questions. And thank you to the Provincial Auditor and committee members. With that, could I have a motion to adjourn?

**Mr. Michelson:** — So moved.

**The Chair:** — Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. This committee stands adjourned until the call of the Chair.

[The committee adjourned at 09:03.]