

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Tuesday, June 12, 2018

MINUTE NO. 17
9:01 a.m. — māmawapiwin náyati room (Room 8)

1. **Present:** Trent Wotherspoon in the chair and members Lori Carr, Todd Goudy, Lisa Lambert, Don McMorris, Warren Michelson, Vicki Mowat, and Randy Weekes.

Provincial Auditor's Office

Judy Ferguson, Provincial Auditor
Tara Clemett, Deputy Provincial Auditor
Kelly Deis, Deputy Provincial Auditor
Regan Sommerfeld, Deputy Provincial Auditor
Linda Klassen, Principal
Kim Lowe, Principal
Jason Shaw, Principal
Rosemarie Volk, Principal
Jason Wandy, Principal

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller
Chris Bayda, Assistant Provincial Comptroller

2. The following documents were tabled:

Ministry of Advanced Education: Report of public losses for Saskatchewan Polytechnic and regional colleges, July 1, 2016 to December 31, 2017

(PAC 45-28 addendum)

Provincial Auditor of Saskatchewan: Fourth quarter financial forecast for the year ending March 31, 2018

(PAC 46-28)

Ministry of Finance: Report of public losses, January 1, 2018 to March 31, 2018

(PAC 47-28)

Ministry of Advanced Education: Report of public losses, January 1, 2018 to March 31, 2018

(PAC 48-28)

Ministry of Health: Report of public losses, January 1, 2018 to March 31, 2018

(PAC 49-28)

Ministry of Education: Report of public losses, December 1, 2017 to February 28, 2018

(PAC 50-28)

3. The Chair advised that pursuant to rule 142(2), the following document was committed to the committee:

Provincial Auditor of Saskatchewan: 2018 report volume 1

(Sessional Paper No. 262)

4. The committee considered the Provincial Auditor's 2017 report volume 1, chapter 19, Education — Capital Asset Planning for Schools; 2017 report volume 1, chapter 20, Education — Increasing Grade 12 Graduation Rates; 2017 report volume 1, chapter 21, Education — Putting into Operation the Education Sector-Wide Strategic Plan; 2017 report volume 2, chapter 21, Education — Managing the Construction of P3 Joint-use Schools; 2017 report volume 2, chapter 22, Education — Monitoring Kindergarten Students' Readiness to Learn in the Primary Grades; 2017 report volume 2, chapter 17, Teachers' Superannuation Commission — Teachers' Dental Plan; 2017 report volume 1, chapter 2, School Divisions; 2017 report volume 1, chapter 8, Living Sky School Division No. 202 — Engaging Grades 7 to 12 Students; and 2017 report volume 2, chapter 42, Regina Public and Regina Catholic School Divisions — Physical Safety of Students.

The following officials appeared before the committee and answered questions:

Witnesses

Ministry of Education

Rob Currie, Deputy Minister

Clint Repski, Assistant Deputy Minister

Rory Jensen, Executive Director, Corporate Services

Doug Volk, Executive Director, Teachers' Superannuation Commission

Phil Pearson, Acting Executive Director, Infrastructure

Kathy Deck, Director, Finance, Corporate Services

Kevin Kleisinger, Director, Student Assessment

Holy Family Roman Catholic Separate School Division No. 140

Gwen Keith, Director of Education

Lisa Wonsiak, Chief Financial Officer

5. The committee concluded consideration of the Provincial Auditor's 2017 report volume 1, chapter 19, Education — Capital Asset Planning for Schools.
6. The committee concluded consideration of the Provincial Auditor's 2017 report volume 1, chapter 20, Education — Increasing Grade 12 Graduation Rates.
7. The committee concluded consideration of the Provincial Auditor's 2017 report volume 1, chapter 21, Education — Putting into Operation the Education Sector-Wide Strategic Plan.
8. The committee concurred with recommendation 1 made at page 130 of the Provincial Auditor's 2017 report volume 2, chapter 21, Education — Managing the Construction of P3 Joint-use Schools:

We recommend that the Ministry of Education enforce all reporting provisions of public-private partnership Project Agreements for which it is responsible.

9. The committee concurred with recommendation 1 made at page 138 of the Provincial Auditor's 2017 report volume 2, chapter 22, Education — Monitoring Kindergarten Students' Readiness to Learn in the Primary Grades:

We recommend that the Ministry of Education more thoroughly analyze data related to the development of students to identify those school divisions whose students are most at risk of not being ready to learn in the primary grades when exiting Kindergarten.

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

10. The committee concurred with recommendation 2 made at page 139 of the Provincial Auditor's 2017 report volume 2, chapter 22, Education — Monitoring Kindergarten Students' Readiness to Learn in the Primary Grades:

We recommend that the Ministry of Education co-ordinate its analysis of action plans of school divisions at risk of not achieving the early learning goal to assist them in increasing the number of students who are ready to learn in the primary grades upon exiting Kindergarten.

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

11. The committee concurred with recommendation 3 made at page 140 of the Provincial Auditor's 2017 report volume 2, chapter 22, Education — Monitoring Kindergarten Students' Readiness to Learn in the Primary Grades:

We recommend that the Ministry of Education actively monitor the Kindergarten programs delivered by school divisions.

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

12. The committee concurred with recommendation 4 made at page 141 of the Provincial Auditor's 2017 report volume 2, chapter 22, Education — Monitoring Kindergarten Students' Readiness to Learn in the Primary Grades:

We recommend that the Ministry of Education take specific actions to assist those school divisions whose students are most at risk of not being ready to learn in the primary grades when exiting Kindergarten.

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

13. The committee concluded consideration of the Provincial Auditor's 2017 report volume 2, chapter 17, Teachers' Superannuation Commission — Teachers' Dental Plan.

14. The committee concurred with recommendation 1 made at page 21 of the Provincial Auditor's 2017 report volume 1, chapter 2, School Divisions:

We recommend that Holy Family Roman Catholic Separate School Division No. 140 follow its policy for recording amounts (i.e., journal entries) in its accounting records including independent review and approval.

The committee noted that Holy Family Roman Catholic Separate School Division No. 140 has complied with the recommendation.

15. The committee concurred with recommendation 2 made at page 22 of the Provincial Auditor's 2017 report volume 1, chapter 2, School Divisions:

We recommend that Sun West School Division No. 207 formally document its IT disaster recovery plan.

The committee noted that Sun West School Division No. 207 is making progress towards complying with the recommendation.

16. The committee concurred with recommendation 1 made at page 106 of the Provincial Auditor's 2017 report volume 1, chapter 8, Living Sky School Division No. 202 — Engaging Grades 7 to 12 Students:

We recommend that Living Sky School Division No. 202 require its schools to develop clear and timely action plans in response to the OurSCHOOL survey results.

The committee noted that Living Sky School Division No. 202 has complied with the recommendation.

17. The committee concurred with recommendation 2 made at page 107 of the Provincial Auditor's 2017 report volume 1, chapter 8, Living Sky School Division No. 202 — Engaging Grades 7 to 12 Students:

We recommend that Living Sky School Division No. 202 and its schools establish interim targets related to the OurSCHOOL survey.

The committee noted that Living Sky School Division No. 202 has complied with the recommendation.

18. The committee concurred with recommendation 3 made at page 107 of the Provincial Auditor's 2017 report volume 1, chapter 8, Living Sky School Division No. 202 — Engaging Grades 7 to 12 Students:

We recommend that Living Sky School Division No. 202 and its schools analyze the year-over-year OurSCHOOL survey results to inform survey action plans.

The committee noted that Living Sky School Division No. 202 is making progress towards complying with the recommendation.

19. The committee concurred with recommendation 4 made at page 108 of the Provincial Auditor's 2017 report volume 1, chapter 8, Living Sky School Division No. 202 — Engaging Grades 7 to 12 Students:

We recommend that Living Sky School Division No. 202 obtain the input of its Elders' Council on the OurSCHOOL survey results specific to First Nations and Métis students.

The committee noted that Living Sky School Division No. 202 has complied with the recommendation.

20. The committee concluded consideration of the Provincial Auditor's 2017 report volume 2, chapter 42, Regina Public and Regina Catholic School Divisions — Physical Safety of Students.

21. The committee recessed from 10:28 a.m. to 11:04 a.m.

22. The committee considered the Provincial Auditor's 2017 report volume 1, chapter 7, Highways and Infrastructure — Enforcing Vehicle Weight and Dimension Requirements; and the 2017 report volume 2, chapter 7, Highways and Infrastructure.

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

Witnesses

Fred Antunes, Deputy Minister

Blair Wagar, Assistant Deputy Minister, Policy, Performance and Regulation

Kelly Moskowy, Executive Director, Corporate Services

Gary Diebel, Director, Finance

Robin Litzenberger, Director, Commercial Vehicle Enforcement

23. The committee concurred with recommendation 1 made at page 92 of the Provincial Auditor's 2017 report volume 1, chapter 7, Highways and Infrastructure — Enforcing Vehicle Weight and Dimension Requirements:

We recommend that the Ministry of Highways and Infrastructure rationalize, in writing, the nature and extent of its annual vehicle weight and dimension enforcement activities based on assessed risks.

The committee noted that the Ministry of Highways and Infrastructure has complied with the recommendation.

24. The committee concurred with recommendation 2 made at page 94 of the Provincial Auditor's 2017 report volume 1, chapter 7, Highways and Infrastructure — Enforcing Vehicle Weight and Dimension Requirements:

We recommend that the Ministry of Highways and Infrastructure complete vehicle weight and dimension enforcement activities as planned.

The committee noted that the Ministry of Highways and Infrastructure has complied with the recommendation.

25. The committee concurred with recommendation 3 made at page 95 of the Provincial Auditor's 2017 report volume 1, chapter 7, Highways and Infrastructure — Enforcing Vehicle Weight and Dimension Requirements:

We recommend that the Ministry of Highways and Infrastructure follow its established policy requiring Highway Officers to report the results of completed vehicle weight and dimension joint-enforcement activities.

The committee noted that the Ministry of Highways and Infrastructure has complied with the recommendation.

26. The committee concurred with recommendation 4 made at page 97 of the Provincial Auditor's 2017 report volume 1, chapter 7, Highways and Infrastructure — Enforcing Vehicle Weight and Dimension Requirements:

We recommend that the Ministry of Highways and Infrastructure follow its established transport investigation policies and procedures for completing investigations related to vehicle weights and dimensions.

27. The committee concurred with recommendation 5 made at page 97 of the Provincial Auditor's 2017 report volume 1, chapter 7, Highways and Infrastructure — Enforcing Vehicle Weight and Dimension Requirements:

We recommend that the Ministry of Highways and Infrastructure periodically report to senior management on the effectiveness of its activities for enforcing vehicle weight and dimension requirements, including a comparison of planned to actual activities.

The committee noted that the Ministry of Highways and Infrastructure has complied with the recommendation.

28. The committee concluded consideration of the Provincial Auditor's 2017 report volume 2, chapter 7, Highways and Infrastructure.

29. It was moved by Mr. McMorris:

That the Standing Committee on Public Accounts authorize the Chair, the Deputy Chair, one government member of the committee and one opposition member of the committee to attend the Canadian Council of Public Accounts Committees (CCPAC) and Canadian Council of Legislative Auditors (CCOLA) Annual Conference to be held in Charlottetown, Prince Edward Island, from September 23rd to 25th, 2018; and further,

That if the Chair or Deputy Chair or opposition member cannot attend, they be authorized to designate another committee member to attend in their place.

The question being put, it was agreed to.

30. The committee recessed from 12:02 p.m. to 1:03 p.m.

31. The committee considered the Provincial Auditor's 2015 report volume 2, chapter 10, Health; 2016 report volume 2, chapter 9, Health; 2017 report volume 2, chapter 6, Health; 2016 report volume 2, chapter 27, Health — Special Needs Equipment for Persons with Disabilities; 2017 report volume 1, chapter 6, Health — Detecting Inappropriate Physician Payments; 2017 report volume 2, chapter 33, Health — Preventing Diabetes-Related Health Complications; 2017 report volume 2, chapter 34, Health — Regulating Personal Care Homes; 2017 report volume 2, chapter 35, Health and Agriculture — Regulating Meat Safety; and the 2016 report volume 2, chapter 38, Health Quality Council — Co-ordinating the Use of Lean.

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

Witnesses

Max Hendricks, Deputy Minister

Karen Lautsch Assistant Deputy Minister

Mark Wyatt, Assistant Deputy Minister

Dave Morhart, Acting Executive Director, Drug Plan and Extended Benefits

Tim Macaulay, Director, Environmental Health

Justin Moen, Director, Policy, Governance and Audit

Bev Hungle, Director, Operations and Audit

Marsha Munro, Manager, Revenue and Audit

32. The committee concurred with recommendation 1 made at page 64 of the Provincial Auditor's 2015 report volume 2, chapter 10, Health:

We recommend that the Ministry of Health follow its established procedures for removing unneeded user access to its computer systems and data promptly.

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

33. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 9, Health.

34. The committee concluded consideration of the Provincial Auditor's 2017 report volume 2, chapter 6, Health.

35. The committee concurred with recommendation 1 made at page 162 of the Provincial Auditor's 2016 report volume 2, chapter 27, Health — Special Needs Equipment for Persons with Disabilities:

We recommend that the Ministry of Health implement further strategies and action plans so that clients receive special needs equipment within an acceptable timeframe.

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

36. The committee concurred with recommendation 2 made at page 163 of the Provincial Auditor's 2016 report volume 2, chapter 27, Health — Special Needs Equipment for Persons with Disabilities:

We recommend that the Ministry of Health work with its service provider to identify special needs equipment on loan that is no longer being utilized, and to recover this equipment within a reasonable timeframe.

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

37. The committee concurred with recommendation 3 made at page 164 of the Provincial Auditor's 2016 report volume 2, chapter 27, Health — Special Needs Equipment for Persons with Disabilities:

We recommend that the Ministry of Health work with its service provider to track the quality and timeliness of repairs of special needs equipment.

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

38. The committee concurred with recommendation 4 made at page 165 of the Provincial Auditor's 2016 report volume 2, chapter 27, Health — Special Needs Equipment for Persons with Disabilities:

We recommend that the Ministry of Health assist its service provider in developing a process to complete appropriate preventative maintenance on special needs equipment on loan.

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

39. The committee concurred with recommendation 5 made at page 166 of the Provincial Auditor's 2016 report volume 2, chapter 27, Health — Special Needs Equipment for Persons with Disabilities:

We recommend that the Ministry of Health set out how it plans to measure the success of the Special Needs Equipment Program.

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

40. The committee concurred with recommendation 6 made at page 167 of the Provincial Auditor's 2016 report volume 2, chapter 27, Health — Special Needs Equipment for Persons with Disabilities:

We recommend that the Ministry of Health set clear expectations for when its service provider should escalate complaints to the Ministry related to the Special Needs Equipment Program.

41. The committee concurred with recommendation 1 made at page 76 of the Provincial Auditor's 2017 report volume 1, chapter 6, Health — Detecting Inappropriate Physician Payments:

We recommend that the Ministry of Health use a comprehensive risk-based strategy to detect inappropriate physician billings for insured services before making payments.

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

42. The committee concurred with recommendation 2 made at page 76 of the Provincial Auditor's 2017 report volume 1, chapter 6, Health — Detecting Inappropriate Physician Payments:

We recommend that the Ministry of Health conduct a cost-benefit analysis of IT systems that would better identify inappropriate physician billings for insured services before making payments.

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

43. The committee concurred with recommendation 3 made at page 77 of the Provincial Auditor's 2017 report volume 1, chapter 6, Health — Detecting Inappropriate Physician Payments:

We recommend that the Ministry of Health develop criteria to determine which physicians to refer to the Joint Medical Professional Review Committee for investigation of appropriateness of billing for insured services.

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

44. The committee concurred with recommendation 4 made at page 79 of the Provincial Auditor's 2017 report volume 1, chapter 6, Health — Detecting Inappropriate Physician Payments:

We recommend that the Ministry of Health assess options to conduct more investigations into physician billing practices that it suspects of having inappropriately billed the Government.

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

45. The committee concluded consideration of the Provincial Auditor's 2017 report volume 2, chapter 33, Health — Preventing Diabetes-Related Health Complications.
46. The committee concluded consideration of the Provincial Auditor's 2017 report volume 2, chapter 34, Health — Regulating Personal Care Homes.
47. The committee concluded consideration of the Provincial Auditor's 2017 report volume 2, chapter 35, Health and Agriculture — Regulating Meat Safety.
48. The committee concluded consideration of the Provincial Auditor's 2016 report volume 2, chapter 38, Health Quality Council — Co-ordinating the Use of Lean.
49. The committee considered the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement; and the 2017 report volume 2, chapter 36, Health Shared Services Saskatchewan — Procuring Goods and Services for Member Agencies.

The following Ministry of Health officials appeared before the committee and answered questions.

Witnesses

Max Hendricks, Deputy Minister
Karen Lautsch Assistant Deputy Minister
Mark Wyatt, Assistant Deputy Minister
Dave Morhart, Acting Executive Director, Drug Plan and Extended Benefits
Tim Macaulay, Director, Environmental Health
Justin Moen, Director, Policy, Governance and Audit
Bev Hungle, Director, Operations and Audit
Marsha Munro, Manager, Revenue and Audit

50. The committee concurred with recommendation 1 made at page 190 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend the Board of Health Shared Services Saskatchewan approve procurement-related policies.

The committee noted that the Board of Health Shared Services Saskatchewan has complied with the recommendation.

51. The committee concurred with recommendation 2 made at page 191 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan provide its relevant procurement policies and procedures to the selected national group purchasing organization.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

52. The committee concurred with recommendation 3 made at page 192 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan implement procedures to identify, track, and monitor instances of non-compliance with procurement policies.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

53. The committee concurred with recommendation 4 made at page 192 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan give its Board periodic reports on significant incidents of non-compliance with procurement policies and steps taken to address them.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

54. The committee concurred with recommendation 5 made at page 194 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan document rationale for the shared procurement method selected (i.e., internally-led, sole-sourced, or national group purchasing organization-led procurement).

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

55. The committee concurred with recommendation 6 made at page 195 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan develop a process to confirm that member agencies' and the national group purchasing agency's staff involved in shared procurement activities regularly sign conflict-of-interest declarations.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

56. The committee concurred with recommendation 7 made at page 196 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan document evaluations of all proposals received in response to shared procurement tenders.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

57. The committee concurred with recommendation 8 made at page 197 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan obtain approval from member agencies prior to extending existing purchase commitments with the national group purchasing organization.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

58. The committee concurred with recommendation 9 made at page 198 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan communicate to bidders the bid protest mechanism available under the New West Trade Partnership Agreement.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

59. The committee concurred with recommendation 10 made at page 201 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan track and periodically assess the performance of its suppliers of goods and services for shared procurements.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

60. The committee concurred with recommendation 11 made at page 201 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan regularly provide information on supplier performance to member agencies, senior management, and the Board.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

61. The committee concurred with recommendation 12 made at page 202 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan validate annually the reasonableness of growth rates used to estimate cost savings related to inflationary price increases.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

62. The committee concurred with recommendation 13 made at page 202 of the Provincial Auditor's 2015 report volume 2, chapter 34, Health Shared Services Saskatchewan — Shared Procurement:

We recommend Health Shared Services Saskatchewan make public its estimate of annual cost savings to the healthcare system along with information to help the public understand the basis for its estimate.

The committee noted that Health Shared Services Saskatchewan has complied with the recommendation.

63. The committee concluded consideration of the Provincial Auditor's 2017 report volume 2, chapter 36, Health Shared Services Saskatchewan — Procuring Goods and Services for Member Agencies.

64. It was moved by Mr. Weekes:

That this committee do now adjourn.

The question being put, it was agreed to.

65. The committee adjourned at 3:06 p.m. until Wednesday, June 13, 2018 at 9:00 a.m.

Kathy Burianyk
Committee Clerk

Trent Wotherspoon
Chair