STANDING COMMITTEE ON PUBLIC ACCOUNTS
Tuesday, February 25, 2025

MINUTE NO. 6
9:01 a.m. — māmawapiwin náyati room (Room 8)

1. **Present**: Trent Wotherspoon in the chair and members David Chan, Brad Crassweller, Hugh Gordon, Megan Patterson,* Joan Pratchler, and Sean Wilson.

   Substituting Members
   Megan Patterson for Hon. Daryl Harrison

   Other Members
   Erika Ritchie

   Provincial Auditor's Office
   Tara Clemett, Provincial Auditor
   Jason Shaw, Deputy Provincial Auditor
   Trevor St. John, Deputy Provincial Auditor
   Charlene Drotar, Senior Principal
   Nicole Dressler, Principal
   Melanie Heebner, Principal
   Michelle Lindenbach, Principal
   Dane Reimer, Principal

   Provincial Comptroller's Office
   Jane Borland, Assistant Provincial Comptroller
   Jenn Clark, Director, Financial Management

2. The following documents were tabled:

   Provincial Auditor of Saskatchewan: Third quarter financial forecast for the nine months ending December 31, 2024
   (PAC 24-30)

   Ministry of Government Relations: Response to question raised at the January 21, 2025 meeting
   (PAC 25-30)

   Ministry of Finance: Report of public losses, October 1, 2024 to December 31, 2024
   (PAC 26-30)

   Ministry of Health: Report of public losses, October 1, 2024 to December 31, 2024
   (PAC 27-30)

   Ministry of Education: Report of public losses, September 1, 2024 to November 30, 2024
   (PAC 28-30)

   Ministry of Agriculture: Responses to questions raised at the January 21, 2025 meeting
   (PAC 29-30)

Saskatchewan Health Authority: Responses to questions raised at the January 22, 2025 meeting
(PAC 30-30)

Saskatchewan Cancer Agency: Responses to questions raised at the January 23, 2025 meeting
(PAC 31-30)

3. The committee considered the Provincial Auditor's 2021 report volume 2, chapter 31, Saskatchewan Arts Board — Awarding Grants Impartially and Transparently and 2024 report volume 2, chapter 24, Saskatchewan Arts Board — Awarding Grants Impartially and Transparently.

   The following officials appeared before the committee and answered questions:

   Witnesses
   Ministry of Parks, Culture and Sport
   Greg Gettle, Deputy Minister
   Dan French, Assistant Deputy Minister
   Saskatchewan Arts Board
   Lisa Bird-Wilson, Chief Executive Officer

4. The following document was tabled:

   Saskatchewan Arts Board: Status update, dated February 25, 2025
   (PAC 32-30)

5. The committee concluded consideration of the Provincial Auditor's 2021 report volume 2, chapter 31, Saskatchewan Arts Board — Awarding Grants Impartially and Transparently and 2024 report volume 2, chapter 24, Saskatchewan Arts Board — Awarding Grants Impartially and Transparently.

6. The committee recessed from 9:20 a.m. until 9:23 a.m.

7. The committee considered the Provincial Auditor's 2023 report volume 1, chapter 26, Water Security Agency — Regulating Water Use.

   The following Water Security Agency officials appeared before the committee and answered questions:

   Witnesses
   Shawn Jaques, President and Chief Executive Officer
   Jordan Huber, Vice-President, Finance
   Jeffrey Paterson, Executive Director, Standards and Approvals
   Krystal Tendler, Executive Director, Agricultural Water Management

8. The following document was tabled:

   Water Security Agency: Status update, dated February 25, 2025
   (PAC 33-30)

9. The committee concluded consideration of the Provincial Auditor's 2023 report volume 1, chapter 26, Water Security Agency — Regulating Water Use.

10. The committee considered the Provincial Auditor's 2024 report volume 1, chapter 24, Water Security Agency — Regulating Drainage.

The following Water Security Agency officials appeared before the committee and answered questions:

Witnesses
Shawn Jaques, President and Chief Executive Officer
Jordan Huber, Vice-President, Finance
Jeffrey Paterson, Executive Director, Standards and Approvals
Krystal Tendler, Executive Director, Agricultural Water Management

11. The committee concluded consideration of the Provincial Auditor's 2024 report volume 1, chapter 24, Water Security Agency — Regulating Drainage.

12. The committee recessed from 10:17 a.m. until 10:24 a.m.

13. The committee considered the Provincial Auditor's 2024 report volume 1, chapter 2, Energy and Resources — Licensing and Inspecting Active Oil and Gas Wells and Facilities.

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

    Witnesses
    Blair Wagar, Deputy Minister
    Jane McLeod, Executive Director, Field Services
    Brad Wagner, Director, Liability Management

14. The following document was tabled:

    Ministry of Energy and Resources: Status update, dated February 25, 2025

    (PAC 34-30)

15. The committee concurred with recommendation 1 made at page 33 of the Provincial Auditor's 2024 report volume 1, chapter 2, Energy and Resources — Licensing and Inspecting Active Oil and Gas Wells and Facilities:

    > We recommend the Ministry of Energy and Resources justify approving applications for new oil and gas wells or facilities where the operator owes money to the Government of Saskatchewan.

    The committee noted that the Ministry of Energy and Resources is making progress towards complying with the recommendation.

16. The committee concurred with recommendation 2 made at page 35 of the Provincial Auditor's 2024 report volume 1, chapter 2, Energy and Resources — Licensing and Inspecting Active Oil and Gas Wells and Facilities:

    > We recommend the Ministry of Environment document key judgments about environmental risks when reviewing and approving oil and gas well and facility applications.

17. The committee concurred with recommendation 3 made at page 38 of the Provincial Auditor's 2024 report volume 1, chapter 2, Energy and Resources — Licensing and Inspecting Active Oil and Gas Wells and Facilities:

> We recommend the Ministry of Energy and Resources implement a risk-informed plan for inspecting oil and gas wells and facilities.

The committee noted that the Ministry of Energy and Resources is making progress towards complying with the recommendation.

18. The committee concurred with recommendation 4 made at page 39 of the Provincial Auditor's 2024 report volume 1, chapter 2, Energy and Resources — Licensing and Inspecting Active Oil and Gas Wells and Facilities:

> We recommend the Ministry of Energy and Resources develop standard expectations to guide staff when completing oil and gas well and facility inspections and escalating enforcement actions.

The committee noted that the Ministry of Energy and Resources is making progress towards complying with the recommendation.

19. The committee concurred with recommendation 5 made at page 42 of the Provincial Auditor's 2024 report volume 1, chapter 2, Energy and Resources — Licensing and Inspecting Active Oil and Gas Wells and Facilities:

> We recommend the Ministry of Energy and Resources review oil and gas waste-disposal facility reports timely to monitor whether environmental risks are identified requiring further action.

The committee noted that the Ministry of Energy and Resources has complied with the recommendation.

20. The committee concurred with recommendation 6 made at page 43 of the Provincial Auditor's 2024 report volume 1, chapter 2, Energy and Resources — Licensing and Inspecting Active Oil and Gas Wells and Facilities:

> We recommend the Ministry of Energy and Resources enhance written reports given periodically to senior management by including analysis on regulatory activities (e.g., inspections, complaints, non-compliance) related to oil and gas wells and facilities.

The committee noted that the Ministry of Energy and Resources has complied with the recommendation.

21. The committee considered the Provincial Auditor's 2023 report volume 1, chapter 10, Energy and Resources — Managing Future Cleanup of Oil and Gas Wells.

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

Witnesses
Blair Wagar, Deputy Minister
Jane McLeod, Executive Director, Field Services
Brad Wagner, Director, Liability Management

22. The committee concluded consideration of the Provincial Auditor's 2023 report volume 1, chapter 10, Energy and Resources — Managing Future Cleanup of Oil and Gas Wells.

23. The committee recessed from 11:20 a.m. until 11:27 a.m.

24. The committee considered the Provincial Auditor's 2022 report volume 2, chapter 9, Finance — Enforcing Provincial Sales Tax Legislation.

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

    Witnesses
    Max Hendricks, Deputy Minister
    Karen Lautsch, Assistant Deputy Minister, Corporate Services and Performance Management Advisory Branch
    Cullen Stewart, Assistant Deputy Minister, Fiscal Policy
    Jane Borland, Assistant Provincial Comptroller
    Melanie DeMarni, Executive Director, Corporate Services
    Aaron Hamilton, Executive Director, Intelligence, Collections and Investigations
    Garth Herbert, Executive Director, Policy, Reporting and Systems
    Jenn Clark, Director, Financial Management
    Kim Leibel, Director, Internal Audit Services

25. The following document was tabled:

    Ministry of Finance: Status update, dated February 25, 2025

    (PAC 35-30)

26. The committee concurred with recommendation 1 made at page 85 of the Provincial Auditor's 2022 report volume 2, chapter 9, Finance — Enforcing Provincial Sales Tax Legislation:

    > We recommend the Ministry of Finance annually analyze key trends of non-compliance (e.g., tax gaps, tax collected but not reported) with provincial sales tax legislation to help it select and prioritize its enforcement activities.

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

27. The committee concurred with recommendation 2 made at page 88 of the Provincial Auditor's 2022 report volume 2, chapter 9, Finance — Enforcing Provincial Sales Tax Legislation:

    > We recommend the Ministry of Finance set out expected timeframes for:
    > - Supervisory review and approval of provincial sales tax audits and education/outreach activities
    > - Communicating provincial sales tax audit and education/outreach activity results to taxpayers.

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

28. The committee concurred with recommendation 3 made at page 91 of the Provincial Auditor's 2022 report volume 2, chapter 9, Finance — Enforcing Provincial Sales Tax Legislation:

    > We recommend the Ministry of Finance clearly document its key judgments when selecting taxpayers for provincial sales tax audits.

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

29. The committee concurred with recommendation 4 made at page 92 of the Provincial Auditor's 2022 report volume 2, chapter 9, Finance — Enforcing Provincial Sales Tax Legislation:

    > We recommend the Ministry of Finance track key information in its revenue IT system regarding communication of provincial sales tax audit results (i.e., when billing letters are actually sent and by who).

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

30. The committee concurred with recommendation 5 made at page 94 of the Provincial Auditor's 2022 report volume 2, chapter 9, Finance — Enforcing Provincial Sales Tax Legislation:

    > We recommend the Ministry of Finance clearly document support for the level of risk assigned to provincial sales tax collection cases.

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

31. The committee concurred with recommendation 6 made at page 97 of the Provincial Auditor's 2022 report volume 2, chapter 9, Finance — Enforcing Provincial Sales Tax Legislation:

    > We recommend the Ministry of Finance explain differences between planned and actual provincial sales tax enforcement results, and future actions needed, in its reports to senior management.

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

32. The committee considered the Provincial Auditor's 2022 report volume 2, chapter 17, Finance — Monitoring the Fuel Tax Exemption Program and 2024 report volume 2, chapter 18, Finance — Monitoring the Fuel Tax Exemption Program.

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

    Witnesses
    Max Hendricks, Deputy Minister
    Karen Lautsch, Assistant Deputy Minister, Corporate Services and Performance Management Advisory Branch
    Cullen Stewart, Assistant Deputy Minister, Fiscal Policy
    Jane Borland, Assistant Provincial Comptroller
    Melanie DeMarni, Executive Director, Corporate Services
    Aaron Hamilton, Executive Director, Intelligence, Collections and Investigations
    Garth Herbert, Executive Director, Policy, Reporting and Systems
    Jenn Clark, Director, Financial Management
    Kim Leibel, Director, Internal Audit Services

33. The committee concluded consideration of the Provincial Auditor's 2022 report volume 2, chapter 17, Finance — Monitoring the Fuel Tax Exemption Program and 2024 report volume 2, chapter 18, Finance — Monitoring the Fuel Tax Exemption Program.

34. The committee considered the Provincial Auditor's 2022 report volume 1, chapter 9, Modernizing Government Budgeting and Reporting.

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

Witnesses
Max Hendricks, Deputy Minister
Karen Lautsch, Assistant Deputy Minister, Corporate Services and Performance Management Advisory Branch
Cullen Stewart, Assistant Deputy Minister, Fiscal Policy
Jane Borland, Assistant Provincial Comptroller
Melanie DeMarni, Executive Director, Corporate Services
Aaron Hamilton, Executive Director, Intelligence, Collections and Investigations
Garth Herbert, Executive Director, Policy, Reporting and Systems
Jenn Clark, Director, Financial Management
Kim Leibel, Director, Internal Audit Services

35. The committee concluded consideration of the Provincial Auditor's 2022 report volume 1, chapter 9, Modernizing Government Budgeting and Reporting.

36. It was moved by Megan Patterson:

    That this committee do now adjourn.

    The question being put, it was agreed to.

37. The committee adjourned at 12:20 p.m. to the call of the Chair.

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Miranda Gudereit
Committee Clerk

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Trent Wotherspoon
Chair