

STANDING COMMITTEE ON PUBLIC ACCOUNTS



FOURTH REPORT

June 25 2003

4th SESSION of the 24th LEGISLATURE

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

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*Fourth Report of the Standing Committee on Public Accounts
Twenty-fourth Legislature*

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

I. INTRODUCTION

Business Conducted

This report reflects the work of the committee during the Third and Fourth 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 24, 2003.

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

- *1999 Fall Report of the Provincial Auditor (Volume 2)*
- *2000 Fall Report of the Provincial Auditor (Volume 3)*
- *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)*
- *2002 Spring Report of the Provincial Auditor*
- *2002 Fall Report of the Provincial Auditor (Volume 1)*

In some instances, your committee has deferred its decision on the Provincial Auditor's recommendations pending the receipt of further information. These will be followed up during future meetings.

Your committee has begun consideration of the following report:

- *2002 Fall Report of the Provincial Auditor (Volume 2)*

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. Ms. Brenda Bakken was appointed to Mr. Carl Kwiatkowski's position as of May 28, 2003. Four members, Mr. Rod Gantefoer, 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. REVIEW OF THE BUSINESS AND FINANCIAL PLAN OF THE OFFICE OF THE PROVINCIAL AUDITOR

As part of its terms of reference, the Standing Committee on Public Accounts is responsible for reviewing and approving the business and financial plan of the Office of the Provincial Auditor. Your committee began its review by receiving an overview of the business and financial plan by the Provincial Auditor, and then considered and adopted two resolutions, which were as follows:

RESOLUTION #1

That the 2003-2004 Estimates of the Office of the Provincial Auditor (Vote 28, sub vote PA01 – Provincial Auditor) be approved, as submitted, in the amount of \$5,277,000.

RESOLUTION #2

That the 2003-2004 Estimates of the Office of the Provincial Auditor (Vote 28, sub vote PA02 – Unforeseen Expenses) be approved, as submitted, in the amount of \$350,000.

These resolutions were forwarded to the Speaker of the Assembly, in his capacity as Chair of the Board of Internal Economy, on December 17, 2002 for inclusion in the estimates of the Legislative Branch of Government.

Your committee wishes to thank the 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.

III. BOARD OF INTERNAL ECONOMY

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

Chapter 17 – 2000 Fall Report of the Provincial Auditor (Volume 3)

Chapter 17 – 2001 Fall Report of the Provincial Auditor (Volume 2)

In consideration of the recommendations in these chapters, your committee chose to make the following recommendation:

RECOMMENDATION 1

The Standing Committee on Public Accounts recommends to the Assembly that those chapters of the Provincial Auditor's Reports dealing with the Board of Internal Economy be referred to the Board for its review and consideration.

IV. CHIEF ELECTORAL OFFICER

Chapter 9 – 2002 Spring Report of the Provincial Auditor

Completeness of returns and anonymous donations not checked

Your committee disagrees with recommendation 9-1 that *The Election Act, 1996* should be changed to require auditors of returns to report whether the returns of the candidates and of the registered political parties present fairly the contributions received and expenses incurred.

Completeness of returns and anonymous donations not checked

Your committee noted recommendation 9-2, concerning the changing of *The Election Act, 1996* to require auditors of returns of political parties and candidates to report on compliance with the Electoral Office's rules to ensure completeness of returns. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 2

The Standing Committee on Public Accounts does not concur with the recommendation 9-2 in light of the guidelines that have been issued by the Chief Electoral Officer.

Improved public accountability required

Your committee concurs with recommendation 9-3 that the Electoral Office should prepare and submit to the Speaker its annual report as required by *The Election Act, 1996*. The committee noted that the Office of the Chief Electoral Officer is making progress towards complying with the recommendation and strongly recommends that an annual report be tabled in the Assembly by March 2003.

V. 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

Your committee considered 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 was advised that the Provincial Auditor based his recommendation on a legal opinion he had received while the department indicated that it had proceeded on the basis of its own legal opinion which felt that an order in council was not required for the transfer to take place. As the transfer had already taken place and a retroactive order in council could not be obtained, the issue had become moot. Your committee then agreed to consider the matter closed.

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, which the committee previously considered on November 1, 2001, your committee was advised that the Canadian Institute of Chartered Accountants (CICA) was still reviewing the related accounting issues. Accordingly, it was agreed to continue postponing a decision on these recommendations until the CICA review had been completed.

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, which the committee previously considered on November 1, 2001, your committee was advised that the Canadian Institute of Chartered Accountants (CICA) was still reviewing the related accounting issues. Accordingly, it was agreed to continue postponing a decision on these recommendations until the CICA review had been completed.

Chapter 11 – 2001 Fall Report of the Provincial Auditor (Volume 2)

Saskatchewan Agricultural Stabilization Fund – Timely annual report required

Your committee concurs with recommendation 11-1 that the Department of Agriculture and Food should prepare an appropriate annual report for the Saskatchewan Agricultural Stabilization Fund. Your committee reports that the Department of Agriculture and Food has complied with the recommendation.

Saskatchewan Agricultural Stabilization Fund – Timely annual report required

Your committee concurs with recommendation 11-2 that the Department of Agriculture and Food should provide the Saskatchewan Agricultural Stabilization Fund's annual report, including audited financial statements, to the Legislative Assembly by the date required by law. Your committee reports that the Department of Agriculture and Food has complied with the recommendation

Pastures Revolving Fund – Financial management needs improvement

Your committee concurs with recommendation 11-3 that the Department of Agriculture and Food should develop procedures to ensure that its staff are aware of all authorized revenue it is responsible for collecting. Your committee reports that the Department of Agriculture and Food has complied with the recommendation.

Livestock Services Revolving Fund – Financial reporting needs improvement

Your committee concurs with recommendation 11-4 that the Department of Agriculture and Food should prepare accurate quarterly and annual financial statements and submit them to Treasury Board in accordance with the requirements of the Financial Administration Manual. Your committee reports that the Department of Agriculture and Food has complied with the recommendation.

Prairie Agricultural Machinery Institute – Control of bank account required

Your committee concurs with recommendation 11-5 that the Prairie Agricultural Machinery Institute should adequately segregate the duties of employees who control the bank account. Your committee reports that the Prairie Agricultural Machinery Institute has complied with the recommendation.

Saskatchewan Crop Insurance Corporation – Timely annual report required

Your committee concurs with recommendation 11-6 that the Saskatchewan Crop Insurance Corporation should give its annual report to the Legislative Assembly by the date required by law. Your committee reports that the Saskatchewan Crop Insurance Corporation has complied with the recommendation.

VI. DEPARTMENT OF EDUCATION

Chapter 14 – 2001 Fall Report of the Provincial Auditor (Volume 2)

Rate used not in accordance with regulations

Your committee concurs with recommendation 14-1 that the Department of Learning should follow the rates set out in the School Grant Regulations when determining its share of the costs of capital projects.

VII. DEPARTMENT OF ENERGY AND MINES

Chapter 16 – 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 further recommendations to report on. However, the committee did reaffirm the position it took on previous recommendations as noted in the Third Report.

VIII. DEPARTMENT OF ENVIRONMENT AND RESOURCE MANAGEMENT

Chapter 14 – 2002 Fall Report of the Provincial Auditor (Volume 2)

Control over capital assets needed

Your committee concurs with recommendation 14-1 that the Department of Environment and Resource Management should ensure staff follow the Department's established rules and procedures to control the Department's capital assets; and describe the capacity of each major category of capital assets, the extent to which the use of capital assets achieved planned results, and the strategies used to manage major risks of the key capital assets in its annual report.

Complete contingency plan needed

Your committee concurs with recommendation 14-2 that the Department of Environment and Resource Management should prepare a complete written information technology contingency plan based on a risk analysis and test that plan to ensure that it works. Your committee reports that the Department of Environment and Resource Management is making progress towards complying with the recommendation.

Annual report needs improvement

Your committee concurs with recommendation 14-3 that the Department of Environment and Resource Management should prepare a report on the operations of its special purpose funds and make that report public.

Forest Fire Contingency Fund – Reliability of the financial statements

In consideration of recommendation 14-4 that the Department of Environment and Resource Management should record the money received from the General Revenue Fund (GRF) as a liability of the Forest Fire Contingency Fund until the Department incurs costs to fight escaped fires or until it returns the money to the GRF, 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.

IX. DEPARTMENT OF FINANCE

Chapter 10 – 2002 Spring Report of the Provincial Auditor

Learning culture for reporting results

Your committee concurs with recommendation 10-1 that the Department of Finance should give departments a multi-year timetable with targets for incremental improvement in performance plans and reports of results. Your committee reports that the Department of Finance is making progress towards complying with the recommendation.

Learning culture for reporting results

Your committee concurs with recommendation 10-2 that the Department of Finance should be proactive in establishing a web site or intranet among departments to communicate best practices from research and innovations for improved performance management and reporting. Your committee reports that the Department of Finance is making progress towards complying with the recommendation.

X. DEPARTMENT OF HEALTH

Chapter 11 – 2002 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.

XI. DEPARTMENT OF INTERGOVERNMENTAL AND ABORIGINAL AFFAIRS

Chapter 8 – 2001 Fall Report of the Provincial Auditor (Volume 2)

Improving supervisory responsibility over First Nations Fund

Your committee concurs with recommendation 8A-1 that the Department of Intergovernmental and Aboriginal Affairs should supervise the Trustees of the First Nations Fund to ensure the Trustees spend public money with due care and in accordance with the provincial legislation. Your committee reports that the Department of Government Relations and Aboriginal Affairs is making progress towards complying with the recommendation.

First Nations Fund – Ensuring that the money the Trustees pay to the First Nations is used for the purposes described in the Act

Your committee concurs with recommendation 8A-2 that the Trustees should establish rules and procedures to ensure that the First Nations only use the money received from the Trustees for the purposes described in *The Saskatchewan Gaming Corporation Act*. Your committee reports that the Department of Government Relations and Aboriginal Affairs is making progress towards complying with the recommendation.

First Nations Fund – Ensuring that the money the Trustees give to the FSIN is spent for the purposes intended

Your committee concurs with recommendation 8A-3 that the Trustees should establish rules and procedures to ensure that the recipient organizations only use the money received from the Trustees for the purposes described in *The Saskatchewan Gaming Corporation Act* and the Framework Agreement. Your committee reports that the Department of Government Relations and Aboriginal Affairs is making progress towards complying with the recommendation.

First Nations Fund – Ensuring that the money the Trustees give to the FSIN is spent for the purposes intended – Certain transactions not permitted under the law

Your committee concurs with recommendation 8A-4 that the Trustees should ensure that all payments comply with the law. Your committee reports that the Department of Government Relations and Aboriginal Affairs is making progress towards complying with the recommendation.

First Nations Fund – Ensuring that the money the Trustees give to the FSIN is spent for the purposes intended – Public accountability – preparation of an annual report

Your committee concurs with recommendation 8A-5 that the Trustees should prepare an annual report that includes:

- The Fund's audited financial statements;
- The Fund's goals and objectives;
- The Fund's planned and actual performance;
- The Fund's risks and how the Trustees are managing those risks; and
- A list of persons and organizations who have received money from the Fund and the amounts each person and organization received.

Your committee reports that the Department of Government Relations and Aboriginal Affairs is making progress towards complying with the recommendation.

Coordinating action across government

Your committee concurs with recommendation 8B-1 that the Department of Intergovernmental and Aboriginal Affairs should establish processes to obtain regular written reports from the participating departments on actions they take toward achieving the goals set out in *A Framework for Cooperation*. Your committee reports that the Department of Government Relations and Aboriginal Affairs is making progress towards complying with the recommendation.

XII. DEPARTMENT OF JUSTICE

Chapter 14 – 2002 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.

XIII. DEPARTMENT OF LABOUR

Chapter 12 – 2002 Spring Report of the Provincial Auditor

Monitoring for workplace safety

Your committee concurs with recommendation 12-1 that Department of Labour should improve its processes to respond consistently to occupational health committees that request assistance, and to identify occupational health committees that do not conduct workplace safety inspections regularly.

Monitoring for workplace safety

Your committee concurs with recommendation 12-2 that Department of Labour should take consistent action when occupational health committees in high-risk work places do not submit timely minutes or do not respond to repeated requests from the Department.

XIV. DEPARTMENT OF MUNICIPAL AFFAIRS AND HOUSING

Chapter 13 – 2002 Spring Report of the Provincial Auditor

Saskatchewan Housing Corporation

Your committee concurs with recommendation 13-1 that the Saskatchewan Housing Corporation should provide the Legislative Assembly with a schedule showing the following information: the assets, liabilities, revenues, and expenditures of the housing authorities and territories included in the Corporation's consolidated financial statements; and that the schedule should indicate that the audited financial statements are available upon request. Your committee reports that the Department of Social Services has complied with the recommendation.

XV. ELECTRONIC SERVICE DELIVERY IN GOVERNMENT

Chapter 2 – 2001 Fall 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.

XVI. LIQUOR AND GAMING AUTHORITY (including SASKATCHEWAN INDIAN GAMING AUTHORITY)

Chapter 6 – 2002 Fall Report of the Provincial Auditor (Volume 2)

Proper management of public money under SIGA's control needed – SIGA's business and financial plan

Your committee concurs with recommendation 6A-1 that the Liquor and Gaming Authority should ensure that SIGA's Board prepares and communicates its long term strategic direction to management; and that SIGA prepares and submits for approval a complete business and financial plan setting out performance targets. Your committee reports that the Liquor and Gaming Authority and SIGA are making progress towards complying with the recommendation. It is the committee's expectation that compliance will be achieved by January 2004.

Proper management of public money under SIGA's control needed – policies and procedures

Your committee concurs with recommendation 6A-4 that the Liquor and Gaming Authority should frequently audit SIGA's operations to ensure that SIGA complies with the Framework and Casino Operating Agreements; and that SIGA incurs and deducts only reasonable expenses from public money. Your committee reports that the Liquor and Gaming Authority and SIGA are making progress towards complying with the recommendation.

Proper management of public money under SIGA's control needed – policies and procedures

Your committee concurs with recommendation 6A-5 that the Liquor and Gaming Authority should prepare a formal training plan for its employees and should co-ordinate work among its branches. Your committee reports that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Proper management of public money under SIGA's control needed – policies and procedures

Your committee concurs with recommendation 6A-6 that the Liquor and Gaming Authority should ensure inspections/audits are completed as planned or document why the plan was changed. Your committee reports that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Proper management of public money under SIGA's control needed – policies and procedures

Your committee concurs with recommendation 6A-7 that the Liquor and Gaming Authority should document procedures for reporting and following up its audit/inspection findings with SIGA. Your committee reports that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Proper management of public money under SIGA's control needed – policies and procedures

Your committee concurs with recommendation 6A-8 that the Liquor and Gaming Authority should receive and formally approve SIGA's casino operating policies and procedures on a timely basis. Your committee reports that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Proper management of public money under SIGA's control needed – policies and procedures

Your committee concurs with recommendation 6A-9 that the Liquor and Gaming Authority should receive and approve SIGA's budget on a timely basis and have procedures for approving changes to the budget. Your committee reports that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Improper use of public money

In consideration of recommendation 6A-10 that the Liquor and Gaming Authority should authorize SIGA to spend money on expenses only necessary to operate casinos, your committee notes that the Provincial Auditor and the Liquor and Gaming Authority have received opposing legal opinions. Your committee agreed to postpone a decision on this recommendation until these have been clarified.

Timely calculation and payment of Goods and Services Tax needed

Your committee concurs with recommendation 6A-11 that the Liquor and Gaming Authority should establish rules and procedures to ensure timely calculation and payment of GST on its slot machine operations. Your committee reports that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Better monitoring of gaming operators needed

Your committee concurs with recommendation 6A-12 that the Liquor and Gaming Authority should strengthen its rules and procedures to ensure gaming operators use only registered gaming suppliers. Your committee reports that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Electronic gaming devices need proper testing

Your committee concurs with recommendation 6A-13 that the Liquor and Gaming Authority should establish standards for independent testing laboratories to use when testing slot machines and VLTs; and to ensure that the laboratories use those standards to test the Liquor and Gaming Authority's slot machines and VLTs. Your committee reports that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Better monitoring of table games needed

Your committee concurs with recommendation 6A-14 that the Liquor and Gaming Authority should establish rules and procedures to periodically monitor the actual house advantage for table games. Your committee reports that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Annual Report needs improvement

Your committee concurs with recommendation 6A-15 that the Liquor and Gaming Authority should improve its annual report. Your committee reports that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Improper use of public money

In consideration of recommendation 6B-1 that the Saskatchewan Indian Gaming Authority should incur only costs necessary to operate its casinos under the Casino Operating Agreement, your committee notes that the Provincial Auditor and the Liquor and Gaming Authority have received opposing legal opinions. Your committee agreed to postpone a decision on this recommendation until these have been clarified.

Strategic and business and financial plans needed

Your committee concurs with recommendation 6B-2 that the Board of Directors of the Saskatchewan Indian Gaming Authority should document and communicate to its senior management the goals and objectives of SIGA.

Strategic and business and financial plans needed

Your committee concurs with recommendation 6B-3 that the Saskatchewan Indian Gaming Authority should prepare a complete business and financial plan for its operations. Your committee reports that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.

Board needs to set is financial and operational reporting requirements

Your committee concurs with recommendation 6B-4 that the Board of Directors of the Saskatchewan Indian Gaming Authority should define its operational and financial information needs and communicate those needs to management for regular reporting. Your committee reports that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.

Complete human resource policies needed

Your committee concurs with recommendation 6B-5 that the Saskatchewan Indian Gaming Authority should establish complete written policies for management and staff pay, benefits, development, and performance evaluation. Your committee reports that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.

Policies and procedures needed for marketing and promotion activities

Your committee concurs with recommendation 6B-6 that the Saskatchewan Indian Gaming Authority should establish policies and procedures for its marketing and promotion activities. Your committee reports that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.

Staff need to comply with established rules and procedures – Lack of compliance with approved sponsorship policy

Your committee concurs with recommendation 6B-7 that the Saskatchewan Indian Gaming Authority should ensure that the staff complies with the sponsorship policy. Your committee reports that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.

Staff need to comply with established rules and procedures – Lack of compliance with delegation of authority policy

Your committee concurs with recommendation 6B-8 that the Saskatchewan Indian Gaming Authority should establish rules and procedures to ensure all staff comply with its delegation of authority policy. Your committee reports that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.

Accounting policies and procedures needed

Your committee concurs with recommendation 6B-9 that the Saskatchewan Indian Gaming Authority should establish accounting policies and procedures to ensure that its books and records reflect its business operations and there is support for all transactions. Your committee reports that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.

Segregation of duties needed

Your committee concurs with recommendation 6B-10 that the Saskatchewan Indian Gaming Authority should properly segregate the duties of its employees. Your committee reports that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.

Table games need better monitoring

Your committee concurs with recommendation 6B-11 that the Saskatchewan Indian Gaming Authority should periodically monitor the actual house advantage for tables games to ensure games are being played in accordance with approved rules; and establish appropriate rules and procedures to monitor expected and revenue of table games and communicate these to casino staff. Your committee reports that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.

Compliance with terms of gaming licences needed

Your committee concurs with recommendation 6B-12 that the Saskatchewan Indian Gaming Authority should comply with the terms and conditions of its gaming licence. Your committee reports that the Saskatchewan Indian Gaming Authority has complied with the recommendation.

Better public reporting needed

Your committee concurs with recommendation 6B-13 that the Saskatchewan Indian Gaming Authority should comply with its annual report policy. Your committee reports that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.

XVII. LIQUOR BOARD SUPERANNUATION COMMISSION

Chapter 15 – 2002 Spring Report of the Provincial Auditor

Verification of investment manager compliance reports

Your committee concurs with recommendation 15-1 that the Liquor Board Superannuation Commission should establish rules and procedures to verify the investment manager's compliance reports.

XVIII. MANAGING ACCOUNTABILITY RISKS IN PUBLIC-PRIVATE PARTNERSHIPS

Chapter 4 – 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.

XIX. SASKATCHEWAN GAMING CORPORATION

Chapter 7 – 2002 Spring Report of the Provincial Auditor

Code of conduct and conflict of interest policies

Your committee concurs with recommendation 7-1 that the Saskatchewan Gaming Corporation should establish a conflict of interest policy for the Board of Directors; a code of conduct for the entire organization including the Board of Directors; and rules and procedures to monitor compliance with its conflict of interest and code of conduct policies. Your committee reports that the Saskatchewan Gaming Corporation has complied with the recommendation.

Integrity of gaming operations – ensuring the gaming equipment, gaming supplies and gaming staff meet regulatory standards

Your committee concurs with recommendation 7-2 that the Saskatchewan Gaming Corporation should work with the Saskatchewan Liquor and Gaming Authority to establish standards for the testing of slot machines by independent gaming laboratories; and ensure that the laboratories that test slot machines for the Saskatchewan Gaming Authority use those standards. Your committee reports that the Saskatchewan Gaming Corporation is making progress towards complying with the recommendation.

Integrity of gaming operations – ensuring the established games meet regulatory and industry standards

Your committee concurs with recommendation 7-3 that the Saskatchewan Gaming Corporation should periodically monitor the actual house advantage for table games, or alternatively, it should discuss with the Saskatchewan Liquor and Gaming Authority other means to monitor table games. Your committee reports that the Saskatchewan Gaming Corporation is making progress towards complying with the recommendation.

Integrity of gaming operations – ensuring the safety and security of gaming public (patrons)

Your committee concurs with recommendation 7-4 that the Saskatchewan Gaming Corporation should establish rules and procedures to ensure only authorized employees receive tips from the gaming public (patrons). Your committee reports that the Saskatchewan Gaming Corporation has complied with the recommendation.

XX. SASKATCHEWAN PROPERTY MANAGEMENT CORPORATION

Chapter 16 – 2002 Fall Report of the Provincial Auditor (Volume 2)

Disaster recovery plan needed

Your committee concurs with recommendation 16-1 that the Saskatchewan Property Management Corporation should approve a written and tested disaster recovery plan. Your committee reports that the Saskatchewan Property Management Corporation is making progress towards complying with the recommendation.

Annual report needs improvement

Your committee concurs with recommendation 16-2 that the Saskatchewan Property Management Corporation should improve its future annual reports by describing the extent to which it has achieved its plans.

XXI. STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chapter 16 – 2002 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.

XXII. UNDERSTANDING THE FINANCES OF GOVERNMENT

2001 Fall Report of the Provincial Auditor (Volume 1)

2002 Fall Report of the Provincial Auditor (Volume 1)

Overall financial planning information needed

Your committee considered recommendation 1 that the Government of Saskatchewan should publish a financial plan for the entire Government. With respect to the advisability of this matter, your committee makes the following recommendation:

RECOMMENDATION 3

In light of the fact that there are a number of concerns related to Summary Financial Statements budgeting and in light of the fact that *The Balanced Budget Act* pertains to the General Revenue Fund and covers the four year period ending 2003-2004, the Standing Committee on Public Accounts recommends that the Minister of Finance have his officials continue to examine this issue and discuss it further with the Provincial Auditor.

XXIII. WORKERS' COMPENSATION BOARD

Chapter 8 – 2002 Spring Report of the Provincial Auditor

Complete and accurate monthly reports needed

Your committee concurs with recommendation 8-1 that the Workers' Compensation Board should establish rules and procedures to ensure that its monthly financial reports:

- Include written explanations for differences between the actual claim payments and the budgeted claim payments;
- Reflect the impact of claim payment experience on the estimated cost of existing claims that the WCB will have to pay in the future; and
- Include projected results of its operation to the end of the year together with the key assumptions used to make the projection.

Your committee reports that the Workers' Compensation Board is making progress towards complying with the recommendation.

Respectfully submitted,

Ken Krawetz, Chair
Standing Committee on Public Accounts

Provincial Auditor's Office

Fred Wendel, Provincial Auditor

Mobashar Ahmad, Deputy Provincial Auditor
Mark Anderson, Manager
Brian Atkinson, Assistant Provincial Auditor
Kelly Deis, Principal
Judy Ferguson, Deputy Provincial Auditor
Rod Grabarczyk, Principal
Bill Harasymchuk, Manager
Rodd Jersak, Principal
Carolyn Kirchner, Manager
Jane Knox, Principal
Jeff Kress, Manager
Andrew Martens, Principal
Ed Montgomery, Deputy Provincial Auditor
Glen Nyhus, Principal
Charlene Paul, Manager
Corrine Rybchuk, Principal
Victor Schwab, Manager
Regan Sommerfeld, Manager
Rosemarie Volk, Principal
Leslie Wendel, Principal

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
Frank Garrett, Analyst, Financial Management Branch
Tamara Stocker, Analyst, Financial Management Branch

Witnesses

Crown Investments Corporation

Frank Hart, President and Chief Executive Officer
Brian Hansen, Executive Director, Public-Private Partnerships, Corporate Development
Peter Wyant, Director, Investments and Public-Private Partnerships

Department of Agriculture, Food and Rural Revitalization

Gord Nystuen, Deputy Minister
Karen Aulie, Acting Director, Administrative Services Branch
David Boehm, Director, Financial Programs
Maryellen Carlson, Assistant Deputy Minister
Laurier Donais, Senior Manager, Administrative Services Branch
Louise Greenberg, Assistant Deputy Minister
Doug Matthies, General Manager, Saskatchewan Crop Insurance Corporation
Ken Petruic, Manager, Financial Services, Administrative Services Branch

Department of Environment

Lily Stonehouse, Deputy Minister
Dave Phillips, Assistant Deputy Minister, Operations
Bob Ruggles, Assistant Deputy Minister, Programs
Lynn Tulloch, Executive Director, Corporate Services Division
David Tulloch, Senior Manager, Strategic Financial and Performance Management,
Fire Management and Forest Protection
Michele Arscott, Senior Financial Consultant, Corporate Development Unit

Department of Finance

Ron Styles, Deputy Minister
Al Dennett, Executive Director, Estimates, Operations Section, Treasury Board
Branch
Naomi Mellor, Executive Director, Performance Management Branch
Terry Paton, Provincial Comptroller, Provincial Comptroller's Division
Glen Veikle, Assistant Deputy Minister, Treasury Board Branch
Kent Walde, Director, Research and Board Secretary, Public Employees Benefits
Agency

Department of Government Relations and Aboriginal Affairs

Brent Cotter, Deputy Minister
Sheila Harmatiuk, Executive Assistant and Senior Policy Advisor
Russ Krywulak, Executive Director, Grants Administration and Provincial-Municipal
Relations
Wanda Lamberti, Executive Director, Finance and Management Services
Mary Tkach, Director, Métis and Off-Reserve Strategy and Urban Initiatives

Department of Health

Glenda Yeates, Deputy Minister
Dan Florizone, Assistant Deputy Minister
Lawrence Krahn, Assistant Deputy Minister
Duane Mombourquette, Acting Executive Director, Policy and Planning Branch

Department of Industry and Resources

Larry Spanier, Deputy Minister
Hal Sanders, Acting Executive Director, Mineral Revenue and Investment Services
Division

Department of Justice

Doug Moen, Q.C., Deputy Minister of Justice and Deputy Attorney General
Rod Crook, Executive Director, Courts and Civil Justice
Ron Kruzeniski, Q.C, Public Trustee
Keith Laxdal, Associate Deputy Minister, Finance & Administration
Mike Pestill, Manager, Financial Services
Gordon Sisson, Director, Administrative Services

Department of Labour

Christine Tanner, Deputy Minister
Glennis Bihun, Manager Responsible for Occupational Health and Safety Committees
Allan Walker, Executive Director, Occupational Health and Safety Division

Department of Learning

Dr. Craig Dotson, Deputy Minister
Joylene Campbell, Provincial Librarian
John McLaughlin, Executive Director, Teachers' Superannuation Commission
George Meredith, Acting Executive Director, Financial Policy and Program Support
Lily Stonehouse, Assistant Deputy Minister

Department of Social Services

Bonnie Durnford, Deputy Minister
Don Allen, Executive Director, Financial Management Division, Social Services
Trina Fallows, Acting Director, Housing Financial Operations, Social Services
Darrell Jones, Assistant Deputy Minister, (SHC), Social Services

Information Technology Office

John Law, Chief Information and Services Officer
Laurie Crowle, Project Development Officer
Eileen McCrank, Manager, Electronic Services Development
Tim Whelan, Senior Advisor, Security and Privacy

Office of the Chief Electoral Officer

Jan Baker, Chief Electoral Officer

Saskatchewan Archives Board

Trevor Powell, Provincial Archivist

Saskatchewan Liquor and Gaming Authority

Sandra Morgan, President and Chief Executive Officer
Cheryl Hanson, Vice President, Gaming Operations Division
Barry Lacey, Vice President, Corporate Services Division
Dale Markewich, Vice President, Regulatory Compliance Division
Paul Weber, Vice President, Operations Division
Faye Rafter, Executive Director, Compliance Branch
Lisa Ann Wood, Executive Director, Human Relations Division
Fiona Cribb, Manager, Policy and Legislation Branch
Brian Keith, Executive Assistant to the President and CEO

Saskatchewan Gaming Corporation

Joe van Koeverden, President and Chief Executive Officer
Bill Davies, Director, Executive Services
Wendy Hutchinson, Controller
Tara Kucher, Director, Internal Audit
Twyla Meredith, Vice President, Finance and Administration

Saskatchewan Property Management Corporation

Ray Clayton, President
Debbie Koshman, Vice President, Corporate Support Services
Phil Lambert, Vice President / Chief Information Officer, Information Technology
Dave Bryanton, Director, Accommodation Services
Norm Drummond, Comptroller

Workers Compensation Board

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