

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Wednesday, September 14, 2016

MINUTE NO. 2

9:58 a.m. — māmawapiwin náyati room (Room 8)

1. **Present:** Danielle Chartier in the chair and members Steven Bonk,* Jennifer Campeau, Larry Doke, Glen Hart, Warren Michelson, Nicole Sarauer, and Randy Weekes.

Substituting Members

Steven Bonk for Herb Cox

Provincial Auditor's Office

Judy Ferguson, Provincial Auditor
Kelly Deis, Deputy Provincial Auditor
Regan Sommerfeld, Deputy Provincial Auditor
Kim Lowe, Principal
Jason Wandy, Principal

Provincial Comptroller's Office

Lori Taylor, Director, Financial Management Branch
Donica Smart, Analyst, Financial Management Branch
Tamara Stocker, Analyst, Financial Management Branch

2. The following documents were tabled:

Ministry of Finance: Report of public losses, January 2016 to March 2016	(PAC 5-28)
Ministry of Health: Report of public losses, January 1, 2016 to March 31, 2016	(PAC 6-28)
Ministry of Education: Report of public losses, December 1, 2015 to February 29, 2016	(PAC 7-28)
Provincial Auditor of Saskatchewan: Financial and HR management policies comparative, dated June 28, 2016	(PAC 8-28)
Ministry of Education: Report of public losses, March 1, 2016 to May 31, 2016	(PAC 9-28)
Provincial Auditor of Saskatchewan: First quarter financial forecast for the three months ending June 30, 2016	(PAC 10-28)
Ministry of Health: Report of public losses, April 1, 2016 to June 30, 2016	(PAC 11-28)
Ministry of Finance: Report of public losses, April 1, 2016 to June 30, 2016	(PAC 12-28)

3. The Chair advised that pursuant to rule 142(2) the following reports were committed to the committee:

Provincial Auditor of Saskatchewan: 2016 Report – Volume 1

(Sessional Paper No. 52)

Provincial Auditor: Annual Report on Operations for the year ended March 31, 2016

(Sessional Paper No. 58)

Provincial Auditor: Special Report: Land Acquisition Processes – The Global Transportation Hub Authority and Ministry of Highways and Infrastructure

(Sessional Paper No. 66)

4. The committee considered the Provincial Auditor's 2015 report volume 2, chapter 3, Commercial Revolving Fund; 2015 report volume 2, chapter 13, Parks, Culture and Sport; 2015 report volume 2, chapter 21, Saskatchewan Arts Board; and 2015 report volume 2, chapter 23, Saskatchewan Heritage Foundation.

The following officials appeared before the committee and answered questions:

Witnesses

Ministry of Parks, Culture and Sport

Lin Gallagher, Deputy Minister

Scott Brown, Assistant Deputy Minister, Stewardship Division

Twyla MacDoutall, Assistant Deputy Minister, Parks Division

Leanne Thera, Executive Director, Strategic and Corporate Services

Lynette Halvorsen, Director, Financial Management and Operations

Byron Davis, Director, Facilities

Saskatchewan Arts Board

Michael Jones, Chief Executive Officer

Saskatchewan Heritage Foundation

Sheri Hildred, Acting Manager

5. The committee concurred with recommendation 1 made at page 25 of the Provincial Auditor's 2015 report volume 2, chapter 3, Commercial Revolving Fund:

We recommend that the Commercial Revolving Fund charge fees for battery site leases based on rates set out in law.

The committee noted that the Commercial Revolving Fund has complied with the recommendation.

6. The committee concluded consideration of the Provincial Auditor's 2015 report volume 2, chapter 13, Parks, Culture and Sport.
7. The committee concurred with recommendation 1 made at page 111 of the Provincial Auditor's 2015 report volume 2, chapter 21, Saskatchewan Arts Board:

We recommend that the Saskatchewan Arts Board follow its established policies to pay grants only to eligible recipients with no outstanding reports.

The committee noted that the Saskatchewan Arts Board has complied with the recommendation.

8. The committee concurred with recommendation 2 made at page 111 of the Provincial Auditor's 2015 report volume 2, chapter 21, Saskatchewan Arts Board:

We recommend that the Saskatchewan Arts Board follow its established policies related to obtaining the required approval before paying multi-year grants.

The committee noted that the Saskatchewan Arts Board has complied with the recommendation.

9. The committee concurred with recommendation 1 made at page 116 of the Provincial Auditor's 2015 report volume 2, chapter 23, Saskatchewan Heritage Foundation:

We recommend that the Saskatchewan Heritage Foundation obtain an Order in Council, as required by law, prior to providing financial assistance to a single individual or agency when the amount exceeds \$50,000 in a fiscal year.

The committee noted that the Saskatchewan Heritage Foundation has complied with the recommendation

10. The committee recessed from 10:23 a.m. until 10:28 a.m.

11. The committee considered the Provincial Auditor's 2014 report volume 2, chapter 14, Labour Relations and Workplace Safety.

The following Ministry of Labour Relations and Workplace Safety officials appeared before the committee and answered questions:

Witnesses

Mike Carr, Deputy Minister

Louise Usick, Executive Director, Central Services Division

12. The committee concurred with recommendation 1 made at page 95 of the Provincial Auditor's 2014 report volume 2, chapter 14, Labour Relations and Workplace Safety:

We recommend that the Ministry of Labour Relations and Workplace Safety follow its established procedures for prompt removal of unneeded user access to its computer systems and data.

The committee noted that the Ministry of Labour Relations and Workplace Safety has complied with the recommendation.

13. The committee recessed from 10:31 a.m. until 10:32 a.m.

14. The committee considered the Provincial Auditor's 2014 report volume 2, chapter 4, Creative Saskatchewan; and 2015 report volume 2, chapter 4, Creative Saskatchewan.

The following officials appeared before the committee and answered questions:

Witnesses

Ministry of Parks, Culture and Sport

Lin Gallagher, Deputy Minister

Creative Saskatchewan
Greg Magirescu, Chief Executive Officer
Hamid Shahzad, Finance and Accountability Manager

15. The committee concurred with recommendation 1 made at page 34 of the Provincial Auditor's 2014 report volume 2, chapter 4, Creative Saskatchewan:

We recommend that Creative Saskatchewan obtain an Order in Council, as required by law, prior to providing financial assistance where the amount exceeds \$250,000 in a fiscal year to a single individual or corporation.

The committee noted that Creative Saskatchewan has complied with the recommendation.

16. The committee concurred with recommendation 1 made at page 28 of the Provincial Auditor's 2015 report volume 2, chapter 4, Creative Saskatchewan:

We recommend that Creative Saskatchewan's Board establish policies and procedures for maintaining accurate accounting records and preparation of financial statements.

The committee noted that Creative Saskatchewan has complied with the recommendation.

17. The committee concurred with recommendation 2 made at page 29 of the Provincial Auditor's 2015 report volume 2, chapter 4, Creative Saskatchewan:

We recommend that Creative Saskatchewan establish a policy for restricting access to its IT systems and data.

The committee noted that Creative Saskatchewan has complied with the recommendation.

18. The committee concurred with recommendation 3 made at page 29 of the Provincial Auditor's 2015 report volume 2, chapter 4, Creative Saskatchewan:

We recommend that Creative Saskatchewan sign a service agreement with its payroll service provider.

The committee noted that Creative Saskatchewan has complied with the recommendation.

19. The committee concurred with recommendation 4 made at page 29 of the Provincial Auditor's 2015 report volume 2, chapter 4, Creative Saskatchewan:

We recommend that Creative Saskatchewan give staff written guidance for reviewing and approving payroll registers prior to paying employees.

The committee noted that Creative Saskatchewan has complied with the recommendation.

20. The committee concurred with recommendation 5 made at page 30 of the Provincial Auditor's 2015 report volume 2, chapter 4, Creative Saskatchewan:

We recommend that Creative Saskatchewan give staff written guidance for preparing and approving bank reconciliations.

The committee noted that Creative Saskatchewan has complied with the recommendation.

21. The committee concurred with recommendation 6 made at page 30 of the Provincial Auditor's 2015 report volume 2, chapter 4, Creative Saskatchewan:

We recommend that Creative Saskatchewan give staff written guidance for preparing and approving journal entries.

The committee noted that Creative Saskatchewan has complied with the recommendation.

22. The committee recessed from 10:50 a.m. until 12:59 p.m.
23. The committee considered the Provincial Auditor's 2015 report volume 2, chapter 2, Agriculture; 2015 report volume 2, chapter 14, Prairie Agricultural Machinery Institute; 2015 report volume 2, chapter 42, Agriculture — Livestock Waste Regulation; and 2015 report volume 2, chapter 53, Saskatchewan Crop Insurance Corporation — AgriStability Benefits.

The following Ministry of Agriculture officials appeared before the committee and answered questions:

Witnesses

Ministry of Agriculture

Rick Burton, Deputy Minister

Lee Auten, Assistant Deputy Minister

Cammy Colpitts, Assistant Deputy Minister

Bill Greuel, Assistant Deputy Minister

Ray Arscott, Executive Director, Corporate Services Branch

Abdul Jalil, Executive Director, Agriculture Research Branch

Andy Jansen, Manager, Agricultural Operations

Saskatchewan Crop Insurance Corporation

Shawn Jaques, President and CEO

Janie Kuntz, Vice President, Finance

24. The committee concurred with recommendation 1 made at page 19 of the Provincial Auditor's 2015 report volume 2, chapter 2, Agriculture:

We recommend that the Ministry of Agriculture obtain an Order in Council prior to entering a grazing lease agreement for land in excess of 25,000 acres as required by law.

The committee noted that the Ministry of Agriculture has complied with the recommendation.

25. The committee concurred with recommendation 1 made at page 83 of the Provincial Auditor's 2015 report volume 2, chapter 14, Prairie Agricultural Machinery Institute:

We recommend that the Prairie Agricultural Machinery Institute develop, for its Board's approval, a policy that defines acceptable donations and approvals necessary when making donations.

The committee noted that the Prairie Agricultural Machinery Institute has complied with the recommendation.

26. The committee concluded consideration of the Provincial Auditor's 2015 report volume 2, chapter 42, Agriculture — Livestock Waste Regulation.
27. The committee concluded consideration of the Provincial Auditor's 2015 report volume 2, chapter 53, Saskatchewan Crop Insurance Corporation — AgriStability Benefits.
28. The committee recessed from 1:37 p.m. until 1:44 p.m.
29. The committee considered the Provincial Auditor's 2015 report volume 1, chapter 20, Education — Capital Asset Planning for Schools; 2015 report volume 2, chapter 5, Education; 2015 report volume 2, chapter 29, Teachers' Dental Plan; 2015 report volume 2, chapter 40, St. Paul's Roman Catholic Separate School Division No. 20 — Promoting Good Student Health and Physical Fitness; 2015 report volume 2, chapter 52, Regina Public and Regina Separate School Divisions — Physical Safety of Students; 2016 report volume 1, chapter 3, School Divisions; 2016 report volume 1, chapter 11, North East School Division No. 200 — Increasing Grade 3 Students Reading at Grade Level; 2016 report volume 1, chapter 12, Prairie Spirit School Division No. 206 — Maintaining Facilities; 2016 report volume 1, chapter 13, Regina School Division No. 4 — Promoting Positive Student Behaviour; and 2016 report volume 1, chapter 20, Education — School Instruction Time for Students.

The following officials appeared before the committee and answered questions:

Witnesses

Ministry of Education

Julie MacRae, Deputy Minister
Rob Currie, Assistant Deputy Minister
Donna Johnson, Assistant Deputy Minister
Clint Repski, Assistant Deputy Minister
Angela Chobanik, Executive Director, Education Funding
Dawn Court, Executive Director, Corporate Services
Gerry Craswell, Executive Director, Student and Educator Services
Sheldon Ramstead, Executive Director, Infrastructure
Doug Volk, Executive Director, Teachers' Superannuation Commission

Ile-a-la-Crosse School Division

Dave Dornstauder, Director of Education
George Luhowy, Chief Financial Officer

North East School Division

Don Rempel, Director of Education
Eric Hufnagel, Superintendent, Student Services

Northern Lights School Division

Tom Harrington, Secretary Treasurer

Prairie Spirit School Division

Lionel Diederichs, Chief Financial Officer

Regina Public School Division

Greg Enion, Director of Education
Darren Boldt, Deputy Director, Student Achievements
Mike Walter, Deputy Director, School Services

Regina Separate School Division

Brian Lach

St. Paul's Roman Catholic Separate School Division

Joel Lloyd, Chief Financial Officer
Terri Fradette, Coordinator, Learning Services

30. It was moved by Ms. Sarauer:

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

31. The committee recessed from 2:20 p.m. until 2:24 p.m.

32. The committee resumed consideration of the proposed motion by Ms. Sarauer:

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

On the request of Ms. Sarauer, the motion was withdrawn.

33. The committee concluded consideration of the Provincial Auditor's 2015 report volume 1, chapter 20, Education — Capital Asset Planning for Schools.

34. The committee concluded consideration of the Provincial Auditor's 2015 report volume 2, chapter 5, Education.

35. The committee concluded consideration of the Provincial Auditor's 2015 report volume 2, chapter 29, Teachers' Dental Plan.

36. The committee concurred with recommendation 1 made at page 284 of the Provincial Auditor's 2015 report volume 2, chapter 40, St. Paul's Roman Catholic Separate School Division No. 20 — Promoting Good Student Health and Physical Fitness:

We recommend the St. Paul's Roman Catholic Separate School Division No. 20 set its expectations for promoting student physical activity.

The committee noted that St. Paul's Roman Catholic Separate School Division No. 20 is making progress towards complying with the recommendation.

37. The committee concurred with recommendation 2 made at page 285 of the Provincial Auditor's 2015 report volume 2, chapter 40, St. Paul's Roman Catholic Separate School Division No. 20 — Promoting Good Student Health and Physical Fitness:

We recommend the St. Paul's Roman Catholic Separate School Division No. 20 establish a process to review and update policies on a regular basis.

The committee noted that St. Paul's Roman Catholic Separate School Division No. 20 is making progress towards complying with the recommendation.

38. The committee concurred with recommendation 3 made at page 288 of the Provincial Auditor's 2015 report volume 2, chapter 40, St. Paul's Roman Catholic Separate School Division No. 20 — Promoting Good Student Health and Physical Fitness:

We recommend St. Paul's Roman Catholic Separate School Division No. 20 provide principals with criteria to guide their assessment and selection of health and physical fitness initiatives at the school level.

The committee noted that St. Paul's Roman Catholic Separate School Division No. 20 is making progress towards complying with the recommendation.

39. The committee concurred with recommendation 4 made at page 290 of the Provincial Auditor's 2015 report volume 2, chapter 40, St. Paul's Roman Catholic Separate School Division No. 20 — Promoting Good Student Health and Physical Fitness:

We recommend that the St. Paul's Roman Catholic Separate School Division No. 20 monitor partnerships and community relationships related to nutrition and physical activity initiatives.

The committee noted that St. Paul's Roman Catholic Separate School Division No. 20 is making progress towards complying with the recommendation.

40. The committee concurred with recommendation 5 made at page 291 of the Provincial Auditor's 2015 report volume 2, chapter 40, St. Paul's Roman Catholic Separate School Division No. 20 — Promoting Good Student Health and Physical Fitness:

We recommend that the St. Paul's Roman Catholic Separate School Division No. 20 establish a process to track and report to its Board of Education on the performance of its initiatives to promote good student health and physical fitness.

The committee noted that St. Paul's Roman Catholic Separate School Division No. 20 is making progress towards complying with the recommendation.

41. The committee concluded consideration of the Provincial Auditor's 2015 report volume 2, chapter 52, Regina Public and Regina Separate School Divisions — Physical Safety of Students.

42. The committee concurred with recommendation 1 made at page 23 of the Provincial Auditor's 2016 report volume 1, chapter 3, School Divisions:

We recommend that Holy Trinity Roman Catholic Separate School Division No. 22 only pay for purchases that are properly authorized.

The committee noted that Holy Trinity Roman Catholic Separate School Division No. 22 has complied with the recommendation.

43. The committee concurred with recommendation 2 made at page 24 of the Provincial Auditor's 2016 report volume 1, chapter 3, School Divisions:

We recommend that Ile-a-la Crosse School Division No. 112 develop financial management policies and procedures to address its financial risks.

The committee noted that Ile-a-la Crosse School Division No. 112 is making progress towards complying with the recommendation.

44. The committee concurred with recommendation 3 made at page 25 of the Provincial Auditor's 2016 report volume 1, chapter 3, School Divisions:

We recommend that Lloydminster Public School Division No. 99 review and approve cheque registers prior to printing signed cheques for payment.

The committee noted that Lloydminster Public School Division No. 99 has complied with the recommendation.

45. The committee concurred with recommendation 1 made at page 119 of the Provincial Auditor's 2016 report volume 1, chapter 11, North East School Division No. 200 — Increasing Grade 3 Students Reading at Grade Level:

We recommend that North East School Division No. 200 document all of its key risks related to increasing the percentage of Grade 3 students reading at grade level.

The committee noted that North East School Division No. 200 is making progress towards complying with the recommendation.

46. The committee concurred with recommendation 2 made at page 120 of the Provincial Auditor's 2016 report volume 1, chapter 11, North East School Division No. 200 — Increasing Grade 3 Students Reading at Grade Level:

We recommend that North East School Division No. 200 document strategies for managing identified risks related to increasing the percentage of Grade 3 students reading at grade level.

The committee noted that North East School Division No. 200 is making progress towards complying with the recommendation.

47. The committee concurred with recommendation 3 made at page 123 of the Provincial Auditor's 2016 report volume 1, chapter 11, North East School Division No. 200 — Increasing Grade 3 Students Reading at Grade Level:

We recommend that North East School Division No. 200 work with other school divisions to develop additional guidance for exempting students from provincial reading level assessments.

The committee noted that North East School Division No. 200 is making progress towards complying with the recommendation.

48. The committee concurred with recommendation 4 made at page 124 of the Provincial Auditor's 2016 report volume 1, chapter 11, North East School Division No. 200 — Increasing Grade 3 Students Reading at Grade Level:

We recommend that North East School Division No. 200 periodically evaluate the effectiveness of the tools it uses to assess student reading levels.

The committee noted that North East School Division No. 200 is making progress towards complying with the recommendation.

49. The committee concurred with recommendation 5 made at page 125 of the Provincial Auditor's 2016 report volume 1, chapter 11, North East School Division No. 200 — Increasing Grade 3 Students Reading at Grade Level:

We recommend that North East School Division No. 200 publicly provide the reasons for differences between planned and actual results for Grade 3 student reading levels, along with key resulting changes to action plans.

The committee noted that North East School Division No. 200 is making progress towards complying with the recommendation.

50. The committee recessed from 3:26 p.m. until 3:36 p.m.

51. The committee concurred with recommendation 1 made at page 134 of the Provincial Auditor's 2016 report volume 1, chapter 12, Prairie Spirit School Division No. 206 — Maintaining Facilities:

We recommend that Prairie Spirit School Division No. 206 set out, in writing, what minimum information it expects staff to gather and record about its facilities and significant components.

The committee noted that Prairie Spirit School Division No. 206 is making progress towards complying with the recommendation.

52. The committee concurred with recommendation 2 made at page 135 of the Provincial Auditor's 2016 report volume 1, chapter 12, Prairie Spirit School Division No. 206 — Maintaining Facilities:

We recommend that Prairie Spirit School Division No. 206 provide staff with written guidance on the nature, extent, and frequency of inspections of all of its facilities and related significant components.

The committee noted that Prairie Spirit School Division No. 206 is making progress towards complying with the recommendation.

53. The committee concurred with recommendation 3 made at page 137 of the Provincial Auditor's 2016 report volume 1, chapter 12, Prairie Spirit School Division No. 206 — Maintaining Facilities:

We recommend that Prairie Spirit School Division No. 206 establish service objectives for each type of facility and significant related components.

The committee noted that Prairie Spirit School Division No. 206 is making progress towards complying with the recommendation.

54. The committee concurred with recommendation 4 made at page 140 of the Provincial Auditor's 2016 report volume 1, chapter 12, Prairie Spirit School Division No. 206 — Maintaining Facilities:

We recommend that Prairie Spirit School Division No. 206 develop a maintenance plan for all of its facilities and their significant components, including short-, medium-, and long-term maintenance priorities and planned preventative maintenance strategies.

The committee noted that Prairie Spirit School Division No. 206 is making progress towards complying with the recommendation.

55. The committee concurred with recommendation 5 made at page 143 of the Provincial Auditor's 2016 report volume 1, chapter 12, Prairie Spirit School Division No. 206 — Maintaining Facilities:

We recommend that Prairie Spirit School Division No. 206 track maintenance completed on facilities and significant components.

The committee noted that Prairie Spirit School Division No. 206 is making progress towards complying with the recommendation.

56. The committee concurred with recommendation 6 made at page 145 of the Provincial Auditor's 2016 report volume 1, chapter 12, Prairie Spirit School Division No. 206 — Maintaining Facilities:

We recommend that Prairie Spirit School Division No. 206 provide its Board with periodic comprehensive maintenance reports (e.g., condition of facilities, timely completion of maintenance, deferred maintenance and its anticipated impact) to inform decision-making.

The committee noted that Prairie Spirit School Division No. 206 is making progress towards complying with the recommendation.

57. The committee concurred with recommendation 7 made at page 146 of the Provincial Auditor's 2016 report volume 1, chapter 12, Prairie Spirit School Division No. 206 — Maintaining Facilities:

We recommend that Prairie Spirit School Division No. 206 require estimated maintenance costs be reviewed against supporting information for reasonableness by someone other than the preparer of the estimates.

The committee noted that Prairie Spirit School Division No. 206 is making progress towards complying with the recommendation.

58. The committee concurred with recommendation 1 made at page 155 of the Provincial Auditor's 2016 report volume 1, chapter 13, Regina School Division No. 4 — Promoting Positive Student Behaviour:

We recommend that Regina School Division No. 4 review and update policies (administrative procedures) on a regular basis as its policy expects.

The committee noted that Regina School Division No. 4 has complied with the recommendation.

59. The committee concurred with recommendation 2 made at page 158 of the Provincial Auditor's 2016 report volume 1, chapter 13, Regina School Division No. 4 — Promoting Positive Student Behaviour:

We recommend that Regina School Division No. 4 communicate to school administrators and staff, in writing, training expectations for initiatives to promote and support positive student behaviour.

The committee noted that Regina School Division No. 4 has complied with the recommendation.

60. The committee concurred with recommendation 3 made at page 158 of the Provincial Auditor's 2016 report volume 1, chapter 13, Regina School Division No. 4 — Promoting Positive Student Behaviour:

We recommend that Regina School Division No. 4 require principals to make readily available, at schools, information on administrators and staff trained in key initiatives to promote and support positive student behaviour.

The committee noted that Regina School Division No. 4 has complied with the recommendation.

61. The committee concurred with recommendation 4 made at page 160 of the Provincial Auditor's 2016 report volume 1, chapter 13, Regina School Division No. 4 — Promoting Positive Student Behaviour:

We recommend that Regina School Division No. 4 require consistent and accessible documentation of key discussions, decisions, and steps taken to support positive student behaviour.

The committee noted that Regina School Division No. 4 has complied with the recommendation.

62. The committee concurred with recommendation 5 made at page 162 of the Provincial Auditor's 2016 report volume 1, chapter 13, Regina School Division No. 4 — Promoting Positive Student Behaviour:

We recommend that Regina School Division No. 4 establish a process to track and report to its Board of Education the overall success of its initiatives to promote positive student behaviour.

The committee noted that Regina School Division No. 4 is making progress towards complying with the recommendation.

63. The committee concluded consideration of the Provincial Auditor's 2016 report volume 1, chapter 20, Education — School Instruction Time for Students.

64. It was moved by Mr. Bonk:

That this committee do now adjourn.

The question being put, it was agreed to.

65. The committee adjourned at 4:25 p.m. until Thursday, September 15, 2016 at 9:15 a.m.

Stacey Ursulescu
Committee Clerk

Danielle Chartier
Chair