

STANDING COMMITTEE ON PUBLIC ACCOUNTS



THIRD REPORT

June 2002

3rd SESSION of the 24th LEGISLATURE

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

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Mr. Krawetz, Chair of the Standing Committee on Public Accounts, presents the Committee's Third Report of the Twenty-fourth Legislature.

I. INTRODUCTION

Business Conducted

This report reflects the work of the committee during the First, Second and Third Sessions of the 24th Legislature. The observations, conclusions and recommendations contained in this report are based upon the committee's examination of testimony heard until the end of its meeting on June 20, 2002.

During these meetings, your committee concluded examinations on the following reports of the Provincial Auditor:

- *1999 Fall Report of the Provincial Auditor (Volume 1)*
- *2000 Spring Report of the Provincial Auditor*
- *2000 Fall Report of the Provincial Auditor (Volume 1)*
- *2000 Fall Report of the Provincial Auditor (Volume 3)*

Your committee substantially completed the consideration of seven additional reports but was unable to conclude its review. These reports include the following:

- *1999 Spring Report of the Provincial Auditor*
- *1999 Fall Report of the Provincial Auditor (Volume 2)*
- *2000 Fall Report of the Provincial Auditor (Volume 2)*
- *2001 Spring Report of the Provincial Auditor*
- *2001 Fall Report of the Provincial Auditor (Volume 1)*
- *2001 Fall Report of the Provincial Auditor (Volume 2)*

In several instances, your committee has deferred its decision pending the receipt of further information. In another instance, your committee has chosen to postpone its consideration of certain chapters until an RCMP investigation has been completed.

It is your committee's request that the Government of Saskatchewan respond to this report within 120 days.

Membership

The work of your committee would not have been possible without the service of its members. Your committee expresses its gratitude to Ms. Pat Lorjé and Mr. Kim Trew who stepped down from the committee on March 29, 2001. Mr. Ron Harper and Ms. Judy Junor joined the committee on the same day. Mr. Harper was later elected Vice-chair on April 25, 2001 to replace Ms. Lorjé. Your committee also wishes to thank Ms. Deb Higgins, Ms. Carolyn Jones and Mr. Mark Wartman who were members of the committee until April 24, 2002. They were replaced by Ms. Pat Atkinson, Mr. Keith Goulet and Mr. Warren McCall. Five members, Mr. Rod Gantefer, Mr. Carl Kwiatkowski, Mr. Lyle Stewart, Mr. Milton Wakefield and the Chair, Mr. Ken Krawetz have served on the committee throughout the period covered by this report.

Since the adoption of a rule change in April 2000 permitting the temporary substitution of members on the Standing Committee on Public Accounts, many other Members of the Legislative

Assembly have participated in the proceedings. The committee wishes to thank them for their contribution.

Acknowledgments

The committee expresses its appreciation to the Office of the Clerk for the administrative support and procedural advice provided, to the Provincial Auditor and his staff, to the Provincial Comptroller and his staff, to Hansard, and to the many witnesses who appeared before the committee. A list of witnesses is attached to this report as an *Appendix*.

II. SELECTION OF AUDIT COMMITTEE

Among the amendments made in 2001 to The Provincial Auditor Act was the establishment of an independent Audit Committee. This new Audit Committee was designed to strengthen the Standing Committee on Public Accounts by providing it with an independent source of advice on auditing and accounting issues.

Your committee may call upon the Audit Committee to provide advice on the selection of a Provincial Auditor, to assist in the review of the reports, estimates and business and financial plan of the Provincial Auditor, and to advise on any other matters as may be determined by your committee. It should also be noted that the Audit Committee is available to assist the Provincial Auditor, the Minister of Finance, the Minister responsible for The Crown Corporations Act, 1993 and the Standing Committee on Crown Corporations on any matters that each may request.

The amendments to The Provincial Auditor Act set out a role for your committee in the selection and appointment of individuals to serve on the Audit Committee. Your committee addressed this task during the past months and chose to recommend to the Speaker that five individuals should be appointed, all of whom must be resident in Saskatchewan, and who must include one of each of the following:

- One person who is a member in good standing of the Institute of Chartered Accountants of Saskatchewan;
- One person who is a member in good standing of the Society of Management Accountants of Saskatchewan;
- One person with an accounting background chosen from the faculty of a post-secondary educational institution;
- One person who is a member in good standing of the Law Society of Saskatchewan and whose preferred area of practice involves financial dealings; and
- One person who has experience in operating a business in the private sector.

Your committee consulted with the professional associations, the two provincial universities and the Chamber of Commerce to seek the names of qualified individuals. The names unanimously recommended by your committee were then reviewed by the members of the Standing Committee on Crown Corporations, as required by the Act, prior to being forwarded to the Speaker.

Your Committee is pleased to report that the Speaker of the Assembly formally appointed the following five individuals to the Audit Committee on January 31, 2002:

- Mr. Rob Jaspar, Vice-President, Internal Audit, Potash Corp. of Saskatchewan, Saskatoon
Institute of Chartered Accountants of Saskatchewan
- Mr. Raymond Hueser, Controller, UFR Urban Forest Recyclers, Inc., Swift Current
Society of Management Accountants of Saskatchewan

- Dr. Morina Rennie, Associate Professor of Accounting, Faculty of Administration,
University of Regina
Faculty of a post-secondary institution
- Mr. Ralph Ottenbreit, Q.C., Barrister and Solicitor, Robertson Stromberg, Regina
Law Society of Saskatchewan
- Mr. Terry Alm, Realtor, Realty Executives, Saskatoon
Private sector businessperson

Subsequently, on February 28, 2002, the Speaker appointed Dr. Rennie as the Chair of the Audit Committee, pursuant to the unanimous recommendation of this committee.

The Legislative Assembly Office is providing administrative support to the Audit Committee.

III. REVIEW OF THE BUSINESS AND FINANCIAL PLAN OF THE OFFICE OF THE PROVINCIAL AUDITOR

During the 2001 Spring legislative session, amendments were adopted to The Provincial Auditor Act that enhanced the independence of the Provincial Auditor and the Government's accountability to this Assembly. One new measure was the formalizing in legislation of the current practice of the Provincial Auditor to table in the Assembly a business and financial plan and an annual report on his office's operations. A second new measure was the transferring of responsibility for reviewing these documents to the Standing Committee on Public Accounts. In the past, this review had been within the mandate of the Board of Internal Economy.

In December of 2001, the Public Accounts Committee carried out this task for the first time. Your committee began its review by receiving an overview of the business and financial plan by the Acting Provincial Auditor and his staff. Your committee then considered and adopted two resolutions, which were as follows:

RESOLUTION #1

That the 2002-2003 Estimates of the Office of the Provincial Auditor (Vote 28, sub vote PA01 – Provincial Auditor) be approved, as submitted, in the amount of \$5,379,000, and that such Estimates be forwarded to the Minister of Finance by the Chair.

RESOLUTION #2

That the 2002-2003 Estimates of the Office of the Provincial Auditor (Vote 28, sub vote PA02 – Contingency) be approved, as submitted, in the amount of \$348,000, and that such Estimates be forwarded to the Minister of Finance by the Chair.

These resolutions were forwarded to the Speaker of the Assembly, in his capacity as Chair of the Board of Internal Economy, on December 19, 2001 for inclusion in the estimates of the Legislative Branch of Government.

Your committee wishes to thank the Acting Provincial Auditor and his staff for the preparation of their business and financial plan and their willingness to answer the questions posed by members of the committee. Your committee was pleased with the manner in which the Provincial Auditor's budget was reviewed and believes that the adoption of these new procedures will strengthen the independence and accountability of the Provincial Auditor to this Assembly

IV. 22ND ANNUAL CONFERENCE OF CANADIAN COUNCIL OF PUBLIC ACCOUNTS COMMITTEES

In September 2001, it was the turn of the Saskatchewan Public Accounts Committee to host their national colleagues at the 22nd Annual Conference of Canadian Council of Public Accounts Committees. Arrangements were completed to hold the conference in Regina from September 16th to 18th, 2001 in conjunction with the 29th Annual Conference of the Canadian Council of Legislative Auditors.

Unfortunately, the terrorist actions in the United States on September 11th and the ensuing disruption to air travel in Canada intervened and on September 15th, 2001, your committee was forced to cancel the conference.

V. AN OVERVIEW OF INFRASTRUCTURE RISKS

Chapter 4 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no recommendations to report on.

VI. AN OVERVIEW OF PRIVACY

Chapter 12 – 2000 Spring Report of the Provincial Auditor

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no recommendations to report on.

VII. BOARD OF INTERNAL ECONOMY

Chapter 13 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Your committee chose to defer considering this chapter pending a report by the clerk on the Standing Committee on Public Accounts' practice regarding the review of Provincial Auditor's reports on the Board of Internal Economy. A report has been received from the Deputy Clerk.

VIII. CHIEF ELECTORAL OFFICER

Chapter 16 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Improved public accountability required

Your committee concurs with recommendation 16-1, that the Electoral Office should prepare and submit to the Speaker all reports as required by *The Elections Act, 1996*. Your committee reports that the Office is making progress towards complying with this recommendation.

Status of ensuring completeness of returns

Your committee concurs with recommendation 16-2, that the Electoral Office should comply with the Standing Committee on Public Accounts' recommendation by requesting that the Board of Revenue Commissioners cancel the collection of any anonymous donations for 1996 and for the six prior calendar years. Your committee reports that the Office is making progress towards complying with this recommendation.

Status of ensuring completeness of returns

Your committee noted the Provincial Auditor's recommendation 16-3, concerning the Electoral Office issuing guidance to candidates' and registered political parties' auditors that requires them to verify whether all contributions received and all expenses incurred are reported on the returns and that they report on such in their audit reports. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 1

The committee defers its decision on this recommendation until the Office of the Chief Electoral has received a legal opinion on the matter and has had an opportunity to discuss the issue further with the Office of the Provincial Auditor.

IX. DEPARTMENT OF AGRICULTURE AND FOOD

Chapter 7 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Sask Pork – Transfer of net assets to hog producers requires authority

In consideration of recommendation 7-2, that Sask Pork should obtain Lieutenant Governor in Council approval to transfer Sask Pork's assets to hog producers for no compensation, your committee notes that the Department of Agriculture is willing to share a legal opinion it has received on this issue. Consequently, your committee has agreed to postpone arriving at a decision on this recommendation until this legal opinion has been reviewed.

Chapter 6 – 2001 Spring Report of the Provincial Auditor

Agri-Food Innovation Fund – Reliability of the financial statements

In consideration of recommendation 6-1, that the Department of Agriculture and Food should record the money received from the Saskatchewan General Revenue Fund (GRF) as a liability of the Agri-Food Innovation Fund until the Department incurs related program costs, your committee notes that the Institute of Chartered Accountants is currently reviewing the relevant accounting policies. Your committee agreed to postpone a decision on this recommendation until the Institute has promulgated its conclusions.

Saskatchewan Agricultural Stabilization Fund – Reliability of the financial statements

In consideration of recommendation 6-2, that the Department of Agriculture and Food should record the money received from the Saskatchewan General Revenue Fund (GRF) as a liability of the Saskatchewan Agricultural Stabilization Fund until the Department incurs related program costs, your committee notes that the Institute of Chartered Accountants is currently reviewing the relevant accounting policies. Your committee agreed to postpone a decision on this recommendation until the Institute has promulgated its conclusions.

X. DEPARTMENT OF EDUCATION

Chapter 2 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Key risk: Monitoring vulnerable students – Summary - Improved monitoring needed

Your committee concurs with recommendation 2-1, that the Department of Education should take a leadership and coordinating role to improve the monitoring of the movement of vulnerable children between schools and education systems.

Chapter 14– 2000 Spring Report of the Provincial Auditor

Teachers’ Superannuation Commission – Timely annual report required

Your committee concurs with recommendation 14-1, that the Teachers’ Superannuation Commission should ensure it provides its annual report to the Legislative Assembly by the date required by law.

Teachers’ Superannuation Commission – Overpayments to retired teachers

In consideration of the Provincial Auditor’s recommendation 14-2, your committee makes the following recommendation:

RECOMMENDATION 2

The Standing Committee on Public Accounts does not agree with the Auditor’s recommendation that the Teachers’ Superannuation Commission should establish rules and procedures to independently verify information it receives from school boards, noting that the Commission has taken steps to firstly educate the school boards on their reporting obligations and secondly to verify that reliable information is reported to the Commission; and further that the Committee recommends these steps be implemented before deciding upon the issue.

Chapter 3 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Proper recording and reporting of pension costs needed

Your committee noted the Provincial Auditor’s recommendation 3-1, concerning the Department of Education working with Treasury Board to adopt an appropriate accounting policy that properly records and reports on pension costs. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 3

The Standing Committee on Public Accounts acknowledges the fact that the Department of Education is complying with Treasury Board policy and according to that policy, the Department of Education is properly and appropriately recording and reporting on pension costs.

Chapter 4 – 2001 Spring Report of the Provincial Auditor

Learning Resources Distribution Centre Revolving Fund – Accounting for the value of inventory needs improvement

Your committee concurs with recommendation 4A-1, that the Department of Education should improve its inventory valuation practices.

Teachers' Superannuation Commission – Rules and procedures to manage significant projects needed

Your committee concurs with recommendation 4A-2, that the Teachers' Superannuation Commission should establish written rules and procedures for managing its significant projects including:

- tendering and awarding of contracts;
- describing the proposed project deliverables and the scheduling for those deliverables;
- defining the responsibilities of the project contractor(s) and management; and
- having written agreements setting out agreed-upon terms of the project.

Your committee reports that progress has been made towards complying with this recommendation.

Teachers' Superannuation Commission – Timely annual report required

Your committee concurs with recommendation 4A-3, that the Teachers' Superannuation Commission should ensure it provides the annual report to the Assembly by the date required by law.

Department of Education – Integration of information about resources into curriculum maintenance processes

Your committee concurs with recommendation 4B-1, that the Department of Education should improve how it documents its use of information about resources in its curriculum maintenance processes.

XI. DEPARTMENT OF ENERGY AND MINES

Chapter 10 – 1999 Fall Report of the Provincial Auditor (Volume 2)

NewGrade payments need authority

Your committee disagrees with recommendation 10-1, that the Estimates should present future grant payments to NewGrade as expenditures. Your committee reaffirmed its previous decision that was reported to the Assembly on April 24, 1997, that in its view, the Department of Energy and Mines is in compliance with the accounting requirements provided for in section 24 of *The Financial Administration Act* as it pertains to Order-in-Council 7/89.

NewGrade payments need authority

Your committee disagrees with recommendation 10-2, that the Department of Energy and Mines should report these payments as an expense of the Department.

Annual report needs improvement

Your Committee concurs with recommendation 10-3, that the Department of Energy and Mines should continue to improve its annual report.

XII. DEPARTMENT OF ENVIRONMENT AND RESOURCE MANAGEMENT

Chapter 9 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Annual report needs improvement

Your committee concurs with recommendation 9-1, that the Department of Environment and Resource Management should continue to improve its annual report. Your committee reports that progress has been made towards complying with this recommendation.

Chapter 10 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Rules and procedures over payments need improvement

Your committee concurs with recommendation 10-1, that the Department of Environment and Resource Management should improve its rules and procedures to ensure it pays only for goods and services received. Your committee reports that progress has been made towards complying with this recommendation.

Chapter 10 – 2001 Fall Report of the Provincial Auditor (Volume 2)

Operator Certification Board – Board needs adequate rules and procedures over revenue

Your committee concurs with recommendation 10-1 that the Operator Certification Board should establish adequate rules and procedures to ensure it records all the revenue it receives.

Forest Fire Management – Improve prevention program rules and procedures

Your committee concurs with recommendation 10-2 that the Department of Environment and Resource Management should improve its rules and procedures for preparing and reporting on its prevention program.

Forest Fire Management – Record values at risk in the forest

Your committee concurs with recommendation 10-3 that the Department of Environment and Resource Management should prepare a complete record of the values at risk in the forest and update that record regularly.

Forest Fire Management – Infrastructure for detection and suppression of forest fires

Your committee concurs with recommendation 10-4 that the Department of Environment and Resource Management should ensure it has suitable infrastructure for detection and suppression of forest fires.

Forest Fire Management – Establishment of written records for investigations

Your committee concurs with recommendation 10-5 that the Department of Environment and Resource Management should establish written guidelines for: referring forest fires to investigators; investigators to follow in their investigation; and when and how much of the cost to fight fires staff should recover.

XIII. DEPARTMENT OF EXECUTIVE COUNCIL

Chapter 14 – 2000 Fall Report of the Provincial Auditor

Your committee reports that the two recommendations contained in this chapter did not need to be reviewed in light of the changes that have taken place since the *Fall 2000 Report* was released.

XIV. DEPARTMENT OF FINANCE

Chapter 8 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Auditor's report on the GRF financial statements – Pension Costs Reservation

With respect to the Provincial Auditor's recommendation 8-1, that the Department of Finance should properly account for pension costs in the General Revenue Fund financial statements, your committee notes that it had previously considered and disagreed with this recommendation in January 1999. It is the opinion of your committee that there are other "proper" methods of accounting in addition to the standards of the Canadian Institute of Chartered Accountants advocated by the Office of the Provincial Auditor and that the Department of Finance was accounting for the pension costs in accordance with these other standards.

Auditor's report on the GRF financial statements – Agriculture Costs Reservation

Your committee noted the Provincial Auditor's recommendation 8-2, concerning the Department of Finance properly accounting for the cost of the Agricultural Income Disaster Assistance program in the General Revenue Fund financial statements. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 4

In consideration of this recommendation, the Standing Committee on Public Accounts notes that the Department of Finance has accounted for the Agricultural Income Disaster Assistance (AIDA) program in accordance with accounting rules that governments follow. The Standing Committee on Public Accounts also notes that this issue will no longer exist in the 2000-2001 financial statements.

Prior years' recommendations – Annual pension costs not included in Estimates

Your committee does not concur with recommendation 8-3 that the Department of Finance should include the General Revenue Fund's total pension costs for the year in the Estimates.

Prior years' recommendations – Essential accountability information needed – Department needs to provide accountability information

Your committee concurs with recommendation 8-4, that the Department of Finance should report important accountability information about its performance. Your committee reports that the Department of Finance has complied with this recommendation.

Prior years' recommendations – Essential accountability information needed – SaskPen and SP Two

Your committee does not concur with recommendation 8-5, concerning the Government tabling SaskPen's and SP Two's financial statements in the Legislative Assembly. Your committee notes that it had previously considered this recommendation and, on the advice received at that time, had decided to consider the matter closed in its Second Report of the 23rd Legislature.

Prior years' recommendations – Essential accountability information needed – SaskPen and SP Two

Your committee does not concur with recommendation 8-6, that SaskPen and SP Two should allow the Office of the Provincial Auditor to audit their accounts.

Members of the Legislative Assembly Superannuation Plan – Spousal payments require authority

Your committee concurs with recommendation 8-7, that the Department of Finance should pay allowances to surviving spouses as required by *The Members of the Legislative Assembly Superannuation Act, 1979* or seek changes to the Act to allow for these payments.

Members of the Legislative Assembly Superannuation Plan – Act needs to provide direction

Your committee concurs with recommendation 8-8, that the Department of Finance should seek changes to the law to provide direction for the handling of profits or losses from underwriting annuities.

Chapter 11 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Your committee reports that the recommendations contained in this chapter were a repetition of those contained in Chapter 8 of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* noted above and were not addressed.

Chapter 9 – 2001 Spring Report of the Provincial Auditor

Members of the Legislative Assembly Superannuation Plan – Law needs to be consistent

Your committee concurs with recommendation 9-1, that the Department of Finance should seek changes to the provisions of *The Members of the Legislative Assembly Superannuation Act, 1979* to make them consistent with Canada's *Income Tax Act*.

Chapter 12 – 2001 Fall Report of the Provincial Auditor (Volume 2)

Pension costs reservation

Your committee does not concur with recommendation 12-1, that the Department of Finance should account for pension costs in the General Revenue Fund financial statements in accordance with the Canadian Institute of Chartered Accountants accounting standards for the public sector.

Fiscal Stabilization Fund reservation

Your committee does not concur with recommendation 12-2, that the General Revenue Fund financial statements should record transfers to the Fiscal Stabilization Fund as an asset, not as an expenditure; and in addition, that the General Revenue Fund financial statements should record any transfers back to the General Revenue Fund as a reduction of that asset, not as revenue.

Annual pension costs not included in Estimates

Your committee does not concur with recommendation 12-3, that the Department of Finance should include the General Revenue Fund's total pension costs for the year in the Estimates.

Members of the Legislative Assembly Superannuation Plan – Law needs to be consistent

Your committee concurs with recommendation 12-4, that the Department of Finance should seek change to the provisions of *The Members of the Legislative Assembly Superannuation Act, 1979* to make them consistent with Canada's *Income Tax Act*.

XV. DEPARTMENT OF HEALTH

Your committee noted that several of the recommendations in these chapters had been considered and dealt with in earlier committee reports. Only the new recommendations were addressed.

Chapter 1 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Toward 2000 (Project '98) – Making public timely performance information

Your committee concurs with recommendation 1C-1, that the Department of Health and health districts make public timely performance information on major capital construction projects including:

- The full cost of construction projects compared to the original planned cost;
- The nature of any significant changes to such projects; and
- The extent that the expected project benefits are achieved (e.g., reduced service costs and improved service outcomes).

Toward 2000 (Project '98) – Capital projects performance information

Your committee concurs with recommendation 1C-2, that the Department of Health:

- Ensure its capital project agreements with health districts describe the process of verifying expected performance;
- Ensure it requests and receives adequate and timely performance information on capital construction projects; and
- Ensure it determines whether such performance information is reliable.

Department of Health: Resource allocation among districts based on health needs

Your committee noted the Provincial Auditor's recommendation 1E-1, concerning the Department of Health developing processes that involve stakeholders and experts to identify and communicate priority health needs for the province, and health status objectives for the long term (e.g. 10 years or more) for the highest priority provincial health needs. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 5

The Standing Committee on Public Accounts recommends that the Department of Health continue to develop, as one component of resource allocation, processes that involve stakeholders and experts to identify and communicate priority health needs for the province, and health status objectives for the long term (e.g. 10 years or more) for the highest provincial health needs.

Department of Health: Resource allocation among districts based on health needs

Your committee concurs with recommendation 1E-2, that the Department of Health should monitor and report the impact of resource allocation on the achievement of provincial objectives for service delivery and for health status. Your committee reports that progress has been made towards complying with this recommendation.

Chapter 11 – 2000 Spring Report of the Provincial Auditor

Board of Governors, Uranium City Hospital – Board needs to understand its responsibilities

Your committee concurs with recommendation 11-1, that the Uranium City Hospital board members should receive adequate training to understand and carry out their responsibilities. Your committee reports that progress has been made towards complying with this recommendation.

Board of Governors, Uranium City Hospital – Board needs to carry out its responsibilities – Code of conduct needed

Your committee concurs with recommendation 11-2, that the Uranium City Hospital Board should approve and adopt a code of conduct for the Hospital. Your committee reports that progress has been made towards complying with this recommendation.

Board of Governors, Uranium City Hospital – Board needs to carry out its responsibilities – conflict-of-interest guidelines needed

Your committee concurs with recommendation 11-3, that the Uranium City Hospital Board should establish and approve an appropriate conflict-of-interest policy. Your committee reports that progress has been made towards complying with this recommendation.

Board of Governors, Uranium City Hospital – Board needs to carry out its responsibilities – strategic plan and operating budget required

Your committee concurs with recommendation 11-4, that the Uranium City Hospital Board should approve a strategic plan. Your committee reports that progress has been made towards complying with this recommendation.

Board of Governors, Uranium City Hospital – Board needs to carry out its responsibilities – strategic plan and operating budget required

Your committee concurs with recommendation 11-5, that the Uranium City Hospital Board should approve an operating budget. Your committee reports that progress has been made towards complying with this recommendation.

Board of Governors, Uranium City Hospital – Board needs to carry out its responsibilities – bank account not controlled

Your committee concurs with recommendation 11-6, that the Uranium City Hospital should establish adequate written rules and procedures to ensure goods and services purchased are authorized and appropriate, that they are received and used for the operation and management of the Hospital, and that the prices paid are fair and just. Your committee reports that progress has been made towards complying with this recommendation.

Board of Governors, Uranium City Hospital – Board needs to carry out its responsibilities – inventory not safeguarded

Your committee concurs with recommendation 11-7, that the Uranium City Hospital should improve its control over the Hospital's inventory by securing vulnerable assets. Your committee reports that progress has been made towards complying with this recommendation.

Board of Governors, Uranium City Hospital – Board needs to carry out its responsibilities – claims not made

Your committee concurs with recommendation 11-8, that the Uranium City Hospital should establish procedures to ensure it recovers from the Federal Government the costs of drugs provided to status Indians. Your committee reports that progress has been made towards complying with this recommendation.

Chapter 2 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Service agreement needed

Your committee concurs with recommendation 2A-2, that the Department of Health should make a service agreement with the Canadian Blood Services to ensure it achieves the Department's

objectives. Your committee reports that progress has been made towards complying with this recommendation.

Department needs to improve its capital project agreements

Your committee concurs with recommendation 2A-3, that the Department of Health's capital construction agreements should require health districts to provide the Department with adequate and timely performance information on capital construction projects, and describe the Department's process for verifying performance information.

Saskatchewan Health Information Network – Reliability of financial statements

Your committee noted the Provincial Auditor's recommendation 2A-4, concerning the Saskatchewan Health Information Network recording the money received from Saskatchewan Health for the acquisition of capital assets as a debt until the Corporation acquires the related assets. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 6

The Standing Committee on Public Accounts takes note of the opinions of the Provincial Auditor's Office and the Department of Finance and recommends that they continue to work towards reconciling their accounting policies in light of the anticipated recommendations of the Institute of Chartered Accountants.

Saskatchewan Health Information Network – Reliability of financial statements

Your committee noted the Provincial Auditor's recommendation 2A-5, concerning the Saskatchewan Health Information Network amending its 2000 financial statements and tabling the revised financial statements in the Legislative Assembly. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 7

The Standing Committee on Public Accounts takes note of the opinions of the Provincial Auditor's Office and the Department of Finance and recommends that they continue to work towards reconciling their accounting policies in light of the anticipated recommendations of the Institute of Chartered Accountants.

Accountability for capital construction

Your committee concurs with recommendation 2B-1, that the Department of Health should establish and communicate a plan to manage risks for capital construction projects and further, that the Department's plan to manage risks should clarify the accountability of the Department and health districts to: identify, assess, and monitor risks; and act to reduce risks. Your committee reports that progress has been made towards complying with this recommendation.

District Health Boards – Operating agreements need improvement

Your committee reconsidered recommendation 2C-4, which advocated that the Regina Health District ensure that its operating agreements require affiliated organizations to establish and report on their systems to achieve the District's financial, operational and compliance objectives. Your committee notes that it had previously concurred in this recommendation and wishes to make the following additional recommendation:

RECOMMENDATION 8

The Standing Committee on Public Accounts recommends that health districts develop agreements that help ensure affiliates effectively deliver health services.

Health district board information for financial decisions – Improving relevance of financial and program information

Your committee concurs with recommendation 2D-1, that boards of health districts should improve the relevance of financial and program information they receive by requesting:

- Timely reports. Boards should request that they receive reports as soon as possible after the end of the reporting period, preferably within 30 days, and at least one week before meetings;
- Reports that describe progress towards goal and objectives. Boards should continue their efforts to define performance measures and should focus their efforts on defining a limited set of key measures that monitor progress toward the board's most critical objectives; and
- Reports that help them look ahead. Reports should include projections or forecasts (e.g., of results, service delivery volumes, staffing levels).

Health district board information for financial decisions – Improving reliability of financial and program information

Your committee concurs with recommendation 2D-2, that boards of health districts should improve the reliability of financial and program information they receive by ensuring:

- Reports include information about the financial position and program effectiveness of significant affiliates;
- Reports disclose significant assumptions used in preparing projections or forecasts; and
- Districts standardize the way they collect and safeguard information.

Chapter 6A – 2001 Fall Report of the Provincial Auditor (Volume 2)

Health - Annual reports needs improvement

Your committee does not concur with recommendation 6A-1, that the Department of Health should include a complete set of financial statements in its annual report prepared in accordance with Canadian generally accepted accounting principles for the public sector.

Saskatchewan Prescription Drug Plan – Payee list required

Your committee reconsidered the issue of disclosure of payee lists, in particular whether the Department of Health should disclose a list of persons who received money from the Saskatchewan Prescription Drug Plan and the amounts each received. Your committee has considered this issue in the past and makes the following recommendation:

RECOMMENDATION 9

The Standing Committee on Public Accounts recommends that the Department of Health should adopt the Government's policy to not provide payee information for high volume programs of a universal nature, or income security or other programs of a confidential and personal nature.

Board of Governors, Uranium City Hospital – Senior management positions require contracts

Your committee concurs with recommendation 6A-2, that the Board of Governors of the Uranium City Hospital should prepare and approve adequate contracts for the Chief Executive Officer and Chief Financial Officer functions.

Board of Governors, Uranium City Hospital – Bank account not controlled

Your committee concurs with recommendation 6A-3, that the Board of Governors of the Uranium City Hospital should strengthen its rules and procedures to safeguard and control its bank

accounts. Your committee reports that the Board of Governors is making progress towards complying with this recommendation.

Board of Governors, Uranium City Hospital – Inventory not safeguarded

Your committee concurs with recommendation 6A-4, that the Board of Governors of the Uranium City Hospital should prepare proper written inventory count procedures. Your committee reports that the Board of Governors is making progress towards complying with this recommendation.

Board of Governors, Uranium City Hospital – Assessment of contracts required

Your committee concurs with recommendation 6A-5, that the Board of Governors of the Uranium City Hospital should obtain a ruling from Canada Customs and Revenue Agency for all its contract employees to determine whether an employer-employee relationship exists with its contract employees and then take deductions accordingly. Your committee reports that the Board of Governors is making progress towards complying with this recommendation.

Board of Governors, Uranium City Hospital – External reporting requirements not met

Your committee concurs with recommendation 6A-6, that the Board of Governors of the Uranium City Hospital should give its financial statements to the Assembly by the date required by *The Tabling of Documents Act, 1999*. Your committee reports that the Board of Governors is making progress towards complying with this recommendation.

Chapter 6B – 2001 Fall Report of the Provincial Auditor (Volume 2)

Your committee reports that Chapter 6B (Department of Health financial statements) was deemed to be redundant in light of the committee's decision on recommendation 6A-1 of Chapter 6A, noted above and that no further consideration was necessary.

Chapter 6C – 2001 Fall Report of the Provincial Auditor (Volume 2)

District Health Boards – Setting direction and monitoring performance – Financial results

Your committee concurs with recommendation 6C-1, that for each of the districts named in parenthesis, that:

- Boards of health districts should formally define and document their financial information needs (Lloydminster, Regina and Saskatoon); and
- Boards of health districts should receive better and timely interim financial reports to enable them to assess the financial performance of their districts (Living Sky, Lloydminster, Regina, Saskatoon and Twin Rivers).

District Health Boards – Setting direction and monitoring performance – Operating results

Your committee concurs with recommendation 6C-2, that:

- Boards of directors should continue to formally define and document the health outcomes that the boards expect and the measures needed to monitor progress in achieving the outcomes (Assiniboine Valley, Living Sky, North Valley, South East and Twin Rivers);
- Boards of directors should approve the targets needed to monitor progress in achieving the outcomes (Assiniboine Valley, Living Sky, North Valley, Prince Albert, Regina, Saskatoon, South East and Twin Rivers); and
- Districts' internal reports on health outcomes should compare actual performance for services delivered to planned performance (all districts).

District Health Boards – Safeguarding assets – Written and approved rules and procedures needed

Your committee concurs with recommendation 6C-3, that management should establish, the boards approve, and management implement written rules and procedures to safeguard and control health districts' assets to ensure the:

- Preparation of written and tested contingency plans (Assiniboine Valley);
- Capital asset records are prepared (Regina);
- Control of bank accounts, that is, adequate segregation of duties, and that staff members should check invoices for accuracy and completeness and leave evidence of their check (South East);
- Control of payroll (i.e. time sheets are signed to verify hours worked) (South East); and
- Access to computer systems and data is authorized (South East).

District Health Boards – Safeguarding assets – Operating agreements need improvement

Your committee concurs with recommendation 6C-4, that the Lloydminster District Health Board should improve its operating agreement with the East Central Regional Health Authority 7.

District Health Boards – Other requirements

Your committee concurs with recommendation 6C-5, that health districts should receive approval of the Minister of Health for borrowing money in excess of the limits provided by *The Health Districts Act* (Twin Rivers).

District Health Boards – Other requirements

Your committee concurs with recommendation 6C-6, that health districts should charge rates to special-care home clients in accordance with *The Housing and Special-care Homes Act* (Lloydminster).

District Health Boards – Other requirements – Payee lists

Your committee concurs with recommendation 6C-7, that the health districts (South East) should publicly report a list of persons who received money from them and the amounts.

Chapter 6D – 2001 Fall Report of the Provincial Auditor (Volume 2)

Capital equipment plans of health districts

Your committee concurs with recommendation 6D-1, that all health districts should prepare capital equipment plans that contain the key elements for capital equipment plans in the public sector.

Chapter 6E – 2001 Fall Report of the Provincial Auditor (Volume 2)

Your committee reports that this chapter 6E (Follow-up of needs-based resource allocation among health districts) was received and reviewed for informational purposes and that there were no recommendations to report on.

XVI. DEPARTMENT OF JUSTICE

Chapter 4 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Audit Conclusions and Findings – Repeated recommendations

In consideration of recommendation 4-1 concerning improvements needed to the court information system and recommendation 4-2 concerning the review of fine collection procedures, your committee notes that these repeat recommendations presented in Chapter 7 of the *Fall 1998 Report of the Provincial Auditor (Volume 2)*. Your committee's concurrence in these recommendations was reported to the Assembly in the *Third Report of the Standing Committee on Public Accounts* on April 15, 1999. Your committee did not deliberate further on these issues as the Acting Provincial Auditor indicated that he would be commenting on the Department's progress towards complying with them in his next report.

Chapter 7 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Audit Conclusions and Findings – Annual report needs improvement

Your committee concurs with recommendation 7-1, that the Department of Justice's annual report should describe: how the Department manages the key risks it faces; the Department's performance measures and targets and actual results compared to plans; and what the Department owns and controls. Your committee reports that progress has been made towards complying with this recommendation.

Chapter 2 – 2001 Spring Report of the Provincial Auditor

Public Trustee for Saskatchewan – System acquisition controls need improvement

Your committee concurs with recommendation 2-1, that the Office of the Public Trustee should ensure that future changes to the computer system's requirements are properly justified. Your committee reports that progress has been made towards complying with this recommendation.

Public Trustee for Saskatchewan – System acquisition controls need improvement

Your committee concurs with recommendation 2-2, that the Office of the Public Trustee should strengthen its processes to ensure that: the contractor delivers all the approved system requirements; and that the Office realizes the benefits it planned to receive from the system. Your committee reports that the Office of the Public Trustee has complied with this recommendation.

Public Trustee for Saskatchewan – System acquisition controls need improvement

Your committee concurs with recommendation 2-3, that the Office of the Public Trustee should hire an expert consultant to help strengthen its project management processes. Your committee notes that Office of the Public Trustee is willing to comply with this recommendation if funds become available.

Public Trustee for Saskatchewan – Administration of clients' financial affairs needs improvement

Your committee concurs with recommendation 2-4, that management should obtain the information to determine whether its system of controls for protecting clients' assets is effective, and whether staff follows the Office's rules and procedures for administering clients' affairs. Your committee reports that progress has been made towards complying with this recommendation.

Public Trustee for Saskatchewan – Administration of clients’ financial affairs needs improvement

Your committee concurs with recommendation 2-5, that the Office of the Public Trustee should strengthen its policies for limiting the access to its computer system and data. Your committee reports that progress has been made towards complying with this recommendation.

Public Trustee for Saskatchewan – Administration of clients’ financial affairs needs improvement

Your committee concurs with recommendation 2-6, that the Office of the Public Trustee should: develop rules and procedures to ensure that it correctly record clients’ investment earnings and administration fees; and seek to recover the \$270,000 from former clients or from the Government’s General Revenue Fund. Your committee reports that the Office of the Public Trustee has made an effort to recover the overpayments and to reimburse the common fund, and that it is making progress towards complying with the recommendation.

Public Trustee for Saskatchewan – Administration of clients’ financial affairs needs improvement

Your committee concurs with recommendation 2-7, that the Office of the Public Trustee should promptly: prepare accurate records of the financial and personal items owned by clients; balance its general ledger; and reconcile its bank account. Your committee notes that the Office of the Public Trustee is making progress towards complying with the first point and that it has complied with the second and third points of the recommendation.

Public Trustee for Saskatchewan – Administration of clients’ financial affairs needs improvement

Your committee concurs with recommendation 2-8, that the Office of the Public Trustee should provide additional training to staff in using the computer system to manage the affairs of clients, and that it should update the staff’s procedure manual. Your committee reports that progress has been made towards complying with this recommendation.

Chapter 9 – 2001 Fall Report of the Provincial Auditor (Volume 2)

System to track, enforce and collect fines needs improvement - The distribution and receipt of tickets

Your committee concurs with recommendation 9-1, that the Department of Justice should:

- follow its established procedures for recording tickets distributed to law enforcement agencies; and
- strengthen its procedures to ensure that the Department of Justice records all tickets issued by law enforcement agencies.

Your committee reports that progress has been made towards complying with this recommendation.

Internal audit needs strengthening

Your committee concurs with recommendation 9-2, that the Department of Justice’s Finance and Audit Committee should hold regular meetings to direct and approve the work plans of internal audit; and to review and discuss the findings of internal audit and the Provincial Auditor’s Office.

Better project management practices required

Your committee concurs with recommendation 9-3, that the Department of Justice should strengthen its project management practices by identifying the lessons learned from the Office of the Public Trustee's recent information technology project. Your committee reports that progress has been made towards complying with this recommendation.

Better project management practices required

Your committee concurs with recommendation 9-4, that the Department of Justice should consistently apply its project management practices to ensure appropriate skills, processes, and resources are used to manage its information technology projects.

XVII. DEPARTMENT OF MUNICIPAL AFFAIRS, CULTURE AND HOUSING

Chapter 6 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Saskatchewan Archives Board – Board of Directors needs improved financial reporting

Your committee concurs with recommendation 6A-1, that the Directors of the Saskatchewan Archives Board should review interim financial reports quarterly; and that the Directors should also approve the annual budget before the year begins. Your committee reports that progress has been made towards complying with this recommendation.

Saskatchewan Archives Board – Written and tested contingency plan needed

Your committee concurs with recommendation 6A-2, that the Saskatchewan Archives Board should prepare, test, and approve a written contingency plan. Your committee reports that progress has been made towards complying with this recommendation.

Saskatchewan Archives Board – Written contracts needed

Your committee concurs with recommendation 6A-3, that the Saskatchewan Archives Board should have written contracts with the University of Saskatchewan and Saskatchewan Property Management Corporation. Your committee notes that the Department has complied with the recommendation in regards to the Saskatchewan Property Management Corporation and that it is making progress towards complying in regards to the University of Saskatchewan.

Departmental annual report needs improvement

Your committee concurs with recommendation 6A-4, that the Department of Municipal Affairs, Culture and Housing should continue to improve its annual report.

Audit Conclusions and Findings

In consideration of recommendations 6B-1, 6B-2 and 6B-3, your committee notes that these issues were superseded by Chapter 3 of the Spring 2001 Report of the Provincial Auditor.

Chapter 9 – 2000 Spring Report of the Provincial Auditor

Tabling of financial statements

In consideration of recommendation 9-1, concerning the Saskatchewan Housing Corporation providing the Legislative Assembly with the financial statements of the 14 public housing authorities and the eight housing territories, your committee chose to defer a decision on this recommendation until a future meeting of the committee to allow Members the opportunity to review the Lloydminster Housing Authority Audited Financial Statements (December 31, 1999).

Chapter 3 – 2001 Spring Report of the Provincial Auditor

Department of Municipal Affairs, Culture and Housing – Adequate checks needed

Your committee concurs with recommendation 3-1, that the Department of Municipal Affairs, Culture and Housing should improve its procedures to ensure that provincial-municipal infrastructure grants provided to municipalities meet the conditions of the related program.

Department of Municipal Affairs, Culture and Housing – Federal-provincial infrastructure programs

Your committee concurs with recommendation 3-2, that the Government of Saskatchewan should ensure its agreements contain provisions that clearly assign responsibilities among the partners and provide sufficient resources to carry out administrative and other program requirements (including timely monitoring and reporting on achievement of results).

Saskatchewan Housing Corporation – Tabling of financial statements

Your committee noted the Provincial Auditor's recommendation 3-9, concerning the Saskatchewan Housing Corporation providing the Assembly with the audited financial statements of each of the 20 housing authorities and the eight housing authority territories. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 10

The Standing Committee on Public Accounts defers its decision on this recommendation until further information is available.

XVIII. DEPARTMENT OF POST-SECONDARY EDUCATION AND SKILLS TRAINING

Chapter 5 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Your committee noted that four of the six recommendations in this chapter have been considered and concurred with in earlier committee reports. Only the two new recommendations were addressed.

Tracking and reporting costs related to labour market activities

Your committee concurs with recommendation 5-4, that the Department of Post-Secondary Education and Skills Training should ensure its systems identify and track all costs related to labour market activities and provide regular reporting throughout the year.

Gaining a common understanding on eligible costs

Your committee noted the Provincial Auditor's recommendation 5-5, concerning the Department of Post-Secondary Education and Skills Training working with the Federal Government to gain a common understanding on eligible costs before the Department prepares its budget and incurs related costs. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 11

The Department of Post-Secondary Education and Skills Training should continue to work with the Federal Government to gain a common understanding on eligible costs before the fiscal year begins.

Chapter 5 – 2001 Spring Report of the Provincial Auditor

Carlton Trail Regional College – Written rules and procedures required

Your committee concurs with recommendation 5-1, that the management at Carlton Trail Regional College should prepare written rules and procedures to ensure:

- The College properly authorizes and records transactions; and
- Its senior management reviews and approves key reconciliations of accounting records.

Your committee reports that progress has been made towards complying with this recommendation.

Carlton Trail Regional College – Financial reporting needs improving

Your committee concurs with recommendation 5-2, that the Carlton Trail Regional College should use generally accepted accounting principles to prepare its financial reports throughout the year. Your committee reports that progress has been made towards complying with this recommendation.

Carlton Trail Regional College – Non-compliance with *The Regional Colleges Act*

Your committee concurs with recommendation 5-3, that the Carlton Trail Regional College should submit its budget to the Minister of Post-Secondary Education and Skills Training by the date required by law. Your committee reports that progress has been made towards complying with this recommendation.

Chapter 15 – 2001 Fall Report of the Provincial Auditor (Volume 2)

Detailed findings for the Department – Verifying graduate tax credits

The committee concurs with recommendation 15-1 that the Department of Post-Secondary Education and Skills Training should verify critical information on graduate tax credit applications. Your committee reports that the Department has complied with this recommendation.

Detailed findings for the Student Aid Fund – Financial reporting to Trustees

Your committee concurs with recommendation 15-2 that the Department of Post-Secondary Education and Skills Training should provide the Trustees of the Student Aid Fund with timely quarterly financial statements.

XIX. DEPARTMENT OF SOCIAL SERVICES

Chapter 6 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Your committee noted that several recommendations in this chapter had been considered and dealt with in earlier committee reports.

Internal audits reports are not timely

Your committee concurs with recommendation 6-1, that the Department of Social Services should issue timely internal audit reports.

Rules and procedures need to be followed for social assistance payments

Your committee concurs with recommendation 6-2, that the Department of Social Services should conduct adequate annual reviews to verify that only eligible recipients receive assistance and that they receive the correct amount of assistance.

Internal audit needs to review payments for family and youth program

Your committee concurs with recommendation 6-3, that the Department of Social Services' internal audit function should review the payments made from the new Family and Youth Automated Payment System to ensure payments are made in accordance with the law and the Department's policies

Information technology development practices need strengthening

Your committee concurs with recommendation 6-4, that the Department of Social Services should continue to strengthen its policies and procedures for developing and implementing new Information Technology.

Chapter 13 – 2001 Fall Report of the Provincial Auditor (Volume 2)

Department needs to ensure Saskatchewan Employment Supplement payments comply with the Law

Your committee concurs with recommendation 13-1 that the Department of Social Services should verify the validity of each Saskatchewan Employment Supplement applicant's social insurance numbers. Your committee reports that the Department has made progress towards complying with this recommendation.

Department needs to ensure Saskatchewan Employment Supplement payments comply with the Law

Your committee concurs with recommendation 13-2 that the Department of Social Services should periodically verify the incomes of Saskatchewan Employment Supplement recipients. Your committee reports that the Department has made progress towards complying with this recommendation.

XX. GOVERNMENT E-MAIL SYSTEM

Chapter 9 – 2000 Fall Report of the Provincial Auditor (Volume 3)

SPMC should have objectives for GEMS

Your committee concurs with recommendation 9-1, that the Saskatchewan Property Management Corporation should set specific performance measures for GEMS and report on whether it met those objectives; and further that SPMC should communicate the overall objectives and the performance measures to all GEMS users.

SPMC should have adequate policies and procedures governing GEMS

Your committee concurs with recommendation 9-2, that the Government should establish minimum policies over its shared systems and ensure that adequate policies are developed and implemented, distributed and monitored for compliance.

SPMC should ensure GEMS is available for the users

Your committee concurs with recommendation 9-3, that SPMC should develop and test a complete disaster recovery plan for GEMS. This would include a complete threat and risk assessment to ensure the measures taken to ensure the availability of GEMS are appropriate and cost effective. Your committee reports that Saskatchewan Property Management Corporation has complied with this recommendation.

Compliance with *The Archives Act*

Your committee concurs with recommendation 9-4, that the Government should evaluate the requirements of *The Archives Act* and develop processes to help departments and agencies comply with the requirements of *The Archives Act* for e-mail. Your committee reports that the Information Technology Office of the Department of Economic and Co-operative Development is making progress towards complying with this recommendation.

XXI. INFORMATION TECHNOLOGY SECURITY

Chapter 11 – 1999 Spring Report of the Provincial Auditor

Chapter 18 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Your committee noted that many of the 21 recommendations in these chapters had been considered and dealt with in earlier committee reports and did not require further updates. Only the five new recommendations were addressed.

Security policies and procedures

Your committee concurs with recommendation 18-5, that government agencies should continue to monitor their security policies and procedures to ensure that they meet the needs of the agency and meet or exceed minimum standards. Your committee reports that progress has been made towards complying with this recommendation.

Security awareness

Your committee concurs with recommendation 18-9, that government agencies should ensure that they have written policies and procedures for revoking employee access to information when their employment ends. Your committee reports that progress has been made towards complying with this recommendation.

Protection of IT resources

Your committee concurs with recommendation 18-10, that government agencies should determine their physical security needs and assess the adequacy of their security measures. Your committee reports that progress has been made towards complying with this recommendation.

Protection of IT resources

Your committee concurs with recommendation 18-12, that government agencies should ensure their service contracts include requirements for security and confidentiality. Your committee reports that progress has been made towards complying with this recommendation.

Availability of IT resources

Your committee concurs with recommendation 18-17, that government agencies should specify which systems are critical to the mission of the agency. Your committee reports that progress has been made towards complying with this recommendation.

XXII. IMPROVING ACCOUNTABILITY FOR RESULTS

Chapter 1 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Challenges to moving to accountability for results – Accountability legislation

Your committee does not concur with recommendation 1A-1, that the Government should propose to the Assembly legislation establishing a sound public accountability system that requires:

- agreed-upon plans for the Government as a whole, for key sectors and for individual agencies that are clear as to responsibilities, authorities, performance expectations, and resources needed;
- reliable and timely reports on performance for the Government as a whole, for key sectors and for individual agencies; and
- reasonable reviews of performance by committees of the Assembly.

Challenges to moving to accountability for results – Supervising agency legislation

Your committee noted the Provincial Auditor's recommendation 1B-1, concerning the Government considering in its public accountability project a review of supervising agency legislation to give departments and agencies the needed managerial authority to achieve, and be accountable for, results. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 12

In light of the information that was presented and received by the Standing Committee on Public Accounts, the committee notes the progress achieved thus far between the Department of Finance and the implementation of the recommendation contained in the Auditor's Report.

Challenges to moving to accountability for results – Organizational capability - Adequate reviews by legislators

Your committee does not concur with recommendation 1A-3, that until current legislation is changed, the Assembly should be recommended to consider amending its rules to automatically refer all annual reports it receives to its standing committees for review.

Elements of sound public plans

Your committee does not concur with recommendation 1A-4, that each year, the Government should give to the Legislative Assembly public plans for the Government as a whole, for key sectors of government, and for individual agencies containing useful information on:

- legal mandate (including responsibilities and authorities);
- overall direction and key risks;
- strategies to achieve the overall direction;
- resources required to carry out strategies; and
- key targets and performance measures.

Government sector financial statements

Your committee noted the Provincial Auditor's recommendation 1D-1, concerning the Government studying the merits of preparing governmental sector financial statements. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 13

The Standing Committee on Public Accounts defers its decision on this recommendation until further information is available.

The committee does acknowledge that the Province currently provides financial accountability to the public through the Estimates, Public Accounts and the Mid-Year Report. The Province recently completed a study regarding performance management and accountability reporting. Based on the results and recommendations of this study, an accountability project has been established to make improvements to accountability and performance management. The project team is currently working with government departments to develop goals, objectives and achievement targets of the provincial government departments.

The Standing Committee on Public Accounts also notes the Public Sector Accounting Board (PSAB) may report on this issue.

XXIII. IMPROVING PUBLIC SECTOR PLANNING AND REPORTING

Chapter 1 – 2001 Spring Report of the Provincial Auditor

Key processes to plan

Your committee concurs with recommendation 1A-1, that the Government and its agencies should consider the processes to plan outlined in this chapter when they develop or revise their long-term plans. Your committee notes that the Government has made progress towards complying with this recommendation.

Principles for performance reporting

Your committee concurs with recommendation 1C-1, that the Government should consider the reporting principles outlined in this chapter as it continues to develop public reporting guidelines for its agencies. Your committee notes that the Government has made progress towards complying with this recommendation.

XXIV. PENSIONS

Chapter 12 – 1999 Spring Report of the Provincial Auditor

Your committee reports that the recommendations contained in this chapter were repeated in Chapter 8 of the *Spring 2000 Report of the Provincial Auditor*. Your committee chose to address the recommendations during its consideration of Chapter 8.

Chapter 8 – 2000 Spring Report of the Provincial Auditor

Systems and practices used by pension plans to maximize investment earnings - Process for selecting investment managers

Your committee concurs with recommendation 8-1, that all pension plans should document their process for selecting investment managers.

Defined contribution pension plans allocate earnings consistently, except for the Saskatchewan Pension Plan

Your committee concurs with recommendation 8-2, that the Saskatchewan Pension Plan's *statement of investment objectives* should clearly set out and state the risk level acceptable to its plan members and the Government; and that the pension plan's investment objectives should be based on the risk level acceptable to plan members and the Government.

Defined contribution pension plans allocate earnings consistently, except for the Saskatchewan Pension Plan

Your committee does not concur with recommendation 8-3, that the Government should ensure that the Saskatchewan Pension Plan allocates all investment earnings to its members.

Government should use consistent estimates

Your committee noted the Provincial Auditor's recommendation 8-4, concerning the Government calculating its pension liability for each of its defined benefit pension plans using consistent estimates. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 14

The Standing Committee on Public Accounts concurs with this recommendation and recommends that the Government should continue to work towards the adoption of consistent estimates of inflation by all Government pension plans.

Pension task force not established

Your committee does not concur with recommendation 8-5, that the Government should establish a task force to study the many issues related to pension plans

Pension task force not established – cash required for unfunded liabilities

Your committee concurs with recommendation 8-6, that the Department of Finance should provide a report to the Standing Committee on Public Accounts showing how the Government plans to address its future cash requirements for the pensions promised. Your committee notes that the Department has complied with this recommendation. This report was tabled with the committee as document number PAC 12/24 and may be viewed in the Office of the Clerk.

Verification of investment manager performance reports and compliance reports

Your committee concurs with recommendation 8-7, that pension plans should verify investment managers' compliance reports.

Reporting of investment performance

Your committee noted the Provincial Auditor's recommendation 8-8, concerning the Workers' Compensation Board Superannuation Plan, Capital Pension Plan Inc., and Saskatchewan Pension Plan disclosing their actual and targeted rates of return in their audited financial statements. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 15

The Standing Committee on Public Accounts does not concur and acknowledges that there is no accounting requirement to include this information in pension plan financial statements to the exclusion of other reporting mechanisms.

Chapter 8 – 2001 Spring Report of the Provincial Auditor

Certain pension plans need to ensure that they comply with the law

Your committee concurs with recommendation 8-1, that the Pension Plans should establish rules and procedures to ensure all retired members receiving a pension, who have returned to work for the Government, are paid in accordance with the law; or alternatively, the Pension Plans should seek changes to the law.

Advisory Committee

Your committee disagrees with recommendation 8-2, that the Government should establish an oversight body to provide advice to the Government about its pension plans, and to provide guidance and direction to its pension plans. Your committee notes that the Government does have systems in place to manage its public sector pension plans.

Chapter 5 – 2001 Fall Report of the Provincial Auditor (Volume 2)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no recommendations to report on.

XXV. PLANNING FOR YEAR 2000 and LEARNING FROM YEAR 2000

Chapter 17 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Chapter 15 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Observations

Your committee concurs with recommendation 17-1, that the Y2K Office, the Crown Investments Corporation and the Department of Health record the lessons learned from the Year 2000 work so that they can be used in future government projects. Your committee reports that the government have complied with this recommendation.

XXVI. RATE REGULATION IN THE PUBLIC SECTOR

Chapter 3 – 2000 Spring Report of the Provincial Auditor

Your committee reports that this chapter was received and reviewed for informational purpose and that there were no recommendations to report on.

XXVII. SASKATCHEWAN CROP INSURANCE CORPORATION

Chapter 4 – 1999 Spring Report of the Provincial Auditor

Criterion 1 – Adequacy of rules and procedures used to adjust claims

Your committee concurs with recommendation 4-1, that Saskatchewan Crop Insurance Corporation's audit division should report directly to the Board or a committee of the Board on the adequacy of rules and procedures that management uses to adjust claims; that the Board should review and approve the audit division's work plan and resources; and further that the Board needs to receive regular reports on the examinations and investigations carried out by the audit division including the work done on the adequacy of the SCIC's rules and procedures to adjust claims. Your committee reports that progress has been made towards complying with this recommendation.

Criterion 1 – Provision of operating divisions' plans and performance reports

Your committee concurs with recommendation 4-2, that the Saskatchewan Crop Insurance Corporation's management needs to provide better information to the Board on operating divisions' plans and performance reports on how divisions are doing compared to what they planned. Your committee reports that progress has been made towards complying with this recommendation.

Criterion 2 – Adequacy of training for adjusters

Your committee concurs with recommendation 4-3, that the Saskatchewan Crop Insurance Corporation should improve the guidance it gives to the claim adjusters to enable them to identify suspicious claims; and further that the Saskatchewan Crop Insurance Corporation should also establish written rules and procedures for investigating suspicious claims. Your committee reports that progress has been made towards complying with this recommendation.

Criterion 3 – Adjusters should document their work

Your committee concurs with recommendation 4-4, that the Saskatchewan Crop Insurance Corporation should ensure that adjusters leave clear evidence of work they have done to adjust or to verify claims. Your committee reports that progress has been made towards complying with this recommendation.

Criterion 5 – Auditors should document their work

Your committee concurs with recommendation 4-5, that the Saskatchewan Crop Insurance Corporation should ensure that auditors leave clear evidence of the work they have done to adjust or to verify claims. The committee noted that the Department is making progress towards complying with the recommendation.

XXVIII. STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chapter 17 – 1999 Spring Report of the Provincial Auditor

Your committee received an overview of this chapter and then accepted the suggestion of the Office of the Provincial Auditor to defer any decisions on the chapter until it could be considered in conjunction with a revised chapter included in the *Spring 2001 Report of the Provincial Auditor*.

Chapter 10 – 2001 Spring Report of the Provincial Auditor

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no recommendations to report on.

XXIX. TOWARDS A BETTER PUBLIC ACCOUNTABILITY SYSTEM

Chapter 1 – 2000 Spring Report of the Provincial Auditor

Sustaining a sound public accountability system

Your committee does not concur with recommendation 1-1, that the Government should propose to the Assembly legislation establishing a sound public accountability system that includes:

- agreed upon plans for the Government as a whole, for key sectors and for individual agencies that are clear as to responsibilities, authority, performance expectations, and resources needed,
- reliable and timely reports on performance for the Government as a whole, for key sectors and for individual agencies, and,
- reasonable reviews of performance by committees of the Assembly.

XXX. UNDERSTANDING THE FINANCES OF GOVERNMENT

2000 Fall Report of the Provincial Auditor (Volume 1)

The Government's performance

Your committee noted the Provincial Auditor's two recommendations, concerning Cabinet improving its published overall plan by showing clearly the broad direction of the entire Government from both a financial and operational perspective; and Cabinet preparing and publishing better performance reports for the entire Government that show its progress (both financial and operational) toward achieving the goals set out in its overall plan. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 16

Your committee does not concur with this recommendation. The committee notes considerable progress in the matter of government reporting and further recognizes that there is ongoing work in CIC and Executive government on strategic planning and performance measurement.

Your committee also recognizes there is an appropriate separation between CIC budgeting and Executive Council budgeting, and further recognizes that these budgets are linked through the CIC dividend.

It is the committee's opinion that this is an appropriate budgeting process.

2001 Fall Report of the Provincial Auditor (Volume 1)

Financial plan for the entire Government

In consideration of recommendation 1, that the Government should publish a financial plan for the entire Government, your committee chose to defer its decision until the committee had received a presentation from officials of the Provincial Auditor's Office and the Department of Finance on how other governments had approached the issue.

XXXI. WORKERS' COMPENSATION BOARD

Chapter 7 – 2001 Spring Report of the Provincial Auditor

Workers' Compensation Board needs disaster recovery plan

Your committee concurs with recommendation 7-1, that the Workers' Compensation Board should prepare an adequate disaster recovery plan and that it should test that plan to ensure it works. Your committee notes that the Government has made progress towards complying with this recommendation.

Workers' Compensation Board needs to provide public disclosure of payments

Your committee noted the Provincial Auditor's recommendation 7-2, concerning the Workers' Compensation Board publishing a list of persons, other than injured workers, who received money from it and the amounts the person received following the Standing Committee on Public Accounts current minimum disclosure amounts, and alternatively, the Workers' Compensation Board discussing with the committee a different public disclosure requirement to meet the MLAs' objectives. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 17

The Workers' Compensation Board should be exempt from having to provide a list of its payees.

XXXII. WORKING TOGETHER TO GATHER INFORMATION FOR PUBLIC REPORTS

Chapter 16 – 1999 Fall Report of the Provincial Auditor (Volume 2)

Your committee endorses the process outlined in this chapter and encourages the Government to use this model for preparing public reports when other intersectoral initiatives are contemplated.

Respectfully submitted,

Ken Krawetz, Chair
Standing Committee on Public Accounts

APPENDIX of the THIRD REPORT
List of Officials and Witnesses

Provincial Auditor's Office

Fred Wendel, Acting Provincial Auditor

Bashar Ahmad, Executive Director

Mark Anderson, Manager

Brian Atkinson, Acting Assistant Provincial Auditor

Jolene Beblow, Manager

Jamie Burrows, Acting Manager

Tara Clemett, Manager

Phil Creaser, Principal, Information Technology

Michelle DeCorby, Auditor

Kelly Deis, Principal

Deann Dickin, Executive Assistant

Judy Ferguson, Executive Director

Cindy Fysh, Auditor

Rod Grabarczyk, Principal

Bill Harasymchuk, Manager

Michael Heffernan, Executive Director

Angie Hungle, Auditor

Rodd Jersak, Principal

Jane Knox, Principal

Jeff Kress, Manager

Kami Lahti, Acting Manager

Kim Lowe, Auditor

Dale Markewich, Acting Executive Director

Andrew Martens, Principal

Joanne Matchett, Manager

Ed Montgomery, Executive Director

Glen Nyhus, Principal

Lloyd Orange, Project Leader

Charlene Paul, Auditor

Amy Schwab, Acting Manager

Victor Schwab, Manager, Information Technology

Rena Strecker, Acting Manager

Rosemarie Volk, Principal

Leslie Wendel, Manager

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List of Officials and Witnesses

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller

Chris Bayda, Executive Director, Financial Management Branch
Jane Borland, Manager, Financial Management Branch
Larry Boys, Manager, Financial Management Branch
Erich Finkeldey, Senior Analyst, Financial Management Branch
Lisa Healy, Senior Analyst, Financial Management Branch
Garth Herbert, Analyst, Financial Management Branch
Jeannette Lowe, Treasury Board Analyst, Budget and Program Review Section
Tamara Stocker, Analyst, Financial Management Branch
Lori Taylor, Manager, Financial Management Branch
Elaine Wood, Senior Analyst, Financial Management Branch

Selection Committee

G.N. (Arnie) Arnott, Vice-president, Finance & Administration, Saskatchewan Blue Cross
Clare Isman, Executive Director, Human Resource Development, Public Service Commission
Margaret A. Woods, Clerk Assistant, Legislative Assembly of Saskatchewan

Witnesses

Crown Investments Corporation of Saskatchewan

Nancy Croll, Senior Project Manager, Crown Corporation Services Division
Mike Shaw, Senior Vice-President
Blair Swystun, Executive Director, Finance, Finance and Administration Division

Department of Agriculture

Gord Nystuen, Deputy Minister
Laurier Donais, Senior Manager, Administrative Services Branch
Ken Petruic, Manager, Financial Services, Administrative Services Branch
Stuart Pollon, Senior Manager, Assurance and Business Advisory Services, KPMG LLP
Jamie Wilson, Assurance and Business Advisory Services, KPMG LLP
Jack Zepp, Director, Administrative Services Branch

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List of Officials and Witnesses

Department of Economic and Co-operative Development

Larry Spanier, Deputy Minister
Robert Hersche, Executive Director, Policy and Planning/Telecommunications,
Information Technology Office
Lynn Oliver, Chief Information Officer, Information Technology Office
Tim Whelan, Senior Advisor, Electronic Government, Information Technology
Office & Security and Privacy, Information and Technology Office

Department of Education

Craig Dotson, Deputy Minister
Frances Bast, Director, Finance and Administration
John McLaughlin, Executive Director, Teachers' Superannuation Commission
Jane Thurgood Sagal, Director, Curriculum and Instruction

Department of Energy and Mines

Ray Clayton, Deputy Minister
Donald Koop, Assistant Deputy Minister

Department of Environment and Resource Management

Stuart Kramer, Deputy Minister
Michelle Arscott, Senior Financial Consultant
Donna Johnson, Acting Executive Director, Corporate Services Division
Dave Phillips, Assistant Deputy Minister, Operations Division
Bob Ruggles, Assistant Deputy Minister, Programs Division
Dave Tulloch, Senior Manager, Strategic Performance and Financial Management
Lynn Tulloch, Executive Director, Corporate Services Division

Department of Executive Council

Dan Perrins, Deputy Minister
Bonita Cairns, Director, Administration and Information Systems
Jim Nicol, Acting Director, Senior Management Services and Executive Assistant to
the Deputy Minister

Department of Finance

Paul Boothe, Deputy Minister
Ron Styles, Deputy Minister
Joanne Brockman, Executive Director, Economic and Fiscal Policy Branch
Naomi Mellor, Executive Director, Performance Management Branch
Terry Paton, Provincial Comptroller
Dennis Polowyk, Assistant Deputy Minister, Treasury and Debt Management
Division
Brian Smith, Executive Director, Public Employees Benefits Agency
Jeff Stepan, James P. Marshall pension consulting firm.
Kathy Strutt, General Manager, Saskatchewan Pension Plan

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List of Officials and Witnesses

Glen Veikle, Assistant Deputy Minister, Treasury Board Branch

Department of Health

Glenda Yeates, Deputy Minister

Dan Florizone, Assistant Deputy Minister

Neil Gardner, Executive Director, Corporate Information and Technology Branch

Bert Linklater, Executive Director, District Management Services Branch

Chuck McDonald, Director, Administration, Finance and Administration

Leslie Parker, Director, Capital Management Team, District Management Services Branch

Steven Pillar, Associate Deputy Minister

Rod Wiley, Executive Director, Finance & Management Services Branch

Jack Wilkie, Manager, Technology Solutions, Corporate Information and Technology Branch

Department of Justice

John D. Whyte, Deputy Minister of Justice and Deputy Attorney General

John Baker, Executive Director, Law Enforcement Services

Rod Crook, Executive Director, Registry Services

Barb Hookenson, Executive Director, Court Services

Ron Kruzeniski, Public Trustee

Kevin Kuntz, Financial Administrator, Corrections

Stella LaRocque, Assistant Director, Administrative Services

Keith Laxdal, Associate Deputy Minister, Finance and Administration

Doug Moen, Executive Director, Public Law and Community Justice

Mike Pestill, Acting Director, Administrative Services /

Manager, Financial Services, Public Law and Community Justice

Elizabeth Smith, Director, Administrative Services

Department of Municipal Affairs, Culture and Housing

Brij Mathur, Acting Deputy Minister

Joylene Campbell, Acting Provincial Librarian

Jan Carter, Executive Director, Corporate Services

Larry Chaykowski, Executive Director, Finance, Administration and Facilities & Housing Financial Operations

Bonnie Donison, Ministerial Assistant

John Edwards, Acting Assistant Deputy Minister, Municipal and Community Services

Peter Hoffmann, Assistant Deputy Minister, Housing and President, Saskatchewan Housing Corporation

Russ Krywulak, Executive Director, Grants Administration and Provincial-Municipal Relations

Mariette Nygren, Executive Director, Business Operations & Information Technology

Trevor Powell, Provincial Archivist, Saskatchewan Archives Board

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List of Officials and Witnesses

Department of Post-Secondary Education and Skills Training

Neil Yeates, Deputy Minister
Mae Boa, Executive Director, Finance and Operations Branch
John Janzen, Acting Executive Director, Student Financial Assistance Branch
Brady Salloum, Executive Director, Student Financial Assistance Branch
Gordon Sisson, Director, Financial Planning, Finance and Operations
Lily Stonehouse, Assistant Deputy Minister

Department of Social Services

Bonnie Durnford, Deputy Minister
Don Allen, Executive Director, Financial Management Division
Shelley Hoover, Assistant Deputy Minister, Policy
Darcy Smycniuk, Acting Executive Director, Financial Management Division
Phil Walsh, Executive Director, Income Security Division
Bob Wihlidal, Acting Assistant Deputy Minister

Office of the Chief Electoral

Jan Baker, Chief Electoral Officer
Michael Mahon, Assistant Chief Electoral Officer

Saskatchewan Crop Insurance Corporation

Doug Matthies, General Manager, Saskatchewan Crop Insurance Corporation

Saskatchewan Property Management Corporation

John Law, President
John Dumalski, Acting Controller
Phil Lambert, Director of Communications
Al Moffat, Vice-President, Commercial Services

Workers' Compensation Board

John Solomon, Chairman
Peter Federko, Chief Executive Officer
John Aitken, Deloitte & Touche