



# **STANDING COMMITTEE ON PUBLIC ACCOUNTS**

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**Legislative Assembly of Saskatchewan**

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## **STANDING COMMITTEE ON PUBLIC ACCOUNTS**

Mr. Trent Wotherspoon, Chair  
Regina Rosemont

Mr. Don McMorris, Deputy Chair  
Indian Head-Milestone

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 13:30.]

**The Chair:** — Okay, good afternoon. We'll convene the Standing Committee on Public Accounts at this time. I'd like to introduce the members: Deputy Chair Mr. McMorris, Ms. Lambert, Mr. Weekes, Ms. Mowat. No substitutions today.

I would note that we are practising physical distancing here today and that the meeting's been organized with the guidance of the Committee Clerk, Rob Park, on this front so we've reduced the number of members that we've invited to this meeting today, but we have the official quorum that we require and we're 6 feet apart. I thought Rob Park might have hockey sticks between us or something here, but we're set up well. And thank you so much to the auditor for joining us here today, and her official.

We have the following items to table: PAC 112-28, Ministry of Health: Responses to questions asked February 24th, 2020; PAC 113-28, Ministry of Education: Report of public losses for December 1st, 2019 to February 29th, 2020; PAC 114-28, Ministry of Central Services: Responses to questions asked February 26th, 2020; PAC 115-28, Provincial Auditor of Saskatchewan: Fourth quarter report 2019-20; PAC 116-28, Ministry of Advanced Education: Public losses January 1st, 2020 to March 31st, 2020; PAC 117-28, Provincial Auditor of Saskatchewan: Request for special warrant.

As the last document that I tabled noted, the committee's received a request from the Provincial Auditor of Saskatchewan for a special warrant. This is why we're gathered here today in limited numbers to discuss the request.

And I guess it's the extraordinary circumstances we find ourselves in during COVID-19 that causes us to have to utilize a special warrant at this time to make sure that the funding for the auditor continues in the immediate months ahead. I think it's fair to say that ideally in the months ahead we won't be back dealing with a special warrant at this table, that we'll have a properly authorized, scrutinized, passed budget. But this is an essential bit of work here today to make sure the auditor has the funding that she requires.

At this time I'd introduce our Provincial Auditor, Judy Ferguson. I'd ask her to introduce her official and offer any opening remarks that she'd care to offer with respect to the warrant before us today.

#### Provincial Auditor of Saskatchewan

**Ms. Ferguson:** — Thank you, Chair, Deputy Chair, and members. With me this afternoon I've got Ms. Angèle Borys. Angèle is a deputy provincial auditor, our chief operating officer also, and she's integral in terms of the administration of our office here.

Do you want me to just continue with my opening comments?

**The Chair:** — Sure.

**Ms. Ferguson:** — So as was indicated by the Chair, our office is requesting that the committee recommend to the Minister of Finance that cabinet authorize a special warrant for our office.

We're asking for three-twelfths of the prior year's appropriation, and if you notice, it's our operating appropriation. It's the (PA01) appropriation is what we're basing it on, and so it's three-twelfths of that.

We understand that that percentage is consistent with what the other legislative officers have requested and has been recommended by the Board of Internal Economy to the Minister of Finance, and hence as a recommendation to cabinet for the order in council. So that's why we're here today.

**The Chair:** — Thank you so much. Thank you for bringing this forward to us. I'll open it up to committee members for any questions they may have of the auditor or with respect to this warrant. Ms. Mowat.

**Ms. Mowat:** — Thank you very much. I think we're certainly going to be supportive of recommending the special warrant approval. The work that your office does is something we're quite involved in here. And you know, we've approved the annual plan and all of these pieces obviously are required in order to be able to move forward.

I do have a few questions. You mentioned the fact that the special warrant request of three-twelfths ending on August 31st is consistent with other departments. Is that consistent with what has been provided already in the \$4 billion special warrant that government provided to itself? Like, everything is consistently supposed to end on August 31st?

**Ms. Ferguson:** — To date, the special warrant that's been issued is actually for ministries. Actually, off the top, I do not know what the percentage would be, what the ratio would be on that. What we did is we looked to what was requested by the other legislative officers in terms of the percentage.

**Ms. Mowat:** — Okay, thank you. And I'm wondering, in terms of the unique times that we're in, if you see the scope of your work expanding at all, considering the lack of legislative scrutiny that exists.

**Ms. Ferguson:** — Where we're at right now at this point in time . . . We call it financial statement audit season, frankly, because the government has mostly March year-ends. So our focus right now is on financial statement audits. We do know that we will have some delays in some of the performance work that we were planning to do, particularly in the health sector and the corrections and public safety sectors. So we are looking at, you know, what other work we should be doing in absence of that work.

We also recognize that there's a number of new programs that the government has put forward. June is typically our planning cycle for our performance work so, you know, once we get into June we'll be discussing in terms of what work should we be doing. We recognize that, you know, looking at some of these newer programs, it would be prudent to do so.

**Ms. Mowat:** — Thank you. It certainly makes sense that there would be delays in the performance work right now. Can you elaborate a little bit on which performance audits you expect to be delayed that, you know, folks might have been expecting to

come out in the next report?

**Ms. Ferguson:** — Well there was follow-up work that we were doing at Corrections and Public Safety that related to basically the delivery of health services to inmates. That follow-up has been delayed because, as you can appreciate, we can't go into the correctional facilities at this point in time, and also frankly the staff there are quite consumed in terms of managing the COVID situation.

Other than that, it's really the ones when you look in terms of the health care sector. We were hoping to do some work in terms of retention of nurses in northern Saskatchewan. We were looking to see if we can continue to do that particular audit at this point in time. As you can appreciate, you know, it is in the North that we have the bulk of the cases in terms of COVID-19 at this period of time, so we don't think it would be prudent to expect staff up there to divert their attention to spend time with the auditors when frankly they're saving lives up there. So that's one in particular that we're looking at changing the timing of.

**Ms. Mowat:** — And I would suspect that if there are delays in performance work, there may need to be budget adjustments accordingly within your operating budget?

**Ms. Ferguson:** — Typically what we do is we have a rolling three-year plan, and so what we'll do is we'll look at that next suite of audits that we were planning to do, see which ones of those we can do earlier. As I indicated, we recognize situations change. There's a number of new programs that exist now that when we did the planning cycle last time around they weren't in play, so it's whether or not we should be doing work in those areas.

So it's a matter of really, you know, adjusting based on the priorities, and frankly it's a risk assessment. We look through the lenses of risk assessment and what areas do we think the Legislative Assembly need assurance on.

**Ms. Mowat:** — Thank you. Is there any intention to audit the Saskatchewan Hospital North Battleford project?

**Ms. Ferguson:** — We don't have that on our listing. What aspect were you thinking about that? We're always interested in ideas from the committee. What aspect were you thinking about in terms of . . .

**Ms. Mowat:** — In terms of the issues that we've seen with construction in value for money, I suppose.

**Ms. Ferguson:** — They're actually, that organization . . . The building itself is owned by Central Services. And part of the integrated audit, the annual financial audit at Central Services, will be looking at their oversight in terms of the payments that are going out. Just the same manner that we do at the Health Authority, for example. Again it owns a P3 [public-private partnership] and so what we do as a part of the integrated audit is we look, when it's paying the bills, is it honouring what's in the agreement? And most of those agreements, they actually have situations where they can make deductions if the P3 project co. is not, you know, meeting those terms. So that would be part of the integrated audit for Central Services, and we do that as a matter of course.

So we are doing the financial piece of it, but yes, that's the extent of work that we're doing at this point. So we are touching it in that respect.

**Ms. Mowat:** — Thank you. Well I'll certainly support the special warrant today. I hope that this is the only time that we're here to do this and that we can get a budget forward so we're not back at this table again in August. But that concludes my questions, Mr. Chair.

**The Chair:** — Mr. McMorris.

**Mr. McMorris:** — Thank you, Mr. Chair. And yes, this is extraordinary times and we wish it wasn't working this way. But we're glad that we will come to an agreement and that the auditor is funded till August 31st. And then we'll see what happens after that; no, I'm sure it'll be perfectly fine as we go after that.

Because I do want to say how important your work is, you know, not only for the opposition side but for government side, how important the auditor's work is. And we don't want to see a lag in that.

But I guess my question is a little bit similar to the opposition's in that . . . How are you able to conduct some of the work now when so many people are working from home? You know, I haven't been in an office where the auditors have come in very often, but I've had a few experiences and it does tend to change the dynamic in the office. And all of a sudden because the auditor's in, they're scrutinizing, they're interviewing different members of whatever, you know, usually the accounting side of it. But how are you able to conduct any work right now under these times? I'm just purely interested.

**Ms. Ferguson:** — Yes. No, excellent question. In some respects we got lucky, if you can be lucky in an unlucky time. But you know, we did. We got lucky in that this is our period of time where we are intensively doing financial statement audits. And financial statement audits in today's world, a lot of it is electronic. And so we are able to get access to the information electronically. Our audit files are all electronic. We have had to get a bit of different audit tools in our office to enable the supervision of staff doing remotely.

It's honestly really cool because I can tell exactly who's in the file at the same time I am. I can tell what they're working on because the documents keep changing. Like, it's really neat in that regard. So you know, we've got ability to supervise our team and connectivity. We still do interviews, but we're doing them either by phone, or we've introduced some other tools to help in terms of that connectivity. And so just doing it differently.

By and large we've gotten good co-operation from management teams. We have had the odd instance, a few instances where we have had to create a comfort level that we can . . . Organizations are allowing their management teams to go and get that paper and to get it scanned so that it can be shared electronically. Or in some cases, our staff have retrieved paper from locations too, but we're always, you know, very alert to the physical distancing and we've got approval processes for that to go into play. So yes, it's done differently.

[13:45]

We are concerned about the performance audits though, you know, because the performance audits, a lot of them aren't as electronic. If you think of our suicide prevention audit, one of the things that you'll recall in our findings, most of those files were manual files. So we find in a lot of the program areas, a lot of that's manual. And so that's why we're thinking that our work in the health sector will be delayed. Because to get into those organizations, we'll be delayed, because a lot of it is manual. So it'll be shifting where we're focusing our efforts on and such. So yes, it's been interesting.

**Mr. McMorris:** — So it would be fair to say then the timing is so important in your . . .

**Ms. Ferguson:** — We got lucky.

**Mr. McMorris:** — Yes, in that you can do the financial pieces. And the performance will be conducted, so you know, as a government you can be reassured that the audits will take place. It may be a little delayed. But for the most part, from the auditor's perspective, from your perspective, it's been not work as usual — completely unusual — but work as usual.

**Ms. Ferguson:** — Well actually the deadlines for the summer financial statement audit aren't changed. The deadlines for most of our financial statement audits remain unchanged. And frankly it's taking, I would suggest, a very co-operative and a collaborative effort between our office and the management teams to, frankly, work in different work arrangements and to accommodate things just a little bit differently.

Some of it is excellent lessons learned. Like you know, I think there's some things that we're doing now that we'll continue to do. There's other things that we won't. I mean we'll be happy not to have to do it that way. You know, is there inefficiencies? Yes, we are hitting inefficiencies. We're trying to track that. We know that some things are taking longer than it did beforehand, but it kind of is what it is. Yes, the team's pulling together extremely well. I'm quite proud of them.

**Mr. McMorris:** — I think you pretty much answered my last question because my last question was going to be, what do you see going forward? I mean, this has changed everybody's work environment; we've all worked differently, I guess. And from your perspective, moving forward what do you see? I mean, some of the procedures and practices will change probably for the better and some will change back to the way they were. This could be a very beneficial time in the long run, if you want to put a silver lining on things, as to kind of re-evaluating how we've all been doing things, and even in the auditor's office.

**Ms. Ferguson:** — Yes, I would agree. You know, like there's the one software tool that we're using now, we can see that it's a tool that when the teams go out to the field, that we'll continue to use that tool. It's been great.

There's other things that we know that we'll be asking organizations that we audit different questions. You know, like as an employer, I'm concerned about providing my workers with a safe workplace. And that's not just in our office. Because I send them out to the field so we're going to have to create protocols where we're going to have to make sure that the workplace that my staff will be working within, again, is going to be safe

workplace from a different dimension than we've been thinking about previously. You know, so there's some differences there.

We've already done some different restructuring in the office to get ready for staff to return to work in the office. Starting to get stickers on the floors and reconfiguring different things and such. But we got lucky again on some stuff. We've got really old workstations for staff that have the higher cubicles. We understand the higher cubicles are good. So you know, we'll be able to use those. But there'll be a few costs that we will have to incur, just to make sure that again we're bringing people into a safe work environment.

**Mr. McMorris:** — Thank you.

**The Chair:** — Any further questions or comments from committee members? Just thank you so very much for your work in these extraordinary times, and to all those as well that you're auditing and working with. It's quite the moment in the province, and everyone's focused on protecting the health and lives of Saskatchewan people and livelihoods. And without a doubt it's an incredible transition and disruption to the way people have operated and workplaces have operated. So thanks for your comments here today. I'm glad that we can secure your funding for the immediate time. Hope to ensure that you have secure funds for the year very soon as well.

And thanks for speaking to, I guess, the adjustment in your assignment as far as what you're focused on and what you can't proceed with right now but what you're able to move ahead. And I appreciated hearing your focus as well that of course there's new programs that have had to evolve very quickly to respond to the needs of people. But certainly your engagement will be really important as well to make sure, for proper oversight and controls and integrity of those programs as well.

So thank you for all your work. And please let us know, as your committee, as an advisor to this committee, any changes as you move forward or additional pressures and support that you may require.

At this point I would open it up for a motion with respect to, I guess, recommendation of the warrant. Mr. McMorris.

**Mr. McMorris:** — Thank you.

That the Standing Committee on Public Accounts recommend a special warrant in the amount of \$1,980,300, being three-twelfths of the '20-21 funding previously approved for vote 28, the Provincial Auditor of Saskatchewan, estimates; and further,

That the said amount as approved be forwarded to the Minister of Finance, pursuant to section 10.2(3)(b) of *The Provincial Auditor Act*.

I so move.

**The Chair:** — Moved by Mr. McMorris. Thank you very much. All in favour?

**Some Hon. Members:** — Agreed.

**The Chair:** — I hear agreed, so that's carried. So the warrant . . . We will now send that letter to the Minister of Finance here as well.

Okay, so I've signed the motion and the letter to the Minister of Finance. Thank you to everyone for coming, making this work around the table. Be safe, to everyone, as you make your way back to your respective homes and communities. And thank you to the auditor for her time and work here as well today. So thanks so much. Without anything else, I would welcome a motion to adjourn. 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 13:52.]