



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Trent Wotherspoon, Chair
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Mr. Don McMorris, Deputy Chair
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Mr. Greg Brkich
Arm River

Mr. David Buckingham
Saskatoon Westview

Mr. Herb Cox
The Battlefords

Ms. Lisa Lambert
Saskatoon Churchill-Wildwood

Ms. Vicki Mowat
Saskatoon Fairview

Mr. Randy Weekes
Biggar-Sask Valley

[The committee met at 08:30.]

The Chair: — Good morning, everyone. We'll convene the Standing Committee on Public Accounts here this morning. I'll introduce our members. We have Mr. Weekes, Ms. Lambert, Mr. Brkich, Mr. Buckingham, Mr. Cox. We have Mr. D'Autremont, who is substituting for Deputy Chair Mr. McMorris, and Ms. Mowat here this morning.

We have the following items to table: PAC 98-28, Ministry of Social Services: Responses to questions asked September 26, 2019; PAC 99-28, Ministry of Education: Responses to questions asked September 25th, 2019; PAC 100-28, Ministry of Education: Report of public losses, September 2019 to November 30th, 2019; PAC 101-28, Ministry of Finance: Government response to Standing Committee on Public Accounts, third report of the twenty-eighth legislature; PAC 102-28, Provincial Auditor of Saskatchewan: Third quarter report, 2019 to '20; PAC 103-28, Ministry of Finance: Report of public losses, October 1st, 2019 to December 31st, 2019; PAC 104-28, Ministry of Advanced Education: Report of public losses, October 1st, 2019 to December 31st, 2019; PAC 105-28, Ministry of Health: Report of public losses, October 1st, 2019 to December 31st, 2019.

I'll introduce our officials from the Provincial Comptroller's office: Terry Paton, our Provincial Comptroller, and Alanna Schemenauer as well from the Provincial Comptroller's office. I welcome Judy Ferguson, our Provincial Auditor, and her officials that are all here with her today from her office. I thank them in advance for the work that they've taken on. And as we deal with each agenda item, I know the auditor will be introducing her officials.

I guess we'll focus our attention here this morning first on Finance. I'm thankful for all the officials that are here today with us. And I'll ask Deputy Minister Pandya to briefly introduce his officials who are with him here today. I'll then turn it over to the Provincial Auditor to focus on the first chapter, open it up to you for a brief response, and then we'll open up for questions. So, Deputy Minister Pandya, if you can introduce your officials that are with you today.

Finance

Mr. Pandya: — Thanks and good morning, Mr. Chair, members. With me today I have Karen Lautsch, the assistant deputy minister of corporate services in the office of planning, performance and improvement, to my right. I have Brent Hebert who's the assistant deputy minister of revenue; Arun Srinivas, assistant deputy minister of taxation and intergovernmental affairs; Terry Paton, Provincial Comptroller; Alanna Schemenauer with the Provincial Comptroller's office; Dan Gudmunson, director of finance and planning in Public Employees Benefits Agency; Tasha Lupanko who's also a director of education and engagement, Public Employees Benefits Agency; and Dean Cursons who is the director of financial services.

I'd just briefly like to thank the Provincial Auditor and her staff for their work and for their constructive approach taken to these audits. Today we are covering seven chapters, two chapters

contained in volume 2 of 2018 and five chapters from volume 1 and 2 of 2019. The summary documentation that we provided outlines progress made on all of the recommendations, and so rather than going through that, we will just be happy to answer any questions that you may have.

The Chair: — Well thank you so much, and thanks as well for the preparation of the status updates for the committee relative to each of these chapters. At this point I'll table PAC 106-28, the Ministry of Finance: Status update, dated February 26th, 2020.

We'll turn our attention to the 2018 report volume 2, chapter 6, and I'll turn it over to our Provincial Auditor.

Ms. Ferguson: — Thank you, Chair, members, officials. With me this morning on my left is Ms. Carolyn O'Quinn. Carolyn is the deputy provincial auditor responsible for the Finance portfolio. Behind her is Ms. Melanie Heebner. Melanie is a principal in our office and actually again has responsibilities in what's presented this morning. And Ms. Kim Lowe is our committee liaison.

As the Chair noted, there's seven chapters that relate to Finance. We are going to be presenting them in the order that's listed on the agenda, and Ms. O'Quinn will make each presentation, pausing after each presentation.

Before she launches into that, I'd like to just take a moment and thank the deputy minister and his staff for the co-operation extended to our team throughout the course of this work. Thank you, Carolyn.

Ms. O'Quinn: — Good morning. I'll start with chapter 6 in our 2018 report volume 2, which starts on page 43 of that report. This chapter reports on a matter that we identified during our audit of certain pension and benefit plans that the Ministry of Finance, Public Employees Benefits Agency, or PEBA, administers. PEBA is a branch of the ministry.

On page 44 we recommend the Public Employees Benefits Agency have written procedures for verifying the completeness and accuracy of pension and benefit plan participant data before providing it to the actuaries. We found that during 2017-18, Finance PEBA did not have written procedures for verifying the completeness and accuracy of plan participants' data before providing that data to the actuaries. Providing incomplete or inaccurate plan participant information increases the risk of inaccurate estimates of pension or benefit obligations, which may in turn impact decisions about the funding status of the plan and the accuracy of its financial statements.

Chapter 19, summary of recommendations from our 2019 report volume 2 reports that the ministry did implement this recommendation in 2018-19. That particular chapter is the last chapter on this afternoon's PAC agenda.

That concludes my overview for this chapter.

The Chair: — Thanks for the presentation. I'll open it up for comments from the deputy minister and then to committee members.

Mr. Pandya: — Thank you, Mr. Chair. So the ministry considers this recommendation implemented. PEBA has implemented written procedures and a policy for verifying the completeness and accuracy of data provided to plan actuaries about the procedures, and policies were in place for the '18-19 year-end. And if you have any detailed questions, we could ask PEBA officials to come forward and answer.

The Chair: — Thank you very much. I'll open it up to the committee for questions. I thought maybe Mr. Brkich and Mr. D'Autremont might have a lot of questions on this chapter, but I'll open it up to Ms. Mowat.

Ms. Mowat: — Thank you very much, and thank you to the deputy minister as well for providing the status updates. A couple of quick questions here. On page 44 of chapter 6, the auditor talks about the fact that there was incomplete or inaccurate information that was provided, and we've referenced it as well. Both of you referenced it in your presentations. I'm wondering if you can speak to why this information was incomplete or inaccurate or what was found.

Mr. Pandya: — Certainly. And maybe I can ask Dan Gudmunson to join us from PEBA and he can get into some of the more detailed answer to the question that you might have. Member, I'd note that the discrepancy is between the physical file and the data file that we provide to the plan actuaries, and so there's missing information in the data file that was provided to the plan actuaries. And as I noted, we have now mitigated that risk going forward. But I'll ask Dan to speak to some of the history on that, if that's okay.

Mr. Gudmunson: — Certainly. Thank you. So as mentioned, during the audit there was some discrepancies found between the physical file and the data file provided to the actuary. It was primarily around marital status of a member as well as some of the spousal information of that member. So what happens is when we get that information in, it is manually entered into our pension administration system. So during the audit what was found was when some of the files were pulled as a sample, the physical files, it was incomplete potentially between the two files.

So what happens in that situation is the actuary then makes an assumption based on that incomplete data. And those assumptions are approved with management's approval and the board and commissions around these plans. So the actual information may vary slightly from that assumption, which could cause potentially a slight difference in that estimate. However, it impacts no payments to members. If there's a payment to a member, it is based on updated information that we request at the time of the payment. So the primary difference was on the financial statements, there would be a slight difference in the estimate.

Ms. Mowat: — Thank you. And you mentioned this is because of the manual input of data. Is that what you said?

Mr. Gudmunson: — Yes. Yes. And we have just recently also implemented a brand new pension administration system that does have controls in place that require certain fields to be input. So we have added additional controls in the system as well.

Ms. Mowat: — Okay. In the next paragraph, the auditor goes on to say:

For example, we estimated the pension obligation of the Public Service Superannuation Plan of \$1.8 billion was initially overstated by a net amount of about \$400,000 (consisting of a \$2.5 million understatement due to incomplete data . . .).

How does this variance compare with other plans or industry standards?

Mr. Gudmunson: — Well every plan is going to be different because they will have different assumptions, different liabilities, based on also the population of the plan, the industry of the plan. So it's really hard to compare how the missing data . . . could be difference between different plans in different industries. It was deemed to be very immaterial, though, that variance to this plan specifically.

Ms. Mowat: — Okay. Thank you. I have no further questions, Mr. Chair.

The Chair: — Thanks so much. Any other questions from committee members? Thanks for the update and I think I'd welcome a motion that concurs and notes compliance. Moved by Ms. Lambert. All agreed?

Some Hon. Members: — Agreed.

The Chair: — So moved. And that's carried. We'll move along now to the 2018 report volume 2, chapter 32. And I'll turn it over to the Provincial Auditor.

Ms. O'Quinn: — Thank you. Chapter 32 of our 2018 report volume 2 starts on page 231, reports the results of our first follow-up of Finance, the Public Employees Benefits Agency's actions on securing personal information that we initially made in our 2016 report volume 2, chapter 26. We are happy to report that by July 2018, Finance, Public Employees Benefits Agency, implemented the two outstanding recommendations. It made procedures used to secure personal information readily accessible to its staff, and it implemented a policy requiring periodic update of its non-IT [information technology] policies that are used to secure personal information. That concludes my remarks.

The Chair: — Thanks for the presentation and the focus on this work. Both recommendations have been implemented at this point. Any words from the deputy minister?

Mr. Pandya: — Just a thanks to the Provincial Auditor and her staff for the work done on the audit of these recommendations. As was noted, we have implemented mitigation with respect to the recommendations. PEBA's approved policies and procedures used to secure personal information are readily available to all staff on the intranet, and staff are required to confirm their awareness of the policies on an annual basis. So PEBA has established a process to annually review its non-IT policies for keeping personal information secure.

The Chair: — Thank you very much. Questions from committee members? Ms. Mowat.

Ms. Mowat: — Thank you. Just trying to get an update on some of the background information that was provided here. So at the time of writing the chapter, there were 90,000 members and beneficiaries served with a staff of 136 full-time equivalent employees. How do these numbers compare to the 2019 numbers? Was there any change?

Mr. Pandya: — Yes, those are essentially the same. So I think it's 90,000 and X. We can get that exact number for you. And then in terms of staff we're still consistent.

Ms. Mowat: — Okay. In terms of the policy that was approved that requires the annual review of all the IT policies for accuracy and completeness, can you speak to how this new policy is going?

Mr. Pandya: — I'll ask Dan Gudmunson again to join us. He's the director of policy.

Mr. Gudmunson: — Yes, so we have implemented the policy as well as posted all of our policies on our intranets for staff to review at all times, as well as to address that we ask that they have read them every year. The way we ensure that these policies are updated is within the finance team we have an inventory of every policy, IT or non-IT, and every calendar year they are reviewed. And if any material changes other than administrative are done, they are brought to the leadership team to review and reapprove and then redistribute to staff with notification.

[08:45]

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Any further questions from committee members? There's no new recommendations here. The recommendations have been implemented, so I would welcome a motion that we conclude considerations of this chapter. Moved by Mr. D'Autremont. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along now to the 2019 report volume 1, chapter 5, and I'll turn it over to the Provincial Auditor's office.

Ms. O'Quinn: — Chapter 5 in our 2019 report volume 1, which starts on page 61, reports the results of our audit of the Ministry of Finance, Public Employees Benefits Agency processes to keep members of the public employees pension plan and the municipal employees' pension plan sufficiently informed.

We made one recommendation. On page 69 we recommended that the Ministry of Finance, Public Employees Benefits Agency provide municipal employees' pension plan terminating and retiring members with all legally required information within the time frames required by law.

PEBA did not give 130 retiring members of the municipal employees' pension plan all the legally required information within 90 days as required by law. Providing pension plan members with relevant and timely pension information helps those members to make informed decisions. It also helps

strengthen their trust in the pension plan in which they participate.

That concludes my overview of this chapter.

The Chair: — Thank you for the presentation, of course the work on this front. I'll turn it over to Deputy Minister Pandya if he has any comments. Then we'll open it up.

Mr. Pandya: — Thank you. So the ministry considers this recommendation implemented. PEBA has amended and implemented its process in order to expedite pension certificates in a timelier manner. As a result, the outstanding certificates were quickly processed and received by members. Additionally, I'm pleased to report that all subsequent requests by members have been processed within the legislated time frame of 90 days.

The Chair: — Thanks for the action and the work on this front. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you very much. In terms of the notification, can you describe what the problem initially was? I understand that it's been rectified now, but can you describe what the challenge was there?

Mr. Pandya: — I'll ask Tasha Lupanko to join us and provide some detail.

Ms. Lupanko: — Good morning. Thank you for the question. As Dan had mentioned, we have a new pension administration system in place now. At the time of the audit, we had two systems. One of them oversaw pension payments and one of them oversaw member administration throughout a member's career. And I believe it was a backlog in between, and a miscommunication in between the two systems. Now that we have the new system in place, we're not seeing a backlog anymore. So the system has been streamlined so that pension certificates go out in a more timely manner.

Ms. Mowat: — Thank you. On page 66 there's a note here about baby boomers making up the largest percentage of plan members, which I don't think many of us would be surprised by. Are we anticipating a growth or a reduction in the number of recipients in the future as a result?

Ms. Lupanko: — You know, I have to say I don't have the answer to that. But we can certainly find it and get back to you.

Mr. Pandya: — Mr. Chair, maybe I could take a run at answering the question and we can get detail back to the member's specific question.

But I would note in general that, you know, in the past where we saw plan beneficiaries retiring upon their retirement date, what we have seen in terms of just a change in general in the workforce is that folks are working longer. And so although it's true the demographic of baby boomers is one of the largest in history and you would expect to see a larger number of retirements, I don't think we can specifically ascribe that demographic to a specific retirement age just because of changes in the nature of work. But we can answer . . . We'll try to get you some more specific information on that.

Ms. Mowat: — Thank you. I also have a question about the annual statements that are going out. So the auditor notes that the public employees pension plan annual statements include messaging for each targeted age group. For example, members who are between 55 and 68, the annual statement encourages them to attend a workshop to learn more about retirement. Targeted messaging certainly sounds like a great idea when you're putting out annual statements. How is this going in practice?

Ms. Lupanko: — Again, thank you for the question. We've recently had an enhanced focus on targeting people at various stages of their careers. Just as an example, we used to have one retirement education seminar for members. It was called Retire@Ease.

And what we learned over the years is that younger members often don't open their pension statement when they receive it. They squirrel it away. Members were not necessarily engaging until maybe they were about five years away from retirement.

So we now have four new workshops that we launched in September — learn, build, prepare, and enjoy — and they're for members at the four stages of their career. And we're finding that not only are we targeting the messaging in a member's statement; we're also targeting it certainly in all the tactics we use to educate members. And we're seeing an increased uptake in engagement, a lot more engagement from younger members especially. And that's encouraging to us.

Ms. Mowat: — Thank you. In terms of the PEPP [public employees pension plan] portal, are you seeing much engagement online as well? Or what has the uptake looked like there?

Ms. O'Quinn: — Yes, we are. Certainly our website . . . We recently did a member survey and our website was found to be one of three top tactics that members use to access information. And the PEPP portal certainly was . . . I can't remember the exact figure. I think it might about 85 per cent was the satisfaction rate with that. There's also a small number — I believe it was under 4 per cent of members — who aren't aware that we have that website that they can access information on. So that's certainly an area we want to focus on in the coming year.

Ms. Mowat: — Thank you. Did you receive any other useful feedback out of the Tell Us What U Think survey?

Ms. O'Quinn: — We did. We learned that members find their statements relatively easy to understand. There's a small portion — I think it's about 2 per cent — that find them difficult to understand. And we plan to focus on that again in the coming year, just simplifying the language perhaps so that members that are newer to the plan understand what they're receiving.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Thank you very much. Any further questions from committee members? Not seeing any, at this point the new recommendation that we have here . . . I believe they've noted that implementations occurred, so I'd welcome a motion that we concur and note compliance. Moved by Mr. Weekes. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Let's move along now to the 2019 report volume 1, chapter 24.

Ms. O'Quinn: — Chapter 24 of our 2019 report volume 1 starts on page 257, and it reports the results of our first follow-up of Finance's actions on recommendations we made about monitoring the fuel tax exemption program that we initially made in our 2016 report volume 1, chapter 8.

As shown in figure 1 on page 258, the ministry estimated it would forego about 101.3 million of fuel tax revenues in 2018-19. By January 2019 the ministry had implemented two of the six recommendations. The ministry coordinated its risk management activities and documented its key operating procedures for the fuel tax exemption program. Also the ministry gave the Legislative Assembly some additional information on key tax expenditure programs, including the actual value of tax exemptions based on available information. However it does not annually give the Assembly measurable program objectives or periodically publish the achievements of its key tax expenditure programs.

Not giving legislators this information limits the legislators' ability to scrutinize the tax expenditure programs in a similar way as they scrutinize spending programs. Also by January 2019 the ministry had not yet set out how it plans to measure the success of the fuel tax exemption for farmers and primary producers other than its general objective to provide them with tax relief.

Furthermore it does not require staff to separately document its periodic review of tax expenditure programs. Maintaining distinct documentation of such reviews helps show whether programs achieve what they were designed to achieve.

This concludes my remarks on this chapter.

The Chair: — Thanks for the presentation. I'll open it up to the deputy minister.

Mr. Pandya: — Thank you. So I would note that the Ministry of Finance continues to work in terms of an approach, an incremental approach to providing additional information on key tax expenditure programs and are committed to making improvements in reporting. So to date we have made changes in terms of the budget, technical papers in the budget around tax expenditure programs. We're engaged in an inter- and intrajurisdictional review of best practice in reporting on tax expenditure programs, and hope to make further progress on this front. And happy to take questions.

The Chair: — Thanks for the work on this front. I'll open it up to committee members for questions. Mr. Brkich.

Mr. Brkich: — Thank you. I'm just talking about the program. I mean since I come from a farming constituency. It's been very beneficial to it. And I just hope that, you know, the auditor realizes that, that in the trying times the farmers have had in the last few years, that it's a program that helps them a lot by not paying tax on fuel to basically grow crops. So just a statement more than a question.

The Chair: — And I think the auditor's work is just looking at sort of how things are accounted for and reported out to the public. Thanks, Mr. Brkich.

Any other questions? Ms. Mowat.

Ms. Mowat: — Thank you very much, and certainly thank you for the detail that's in the status update to the deputy minister and his officials.

So the auditor starts off the chapter by noting that two of the six recommendations have made progress. You spoke about the incremental progress as well, Deputy Minister. I wonder if you can explain sort of the delay in implementation or the approach that's being taken in general.

Mr. Pandya: — So, Member, I think your question is, so what is our plan going forward. Is that your question? And so as I noted, you know, I've directed our officials to undertake a study across Canada of what best practices are in terms of disclosure on tax expenditure programs, and then certainly to look internationally, primarily at Australia, New Zealand, UK [United Kingdom] in terms of what their process will be with respect to tax expenditure program disclosure. And then to provide that advice back to me at which point I, as the secretary of the treasury board, would take that back through the treasury board for review.

You know, as I noted, our current budget paper, our previous budget paper have made improvements on the issue of tax expenditure. I think this is a continuous improvement opportunity certainly, and you know, you have my commitment that we are looking at what that best practice looks like and putting a plan in place to get there. So I think we've made incremental progress on the question.

Ms. Mowat: — Okay. Figure 1 on page 258 notes the tax expenditures from 2016 to 2019. There there's a 2019 figure that's an estimate, and I'm wondering if we have the final figure of where it ended up in terms of all tax expenditures. The estimate was that it was 3.7 billion, a small increase from previous years, and the fuel tax exemption program, 101.3 million, which was a small increase from the year prior but a decrease from the other years.

Mr. Pandya: — I'll ask Assistant Deputy Minister Arun Srinivas from our tax and intergovernmental affairs area to provide some detail.

Mr. Srinivas: — Thank you. Yes, so those numbers were as published in the 2019-20 budget document. Those numbers we're currently working on revising for the 2020-21 budget document, and those will be coming out in the coming weeks.

Ms. Mowat: — Okay, thank you. In terms of the fuel tax exemption program, there are a number of folks who are eligible for it. So those folks are listed here as qualified farmers, primary producers of renewable resources, and consumers of heating fuel. What's the proportion of exemptions for each category that exists? Who primarily would take advantage of the program?

[09:00]

Mr. Srinivas: — I don't have the specific breakdown with me, but the vast majority is farmers. I think almost three-quarters of the exemption is farmers. Heating fuels is nearly a quarter. Primary producers is a very small proportion. The breakdown is actually . . . of the estimate is published in the budget document. So you know, the three components are listed separately in the tax expenditure report.

Ms. Mowat: — Thank you. In terms of how many permits, has there been a change year over year? Have you seen any sort of changing trend or does it remain fairly stable?

Mr. Srinivas: — Sorry, in the number of fuel exemption permits themselves?

Ms. Mowat: — Yes.

Mr. Srinivas: — I think the trend has been fairly stable from year to year.

Ms. Mowat: — In terms of the actual question of measurement, this is something that the auditor gets into on page 259 in section 3.1, measurable program objective needed for fuel tax exemption. So the auditor notes that “. . . the Ministry has not set out, in a measurable way, what the objective for the fuel tax exemption for farmers and primary producers is intended to achieve . . .”

I see that in your status update there is a measurable goal that has been set now, that the measure of success is the value of tax relief provided to reduce those input costs. I'm wondering what the target is for this measure or what benchmark exists that it's being measured against.

Mr. Srinivas: — So you'll see in that figure on page 258 of the report that the actual amount of tax expenditure fluctuates from year to year, and that fluctuation is due to fuel consumption by farmers. And in any given year it will depend on a number of factors, including weather and the seeded acreages and the harvest that's occurring each year, the volume of fuel that is going to be consumed by farmers. And so there is no specific target because the amount of fuel consumed each year is going to vary.

What the goal is, is to provide tax relief to farmers in respect of their fuel consumption. And you know, the amount of the relief is based on the amount of fuel consumed.

Ms. Mowat: — For sure. In terms of how we measure success though, like how do we evaluate the program? How do we know if it's been successful? So I'm just trying to gauge what the ministry's standard is for that.

Mr. Srinivas: — So the objective being to provide tax relief in respect of fuel consumption by farmers, and the measure then is the amount of tax relief that was provided which, you know, we're able to estimate at the beginning of the year. And we're able to report the actuals once we have that data at the end of the year. So the measure then is, you know, have we or haven't we provided tax relief — which we have — and the amount is based on the fuel consumption in any given year.

Ms. Mowat: — Okay. Thank you. I have no further questions,

Mr. Chair.

The Chair: — Any other questions from committee members at this point? Not seeing any, we don't have any new recommendations here. They've been dealt with at this table before. Thank you for the continued work on this important area and for the report here today. At this point I'd welcome a motion to conclude consideration of this chapter. Moved by Mr. Brkich. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried.

We'll move along to the 2019 report volume 1, chapter 45. So I guess we'll turn it over to our Provincial Auditor's office for chapter 45. I was enjoying the debate across the table here, but I'll pass it over here.

Ms. O'Quinn: — No problem. Chapter 45 of our 2019 report volume 1, which starts on page 371, reports the results of our second follow-up of Finance's actions on the remaining eight recommendations about modernizing government budgeting and financial reporting practices that we initially made in our 2013 special report. It includes one new recommendation.

By September 2018 the government had good budgeting and financial reporting practices which appropriately focus on the financial activities of the entire government. It gives legislators and the public, within a reasonable time frame, its budget, quarterly financial reports, and audited summary financial statements. These documents help legislators and the public understand the government's plans. They include key information to facilitate holding the government accountable for the use of public money and fiscal health of the government. However, as of September 2018, the government had further work to do to fully modernize its government budgeting and reporting practices.

This includes the following. On page 374 we recommend that the Government of Saskatchewan formally require interim public financial reporting on the summary budget. Also on page 374 we note the government had not embedded the key aspects of its summary budgeting practices into law, like tabling a summary budget. As shown in figure 3 on page 375, six of nine other provinces have embedded into law a requirement to table a summary budget.

On page 376 we note the government has not embedded into law to require the use of Canadian public sector accounting standards to prepare its annual summary financial statements. Currently it voluntarily follows those standards. Following these standards helps it ensure legislators receive quality financial statements. Embedding even well-established practices into formal requirements like the law helps avoid changes in key practices and inconsistent application over time. This is because, unlike changing policies, changing laws requires public consultation.

This concludes my remarks on this chapter.

The Chair: — Thank you. Thank you very much for the focus on this chapter. I recall the stream of this work quite well over the years. Going back many years, I think some good debates

with one of the members at the table here. But I would like to recognize a lot of the good work of government on this front and would turn it over to the deputy minister at this point. And then we'll open it up for questions.

Mr. Pandya: — Thank you, Mr. Chair. So treasury board has approved policies relating to the new recommendation and to the two remaining outstanding recommendations. These policies require interim public financial reporting on summary budget, the preparation of summary budget and summary financial statements to be prepared in accordance with Canadian public sector accounting standards as established by the Canadian Public Sector Accounting Board. In May of 2019 treasury board advised the auditor that they had approved the above policies, and at this time no further actions are planned to address these issues.

The Chair: — Thank you for the presentation and the work. I know we have some outstanding recommendations that we can canvas as well as the new recommendation. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you, and thank you for some of the initial comments as well. On page 374 the auditor notes that, as of September 2018, cabinet decided not to proceed with embedding current summary budgeting reporting practices into law. Have there been any changes to this decision?

Mr. Pandya: — No, Mr. Chair. No.

Ms. Mowat: — Okay. Thank you. So it remains a formal practice but not embedded into law?

Mr. Pandya: — That's correct.

Ms. Mowat: — Okay. Last year the third quarter update was released with the budget. Should we expect the third quarter financials will be released this year as well?

Mr. Pandya: — Yes, correct.

Ms. Mowat: — I wonder if there has been any discussion. The auditor makes a comparison of Saskatchewan budget reporting practices to other provinces on page 375. Near the end she notes:

We found Saskatchewan publishes less debt planning information than a few of its provincial counterparts. For example, the governments of British Columbia and Alberta each publish other long-term obligations such as obligations under public-private partnership arrangements in their debt plans. Giving legislators and the public additional information may lead to more informed public debate about the Government's plans.

Has there been any discussion about publishing more debt-planning info like BC [British Columbia] and Alberta do for public-private partnerships?

Mr. Pandya: — Mr. Chair, I would note that there's an annual discussion that occurs in terms of improvements to government reporting in terms of clarity and transparency. But to answer the specific question, there's not been any specific question on that aspect.

Ms. Mowat: — That concludes my questions, Mr. Chair.

The Chair: — Any other questions at this time? I'll just maybe weigh in, you know, briefly. So there's been some really good changes that have been made, and that's good that policies have been adjusted to comply with public sector accounting standards and to reflect the rest of Canada. But I think the next step of legislating these requirements into law is rather important and, you know, the recommendation has been put forward in earnest by the auditor. And I'm not pressing the deputy minister on this front, but certainly to the cabinet, this should be done would be, I think, my view and I suspect the view of many around this table.

Now we have one new recommendation to deal with. Oh sorry. The auditor would like to weigh in.

Ms. Ferguson: — Yes. Before you consider the first recommendation here, what I'd like to say is, like on this one here, I think management's being a little bit modest on this one. On the recommendation, the new recommendation, we actually aren't seeking a legislative aspect to it. Because what we're finding, that is an area that there isn't practice across Canada in terms of legislating interim reporting. So putting it into a treasury board policy, our office would probably regard that aspect as being implemented. So if you could consider that before you make your motion.

The Chair: — Thanks so much. So I think the recommendation is that with the new recommendation around the interim reporting, that in fact implementation's occurred, that compliance is in effect. With respect though to the outstanding recommendations where compliance hasn't occurred, I think those are important areas for action.

We have one new recommendation before us. I'd welcome a motion that we concur and note compliance. Mr. Buckingham moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. There's no other new recommendations in that chapter, so we will move along to the 2019 report volume 2, chapter 6.

Ms. O'Quinn: — So chapter 6 in our 2019 report volume 2 starts on page 41, and it reports the results of our 2019 annual integrated audit of the Ministry of Finance and its various agencies. This chapter contains an update on the status of previous recommendations. We are happy to report that the ministry has implemented three of the four recommendations and was making progress on the fourth.

This recommendation that's still outstanding is about better estimating resource surcharge revenues. At March 2019 the government recorded an estimated resource surcharge revenue of almost 394 million. By September 2019 the ministry had developed and tested several models in its efforts to better estimate resource surcharge revenue by resource type.

We agreed its models did not provide better estimates of revenue on a quarterly basis; however we found its models provided a better estimate of the annual resource surcharge revenue. However, the ministry was not yet using these models to record

its resource surcharge revenue earned. We think it should. This concludes my remarks on this chapter.

The Chair: — Thank you for your remarks and the work on this front. I'll turn it over to the deputy minister, and then we'll open it up for questions.

Mr. Pandya: — Thank you, Mr. Chair. So Finance intends to fully implement the annual models for the '19-20 fiscal year-end, and we agree with the Provincial Auditor that the quarterly estimation aspect is no longer relevant.

The Chair: — Thanks for the work and the report. Questions. Mr. Cox, none?

Mr. Cox: — No.

The Chair: — Okay. Ms. Mowat.

[09:15]

Ms. Mowat: — Thank you. I'm just looking at the actual expenses and the financial overview on page 43. In figure 4, actual expenses by object, it notes that salaries and benefits, which includes pensions . . . there was a variance. The estimate was 326.4 million and the actual was 315.5 million. I'm wondering if you can note anything that explains that variance. Does it have to do with the number of employees or how could that be explained?

Mr. Pandya: — So the primary variance there, Mr. Chair, is a change in pensions. So what happens through the course of the fiscal is that we true up the pension requirements, and that's typically the largest deviation you'll see in salaries and benefits within the Ministry of Finance's vote. The Ministry of Finance is responsible for pension obligations for the entire system and that's why that number is so large.

Ms. Mowat: — So it would be typical to see that type of variance because of pension changes?

Mr. Pandya: — That's correct, yes.

Ms. Mowat: — Okay. In terms of the ministry's new models for estimating annual resource surcharge revenue, I wonder if you could speak to the value of these models and how they differ from the estimation that was being used prior.

Mr. Pandya: — I'll ask Assistant Deputy Minister Brent Hebert from our revenue division to come up. He's been working with these models in detail.

Mr. Hebert: — Good morning and thank you for the question. In terms of the models, there's been some changes with the Ministry of Economy in terms of the value of production of sales and the data that they bring in. And so when we started using the estimation models back in 2012, we reached a point where the information we were getting from the Ministry of Economy became more accurate in terms of the resource companies that were reporting through them in terms of value of sales and production.

So I think in 2016 was when they started to give us a little bit

better data at the end of the year in terms of understanding the value of sales and production and understanding how that information could be used to model at the end of the year. And so we modified our models, tested them for a couple years, and we find that from a uranium and potash perspective, the models are quite accurate and they're reasonable.

Oil and gas, it took us a couple years to interpret the data and the trends that we were seeing. And we got that to a point where we were comfortable that we could use that information as well to estimate moving forward. So as my deputy minister identified, we'll be implementing that at the end of the year now, now that we've tested those models for a couple years and we're a little bit more comfortable in terms of the results they're producing.

Ms. Mowat: — Thank you. So they've sort of been piloted alongside your other estimation procedures up to this point and then the full-on implementation is going to be happening this year.

Mr. Hebert: — Yes, correct.

Ms. Mowat: — And I wonder if you can explain a little bit more about the fact that quarterly estimates are not possible under the new models.

Mr. Hebert: — Sure. So in terms of the information we get on a quarterly basis, the data that we get isn't as accurate or meaningful in quarter. When we are testing our models we are reaching out to the resource companies, trying to gather information for us to better estimate on a quarterly basis. But with respect to sales contracts, pricing in the industry, it's so volatile in year that when we were trying to do it on a quarterly basis, we just couldn't produce reliable estimates.

Even when we contacted the manufacturing companies or the resource companies, they're hesitant to give you competitive information on future sales contracts and pricing. And so trying to do that on a quarterly basis was really tough. We attempted it, but in our modelling over the four or five years we just couldn't produce reliable estimates on a quarterly basis to, you know, justify doing it on a quarterly basis and providing reasonable estimates.

Ms. Mowat: — Thank you. In terms of the annual estimation, is that comparable in other jurisdictions? Is that the way comparable provinces are also looking at it?

Mr. Hebert: — It's tough because not all provinces have a resource surcharge. And so we did try to look across jurisdictions and say well, you know, how can we better do this. But we're the only one, I believe, Canadian jurisdiction that has a resource surcharge, so we couldn't look at others and say, well how do we improve from that perspective. We had to kind of build it ourselves.

Ms. Mowat: — Thank you. I'm seeing the auditor nodding and perhaps she's interested in weighing in.

Ms. Ferguson: — I think, you know, what we're seeing here is that the Ministry of Finance was able to leverage the new IT system that the Ministry of Energy and Resources put in, you know. And in some respect they're really almost held hostage by

the reliability of the information that the industry can be providing on an interim basis, you know. And from our perspective, you know, reliability is important in terms of putting the information out and so that's why we agree to using the year-end. And we also agree that the quarterly at this point in time, you know, it just isn't there. So you know, it's something that we'll assume that the ministry will keep working with Energy and Resources. If things change on their front, you know, and the availability of the information changes, then perhaps you can go back and recircle and revisit what you're doing on a quarterly basis.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Thank you for the questions. Thank you for the work on this front. Not seeing any other questions on this chapter, I'd welcome a motion to conclude considerations of chapter 6. Mr. Cox moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along to the 2019 volume 2 report, chapter 34.

Ms. O'Quinn: — Chapter 34 of our 2019 report volume 2 starts on page 271 and it reports the results of our first follow-up on Finance's actions on recommendations about implementing the revenue administration modernization project, also known as RAMP, that we initially made in our 2017 report volume 1, chapter 5.

By September 2019 the ministry had implemented one of the two recommendations. The ministry accurately included all costs incurred for RAMP on its final status report. Also it started developing processes for how and when it will measure and report on RAMP's benefits. This work will enable it to report on the benefits achieved. This concludes my overview of the chapter.

The Chair: — Thanks for that, for the work and for that presentation. I'll turn it over to our deputy minister.

Mr. Pandya: — Thank you, Mr. Chair. Finance will include an update on the RAMP project as part of our annual report for '19-20 to report on benefits and, as noted, Finance has fully implemented the second recommendation with respect to costs incurred. I would note that the project's expected costs were 35.5 million and the actual costs incurred at March 31st, 2019 were 32.6 million.

The Chair: — Thanks for that presentation. We'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you very much. In terms of the outstanding recommendation that's been noted as partially implemented, in your planned actions for implementation in the status update you mention the fact that "The benefits realization plan will be further refined after final release, to identify how and when the benefits will be measured and reported to stakeholders in 2019-20."

Just in terms of determining how to report to stakeholders, are

there any challenges that you're facing with that? Or is it a matter of, this step needs to be completed before the next one?

Mr. Pandya: — So as I indicated in my opening comments, Mr. Chair, that it's our intention to use the Ministry of Finance's annual report to report out to stakeholders. And then I'll ask the ADM [assistant deputy minister] to speak to more specific reporting out on benefits.

Mr. Hebert: — Thanks for the question. So in terms of challenges we're reporting, we don't see any challenges that way. As we have identified, we'll do an update in our annual report for '19-20. And we've identified a plan to report back to decision makers in terms of our progress on the benefits that were identified in the original business case. So we'll be reporting back to our executive steering committee and other decision makers in terms of the project.

Ms. Mowat: — Thank you. So you expect that this recommendation will be implemented when the annual report is released?

Mr. Hebert: — Yes, correct.

Ms. Mowat: — Okay, I understand. In terms of the expected benefits, so figure 1 on page 272 identifies benefits expected from implementing RAMP. So it lists a number of benefits that the ministry identified as possible benefits: productivity gains, revenue gains, improved customer service, and increased system availability. Have any of these benefits happened? Have you noted them?

Mr. Hebert: — Again thanks for the question. Yes, we've realized the number of benefits already through the project. And I can go through some of them if you wish.

So internally one of the big benefits that we saw is we're going to move to a virtual system through this system. So our employees are working virtually. We have a file room in our division that takes about three-quarters of a floor at Finance. It's got all the taxpayer files that we have. Through this project, we intended to retire that paper file room in about five to six years, and that benefit we're going to realize probably in two to three years. So we're going to eliminate paper files of all of our clients. And the system will contain the actual record for each client. So that's one big benefit for us. So it reduces space, reduces paper costs.

Our paper and postage costs have been reduced dramatically as well because as part of this project we've on-boarded all of our services online. And so I'll give you an example. We have about 28,000 monthly tax filers in Saskatchewan, and so normally we would have sent all of those filers paper tax returns. And last month we actually only sent out . . . less than half of those clients received paper and the rest of them received an automated electronic notice to file. So we reduced in half the number of tax returns we sent out last month, and we're processing all of those returns and payments electronically as they come back. So we're starting to already see benefits in terms of cost savings on postage and paper costs.

From a productivity perspective throughout the project, we automated a number of processes and reorganized. So we had a

couple of positions where we actually automated the activities of those positions, and then under the project we redeployed that capacity to revenue-generating activities that are in our audit area or our collections area. So that was part of the strategy under the project.

We retired 26 other IT systems through this project. So we had a bunch of old systems that sat around it. Some of them were 30, 40 years old. So we've retired all 26, or the majority of those 26 systems. We've got this enterprise system now in place, so we're avoiding all the cost savings around supporting and maintaining all those systems. I think it produced cost savings also, you know, to ITD [information technology division] and Central Services because they spent a lot of time maintaining those systems as well.

Another benefit of the system when we first built it was being flexible and scalable to government's needs. And so partway through this project, you know, decision makers came to us and said, hey can you guys administer education property tax on behalf of the government? And so partway through the project we were able to implement the administration of education property tax and bring that tax on into that system as another piece of scope into the system. So it does provide that flexible and scalable ability to manage government revenues from a broad perspective.

And then I'll come back to the portal that we implemented as part of it. So all of our online services have been on-boarded onto the portal. Prior to this project we had an old e-filing portal, and I think we had about 5 per cent of our tax roll filing electronically. And as of January, through a lot of efforts of our organization, we've got about a 50 per cent take-up now in terms of electronic filing and payment through that portal. Our goal is much higher than that, but we're at about 50 per cent right now, which is much more efficient for our clients and for ourselves in terms of operations on our end.

Those are a few of the benefits that we've realized so far. We're tracking those and we'll be reporting those out as we move on further. And we expect to see benefits for the next couple of years. It's going to take a bit of time to realize them.

Ms. Mowat: — Thank you. You mentioned some reallocation of FTEs [full-time equivalent]. How many positions did you shuffle around?

Mr. Hebert: — There was a couple. There was a couple programs where we were able to bring the services online and we were able to automate the processes. The rest of it was what I call arms and legs, so they were little pieces of positions. And so we redeployed capacity and found efficiencies that way to further administer our programs.

Ms. Mowat: — In terms of revenue gains, so the example that was provided here is identifying under-reported taxes. Have you seen anything on that front?

[09:30]

Mr. Hebert: — We haven't. Right now we're trying to establish our base point. When we built the business case prior to the project, it was based on the revenues of the day. In '17-18 we

significantly expanded our tax base through some of the changes that were made from a PST [provincial sales tax] perspective. So we're working through right now in terms of these benefits and normalizing what that looked like so that's not factored into the benefits. And we're making sure that we're, you know, identifying the benefits that are core to this project. So we're working through that right now as part of this benefits plan to make sure that we're normalizing it and we're not overstating.

Ms. Mowat: — Thank you for that. The Provincial Auditor also notes immediately after that figure that since the 2017 audit, the ministry considered reporting to its executive about the benefits achieved but, as of September 2019, had not finalized its reporting approach or timing of reporting. Can you provide an update on what that looks like?

Mr. Hebert: — Sure. So since then, we've completed the plan. That's what we'll be implementing in terms of the reporting process.

Ms. Mowat: — Okay. Thank you. That concludes my questions, Mr. Chair.

The Chair: — Thank you very much. Thanks for all the work on this front. It's important work. Any other questions from committee members? Not seeing any, I'd welcome a motion to conclude considerations of this chapter. Mr. D'Autremont moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And this concludes our time with Finance here this morning. Thanks to everyone that's here today. Thanks to all the officials that help carry out the important work of Finance throughout the year. So thank you. I'd open it up if there's any final comments from the deputy minister at this point.

Mr. Pandya: — Mr. Chair, I'd like to thank you and committee members for all your good work, and the Provincial Auditor's staff and of course all the staff in the Ministry of Finance who are working on these important files every day. So thank you very much.

The Chair: — Thank you very much, Deputy Minister. We will take a brief recess. Up next is the Saskatchewan Arts Board. As soon as we have them here and on deck, we'll get started. So we'll take a five-minute recess and go from there.

[The committee recessed for a period of time.]

Saskatchewan Arts Board

The Chair: — All right, we'll reconvene the Standing Committee on Public Accounts this morning. We'll turn our attention to the chapters pertinent to the Saskatchewan Arts Board. Thank you to Chief Executive Officer Michael Jones for joining us here today and for his work within the province.

I guess you don't have any officials to introduce at this point, so we don't need to do anything there. We will welcome some opening remarks once the auditor has presented each of the respective chapters and we'll open it up for questions.

Before I turn it over to the auditor, I will table PAC 107-28, Saskatchewan Arts Board: Status update, dated February 26th, 2020. And I want to thank the Arts Board as well for organizing and submitting that status update.

At this point I'll turn it over to the Provincial Auditor's office and we'll focus first on the 2017 volume 2 report, chapter 12.

Ms. Ferguson: — Thank you very much, Chair, members, and to the Arts Board too. With me on my left-hand side is Ms. Linda Klassen. Linda is a principal with our office and led the work that we're going to be talking about this morning. Behind is Mr. Jason Shaw. Jason's a principal with the office also and again has worked on this portfolio. And Ms. Kim Lowe is our committee liaison. Mr. Kelly Deis actually sends his regrets. He's driving to Phoenix area on vacation at the moment so, you know, our heart goes out to him.

Before we launch into the chapters, I just want to also thank Mr. Jones for the co-operation extended to our office during the course of this work. We're going to make two presentations this morning. We're going to combine the first two chapters together into a single presentation because they're related chapters. You'll find that they're both our annual integrated audits and there's a relationship between the two. And then we'll make the third chapter a separate presentation, so two presentations instead of one. Without further ado, Ms. Klassen.

Ms. Klassen: — Thank you. Good morning. Chapter 12 of our 2017 volume 2 report on pages 75 to 77 report the results of the annual integrated audit of the Saskatchewan Arts Board for the year ended March 31st, 2017. Chapter 13 of our 2018 report volume 2 on pages 73 to 75 report the results of the annual integrated audit of the Saskatchewan Arts Board for the year ended March 31st, 2018. For the years ending March 31st, 2017 and March 31st, 2018, respectively, we found the Saskatchewan Arts Board financial statements were reliable. For both fiscal years, it complied with the authorities governing its activities related to financial reporting and safeguarding of public assets. It had effective rules and procedures to safeguard public resources, other than the two new recommendations for the committee's consideration.

On page 77 of our 2017 report volume 2, we recommended the Saskatchewan Arts Board follow its established policies when making grant payments. In March 2017 the Arts Board paid grants totalling almost \$280,000 without the approval of the board of directors. Its policy requires its board of directors to approve grants in excess of \$20,000 and to approve each year's multi-year grant programs. Non-compliance with the direction of the board of directors increases the risk of paying grants without the appropriate authority. As recorded in chapter 13 of our 2018 report volume 2, the Arts Board implemented this recommendation in 2017 and 2018.

On page 75 of our 2018 report volume 2, we recommended the Saskatchewan Arts Board maintain written management-approved guidance about accounting for and payment of grants. We found the Arts Board did not have written guidance for accounting for and payment of grants and for documenting related decisions, for example when it considers grants to be authorized or what applicants must do to be eligible for grants. Not having written guidance for recording grants

increases the risk of recording grants incorrectly or inconsistently. This risk is even greater when accounting staff turn over. As reported in chapter 19 of our 2019 report volume 2, the Arts Board implemented this recommendation in 2018-2019.

This concludes my presentation. I will pause to allow for the committee's consideration.

The Chair: — Thank you very much for the presentation and of course for the work on this front. Thank you as well to the Arts Board for the work in response to these important recommendations. I'll turn it over to Mr. Jones to offer some brief remarks if he cares to, and then we'll open it up for the grilling.

Mr. Jones: — The only thing that I would add, given that both of these recommendations were implemented and the implementation was noted by the Provincial Auditor in the following year's integrated audit, the only thing I would add is that I would thank Mr. Shaw from the auditor's office who actually really helped with the creation of that written guidance following the second recommendation.

The Chair: — Thank you very much. We'll open it up now for questions. Ms. Mowat.

Ms. Mowat: — Thank you as well for the status updates. It's really helpful for committee members to see what actions have been taken since the report. I do have a few different questions based on the reports. I'm going to try and keep them straight here even though I'm looking at two chapters at the same time.

I'm not sure who this is a question for probably the Provincial Auditor. In terms of comparing the two chapters, there's a slight change in the way that figure 1 is reported in revenues and expenses. And in the line "grants and transfers," it changes to "grants" in chapter 13. And I'm wondering if there is an explanation for that. It looks like a similar value but I'm not sure if there's a difference there.

Ms. Ferguson: — Simply speaking, no. No, just different labelling. Sorry about that.

Ms. Mowat: — Thank you. It's okay. I was just wondering if there was something that I should be catching there. So this is useful in terms of being able to track a financial overview from 2016 onward. So we have 2016-17 as well as 2017-18, but do we know what the revenues and expenses were for 2018 and 2019? I wonder if you have those numbers here.

Mr. Jones: — I don't have them with me. The revenues for 2018-19 would be largely the same as they were for 2017-18 because our GRF [General Revenue Fund] appropriation was flatlined, and that's the primary source of our revenue. So our revenues would be quite the same. Our expenses would be very, very similar in terms of . . . Okay, so 2018-19, a lot of our grants for that year would have been multi-year funded grants, and I believe that 2018-19 was the end of a multi-year cycle but I'm not willing to take an oath on that as I'm sitting here.

Ms. Mowat: — And the flatlining of the GRF that you mentioned would also account for the difference between the budget and actual in 2016-2017, or . . . Because the budget for the provincial

grant was 7.36 million, but the actual was 6.81.

Mr. Jones: — Yes.

Ms. Mowat: — Okay. In terms of other revenues, what are we talking about when we're talking about other revenues? Where else do you get revenue from?

Mr. Jones: — At the Arts Board, we receive approximately \$1.9 million a year from Saskatchewan Lotteries through SaskCulture for programs that we run in partnership with them. Apart from that, we have investment income. We have an endowment fund which generates about 3 to \$400,000 a year, which is separate from and is used for separate purposes but appears in the same financial statements. And we have some earned revenue from things like art rental and sales, but those numbers are nominal.

Ms. Mowat: — Thank you. Just in terms of the first recommendation that . . . When we're talking about grant payments being made without approval, I'm just wondering if you can speak to what the challenge was here that ended up being rectified.

Mr. Jones: — I can certainly speak to it. "Without approval" is, I'm going to say, Provincial Auditor-speak for what actually happened. So I'll tell you the story of what happened. We give multi-year operating grants to arts organizations in this province. That's a large portion of our budget. It's about \$3.6 million each year just for those PAOP [professional arts organizations program] grants. Those are approved by juries on a multi-year basis so that those organizations, particularly the ones with whom we have long-standing relationships, don't have to apply to us every year. They're approved always of course on the basis that our budget can accommodate such a grant.

[10:00]

Our practice in that grant program is to pay that out in two instalments to the organization. The first instalment is sent to them in the month prior to the beginning of their fiscal year. The second instalment is issued to them after we receive their reporting on the prior year, including their audit, so that we can assure how funds were spent. The reason that we have always released a payment in advance of the fiscal year, quite frankly, is economic. These are organizations that are running on \$100,000 budgets often, and we have more money available to them. They need the money so our practice has always been that.

The year that I joined the Arts Board in 2015, this practice was called into question and it came up through the audits. And part of that was the approval of multi-year grants, which always needed to go to the board of directors even in these secondary years. Prior to 2015 that approval was assumed when they approved the budget for the following year. But after the 2015 audit, we began a process of always having a separate motion to approve each of those operating grants in each year.

The challenge was that . . . Out of that 2015 audit, the course forward that was decided was that we would take that motion to our board in March of the prior fiscal year so that we could continue paying out so that they would approve it as an expense for the following year. The challenge with that . . . At the time we were accounting for those as traditional business expenses,

which meant that we could do a pre-paid expense. The challenge that was pointed out in the 2017 audit — and this is where this all came from — is that those are not business expenses; those are government transfers. You cannot accrue a government transfer as a pre-paid expense because you cannot accrue an asset against a government transfer, and so it was not appropriate as a pre-paid expense. Those expenses in 2017, I think is the year in question, legitimately were written on March 28th or 29th. They were so close to the . . . [inaudible].

So what we did as a board was we informed all the agencies who have fiscal year beginnings on April 1st was that while the rest of the program receives a payment the month before, they are not able to do so and those grants are no longer approved in advance by the board of directors. They're discussed at the March meeting and done by an e-vote on April 1st and 2nd.

Ms. Mowat: — Thank you. And I appreciate hearing the full account of what happened. It sounds a little bit bureaucratic.

So just for clarity then, the note about in March 2017 the Arts Board paid grants totalling 280,000 without the approval of its board of directors, that amount was entirely encompassed by multi-year grants.

Mr. Jones: — Yes, it was.

Ms. Mowat: — Okay. So is it safe to say that the approval of those grants did happen at the board-of-director level, just not in that year?

Mr. Jones: — In fact the approval happened at the board of directors prior to them being paid out, but because of the word of the motion, they were approved as an expense for the following year. And so they were paid out three days before the beginning of the next fiscal year. So technically we decided during the audit that the approval hadn't gone into effect until April 1st. So even though we had a motion approving them, they were not approved at that point. So they had been approved by the board of directors in principle. They just had been approved for an expense three days later.

Ms. Mowat: — Fair enough, but unfortunate technicality to have to encounter. It's encouraging to see that you worked with the Provincial Auditor's office to develop the policy, and it sounds like there have been no challenges with adhering to that policy.

Mr. Jones: — Absolutely none.

Ms. Mowat: — Okay. Thank you. That concludes my questions, Mr. Chair.

The Chair: — Thanks for the questions. Thanks for the responses as well. Any further questions on these two chapters? Now we have two recommendations, new recommendations, to deal with here from two different chapters, so I don't think we can deal with them together. We'll deal with them separately, but I think the case is the same for both of them that we would concur and then note compliance.

I'd welcome a motion with respect to the 2017 report volume 2, chapter 12 to that effect. Would anyone care to move? Moved by Mr. Brkich that we concur and note compliance. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. With respect to volume 2, chapter 13 and the recommendation there, would someone like to move that we concur and note compliance? Ms. Lambert moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried as well. We'll turn our attention now to the 2018 report volume 2, in chapter 22, and I'll turn it over to the Provincial Auditor's office.

Ms. Klassen: — Chapter 22 of our 2018 report volume 2 on pages 119 to 134 reports the results of our audit of Saskatchewan Arts Board's processes to award grants impartially and transparently. One way the Arts Board supports the arts in Saskatchewan is through awarding grants to professional artists, professional art associations, and communities. It awards between 6 million and \$8 million in grants each year.

Each year the Arts Board receives about 400 applications for its different programs. Its major programs include professional art organizations, SaskFestivals, independent artists, Indigenous and Métis art and artists, artists in communities, in schools, and scholarships. It also funds Culture on the Go and other grant initiatives as outlined in figure 2 on page 121 of the report.

Typically the Arts Board funds between one-fifth to one-quarter of its requests for funding. Having good grant administration decreases the risks of awarding grants to applicants that do not contribute to the intended outcome of a particular program or grants being viewed as not being awarded impartially or transparently. In addition, having transparent and fair processes of adjudicating grants safeguards the Arts Board's reputation and helps maintain public trust.

Overall we found the Arts Board processes were effective to award grants impartially and transparently, other than the areas reflected in our six recommendations. And my presentation will focus on these recommendations.

On page 124 we recommended the Saskatchewan Arts Board establish the frequency of formal program reviews for its major grant programs. The Arts Board developed and refined objectives for each of its programs that align with its strategic direction. It also used program reviews of each grant program to keep those objectives current. However it did not define how often it expects to review its major grant programs. By June 2018 the Arts Board reviewed six of the seven major programs within the last three years. It had not determined when the next review of its major grant is expected. Not having established program review cycles may result in program ineffectiveness as the grant programs may not meet the current artists' need.

On page 126 we recommend the Saskatchewan Arts Board set out in writing its process to use and select independent assessors when awarding grants. Even though the Arts Board routinely uses independent assessors on juries, its policies and processes do not specifically refer to their role or use. Independent assessors are individuals with specialized expertise, such as visual arts experience, related to the grant program. We found the Arts Board used independent assessors to assess applicants for

3 of the 31 juries for the 18-month period ending June 2018. Documenting the selection and use of independent assessors enhances the transparency of the Arts Board process to award grants.

On page 128 we have two recommendations. We recommend the Saskatchewan Arts Board obtain signed agreements from evaluators before releasing grant application packages to them. And we also recommended the Arts Board record the time the person with the declared conflict of interest left and returned to a grant adjudication session. Contrary to good practice, the Arts Board provides peer evaluators with a juror agreement at the same time as it provides them with the grant applications. The juror agreement appropriately requires the evaluator to consider and declare conflicts of interest with grant applications, if any, and to maintain the confidentiality of the information that it receives. Not requiring receipt of a signed juror agreement from evaluators prior to sharing confidential information may diminish the benefit of that signed agreement.

Also we found staff did not always sufficiently document the handling of declared conflict of interest. We observed an instance where staff documented the disclosure of a conflict of interest but did not disclose the time the person with the conflict left and returned to the meeting. Recording the time individuals with potential conflicts left and returned to the meeting helps organizations show declared conflicts are handled appropriately and impartial discussions occurred.

On page 132 we recommended the Saskatchewan Arts Board give evaluators detailed written guidance about scoring grant applications against evaluation criteria and make that guidance available to the applicants as well. The Arts Board requires peer evaluators to score grant applications against each program's evaluation criteria based on a ranking from 1 to 10. The Arts Board provides evaluators with general scoring guidance.

We found this scoring guidance was not sufficiently comprehensive. For example, unlike some other Canadian jurisdictions like the Ontario Arts Council, the scoring guidance provided did not include a detailed explanation of what each ranking means. Not providing a comprehensive explanation of how to assign scores increases the risk of evaluators not assessing applications consistently. Having a detailed evaluation guide would assist in scoring applications equitably and transparently. In addition, the Arts Board does not make this evaluation guidance available to applicants. Making it available to the applicants would promote transparency and openness about the adjudication process.

On page 134 we recommend the Saskatchewan Arts Board track receipt and resolution of complaints about its grant programs. The Arts Board does not provide guidance on how to respond to or document complaints it receives about its grant programs. Rather, staff handle complaints on a case-by-case basis and do not track the amount or nature of those complaints that the Arts Board receives.

Having a documented process to resolve complaints will help staff consistently and appropriately resolve the complaints. In addition, tracking of complaints helps to identify if there really are any common themes, and the Arts Board may consider those when revising its programs. This concludes my presentation.

The Chair: — Thanks for the presentation, for the work. I think we have six new recommendations before us. Mr. Jones, would you care to have some brief remarks before we open it up for questions?

Mr. Jones: — Yes, thank you. First, there are two general comments that I would like to address before dealing with the recommendations. The first would be just to note, to thank the Provincial Auditor for doing this work. In addition to my role as the CEO [chief executive officer] at the Arts Board, I currently serve as the Chair of the steering committee for the Canadian Public Arts Funders network which is the network of all of the provincial and territorial arts funders as well as the Canada Council for the Arts. And I can say therefore that we were the very first jurisdiction in Canada to have a performance audit of the manner in which our arts grants are assessed, and the other members of the network were very interested to hear the outcomes of it. So I'd like to thank them for the work that they did.

I would however also note the unusual timing of the performance audit that took place. Again I started work with the Arts Board in 2015. At that time we were working with a very, very old database. It was of grants, to record our grants. There was a significant area of risk and during my first three years we worked to first stabilize that database and then to implement a new online application system.

The timing of the performance audit actually took place right as we were going through the implementation of a brand new granting system which meant that certain things like written policies were outdated for the old system because the new system wasn't fully implemented yet. And so we were in the process of creating that at the same time that we were going through the performance audit. So certain things that came up — although I don't think they're included in these six recommendations — would have been quite different now if I had my 70-page book on how to actually address grant practices which is referred to several times in this. So I would note that of those six recommendations, five of them have been fully implemented.

The one thing that I would . . . In some cases, and this comes from the fact that the Provincial Auditor as they undertook this, this was the first time grant processes in the arts had been adjudicated, had gone through this sort of a process anywhere in the country. So there was a certain amount of learning for both the Provincial Auditor and for the Arts Board to learn to speak each other's languages and describe our practices in a way that made sense to both sides.

And so certain things I would say . . . Well for example, we now receive signed agreements from evaluators before we release the application forms to them and yes, while that does address the confidentiality issue that was raised by the auditor, what in fact it made more challenging is that part of getting that jury agreement back was that we allowed them to identify any conflicts of interest that they had, which they can't do until they've seen the applications. So it's changed some processes around that, but it's certainly better for confidentiality. It's made identification of conflict of interest a different matter there, which we now address differently.

[10:15]

Beyond that, there is one further recommendation, the recommendation about rubrics, about assessment rubrics that we provide both to assessors and to applicants. We began work on that and then realized that we were about to go into a process of redesigning our actual assessment criteria for grant programs and to do a major work on that. It didn't at the time seem effective or efficient for us to actually write rubrics for the existing assessment criteria, then change them and then rewrite them. So we delayed the implementation of that, although you will note that we have piloted that now in two of our major programs as of the last round and it was very effective, and that we have a schedule for implementation in the rest of our programs.

The Chair: — Thank you very much for the report and thank you as well for the status update, which was rather detailed, that you supplied to us in advance of the committee. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you. I do have a few questions, although you answered many of my questions, which I appreciate. In terms of the pilot that you mentioned for the rubrics, is the plan that the rubric that has been developed now is what will end up becoming practice? Or is there still further development to take place there?

Mr. Jones: — Each of our major programs will require their own rubrics. We attempted the two programs that we did, Artists in Schools and Artists in Communities, largely because those two programs are assessed by the same jury at the same time. So it was easy to implement it with the two, put it in front of one jury, and see how they responded to such a detailed rubric.

We set up that pilot so that it could do both the fall rounds from 2019 and the spring rounds from 2020. So technically the pilot is still going, although I have to say staff has been wholeheartedly surprised by how well the jury received the rubric that we prepared.

The rubric that was prepared for those programs, just to assess in 10 different categories, was 17 pages of rubric. And we thought when we send this out to the jurors they're going to hate this and they're going to really object to the additional amount of work that we are now asking them to do. And it's interesting because the staff member responsible for that program was convinced of it. My policy planning advisor and I also — because of our management of vacant positions, I should say that as well as serving as CEO, I'm also the director of programs at the Arts Board — so both Noreen and I were convinced that the jury would absolutely, vehemently dislike the process.

And so we went in to listen to the jury, and we both sat there stunned as they really liked it. We believe that we could implement that one fully for those two programs, but because we did say it was a pilot and we would try it with two juries, we're going to try it again at the upcoming spring jury.

It is interesting that having now taken it and presented it to the rest of the program staff, they all agree. They all had the same opinion that Noreen and I had at the beginning, which is that jurors will hate this. And we had to admit, no, we were wrong to begin with on that.

So it is still a pilot. I believe that it will continue intact for those two programs, but that we will need to create them for the other

programs based on the assessment criteria for each program.

Ms. Mowat: — What is the makeup of the adjudication process? Like how many jurors are we talking about?

Mr. Jones: — It varies depending on what the program is. For the majority of our programs, it tends to be three jurors. There's a financial implication having more jurors than that because we pay full CARFAC [Canadian Artists' Representation/le front des artistes canadiens Saskatchewan Inc.] rates to all artists who appear on our juries. We believe as the Arts Board that artists deserve to be paid fair wages for their work, so that's an important value of ours. So typically there are three on a jury. For certain programs that require other skills, there might be four. For our larger operating programs like PAOP when we do it multi-year, that can be up to 10 jurors so that we have appropriate balance of discipline background.

We also use — and this was noted in the recommendations — in addition to jurors, we may use outside assessors as part of our process. That comes to, if you can't conceive a jury of three or four people that can adequately address every application on the table, often there is one outlier. There might be, for example in a jury that's assessing visual arts, there might be a graphic novel application. That's such a very different art form. We don't want to bring in one juror who is there for the whole day who can only speak to graphic novels, but we want to get an expert opinion that can be read to the juror. And so that's the process of outside assessors.

So it's three to four jurors typically except for operating programs, plus outside assessors where required.

Ms. Mowat: — Thank you. The Provincial Auditor notes that as of June 2018 the Arts Board had not yet communicated alternate arrangements to potential applicants without internet access. I'm wondering if there's any plans now in terms of how that communication can take place.

Mr. Jones: — We actually have, and it's outlined in our grants administration's procedures and policies, which was written subsequent to that audit as we moved online. We actually have a process of talking people through various methods of support. We look — quite frankly, this is a staffing issue — we look to use the method of support that provides the least touch. If we can put people in contact with a library where they can go in and do the work, then we do that.

But those processes can go right up to including inviting people into our offices to use a hot desk or, if they are in a remote area, actually taking dictation with them on the phone to input their application into the system ourselves. We try to avoid that because staffing makes that almost impossible, but we have various methods outlined now to do that, and they're all included in the grants administration's procedures.

Ms. Mowat: — Thank you. At the end of the chapter, the auditor talks about a few complaints about granting programs. And I'm wondering about how many complaints you get each year, if you've seen any changes in this.

Mr. Jones: — I'm trying to determine how to answer that question effectively. We receive one or two what I'm going to

call legitimate complaints each year. We have posted our grievance policy now on our website. We have a practice in place which is documented in our procedures, and we follow through on that. And that allows us to address those one or two.

In addition to that, there are — and I'm sure that any government department will tell you — there are certain individuals who, we refer to them as frequent flyers, who like to call and complain.

And for example, there is one individual artist who also represents a festival organization in this province, and I will not give name or gender, who receives quite frequent support from the Arts Board. But when they do not, it is followed by a flurry of . . . First of all, there's no inquiry as to what could have made the application better. It's followed by a flurry of emails accusing us of being racist or accusing us of not wanting to support this type of activity, with no basis in fact. So I'm not actually counting those when I say there are one or two legitimate complaints in the course of a year.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Thank you very much. Thanks for all the work on this front. Not seeing any other questions . . . Or I do see one. Ms. Lambert.

Ms. Lambert: — Thank you. I'm following up on what we were just talking about, about the complaints, and you mentioned one to two legitimate complaints a year. So I just wanted a little bit more information on what that process might look like when you respond to those complaints. And ultimately is there a resolution process to the board, for example? How does that work?

Mr. Jones: — Yes, there is. But opposed to speaking extemporaneously, I'm actually going to open my . . .

Ms. Lambert: — Oh, sorry. I made you open your policy.

Mr. Jones: — No, I'm going to open the policy because I don't want to say anything wrong. I don't want to mislead you in this process.

We will receive appeals of grant decisions based on two grounds. Those two grounds that we'll receive appeals on are factual error. There's compelling evidence the adjudication panel based its recommendation on something that's absolutely contrary to something that is clearly stated in the application material; that would be a factual error. Or a procedural error, where there is compelling evidence that there was a departure from our policy related to conflict of interest or assessment, the manner in which the jury was conducted.

We are very clear that we do not receive appeals based on dissatisfaction with the results of a grant adjudication process. People applying to us accept that this is a peer adjudication process, and so we do not receive appeals on that.

When the appeal is received, the appeal has to state those things . . . Comes in in written form, the initial thing is that it's reviewed by me as CEO to see that is this a valid complaint. Does it contain one of those two grounds for appeal, legitimately contain one of those two grounds for appeal? And if so, then within a week

they're informed yes, it's moving forward into an appeal process.

In the appeal process, a review is undertaken of all of the jury materials, the notes that are written by the juror in our system, the jury minutes to see whether or not . . . the application materials submitted to see whether there's a validity to this claim. At which point it could either be dismissed or it could be moved forward into a secondary jury process which would be formed with a new group of jurors and would be chaired by the CEO in that case. And they would review that application plus up to three other applications from the same round, at least one of which received funding and one of which did not receive funding, to see where it would fall in that new assessment and whether or not the jury decision should be reverted.

Ms. Lambert: — So you have a robust procedure to follow when you have legitimate complaints.

Mr. Jones: — Yes, we do.

Ms. Lambert: — Thank you very much.

The Chair: — Good questions and important work. Any other questions at this point? I think it's been noted that recommendations 1, 2, 3, 4, and 6 have been implemented, so I'd welcome a motion that we concur and note compliance. Mr. Cox moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And with respect to recommendation 5, I don't believe it will be fully implemented until the summer of 2021, but certainly there's progress. I would welcome a motion that notes that we concur and that we note progress. Mr. Buckingham moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — And that's carried as well. At this point we're concluding the considerations of the Saskatchewan Arts Board, the chapters relevant to their work. Mr. Jones, thanks so much for your work here today. And just thank you to everybody in that incredible organization. It's something that we can be incredibly proud of as a province. So thanks for your leadership and thank you for your time here today. Would you care to offer a brief parting remark our way? Hopefully kind.

Mr. Jones: — I will. I will say thank you.

The Chair: — Thank you very much. We'll take a brief recess and then we'll reconvene with the Ministry of Central Services. And if they're watching right now, if they can make their way down to the hearing table.

[10:30]

[The committee recessed for a period of time.]

Central Services

The Chair: — We'll reconvene the Standing Committee on Public Accounts here this morning. We'll turn our attention to the Ministry of Central Services. Thank you to the officials that

are here today. Deputy Minister Carr, thanks for being here. I'll ask you to briefly introduce your officials. I won't ask for any opening remarks yet until we get into the consideration of each of the respective chapters.

Mr. Carr: — Thank you, Mr. Chair. To my left is Nancy Cherney. She's the assistant deputy minister responsible for property management. To my right is Mr. Troy Smith, and Troy is the ADM responsible for central and commercial services. To my rear is Mr. Kelly Fuessel, and Kelly is in an interesting role today. He's acting as the chief information officer for our IT division.

The Chair: — Thank you very much for the introduction. At this point I'll table PAC 108-28, Ministry of Central Services: Status update, dated February 26, 2020. And thank you to the officials for tabling that and submitting it to the committee.

I'll turn it over to the Provincial Auditor and we will focus on each of the chapters as a stand-alone consideration. I think the first one's the only one with new recommendations. But we'll turn it over for the consideration of the 2019 volume 1 report, chapter 14.

Ms. Ferguson: — Thank you very much, Chair. Members and officials, I'd like to introduce on my left here is Ms. Tara Clemett. Tara is the deputy that's responsible for the Central Services portfolio. And Ms. Kim Lowe is our liaison behind here. So without further ado, I'm just going to thank the deputy minister and his team for the co-operation extended to our office and then turn it over to Ms. Clemett to make the presentations.

Ms. Clemett: — Chapter 14 of our 2019 report volume 1 on pages 217 to 220 reports the results of a follow-up on two recommendations. We originally made one in our 2006 audit of the former information technology office's processes to provide adequate controls to protect the confidentiality, integrity, and availability of client IT systems and data, and the other in 2012. We last reported on the ministry's controls to secure the data centre in our 2016 report volume 1, chapter 5. In this follow-up, we found by December 2018 the ministry was making some progress but further work remained.

The ministry established disaster recovery plans and testing for critical client IT systems and data. The ministry renewed the data centre agreement with its service provider in 2016. Under this agreement, disaster recovery plans for critical client IT systems like MIDAS [multi-informational database application system], CJIMS [criminal justice information management system], and Linkin are tested annually.

This service provider works with the ministry and the applicable clients to recover the critical IT system with connectivity to the service provider's data centre in Ontario. This addresses a disaster where the data centre is no longer operational in Saskatchewan. Also the ministry's service provider had real-time backup systems which increases data reliability and uptime. This helps to recover data as quickly as possible and continue to provide key services in the event of a disaster.

For the second recommendation, the ministry has made progress on properly configuring and updating its server and network equipment using a risk-based approach. By December 2018 the

ministry completed documenting what client data resides on which particular servers. Also the ministry properly configured new servers and monitored the configuration of all servers. For example, the ministry's information security division scans all servers monthly to identify security weaknesses and improper configurations. In 2017 the ministry's service provider conducted a risk assessment to determine a reasonable patching schedule for all servers. So for 12 servers that we tested, the ministry's service provider applied all known updates to the servers in a timely manner.

We found the ministry's data centre firewalls are located at appropriate locations and monitor and report security events. The ministry's service provider applies updates to the firewall regularly. However, as noted on page 219, we made one new recommendation. We recommended that the Ministry of Central Services work with its service provider to properly configure its data centre firewalls to restrict inappropriate access. We made this recommendation because the data centre's firewall rules did not sufficiently restrict access to the data centre. Inadequate firewall rules increases the risk of a security breach. This concludes my presentation.

The Chair: — Thank you for the presentation and for the work on this front. I'll turn it over to Deputy Minister Carr for brief remarks and then open it up for questions.

Mr. Carr: — Thank you, Mr. Chair. The advice provided by the audit process has been very useful to the ministry, and as a result steps have been taken to ensure that we have enhanced further our security protocols. In doing so we found that one of the challenges we had was to create awareness of risk in our client group. And so we have now for two years been issuing risk awareness letters to our colleagues across government and asking them to consider what steps can be taken collaboratively with us to reduce or mitigate those risks.

From this perspective we think we have done a good job in terms of focusing on our clients. We've also had a good opportunity to continue conversations with our providers. Our third party providers are aware of these risks as well, and we've been working collaboratively with them to ensure mitigation occurs at the most timely juncture. That's really all I have at this point.

The Chair: — Thank you very much. Committee members? Ms. Mowat.

Ms. Mowat: — Thank you, Mr. Chair, and thank you to the deputy minister as well for your opening remarks and also for the status update here that provides a little bit of a further update in terms of what actions have been taken since the report.

I've got a few different questions here. I'm trying to figure out where the best place is to start. Maybe we'll start with the status update. You've noted that one of the actions that's been taken since the Provincial Auditor's report was submitting change tickets to the service provider to remove the obsolete rules. Do you know if this has happened yet? Or is it pending action from them?

Mr. Carr: — In fact it has happened and it continues to happen as we continue our review process. So what we have undertaken is an internal process where our security team members are

reviewing the status of these things on a regular basis. Where they find a deviation from the standard, they are then taking an immediate step to correct.

Ms. Mowat: — Thank you. And you mention a periodic review of firewall rules. How often are we talking about, or is this still just ongoing?

Mr. Carr: — It's an active and ongoing process. And so what is happening is that within the security branch, the cybersecurity folks are spending the time looking at an annual review. We're also looking at opportunities from a perspective of identifying threat, and then in terms of an identified threat, then pursuing certain steps to ensure that the threat is mitigated.

Ms. Mowat: — Thank you. There have been several references to the fact that the data centre is operated by a third party service provider. Who is the provider?

Mr. Carr: — The provider is ISM Canada, and they provide services in the data centre in Saskatoon which is a SaskTel-owned data centre.

Ms. Mowat: — Thank you. I wonder if you can explain a little bit what the challenge was with the firewall configuration. I know it was mentioned a little bit in the opening remarks. It sounds somewhat technical, but I'm wondering if you can sort of elaborate on why those gaps existed or why there was incorrect rules being applied in terms of firewalls.

Mr. Carr: — Well there's a number of ways in which that can occur. It can occur as a result of the particular server being obsolete and not being updated in an appropriate way. It can occur as a result of the intervention of our programming folks in terms of certain decisions they're making with respect to software and applications. And so the vigilance that is applied is to ensure that there is an audit and a follow-up whenever those types of interventions have occurred to ensure that number one, we're aware of any of the risks or gaps in the protocols, that we've notified our client ministries of those gaps and asked them to support a resolution.

We also spend a fair amount of time in terms of that internal audit process or reviewing in real time the threat profile of activities that we see across our network. And so in those conversations, what our cybersecurity folks are doing is taking effective steps to engage our client ministries as the owners of the system, and the providers and vendors as the providers of those services, to make sure that they correct any deficiencies noted.

Ms. Mowat: — Thank you. The provincial auditor is talking about, on page 220, the unsupported servers. She notes that on December 2018 there were 81 unsupported servers out of 986. I'm wondering if you can provide an update on the number of unsupported servers.

Mr. Carr: — If you don't mind, I'll just consult with my colleagues.

So the process that we're following is that we're trying to take iterative steps to ensure that we eliminate those known risks. And so what Mr. Fuessel has advised me is that we have reduced the number from the number stated here, but there are still a number

that need to be addressed.

Ms. Mowat: — And can you give us an example of why, how an unsupported server would exist? Like there's some mention about, you know, not updating software and that sort of thing. Is it that simple, or . . .

[10:45]

Mr. Carr: — It's a circumstance again where decisions have been taken. In some circumstances it's a result of the software that's being utilized by a client or organization not being up to date and as a result no longer supported. And so then we're providing the oversight and the security reviews to say to them, this needs to be addressed at some future date. It's then incumbent upon them to create the opportunity to support the transition to a new platform.

Ms. Mowat: — For sure. And part of that must just be education as well, because there must be many folks who just don't understand that not having updated software puts you at risk for a security breach.

Mr. Carr: — I think that one of our greatest opportunities and one of our biggest challenges is educating users on the impacts of their behaviours, as well as the owners of systems and the impacts of their decisions in terms of replacement or maintenance and updates.

Ms. Mowat: — Thanks. There's a list of clients here as of December 2018. Has there been any changes to that list since then?

Mr. Carr: — Again just let me consult. The only addition to this list that we would be aware of at the present moment is the Public Safety Agency.

Ms. Mowat: — My last question is sort of about the climate that we're in right now. So you're in a position where you serve a number of different clients, ministries, and agencies. In light of the recent eHealth security data breach, has there been any consideration of changing your processes? You know, how do we ensure that these ministry and agency sites that are your clients are safe?

Mr. Carr: — We have spent a great deal of time over the past two years making cybersecurity a focus of our attention and a focus of the attention of our client group. In doing that work we have exposed them to a fair amount of information about the experiences of other publicly funded organizations, as well as broader public sector organizations, who are experiencing significant challenges as a result of cybersecurity threat. The work that we've done so far has been very collaborative and it's been quite engaging, and I'm pleased to say that we've gotten a terrific level of support from our client organizations.

I would also say that over the past two years we've seen a significant increase in the threat profiles of all publicly funded agencies. And so it's true that we've seen a significant increase in the number of attempts as well as a significant increase in the variety of challenges and threats that we're seeing. Anyone who's following media reports over the past four months would be well exposed to some circumstances that have occurred across

Canada and certainly within the province.

Ms. Mowat: — Thanks. Can you clarify what you mean by increase in the threat profiles?

Mr. Carr: — One of the things that we do through our cybersecurity engagement is we talk to folks across the country as well as vendors who are focused on helping us manage those threats. And the advice that we're receiving from them is that they're seeing a broader context of threat. They're seeing a number of new types of threat emerging, as well as significant increases in volume of known threats. And so that's the threat profile I spoke of.

Ms. Mowat: — Thank you. I have no further questions, Mr. Chair.

The Chair: — Mr. D'Autremont.

Mr. D'Autremont: — Thank you. When the auditor and yourself talk about security firewall risks, are you talking of both physical risk such as a tornado or a power outage of some sort or digital risks?

Mr. Carr: — In this context we're talking about digital risk.

Mr. D'Autremont: — Okay. You were talking about the risks that we're seeing across Canada, the data breaches for ransom. How many . . . Do you run incursion tests to determine the security that you have in place?

Mr. Carr: — We in fact are always vigilant and always undertaking that kind of work. It's a little bit risky for me in a public forum to get into any detail.

Mr. D'Autremont: — Oh I didn't . . . Just the fact that you're doing it.

Mr. Carr: — We are making significant investments every year to improve our safety profile.

Mr. D'Autremont: — And you mentioned that the number of attacks or incursions have increased. I know I used to get a report on what was a daily, what was a monthly incursion. What kind of numbers are we looking at now?

Mr. Carr: — I'll just confirm with my colleague for a moment. So again the numbers are staggering. On a weekly basis, we are eliminating millions of threats.

Mr. D'Autremont: — Yes, I see. I wanted that number out there so people understand in a bit of context what this is. It's not just two or three people; it's millions, all the time.

Mr. Carr: — Yes. The significant challenges that exist to any public-facing entity are substantial. It is not unlike what we're seeing in the finance sector, what we're seeing in the broader context of the economy. But the potential impacts both from internal threats and from threats that are external to this country are very real.

Mr. D'Autremont: — Okay. Thank you.

The Chair: — Are your resources sufficient to meet the challenge of the risks you face?

Mr. Carr: — I'm really pleased to report to the committee that over the past two budget years we have been able to attract a significant new investment, which we have devoted to cybersecurity activities.

The Chair: — Thanks so much for the conversation here today and all the work on this important front. Any other questions from committee members at this point? Otherwise we have . . . Mr. Cox? Okay, no. We have the one recommendation, the new recommendation which has been implemented, so I'd welcome a motion that we concur and note compliance. Mr. Cox moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along now to the 2019 report volume 1, chapter 15.

Ms. Clemett: — The Ministry of Central Services uses the services of consultants to obtain expertise and human resource capacity for specific periods of time or in relation to specific projects. The ministry signed 48 contracts worth \$14.2 million for consultants between April 1st, 2017 and September 30th, 2018.

Chapter 15 of our 2019 report volume 1 on pages 221 to 222 reports the results of our second follow-up on a recommendation we originally made in our 2014 report volume 2, chapter 30 on the ministry's processes to use consultants.

By October 2018 the ministry had implemented the recommendation by formally evaluating consultants' performance. It improved the standard wording in its contract template to indicate that an evaluation of consultant performance will be completed.

For eight contracts we tested, each contained a clause for conducting consultant performance evaluations. For five completed contracts that we tested, the ministry had evaluated the consultant's performance by the end of the contract, assessing if the consultant had met the ministry's needs.

Formally evaluating the performance of consultants assists the ministry in making future contracting decisions. This concludes my presentation.

The Chair: — Thanks for the presentation. Would you care to offer some brief remarks before we get into questions?

Mr. Carr: — I could certainly offer the following. Thank you, Mr. Chair. One of the most significant opportunities we have as a ministry is to ensure that we are acquiring the appropriate services on behalf of our client ministries and to ensure that our work is done to deliver the best value available. And so as a result of the work that this recommendation has promoted, we're in a far different spot today in terms of our ability to provide significant oversight to contracted relationships and ensure that those relationships deliver the value promised.

The Chair: — Thank you. I'll open it up for questions. Ms.

Mowat.

Ms. Mowat: — I wasn't sure if you saw me. Thank you for your opening comments as well. It's been an ongoing process, so I'm curious about whether your use of consultants has changed in any way as a result of this work, if you can speak to that.

Mr. Carr: — So I think that generally our use of consultants has improved very significantly as a result of this work. I would also say that our use of consultants is continuing to be managed, in terms of the work that the ministry undertakes on behalf of its clients, quite effectively.

Many of the projects currently under way require a variety of technical resources and some of those technical resources are provided by employees. But in other cases where we don't have access to a particular resource, we have to go to the private sector and contract for the provision of that service. Contract resources are being used in areas such as application development and IT project management, and many of these areas are highly technical and very difficult to recruit for. Much of the IT consultant use in the past number of years can be attributed to major modernization projects taking place across government. Examples of these would be RAMP and the income assistance redesign for Social Services.

We also engage consultants where we require an IT service on an infrequent basis. It's far more cost-effective to pay when the service is required than to have an employee underutilized as a result of a hiring decision. So those I think are the responses I'd offer.

Ms. Mowat: — Thank you. On page 221 there are a couple of numbers here that reflect the use of consultants between April 1st, 2017 and September 30th, 2018. So it's 48 contracts worth \$14.2 million. How does this compare to the years past? Are there any trends that we would observe?

Mr. Carr: — I think it's important, in terms of trending, to say that it's been relatively stable over the past number of years, but in general terms we've seen the number of contracts, contracted relationships, going down. Although if you look at it year over year, it probably is a fairly stable kind of engagement.

Ms. Mowat: — Thank you. What would explain the slight decline in the number of contracts then?

Mr. Carr: — It would be a change in the mix of services being required and whether we have been able to develop an internal response to that service need.

Ms. Mowat: — Okay, thank you. I have no further questions, Mr. Chair.

The Chair: — Thanks for the questions. Any other questions from committee members at this point? Not seeing any, I'd welcome a motion to conclude consideration of this chapter. Moved by Mr. Buckingham. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along to the 2019 report volume 2, chapter 29. And I'll turn it over to the Provincial

Auditor's office.

Ms. Clemett: — Chapter 29 of our 2019 report volume 2, on pages 251 to 253, reports the results of our third follow-up on two recommendations originally made in our 2011 report volume 1, chapter 5 on the ministry's processes to plan accommodations for clients. We found that the ministry addressed the two outstanding recommendations by August 2019.

As part of providing centralized support services, the ministry is involved in accommodation planning, which includes providing clients with appropriate spaces to enable them to deliver programs and services. The ministry now verifies clients meet the standard office space requirements, and where clients do not meet the requirements, it makes sure clients obtain treasury board approval. Our testing of five newly developed accommodation space and services agreements confirm that the ministry obtained sufficient evidence that clients either met the office space standard or obtained treasury board approval when they exceeded the standard.

The ministry also now actively monitors the implementation of its accommodation plan through daily team meetings and semi-annual workshops with clients. The ministry updates the accommodation plan on an annual basis. This concludes my presentation.

[11:00]

The Chair: — Thank you very much. I'll open it up. I guess if the deputy minister has a brief remark.

Mr. Carr: — I really have none, Mr. Chair. Our work speaks quite well for itself.

The Chair: — Sounds good. I'll open it up for questions, suspecting that Ms. Mowat might have one.

Ms. Mowat: — Thank you. I only have about 300 questions on this chapter. So in terms of the spaces that exist today that are leased and owned, how are we measuring that? So are we measuring number of spaces in addition to the square footage per full-time employee? So when we talk about number of spaces, what number do we have today and how does that compare to years past?

Mr. Carr: — I'll call upon Nancy Cherney to provide the answer.

Ms. Cherney: — In response to your question I would say that our mix of owned versus leased spaces has stayed stable for the past many years. It's about a 60/40 split: 60 per cent of the property that we need to deliver government services is owned and managed by government, and about 40 per cent roughly is leased.

The owned properties of course are much more specific-purpose built. That includes correctional facilities and equipment repair depots and specific things that we need for the services that are delivered by those ministries. The leased property tends to be more office space. So you know, in downtown Regina we have quite a number of spaces that are leased from the private sector, and that mix has stayed stable.

So when we are looking at meeting the needs of particular ministries, what this recommendation resulted in and allowed for us to do is to say to a ministry when they come to us and they say they need more space — because maybe they have additional staff or a new program under development — we have a guideline for them to say, well you need to stick to sort of 18.6 square metres per person and some common space. We can go beyond that, but if you've got designs on something much larger than that, you're going to need to get treasury board approval for that. Otherwise you've got to stick with this guideline.

And that's how we then go out and search for the space and secure the space that we need. So it works in combination of what their needs are but what our guideline allows for, what the requirement is for approvals to be in place before we can proceed.

Ms. Mowat: — Thank you. And in terms of the standard, is that set across the board or are there specific provisions for different ... like you've mentioned purpose-built facilities. Are there specific provisions that come into play there?

Ms. Cherney: — So the 18.6 square metres is for office space for staff use. So of course we can't apply that kind of standard for a correctional facility. You need to have the space you need for programming and other, you know, spaces that the people who are using it on a daily basis require. So that standard only applies really to office space requirements, and that's where we apply it.

Ms. Mowat: — And in terms of if you have a standard, I'm imagining you know what the average number is right now for office space per FTE. Do you know how we're doing in terms of the standard?

Ms. Cherney: — We are applying that standard. We believe that we are meeting that standard in all cases; that is, we've been working on that for the past at least four to five years. And so as new spaces come up for renewal, we're reducing them or we're meeting that requirement very specifically.

Ms. Mowat: — Okay. But you don't have a number of, like this is the ... You're not out width-measuring every space and knowing what the average is right now?

Ms. Cherney: — I don't have with me what the average is, but certainly we are working to that particular requirement, to that standard, and have every confidence that we are meeting that standard.

Ms. Mowat: — So as a contract comes up for renewal, this is a piece of the equation that you're looking at to make sure that it fits within the model? Okay.

Ms. Cherney: — Yes, that's correct.

Ms. Mowat: — Okay. There was a period a couple of years ago where the minister suggested that some of the central services buildings could be available for sale. I'm just wondering if any of the sales took place.

Ms. Cherney: — We manage a small amount of surplus space or vacant space because we need to be able to occasionally deal with fluctuations in requirements or needs or swing space, that

kind of thing. So we try and maintain a small amount of vacant space, but we do critically look at our properties and determine those that are in fact surplus to government's needs. And so when we've identified an area that maybe there's been some amalgamation programs into other spots or whatever, we will look at it and determine that it's surplus to government's needs and then move as quickly as we can to sell it if it's an owned property, or end or terminate the lease if it's a leased property just as quickly as we can. So we go through that on an ongoing basis.

And we have over the past few years, you know, had some properties that were made available for sale, sometimes successfully, sometimes not. So where we don't have a purchaser or the market fluctuates — and some of our communities are smaller so the market is not always strong enough to take on a purchase, for example — so then we go back to the market on a periodic basis to see if there may be some other opportunities for disposal. But we manage that in an active way so that we are never sort of sitting on a bunch of surplus property that we have no purpose for.

Ms. Mowat: — So it would be safe to say that there have been sales then of surplus properties as they've come about?

Ms. Cherney: — Yes, there have been limited sales. Not a large number, and those would be recorded in our annual reporting statistics and that sort of information.

Ms. Mowat: — Okay. Thank you. That concludes my questions, Mr. Chair.

The Chair: — Thank you. And just so that anyone that's watching that, the annual report, when is that disclosed as far as the annual sales?

Ms. Cherney: — That would be the annual report for our ministry that's tabled in July, and that's where we would report that kind of information.

The Chair: — Okay. So for previous years folks would be able to go back and reference that report. For the current year, would it be fair for us to ask for a disclosure to or for a report to this committee for up until this point? This is an after-the-fact audit committee, so not any forward-looking activities, but sales that would have occurred this past year that wouldn't have been captured in that previous report.

Ms. Cherney: — We could provide that report to this committee. I didn't bring those, you know, that information with me, but I think it's zero actually. We didn't sell anything this year. But we can confirm that and provide that information.

The Chair: — Sure. Just send the report. The Committee Clerk will make sure to share, to correspond with us. That would be tabled, information that would then be tabled. Any other questions on this chapter? Not seeing any, and we don't have new recommendations here, so I would ask a committee member to move that we conclude considerations of this chapter. Moved by Ms. Lambert. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. At this time, just thank you very much to the officials that are with us here today for the Ministry of Central Services, but also thank you to all of those officials and those that work in the ministry across the province. You do important work and we're thankful for it. Deputy Minister, would you care to have a final remark to us?

Mr. Carr: — Again I think it's important for me to echo on behalf of the ministry the value we think we derive from this process. So thank you very much for the work and effort that goes into the audit. Thank you.

The Chair: — Thank you very much. We're a little ahead of schedule, so we'll recess at this point until 1 p.m. where we'll deal with the Provincial Capital Commission.

[The committee recessed from 11:08 until 12:59.]

Provincial Capital Commission

The Chair: — All right, we'll reconvene the Standing Committee on Public Accounts and we'll move along to the chapter pertinent to the Provincial Capital Commission. At this time it's my pleasure to welcome board Chair of the PCC [Provincial Capital Commission], Greg Miller, to the table as well as CEO Monique Goffinet Miller. Thank you so much for both being here today. You have other officials that are with you here today. Would you take a brief moment to identify who those officials are and leave any opening remarks for now. We're going to flip it over to the auditor's office and then we'll get into your remarks.

Mr. Miller: — Thank you. Yes, so today I have with me, Monique Goffinet Miller, chief executive officer of the Provincial Capital Commission. I have Grant Hilsenteger, acting ADM, disaster recovery with Government Relations; Patrick Coulthard, director of stewardship and operations with Provincial Capital Commission; and Ryan Whippler, director of outreach and visitor experience with Provincial Capital Commission.

[13:00]

The Chair: — Thanks so much. Thanks as well to everyone that's here. I'll identify as well that Diana Fink has joined us here at the table. She's a senior analyst with the Provincial Comptroller. So thank you for being here. And I will table PAC 109-28, the Provincial Capital Commission: Status update, dated February 26th, 2020. And thank you for the work that went into preparing that and supplying that to the committee. At this point I'll turn it over to the Provincial Auditor's office for their presentation of their chapter and we'll go from there.

Ms. Ferguson: — Thank you very much, Chair, members, and officials. With me this morning is Ms. Tara Clemett. Tara led the work that's brought before us on this agenda item, and Ms. Kim Lowe is also joining us. She's our PAC [Public Accounts Committee] coordinator. So one chapter, Ms. Clemett's going to make the presentation.

Before I do that I just wanted to say thank you very much for the co-operation, excellent co-operation really, extended to our office during the course of this work. So with that I'll turn it over

to Ms. Clemett to present.

Ms. Clemett: — Chapter 10 of our 2019 report volume 2 starts on page 67 and is the results of our annual integrated audit of the Provincial Capital Commission for 2018-19 fiscal year. In our opinion, for the year ended March 31st, 2019, the Provincial Capital Commission had reliable financial statements. It had effective rules and procedures to safeguard public resources and complied with *The Provincial Capital Commission Act* and associated authorities, other than the matters related to the approval of major developments in Wascana Centre.

Wascana Centre is comprised of 2,300 acres of land extending from downtown Regina to the outskirts of the city. *The Provincial Capital Commission Act* gives the commission the authority to review and approve major development projects like new buildings in Wascana Centre. The Act places the onus on the commission's board to make sure major developments in Wascana Centre are consistent with the master plan. The master plan is a public document that is intended to guide future development and conservation of Wascana Centre.

On page 71 we recommend that the Provincial Capital Commission make public written processes about the timing, nature, and extent of public consultations for major amendments to the Wascana Centre master plan. We made this recommendation because of the following. The 2016 master plan and the commission's policy both expect public consultation for major amendments to the plan; however neither document clearly define what constitutes major amendments or provide criteria to determine when and how the commission should require a proponent — so a person who puts forward a proposal for a major development — to conduct a public consultation.

Two major developments in Wascana Centre which we examined had public consultations, but their extents varied significantly. For one project, public consultation included numerous forums to allow for public input. For the other project, a one-hour public consultation occurred with about 50 people in attendance. Having written public consultation expectations and processes would provide proponents a clear understanding of what is expected of them when proposing major development projects. In addition, sharing established processes with the public would show the commission is committed to obtaining public input when making decisions about major development proposals.

On page 72 we make two recommendations. We recommend the Provincial Capital Commission publish, using clear language, its design review process for major developments in Wascana Centre. We also recommended that the Provincial Capital Commission keep the public informed about the status of each proposed and approved major development in Wascana Centre until its completion.

We made these recommendations because of the following: the commission did not give the public sufficiently understandable information about its review and approval procedures for major development projects in Wascana Centre or clear information about the status of each project, so the stage in which each project was in the review process. The commission shared a step-by-step outline with the proponents of the two recent major development projects. Its communications with the proponents sufficiently

reinforce steps completed and steps remaining. However the commission gave the public limited information about its processes to review and approve major projects and the status of the projects. The information available to the public was primarily the 2016 master plan and responses to media requests.

We found the description of the review process and the master plan somewhat technical, unclear compared to the commission's clear and understandable step-by-step outline. Not making adequate information available to the public about required steps and procedures for major developments can lead to confusion and misunderstanding. A set of well-defined, accessible, and understandable steps and procedures would promote awareness and understanding by potential proponents and the public. In addition, keeping the public informed about the status of each proposed major development would help them better understand the project status and their opportunities to provide input.

On page 73 we recommend the Provincial Capital Commission clearly document in its board minutes how major improvements and developments it approves conform to the Wascana Centre master plan.

We made this recommendation because of the following: the board did not always receive, as required by law, formal recommendations from the architectural advisory committee at the conceptual design stage before approving the proposed concept design, or document how it confirmed that the proposed design was consistent with the master plan before granting approval. For each of the two major development projects we examined, the board approved the conceptual design without receiving a formal recommendation from the architectural advisory committee that the project was consistent with the master plan. The board agenda packages and minutes related to each board decision item to approve the project at the conceptual design stage did not contain any formal recommendation from the committee.

Also, for one of the major development projects tested, the board approved the new building design despite it nonconforming with the master plan. This means the board knew the project did not conform to the plan when it approved it at the conceptual design stage. Without clear documentation as to how proposed new buildings and improvements conform to the master plan, the commission cannot show that it complied with *The Provincial Capital Commission Act*.

On page 74 we make our final recommendation. We recommend the Provincial Capital Commission establish agreements with building owners of major developments in Wascana Centre to facilitate control of building use and conformity with *The Provincial Capital Commission Act* and the Wascana Centre master plan in effect. We made this recommendation because of the following: the commission has not set or communicated requirements of owners of buildings in Wascana Centre or their tenants to ensure, on an ongoing basis, conformity of the building and its use with the master plan.

As of June 2019 the commission didn't have agreements with building owners of major developments in Wascana Centre like the CBC [Canadian Broadcasting Corporation] building. For example, it did not formally require building owners to seek its approval in instances of proposed changes to exterior design;

change in use such as significant changes in the types of tenants; or change in the assignment of control, so change in the building ownership. Furthermore the commission does not request or maintain copies of lease agreements between landowners and their tenants to determine whether provisions of these agreements are consistent with the Act or the master plan.

Without having a formal mechanism to approve key changes to major buildings in Wascana Centre and tenants thereof, the commission doesn't have a mechanism to ensure conformity of these buildings and their use with the five purposes outlined in the master plan. Agreements provide a basis for common understanding and monitoring of performance. They also provide an opportunity to outline consequences of non-compliance. This concludes my presentation.

The Chair: — Thank you for the presentation and the work on this front. I'll turn it over now to the PCC for a brief response and then we'll open it up for questions.

Mr. Miller: — Thank you. I'm pleased to be here today to have this opportunity to speak to volume 2 of the 2019 report. As has been mentioned, there's five areas of improvement that were recommended, and we'll speak to those in turn.

With respect to the recommendation of the PCC making public written processes about the timing, nature, and extent of public consultations for major amendments to the Wascana Centre master plan, the PCC has implemented a number of improvements that include posting proponent development checklists for new developments to the website. This was designed to improve transparency and to provide public information. Research has been initiated by staff on best practices for public consultation in anticipation of the 2023 master plan renewal which will be initiated, it's anticipated, in 2021. The status of this recommendation is partially implemented.

With respect to the next recommendation, that the PCC publish, using clear language, its design review processes for major developments in Wascana Centre, to address this recommendation the Provincial Capital Commission has developed and posted a proponent development checklist to the website for new developments in Wascana Centre. This document details steps required for any new major developments in Wascana Centre. It also shows current steps for all existing developments based on the 2016 Wascana Centre master plan. The Provincial Capital Commission development process review framework, which guides the internal management and file management on new development, has been completed and posted as well. The Provincial Capital Commission has also drafted and implemented a records management plan to make sure communications and processes around new developments are consistent. The status of this recommendation is therefore implemented.

With respect to the third area of improvement, that PCC keep the public informed about the status of each proposed and approved major development in Wascana Centre until its completion, to address this recommendation the Provincial Capital Commission has publicly shared the proponent development checklist to clarify steps, requirements, expectations for any new developments in Wascana Centre. They are providing project updates to the Provincial Capital Commission board regularly

and these will be made through the posting of meeting summaries on the PCC's website. The Provincial Capital Commission file management system supports the process of new developments, ensuring current and historical data is easily accessible internally. So with respect to that ongoing work, the status of this recommendation is partially implemented.

With regard to recommendation no. 4, that PCC clearly document in its board minutes how major improvements and developments it approves conform with the Wascana Centre master plan, PCC has created a communications plan to maximize transparency. They have posted this to the website. Along with this, the board members' biographies, the Provincial Capital Commission mandate and its operational plan have been posted, as well as the Provincial Capital Commission development process review framework, and as has been mentioned, the proponent development checklist and land use development policy. There is a feedback option that's been attached to the website, and a board meeting summary document is available after each meeting. The status of this recommendation is implemented.

Finally with respect to the fifth area of improvement, that PCC establish agreement with building owners of major developments in Wascana Centre to facilitate control and conformity with the PCC Act and the Wascana Centre master plan in effect, the Provincial Capital Commission is currently researching best practices for sublease and tenant agreements. And the status of this recommendation is partially implemented.

So in summary, the Provincial Capital Commission is fully implementing the recommendations of the Provincial Auditor. This is being done through a careful review of existing processes and the development of new, more transparent processes and by continuing to align to the Wascana Centre master plan. This concludes my remarks and I'm glad to take questions.

The Chair: — Okay. We'll open it up for questions. Committee members? Ms. Mowat.

[13:15]

Ms. Mowat: — Thank you. And thank you for taking the time to provide the status update as well. It's certainly useful for us as committee members when we're getting ready, to know what actions have been taken since the Provincial Auditor's report has come out.

I think we'll start on page 69 in section 4.1, "Well-Defined Processes for Public Consultation on Major Developments Needed," which goes on to page 70. Here the Provincial Auditor notes:

The Commission has not [yet] established expectations and . . . [processes] for public consultation it expects proponents to undertake for major developments in Wascana Centre. Public feedback helps the proponent and the Commission better understand the aspirations, interests, wishes, and proposals from various stakeholders before making decisions about proposed major development projects.

So a key concern that the auditor brings forward relates to the lack of consultation around deviations from the master plan. And

the PCC indicates that, moving forward, they will conform to best practice for consultation in their new master plan which will begin development in 2021. Considering the Brandt project was still in the very early stages, can you explain why it was determined acceptable to PCC to move forward with the project without additional consultations?

Mr. Miller: — So I'm wanting to fill in some of the details there with respect to a couple of things in terms of the role of PCC as the regulator, and the role of proponents with respect to the advancements of various projects.

Ms. Goffinet Miller: — Thank you, Mr. Chair, for the question from Ms. Mowat, if I can answer it through the Chair to Ms. Mowat. There were two parts of your question there. If I can reference the first part, which is the public consultation piece. In referencing to that as the regulator, the Provincial Capital Commission is responsible for public consultation surrounding the master plan and the master plan renewal or any major or minor amendments to said master plan.

The secondary piece of your question was in regards to any development proponents that were wanting to come to Wascana Centre and put in a proposal for development. And you referenced the CNIB [Canadian National Institute for the Blind] proposal. The Canadian National Institute for the Blind did bring forward in step number 14 of our current checklist that is available online on the website . . . That is the public consultation piece where the board would have reviewed what their public consultation had been. So any proponent of development is responsible for their public consultation under step 14 that is then brought to the board for review.

When the board reviewed step 14, it was deemed that the public consultation had happened and that, based on the fact as the auditor had outlined, that it wasn't a specifically prescribed value of public consultation. It was up to the proponent to do their public consultation. And the board reviewed it at step 14. They saw it as satisfactory in what they were reviewing at the time, and they moved from the . . . The motion was to look at the conceptual design, so the conceptual design was approved based on step 14 being completed.

Ms. Mowat: — So thank you for your response. In the Global News yesterday, there was also reference to the public consultation. And it highlights the fact that two city councillors tonight are bringing forward a motion raising awareness about the fact that there has been no proper consultation, calling for a detailed road map of what the next phase of the consultation will look like, and to ensure that the result of the consultation is considered by the Provincial Capital Commission. Considering this call and the auditor's report, has the PCC given any consideration to going back to square one and starting over with the consideration of the Brandt project?

Mr. Miller: — So thank you. So, Mr. Chair, with respect to our response to the Provincial Auditor's report here today, in the recommendation 4.1, the direction towards the Capital Commission — which we've certainly committed to do — is to make information about these public processes, roles, and responsibilities more explicit. We will be working on regulations to update the notion of public consultation, best practices around that.

With respect to the specific commentary to the recent newspaper articles, I think, within the scope of the response to the auditor here, the Provincial Capital Commission has and remains committed to making these improvements with respect to the process that has been cited by the auditor in terms of needing improvement. And that's the work that officials within the Capital Commission are working on right now.

Ms. Mowat: — I saw the auditor talking quite a bit. I wonder if you want to weigh in, in any way.

Ms. Ferguson: — What we were referring to, actually what we were having our side conversation on, is that we noted that Monique referred to step 14. At the time of the audit it was based on 19 steps and so we were at step 12 of 19. I think you've moved to a 21-step on your website, and so we've got a difference on numbers on that and that's all we were clarifying here.

Ms. Mowat: — Thank you. What changes are anticipated in the new master plan?

Mr. Miller: — So the master plan that is in place right now was developed in 2016. The development of the new master plan . . . It's a seven-year cycle, so the development of the new one is slated for 2023. The beginning of that process is anticipated, to answer your question, in 2021. Sort of, can't pre-empt what will take place as a result of those processes that will begin in 2021. However I again can reassure the committee that with respect to the practices associated with having those engagements for the master plan development . . . And this is complex and perhaps I'll get Monique to comment on a little bit how the master plan then serves as that grounding and pillaring of all future developments. So maybe, Monique, you could add something there.

Ms. Goffinet Miller: — Absolutely. Thank you, Mr. Chair. Again to Ms. Mowat, your questions surrounding the master plan and a question of what would be changing. As the deputy minister and our Chair has mentioned, in 2021 public consultation would begin on the master plan. We would not pre-emptively state any . . . or approve anything or be bringing anything forward on that.

So what I would say is that through public consultation we'd be able to identify the master plan 2016. If there were any requirements of changes, that would go through a full public consultation process. As to what again the deputy minister, who stands as our Chair with the Provincial Capital Commission, mentioned is that the proposal of the 2023 master plan, if there were any additions or any amendments or anything like that, they would go through the public consultation processes that are, right now through our officials, being worked on through best-practice research.

We're identifying what those public consultation processes should look like and are committing through our reply to the audits today that those processes would be reviewed, vetted, brought to the board, and as well publicly be made available for people to understand, as we have made available publicly our checklists as well as a board summary document in efforts for transparency improvements.

Ms. Mowat: — So at this point you wouldn't be able to indicate

whether you're anticipating significant deviation from the principles that guide the existing master plan?

Mr. Miller: — In my role, my dual role here, no. I don't have knowledge of the future, but no, I don't anticipate deviations. However if you trust the process and this engagement, again we look to the advice of the auditor to make sure there is a fulsome, well-researched process to establish the new master plan in 2023 and that that captures the intentions of stakeholders, partners, and interested parties, and the public as well. That's something that certainly we've recognized as a strong recommendation from the auditor and completely agree with.

Ms. Mowat: — I will move to page 73 where the auditor notes:

For each of the two major development projects we examined, the Board approved the conceptual design without receiving a formal recommendation from the Architectural Advisory Committee that the project was consistent with the Master Plan. We found the Board agenda packages and minutes related to each Board decision to approve the project at the conceptual design stage did not contain any formal recommendation from the Committee.

So considering the board didn't consider the recommendation from the architectural advisory committee because they didn't receive a formal recommendation, I'm wondering how the term "formal recommendation" was defined.

[13:30]

Mr. Miller: — At the time that that decision was taken, there was not a definition of what was considered as formal, and I'll ask Monique to talk about the current process and the process that we've adopted and are working on going forward, that the process that's available online, how that's being addressed.

Ms. Goffinet Miller: — Thank you again for the question and the opportunity to clarify how we are identifying what formal would mean in the future and from this point onwards.

Formal would now mean a letter to the board, a letter that is received. Previously it could have been a package or a form in a presentation to the board and we were not able to, at the time of the audit, identify the formal portion of that submission to the board. So through the current checklist that is available on the Provincial Capital Commission website, you will identify that there is information there that identifies a letter that needs to come to the board through the architectural advisory committee so that it can be reviewed by the board as to what their recommendation is.

Ms. Mowat: — I understand there were other non-formal submissions that have expressed concerns. How were these submissions factored into the audit?

Ms. Ferguson: — Thank you for the question. So basically what we were, in this case, what we're looking at is a piece of legislation, that the legislation says . . . And it's in figure 2 on page 73. And it says the architectural advisory committee recommends approval. So in our view, discussion between the committee and the board is just that, so communication back and forth on these types of projects.

We respect the fact that there will be discussion back and forth at various points in time, particularly because these projects evolve from various step to steps and the advisory committee, their advice is sought at various stages. So we were looking for a definitive decision from the committee versus just conversation or advice to align with what was expected in the legislation.

So at this point in time, their role is to make a recommendation. And so we didn't see anything that says, as a committee we recommend this. And so in our view, that is a key thing that has to occur.

Ms. Mowat: — Thank you. And I wonder if the auditor has considered an additional audit with a broader scope that looks at the elements of this process that happened outside of the formal packages that have been provided or considered at board meetings.

Ms. Ferguson: — I'm not sure what you mean on that. Could you clarify?

Ms. Mowat: — Just additional or informal information that came forward.

Ms. Ferguson: — In the course of the work that we looked at here, we did look at some of the informal communications that flowed between the officials within the commission, you know, in some cases the board members within the commission and the advisory committee. But as I just indicated, what we were looking for was something definitive, right, for the committee to speak as a whole, to make a recommendation as a whole as opposed to informal conversations on views.

Ms. Mowat: — Thank you. On page 74 under "Formal Requirements with Owners of Buildings in Wascana Centre Needed," there's a couple of paragraphs that I want to draw the committee's attention to, starting with:

Under The Provincial Capital Commission Act . . . the Commission may control the use of land in Wascana Centre in accordance with the Master Plan. Under its Land Use and Development Policy, the Commission (upon major project completion and prior to occupancy) is to establish agreements with the building owners detailing operating procedures, operational and maintenance requirements, tenant approvals, and levels of service contracts . . .

[And then] as of June 2019, the Commission did not have any agreements with building owners of major developments in Wascana Centre over the areas contemplated in its Land Use and Development Policy or bylaws.

Does the commission have any agreements with building owners per the requirements in the land use and development policy for either Conexus or the Brandt building?

Ms. Goffinet Miller: — I'm glad to answer your question. So you had mentioned a question about the agreements with the commission, so the Provincial Capital Commission, and the two proponents of development, Conexus and the Canadian National Institute for the Blind projects.

Conexus project is currently at step 36 of the 38 steps that's available on the checklist. At step 37 is when the Provincial Capital Commission would receive tenancy agreement information. Again that's available for you online. So at step 37 we'd receive . . . And part of our responsibility as the Provincial Capital Commission is to review the tenancy agreement to make sure that that is compliant, and the board would have that information in their updates. As well those updates would be made public through the board summary document.

The Canadian National Institute for the Blind project is at step 23. So they have not yet made it to step 37 for those tenancy agreement pieces. So we do not have any agreements at this time for tenancy agreements.

Ms. Mowat: — Thank you. In terms of the Conexus agreement that is in development . . . Is that safe to say? Or it's just that's the next step?

Ms. Goffinet Miller: — Pardon me? Sorry.

Ms. Mowat: — Would you say that the agreement is currently in development? With Conexus?

Ms. Goffinet Miller: — Conexus, the proponent itself is at step 36. Once they reach 36 completion, then they would move to the next step, which is step 37.

Ms. Mowat: — And once that agreement is in place, is that something that would be made public?

Mr. Miller: — So, I'm sorry, just a question for clarity to help us answer accurately. With respect to the list that you're speaking, can you give me just a little more what you need?

Ms. Mowat: — Just in terms of the tenancy agreements that are being recommended here, I'm just wondering if they will be made public.

Mr. Miller: — So maybe I'll begin this answer. So on the recommendation of the auditor in improving these processes, this new 38-step processes, we've never got to that point per se in the process. So we will certainly undertake to answer your question today while respecting that the board and the administration have some work to do with how such things will be received, evaluated. And communication in a transparent way will follow.

What I anticipate happening is that when the proponent is at that point where that element is submitted to the board, there will be consideration. And I would anticipate that the results of the consideration of the board would be communicated through the board's summary documents subsequent to board meetings. That would be sort of the anticipated sort of modality of that happening.

More specifically, with respect to agreements and the particular nature of agreements, we always have to make sure that, you know, all the partners and parties to agreements are aware of the nature and extent of agreements and disclosure and those kinds of things. But I think the resonant thing here is that the administration is working through a process with the board to ensure that as such things come in, there is a transparent consideration of them. And maybe I'll get Monique to talk about

how that's anticipated to happen in this new 38-step process.

Ms. Goffinet Miller: — Thank you very much for the question. So surrounding tenancy agreement information being shared publicly, again I'll reference how the deputy minister and our Chair has mentioned that there is an appropriate mechanism to share that information publicly now with the board summary document. So as those steps are considered reviewed by the board and then moving on to the next step, that would be made public through the board summary document.

So again we wouldn't be speculating on the outcomes of any of that information. But what we are saying, through administration we are working on improving transparency and creating better mechanisms for said transparency in an appropriate way working with our board.

Ms. Mowat: — The Provincial Auditor goes on to say in the fifth recommendation that the Provincial Capital Commission:

Establish agreements with building owners of major developments in Wascana Centre to facilitate control of the building use and conformity with *The Provincial Capital Commission Act* and the [Wascana Centre] Master Plan [in effect].

Would striking the agreement with the building owners as recommended by the auditor be the first step? And would the agreement be with Brandt if so?

[13:45]

Ms. Goffinet Miller: — Thank you for the question. So surrounding the question of formal agreements that the auditor had mentioned, there is some context that I'd like to give you. And if I can, I'll read from the checklist that we even have here.

But previous to that I'll just explain that there are agreements with the landowner. What we're talking about here today is the Provincial Capital Commission's responsibility as the regulator. So in reading step no. 6, we have something that's called a statement of intent that's required of any development proponent. And as part of statement of intent, if I can just read directly from the checklist, and again that is available on the Provincial Capital Commission website for the public and for yourself.

But no. 6 is the:

Proponent to submit a "Statement of Intent" document with the following criteria to the PCC Administration [again, PCC being the Provincial Capital Commission]:

- 6.1. Statement of intent and description of ownership structure [so that would be in the letter of intent]
- 6.2. Statement of alignment with the Master Plan and with the mandate
- 6.3. Preferred project timetable
- 6.4. Concept drawing of the structure and landscape plan with estimated dimensions

6.5. Planned uses and estimated occupancy levels

6.6. Preliminary parking plan

6.7. Traffic flow estimate, and

6.8. Estimated environmental impact.

6.9. A statement that the owners are prepared to enter into an agreement with the PCC describing building use and conformity to the PCC Act and Land and Development Bylaw 24.

So that is our current checklist that is available online. And that's the Provincial Capital Commission website, the expectation of any proponents that are coming forward for development within Wascana Centre, based on the requirement of the letter of intent within the master plan 2016 that advises what the step should look like.

Ms. Mowat: — Based on the concept that the PCC is assessing best practices as examples of sublease and tenant agreements to ensure conformity with the master plan, what level of control over an agreement like this would the PCC have over conformity of buildings moving forward?

Ms. Goffinet Miller: — Mr. Chair, I'd like to answer the question, but if I can ask the member of the committee to ask the question once more for me, and then I'll answer.

Ms. Mowat: — Sure. I think it was something like, what level of control does this provide to the PCC over conformity to the master plan?

Ms. Goffinet Miller: — So the Provincial Capital Commission at the board level, through the checklist that you can see online, does have a very clear and outlined expectation of what the steps the proponent of development would have to go through. In that, it also identifies where the board would be reviewing any of the steps for compliance itself. The compliance of course would be based off of the master plan 2016. So the board has the authority to review that for incompliance throughout the checklist itself.

Ms. Mowat: — What does this mean in terms of approval of tenants?

Ms. Goffinet Miller: — Thank you. So the clarity around the tenancy and the tenancy agreement. So at step 37, I will say that's a bit of a different question. In regards to just the tenancy itself, the board has the ability to look at tenancy for compliance.

And I would say we're here to talk to the auditor's recommendations, the five recommendations that were brought forward. In that, the fifth recommendation is to look at those agreements themselves and have formal agreements. And I can say that our administration is actioning that right now on, again, the words that you referenced before, the best practice research that we are doing. But we are absolutely committed to that in the next year.

Ms. Mowat: — What have you been finding so far in that research?

Mr. Miller: — So with respect to the auditor's recommendations and specifically touching on this construct of tenancy, I'm happy to say that the staff of PCC has been actively engaged in this, looking at best practices. The more fulsome checklist — this 38-step checklist which has many sub-bullets to those points — has been expanded. The construct of tenancy is addressed several times throughout the document and, as has been said, is posted.

So I'll get Monique maybe to speak, if you can, to the construct of tenancy and where it appears in this new process. And I certainly can speak to the board's commitment to making sure that as we reply to the audit, and as has been said already, that our commitment is to fully implement this audit. Tenancy has been carefully considered.

Ms. Goffinet Miller: — Thank you. I will elaborate on the fact that your question was in regards to what our findings were surrounding research of best practice. What we have identified is that, as the deputy minister mentioned, that there has been a checklist that has been created for the reason of improving our mechanism of finding those appropriate times to do those reviews. As well we can formalize those reviews so that we have it, even in our records management that we spoke to in our reply to the audit itself, to improve making sure that we have those internal formal documents so that we know and we can, as the administration, inform our board that certain standards have been upheld, best practice has been followed, and here is the proof in which we can be audited by.

In reply to the audit, the research we're doing is to make sure that we do have the right mechanisms in play. As again I will reference that the deputy minister mentioned earlier that there are many elements of that checklist to add to the letter of intent that I just read out, that part of that is about tenancy. Again at the conceptual design there is an element of the package that talks about tenancy, and at the detailed design it requires some more information in regards to that. And then at step 37 again, there is that formality of mechanism to ensure that tenancy agreements do exist with the proponent and the land user. And again I will reference the checklist if I can. At step 37 it's important to understand that they identify the land use and the tenancy approvals, and there are the words "throughout the life of the facility." So that is available online for you.

Ms. Mowat: — And I think that concludes my questions for right now, Mr. Chair.

The Chair: — Any other questions from committee members at this point, on this project? Just seeking a little clarity. The one question early on — it was maybe your first or second question — I'm not sure if there was an answer, a yes or a no. I think it was in light of the consultation and some of the concerns with respect to the Brandt project, and a question that related to whether or not there was the intention of the PCC to take it back to the starting point, to take it through the process. I think the auditor's laid out challenges with the current sets of processes that were in place, and so I just wanted to hear whether or not there's a plan or an intent by the PCC to take that project, if they desire, to pursue . . . to go back to the starting point and come through with the improved processes that are spoken to today.

[14:00]

Mr. Miller: — With respect to the CNIB project, the proponent has been directed by the board that they are on step 23 of the 38-step process. That newly documented and detailed process was engendered as a result of the staff at the PCC and PCC board's consideration of the auditor's recommendation. So that's where the proponent has been directed.

The Chair: — Thanks for the response. You know, I have concern with that as a member at the committee. The auditor has certainly been clear with respect to the deficient processes in place and the lack of adherence to some of those processes as well. But I'll leave that here. We will take, you know, certainly . . . or I will take that up, I think, in our respective ways with the minister and not with those that have been tasked in that place.

Any other questions from committee members at this point? Not seeing any, do we want . . . These recommendations . . . Oh, sorry. Ms. Mowat.

Ms. Mowat: — Sorry, Mr. Chair. Considering the auditor's report and the discussion that we've had here today, I would like to move to add a recommendation for consideration at this table.

The Chair: — So a motion, if we're looking at . . . when we get it written down, right?

Ms. Mowat: — So it's:

That this Public Accounts Committee recommends that the Government of Saskatchewan reject the proposed Brandt building in Wascana Park and restart the process from the beginning.

The Chair: — So we have a motion that's been brought forward that I'm told is . . . or that is in order and it was brought forward by Ms. Mowat. And that recommendation is:

That the Public Accounts Committee recommends the Government of Saskatchewan reject the proposed Brandt building in Wascana Park and restart the process from the beginning.

I can open it up for any debate on the matter or we can get into voting. Mr. D'Autremont.

Mr. D'Autremont: — Thank you very much. I think there is a misconception here with that motion. It talks about the Brandt building. I don't know of any Brandt building proposal. There is a proposal from the Canadian National Institute for the Blind. So I don't know how you could restart the Brandt building when there's no proposal from Brandt for a building. Rather, there is a proposal from the Canadian National Institute for the Blind. So I would submit that that motion is out of order.

The Chair: — Ms. Mowat.

Ms. Mowat: — Mr. Chair, with respect, it's language we've been using throughout the conversation today. I think committee members know that we're talking about the CNIB/Brandt building when we're talking about this. I've asked questions in this format and the PCC has replied today with acknowledgment of the project we're referring to.

Mr. D'Autremont: — The deputy minister and officials never once referred to the Brandt building. They continually referred to the Canadian National Institute for the Blind proposal. So while you have used the term Brandt building, nobody else has.

The Chair: — I just have one question here. Certainly I think we understand this project to be largely a Brandt project. Now is the actual . . . It talks in recommendation 5 from chapter 10, it speaks about the building owner. Maybe there's a discrepancy between who the proponent is or the building owner. Is Brandt in fact the building owner within this proposal? Of course we know their role within it.

Mr. Miller: — I'm sorry, Mr. Chair. I'm not clear as to where we are in terms of the proceedings. If there's a motion on the floor, it wouldn't be, I don't think, my place as an official to engage in the debate that's on the floor.

The Chair: — So at this point now, do we have any more to the debate across the table on the matter? Certainly I know which building we're talking about here at the table, as the Chair. Ms. Mowat.

Ms. Mowat: — Thank you, Mr. Chair. I won't get too into semantics on this. I think bottom line, the reason I'm bringing forward the motion is that there has been a lot of public concern about the lack of consultation. We have recommendations for an improved process here, so an opportunity for the project to go through the process from the beginning is what I would suggest that we recommend. And that's the reason for bringing the motion forward.

The Chair: — So the motion has been brought to the table. There's been the debate. I would welcome any more debate across the table. Otherwise we will get around to voting on the motion. So should I read it again or do we know what we're . . .

I'll read it so we know what we're talking about here:

That the Public Accounts Committee recommends that the Government of Saskatchewan reject the proposed Brandt building in Wascana Park and restart the process from the beginning.

All in favour?

Ms. Mowat: — Can I ask for a recorded division?

The Chair: — You can ask for that after we vote. All in favour? Speak up.

An Hon. Member: — Aye.

The Chair: — Yes. And I'll vote as a member as well . . . [inaudible interjection] . . . Yes, I can, as Public Accounts. And those opposed?

Some Hon. Members: — Opposed.

The Chair: — Okay.

Ms. Mowat: — I'd ask for a recorded division.

The Chair: — All those in favour, please raise your hands and say aye.

Some Hon. Members: — Aye.

The Chair: — All those opposed, raise your hands and say nay.

Some Hon. Members: — Nay.

The Chair: — The motion is defeated six to two.

Just moving along, we still have the new recommendations before us that we want to deal with, and thank you for the work and the report on this front. I think in a quick canvass of it, and there's been pretty good detail that's been provided by those at the table here today, I believe that it's been noted that in the case of recommendations 2 and 4, that implementation has occurred. And so I would welcome a motion to concur and note compliance for recommendations 2 and 4. Moved by Ms. Lambert. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And with respect to recommendations 1, 3, and 5, the details and the actions have been laid out that detail that these are partially implemented. So I would welcome a motion along the lines of concurring and noting progress. Would someone care to move? Mr. Cox. All agreed?

Some Hon. Members: — Agreed.

The Chair: — And that's carried.

So I think that's got what we need to vote on and deal with here today. What I say is thank you very much to the board Chair, to the CEO, for their time here today, as well as the rest of the officials. And I would open it up as well if either of you had a final parting remark.

Mr. Miller: — Thank you, Mr. Chair. I would just echo your comments to the officials, to the CEO, and to the officials behind me for their work. And finally comment to the auditor: thank you for the recommendations. We look forward as a commission to delivering on your recommendations and look forward to being back in the future to get more of these ticked off as we work through the process. Appreciate it.

The Chair: — Thank you. Thank you very much. With that being said, we'll take a very brief recess and then turn our attention to the Ministry of Executive Council.

[The committee recessed for a period of time.]

Executive Council

The Chair: — Okay, we'll reconvene the Standing Committee on Public Accounts here this afternoon. We'll turn our attention to the Ministry of Executive Council. Thank you so very much to the DM [deputy minister] of Executive Council, Cam Swan, for his attendance here today. As well I understand Kristen Fry is joining us here today as well, executive director of corporate services. So I've done that introduction so you don't need to do

that.

What we'll do here, I'll open it up for some brief remarks on each of the respective chapters, but that'll be subsequent to the auditor's presentation. And we're going to deal with these chapters in, I guess, pairs. So the first two we're going to deal with are chapters 4 and 5 from the 2018 and 2019 volume 2 reports respectively, and at this time I'll turn it over to the Provincial Auditor.

Ms. Ferguson: — And I'll just briefly do some introductions here. I've got on my left Ms. Carolyn O'Quinn that was here earlier. Melanie Heebner is back, and lurking behind there is also Jonathan Pituley. Jonathan's just recently joined the finance team so he's here learning, I think, to some extent. And Ms. Lowe remains with us.

So as the Chair indicated, we're going to present the chapters in two separate presentations. Each presentation will have . . . The first one has two new recommendations for the committee's consideration, and then the second one has one new recommendation for the committee's consideration. Without further ado, I'll turn it over to Carolyn.

Ms. O'Quinn: — Chapter 4 in our 2018 report volume 2, which starts on page 27, reports the results of our 2017-18 annual integrated audit of the Executive Council. This chapter contains two new recommendations.

Chapter 5 in our 2019 report volume 2, which starts on page 37 of that report, reports the results of our 2018-19 annual integrated audit including an update on the status of the two recommendations.

For the year ended March 31st, 2019, Executive Council had effective rules and procedures to safeguard public resources other than the area reflected in the following recommendation. On page 29 we recommend Executive Council review in detail its periodic financial reports.

During 2017-18 Executive Council did not identify during its review of quarterly revenue forecasts that it had missed recording a federal grant revenue of \$760,000. Not reviewing financial reports in sufficient detail increases the risk of errors in the financial records, which may result in management making decisions based on inaccurate financial information.

As reported in chapter 5 of our 2019 report volume 2, Executive Council had fully implemented this recommendation in 2018-19.

For the year ended March 31st, 2018, Executive Council complied with authorities governing its affairs other than the area reflected in the following recommendation. On page 30 we recommend Executive Council work with the Board of Internal Economy to remunerate legislative secretaries at rates consistent with Board of Internal Economy approved rates.

While *The Executive Government Administration Act* gives cabinet, through orders in council, the authority to appoint MLAs [Member of Legislative Assembly] as legislative secretaries with or without remuneration, it does not explicitly give cabinet authority to set the remuneration rates. Rather, *The Legislative Assembly Act, 2007* gives the Board of Internal Economy clear

authority to set those remuneration rates via board directives. The board has set remuneration rates for legislative secretaries in its directives.

During 2017-18 cabinet set remuneration rates for legislative secretaries without the clear legislated authority to do so, and those rates differ from the rates approved by the Board of Internal Economy. While Executive Council is aware of the differing rates, we did not see evidence of it working with the Board of Internal Economy to align the rates. Not operating within the parameters set by laws and directives can decrease public confidence in government.

As reported in chapter 5 of our 2019 report volume 2, Executive Council had not yet implemented this recommendation and continued to use rates different from those set by the Board of Internal Economy to pay legislative secretaries. That concludes my overview of these two chapters.

The Chair: — Thank you for that presentation. Before we move along, I'm just going to also . . . And thank you so much for the officials that are here today. But thank you for the work on the status update. And I'm going to table PAC 110-28, Ministry of Executive Council: Status update, dated February 26th, 2020. And at this point in time, I'd turn it over to the deputy minister of Executive Council for brief remarks and then we can open it up for questions.

Mr. Swan: — Thank you for the opportunity to be here and thank you for the report and the opening here. Just very briefly, on the first recommendation that was covered here around the detailed financial review, just a couple of additional comments. Beyond what was already shared, is we believed in Executive Council that . . . We were unsure whether the actual funding had been provided by the federal government. We obviously erred in that particular case. Our belief is that we, you know . . . It wasn't lost money per se; it was not coded to the right place.

Between us and Finance, we needed to have better communication and better processes in place. We accept that and we have, since the original recommendation, we have put in better processes, we believe, to cover that possibility again. And a follow-up audit, I think the Provincial Auditor has agreed with. So again, we erred. We are open in saying that, but it was a procedural thing where we were not doing our due diligence for checking the records. We are now doing that to avoid that possibility in the future.

On the second item around the legislative secretaries, the advice that Exec Council has been following in 2016, again in 2019, from our Ministry of Justice is that the Lieutenant Governor in Council could appoint legislative secretaries with remuneration on the condition they agree to forgo the amount set by the Board of Internal Economy and accept the lesser amount. We understand that our advice and the advice we're receiving is not the opinion you share, but at this particular stage we have not done any follow-up work on this particular item because our belief is that that is the advice we are continuing to follow. So with that, I conclude my remarks.

The Chair: — Thank you very much. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you very much and thank you for providing the status updates as well on these two chapters here. Certainly encouraging to see the implementation of the periodic financial reports. In terms of the recommendation around remuneration rates of legislative secretaries, I wonder if you can provide a little bit of elaboration on why there are no planned actions there. You sort of mentioned a little bit about this in your opening remarks, but I'm just wondering if we can get a sense of this for anyone who's following along.

Mr. Swan: — Thank you for the question. I can be brief. We have not been directed to do any follow-up action, so therefore we have not.

Ms. Mowat: — Thank you. In terms of this recommendation, I wonder if the Provincial Auditor has any additional thoughts around the requirement for this recommendation to move forward.

Ms. Ferguson: — I guess where we're at is, really all we're saying is that when we look at the legislation, *The Executive Government Administration Act* gives the Executive Council the authority to do the appointment of the individuals, and *The Legislative Assembly Act*, 2017 gives the Board of Internal Economy the authority to set the remuneration rates. And we're just drawing to the attention that the rates that are being used aren't aligning with the rates that the Board of Internal Economy have set out. We're not advocating for a particular rate whatsoever. What we're saying is that, you know, we're suggesting is that the Executive Council work with the board so that the directive actually aligns with what's being paid and whatever rate that may be.

So right now you've got two conflicting things happening, right? So you've got one directive sitting out there, which the Board of Internal Economy has the legislative authority to issue that directive, and people are being paid at a different rate.

Ms. Mowat: — What is the current remuneration rate?

Mr. Swan: — The current remuneration rate is \$3,000, and I believe the legislation says 14,000.

Ms. Mowat: — And are there any plans to change that in the future?

Mr. Swan: — No imminent plans to change that.

The Chair: — Can I just ask kind of a clarifying question? So really what we're talking about here though is we're not suggesting that the folks that are receiving \$3,000 right now, we're not saying that they should receive 14,000. That's not what the auditor's recommending, and I wouldn't support that.

But what you're suggesting is that it's not compliant with the Act because to have the title Legislative Secretary, that that rate is attached through *The Legislative Assembly Act* which is . . . those rates are decided by the Board of Internal Economy. And your recommendation is simply that Executive Council should be working with the Board of Internal Economy to make sure that they're compliant by way of the Act. And it's the Board of Internal Economy then that would be working to establish whether 3,000 is the right amount or 1,000 is the right amount or,

you know, whatever that may be. Is that correct?

Ms. Ferguson: — That's quite correct. We're not suggesting whatever rate. You know, the Board of Internal Economy and Executive Council can decide what the appropriate rate should be. What we're just saying is that the authority to set the rate really rests with the Board of Internal Economy.

The Chair: — Thanks for that clarification. I like to support the auditor's work. I didn't want to concur with a recommendation that was going to cause an increase in pay for this role. That's not what you're asking for. You're asking for the Act to be . . . for the two authorities to work together to make sure they're compliant with the respective Acts.

Ms. Mowat: — Given the level of detail that we've been provided with, I don't have any more questions.

The Chair: — Any further questions? Mr. Brkich, do you know what the right number should be for those Legislative Secretaries?

Mr. Brkich: — Well when I was Legislative Secretary, it was zero.

The Chair: — Listen to that. There is a long-serving member, you know. That's a hard-working volunteer over there.

So we have the two recommendations before us. One that's been implemented, and so the first recommendation, I would welcome a motion that we concur and note compliance. Ms. Lambert moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Okay, that's carried. And the second one, I would welcome a motion to the effect that we concur with the recommendation. Would someone care to move that? Mr. Brkich moves that we concur with the recommendation. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried as well. We'll move along to the other two chapters that we're going to deal with together as well; that'd be from the 2019 report volume 1, chapter 13 . . . oh, my apologies. I'm moving along a little quicker than we need to. We've got a whole bunch more questions on chapter 5. No, I'm joking.

What we do need to do is welcome a motion to conclude consideration of chapter 5 because there's no new recommendations there. Would someone move that we conclude consideration? Ms. Lambert. All agreed?

Some Hon. Members: — Agreed.

The Chair: — And that's carried. We'll now turn our attention to the 2019 report volume 1, chapter 13 and the 2019 report volume 2, chapter 33. I'll turn it over to the Provincial Auditor's office.

Ms. O'Quinn: — Thank you. Chapter 13 in our 2019 report volume 1, which starts on page 207, reports the results of our

study of processes that selected government agencies used to make sure communications to the public about government programs and services are non-partisan. We undertook this study to help promote transparency in government communications, and we made one recommendation. Chapter 33 of our 2019 report volume 2 starting on page 269, reports on the status of this recommendation at September of 2019.

Non-partisan communications are objective and not directed at promoting a political party or its interests. Generally it adheres to facts, avoids political bias, and focuses on informing and educating the public about government programs and services.

On page 210 we recommend the Government of Saskatchewan make public its criteria for what constitutes non-partisan communications about government programs and services. We found, while the government agencies we studied had a general understanding of what constitutes non-partisan communications, the Government of Saskatchewan did not have a centralized policy or guidance to help its agencies make sure their communications are non-partisan. We noted that the federal government and some provincial governments provide such guidance.

Publishing such guidance increases transparency, can build public confidence that communications remain neutral, and can be used to educate government officials involved in external communications. As reported in chapter 33 of our 2019 report volume 1, by September of 2019 the government published its policy for non-partisan communications on its website, including criteria for what constitutes non-partisan communication. That concludes my remarks on this chapter.

The Chair: — Thank you very much for the presentation, the focus of that work. I'll turn it over to the deputy minister for brief remarks, and then we'll open it up.

Mr. Swan: — Sure. Thank you. And just very, very briefly to add on the comments and the status update, a policy to ensure clarity and best practices regarding non-partisan communications in government was indeed developed following the Provincial Auditor's study back in March of 2019.

This study, I would note, did conclude that there were no complaints from the public that were known nor internal practices that promoted partisan communications. However, the policy formalized what had been long-standing practice in government. We do have information available to the public on what the policy is. We think it's fairly clear. And I'm open to any questions that may be around this topic.

The Chair: — I'll open it up to committee members for questions. Ms. Mowat?

Ms. Mowat: — Thank you. I'll start on page 208 of chapter 13. There is figure number 2, third-party advertising expenses. It seems that there is a trend line that's going down from 2013-14 to 2017-18. It started at an expense of \$31 million and by 2017-2018 was at \$18.8 million. Do we know what this figure was for 2018-19?

Mr. Swan: — No, sorry. I didn't anticipate that question. So no, we don't have the information here today.

Ms. Mowat: — Okay. Thank you. In terms of the trend overall, it's consistently trending down. So if we assume that it's continued to trend down, can you speak to why that is that government-wide advertising expenses have decreased over time?

Mr. Swan: — I'll try to answer your question. I'm not sure I'm best positioned to give you the full answer on this, but I'll do my best to attempt. I believe that, you know, the mediums or the modes of communication have evolved over time as well, and sometimes you can reach audiences due to technology that you could not in the past. Sometimes that costs less money than in the past. There's probably a whole pile of other variables in this that I'm not aware of, but I would think that that would be sort of a broad trend that would drive to more efficient communication, at least from a dollars-and-cents perspective.

Ms. Mowat: — Thank you. That certainly is something I was considering in terms of cost of services decreasing. Is there also an increase of more in-house capacity as well?

Mr. Swan: — I'm not sure, is probably the full answer really. But I don't get the sense that there's a lot of significant decrease in in-house capacity overall, or increased, as far as that goes. There might be a little bit of variability from year to year, but I don't think there's a major trend one way or the other within the time period you're talking about here.

Ms. Mowat: — In terms of the policy that was made public in June, I'm wondering if you can speak to what factors went into the development of the communications guide. You know, was there consideration of what other jurisdictions are doing? What criteria were most important in developing the policy?

Mr. Swan: — I would say there's a couple of main items we looked at in developing the policy. One is actually formalizing the practice we had in place all along, where we do provide guidance and have provided guidance for our communications staff in particular, to understand the difference between partisan and non-partisan. So I mean, communication of government business is communication of government business. There's different governments that are, you know, given direction on that. But the partisan piece is something different and that's around promoting, you know, a particular party or that's a particular position of a party. And that was one of the factors we looked at: were we clear in that guidance? We believe we were, but this was formalizing it.

We did look at other jurisdictions to see what they have in the way of a policy around this. There was some guidance we were able to get from other jurisdictions. In particular around procurement policy, they seemed to have clearer pieces. Some jurisdictions, we couldn't tell had anything that was publicly available, and some had some fairly direct, concrete pieces. So yes, we did our research I would say, if those were their factors.

Ms. Mowat: — Thank you. In terms of the policy development, was it mostly a formalization of informal policies that were already in place or were there any substantial changes that you would note?

Mr. Swan: — The most substantial changes that I would note, because we hadn't really sensed that there were any real

problems with the current practices, but it was really just around formalizing it and making sure people were clear. And I would say the other piece that I think, you know, moving forward makes it important to have clear policies maybe written down is that we have turnover in staff as well. So as people come on and, you know, there's new staff looking at things, they may have different interpretations. We just want to make sure that we're clear on it. We were quite reassured that when we looked at it that there wasn't, you know, incidents of people going and doing partisan communications.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Other questions from committee members on these two chapters? Are there any? Not seeing any, we have the one new recommendation from chapter 13 which I understand has been implemented as reported to us here today. I'd welcome a motion that we concur and note compliance. Moved by Mr. Buckingham. All in favour?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Okay. And there's no new recommendation in chapter 33, but I would welcome a motion that we conclude consideration of chapter 33 from the volume 2 report. Moved by Mr. D'Autremont. All in favour?

Some Hon. Members: — Agreed.

The Chair: — And that's carried. So thank you so very much for your time here today, Deputy Minister Swan and Ms. Fry. Thank you for your work. Any final comments before we shift to our next consideration?

Mr. Swan: — Just some very brief comments. Thank you for obviously the work ongoing, but also the questions here today. So thank you.

The Chair: — Thank you very much. We'll take a very brief recess, and up next we'll consider the Ministry of Government Relations.

[The committee recessed for a period of time.]

Government Relations

The Chair: — Okay, we'll reconvene the Standing Committee on Public Accounts. And we welcome a strong delegation, a big delegation from Government Relations. We thank all of the officials for their daily work. I'll briefly welcome Deputy Minister Miller and ask him to introduce the officials that are with him here today. I'll ask him not to get into focusing on the respective chapters at this point. We'll do that subsequent to the presentation of the auditor on each one of them.

Mr. Miller: — Thank you, Chair. I'm pleased to have with me today my ADM Laurier Donais, ADM of corporate services and disaster recovery; Sheldon Green, ADM of municipal relations; Giselle Marcotte, ADM of First Nations, Métis and Northern Affairs; Elissa Aitken, executive director of policy and program services; Jeff Markewich, executive director of corporate services; Brad Henry, executive director of northern municipal

services; and Susan Carani, executive director of lands and consultation.

As well with us today we have colleagues from the Saskatchewan Public Safety Agency. I'm pleased to welcome here today Marlo Pritchard, president of the Saskatchewan Public Safety Agency; Teresa Florizone, vice-president corporate services; and Jean Longpre, SaskAlert manager for the Saskatchewan Public Safety Agency.

The Chair: — Okay, thank you very much. Welcome all. Great to see everybody. What we'll do is we're going to focus on each of these chapters one at a time because they're all rather unique. I will table at this time PAC 111-28, Ministry of Government Relations: Status update, dated February 26th, 2020. And thank you to all those that were involved in putting together that work on the status update. It really helps us focus our efforts at this table.

[14:45]

I'll turn it over at this point to the Provincial Auditor's office, and we'll start with our focus on the 2018 report volume 1, chapter 1.

Ms. Ferguson: — And before we do that, I just want to quickly just extend a thank you to the deputy minister and your team for the co-operation that was extended to us through this body of work that we'll be presenting this afternoon. Ms. O'Quinn's going to make the presentations.

Ms. O'Quinn: — Okay, I'll start with chapter 1 of our 2018 report volume 1, which starts on page 17. This chapter reported the results of our 2017 annual integrated audit of the municipal potash tax sharing administration board. The Minister of Government Relations is responsible for this board. The chapter contains two new recommendations. At December 31st, 2017 the board had reliable financial statements. It had effective rules and procedures to safeguard public resources. And the board complied with financial-related authorities related to the board other than the following areas.

First on page 18, we recommend the Municipal Potash Tax Sharing Administration Board submit its audited financial statements within the time frames required by *The Municipal Tax Sharing (Potash) Act*. The 2016 financial statements were tabled on September 7th of 2017. Legislation required them to be tabled by April 30th of 2017.

On page 18, we recommend the Municipal Potash Tax Sharing Administration Board obtain the minister responsible's written approval of the remuneration and expense rates it pays its board members. It should obtain this approval prior to changing remuneration rates. During 2017 the board paid per diems totalling \$2,820 using rates set by the Saskatchewan Association of Rural Municipalities. The board did not obtain formal approval from the Minister of Government Relations of the board member per diem remuneration rates, as required by law.

Chapter 2 in our 2019 report volume 1, which is our summary of implemented recommendations chapter, which starts on page 19 of that report, notes that the board implemented both of these recommendations during 2018. This chapter is later on this afternoon's agenda.

That concludes my overview for this chapter.

The Chair: — Thank you very much. Thanks for the actions that have been detailed already as well. Would you care to offer some brief remarks, Deputy Minister?

Mr. Miller: — I will. In terms of this chapter, the auditor has stated that the financial statements were reliable, and effective rules and procedures to safeguard public goods were in place. The board's compliance with authorities governing its activities relating to finance reporting safeguarding of resources, other than it did not submit its financial statements within the required time frames, nor did they obtain the minister's approval for remuneration rates. With respect to this, the ministry would like to report that the 2017 financial statements, they were tabled on the 8th of March, 2018 and the 2018 financial statements were tabled on the 25th of March, 2019.

On the second recommendation regarding the approval of remuneration by board members, the 2018 potash board rates were approved by the minister's orders of February 26 of 2018. The 2019 potash board members' remunerations were approved by a minister's order on February 1st as has been stated. Thank you.

The Chair: — Thank you. I will open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you, and thank you for providing the status updates as well that provide us with a little bit more information in terms of what's happened since the Provincial Auditor wrote the report.

I'll start on page 17 in the introduction where it's giving an overview of the Municipal Potash Tax Sharing Administration Board. In terms of the eligible rural and urban municipalities, how many communities are recipients of the program?

Mr. Miller: — So I can certainly direct you to schedule 1 of the board's reporting. There's a list, an extensive list. We'd be happy to share what's specifically on that or do a tally. Is that the information you're looking for? Rough numbers?

Ms. Mowat: — Yes. I was just looking for the rough number of communities. I'm just trying to get a sense of the program over time.

Mr. Miller: — Approximately 109, from that quick tally.

The Chair: — Just noting how much more efficient that counting was than the Iowa caucuses recently, so thank you very much for that report. Moving along, any other questions? Ms. Mowat.

Ms. Mowat: — I like how you did get that on the record. About how long has this tax-sharing program been in place? And has it always been a 20-mile radius of the potash mine?

Mr. Miller: — The scheme that's in place has been in place since the '60s. The Act last looks to be amended in 1978. The radius has always been 20 miles; however, that calculation was converted into kilometres.

Ms. Mowat: — In terms of the recommendations that the auditor

is bringing forward here, in the first recommendation . . . First of all, it's good to see that the recommendations have been implemented. In the first recommendation that the board submit its audited financial statements within the time frames that are required, there's a note here that the Provincial Auditor has made that the board indicated personnel issues caused a delay in the submission of its financial statements for tabling. I'm just wondering if you can provide a little bit more background in terms of what caused the delay.

Mr. Miller: — In terms of answering your question, it was an absence of case staff, and I pointed to a gap in our processes which has subsequently been addressed as we commit to compliance.

Ms. Mowat: — In terms of the second recommendation that referred to obtaining the minister's written approval of the remuneration and expense rates, I'm just wondering if you can speak to what happened there. Was it a simple oversight? Or I see that it's been corrected now, but I'm just curious as to what the process looked like there.

Mr. Miller: — So with respect to this particular remuneration, the legislation points to rates established by SARM [Saskatchewan Association of Rural Municipalities]. So as those rates change, the ministry has an articulation to keep up with that. With respect to our process, we hadn't been keeping up and harmonizing those changes. So it was more diligence around keeping an eye on when those rate changes happened, making sure that the necessary approvals were advanced to the minister in a timely way.

Ms. Mowat: — Okay, thank you. I have no further questions, Mr. Chair.

The Chair: — Any further questions from any committee members with respect to chapter 1? Not seeing any, noting that both recommendations have been implemented, I'd welcome a motion that we concur and note compliance with recommendations 1 and 2. Mr. Brkich moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along to the 2018 report volume 2, chapter 11, and I'll turn it over to the auditor's office.

Ms. O'Quinn: — Thank you. Chapter 11 in our 2018 report volume 2 which starts on page 65 reports the results of our 2017 annual integrated audit of the Northern Municipal Trust Account. The Ministry of Government Relations administers the trust account. This chapter contains one new recommendation.

At December 31st, 2017 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 areas: on page 68 we recommend that the Ministry of Government Relations adequately segregate duties of employees responsible for the key accounting functions of the Northern Municipal Trust Account.

The ministry did not appropriately restrict user access within its accounting IT system. In addition it did not adequately segregate

duties of staff responsible for receiving money, recording the cash receipts, and for preparing the bank deposits. While the ministry restricted access to its accounting system to certain staff, it did not appropriately restrict what users could do within that system. As a result, employees responsible for receiving and depositing money and making payments could also adjust the accounting records.

During the audit we found six instances where one employee opened mail, prepared the bank deposit, and recorded the cash received in the accounting records. These functions are not compatible. Not appropriately segregating duties that are not compatible increases the risk of undetected fraud and error, including inappropriate adjustments to accounting records, resulting in errors in the trust account's financial information.

Also at December 31st, 2017 the trust account had three areas the ministry needs to improve. They are: the ministry needs to adequately supervise staff responsible for recording trust account financial information. During the audit we found staff did not adequately follow up on the status of the trust account's GST [goods and services tax] returns submitted to the CRA [Canada Revenue Agency]. This resulted in errors in the financial statements prepared for audit. Also we found 13 per cent of the journal entries we tested were not being properly approved.

Next the ministry needs to prepare timely and accurate bank reconciliations for the trust account as its policies require. During the audit we found bank reconciliations not prepared by the end of the following month, the time frame that its policy expects.

Next the ministry needs to table the trust account's annual report to the Legislative Assembly in accordance with the timeline set in *The Executive Government Administration Act*. The ministry tabled the trust account's 2015, 2016, and 2017 annual reports later than the timelines set in legislation.

In 2017 we noted the ministry implemented one existing recommendation. The ministry prepared and approved accurate quarterly financial reports as its policies require. That concludes my remarks on this chapter.

The Chair: — Thank you. Thank you very much for the focus of the work and the presentation. I'll turn it over to the deputy minister for some brief remarks, and then we'll get into questions.

Mr. Miller: — Thank you, Chair. So the auditor had concluded that the ministry had effective rules and procedures for the NMTA [Northern Municipal Trust Account] to safeguard public resources with notable exceptions. The auditor did find that the ministry did not always prepare timely and accurate bank reconciliation, prepare accurate quarterly financial statements, and did not table the annual report in accordance with timelines in *The Executive Government Administration Act*. Additionally the ministry did not adequately supervise staff responsible for recording NMTA financial information and adequately segregate duties of employees' responsibilities for key accounting functions of the NMTA account.

[15:00]

The ministry agrees with the recommendations made by the

Provincial Auditor. The ministry has subsequently hired a contractor to assist in the completion of outstanding bank reconciliations. We have also engaged a consultant to review the processes and assist in the timely and accurate completion of this work. The ministry along with this consultant is in the process of reviewing NMTA's policies, its 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 NMTA will ensure that detailed quarterly and year-end financial information is completed as well as proper segregation of duties. This concludes our remarks on the chapter and we would be pleased to answer questions.

The Chair: — Thank you for the remarks and the work on this front. Committee members? Ms. Mowat.

Ms. Mowat: — Thank you. On page 65 the Provincial Auditor notes that the ministry has assigned about 11 full-time equivalent staff, located primarily in La Ronge, to administer the trust account. So this was as of the time of the report, which was published in 2018. Is it still the same staff complement? What does that look like in terms of adding the consultant and the contracted accountant, if you can give us a picture of that?

Mr. Miller: — So I'll ask ADM Sheldon Green to go through the FTEs associated with this. I think we have a little discrepancy between the auditor's assertions around 11 full-time and where we see ourselves.

Mr. Green: — Sheldon Green, assistant deputy minister, Government Relations. While the branch as a whole has 13 FTEs, it does a variety of other functions in addition to managing the Northern Municipal Trust Account. There's five full-time, more account-clerk-type finance people in the branch, so five full-time people devoted to this. In addition to that, as the deputy minister noted, there is a contractor that also isn't a full-time contractor but that does provide some higher level accounting oversight as mentioned, and another person assisting as well on the bank reconciliation side. So five full-time, two contractors helping with that. And then there are . . . Other branch staff do have small pieces that they play in terms of providing information that supports the backup of information about various projects that are funded and various activities that the trust account is involved in. But they don't have day-to-day full-time responsibilities related to the account.

Ms. Mowat: — Thank you. So the five full-time individuals, is that comparable to what would have existed in 2018 then in your estimation or at the time of the audit?

Mr. Green: — Yes.

Ms. Mowat: — So it's fair to say that you have added additional resources to help manage the NMTA as a result of the audit?

Mr. Green: — Yes.

Ms. Mowat: — Okay. Thank you. I wonder if the auditor wants to weigh in considering the discrepancy.

Ms. Ferguson: — The intent of the number there was actually to reflect the people that are involved in the activities that surround

the account, not the accountants. So we'll try to clarify the language on a go-forward basis, but it's the administration. So it'd be actually the folks that are responsible for the municipal services, you know, the grants and all the various activities that encompass the account. But basically the account is really just a mechanism to account for those activities, right? So yes. So we'll just make sure the language is clarified in the future.

Ms. Mowat: — On page 67 it indicates that . . . There's a quote at the bottom of the page: "Management indicated this occurred at various points during 2017 due to staff shortages." So was it the case that those five positions weren't filled or what contributed to the short-staffing?

The Chair: — Just make a quick note to those . . . You don't need to hit the button when you go to speak, so just introduce yourself and speak.

Mr. Miller: — The issue in that particular time frame was the unexpected absence of one key staff resource over a period of time.

Ms. Mowat: — Thank you. So I guess that absence is no longer the case? That's no longer the case right now?

Mr. Miller: — That's the case, yes.

Ms. Mowat: — Okay, thank you. In terms of the recommendation in section 4.4 on page 70 about the annual report to the Legislative Assembly. The auditor notes that "The Ministry was unable to provide the Assembly with timely annual reports due, in part, to the issues previously identified in this chapter." I'm wondering what the other part was?

Mr. Miller: — So with respect to your question, the other factors . . . I would sort of characterize three factors primarily. That's people, the personnel side of things. We talked about absences. Processes, so as the auditor has pointed out, some gaps in the process that are being worked on. I guess I'm trying to frame this up as a continuous improvement effort within the entity to deliver its mandate. And then, certainly, technology. So as has been identified, some of the articulation with getting people on and off, authorized appropriately, those kinds of things.

So the three of those pieces coming together, directly impacting the timelines, those timelines which are set out in statute. So that's our commitment, just to make sure that those things are addressed, and management is working towards that.

Ms. Mowat: — Thank you. Did you have anything you wanted to add? No. Okay. I said after you were huddling for a while that maybe I should have asked them the question as it was about the report that they had put together.

But in terms of the status update, on the first new recommendation to adequately segregate duties of employees that are responsible for key accounting functions, I just want to get a sense of what the plan is here. So it looks as though this is software that's being set up that separates the roles within the process. Is that correct?

Mr. Miller: — So that change is anticipated to occur next fiscal year with the updated software to achieve that, yes.

Ms. Mowat: — Great. So it will just assign different employees so that it can't be the same person going through the whole process?

Mr. Henry: — Yes. The intent is to put discretionary access controls in place so that different users have different permissions within the system and that we can maintain the segregation duties.

Ms. Mowat: — Thank you. In terms of the contract with the professional accountant to assist with reviewing journal entries, is this something that has a defined end date? What are the terms of that agreement?

Mr. Miller: — There's been two resources added. On the contract for the professional accountant is a term through November of this year, 2020. And the second resource, a smaller contribution, is a ongoing contract for support.

Ms. Mowat: — Thank you. So I would guess the plan would be to build up local capacity to be able to move forward and meet all of these timelines successfully?

Mr. Miller: — It's accurate and fair to say that, you know, based on those three areas of concern that we have identified, we're working to come up with a plan that has two things: it has the right sort of skills and abilities, the right supports in place, and that ensures that we will deliver on the expectations.

Ms. Mowat: — Thank you. On the last page of the status update, the second-last recommendation talks about working with the operator of Alert Ready to obtain information needed to enable periodic review about the appropriateness of user access to the system. So in the actions taken . . . Is this the other chapter . . . [inaudible interjection] . . . Okay. It's because there's no label at the top of this. I thought so. Okay, that's the next chapter. Please disregard. I have no further questions. I knew I should have written that down on there.

The Chair: — Stay tuned. Good questions. Are there any other questions from committee members with respect to this chapter, chapter 11? Otherwise, not seeing any, then I'd welcome a motion with respect to the new recommendation. And I think that we would concur with that recommendation. Moved by Mr. Weekes. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried . . . [inaudible interjection] . . . Yes, that's correct. I know they've bought a system here and they're going to be implementing it next year. They've reported to us that it's not implemented at this point so that's important work in progress. We could move as well if you'd care to. But I think we're fine with concurring at this point. We voted; we agreed.

We'll move along and move our attention at this point to the 2019 report volume 1, chapter 6, and I'll turn it over to our Provincial Auditor.

Ms. O'Quinn: — Chapter 6 of our 2019 report volume 1, which starts on page 77, reports the results of our 2019 audit of the ministry's processes to alert the public about imminently

dangerous events in Saskatchewan. So imminently dangerous events include emergencies related to weather, such as floods, tornadoes, and wildfires; missing persons; and other threats to public health and safety. Timely, accurate, and clear notifications of risks and hazards can help Saskatchewan residents adequately prepare for situations that may pose a risk to their health and/or their safety. We found that the ministry had, other than the four areas reflected in our recommendations, effective process.

[15:15]

I will focus my presentation on the four recommendations that we made. On page 83 we recommended that the ministry maintain a robust and enforceable written contract with the party providing day-to-day administration for the SaskAlert program. We made this recommendation because the ministry did not have a written, formal agreement with its program administrator responsible for the day-to-day administration of the SaskAlert program. Rather, the ministry was using a draft 2017 terms of reference document to outline key responsibilities of both the ministry and the program administrator relating to the SaskAlert program. Without a formal written agreement, the ministry may have difficulty enforcing the requirements in the draft terms of reference, for example the requirement to respond to participant requests within 24 hours, and additional arrangements, for example alert reviews. Not providing participants with sufficient support when issuing alerts may cause undue delays, which may in turn give the public less time to prepare for an emergency.

On page 88 we recommended the ministry document its regular monitoring of all key responsibilities of its SaskAlert program administrator. We made this recommendation because the ministry does not sufficiently monitor whether the program administrator is fulfilling all of its expected responsibilities. In particular it did not monitor whether the program administrator gave participants to SaskAlert sufficient support. Participants include authorized municipalities, First Nations, and provincial government agencies interested in participating in the SaskAlert program. Not receiving reporting from a key service provider responsible for day-to-day program administration makes it difficult to monitor the quality of the services that are provided. In addition, not documenting the monitoring activities that are done, or not monitoring frequently enough, makes it difficult to identify gaps and take timely and appropriate action.

Also on page 88 we recommended that the ministry work with the operator of Alert Ready, which is a national alert aggregation and dissemination system to obtain information needed to enable a periodic review of the appropriateness of user access to that system. We made this recommendation because neither the ministry nor the program administrator reviewed user access to Alert Ready to confirm the continued appropriateness of that access.

Under its agreement with the Alert Ready system operator, the ministry is responsible for authorizing user access to Alert Ready. Our testing found 4 of 13 new participants tested had inappropriate access in Alert Ready. The ministry had not identified the inappropriate access. If participants have unauthorized access, there is an increased risk that they may issue inappropriate alerts, which could have an adverse effect on the SaskAlert program's reputation.

On page 89 we recommended that the ministry actively monitor whether SaskAlert participants complete timely and accurate alerts and take action where necessary, for example, suspend system access. We made this recommendation because the ministry did not sufficiently monitor whether participants completed practice alerts each quarter, or document participant errors in live alerts, or suspend participants who do not complete alerts as expected.

Participants issue alerts infrequently. For example, SaskAlert participants issued 104 alerts in 2018 and 61 alerts in 2017. The ministry appropriately requires participants to complete ongoing practice alerts each quarter to maintain familiarity with Alert Ready.

Our testing found the ministry only verifies participants complete ongoing practice alerts annually instead of more frequently like quarterly. Twenty-three out of 30 participants we tested had not completed a practice alert in the last three months as expected. Participants not completing ongoing practice alerts are at an increased risk of not being able to create timely and accurate alerts to notify the public about a real emergency when it occurs. Actively monitoring participants struggling to complete the practice or live alerts could help the ministry identify higher risk participants who may be at risk of issuing an inaccurate alert. It can then use its time and resources working with those participants who pose the greatest threat to the SaskAlert program's reputation.

This concludes my overview of this chapter.

The Chair: — Thank you very much. I know the auditor would also like to add an additional comment.

Ms. Ferguson: — When we did the audit, the Ministry of Government Relations was responsible for this program. Subsequent to the audit, the responsibility has moved to the Saskatchewan Public Safety Agency, and so hence the officials at the table here too. But when we do our follow-up on the recommendations, we will be working at the Public Safety Agency. Our normal course is that when the responsibilities transfer from one organization to the next, we make that update in the recommendation and we'll reflect that in the next report.

The Chair: — Thank you. And in line with those comments, welcome to the table the officials that are here and the president, Marlo Pritchard, with the Saskatchewan Public Safety Agency and fire commissioner of the province. I'd ask, Mr. Pritchard, if you would briefly introduce the two officials at the table with you here today and then to focus in on brief remarks on the chapter.

Mr. Pritchard: — Thank you, Mr. Chair. I'll actually let them introduce themselves. It's just . . . Turn to my left.

Ms. Florizone: — Teresa Florizone, VP [vice-president] of corporate services of Saskatchewan Public Safety Agency.

Mr. Pritchard: — To my right.

Ms. Longpre: — Jean Longpre. I manage the SaskAlert program for the province.

Mr. Pritchard: — Thank you. I would just quickly go over the

four recommendations of the audit. The first one on page 83 in regards to the terms of reference, that terms of reference has been updated and signed and will be attached to the revised master service agreement moving forward.

In regards to the recommendation on page 88, since the audit recommendation, changes have been made to the service provider function requirements which are reflected in the terms of reference, which sees the Saskatchewan Public Safety Agency realigning most of the administrative duties back within the agency and embedded within our agency and getting a day-to-day look at it.

The terms of reference, you know, has built into it audits, self-audits, and we're conducting some of those, site visits and corrective communication, all part of that process moving forward. And of course working on a quarterly reporting scheme as we move forward.

In regards to the recommendation on page 88, work with the owner-operator of Alert Ready — that's the Pelmorex and The Weather Network — has been ongoing and the upgrades to the management side of the system have been completed. Saskatchewan Public Safety Agency played a pivotal role in these upgrades, which see the ability to monitor, run reports on alert issuers and activities and user status. Pelmorex is also looking at enhancing the alert user interface in the NAAD [national alert and aggregation dissemination] system to make issuing alert easier with less errors. And I can say from looking at the screen myself, it is . . . I won't say foolproof, but it's very close. The active or live screen is red in colour, and when you do interject an alert, there is actually a box that jumps out with a yellow warning: "This is a live alert." So it should reduce the errors. On the practice screen it is green, so there's a very, very distinct difference in regards to that.

In regards to the recommendation on page 89, SPSA [Saskatchewan Public Safety Agency] has included in the terms of reference with the service provider requirements to monitor, and the corrective action to apply if required to all actual alerts that are issued in the NAAD system by approved Saskatchewan Public Safety Agency alert issuers. The service provider also monitors, checks, and responds to all practice alerts to ensure alignment with the standard operating procedures. So we have quite a number of processes in place.

The Chair: — Thank you very much for the full report. Thanks as well of course for the status updates. Just to touch on the first one before I open it up for questions. You've signed the agreement at this point. Would you consider that recommendation now implemented?

Mr. Pritchard: — I would consider it implemented although of course it'll have to be checked off.

The Chair: — That's right. Yes, great. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you, and thank you for quite a robust status update here that really paints a picture of everything that's happened since the time of the Provincial Auditor's report.

In terms of Alert Ready, so the Provincial Auditor on page 79

talks a little bit about the program in general and the ways that it pushes out critical alerts. I'm wondering — and it talks about compatible cell devices — in order to receive the alert on your cellphone, would one have to download the app or do they sign up with their phone number? Can you just explain that a little bit? If anyone is watching along and wants to participate in the program, it might be useful for us to plug it a little bit.

Mr. Pritchard: — In regards to the critical push-out, if your phone is compatible, you will get it. If you download the app, which you can free of charge, it'll ensure that you will get the advisories and the critical. So there's a marketing piece there, but yes, the critical ones are supposed to go to any compatible device.

Ms. Mowat: — For clarity, what would make a device compatible? Obviously within a specific location or does it go just across all of Saskatchewan?

Mr. Pritchard: — Okay. Depending on where the alert is issued, you can put in basically a parameter and any cellphones within that parameter would be activated. If it's a critical alert that's province-wide, of course it would be throughout the province.

Ms. Mowat: — Thank you. And the Provincial Auditor was also noting that . . . it is in a footnote at the bottom of page 79 as well where it describes the compatible devices as of December 2018, including Android devices with version 4.2 or higher, iPhones with version 8 or higher. And obviously folks can download the app as well. So thank you for providing that clarity.

I understand that there were . . . So I'm on page 82 now, and as of about a year ago, March 2019, there were 353 municipalities, 3 First Nations, and 12 government agencies that participate in the SaskAlert program. I wonder if you can speak to how this participation works contractually, what that looks like.

Mr. Pritchard: — It is a form that the municipality or agency would fill out. It identifies the official, such as a mayor or council, and then it also identifies the individuals that will be trained or identified as the issuers in that locality. So there is a formal process to sign up.

Ms. Mowat: — Thank you. In terms of the training, can you speak to how long that training takes, whether everyone who has access is required to complete the training?

Mr. Pritchard: — There's two levels of training. If you want to do a phone-in alert, so if your municipality does not want to actually be able to enter into the system and you want to phone in to the emergency centre, it is an online training, and the process goes forward. If your municipality or agency wants to have access to the system, you have to complete the online training and then attend a half-a-day active course or technical course so that you're trained to know how to access the system and what goes into the boxes.

Ms. Mowat: — Thank you. The online training modules, is it like a couple of hours or . . . Self-directed, obviously.

Mr. Pritchard: — It would be self-directed.

Ms. Mowat: — Yes.

Mr. Pritchard: — It's roughly three hours.

Ms. Mowat: — Okay. Thank you. In terms of uptake, I read at some point that one of the ways that the program was being promoted was when folks are all attending a conference together and chatting about it. I think I read that. So have there been other methods that have been explored in terms of expanding which officials are going to sign up? Because it certainly seems like something that would be great if everyone was participating.

[15:30]

Mr. Pritchard: — In the past there has been letters that have been sent out to every municipality and First Nations community. I encourage them. There has been follow-up with the phone calls since the agency has been formed. We have been doing stakeholder, I guess, engagement in regards to a bigger piece around emergency management and support. This is one avenue of that conversation, and so we're marketing it as part of that stakeholder development or stakeholder consultation phase.

Ms. Mowat: — Thank you. On page 88 the Provincial Auditor notes that in 2018 SaskAlert participants issued 104 alerts, compared to 61 in 2017. I'm wondering how you account for the jump in alerts and also what the 2019 number was, if it continued to grow.

Mr. Pritchard: — Okay. The jump in alerts is in regards to more jurisdictions being signed up. We also have probably an increased comfort level, was what we're hearing from individuals. And even the process of being able to phone it in to our emergency communications centre to activate it, so they don't actually have to go into the system and physically do it. There's probably a higher public expectation about public alerts, so that is also driving it. And the number that I've been given is about 180 in 2019.

Ms. Mowat: — Okay. And in terms of the number of municipalities that are participating, as of a year ago it was about half of the municipalities in Saskatchewan and 5 per cent of the First Nations. Can you speak to whether there's been much change over the last year?

Mr. Pritchard: — We have approximately 375 municipalities, so a little bit of an increase, nine government agencies, all the provincial parks, and about three First Nations communities are still involved. As I referenced earlier, that stakeholder development and working with First Nations and supporting their bigger and broader emergency measures plan and public safety aspect will be part of that, and hopefully we'll see an uptake.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Good questions. Thanks for the work on this front. It's so important of course to the safety of people across the province and communities. Any other questions from committee members at this time? Not seeing any with respect to this chapter, I believe recommendations 1 and 3 have been implemented. I welcome a motion that concurs and notes compliance. Mr. D'Autremont. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. With respect to recommendations 2 and 4, I'd welcome a motion that that concurs and notes progress. Mr. Buckingham. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along and turn our attention to chapter 25 of the 2019 report volume 1, and I'll turn it over to the Provincial Auditor's office.

Ms. O'Quinn: — Thank you. Chapter 25 in our 2019 report volume 1, which starts on page 263, reports on the results of our second follow-up of five remaining recommendations first made in our 2012 audit of the ministry's processes to provide safe drinking water to northern settlements. Northern settlements are unincorporated communities in the northern Saskatchewan administration district that the ministry administers.

By September 2018 the ministry had implemented one of the five remaining recommendations. It communicated the safety of drinking water to the residents of the northern settlements of Stanley Mission and Wollaston Lake.

Further work remains in the following areas: first, testing drinking water samples and documenting the results as required by its water system permits issued by the Water Security Agency. We found the ministry is not consistently testing or documenting the results of its testing of drinking water samples. Our testing of a sample of water tests found 1.4 per cent of daily water tests, 25 per cent of the bi-monthly tests, and 10 per cent of quarterly tests were not completed in accordance with the related permit. Monitoring and completing all drinking water tests that permits require is essential to ensure the safety of drinking water being consumed by residents of northern settlements.

Next, consistently carry out all required maintenance for its water systems and better document its monthly supervision of the maintenance carried out on its water systems to evidence that the required maintenance is occurring. Since our 2016 follow-up, although the ministry better documented its supervision of maintenance for its water systems, significant documentation gaps were made. Biannual consultant reports about the maintenance, ministry-owned and First Nations community-owned water systems did not give the ministry sufficient information to enable it to ensure it provides safe drinking water to the northern settlements. We also found that the reports indicated significant outstanding maintenance at Uranium City; for example, water pipes leaking. While the ministry was aware of these issues, its progress in developing a strategy to address the long-standing drinking water concerns at Uranium City was slow.

Furthermore the ministry did not have sufficient records to show that maintenance was being completed for all five of the ministry-owned water systems as expected. Timely maintenance is required to keep the water systems working effectively and to reduce the risk of providing unsafe water to the residents of northern settlements.

Next, taking prompt action to address problems and providing safe drinking water to the northern settlements. As of October 2018 the ministry had not taken action to address a number of long-standing water issues. For example, a precautionary

drinking water advisory that was issued in May of 2001 remained in place for Uranium City. Also the emergency boil-water issued in February 2015 remained in place for Uranium City.

Also other settlements — for example, Brabant Lake, Missinipe — continued to have trihalomethane levels that exceed maximum allowable limits from time to time. Not taking prompt corrective action to resolve drinking water quality issues places the health of residents in the affected northern settlements at risk. This concludes my remarks on this chapter.

The Chair: — I'll open it up to the committee for questions. These are important recommendations. I guess just to express . . . Like these date back to 2012 and '13 and '14. And you know, it's about drinking water for residents of the province. And you know, certainly I guess we'll hear the progress that's maybe going to be detailed. Some of that's reported here.

But it's sure frustrating coming to this table after such a delay in time and seeing so many of those recommendations still sitting there with sort of works-in-progress with timelines that are still out into the future. But I'll just leave that statement here and open it up for questions. And I'll turn it over, sorry, to the deputy minister for response.

Mr. Miller: — Thank you, Mr. Chair. I'll waive my introductory comments and jump right to the specifics of the recommendations. So with respect to the first one, testing drinking water samples and document the results, in the areas where the ministry operates water systems, 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 lab, as has been noted, and we're working to improve this. This recommendation is partially implemented.

With respect to the second, completing water system maintenance as expected for all drinking water systems, again, partially implemented. All water systems maintained continue to be completed by a verified, assigned environmental protection officer, and a schedule of preventative maintenance is carried out as per a maintenance plan.

Since February of 2016, separate maintenance and operational logs are being maintained in all water systems owned and operated by the ministry. In 2018 the Wollaston Lake water supply and treatment project was implemented and distribution issues are expected to improve. The upgrade of Uranium City water treatment system is expected to be completed in 2021.

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

Number four, resolving long-standing issues with the safety of drinking water for the northern settlements, again, partially implemented. The ministry has implemented a plan for each settlement water system, outlining the roles, responsibility of the branch and the local communities. These plans include

requirements and activities as per operating permits, recent assessments, and consultant reports.

This concludes my report and I'm glad to take questions.

The Chair: — Thanks so much for the report and the work that's been taken on on this front. I will open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you, and thank you for putting together the status update. I guess the sentiments you expressed, Mr. Chair, sit with me as well in terms of the fact that the recommendations have been . . . This started in 2012, and really didn't start in 2012 but that's when the report started.

So one of the recommendations that stands out the most for me is the outstanding recommendation “. . . that the Ministry of Government Relations take prompt action to address problems in providing safe drinking water to northern settlements.” In seeing these recommendations, I don't believe that the words “prompt action” come forth very often from the auditor's report. We're reviewing 29 chapters I think today, and we see a lot of recommendations that come at this table. So for me, that is the key piece here in terms of implementing a plan.

So what I'm wondering in terms of an update is if we could go through briefly, community by community, and just talk about where we are headed and what the timeline is for implementation. You know, I don't want to belabour the committee for too long today, but I do think this is a really important segment. And I've been getting pieces throughout the status update, but it's hard for me to get a picture of overall where we are at. So I think that would be beneficial.

Mr. Miller: — We'll have Executive Director Brad Henry answer.

Mr. Henry: — If you don't mind, there's three settlements where we have water system issues, where we had water system issues, so I'll focus on those three in particular. The first system, as noted by the auditor, is Brabant Lake. The problem with that system is it's a fairly complex system because it runs on a surface water system. So right now we're exploring whether we can get the process improvements we need by maintaining that surface water system or if we have to move to a groundwater system. We're in the middle of that exploration. That's estimated to cost \$1.5 million, and that work is going to be complete in 2021.

With respect to Missinipe, we've made some changes in our process so that the chlorine contact time is increased, and that seems to have addressed the THM [trihalomethane] issue. That said, we're not calling that one closed until we have definitive evidence, and so we're currently working with Water Security Agency to do a study on that system. We're expecting those results in May, and that's going to tell us if and what needs to be done to rectify the system out at Missinipe.

[15:45]

The system out at Uranium City is an interesting one. We've been putting a lot of work into that. There's a few different issues at play which has caused us to maybe not appear to be addressing that one as promptly as we could. One of the issues there is that

we had serious issues on the waste water distribution side that had to be addressed before we could fix the water coming into the system.

The second thing is that underneath the water treatment plant that's out at Uranium City there is contaminated soil, and so we had to address that prior to making any changes to the water treatment plant itself. Right now we're looking at a \$5 million project starting in 2020, the estimated start in 2020, that would fix the water treatment plant and the contamination under the soil. That's expected to be done in 2021.

Ms. Mowat: — Thank you. I certainly appreciate sort of hearing it in a structured way like that. In the issue that you talked about at Missinipe with the trihalomethane, can you explain what that is for those of us who are not chemists?

Mr. Henry: — I'm not a chemist either, but it's bacteria in the water. So the role of chlorine is to kill anything live that's in the water. So in order to address the THM issue, we had to change the process so the amount of time the raw water was spending in contact with the chlorine directly was increased, which we believe reduced the THM issue. That's what's showing up in our testing, but we want to do a study to make sure that that's addressed.

Ms. Mowat: — Thank you. In figure 1 on page 264, there's a table of the dwellings served in a list of seven, I think, northern settlements there. I'm wondering if there have been any major changes to the number of dwellings served in each community.

Mr. Henry: — The number of dwellings has stayed approximately the same.

Ms. Mowat: — It sounds like, in terms of the recommendation around regular testing, it sounds like most of the issues are transportation-related or shipping-related in the fact that the samples can't get to the labs. Can you speak to what that issue looks like and how it's being rectified?

Mr. Henry: — So for communities with road access we're relying on the courier services to be able to provide those samples to the labs on time. In those road-connected systems we've been seeing no significant issues recently. It's the systems like Uranium City that are air-connected only, and we're completely dependent on inclement weather to be able to get those samples to the labs on time. In cases where we have samples that are delayed, we make sure that we send additional samples immediately following so that we can get an updated correct test as soon as possible.

Ms. Mowat: — Thank you. And in terms of Bear Creek, there's a note about not having the equipment needed to do some testing at Bear Creek. And I'm just wondering if you can speak to that.

Mr. Henry: — Sure. We've made sure that all of our water treatment plants have the equipment that they need. And we've also set up a contract with a company called ATAP water management, and they have equipment to make sure that they go out to all the water and sewer systems in the North, for all northern municipalities, twice a year. And in those visits, they'll be taking their calibration equipment to make sure that the on-site equipment is accurate every year.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Thank you very much. Good questions. Thanks for all the work. Note as well that the concern I noted on this front. And my criticism doesn't lie with the officials at the table, it lays squarely with the cabinet, not for you to engage on that. These are important issues and they need to be resourced and receive the attention they deserve. Thanks for the work of officials on these fronts.

Are there other questions from committee members at this time? And I guess what we're dealing with here — and it's part of why I wanted to make sure we stress the importance as well — they're not new recommendations. So we're not voting here today, but that doesn't undermine the importance of them to the North and to these respective communities. So I would welcome a motion to conclude considerations of this chapter. Mr. Brkich. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And we'll move along now to the 2019 report volume 2, chapter 7.

Ms. O'Quinn: — Chapter 7 of our 2019 report volume 2 starts on page 51 and reports the results of our annual integrated audit of the Ministry of Government Relations for the year ended March 31st of 2019.

This chapter contains one new recommendation. At March 31st, 2019 the ministry had effective financial-related controls and complied with financial-related authorities other than the following area. The ministry needs to regularly review and update the processes it uses to make key accounting estimates; for example, for education property tax revenues and for treaty land entitlement obligations.

In 2018-19 the ministry had two significant errors in its financial records because of inadequate processes to prepare key accounting estimates. First, the ministry did not follow Canadian public sector accounting standards when recording what it owed for treaty land entitlements. The ministry missed recording a \$22.8 million liability for these entitlements in fiscal years prior to 2018-19. The ministry did correct this error in 2018-19.

Second, the ministry did not properly adjust its processes for estimating the education property tax revenue when separate school divisions decide to collect education property tax levied for their division.

In January of 2019 four separate school divisions began collecting education property tax levied for their division and recording these amounts in their financial records. The ministry missed excluding the estimated revenues for one of these separate school divisions. This resulted in the ministry recording 6.5 million too much in education property tax revenue in its financial records. Not periodically reviewing and updating key accounting estimates for changes in circumstances increases the risk that the ministry's financial records will be incorrect. As a result, the government and the public may use incorrect financial information to make decisions. That concludes my remarks on this chapter.

The Chair: — Thank you for the focus. Thank you for the presentation. I'll turn it over for brief remarks to the deputy minister and then we'll open it up for questions.

Mr. Miller: — Thank you, Chair. So recognizing that the auditor found that the ministry complied with authorities governing its activities relating to financial reporting; safeguarding of public resources; raising revenue; spending, borrowing, and investing, the ministry had effective rules and procedures to safeguard public resources except as noted. The recommendation is that the ministry regularly review and update its processes to make key accounting estimates.

The ministry agrees with the Provincial Auditor that we should have clear, well-described, documented procedures to ensure that material accounting estimates are properly recorded. The ministry has reviewed its processes and procedures for developing estimates to ensure the accuracy of information. That concludes my remarks and glad to take questions.

The Chair: — Thank you. Thanks for the presentation as well as for the information on the status update. I'll open it up for questions. Ms. Mowat.

Ms. Mowat: — Thank you. Thank you for your opening comments. I'm wondering if you can speak to what sorts of changes were made to develop new processes here.

Mr. Donais: — Laurier Donais, ADM, corporate services and disaster recovery. Yes, with regards to the processes, I guess when it came to our attention and we sort of discovered this issue sort of internally, when it came to our attention, we met internally with our lands and consultation staff just so that we could get a good understanding of sort of what it is that really drives the recognition of an obligation.

And so previously the way we had accounted for these . . . And the last agreement that we had entered into was in 2008-09, so about 10 or 12 years ago. We recorded the obligation upon the signing of the agreement, but we realized that really we have an obligation prior to the signing of the agreement, and it's when the federal government actually validates the claim by the First Nations. So at that point we can make an estimation of what the obligation is.

And so we had some internal discussions. We did have several meetings with the Provincial Comptroller's office. I think we did also advise the Provincial Auditor's office on that. And so you know, we appropriately accounted for the transaction at the end of the day. Where we did err was not identifying early enough. So there was a couple of instances where we should have recorded that obligation one or two fiscal years earlier. And so that's where we erred.

So again in terms of our processes, we have more open communication, I guess, within the ministry. We've talked with our lands and consultation folks and, you know, if there is any new ones that happen to come up, we'll be prepared for those ones and account for them appropriately.

Ms. Mowat: — Thank you. In terms of the education property tax revenue, the auditor noted that as of January 2019 there were four separate school divisions that were collecting education

property tax. How many divisions collect property tax for their own division today?

Mr. Miller: — Just for clarity, what year are you referring to?

Ms. Mowat: — So this was as of January 2019 when the auditor made the report. Yes. And just for clarity, I'm looking for what it is now as well. Yes. Comparing it to now.

Mr. Miller: — With respect to this particular discussion, there was four separate school divisions that collected themselves. This, the error represented here, was a miss of one. So we captured three and we missed one. That was the difference. And the second part of the question, sorry, again?

Ms. Mowat: — How many separate school divisions are collecting their tax, their own tax today?

Mr. Miller: — We believe they're all collecting their own, and that's 19.

Ms. Mowat: — That concludes my questions, Mr. Chair.

The Chair: — Thank you for the questions. Any other questions from committee members? Not seeing any, we just have the one new recommendation in this chapter, correct? And it's been noted that implementation has occurred. So I'd welcome a motion to concur and note compliance. Mr. D'Autremont moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll move along to our final chapter with Government Relations here this afternoon, and that's the 2019 report volume 2, chapter 35. And I'll turn it over to the auditor's office.

Ms. O'Quinn: — Thank you. Cabinet is responsible for determining the amount of education property taxes levied each year to help pay for the delivery of pre-kindergarten to grade 12 education and the related mill rates. The Ministry of Government Relation's role is to give cabinet robust, objective, and evidence-based options so cabinet has a solid basis to make decisions about education property tax revenue that it wants to levy. For the fiscal year ended 2018-19 the government earned approximately 670 million in education property tax revenues.

Chapter 35, in our 2019 report volume 2 that starts on page 275, reports the results of our first follow-up of six recommendations that we made in our 2017 audit of the ministry's processes to propose education property tax mill rates for cabinet's approval. By September 2019 the ministry had implemented four of the six recommendations made in our 2017 audit.

The ministry had documented the factors it considered and their impact when making assumptions about growth in assessed property values, formalized its process for confirming the reasonableness of the estimated assessed property values. It formalized which levels of management need to review and approve proposed education property tax mill rate options and when, and it gave staff guidance on when to investigate changes to assessed property values.

[16:00]

We found the ministry made progress on the other two recommendations, but further work remained. First, while the ministry does a better job of documenting the options staff consider when proposing the education property tax mill rates, it does not clearly document its rationale for selecting the various options that get proposed through the treasury board. The ministry uses a small team of staff to determine and recommend options. Not sufficiently documenting options may result in the ministry being unable to explain the basis for its proposed options in the event of key personnel turnover. Also documented rationale helps the decision makers understand the evidence on which the proposed options are based.

Second, the ministry did not include in its options an assessment of the impact of changes in the growth rate assumption on different mill rate options. For example, a 1 per cent change in the growth rate in each property class affects property tax revenue by approximately 3.7 million. Without robust, objective, and evidence-based analysis of mill rate options, key decision makers may have insufficient information to make informed decisions. That concludes my remarks on this chapter.

The Chair: — Thank you for the focus in this area and thanks for the presentation. I'll turn it over to the deputy minister for some brief remarks and then open it up.

Mr. Miller: — Thank you, Mr. Chair. I'm happy to report that the ministry has implemented four of the six recommendations and made partial implementation of the remaining two. The ministry agrees with the recommendation by the auditor and is working to fully implement the remaining two recommendations.

Firstly, documentation of the rationale for the decisions made on EPT [education property tax] mill rate options to propose. Although the process manual describes five potential mill rate options GR [Government Relations] may consider proposing and notes that other options may be considered, it does not require management to document the basis for their choices.

The Provincial Auditor recommended the basis for mill rate options be documented in order to show that options were evidence-based and objective, especially in the event of key personnel turnover. The ministry agrees this annual documentation could be helpful, and will continue to evolve and improve the process manual to ensure that staff are provided clear direction regarding the process for proposing education property mill rates.

Secondly, include the impact of potential changes and key assumptions. The ministry agrees that decision makers must be provided robust, objective, and evidence-based analysis for mill rate options and is committed to continually working to improve the process and content of the ministry's analysis and its advice to cabinet. That concludes our report to this chapter. Glad to take any questions.

The Chair: — Thanks so much for the report and all the work on this front. I'll open it up to committee members. Ms. Mowat.

Ms. Mowat: — Thank you, and thanks for your opening remarks as well. I'm wondering if you can elaborate a little bit on how

you're working toward improving the process and content of the ministry's analysis and advice to cabinet through these recommendations. In terms of evaluating and updating the manual, can you describe, you know, what that would physically look like?

Mr. Miller: — So with respect to coming into compliance with the auditor's recommendation, it's fair to say that the ministry is trying to adopt a continuous improvement approach to the manual. And I'll ask Elissa to sort of update on where we are currently and then where we are in terms of the work and the improvements that that's resulted in, and take it from there.

Ms. Aitken: — Elissa Aitken, executive director of policy and program services. Our manual is used when we start the budget development process, so we start using it about August or even July. As we go through the cycle and as we go through the different steps in the budget development process, we're continually evaluating the manual to ensure that it remains relevant and accurate. Staff track, sort of, questions or edits as they go through. Once we're through the budget development process, we'll look at the manual holistically and have a more comprehensive look at it and make sure that before we go into next year's budget cycle, we're editing the manual and updating it as it needs to be updated.

Ms. Mowat: — Thank you. I'm wondering specifically in terms of what changes are planned in this regard, or if you have an idea. Like maybe you don't have an idea of that yet.

Mr. Miller: — So with respect to the manual, it's a fairly complete document. As has been said, it's continually being worked on. I guess I'll get Elissa to walk through some of the areas specific within it. I just want to guard against getting ahead of anything in terms of specific what's in it with respect to, you know, future budgets or anything like that. But with respect to the process by which the ministry goes through, we can certainly characterize that, yes, for sure.

Ms. Aitken: — There's a number of sections in the manual and some of them are more technical in nature in the sense of giving direction to staff about technical components of preparing the material. The first one is really about data collection, and so that's the interface that we have with assessment service providers. So that, for example, would be something we look at every year to make sure we have the right list of assessment service providers and that the way we're requesting the data from them remains accurate. So for example, do we want it in Excel format or a text format? So those kind of details are in the manual.

The next component of the manual is about data transformation. And that's the steps that staff go through to, I'll say, cleanse the data and consolidate the data, just making sure it's consistent as we get it from a number of different sources, and making sure that it's accurate. So again at the end of the year, we'll go through and just make sure those steps remain valid with today's technology and the data that we're getting and using.

We have a step around assessment data validation, and that's really where we look at other sources of data and verify, just that double-check to make sure that the numbers are accurate and reasonable in looking at whatever else we have on hand. So again

at the end of the year we would look at, what do we have on hand and what other sources might we incorporate to just make sure we're doing better and better in terms of the accuracy.

And then the final component is about estimates and adjustments. And so that's when we look at things like assessment growth and arrears, those kinds of things that might change the number. And again at the end of the year, we would look at comparing our past track record, factoring in other pieces that are going on in the environment around us so that we can better capture any of those kind of adjustments. So those are the main components of the manual that we would be looking at.

Ms. Mowat: — Thank you. So those are the areas that you would be looking at where you can make changes in order to conform to the recommendation. Is that what you're referring to?

Ms. Aitken: — It would really be that continuous improvement frame so every year we would go through those things and just make sure that the manual is giving staff clear direction so that they can improve on the advice that we're giving to cabinet.

Ms. Mowat: — Right. So I'm just looking specifically at the recommendation. I think it's the second recommendation, but more information on economic and social impacts when proposing education property tax mill rate options to decision makers. So I'm just wondering, how is that information going to get folded into the decision-making process?

Ms. Aitken: — The way we would factor that in is through just that continuous improvement frame as we go through the manual and just making sure that it continues to be updated to reflect the best advice and the best process that we can use to get good recommendations to cabinet.

Ms. Mowat: — Okay. I don't think you're going to get more specific than that, so I guess I'll stop asking the question. There's another question that I have in terms of when the report was written, it was noted that only a small number of staff, about three, are involved in the ministry's process to assess and propose education property tax mill rates. I'm wondering if this is still the case or if this has changed in any way.

Mr. Miller: — So the personnel involved with this is still a relatively small unit of three people, which as we've described — you know, we talked about earlier today — the size of units can be impacted by that. So certainly the ministry is undertaking within the group some cross-training with regard to understanding our process as well as it involving the executive, so working between the unit itself and briefing up through the executive to ensure that there is a broader consideration of the analysis beyond the unit itself.

Ms. Mowat: — Thank you. That concludes my questions, Mr. Chair.

The Chair: — Thank you, and thank you to all the officials. Any other questions from committee members at this point? There's not any new recommendations in this chapter, so I would welcome a motion to conclude consideration of chapter 35. Mr. Weekes moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's agreed. Thank you so much to all the officials that joined us here this afternoon and all the others that are involved in this important work across the province. And I see, I think the deputy minister has a final word that he'd like to enter in with.

Mr. Miller: — Mr. Chair, if I may, just a couple of corrections to numbers that we surmised that we have now a little more accurate reporting of. So with respect to the municipalities involved in tax sharing, potash tax sharing is 106, not 109. And with respect to separate school divisions and their collection of EPT, it's 9, not 19.

[16:15]

The Chair: — Thank you so much for getting those on the record in a timely way here today. That's really appreciated. So thanks again to everyone for the work they do and those involved in this work across the province in this respective ministry and the Public Safety Agency. As the deputy minister, do you have a final remark?

Mr. Miller: — I'd just like to recognize certainly the work of the auditor and the work of my staff. I have a great team. We brought quite a cadre here today to address these broad, important issues, and I'll thank the Chair for the time.

The Chair: — Well thank you so much. We will take a very brief recess and we'll reconvene with the Standing Committee on Public Accounts.

[The committee recessed for a period of time.]

Standing Committee on Public Accounts

The Chair: — Okay, we'll reconvene the Standing Committee on Public Accounts and we'll focus on the Standing Committee on Public Accounts. These are the chapters that cover our work here in the Assembly. And certainly I'd like to thank the Provincial Auditor for all of her work on all fronts including this front. I'm not just saying that because you're now focusing on us, but I will turn it over to the Provincial Auditor for her presentation.

Ms. Ferguson: — You'll be pleased to know we're going to combine the two chapters into one presentation. I do want to say, just actually to echo the thanks actually to the committee itself. As you will be able to tell by the presentation this morning, we as an office think that you are a very well-functioning committee and do appreciate the support that you give our office in terms of the recommendations and the discussion of our chapters.

Ms. Lowe: — Thank you. The chapters before you this afternoon do not contain any recommendations. Rather they provide your committee with an overview of its accomplishments and the status of implementation of the committee's recommendations.

In our view, your committee is very important in that it's the audit committee for the Legislative Assembly. It plays a critical role in fostering an open, accountable, and transparent government and better management of government operations. Your work contributes to the government's implementation of a significant number of recommendations. In your review of our

work, your committee makes recommendations either through the concurrence with those of our office or on its own. Your committee includes its recommendations in its reports to the Assembly.

Your committee has asked our office to assess the government's compliance with its recommendations and to report on their status. We make this assessment as part of our examinations. We report the results of these assessments in either specific chapters or, if not discussed elsewhere in the report, in a table in the Public Accounts chapter. Each year in the Public Accounts Committee chapter, we provide you with a summary of these assessments.

As set out in chapter 49 of our 2019 report volume 2, as of September 2019, the government has implemented 84 per cent of the recommendations included in the committee's reports. As well by this date, the government has partially implemented another 73 per cent of the remaining recommendations. These percentages do not include recommendations that the committee has considered but not yet reported to the Assembly. That concludes my overview.

The Chair: — Thank you very much for the overview. Thank you very much for your role. This is one that I think that members that sign up for this committee on both sides, I'd say I'm very thankful for the way members participate in this committee. As Chair I'm thankful for the way we engage in a constructive way around this table, and we're so lucky to have the leadership of the auditor's office and the guidance of your reports and your presence at this table.

We go usually once a year and check in with kind of the public accounts committees from across Canada and our national committee, and we learn from some of that best practice. And we also usually come away from that always focused on how we can have some improvements at our table but feeling that I think that we have a fairly high-functioning, effective table, and I think that lends itself well to the protection of the public and public dollars and public assets and the performance of government — all the important work that we take on.

So as Chair to the committee members that compose this table and to our Deputy Chair, Mr. McMorris, just thank you very much for your participation and the approach you bring to the work.

Mr. Weekes: — Yes. I'd just like to concur with what you said. You said it better than I could. But absolutely when you go to the CCPAC [Canadian Council of Public Accounts Committees] conferences you find out that other jurisdictions don't operate quite as smoothly as ours. The steering committee always works well together — not that everything goes smoothly all the time, but we have a process that we work it out. And so I concur with that and I think it's operating very well.

Ms. Ferguson: — Can I add to that?

The Chair: — Sure can.

Ms. Ferguson: — I think we'd be amiss if we didn't acknowledge the work of the — oh, I was going to say Clerk's office; I still want to say Clerk's office — Procedural office because I think the reality is, is that they help in terms of keeping

us and scheduling and all that kind of fun stuff too.

The Chair: — Yes, and I couldn't stress it enough. So thank you so much, Rob Park and Kathy Burianyk and the rest of the team that have supported this office. It's been Rob for some time now, and thank you very much for that.

I think I saw Ms. Mowat with some serious questions.

Ms. Mowat: — I just have one serious question and that is, so the percentage of recommendations that are being adopted by the government is around 76 per cent, I think, in one and similar in the other. A little bit higher, I think, in the other chapter. Do we know, is this being measured across other jurisdictions? Do we have another benchmark besides comparing ourselves to last year?

Ms. Ferguson: — I would suggest this is an area that I think we can say that Saskatchewan's leading because other jurisdictions do not do this. Their committees have not even asked, tasked the auditor to do that compilation. And so you know, again it's an area I think where there's leadership in terms of this committee in terms of asking for that. Anecdotally though, talking to my colleagues across Canada, I think Saskatchewan does amazingly well. I think if we did have that data, I think we'd be on the higher end of that scale for sure.

What we find in the work that we do, when we're working with officials, there's not very many of them that aren't open to looking at different ways to do things and improving. You know, this afternoon I think we heard the words "continuous improvement" a number of times. And we do feel that, you know, the officials by and large do have that attitude that yes, we can always do things better. And I think having that attitude in Saskatchewan has I think has served us really well. Always will be things to work on; in part our office as a role we like to move up the bar as things go along. But yes, I think we do well overall.

Ms. Mowat: — In terms of reporting, you know, we talk about the number of committee recommendations that haven't been implemented in each ministry and in different agencies here. I wonder if there has been given any thought to the length of time that exists for outstanding recommendations in terms of what that looks like, if that could look differently in the reporting process or if you've given any consideration to that just in how these chapters are presented.

One of the things that stuck out to me was on page 350. The Water Security Agency has two outstanding recommendations that haven't been implemented that are around dam safety. And I remember going through these chapters, and they've been outstanding. And it says it right there that the initial report came from 2005. So we're talking about a recommendation that was made quite some time ago.

And if you look at the number of recommendations that haven't been implemented too, it looks like, hey, it's all good; we probably don't need to worry about that. But then when you look at the length, like it's different types of measures. So just a question about whether any consideration of that type has been made.

Ms. Ferguson: — In this case, we're actually doing this chapter

in response to requests from this committee. So if the committee would like us to take some of that information and group it by, you know, like one to three years, one to five, or whatever, we can probably sort some of that data if you want us to do that. And we can incorporate that in the next report if you so wish.

The Chair: — I think that I wouldn't want to put you into taking on work that would require extensive resources, but some of the timelines would be helpful. And then as well, you know, there might, through the steering committee, there can be a conversation around sort of some risk assessment around the nature of the recommendations that are there as well. Because certainly if we're wanting to prioritize some of those recommendations that haven't been implemented, I'd think we'd want to be acting on ones that have potentially greater risk by way of public safety or public dollars.

But one thing that — correct me if I'm wrong — you're always doing follow-up in Saskatchewan, both by this table, by this committee, but certainly by the auditor's office as sort of, of the highest standard in Canada. And you're bringing forward all those outstanding recommendations, and actually to this table, we're still taking time. There's other committees that aren't sitting with outstanding recommendations and hearing them as we are here today.

And when folks are at this table, you know, if someone's watching at home they might think, well an official can suggest that something's going to happen at such and such a timeline and maybe there's no scrutiny or follow-up after that. You know, we all can rest assured knowing that there's rigorous follow-up by the auditor's office and then reporting back to the public and to this table.

[16:30]

Anything else from committee members? Maybe one thing and then we'll close, is I'd like to identify just those status updates that we worked together to bring around as an innovation for this table have, I think, really focused our conversation. You know, I think it really allows for efficient work at this table and allows us to come in better prepared as members.

And I'm really thankful of course for the work of the auditor on this front in supporting that work, as well as government. The deputy ministers were essential to make sure that we were bringing forward a system that was going to work and that they were going to support. And all of that's come together, so thanks to everyone for their part in making that happen.

Not seeing any other questions, nothing to vote on here I guess, so just I would welcome a motion to conclude consideration of chapters 50 and 49 focused on the Standing Committee on Public Accounts. Mr. Cox moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried.

Summary of Implemented Recommendations

The Chair: — And now we'll move along to the summary of implemented recommendations, and I'll turn it over to the

Provincial Auditor.

Ms. Ferguson: — We actually thought this was pretty self-evident. We've got three chapters. What we've done is if there is nothing else to report on the ones that relate to it, we just consolidate it into a summary chapter. We'd be pleased to answer any questions that you may have about the content.

The Chair: — Thank you for the presentation of the information. It is direct in nature. Are there any questions for the auditor on this front? Any questions for Terry Paton before we shut things down here at some point? Not seeing any, I'd welcome, you know, a motion that we conclude consideration of chapters 20, 2, and 19 that cover the summary of implemented recommendations. Moved by Ms. Lambert. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. So we're at that time of the day. I'd welcome a motion of adjournment. Moved by Mr. Weekes. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. This committee stands adjourned until the call of the Chair.

[The committee adjourned at 16:32.]