



STANDING COMMITTEE ON HOUSE SERVICES

Hansard Verbatim Report

No. 3 – May 7, 2008



Legislative Assembly of Saskatchewan

Twenty-sixth Legislature

STANDING COMMITTEE ON HOUSE SERVICES

Hon. Don Toth, Chair
Moosomin

Mr. Len Taylor, Deputy Chair
The Battlefords

Mr. Denis Allchurch
Rosthern-Shellbrook

Hon. Rod Gantefoer
Melfort

Hon. Donna Harpauer
Humboldt

Mr. Andy Iwanchuk
Saskatoon Fairview

Mr. Randy Weekes
Biggar

Mr. Kevin Yates
Regina Dewdney

[The committee met at 15:07.]

The Deputy Chair: — I think we will call to order this meeting of the Standing Committee on House Services for Wednesday, May 7, and we are here pursuant to rule 138(5). The estimates for the legislative branch of government are deemed referred to the committee on April 3, 2008.

We are also dealing with vote 34, the Chief Electoral Officer; vote 76, Children's Advocate; vote 57, Conflict of Interest Commissioner; vote 55, Information and Privacy Commissioner; vote 21, Legislative Assembly; vote 56, Ombudsman; vote 28, Provincial Auditor.

I also want to indicate that the document in my hand is to be tabled. This is the Office of the Provincial Auditor business and financial plan for the year ended March 31, 2009.

The first item for business in front of us is the estimates for the Provincial Auditor. I would ask Mr. Speaker to introduce the Provincial Auditor and the officials and then the floor is open for opening statements if any.

**General Revenue Fund
Provincial Auditor
Vote 28**

Subvote (PA01)

The Speaker: — Thank you, Mr. Chairman. I just would like to say thank you and welcome to Mr. Fred Wendel, the Provincial Auditor; Brian Atkinson, to my right, the assistant provincial auditor; Angèle Borys, principal support services, to our far left; and Sandy Walker, who has joined us, manager of administration services, behind us.

We look forward to any questions that the committee may have in regards to the Provincial Auditor's report. I will acknowledge however that I will probably pass those comments or questions over to the Provincial Auditor and let him speak for himself, and any other questions we have regarding Legislative Assembly estimates. Thank you.

The Deputy Chair: — All right. Thank you very much. As we go to the Provincial Auditor, I just want to let folks know we're dealing with vote 28, found on page 155 of the Estimates book, Provincial Auditor (PA01). Sir.

Mr. Wendel: — Thank you, Mr. Chair. I have a formal presentation and then I'll open it up for questions, if that's acceptable to you.

The Deputy Chair: — Please proceed.

Mr. Wendel: — Thank you. Thank you for the opportunity to speak to you today about our 2009 business and financial plan. We provided you a copy of our plan earlier this week. The Legislative Assembly received this plan in November 2007 and referred it to the Public Accounts Committee. The plan was considered and accepted by the Public Accounts Committee on January 7, 2008.

I want to talk briefly about the work plan that's included in the business and financial plan, and my remarks will be brief because many of the members of this committee are either a formal member of the Public Accounts Committee or a former member of the Crown and Central Agencies Committee, and are familiar with the work we do.

As the Legislative Assembly's auditor, our role is to help the Assembly hold the government accountable for its performance. We do this by independently auditing all government agencies every year and reporting our results and recommendations to the government agencies and to the Assembly.

Our recommendations focus on improving the management of public resources and improving the performance information that the Assembly receives from government agencies. The Assembly usually receives their advice on the government's performance three times a year.

We also encourage debate on public sector management and accountability issues. We assist the Public Accounts and the Crown and Central Agencies committees and we develop professionals for public service.

Our audit universe is very large. The government delivers its services through about 275 agencies. These agencies include ministries, boards, agencies, commissions, Crown corporations, pension plans, and regional health authorities. These agencies spend about \$14 billion every year, take in revenue of about \$14 billion and have assets and liabilities of about \$40 billion. We audit all of these agencies every year.

We have about 58 employees. Our staff at any time is made up of 25 to 30 professional accountants, 15 to 20 people training to become professional accountants. As well we employ a lawyer, a health professional, and administrative assistants.

Usually about five to six professional employees leave our office every year. We hire recent graduates from the two universities to replace them. Our employees are on average 38 years old and nearly 60 per cent of our employees are women.

The government delivers its services through many large and complex organization. It's challenging to build and keep the specialized expertise to comply with professional standards to audit all of these diverse government agencies. We acquire staff to specialize in many fields including energy, insurance, information technology, pensions, education, and health. As well our staff must maintain expert knowledge of generally accepted accounting principles and generally accepted auditing standards, which change rapidly.

I also want to mention that our 2009 business and financial plan is based on our 2005 to 2009 strategic plan that is essentially unchanged for the past several years. This is the same strategic plan that the House Services Committee supported last year.

As well in the 2009 plan, we discuss the forces and trends that affect our work plan and where we plan to focus our efforts. We explain our key risks and how we are managing those risks. We also set out our indicators of how we measure our success.

One of the key measures we use to measure our . . . [inaudible] . . . is the acceptance of the recommendations by the Assembly and by the government. I am pleased to say that the Assembly has accepted more than 90 per cent of our recommendations as well the government has acted on more 80 per cent of those recommendations.

And that concludes my remarks on the work plan. Now I want to touch briefly on our financial plan which is necessary to carry out this work plan.

The estimates you are considering today has two parts. The first part is the amount we need to finance our work for 2009. We are requesting \$6.677 million. This amount is \$553,000 more than last year's request or about a 9 per cent increase. We explain on pages 5 and 6 the factors that increase our costs for 2009.

Two factors cause the 9 per cent increase. First the 10.1 per cent salary increases that the government gave to all public servants makes up 7 per cent of that 9 per cent increase. The rest of the increase is the result of the government establishing more government agencies that we have to audit.

One of the biggest challenges this office will face in the next two to three years will be hiring and keeping professional staff with the skills to deal with the accounting profession's move to international accounting and auditing standards in 2009. Under The Provincial Auditor Act we must follow those standards.

I expect shortages of professional accountants because of additional training and work to comply with the international standards. It may also lead to even more shortages because the international standards may cause some people to take early retirement rather than retrain. These shortages will continue to drive increased salaries for professional accountants.

Now the second part of the estimates you are considering today is a contingency appropriation. We are asking for \$438,000. The law requires a contingency appropriation to operate my office. This appropriation allows my office to respond to unforeseen expenses such as a new government agency that we may have to audit in the year, or a special investigation may be required, such as Oyate. If we use the contingency appropriation during 2009, we will make a full report of why we used the appropriation and the amount we used in our 2009 annual report.

In closing, I want to say that for the last 12 years legislators have supported my office's request for resources. Your approval of the amount in the estimates will allow me to discharge my duties to the Assembly. And that ends my remarks, and I'd be pleased to try and answer your questions.

The Deputy Chair: — Thank you very much for that presentation. Are there any questions? Mr. Yates.

Mr. Yates: — Thank you very much, Mr. Chair. I'd like to start by thanking the Provincial Auditor and all your officials for the very good work you do on behalf of all of us in continuing to monitor the expenditures of all the government departments. And it is work that's well appreciated by all of us. And thank you very much for giving us the opportunity to review your

business plan for the upcoming year prior to today.

Mr. Chair, my questions have to do . . . We had earlier this year tabled in the legislature a Bill that would have seen significant changes to the levels of reporting, the levels at which the government would have to acknowledge the order in council payments made on behalf of the government. Currently the limit is at \$50,000. It was proposed that it be moved to \$350,000 before an order in council would be required.

After this issue was raised and discussed in the House and concerns were raised about it, it was determined that this would be put on hold, subject to a review done by your office and a recommendation coming forward to the government as to what levels would be appropriate for payments without order in council.

Those order in councils, of course, are the method by which members of the opposition and members of the media and others become aware of government expenditures in a timely manner and in a method in which accountability can be and transparency can be used in order to ensure that the public is aware of how their government is spending their dollars.

That particular review we would expect will be referred, if it hasn't already been referred to your office in the upcoming year. My first question is, do you have current budget resources to be able to undertake such a review as to what levels of reporting and accountability should be there on behalf of the government?

Mr. Wendel: — Mr. Chair, one of the items in our request for resources is a contingency appropriation to respond to special requests that we may get or new government agencies that need to be audited as well as any other unplanned items.

Mr. Yates: — So within that contingency, you would have adequate resources to undertake such a review?

Mr. Wendel: — It would depend on the scope of it. So when I receive the request, I will consider it and probably accept it, again if it's not too large an undertaking. And if it is large, then I may ask whoever is that making the resource to provide additional resources if that's required.

Mr. Yates: — Okay. Thank you very much. My next question is: at this point, have you been asked on behalf of the government to undertake a review of the appropriate levels?

Mr. Wendel: — Not at this time.

Mr. Yates: — Thank you. As you are I am sure aware, across the country there are various levels of accountability. The federal government currently, I believe, is at all expenditures over \$10,000 have to be reported. There are various levels throughout the country. Do you at this time have concerns or an opinion on the current level of \$50,000?

Mr. Wendel: — I have none at the moment. And if I'm asked to consider it, I will certainly look across Canada. I will look to see what the appropriate levels I think should be for transparency and whether there's different ways to achieve that, and look at all options and make recommendations.

Mr. Yates: — Thank you very much. When you look at this item, how would you primarily, what would your approach be in looking at how accountability should be handled on this issue?

Mr. Wendel: — Well I think I'd be speculating then. So I will just wait until I've done enough research to comment.

Mr. Yates: — Thank you very much, Mr. Chair. I guess it's difficult to ask questions that might not be speculating to some degree. This is our one opportunity, I guess, to have a discussion about what the future may look like and what type of rules may be appropriate, and accountability.

It is a concern of the opposition that we have adequate transparency and accountability and that we are made aware of the transactions of government in a timely way, so that we in fact can question those, raise concerns, make the public aware of them if it's not, in our estimation, not in the public interest.

So is it possible to have different approaches within an accountability framework to ensure that transparency? Just hypothetically to give you an example, that ministers report at one level and cabinet report at another level, but yet the reporting is done so that expenditures are more transparent.

Mr. Wendel: — That may well be an option we come up with.

Mr. Yates: — Okay. So at this time you haven't had the issue referred to you. So I guess more specific questions, you're not going to be in a position to ask today. With that, Mr. Chair, I think that would conclude my questions.

The Deputy Chair: — Thank you very much, Mr. Yates. Are there any other questions? Seeing none, do I have permission from the committee to ask a question myself?

Some Hon. Members: — Agreed.

The Deputy Chair: — Thank you. You were talking about problems with hiring. This week we had a representation from the certified general accountants. What is the current hiring practice or designation for hiring practice within the Provincial Auditor's office, and is there any consideration being given to hiring a broader spectrum of designations, if it is specific at the moment?

Mr. Wendel: — Thank you, Mr. Chair. We hire all the professional accountants — CMAs [certified management accountant], CGAs [certified general accountant], CAs [chartered accountant]. We hire from, as I said earlier in my remarks, we hire from the two universities, recent graduates. We train them to become professional accountants. They choose which profession they want to belong to.

So this year is the first time in two or, probably maybe even four or five — the years go by too fast for me — but we had a CGA student that stayed with us and then moved on to Toronto, became a CGA, and this year we've hired another one that's starting in August. So we hired some CMAs this year, some CGA students, and some CA students.

The Deputy Chair: — Thank you very much. Are there any

further questions then? Seeing none, I want to thank Mr. Speaker and the Provincial Auditor for your presentation and attendance here today.

**General Revenue Fund
Chief Electoral Officer
Vote 34**

The Deputy Chair: — The committee can now begin voting on the estimates in front of us. We will begin with the legislative branch estimates, beginning on page 141. First I do indicate to all, the Chief Electoral Officer is statutory, so this is for information purposes only.

Then we will proceed to Children's Advocate. I believe Children's Advocate should be first up. All right. Let me just ask first though, with regards to the statutory Chief Electoral Officer, are there any questions relating to the Chief Electoral Officer? Seeing none, that is statutory and we can proceed. Oh, so the Chief Electoral Officer (CE01). This is statutory \$1,071,000. Agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — We have the Children's Advocate, vote 76. Oh, excuse me one moment please. I've just been informed that, while the Speaker and the Provincial Auditor are welcome to listen to the proceedings that follow, should they wish to leave now, you are certainly welcome to do so.

The Speaker: — Chair. Chair, if I could . . .

The Deputy Chair: — Yes.

The Speaker: — Thank you very much. If I could just say a special thank you to the auditor and his staff that have joined us this afternoon. Thank you for taking the time out of your busy day to come and respond to questions from the committee. And thank the members for their questions, and again, thank you. While I will remain if the, as has been indicated, the Provincial Auditor feels that there's other responsibilities. Certainly we thank them for their presence here today.

Mr. Wendel: — Yes. And thank you, Mr. Chair, for the opportunity to speak to the committee today. And thank you for your support and your questions.

The Deputy Chair: — All right. Thank you. And we'll be voting on your estimates very shortly, I think. All right. So I do have agreement on the statutory amount for Chief Electoral Officer (CE01) in the amount of \$1,071,000. Agreed?

Some Hon. Members: — Agreed.

[Vote 34 — Statutory.]

**General Revenue Fund
Children's Advocate
Vote 76**

The Deputy Chair: — The next item is the Children's Advocate. This is of course vote 76, Children's Advocate (CA01). The subvote is in the amount of \$1,361,000.

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed. Okay. We are moving to the . . . Oh, just one moment please. I think I'm ready now. I do need a motion:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2009, the following sums.

And we are then moving:

To the Children's Advocate, \$1,361,000.

Motion, Mr. Gantfoer. All in favour?

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed.

[Vote 76 agreed to.]

**General Revenue Fund
Conflict of Interest Commissioner
Vote 57**

The Deputy Chair: — For the Conflict of Interest Commissioner, \$151,000. I need motions on each one? Okay. Now we're starting over, with each vote separate. So on that Conflict of Interest Commissioner, we just concluded that one, \$151,000. Conflict of Interest Commissioner (CC01). Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Information and Privacy Commissioner . . . Oh I need to read the resolution again.

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2009 the following sums for the Information and Privacy Commissioner, \$822,000.

Oh now we're back to the Conflict of Interest Commissioner.

Okay, so we have to do this twice for each one. Sorry, this is what I wasn't understanding, that we do the estimate and then we do the votes. All right.

The Deputy Chair: — So we now have the resolution that I just read for the Conflict of Interest Commissioner, \$151,000. Mr. Weekes. All in favour?

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed.

[Vote 57 agreed to.]

**General Revenue Fund
Information and Privacy Commissioner
Vote 55**

The Deputy Chair: — Now moving on to the Information and Privacy Commissioner (IP01) in the amount of \$822,000. Is that

agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — The motion is as follows:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2009, the following sums for Information and Privacy Commissioner, \$822,000.

So agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Or moved by Mr. Allchurch. Agreed?

Some Hon. Members: — Agreed.

[Vote 55 agreed to.]

**General Revenue Fund
Legislative Assembly
Vote 21**

The Deputy Chair: — The next item is the Legislative Assembly. Now we have a number of subvotes here, and I'll have to have those pointed out to me as we go. So the first subvote would be the central management and services (LG01) in the amount of \$3,248,000. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — For the Legislative Assembly (LG03), \$4,317,000.

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed. For payments and allocations to individual members (LG05) — this one is statutory for information purposes — \$13,072,000.

The committees of Legislative Assembly (LG04), the amount to be voted, \$360,000. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Caucus operations (LG06), this is a statutory number for information purposes, \$1,773,000.

Amortization of capital assets, this is a non-voted, non-cash expense and presented for information purposes only, \$90,000.

Therefore resolved that there be granted to Her Majesty for the 12 months ending March 31, 2009, the following sums for the Legislative Assembly, \$7,925,000.

Moved by Mr. Yates. All in favour?

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed.

[Vote 21 agreed to.]

**General Revenue Fund
Ombudsman
Vote 56**

The Deputy Chair: — The next item is the Ombudsman. This is Ombudsman (OM01). The amount to be voted is \$1,898,000. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — The motion therefore reads as follows:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2009, the following sum for the Ombudsman, \$1,898,000.

Who moves? Ms. Harpauer. Agreed.

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed.

[Vote 56 agreed to.]

**General Revenue Fund
Provincial Auditor
Vote 28**

The Deputy Chair: — The Provincial Auditor. The amount . . . Oh, here we are. The Provincial Auditor (PA01), the amount is \$6,507,000. That's vote (PA01), \$6,507,000. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Oh and then under Provincial Auditor is also unforeseen expenses (PA02) in the amount of \$438,000. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — And amortization, for information purposes only, \$69,000.

So the vote is:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2009 the following sums for the Provincial Auditor, \$6,945,000.

Mr. Gantefoer moved. All in favour?

Some Hon. Members: — Agreed.

[Vote 28 agreed to.]

The Deputy Chair: — Agreed. Thank you very much. Let me just take a moment to check with the Clerk to see if we've completed our business and then I will move on.

And so I believe that all members now have a copy of the motion to be presented to the House tomorrow. I believe there is a motion to move that forward. Mr. Weekes.

Mr. Weekes: — I move:

That the fourth report on the Standing Committee on Houses Services be adopted and presented to the Assembly.

The Deputy Chair: — A motion has been made to forward the report to the House. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Thank you very much. I have to announce, carried. Is there a motion to adjourn? Ms. Harpauer, motion to adjourn. Thank you all very much. Maybe I should say what I'm supposed to say. This committee now stands adjourned.

[The committee adjourned at 15:37.]