

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**Thursday, September 21, 2017**

**MINUTE NO. 14**

**10:32 a.m. — māmawapiwin náyati room (Room 8)**

1. **Present:** Danielle Chartier in the chair and members Carla Beck, Lori Carr, Dan D’Autremont,\* Muhammad Fiaz,\* Warren Michelson, Kevin Phillips, and Randy Weekes.

**Substituting Members**

Muhammad Fiaz for Lisa Lambert (from 10:32 a.m. to 12:20 p.m.)  
Dan D’Autremont for Don McMorris

**Provincial Auditor’s Office**

Judy Ferguson, Provincial Auditor  
Kelly Deis, Deputy Provincial Auditor  
Carolyn O’Quinn, Deputy Provincial Auditor  
Charlene Drotar, Principal  
Melanie Heebner, Principal  
Linda Klassen, Principal  
Kim Lowe, Principal  
Victor Schwab, Principal

**Provincial Comptroller’s Office**

Chris Bayda, Executive Director, Financial Management Branch  
Jane Borland, Director, Financial Management Branch

2. The following document was tabled:

Ministry of Finance: Government response to the first report of the twenty-eighth legislature, dated September 7, 2017

(PAC 35-28)

3. It was moved by Ms. Beck:

That the Standing Committee on Public Accounts use all of the measures at its disposal, including the calling of witnesses and requesting of records, to fulfil its duty to scrutinize the fiscal management and stewardship of public assets as they relate to the purchasing of land for the Global Transportation Hub, including the three parcels of land recommended to Cabinet for purchase in December 2012, as referenced in the Auditor’s *Special Report: Land Acquisitions Processes: The Global Transportation Hub Authority and Ministry of Highways and Infrastructure*.

The Chair ruled the motion out of order on the grounds that the committee had concluded consideration of the Auditor’s special report and the committee does not have, under its terms of reference as cited in rule 142(2), other measures at its disposal to consider the matter.

4. The committee considered the Provincial Auditor’s 2016 report volume 2, chapter 10, Highways and Infrastructure.

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

Witnesses

Fred Antunes, Deputy Minister

Wayne Gienow, Executive Director, Corporate Services Division

5. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 10, Highways and Infrastructure.
6. The committee recessed from 10:49 a.m. to 10:50 a.m.
7. The committee considered the Provincial Auditor's 2016 report volume 2, chapter 6, Environment.

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

Witnesses

Kevin Murphy, Acting Deputy Minister

Veronica Gelowitz, Executive Director, Corporate Services

Cheryl Jansen, Director, Corporate Services

Zac Solomon, Director, Corporate Services

8. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 6, Environment.
9. The committee recessed from 10:54 a.m. to 10:56 a.m.
10. The committee considered the Provincial Auditor's 2016 report volume 2, chapter 2, Agriculture; and 2016 report volume 2, chapter 32, Agriculture — Irrigation Infrastructure Maintenance.

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

Michele Arscott, Executive Director, Corporate Services

Robert Pentland, Manager, Financial Services

Saskatchewan Crop Insurance Corporation

Shawn Jaques, President and Chief Executive Officer

11. The committee concluded consideration of the Provincial Auditor's Provincial Auditor's 2016 report volume 2, chapter 2, Agriculture; and 2016 report volume 2, chapter 32, Agriculture — Irrigation Infrastructure Maintenance.
12. The committee recessed from 11:06 a.m. to 11:07 a.m.

13. The committee considered the Provincial Auditor's 2016 report volume 2, chapter 1, Advanced Education; and 2016 report volume 2, chapter 24, Advanced Education — Approving Capital Projects.

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

Witnesses

Mark McLouglin, Deputy Minister  
David Boehm, Assistant Deputy Minister, Corporate Services and Accountability  
Duane Rieger, Executive Director, Business Systems and Risk Management  
Todd Godfrey, Director, Capital Planning

14. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 1, Advanced Education.
15. The committee concurred with recommendation 1 made at page 121 of the Provincial Auditor's 2016 report volume 2, chapter 24, Advanced Education — Approving Capital Projects:

We recommend that the Ministry of Advanced Education give post-secondary institutions timely feedback about capital project requests that are not approved.

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

16. The committee considered the Provincial Auditor's 2015 report volume 2, chapter 24, Saskatchewan Impaired Driver Treatment Centre; 2015 report volume 2, chapter 27, Saskatchewan Research Council; and 2016 report volume 2, chapter 23, Summary of Implemented Recommendations.
17. The committee concurred with recommendation 1 made at page 118 of the Provincial Auditor's 2015 report volume 2, chapter 24, Saskatchewan Impaired Driver Treatment Centre:

We recommend that the Saskatchewan Impaired Driver Treatment Centre provide training and guidance to staff for maintaining accurate accounting records and preparing interim financial reports.

The committee noted that the Saskatchewan Impaired Driver Treatment Centre has complied with the recommendation.

18. The committee concurred with recommendation 2 made at page 119 of the Provincial Auditor's 2015 report volume 2, chapter 24, Saskatchewan Impaired Driver Treatment Centre:

We recommend that the Saskatchewan Impaired Driver Treatment Centre submit its annual report, including its audited financial statements, to the Minister responsible within the timeframe required by *The Public Health Act*.

The committee noted that the Saskatchewan Impaired Driver Treatment Centre has complied with the recommendation.

19. The committee concurred with recommendation 1 made at page 133 of the Provincial Auditor's 2015 report volume 2, chapter 27, Saskatchewan Research Council:

We recommend that the Saskatchewan Research Council follow its processes to review and verify incentive bonuses to its senior executives prior to paying them out.

The committee noted that the Saskatchewan Research Council has complied with the recommendation.

20. The committee concurred with recommendation 2 made at page 133 of the Provincial Auditor's 2015 report volume 2, chapter 27, Saskatchewan Research Council:

We recommend that the Saskatchewan Research Council obtain Treasury Board approval, as required by law, for the use of its bank account.

The committee noted that the Saskatchewan Research Council has complied with the recommendation.

21. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 23, Summary of Implemented Recommendations:

22. The committee recessed from 10:39 a.m. to 11:41 a.m.

23. The committee considered the Provincial Auditor's 2016 report volume 2, chapter 28, Justice — Planning for Inmate Capacity of Adult Correctional Facilities.

The following Ministry of Justice and Attorney General officials appeared before the committee and answered questions:

Witnesses

Dennis Cooley, Associate Deputy Minister, Custody, Supervision and Rehabilitation Services

Heather Scriver, Executive Director, Custody Services

Delaine Clyne, Director, Capital Planning, Capital Planning and Enterprise Projects

24. The committee concurred with recommendation 1 made at page 177 of the Provincial Auditor's 2016 report volume 2, chapter 28, Justice — Planning for Inmate Capacity of Adult Correctional Facilities:

We recommend that the Ministry of Justice establish written guidance for use in planning capacity for delivering correctional services and programs to inmates in its adult correctional facilities.

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

25. The committee concurred with recommendation 2 made at page 180 of the Provincial Auditor's 2016 report volume 2, chapter 28, Justice — Planning for Inmate Capacity of Adult Correctional Facilities:

We recommend that the Ministry of Justice define how it will determine the inmate capacity of its existing adult correctional facilities to guide facility capacity planning decisions.

The committee noted that the Ministry of Justice is making progress towards complying with the recommendation.

26. The committee concurred with recommendation 3 made at page 181 of the Provincial Auditor's 2016 report volume 2, chapter 28, Justice — Planning for Inmate Capacity of Adult Correctional Facilities:

We recommend that the Ministry of Justice promptly forecast demand for rehabilitation program space in its adult correctional facilities.

The committee noted that the Ministry of Justice is making progress towards complying with the recommendation.

27. The committee concurred with recommendation 4 made at page 183 of the Provincial Auditor's 2016 report volume 2, chapter 28, Justice — Planning for Inmate Capacity of Adult Correctional Facilities:

We recommend that the Ministry of Justice promptly complete its analysis of alternatives to meet needs for adult correctional facility space, including those alternatives that do not require major construction or renovation of the facilities.

The committee noted that the Ministry of Justice is making progress towards complying with the recommendation.

28. The committee concurred with recommendation 5 made at page 184 of the Provincial Auditor's 2016 report volume 2, chapter 28, Justice — Planning for Inmate Capacity of Adult Correctional Facilities:

We recommend that the Ministry of Justice regularly update written contingency plans to meet unexpected changes in demand for living and program space in its secure-custody adult correctional facilities.

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

29. The committee concurred with recommendation 6 made at page 184 of the Provincial Auditor's 2016 report volume 2, chapter 28, Justice — Planning for Inmate Capacity of Adult Correctional Facilities:

We recommend that the Ministry of Justice develop a written long-term plan to manage inmate capacity in its adult correctional facilities.

The committee noted that the Ministry of Justice is making progress towards complying with the recommendation.

30. The committee recessed from 12:30 p.m. to 1:06 p.m.

31. The committee considered the Provincial Auditor's 2015 report volume 1, chapter 21, Finance — Governance of Information Technology; 2015 report volume 2, chapter 8, Finance; 2016 report volume 2, chapter 7, Finance; 2015 report volume 2, chapter 33, Coordinating the Use of Lean Across Ministries and Certain Other Agencies; 2016 report volume 1, chapter 8, Finance — Monitoring the Fuel Tax Exemption Program; 2016 report volume 1, chapter 18, Modernizing Government Budgeting and Financial Reporting; and 2016 report volume 2, chapter 36, Finance — Oversight of Information Technology.

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

Witnesses

Denise Macza, Associate Deputy Minister

Karen Allen, Assistant Deputy Minister, Corporate Services  
Deanna Bergbusch, Assistant Deputy Minister, Office of Planning, Performance and Improvement  
Brent Hebert, Assistant Deputy Minister, Revenue  
Arun Srinivas, Assistant Deputy Minister, Taxation and Intergovernmental Affairs  
Chris Bayda, Assistant Provincial Comptroller  
Joanne Brockman, Executive Director, Economic and Fiscal Policy

32. The committee concluded consideration of the Provincial Auditor's 2015 report volume 1, chapter 21, Finance — Governance of Information Technology.
33. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 36, Finance — Oversight of Information Technology.
34. The committee concluded consideration of the Provincial Auditor's 2015 report volume 2, chapter 8, Finance.
35. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 7, Finance.
36. The committee concurred with recommendation 1 made at page 171 of the Provincial Auditor's 2015 report volume 2, chapter 33, Coordinating the Use of Lean Across Ministries and Certain Other Agencies:

We recommend that those responsible for the Lean initiative set measures to enable assessment of its overall success.

The committee noted that those responsible for the Lean initiative have complied with the recommendation.

37. The committee concurred with recommendation 2 made at page 172 of the Provincial Auditor's 2015 report volume 2, chapter 33, Coordinating the Use of Lean Across Ministries and Certain Other Agencies:

We recommend that those responsible for the Lean initiative set targets for key measures related to the use of Lean.

The committee noted that those responsible for the Lean initiative have complied with the recommendation.

38. The committee concurred with recommendation 3 made at page 174 of the Provincial Auditor's 2015 report volume 2, chapter 33, Coordinating the Use of Lean Across Ministries and Certain Other Agencies:

We recommend that those responsible for the Lean initiative gather information to assess the overall success of the use of Lean.

The committee noted that those responsible for the Lean initiative have complied with the recommendation.

39. The committee concurred with recommendation 4 made at page 177 of the Provincial Auditor's 2015 report volume 2, chapter 33, Coordinating the Use of Lean Across Ministries and Certain Other Agencies:

We recommend that those responsible for the Lean initiative deliver Lean training to meet assessed needs.

The committee noted that those responsible for the Lean initiative have complied with the recommendation.

40. The committee concurred with recommendation 5 made at page 178 of the Provincial Auditor's 2015 report volume 2, chapter 33, Coordinating the Use of Lean Across Ministries and Certain Other Agencies:

We recommend that those responsible for the Lean initiative regularly assess the timeliness and quality of feedback provided on Lean plans and events.

The committee noted that those responsible for the Lean initiative have complied with the recommendation.

41. The committee concurred with recommendation 6 made at page 181 of the Provincial Auditor's 2015 report volume 2, chapter 33, Coordinating the Use of Lean Across Ministries and Certain Other Agencies:

We recommend that those responsible for the Lean Initiative periodically report to ministries and agencies using Lean, as well as to the public, on the costs of Lean, and on the achievement of the Government's overall goals for its use.

The committee noted that those responsible for the Lean initiative have complied with the recommendation.

42. The committee concurred with recommendation 1 made at page 74 of the Provincial Auditor's 2016 report volume 1, chapter 8, Finance — Monitoring the Fuel Tax Exemption Program:

We recommend that the Ministry of Finance set out how it plans to measure the success of each component of its fuel tax exemption program.

The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

43. The committee concurred with recommendation 2 made at page 76 of the Provincial Auditor's 2016 report volume 1, chapter 8, Finance — Monitoring the Fuel Tax Exemption Program:

We recommend that the Ministry of Finance document key operating procedures for the fuel tax exemption program.

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

44. The committee concurred with recommendation 3 made at page 77 of the Provincial Auditor's 2016 report volume 1, chapter 8, Finance — Monitoring the Fuel Tax Exemption Program:

We recommend that the Ministry of Finance coordinate its risk assessment activities and related documentation for the fuel tax exemption program.

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

45. The committee concurred with recommendation 4 made at page 79 of the Provincial Auditor's 2016 report volume 1, chapter 8, Finance — Monitoring the Fuel Tax Exemption Program:

We recommend that the Ministry of Finance require staff to sufficiently document tax expenditure program reviews to support the results of its reviews.

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

46. The committee concurred with recommendation 5 made at page 81 of the Provincial Auditor's 2016 report volume 1, chapter 8, Finance — Monitoring the Fuel Tax Exemption Program:

We recommend that the Ministry of Finance annually give the Legislative Assembly the following additional information on key tax expenditure programs:

- Measurable program objectives (what the tax expenditure is designed to achieve)
- Key assumptions used to estimate tax expenditures
- Actual value of tax expenditures based on available information

The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

47. The committee concurred with recommendation 6 made at page 81 of the Provincial Auditor's 2016 report volume 1, chapter 8, Finance — Monitoring the Fuel Tax Exemption Program:

We recommend that the Ministry of Finance periodically publish the achievements of its key tax expenditure programs.

The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

48. The committee concluded consideration of the Provincial Auditor's 2016 report volume 1, chapter 18, Modernizing Government Budgeting and Financial Reporting.

49. The committee recessed from 2:37 p.m. to 3:00 p.m.

50. The committee considered the Provincial Auditor's 2016 report volume 2, chapter 21, Teachers' Dental Plan; 2016 report volume 2, chapter 29, Regina Roman Catholic Separate School Division No. 81 — English as an Additional Language Programming; 2016 report volume 2, chapter 34, Conseil scolaire fransaskois — Financial Management and Governance Practices; 2016 report volume 2, chapter 44, Saskatchewan Rivers School Division No. 119 — Maintaining Facilities; 2016 report volume 2, chapter 45, Saskatoon School Division No. 13 — Goods and Services Procurement Processes; and 2016 report volume 2, chapter 46, South East Cornerstone School Division No. 209 — Promoting Positive Student Behaviour.

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

Witnesses

Ministry of Education

Clint Repski, Assistant Deputy Minister

Rory Jensen, Executive Director, Corporate Services

Doug Volk, Executive Director, Teachers' Superannuation Commission

Kathy Deck, Director, Finance, Corporate Services

Regina Roman Catholic Separate School Division

Brian Lach, Education Services Superintendent

Saskatchewan Rivers School Division

Don Lloyd, Chief Financial Officer

Saskatoon School Division

Garry Benning, Chief Financial Officer

Deanna Scott, Budget and Audit Manager

51. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 21, Teachers' Dental Plan.

52. The committee concurred with recommendation 1 made at page 196 of the Provincial Auditor's 2016 report volume 2, chapter 29, Regina Roman Catholic Separate School Division No. 81 — English as an Additional Language Programming:

We recommend that Regina Roman Catholic Separate School Division No. 81 annually reassess its estimate for Kindergarten to Grade 8 English as an Additional Language student enrolment.

The committee noted that Regina Roman Catholic Separate School Division No. 81 has complied with the recommendation.

53. The committee concurred with recommendation 2 made at page 200 of the Provincial Auditor's 2016 report volume 2, chapter 29, Regina Roman Catholic Separate School Division No. 81 — English as an Additional Language Programming:

We recommend that Regina Roman Catholic Separate School Division No. 81 rationalize the number of Kindergarten to Grade 8 EAL teachers required for its English as an Additional Language program.

The committee noted that Regina Roman Catholic Separate School Division No. 81 has complied with the recommendation.

54. The committee concurred with recommendation 3 made at page 203 of the Provincial Auditor's 2016 report volume 2, chapter 29, Regina Roman Catholic Separate School Division No. 81 — English as an Additional Language Programming:

We recommend that Regina Roman Catholic Separate School Division No. 81 periodically analyze the results of the Kindergarten to Grade 8 English as an Additional Language program.

The committee noted that Regina Roman Catholic Separate School Division No. 81 has complied with the recommendation.

55. The committee concurred with recommendation 4 made at page 203 of the Provincial Auditor's 2016 report volume 2, chapter 29, Regina Roman Catholic Separate School Division No. 81 — English as an Additional Language Programming:

We recommend that the Regina Roman Catholic Separate School Division No. 81 provide its Board of Education with periodic reports on the success of the Kindergarten to Grade 8 English as an Additional Language program.

The committee noted that Regina Roman Catholic Separate School Division No. 81 is making progress towards complying with the recommendation.

56. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 34, Conseil scolaire fransaskois — Financial Management and Governance Practices.
57. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 44, Saskatchewan Rivers School Division No. 119 — Maintaining Facilities.
58. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 45, Saskatoon School Division No. 13 — Goods and Services Procurement Processes.
59. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 46, South East Cornerstone School Division No. 209 — Promoting Positive Student Behaviour.
60. It was moved by Mr. D'Autremont:  

That this committee do now adjourn.

The question being put, it was agreed to.
61. The committee adjourned at 4:03 p.m. to the call of the Chair.

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Kathy Burianyk  
Committee Clerk

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Danielle Chartier  
Chair