



STANDING COMMITTEE ON HUMAN SERVICES

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STANDING COMMITTEE ON HUMAN SERVICES

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Ms. Christine Tell
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[The committee met at 19:00.]

The Chair: — Good evening committee members. Seeing as it's now 7 o'clock, the chosen hour for our committee to begin, I will call this committee meeting to order. Good evening to everyone here, Minister and his officials, and everyone at home.

We are meeting tonight, the Standing Committee on Human Services. Committee members in attendance tonight are Mr. Cam Broten; and substituting for Ms. Judy Junor is Ms. Danielle Chartier; and committee members to my right are Mr. Glen Hart, Mr. Gord Wyant, Ms. Doreen Eagles, and Ms. Christine Tell; and I'm Chair Greg Ottenbreit.

**General Revenue Fund
Advanced Education, Employment and Immigration
Vote 37**

Subvote (AE01)

The Chair: — Committee members, tonight we're looking at the main and supplementary estimates for the Ministry of Advanced Education, Employment and Immigration, vote 37, central management and services (AE01), outlined on page 27 of the Estimates booklet; as well as vote 169 (AE01), loans to student aid fund subvote, lending and investing activities, outlined on page 164 of the Estimates booklet; and finally the supplementary estimates (AE02), post-secondary education outlined on page 3 of the Supplementary Estimates booklet.

I welcome everyone again to tonight's committee meeting, and I'd invite the minister to make any opening remarks and introduce his officials. As well I would ask officials, when they speak for the first time, if they'd introduce themselves for the purposes of Hansard.

Hon. Mr. Norris: — Mr. Chair and committee members, a special thanks for the opportunity to be here again. I will take the opportunity to make the introductions, and then if I may, Mr. Chair, offer a few remarks.

I'd like to begin by introducing my deputy minister, Clare Isman, who joins me as well. We also have Mr. Rupen Pandya who's . . . Clare's our deputy minister; Rupen Pandya is the acting assistant deputy minister of Advanced Education and student services; Dr. Reg Urbanowski, special advisor to the deputy minister on post-secondary education, and we're pleased to see his rate of recovery.

We have Mr. Kirk Westgard here, acting assistant deputy minister for immigration services; Karen Allen, just over and to my left, executive director for corporate services; Jan Morgan, the executive director of our Can-Sask career and employment services; Dion McGrath who's just here in behind me. Mr. McGrath is the executive director of public institutions and infrastructure. Ted Amendt, executive director of program innovation. And we've had a very good mission up north here in the last couple of weeks, and Ted participated in that. And I want to say how much we appreciated his good company and insights. Ann Lorenzen, executive director, quality assurance; Tammy Bloor Cavers, executive director, student financial assistance; and Rhiannon Stromberg, senior executive assistant

to our deputy minister.

And there are a number of other officials on hand, both within this room and another within the building, who I'll make sure will introduce themselves as they participate.

Mr. Chair, back in 2009 I remember I made a rather lengthy series of introductory comments and last year compensated by skipping my introductory remarks altogether and headed directly into questions. And I hope tonight what I can do is find a middle ground, trusting that members of the committee will find it useful for me to frame some of the comments and provide for what I hope will be some useful context on the work that represents itself through this ministry and manifests in the budget.

I read with interest recent predictions by the OECD [Organisation for Economic Co-operation and Development] suggesting that Canada will be the fastest growing economy in the world, and we can see various highlights of that. Beneath that we look at predictions from The Conference Board, from a number of other independent analysts from the TD [Toronto Dominion] Bank, BMO [Bank of Montreal], and a broad range of others that suggest that within this Canadian context, already one that is full of optimism, it's our province; it's Saskatchewan, the new Saskatchewan that will lead the nation in economic growth.

When we think about the significance of the work of the ministry, and I'll begin with post-secondary education, I think it's helpful if we draw from recent conclusions offered from the *Canadian University Guide*, the 2011 edition. And the guide quotes, "There has never been a better time to consider Saskatchewan as the place to attain a great post-secondary education."

And given that we work diligently to be forward-looking within government, which I think is reflective of the society and the communities that we serve, a government committed to driving this growth agenda that includes innovation in the knowledge economy, we understand the significance of post-secondary education. Because for a government as ours, we know that growth helps to foster and facilitate the empowerment and opportunities that come to both communities and individuals, and we see increasing numbers of both those opportunities and people participating in the remarkable activities that define Saskatchewan today. And at the same time we know that there is more to do for our students, for working families, and to help reflect and reinforce the strength of our economy.

So within our work, we focus on five guiding principles. And as we work to do this, they're defined by excellence, innovation, inclusion which allows us to participate in and help learn about key areas of affordability, accessibility, and equity within the post-secondary system, as well as accountability, effectiveness or responsiveness to local needs. These principles are part of our daily endeavours and activities.

Over the last four years, we've invested a record \$2.8 billion in post-secondary education in Saskatchewan — a record, Mr. Chair, that reflects and reinforces the importance of post-secondary education, not simply to Saskatchewan but in

fact to Canada. This investment has been well-distributed geographically and across many of our fine institutions. Within the budget, here within the capital city, the University of Regina has received almost \$94 million in operating funding, an increase of 6.5 per cent over the previous budgetary year. At the University of Saskatchewan, we've seen that funding increase go up by 6.8 per cent, a total of \$289 million.

And what we see from these numbers from both the University of Regina and University of Saskatchewan — at the University of Regina being considered a comprehensive university within the Canadian context, and the University of Saskatchewan a medical/doctoral university within the Canadian context — these two institutions, in certain words that we've received from other parts of Canada, are looked at with envy for the type of investment that we have been able to offer.

Importantly this support includes some key areas that are vital, not simply to students and their families, but to people right across the province. So at the University of Saskatchewan we can see almost \$5 million for the continued expansion and the number of seats allocated to nurse and doctor training. Importantly nursing training this upcoming year is going to have a two-model provider where the University of Regina and SIAST [Saskatchewan Institute of Applied Science and Technology], our technical institute, will actually be working together to offer a separate degree stream, which we're absolutely delighted with.

This budget provides more than \$24 million in new operating funding for our universities, SIAST, and our regional colleges to limit tuition increases to an average of about 3 per cent. On the other side of the scale, we're providing about \$98 million in student supports including loans, grants, bursaries, scholarships, as well as funding for the graduate retention program, the most aggressive youth retention program in the country.

Importantly we've also included within this budget an additional \$3 million for the new Saskatchewan Advantage Scholarship. When added to scholarship funding included already in the Student Aid Fund, government is providing a total of 5.25 or five million and a quarter million dollars for scholarships. With additional contributions from our partners, students will have the potential access of over \$10 million in scholarships. This is an important step in the right direction, helping to put priority on both excellence and greater inclusion, allowing more individuals to participate in, benefit from, and contribute to our post-secondary sector and our broader communities.

When we think about SIAST, and we know how important this institution is to our province now and into the future, I'm pleased to report that since our first budget we have seen support go up for SIAST by 18.5 per cent. In previous budgets, we've ensured that SIAST in Prince Albert has been able to have, for the first time, its own student housing initiative. And I certainly hope that's not the last time, for the endeavour is already paying dividends for hard-working families.

We've also seen dollars earmarked previously for health technologies that have been expanded at the Kelsey Campus in Saskatoon, for nursing technologies that have been expanded here at the Wascana Campus in Regina, and additional

programming dollars that have gone to Prince Albert. These are reflective of the significance that SIAST has today but also will have into the future.

I've mentioned briefly student housing, and I think it's worth looking at in some detail. And in addition to student housing, as sometimes the literature references, student housing is also and often combined with a discussion of child care. We're very pleased with our record, but there is full recognition that there is even more to do. The track record to date for our government is that we have seen a commitment of more than 23 million to improving student housing. And we work very closely with the Ministry of Social Services and other partners as we move through the implementation and approval processes. So when we think about this investment and our track record, our government, the government of Premier Brad Wall, has seen an investment that has increased by more than 3,000 per cent over that of the previous government.

[19:15]

And it speaks clearly to the issue of a changing demographic within the post-secondary system, and our efforts to be responsive. When we think about the location of some of these residences, they've included northern communities like Meadow Lake, like La Ronge, like Prince Albert, Saskatoon, and in fact there are some ongoing discussions here at the University of Regina.

Regarding child care, we've seen a 34 per cent increase in the number of on-campus child care spaces since forming government. This latest budget includes an additional \$2.1 million for 500 new child care spaces, including more spaces designated for post-secondary students. And this is being carried out through the Ministry of Education in close co-operation with our work.

When we think about changes that are under way in the new Saskatchewan, we look automatically at the opportunities and challenges that confront Saskatchewan in making sure that more people have access to post-secondary education. And certainly first among those when we think about investing in Saskatchewan, would be first and foremost our First Nations and Métis students. Hence within this budget we've seen that \$48.6 million is committed specifically to First Nations and Métis post-secondary education and skills training. Those are direct dollars into direct programs. This investment in our future will help to enable First Nations people throughout the province to participate far more fully in our growing economy and, probably as importantly, within their communities that are increasingly dynamic.

We know there's much work to do here and I will speak in more detail in a few minutes regarding what that objective looks like, but it can be summed up as focusing on helping to close the gap in both education and employment, a gap that we saw increase between 1996 and 2006 for First Nations people. And I say that not out of partisanship, but out of recognition that this is not easy work. The work is absolutely essential and requires very close collaboration and partnerships across a variety of stakeholders.

In this budget we've also put a priority on children and our

young people. This budget has seen a multi-ministry approach that invests more than \$34 million in a new cross-government approach to deal with the complex issues facing Saskatchewan children, youth, and families. These investments manifest themselves not simply in the Ministry of Advanced Education, Employment and Immigration but also in the Ministry of Social Services, First Nations and Métis Relations, the Ministry of Health, as well as the Ministry of Education. And I want to applaud my colleagues and most especially the Minister of Social Services who really helped to lead this multi-ministry effort to fundamentally help children across our province.

As I mentioned, we're also participating in what we call a 2E [education and employment] initiative, and the ministry's leadership role is focused on helping to ensure that we are making real progress in First Nations and Métis education and employment, specifically in education and employment strategy or 2E. The strategy is focused on eliminating the education and employment gaps for our province's First Nations and Métis people, and we can look at some of our guiding principles as we embark on this endeavour. It's about promoting inclusiveness, not just in our institutions, but also in our labour force and, more broadly and importantly, across our communities. It's an innovative, collaborative approach to help meet needs, aspirations, desires, and dreams of First Nations and Métis people across their communities. And in fact it reinforces, as the current and previous treaty commissioners of Saskatchewan have said, that we are all treaty people, that we all have a stake in this. And as a poet once said, "Ask not for whom the bell tolls."

We continue to make important investments and, as I've said, in this budget we have more than \$48 million in direct dollars for programming. This includes an \$8 million or 20 per cent increase over last year. And as we look at what this is going to entail, we can think about some key initiatives. Those initiatives are going to include an additional \$7 million for adult basic education in the provincial training allowance, which is going to target First Nations and Métis peoples right across the province. As part of the total government investment, there will be an additional \$2 million that is going to help in a joint task force on Aboriginal education and employment, that being undertaken with partners, and those partners are coming to the table. Certainly first and foremost has been Chief Lonechild and the FSIN [Federation of Saskatchewan Indian Nations].

Beyond 2E, the budget includes several new initiatives: \$600,000 additional for the apprenticeship budget which will be allocated to provide opportunities for First Nations and Métis individuals to help enhance opportunities, real and tangible opportunities, not just simply for skills training, but for the employment component that comes after and is integral to the apprenticeship programs; \$1 million for the International Centre for Northern Governance and Development at the University of Saskatchewan to further research and importantly provide graduate training and capacity building in our northern communities.

This helps to address a fundamental question that has come to us regarding graduate student training in Saskatchewan, and that is as communities, especially in our North, send their students to our universities — both the University of Saskatchewan, the University of Regina, not to mention others

— they risk losing those individuals. This initiative is meant to build on an earlier pilot that sees students not simply studying but staying and succeeding in northern communities and offering contributions along the way that contribute not simply to their research but regional economic development and a broad range of other initiatives including health and environmental initiatives. Ultimately this will encourage more students, as I've said, to study, to stay, and to succeed in our increasingly diverse and dynamic northern communities.

As well there's an additional \$600,000 for a SIAST Aboriginal student success strategy. Nearly 20 per cent of the students at SIAST are First Nations and Métis, and we know how important not simply the recruitment but the retention of such students are to the success of their programs and to their own individual success.

The feedback that we've received from key stakeholders has been important to us. From Chief Guy Lonechild we have heard that this government has put its money where its mouth is, and that this is an important step forward. That sentiment has been echoed closely by Mr. Robert Doucette who said it's obvious that education is a priority and it's one that we share. And I'll paraphrase that.

When we think about working families and we think about Saskatchewan, we also think about the need for employment supports. Essentially providing the connections and bridges between workers and employers is a key part of the work that we do. Our Can-Sask career and employment service branch continues to develop and maintain the saskjobs.ca website which saw almost 110,000 jobs and 9 million visits, 9 million visits to that website in 2010. We have 19 regional offices, and those offices had more than 470,000 visits last year as people within communities were actively engaged with our officers.

The efforts here are to add to our workforce — a workforce that for March was up over 516,000 people. But it's also focused on helping those that are transitioning into the workforce. And we're going to continue to help develop a stronger system of employment supports that is responsive to the needs of workers and employers alike, but also responsible to the people of Saskatchewan. And I think we're making some real progress here.

In fact we have more than \$108 million of investment in labour force development that aims to link directly people to job training and ultimately long-term career success. That includes \$19.6 million for our apprenticeship program. It includes \$21.4 million for adult basic education which we anticipate will benefit more than 7,500 people across the province.

We can think about more than \$4 million going into our 2E initiative and other associated and affiliated activities. There's \$10.8 million for employability assistance for people with disabilities. And I really want to applaud the efforts of so many stakeholders and community groups across the province that have reminded me that Saskatchewan just simply isn't more diverse and dynamic and cosmopolitan, but it's also a caring province. And that's part of the traditions that help to make and define the province of Saskatchewan that we all have the benefit of living in and benefiting from today.

There are also additional dollars for youth and adult skills training, including \$350,000 to help fund the aircraft maintenance program at SIIT, the Saskatchewan Indian Institute of Technologies, as well as an additional \$360,000 to support our northern health human resource strategy, and all of these are premised on partnerships.

We saw another example of that recently here in Regina where we were able to partner with the Salvation Army, the Carmichael Outreach program, and the Regina & District Food Bank in a program that connects people with opportunities through forklift training. And it was a very, very unique experience to see something very, very tangible and practical here within this community with one of the most robust economies across the country, the lowest unemployment rate. And this program connects individuals with the skills training with opportunities like those at the Global Transportation Hub.

One of the participants, Mr. Grant Trimble, attended and offered this: “Anything where I can perhaps get to work and provide a better future for my little family, I’m nothing but interested in going forward.” And I think that speaks volumes to his commitment and the partnership. And I want to applaud those that got to work, rolled up their sleeves, and helped to make sure that this was another success. I hope that we can do more of these in the future.

When we think about the new Saskatchewan, we can also identify within our community a vital component, and that obviously is the welcoming of newcomers. Immigration has become an important part of our strategy. If we think about investing first and foremost in Saskatchewan, including an emphasis on First Nations and Métis people, we can then also think about inviting back our expats, those who grew up in Saskatchewan and have gone elsewhere for opportunities. We can also think about the welcoming of newcomers, making our communities more diverse, dynamic, and cosmopolitan and caring. We know newcomers have settled in nearly 200 communities right across the province.

In 2009-10 through the provincial nominee program, there were more than 3,400 skilled worker nominations for Saskatchewan, a 700 per cent increase since 2005 alone. This represented more than 10,000 people arriving into our province because of course we don’t simply want people to come to work; we want them to come to stay, and that is to call Saskatchewan home.

[19:30]

Since 2008 Saskatchewan has welcomed more than 30,000 newcomers from different countries into our province. This stands in some distinct contrast to the previous decade where more than 35,000 people left the province. We know that with a record population in Saskatchewan — now up over 1.052 million, an all-time record — we know there’s more to do. But there are some milestones that we have made and passed and exceeded.

In 2009-10 we’ve seen the issuing of more than 81 entrepreneur category nominations where there has been more than \$28 million invested to establish and sustain businesses here in Saskatchewan, creating more than 350 jobs. We know that there were fewer than 40 successful candidates in the years between

1999 and 2007. We’ve also introduced and implemented the first online application process in Canada.

We know the importance of helping people to settle and stay in Saskatchewan and that’s why we’ve added an additional \$1.8 million to enhance our settlement services, and that brings those dollars up to almost \$15 million in the Saskatchewan immigrant nominee program. For the year ahead we anticipate that there will be approximately 4,000, perhaps a few more, nominations. And because of family members that will come with those nominated, we anticipate this year that we will see our population grow, because of this program, by approximately 12,000 people.

We do this not in isolation because in Canada, under section 95 in the Constitution, as part of the Canadian DNA, we do this in partnership with Ottawa, and that’s the way that we will continue to move forward in partnership — in partnership with Ottawa, in partnership with a number of community-based organizations that help with settlement, in partnership with local employers, and certainly across a wide variety of communities.

More recently we’ve launched an online immigration portal where we’ve combined previous application forms into a single online document, and we’ve certainly worked to ensure that this increases efficiency, reduces red tape, and helps to foster and facilitate a quicker and more streamlined process for everyone involved. Importantly, we’ve also put a greater emphasis on occupational health and safety.

Mr. Chair, I’d be remiss if I didn’t, if I didn’t add a few comments regarding some current issues and I’d like to specifically focus on post-secondary governance. First and foremost, I want to thank everyone that participates through the board work that is under way through respective institutions. We know that those efforts are absolutely essential, that they’re long-standing, that they cut across party lines, and that they are meant to ensure and almost always do ensure that students succeed in their studies. And I want to thank all of those people that participate in those endeavours.

That being said, as we look back on our own performance — and I certainly include my performance in this — this year has not been without blemish. Recent events at one of the regional colleges in partnership with a private institution has highlighted some deficiencies in our monitoring and coordinating at the post-secondary level. And while I’m sure we’ll have at least some questions on this issue, I think importantly we can track some of the key aspects of where we are to date.

And that is on March 17th I announced that as a result of the findings contained in the Meyers Norris Penny report, which was independently undertaken over a number of months, that Carlton Trail Regional College and St. Peter’s College would not be amalgamated. As we speak, Meyers Norris Penny is conducting a second review of governance, financial management, and leadership at Carlton Trail Regional College. The ministry has forwarded materials that came to light during the original review, and those have been forwarded to the Ministry of Justice. It directed that as a condition of receiving funds from this year’s budget, both institutions will be required to undergo an audit to ensure that appropriate and adequate controls are in place.

And my officials have also met with the Provincial Auditor to review key steps that are being undertaken, and these include commissioning Meyers Norris Penny to conduct a second review, as I've mentioned, into concerns, and at this stage, simply concerns and questions raised during the initial review, and that led to the recommendations. Appointed Graham Pearson from Deloitte & Touche as the administrator of Carlton Trail Regional College. Offering our full co-operation to the Provincial Auditor as that office conducts its own audit of Carlton Trail Regional College. Selected KPMG to conduct a special audit of St. Peter's College, focusing on financial management, internal controls, management decision making, and governance. KPMG's auditors are on the ground this week, and we anticipate that their work will range between some weeks and maybe a couple of months.

And, Mr. Chair, I'm pleased to report that the Acting Provincial Auditor stated that these were the appropriate steps regarding the assessment of risk, the mitigation of risk, and the reporting out to people of Saskatchewan. And this obviously offers a high degree of confidence that we will account for every public dollar, and that these dollars shall be recovered.

And for the record, I've spent many hours reviewing my own performance as well as that of the ministry. And it's obvious that I could have done a better job, in my own estimation. I've also identified, and we've done this through our management team, some key lessons learned for the ministry. We know that both myself and the ministry needed to be more attentive to detail. There needed to be also clearer lines that made sure there was separate and distinct accountabilities regarding these two institutions. And certainly I should have been listening more closely to concerns and, quite frankly, too often I just simply didn't.

I've already directed my deputy minister, and she's certainly taken on this task with great professionalism, to produce two detailed action plans. The first will include measures to enhance board governance and administration for our post-secondary partners. And there's certainly a willingness that I hear across the sector. The second will outline measures to enhance our ability to increase institutional accountability.

I'd like to conclude my remarks on a hopeful note with a look to our future. Last week the ministry released *Saskatchewan's Regional Colleges: Towards a New System*. That's a final report on our regional colleges as prescribed by *The Regional Colleges Act*. It has to be undertaken once every five years.

I'd like to take this opportunity to publicly thank Dr. Michael Atkinson, a remarkable scholar in his own right and an equally fine administrator, post-secondary administrator, who's now playing a leadership role at the Johnson-Shoyama School that connects the University of Regina and the University of Saskatchewan, as well as his colleagues Kathleen McNutt and Kevin Meacher for their hard work and dedication on this report.

The 20 recommendations contained within this review are a road map for developing a regional college system in the context of the new and changing Saskatchewan that further serves the needs of our students and further protects our tax dollars. Essentially there are some refinements that are

recommended. In clear language, this report highlights how "Collaboration, cooperation and coordination are not [yet] among the colleges' organizational premises and as a result [in the words of the report's opening summary] the colleges show limited capacity to function as a system." But if they have limited capacity, there is great willingness by board members, CEOs [chief executive officer], and staff and students to play a far greater role in collaboration.

The report points out what is obvious to others. The landscape of post-secondary education is shifting due to factors like the Internet, increasing student mobility, the globalization of markets, the new knowledge economy, and increased competition for students.

Dr. Atkinson states there is no magic formula to improve organizational performance, yet he offers that better judgments are likely if regional colleges adopt the practices of modern management, continue to develop performance indicators, and work to establish action plans in conjunction with the ministry that can be used to measure performance.

With that, Mr. Chair, I want to thank you for the opportunity, and the committee members, and I look forward to the questions that will come ... [inaudible] ... and regarding issues of our budget. Thank you very much.

The Chair: — Thank you for your comments, Mr. Minister. Mr. Broten.

Mr. Broten: — Thank you, Minister, for your opening remarks and thank you to all the officials who are here this evening. I would ask, with the greatest amount of respect, Mr. Chair, we just note the time when questioning began. I understand and respect the fact that the minister wanted to put a few things formally on the record, but I would like the record to reflect that questioning started at about 7:42. Thank you very much.

My first question to the minister: can he please state the amount of funding this year in the budget that goes to Carlton Trail Regional College?

Hon. Mr. Norris: — The number is \$3 million, \$3.797 million.

Mr. Broten: — Could the minister please break down that amount into the different areas that it was intended to support please?

Hon. Mr. Norris: — I'll have our deputy just break down some of the details.

Ms. Isman: — Clare Isman, deputy minister. The total operating grant for '11-12 is \$2,340,400. The program and services dollars, first of all that's allocated to basic education, is \$538,351. Skills training allocation is \$863,888 for a total of the training programs of \$1,402,239. There is also \$55,000 for skills partnership and planning for the total operating and program funding of \$3,797,639.

[19:45]

Mr. Broten: — Thank you. How does the amount of that funding compare to what was awarded last year?

Ms. Isman: — For 2010-11 the total operating grant was \$2,235,318. The adult basic education was \$338,351. The skills training was \$835,120 for a total in the training programs of \$1,173,471; \$55,000 for the skills partnership and planning, for a total budget of \$3,463,789. As well last year, there was some capital dollars for Carlton Trail, sustaining capital of \$12,400, as well as an additional sustaining capital grant of \$84,429 for a total of \$96,829.

Mr. Broten: — Thank you. Could the minister please state the total amount of funding being delivered to St. Peter's College this year please?

Ms. Isman: — The budget for St. Peter's this year is \$1.092 million.

Mr. Broten: — And the amount for last year?

Ms. Isman: — \$1.03 million.

Mr. Broten: — Also the funding that was awarded through the knowledge infrastructure program, could that be stated please?

Ms. Isman: — Thank you. The KIP [knowledge infrastructure program] dollars for St. Peter's are divided up against multiple partners. The federal contribution for the knowledge infrastructure program was \$6.036 million. The provincial contribution was \$3 million, and the other funds raised was \$3.036 million.

Mr. Broten: — To the minister's understanding, the 6 million from the feds, the 3 million from the province, and the 3 million raised outside of that, how was that 3 million raised?

Ms. Isman: — The \$3 million that was raised at St. Peter's was done through a capital campaign.

Mr. Broten: — Thank you. What was the total price tag for the construction, the capital work being done at St. Peter's College? What was the total estimated amount for the final sticker price?

Ms. Isman: — It's the full of those totals, so it's \$12.072 million.

Mr. Broten: — Thank you. So the funding that's being provided this year through the budget, it's my understanding that the minister put a requirement that both institutions submit to a forensic audit. Is that a correct understanding that I have?

Ms. Isman: — So, Mr. Chair, I'll start with Carlton Trail. Initially the plan was to have two external auditors go into both institutions. And then following the action taken with regard to the appointment of the administrator and the conversation we had with the Acting Provincial Auditor in the latter part of March, the Provincial Auditor noted that we had taken appropriate steps to mitigate any risks at Carlton Trail Regional College. And it was therefore his opinion that his audit of Carlton Trail which he was planning to do this year would be more than sufficient in terms of addressing looking at the past practices of the institution, and so we took his advice. And that's the plan, is to go forward with the auditor's review which he will do following year-end, which is June 30th at Carlton Trail Regional College. And then he will report that publicly in

his winter report, November or December of this year.

With regard to St. Peter's, we have secured KPMG to do what I would call a special and full financial audit. And we've got quite a broad scope in terms of the terms of engagement that we've secured with them. And their audit work actually began this week. The objectives of that audit are to assess the financial condition and financial sustainability of St. Peter's College, to assess management system of internal control and accountability for public money, to assess SPC's [St. Peter's College] board governance, and to investigate the allegations of financial impropriety against the CEO of Carlton Trail Regional College and president of St. Peter's College.

There's quite a broad set of terms of reference. And the audit, as we've asked KPMG to undertake, should address the following: to obtain and analyze SPC's audited financial statements from 2005 to present, noting trends and changes in their working capital and restricted funds; to assess the financial condition and financial sustainability of the organization and to assess management's actions to address issues that were raised by their auditors; as well to assess the appropriateness and authorization of the use of restricted funds including those related to scholarship and capital funds if any; to review budgeted and financial management reports provided to and approved by the board to determine the degree of monitoring by their board; to verify the ownership and location of assets; to verify the legitimacy and authorization of executive management compensation and expense claims for both SPC and Carlton Trail Regional College. In addition this will assist in the determination of duplicate expense claims, if any, to verify the legitimacy and authorization of board compensation and expense claims for both SPC and Carlton Trail to assist in the determination of duplicate expense claims if any.

As well we've asked them to assess the compliance with taxable benefit reporting as per the laws administered by the Canada Revenue Agency to identify the most significant financial risks and key internal audit designed to mitigate those risks, to review and evaluate the key internal controls of St. Peter's College, to assess the systems and processes SPC has in place to protect and promote the interests of its diverse stakeholder group, which includes not only government employees, faculty, administration, but as well students, donors, vendors, alumni, and the community.

The scope of the audit includes the operations of SPC. And due to the joint operations between SPC and Carlton Trail Regional College, a review of executive management and board expenditure records from both institutions is warranted. And the period to be reviewed in this is this fiscal year beginning in May 2009 through to the date of report sign-off.

Mr. Broten: — Thank you. So as I understand it, KPMG has been hired to do the St. Peter's side, and as the deputy outlined, a thorough investigation of finances, spending, governance, role of the CEO, etc. And for Carlton Trail, Meyers Norris Penny was at first used to gather information and do some investigation. And what is happening, the work that Meyers Norris Penny initially did in their research — not the assessment of the proposal document, but the audit interviews that were conducted and that type of investigation — that information is being given to the Provincial Auditor? Am I

correct in understanding that?

Ms. Isman: — There's multiple processes going on, so I'll try and make it as clear and concise as I can. Meyers Norris Penny, in their review of the merger proposal, when they were out doing that review there were a number of allegations that came forward that certainly raised concerns with the ministry and raised concerns with them. So we have contracted with MNP [Meyers Norris Penny] to do the second review. And they are currently doing that work; it is continuing.

And what we have contracted them to do is to go back out to talk to the people that raised the allegations and the concerns with them in the first place in order to verify and validate any evidence they have with regard to the allegations that were made. And then that information will be forthcoming back to the ministry, which we will then turn over to the Ministry of Justice. And that information, yes, will become part of the overall record that the Provincial Auditor will have access to.

[20:00]

In terms of the engagement that we have with Meyers Norris Penny, what we've asked them to do is to conduct interviews with the individuals who raised concerns during their consultation process to determine the basis and support for those concerns, to complete a review of the documentation associated with those concerns, to then conduct interviews with those identified as being responsible for the concerns to secure their point of view and position on those respective issues, and then to prepare a detailed report of those findings.

Mr. Broten: — Well that's a different understanding than what I've come to understand through questioning in question period. I know when I've raised the issue of the forensic audit for the institutions, the answers have normally been that we've engaged Meyers Norris Penny to do this work, and they've started. I think there was a quote where the minister said there's \$270,000 in a bank account. And to me, that indicated that they were doing the forensic audit, as we've termed it, at Carlton Trail Regional College. So my understanding of that was incorrect; is that what you're saying?

Ms. Isman: — I think there's a number of matters at play. First of all, the Provincial Auditor did a review of Carlton Trail as of last June — June 30th of 2010 — and that audit report was reported on in the fall of 2010.

The work that Meyers Norris Penny is doing currently, I think it is fair to categorize that as forensic work because what they are doing is they're going back into the institutions, and they're actually re-interviewing people. They're looking for evidence to support the allegations. Then they're looking for documentation that supports it, which actually is forensic in nature because they're actually getting underneath the allegations to determine the validity of what has been stated. All of that will then be turned over to the Provincial Auditor so that when the Provincial Auditor goes back in to do his review for the year ending June 30th, 2011, all of that information will then be gathered and available for him to yet review again.

Mr. Broten: — Okay. So the work that Meyers Norris Penny is doing right now with respect to Carlton Trail Regional College,

they're out talking to people who have raised concerns about financial irregularities, problems with governance, the works. They're going out doing a second phase. As I see in the first Meyers Norris Penny report, it said, "Some of the information collected during our engagement extends beyond our terms of reference and as such has not been substantiated through our project work."

So as I interpreted that, as one colleague said, they lifted up a rock, saw a lot of ugly things, put the rock back down, and said there's problems there, but it's not our job right now to look into them. And so then following that, the ministry engaged Meyers Norris Penny once again to start looking into the things under the rock and some of the problems. Is that correct?

Ms. Isman: — A couple of points of clarification. First of all, the work that Meyers Norris Penny is doing now, just so that we're all clear, is both with regard to Carlton Trail Regional College and St. Peter's College. It is with regard to, as you say, when they were out doing their initial work, they heard allegations about things, but it wasn't part of the scope of their work to do anything with that information. It was outside of the scope of what we had actually contracted with them to do.

However when they came forward, their inclination was that there was enough information there that they believed that it was important to bring it to our attention and that it was important to then do further review to determine and assess the validity of those allegations, and that's the nature of the work that we have now contracted with them to do.

Mr. Broten: — Thank you. And if I understand the deputy's earlier statements, she said the type of work that Meyers Norris Penny is doing right now is forensic in nature, but it's not the forensic audit?

Ms. Isman: — I think there's just an importance of being clear on terminology. And I was checking with the accountants in the group in terms of the nature of the term forensic audit. And I think that would not broadly define the nature of the work that we're doing. The individual from Meyers Norris Penny who is actually doing the work actually comes out of their professional services area with regard to doing . . . I'm sorry, Rupen; I don't remember the name.

Mr. Pandya: — Rupen Pandya, assistant deputy minister. The services that we've contracted are from the special investigations unit from MNP Calgary, and the individual that is leading the work is from that unit. And in fact the scope of the work that MNP is specifically responding to are allegations that were heard during the course of their consultations, and so they will be following up on those specific allegations. As they undertake their work, if they should therefore uncover other issues, they will then raise those as well.

Mr. Broten: — Well thank you. That's good to know. It is, though, in my opinion not completely consistent with what the minister has said in the House when we've talked about the forensic audit. On March 28th, 2011 in *Hansard* on page 6916, I asked the minister a question. I said:

To the minister: he's been dragging his heels on a full investigation, a forensic audit that needs to occur

immediately. To the minister: why is he dragging his feet on a forensic audit? Is he afraid of what will be found out? Does he know of things that occurred that were improper? Why does he not call for a forensic audit today?

Then the Speaker said, "I recognize the Minister Responsible for Advanced Education." And then the minister said:

Mr. Speaker, there have been ongoing dialogue and discussions with the Provincial Auditor, Mr. Speaker. And I'm happy to report today that the Provincial Auditor has concurred that a financial audit of St. Peter's College should occur immediately. In fact we have written confirmation of co-operation from St. Peter's College. And, Mr. Speaker, what we have from the Provincial Auditor is that he has said the securing of a public accounting firm is to do this audit is appropriate and sufficient. It may in fact be more timely than having his office actually undertake this audit, Mr. Speaker.

So I guess it's definitions of terms, and I'm not an accountant so I don't exactly know what it means, but the work that Meyers Norris Penny is doing is not a forensic audit, but it's in audit of investigation?

Ms. Isman: — Mr. Chair, in looking at the quote that was referenced, it is with reference to the financial audit of St. Peter's College, and that is the financial audit that's being done by KPMG at St. Peter's College. So there really isn't discrepancy with regard to what we've outlined as is currently being done.

Mr. Broten: — Okay. So the delay in . . . No, let's go with this question. When did Meyers Norris Penny commence their work of their second phase of their audit, of their investigation of a forensic nature?

Ms. Isman: — MNP started their work on March 16th.

Mr. Broten: — Does the ministry know how many individuals MNP has spoken to since then?

[20:15]

Mr. Pandya: — Meyers Norris Penny was in Humboldt doing interviews with nine individuals between March 28th and April 1st. And then they have been involved in document review for the last week, and they anticipate that that document review will carry on through the course of this week and likely into next week before they do further interviews.

Mr. Broten: — Have interviews occurred outside of Humboldt?

Mr. Pandya: — The answer to the question is yes, they did do interviews beyond Humboldt, and beyond that we don't know the scope of where those interviews were conducted.

Mr. Broten: — And MNP has the freedom to contact people and speak to anyone that they want to speak based on information or tips or information that they've received from all sorts of sources? They're operating completely independently,

is my question.

Mr. Pandya: — MNP is in fact . . . There's no scope on the limitation of their work. They're following what they hear. They will report back at the significant wait points. After this first round of interviews they reported back. They'll report back again once they've done their document review just so that they can apprise the ministry of the scope of the work and if, in fact, the cost of that work will increase.

Mr. Broten: — And when is it expected that MNP will be completed its work for this second phase of the investigation?

Mr. Pandya: — Depending on what in fact they actually find, that work is anticipated to take to mid-May, beginning of June. But of course if they find other issues, that work will expand in scope.

Mr. Broten: — Mid-May or mid-June. And so to be clear, when MNP is done with the second phase of the investigation of a forensic-type investigation, though not a forensic audit, its report is provided to: one, the Provincial Auditor; and two, the Ministry of Justice. Is that correct?

Mr. Pandya: — When MNP provides their report, they will provide that report to the Ministry of Justice. And the ministry's already pledged that we will fully co-operate with the Provincial Auditor, so we would provide the report through the Ministry of Justice to the Provincial Auditor.

Mr. Broten: — Okay, thank you. Will the minister commit at this time that as soon as he receives the report from MNP for phase 2 that he will table it in the legislature or release it publicly with a news release as soon as it's received?

Hon. Mr. Norris: — Thank you, Mr. Chair. Because the report is going to Justice, I will commit to acting at the advice of Justice and quite simply as Justice deems appropriate. As materials come to me I will make them public, certainly whether through the legislature or otherwise, but certainly if these materials are going to Justice, it would be up to Justice to act on them in an appropriate fashion.

Mr. Broten: — Has Meyers Norris Penny, for phase 2 of this investigation, have they been contracted by the Ministry of Advanced Education, Employment and Immigration or the Ministry of Justice?

Mr. Pandya: — Meyers Norris Penny has been engaged through the Ministry of Justice on behalf of the Government of Saskatchewan, represented by the Minister of Advanced Education, Employment and Immigration.

Mr. Broten: — Just read that last part again, please.

Mr. Pandya: — So Meyers Norris Penny has been engaged through the Ministry of Justice on behalf of the client, which is the Government of Saskatchewan represented by the Minister of Advanced Education, Employment and Immigration.

Mr. Broten: — So the Minister of Advanced Ed has asked the Ministry of Justice to contract with Meyers Norris Penny for phase 2 of the investigation?

Mr. Pandya: — That's correct.

Mr. Broten: — Okay. So if the minister is making the decision that it's Justice's call as to whether or not the report is released to the public when it's received, would the minister say that the likelihood of us seeing evidence or details of the report for the very first time will be when the auditor releases his report in December?

Hon. Mr. Norris: — Thank you, Mr. Chair. I would offer this, that at the earliest possible time as deemed appropriate by Justice, I will ensure that these documents are made public. I would offer that it would be pure speculation right now as far as the timing of when these documents could be made public, and that's in large measure because they will go directly to Justice.

Mr. Broten: — Thank you. We can have the debate, I suppose, another day about whether or not the phase 2 report should be released right away or not. But will the minister commit today to at least notifying through a news release that the phase 2 report has been received when it is in the possession of either Ministry of Justice or Ministry of Advanced Education? And I ask that question, if he's willing to commit and let the people know when it's received.

I just think of the first MNP report, and I know it was in the possession of the ministry for some time before it was acted upon. And so I just want a reassurance for people watching in the broader public that as soon as it is received by either ministry, we will at least know that it is in your possession.

Hon. Mr. Norris: — Thanks very much, Mr. Chair. The answer is yes, we will do that. I will ask our deputy to highlight just a few aspects. The report was received, the first MNP report with the recommendation was received in the middle of February, and within about a month that was made public. And I'll ask our deputy to actually go through why that took some time to make public. I think the efforts that were under way over the course of those weeks are probably important. Again, just a highlight.

Ms. Isman: — Thank you, Mr. Chair. We did receive the report from Meyers Norris Penny on February 15th with regard to what we had initially contracted with them to do, which was to do the due diligence on the public policy question of the merger. So once we received that document, we did a review inside the ministry to evaluate the process they had done, the conclusions that they had drawn, to ensure our satisfaction with regard to then making a recommendation to the minister on the question of the merger proposal to ensure that not only were we looking at their work but we were doing our own analysis and due diligence on that.

Second to that though, we had received the secondary report that Meyers Norris Penny had submitted to the Ministry of Justice. And in that period of time what we did was we worked with Justice and Meyers Norris Penny to develop the mechanisms to then review that piece of work, which was outside the scope of what we had initially contracted. And it was important for us to understand how best to deal with it, how that we could best assure Meyers Norris Penny that we would take due care and attention to it and that we would actually act on it.

It was at that point that we had discussions about the secondary review and how they would go upon that second set of work, and as well then, doing the communication work that we needed to do to go back out to the institutions and the local stakeholders with regard to both pieces of work. That work we completed, it was about four weeks and then we were out and making the report public.

Mr. Broten: — I had forgotten about that second report. There's so many reports being talked about here. So from phase 1, assessment of the merger process proposal, there was a report. Then there was a spinoff report from that, identifying the concerns that was given to AEE [Advanced Education and Employment] and Justice. And then following that, MNP was contracted once again for a second investigation of a forensic nature. And that's where we are now, if I just have it straight in my head.

So the four-week wait time, that was essentially to audit the auditors or check the auditors' work and then develop a game plan with respect to how the minister was going to handle it? Is that a correct summary?

[20:30]

Ms. Isman: — Thank you, Mr. Chair. I think the key work that we did in that period of time was really working with the Ministry of Justice in terms of how to deal with the allegations that had been brought forward outside the scope of the original contract work that we had hired Meyers Norris Penny to do that ensured us that we were, number one, appropriately dealing with it; and number two, protecting the interests of all parties involved, given that it was highly sensitive information and it was allegations. And so we took significant counsel from the Ministry of Justice in terms of how to best do that and then how to best communicate it.

Mr. Broten: — The scope of the items referred to Justice for review, that includes the issue of the \$1,000 Enterprise membership in the Sask Party? That's a question: does it include the Enterprise membership issue?

Mr. Wyant: — On a point of order, Mr. Chair. We're here to discuss the estimates that have been put forward by the department. And I think we need to refocus this discussion with respect to the estimates, and this is off course in my opinion.

The Chair: — Mr. Broten.

Mr. Broten: — If I may reply to that point of order, in spring estimates there's a long tradition of being able to ask questions on a wide variety of issues, especially given the fact that funding for St. Peter's College and Carlton Trail Regional College has been made dependent upon or there's a condition that an audit occurs. And so I think a thorough understanding of the audit, Mr. Chair, with respect to the role of MNP and the ministry and the Provincial Auditor is more than appropriate for this time of questioning.

Mr. Wyant: — Mr. Chair, that's not to do what I'm taking exception to. I'm taking exception to the fact that there's been a discussion now with respect to the Enterprise Club and how that factors into it. And that's got nothing to do with the estimates.

The Chair: — I've heard both sides of the point of order. And I will say that although the audit is part of estimates, that anything to do with party-specific donations or party-specific business is not part of estimates. So I'd just ask the member to stay on track.

Mr. Broten: — Well central to this issue that we've been talking about, with respect to the audit, is the issue of financial controls that were in place at Carlton Trail Regional College and St. Peter's regional college.

There is what is characterized or commonly referred to the Andy Burgess memo that was given to board officials, and in that memo it specifically talks about, "Glen Kobussen issued a personal cheque to the Saskatchewan Party dated September 21st, 2009. It is for a membership in their Enterprise Club. This amount was reimbursed to Glen as part of his monthly expenses." So anyway, I'm not going on tons on this right now, but it is completely relevant.

My question to the minister at this time is . . . I'm happy to hear that the investigation is under way at Carlton Trail Regional College and that steps are being taken to get to the bottom of what has occurred. I think it's very important to remember though that Carlton Trail Regional College is only one-half of the equation with respect to problems and the spending of public money, and St. Peter's College is the other side and the other issue.

We know that Deloitte has been hired to provide leadership and an administrator role with respect to Carlton Trail Regional College. We know Meyers Norris Penny has been hired to do phase 2 of the investigation and will be issuing a report to Justice and AEE. And now we also know from earlier comments that KPMG is hired to do the work at St. Peter's College. I know that from the minister's earlier statements, I understand that the work at St. Peter's is just getting under way, more or less.

So my question to the minister: does he have any concern with the lag time with respect to the investigation and the audit-type work between the two institutions? I think it's very appropriate that the work began quickly at Carlton Trail Regional College on the heels of the Andy Burgess memo and the allegations and the concerns that were raised in it. My concern is that there's been a considerable wait for things to get under way at St. Peter's College. And I would wonder if the minister has any comment on that, if that's a problem in his view.

Ms. Isman: — Thank you, Mr. Chair. I think the time frame and what's going on is important from all the various aspects. So just to reiterate, Meyers Norris Penny started their work on March 16th and that was with both Carlton Trail and St. Peter's College. So they have gone back into both institutions with regard to that overall review.

Both institutions have given us letters of complete compliance to anything that we've asked, so we undertook that due diligence right away as well in terms of contacting them and ensuring that we had their full support to undertake all of this work with their full co-operation.

And with regard to then the contracting with KPMG, we had to

scope out the nature of the work in terms of exactly what it was we wanted them to do going in to St. Peter's College. Then we put out a call in terms of looking for a firm to do the work, and then have contracted them as soon as we could. And they are now contracted and on the ground.

Mr. Broten: — Thank you. I realize, just backing up one second prior to the point of order, I asked the question if the Enterprise Club membership was within the issues referred to Justice. Is that part of the issues being referred to Justice, yes or no?

Ms. Isman: — Thank you, Mr. Chair. The letter that went to Justice from Meyers Norris Penny the minister hasn't seen, and we've done that purposefully in terms of that information has gone to Justice. The ministry is dealing with Justice with regard to the allegations that have been made and are contracting with Meyers Norris Penny to do the review.

If there is anything that comes up, either through the review of Meyers Norris Penny or through the special audit of KPMG or through the Provincial Auditor, all of that information will be forthcoming to the ministry and to Justice accordingly, depending on where that source is.

Mr. Broten: — Thank you. So at present, the ministry or ministries have contracted with Meyers Norris Penny, Deloitte, as well as KPMG? Do you have a running tally with respect to how much has been paid to these organizations already and how much is projected to be paid out?

Mr. Pandya: — Thank you, Mr. Chair. I can take you through a list. For the first phase of the MNP work, the total contract was \$97,000. That was \$75,000 for the original scope of the work. And then in December there was an additional scope added to do further interviews and follow-up interviews as part of the consultations for another \$22,000, which is \$97,000 in total.

For phase 2, which began effective March 16th, the estimate is between 50 and \$75,000. And it's an estimate because the nature of that investigative work is that if it in fact moves in different branches, and those branches should lead in different directions, that that work would in fact expand.

The contract for KPMG to undertake the special audit of St. Peter's College is approximately \$70,000. And the estimate for the administrator at Carlton Trail Regional College, which is Deloitte & Touche, is approximately \$160,000. So the range is between 374,000 and \$399,000.

Mr. Broten: — Say the range again please, just the total.

Mr. Pandya: — Certainly, Mr. Chair, 374,000 to 399,000.

Mr. Broten: — Thank you. The range for the administrator, was it 160 that was said? Or the amount for the administrator was 160?

Mr. Pandya: — That's correct.

Mr. Broten: — What is the duration of the administrator's term?

Mr. Pandya: — Thank you, Mr. Chair. So the estimate is based on a three-month term as administrator. So in the absence of a board, the administrator of course acts as the board, and in the absence of a principal or a CEO, then the administrator is also acting in that capacity as well.

Mr. Broten: — What is the range of a regional college CEO's annual salary?

[20:45]

Mr. Pandya: — Thank you, Mr. Chair. So the range for the salary for a regional college CEO is between 116 and \$130,000 annually. There is two exceptions to that: the CEOs of North West and Northlands College; the range is 126,000 to \$140,000 annually.

Mr. Broten: — So am I correct in my understanding that we're paying more for a three-month contract than the entire annual salary of a regional college CEO?

Ms. Isman: — Thank you, Mr. Chair. In terms of the hiring of the administrator, the administrator under the legislation actually is fulfilling the responsibility of the board as well as the principal and/or the CEO, depending on the language that's used in the institution. And I think the services that we've contracted with by that individual are specialized services in order to protect the public interest and the public assets which is, I think, what provided comfort to the Provincial Auditor in terms of the nature of the work that was being done.

As well as the ongoing management of the institution, that individual that's been contracted with is reviewing all of the internal controls of the institution, was going in and looking at all of the staff, dealing with all of the immediate needs, as well as ensuring that if there were a lack of controls, that all of those controls of course would be put in place immediately. And so it's a full reliance on that. And that individual can then draw on the support services of their team at Deloitte & Touche if need be.

Mr. Broten: — The total was 160,000 for three months. Am I correct? That's still over \$50,000 a month for those services. That seems like a lot to me. Is the ministry fine with that amount?

Ms. Isman: — Mr. Chair, I think what it demonstrates is the seriousness with which the ministry takes the allegations, and the importance of securing Carlton Trail Regional College, and ensuring that we have the specialized services and leadership of someone that is trusted in the community coming out of one of the national chartered accountant firms. And if that's what it's going to take right now to ensure the public assets and public trusts, then we think it's a reasonable expectation that we have an individual like that in charge of the regional college.

Mr. Broten: — Thank you. What's the annual salary . . . There's the base salary of an MLA. Then there's the top-up for a minister. How much is the top-up for a minister? What is the total for a minister's salary?

Ms. Isman: — Thank you, Mr. Chair. In our budget what we have is \$45,000.

Mr. Broten: — Thank you. So I don't say that the job of the administrator is a small one and not a . . . and certainly an important one. It's just an interesting figure.

I have a question about the lag that we've seen with respect to the audits of the two institutions. And I recognize through the comments made by officials that MNP began its work at Carlton Trail Regional College and St. Peter's College at some level with respect to talking to people about problems. That's part of the phase 2 investigation of a forensic-type nature.

I do have concerns though about the wait time that we've seen with KPMG, the third company to be contracted in this process, and the lag time we've seen in getting on the ground and securing documents and doing the work that is necessary in order to ensure that a proper forensic-type audit can occur at St. Peter's College.

I'd like to table a document. I'll give it to the Clerk, and I made an extra copy that can be given to the minister right away so we can carry on with the questioning. So the piece I just tabled is from the *Humboldt Journal*, and it is a fairly recent edition, March 23rd, 2011. The title of the story on the cover page is "Merger killed: Government finds Carlton Trail, St. Peter's not ready to merge." And it talks about many of the things that we've been talking about today.

I'd like to highlight some comments made in the article which are cause to me of some concern about the speed at which the forensic audit at St. Peter's College has . . . the length of time it has taken for this to get going. In the middle section it says:

Fr. Demetrius Wasyluniuk, chair of the SPC board, told the *StarPhoenix* that no financial irregularities had occurred in relation to Kobussen, and all the concerns raised in the memo had been dealt with by the boards when they considered the report in-camera at their May 10 meeting.

So we have a statement here by the Chair of the SPC board, and it's in reference to the Andy Burgess memo which highlights all the financial irregularities and concerns that have been raised in this process. And as recently as March 23rd, we have the Chair of the St. Peter's board saying everything is fine and any problems that were raised were handled in that in camera meeting on May 10th. Now that's a very different story than what we have seen from the ministry with respect to engaging Deloitte, engaging KPMG, engaging Meyers Norris Penny for yet another investigation, referring the matter to ministry officials in Justice.

To me, as identified in the Meyers Norris Penny report 1 where it says there are serious problems that we've identified, that suggests that not everything was handled in the May 10th meeting in camera. So my question to the minister: is he fine with this statement that is made by the SPC board Chair there, that everything was handled on May 10th? And if he's not fine with that statement, why the delay in getting KPMG, the third company to be contracted in this process, why the delay in getting them on the ground in St. Peter's College to do a forensic audit?

[21:00]

Mr. Pandya: — Thank you, Mr. Chair. If I may, I would like to introduce two documents into . . . or table two documents with you. These are letters that were shared with the boards of both Carlton Trail Regional College and St. Peter's College the evening of March 16th, and I'll just read from one of them before I provide them over.

In addition to communicating the decision on the government decision with respect to the public policy question of a merger, the memos also direct in the case of Carlton Trail Regional College that:

In accordance with Section 13 of the *Regional Colleges Act*, I request that the Board undertake the following activities:

1. Immediately resume the autonomy and independence of CTRC;
2. Co-operate with the Ministry while it leads a follow-up review of outstanding questions identified in the independent consultation process;
3. Place the current CEO on paid leave of absence for 90 days while this follow-up review is being undertaken;
4. In coordination with the Ministry, identify an individual or consultancy to oversee management of the college while the follow-up review is underway;
5. Develop an action plan including enhanced governance; and
6. Identify a key communications contact.

In addition we verbally advised both boards that MNP was in fact leading that second review. On the night . . . Both boards convened special meetings that evening and concurred with direction, these six points of direction. So I'll provide that over.

On March 18th, it's our . . . The May 10th Burgess memo surfaced, and the minister released two letters immediately to the boards of both Carlton Trail Regional College and St. Peter's College requesting an explanation of what both boards did with the information contained in the May 10th memo and how they responded to that information. Both the boards of St. Peter's College and Carlton Trail Regional College responded by March 20th to the minister's request for information on what they did to respond to those specific points of follow-up.

In terms of the next steps, the ministry also on the March 18th, just in terms of a more fulsome timeline, met with the Provincial Auditor, and we pledged our full support to the Provincial Auditor in terms of co-operation.

On March 22nd the minister requested that the Lieutenant Governor in Council dissolve the board of Carlton Trail Regional College as per section 28(c) of *The Regional Colleges Act* and appointed Deloitte & Touche senior partner Graham Pearson as the administrator of the college. In the subsequent days, information that had been requested from the boards, both of the boards, had started to flow in. It flowed in after the removal of the board but was information requested prior to their removal. In addition the ministry met with the investigative and forensics team at MNP to discuss their project timeline for being on the ground in Humboldt and doing their work.

On March 24th the ministry then again met with the Provincial Auditor and staff, the Acting Provincial Auditor and staff to discuss the ministry's approach to undertaking a review of Carlton Trail Regional College. And I believe the deputy has read into the record the Provincial Auditor's advice to the ministry in terms of managing risk at Carlton Trail Regional College. In addition the ministry advised the Provincial Auditor of the actions that we were undertaking with respect to St. Peter's College with respect to a full audit, and the Provincial Auditor believed that those measures that we had outlined were in fact the right steps to undertake. So just again, Mr. Chair, that is March 24th.

In the interim we were of course making requests of our newly appointed administrator of Carlton Trail Regional College. We made requests, you know, in terms of the assessment of financial controls and internal controls at Carlton Trail Regional College, and received back a favourable assessment in terms of the administrator's work with the senior management team at Carlton Trail Regional College.

By March 28th we received from St. Peter's College a board motion dated March 22nd, 2011, pledging to fully comply with the full audit that the minister had directed. By April 30th we were in . . . pardon me, by March 30th, 2011, we were in teleconferences with national consultancies to actually seek an expression of interest for the special audit of St. Peter's College. KPMG was selected to conduct the special audit of St. Peter's College on April 1st with an effective start date of April 4th in terms of the beginning of their work. Thank you.

Mr. Broten: — I thank the ADM [assistant deputy minister] for his comments, and I thank the DM [deputy minister] for her thorough comments throughout the evening and for providing that timeline, but my question was directly to the minister. And it was about the statements made by the board of St. Peter's College where he suggested as recently as March 23rd that any problems that may have been there were all taken care of at an in camera meeting.

And my question, which I posed directly to the minister and I will pose again to the minister: given this type of statement so recently as March 23rd where the Chair said that all . . . and all the concerns raised in the memo had been dealt with by the boards when they considered the report in camera at their May 10th meeting, as he has stated in *The StarPhoenix*, is the minister comfortable with the fact that there has been such a lag for starting the audit process by KPMG at St. Peter's College, given this type of attitude displayed, that everything was handled when financial irregularities were raised? How does the minister feel about the wait time?

Hon. Mr. Norris: — Mr. Chair, thank you very much. Given the structures that have been put in place and the commitment from the ministry as well as others, I think the pace was deliberate, but actually also full of prudence.

As far as with specific reference to the quotation offered by the member, I actually don't give it any particular opinion. I have no way of offering whether it's valid or not. It would appear to be somewhat concerning but, that being said, I think we can demonstrate that there has been very, very thorough due diligence, and there's been a balance between moving rapidly

with moving methodically, and I think that balance has been had. We have the word of both institutions that they would be in full co-operation. If something other than full co-operation becomes evident by those on the ground, then as we've said, those materials or other evidence would be forwarded on to Justice.

Mr. Broten: — Thank you. I note in the *Humboldt Journal* article there's a nice photo of Donna Harpauer, the Humboldt MLA [Member of the Legislative Assembly], and the CEO and president of Carlton Trail Regional College and St. Peter's College, Glen Kobussen, and yourself. Is that a recent photo? It's on page 2 of the newspaper article there.

Hon. Mr. Norris: — Thanks very much, Mr. Chair. As close as can be discerned from the copy that we have, it's . . . The photo is undated. It appears to be from July 10th, 2009.

Mr. Broten: — Thank you. In question period on March 24th, I raised the issue of a suspicious fire that had occurred at St. Peter's within the past year. Had the minister been previously made aware of this fire at St. Peter's College before I raised it in question period?

[21:15]

Hon. Mr. Norris: — Thanks very much, Mr. Chair. No.

Mr. Broten: — Following question period on March 24th when I raised the issue, did the ministry make any calls, emails, have any discussions about the issue of the fire at St. Peter's College?

Hon. Mr. Norris: — Yes.

Mr. Broten: — Who did the ministry official speak to about — either the minister or ministry officials, chief of staff, or individuals in the office — who was contacted and what was discovered?

Hon. Mr. Norris: — Thanks very much, Mr. Chair. My office contacted Jennifer Fafard at the college at which time details were sent, and those were forwarded directly from my office to the deputy minister's office. And I'll now get the deputy minister to talk about the nature of the materials and then where they went from there.

Ms. Isman: — Thank you. We got actually pictures that had been taken on-site as well as an explanation of what they had anticipated had happened, the report of the officer that had attended, all of which we have passed on to the Ministry of Justice.

The Chair: — Mr. Broten, before you continue, I'm going to call a five-minute recess for the comfort of those in the committee and those running the cameras, and we will be back in five minutes.

[The committee recessed for a period of time.]

The Chair: — Welcome back, committee members and minister and officials and ladies and gentlemen at home.

At this time we'll table the following documents: document HUS 71/26, article entitled "Merger killed, Government finds Carlton Trail, St. Peter's not ready to merge" from the *Humboldt Journal* dated Wednesday, March 23rd; document HUS 72/26, Ministry of Advanced Education, Employment and Immigration, correspondence from the Minister of Advanced Education, Employment and Immigration to Father Demetrius Wasyluniuk and Dr. Jerry Junk regarding information received from the CEO of Carlton Trail, Parkland Regional College dated March 18th, 2011; document HUS 73/26, Ministry of Advanced Education, Employment and Immigration, correspondence from the Minister of Advanced Education, Employment and Immigration to Dr. Jerry Junk, Father Demetrius Wasyluniuk, re: merger of St. Peter's College and Carlton Trail Regional College dated March 16th, 2011; and the final document, HUS 74/26, Ministry of Advanced Education, Employment and Immigration, correspondence from Minister of Advanced Education, Employment and Immigration to Marlene Latrielle-Gillespie, re: the proposed merger of Carlton Trail Regional College and St. Peter's College dated March 16th, 2011.

We will continue with questioning. Mr. Broten.

Mr. Broten: — Thanks. I think when we left off we were just talking about the suspicious fire that occurred at St. Peter's College, and the deputy had just confirmed that, following it being raised in question period, the ministry looked into the matter and had photos sent by an officer. Could you please state who that officer was or what authority investigated this fire?

[21:30]

Ms. Isman: — Thank you, Mr. Chair. Just so that there's clarity as to what we've got here. I'm reading directly from an email. The request went from the minister's office to St. Peter's College. They responded, which was then forwarded to my office, and we have subsequently forwarded this to Justice. So the email was from an individual staff member at St. Peter's College and that we were inquiring about a fire that happened at the college last year: "The following outlines a few details as I remember them from that night." So this is from the individual, the staff person at St. Peter's College:

The fire occurred on October 18. We believe it was sometime after "quitting time" (after 5 p.m.). Someone had set fire in what was a janitor's closet on the second floor. At this time this floor had already been . . . [demolished] so there was no one occupying the floor at this time. There were a few of our students, faculty and staff in the building but thankfully the sprinkler system did its job and no one was hurt.

There are three pictures attached that were taken that night and the next day, which I have electronically, but we could print copies.

It was determined by the RCMP that the fire was definitely deliberately set. It burnt the walls and eventually set off the sprinklers. There was a lot of water to put out in this area and it went down to the floor below and the floor below that. Because both the 2nd and 1st floors were under construction there was little "cost" to

the damage as these areas weren't renovated yet. The water in the basement landed in the boiler room — the only cost here was that it burnt out an electrical switch which was replaced. As precautionary measures, we blocked off public access to the 2nd floor and began to lock Michael Hall at night.

The RCMP were called in as soon as the fire occurred and conducted an investigation. I don't believe they ever found out who set the fire [and then the name of the investigating officer is provided].

Mr. Broten: — Was this issue investigated by the office of the fire commissioner?

Ms. Isman: — The only thing we know is what I've provided that we received, that the RCMP had done an investigation. So we don't know.

Mr. Broten: — Would the minister commit to contacting the office of the fire commissioner to see if the office of the fire commissioner investigated this suspicious fire and what his or her findings were?

Hon. Mr. Norris: — We will, and when I say we, the ministry, through the office of the deputy minister. I don't think it would be appropriate for a minister to undertake this, but through the deputy minister to make contact with the fire commissioner's office as well as to make contact with Justice. And Justice can then help to advise future actions in the dialogue that should go on and as it would be appropriate, whether through our deputy minister or through Justice.

Mr. Broten: — Thank you. Does the minister know what Mr. Kobussen's profession was before he was a CEO of regional college and St. Peter's College?

Hon. Mr. Norris: — As I understand it, and certainly from where I sit, this wouldn't be definitive, but my understanding is 2004 he became an interim president at St. Peter's College. My understanding is in 2005 a co-adjunct president for St. Peter's; 2006 a special advisor to their board of governors. And I also understand that he had potentially some connection to M.B.A. [Master of Business Administration] programming through the University of Saskatchewan, the details of which I know not.

Mr. Broten: — Prior to 2004 where the minister started his timeline about Mr. Kobussen's work history, I believe for a period of time he worked in Saskatoon with firefighters. Is that correct? And can the minister confirm that Mr. Kobussen has training as a firefighter once upon a time?

Hon. Mr. Norris: — I have seen only media reports. I do not know the details of those. I believe there was some association previously with the firefighters.

Mr. Broten: — Thank you. On March 28th the minister said in the Assembly, "Day by day we'll report on every dollar for taxpayers." I asked questions about an update on April 7th, and we've talked a bit about some of the answers that were said in the House and some of the information we've received since then.

On a number of occasions I've moved an emergency motion calling for a forensic audit with resources and also, importantly, clear timelines with respect to reporting back to the Assembly. On all of those occasions, the government has chosen to defeat that motion. My question to the minister: why has that motion been defeated so many times?

Hon. Mr. Norris: — Thank you very much, Mr. Chair. I think, as you've heard in some detail tonight, there is a full commitment to get to the bottom of this, to account for dollars, and to ensure that those that need to be held to account will be held to account. As far as proceeding, I'll go back to March 29th, 2011 from the Saskatoon *StarPhoenix*, and the title on this sheet is "College audit set to proceed." The first line is, "The provincial auditor has signed off on the government's plans for looking into potential irregularities raised in connection with the now-dead merger proposal by Carlton Trail Regional College and St. Peter's College."

And so I would offer that as the Provincial Auditor has signed off . . . And I'll have my deputy speak more directly to this in some detail. As the Provincial Auditor has signed off and said the steps that have been taken and are being taken prove sufficient to mitigate risk and to reveal questions and their subsequent answers, then I think it's fair to say we have an action plan that is being implemented that the auditor's office has confidence in.

Ms. Isman: — Thank you, Mr. Chair. I'm not sure I can add a lot to that other than the conversation that we did have with the Provincial Auditor's office. It was the Acting Provincial Auditor at the time. We went through all of the actions that had been taken from the point in time that the merger was denied right through to, I believe it was March 24th at that point that we had taken with regard to, in particular, the removal of the Carlton Trail board, the appointment of the special administrator, the recommendation that we proceed with a special audit by a national accounting firm of St. Peter's College, and actually questioned from his perspective whether or not he was in a better position to do that audit or whether he would recommend a national accounting firm to do it, as well as how to then proceed with regard to Carlton Trail.

And his recommendations were, with regard to Carlton Trail first and foremost, that his plans were to undertake another audit of Carlton Trail this year outside of the regular schedule that he had planned. And he felt, given the precautions that had been taken and the risks being mitigated, that that was sufficient and appropriate.

And with regard to the audit of St. Peter's College, his view was that it was probably more timely and in the best interests of the ministry to secure an outside public accounting firm to do it. Although he did acknowledge he could do it, it certainly wasn't his recommendation.

Mr. Broten: — Thanks. My question directly to the minister, not to the DM or the ADM: given the minister's statement that day by day there'll be a reporting as every taxpayer dollar is accounted for, given that commitment and given the fact that now the ministry or ministries have engaged Meyers Norris Penny, Deloitte & Touche, as well as KPMG, there's a lot of money being spent and a lot of activity, it would appear,

starting to be done with respect to getting to the bottom of this.

Given all of those facts, would the minister commit to tabling on a weekly basis a progress report of the activity that has occurred in the past week — what these different contractors have done; what is being done — and then if the investigation extends beyond the session, if the minister would commit to a weekly news release and release of facts, perhaps on a Monday, where a progress report is given to the Saskatchewan people for the sake of transparency and openness.

[21:45]

Hon. Mr. Norris: — Thanks very much, Mr. Chair. I'm happy to commit on a weekly basis to have an update via the ministry's website. I put some cautions on this. There are obviously some parameters that we will work within and those would be . . . And I would take the advice of members of the committee as well on this, obviously without in any way undermining or interfering with the work that's under way today. And so I'll turn this over to the deputy but I think an update on — some of it will be procedural and process oriented — but on a weekly basis, we can do that through our website.

Ms. Isman: — Thank you, Mr. Chair. Yes, I think we can. As we get reports in, most of them are process oriented, not substantive, particularly as it relates to the work of Meyers Norris Penny. Because it would be inappropriate . . . That work is going to go directly to Justice. But on a weekly basis in terms of the gathering and that they've actually been on the ground and what they've been doing, I think we can report that.

With regard to the KPMG audit as well, the overall audit findings wouldn't be known until the completion of the audit. But to report regularly in terms of the work that they're doing and the timelines certainly in terms of that, as well as the reports that we're getting weekly from the administrator at Carlton Trail Regional College, we can provide updates on those reports as well with regard to the process and the things that have been undertaken.

Mr. Broten: — Thank you very much. On the KPMG, just to have it straight in my head because there's so many contractors engaged now, the KPMG work, that is being given to the Provincial Auditor for his report, correct?

Ms. Isman: — Yes. The KPMG is the audit being done at St. Peter's College. And yes, that will be shared with the Provincial Auditor and as well publicly.

Mr. Broten: — Thank you. And the Provincial Auditor will be doing an audit of St. Peter's as well as Carlton Trail Regional College, right? To be clear.

Ms. Isman: — Thank you, Mr. Chair. The Provincial Auditor is going to do an audit of Carlton Trail Regional College. He will not do an audit of St. Peter's College. The national accounting firm is doing that audit, and that audit will then be provided to the Provincial Auditor for his information. But you don't need to do an audit of the audit.

Mr. Broten: — Okay. So the Meyers Norris Penny audit number two is not a real, real audit. I used air quotes there. It's

not a real audit, so the Provincial Auditor is still doing his regular audit. They're doing an investigation which supports his audit. But in the case of St. Peter's, KPMG is doing the entire audit and giving that report to the Provincial Auditor. Is that correct?

Ms. Isman: — Thank you, Mr. Chair. So I'm just going to run through all the various initiatives that are under way and sort of the nature of the scope. So Meyers Norris Penny is looking into the allegations at both institutions that were brought forward, based on the work that they were doing with regard to the merger proposal. They started that work on March 16th. Their findings will be reported to the Ministry of Justice and through the Ministry of Justice to the Provincial Auditor's office. And that's with regard to both institutions.

Deloitte & Touche is serving as the administrator of Carlton Trail Regional College. KPMG is doing the special audit of St. Peter's College, and that was the terms of reference that I read into the record earlier, and that includes the overlap, where there is overlap between St. Peter's College and Carlton Trail in terms of for example expenses and those sorts of things that were identified in the terms of reference. And then finally the Provincial Auditor will do an audit of Carlton Trail Regional College for the year ended June 30th, 2011.

Mr. Broten: — Okay. So how are we going to know what happened at St. Peter's College with the \$3 million of KIP funding from the province, the 6 million from the feds, and the \$1 million in operating per year? What is the end date for KPMG's audit at St. Peter's College, and how are the people of Saskatchewan going to find out what happened in that area?

Ms. Isman: — Thank you, Mr. Chair. So the estimated time frame for the work of KPMG on St. Peter's College is they should have a report finalized in June. And that report will be made public, and in being made public will be provided to the Provincial Auditor as well as the Ministry of Justice and will be a public document.

Mr. Broten: — So fully public this June, unredacted in its entirety, available for everyone, released by KPMG through the ministry in June of this year?

Ms. Isman: — Mr. Chair, yes.

Mr. Broten: — Thank you. My question now: when did the minister first meet Mr. Kobussen?

Hon. Mr. Norris: — Thanks very much, Mr. Chair. We can get the exact date for the committee. To the best recollection I have, the spring of 2008.

Mr. Broten: — Thank you. It was reported to me by a number of people in the Humboldt community that Mr. Kobussen would often say to individuals that he associated with the minister on a social basis: outside of work, there would be socializing. Is that a truthful statement?

Hon. Mr. Norris: — Your question is one that has two propositions in it. The first is what you've heard from other people, and I assume what you're reporting is truthful. The second, whether I had a social relationship with Mr. Kobussen,

the answer is no.

[22:00]

Mr. Broten: — Thank you. At what point did the minister become aware of Mr. Kobussen's criminal past?

Hon. Mr. Norris: — May 2010.

Mr. Broten: — May 2010?

Hon. Mr. Norris: — Yes.

Mr. Broten: — Since the time of May 2010, when the minister states he first became aware of Mr. Kobussen's criminal past, what has the minister learned about that past since then?

Hon. Mr. Norris: — Thanks very much, Mr. Chair. I'll make reference to a *StarPhoenix* article from the early 1990s, and again we can get the date on this. The title on it is, "City firefighter charged with theft from burn fund." The article goes on to talk about the crimes and how he was charged. So that was one of the very first pieces that I received over obviously a very, very disturbing, very, very disturbing criminal issue connected to Glen Kobussen. And I learned that last May.

Mr. Broten: — Thank you. So to do with those convictions and the case that the minister is referring to as reported in *The StarPhoenix*, I have a copy from the province of Saskatchewan in the Court of Queen's Bench for Saskatchewan Judicial Centre of Saskatoon, a conviction statement. And it says, on counts no. 1, 2, 3, 4, and 5, that the said accused be imprisoned at the Provincial Correctional Centre for a term of six months, and on count no. 6 that the said accused be imprisoned in the Provincial Correctional Centre for the term of one year, such sentence to be served concurrent to the sentence on counts 1, 3, 4, and 5. And then it goes on about the details of a victim surcharge and a payment back to the treasurer of the Saskatchewan Professional Fire Fighters Association burn fund, as well as payment back to the Saskatchewan professional firefighters union Local 80 and trusts for the union.

So those are some of the details, and the details are also in another document to do with the indictment on those six points.

I also have a copy of a letter that Mr. Kobussen sent to the Court of Queen's Bench. And it says, "I'm completing a pardon application which requires that I obtain from your office a certificate of conviction or other written confirmation, letter from the court certifying whether my conviction was proceeded as indictable or summary conviction." And it goes on to state the personal information and the name of the judge and such.

So this letter would indicate to me that Mr. Kobussen was convicted for a number of things. In the previous documentation we saw that time was served in a correctional facility. And then in this document, we see that he applied or at least initiated the process for a pardon. My question to the minister is, does Mr. Kobussen have a pardon for the six convictions that he has?

Mr. Pandya: — Thank you, Mr. Chair. We have made the request to St. Peter's counsel, legal counsel, St. Peter's College

legal counsel to obtain a certificate of pardon for Mr. Kobussen. We've also contacted the Ministry of Justice to determine what the process would be to actually determine whether or not somebody has obtained a pardon, and we are waiting to hear what that process will look like and how that should unfold.

Mr. Broten: — I've had a number of people tell me in the community that it's their belief that Mr. Kobussen doesn't have a pardon. And to be honest, I don't know if that's the case or not — if he has a pardon or if he doesn't. I know a number of people have raised it with me that he does not.

So back in May of 2010, when the convictions and the criminal past of fraud were raised and brought to the minister's attention, was there no process at that time to check as to whether or not there was in fact a pardon? And was there no process in place to ensure that \$9 million of KIP money and \$1 million of annual funding from the ministry that was being allocated to St. Peter's College, never mind Carlton Trail College, was there no checking that went on in May of 2010 that that money was in safe hands?

[22:15]

Hon. Mr. Norris: — Thanks very much, Mr. Chair. We'll have our deputy weigh in, and then after that I'll have a few comments.

Ms. Isman: — Thank you, Mr. Chair. At the time last May, we actually didn't undertake any further review with regard to Mr. Kobussen's background nor asked the institution to do the same.

Having said that, some of the things that I think are important to consider with regard to ascertaining someone's employability when they've had a criminal record in the past, and certainly based on my experience, is multi-fold and depends on a number of things. You would look at the employment record of the individual from the point in time that they had a criminal record to date. You also — and here I will refer to the criminal record check policy of the Public Service Commission when looking at assessing relevance of criminal convictions — and what you do is you look at the relationship of the offence to the level and nature of the position and the assignment. You look at the number and the nature of the charges and the convictions, when the offences occurred, and specifically then what the person has done in the intervening period which would then be the employment subsequent to that.

I think the other piece that's important whenever looking at criminal record checks is that that's only one means to ever evaluate the strength and the controls within an organization. And that's where you would go back and then rely on the internal controls of an institution — in this case, Carlton Trail Regional College specifically with regard to the interim CEO position — as to what those controls were and if those controls then would mitigate any risk should you see any risk if that was the case.

So I think that would have been the process that probably should have been undertaken at the point in time last June or last May. That's, I think, what we would have done. It doesn't necessarily conclude what the outcome of that process is but the

process that could have been undertaken.

Mr. Broten: — Did the minister care to add? He had mentioned he wanted to say something else.

Hon. Mr. Norris: — Thanks very much, Mr. Chair. It's obvious that the long-standing practices that have been in place for some time are not sufficient. And so we are at work at present, including with stakeholders, to revise this process. And there are sensitivities on many sides on this. But the bottom line is we need to ensure a process that provides more timely, more appropriate information to decision makers while at the same time being respectful of Charter procedures and the protections of privacies as appropriate.

So what we did was insufficient. As I say, it was based on long-standing principles and practices. And I think it's easy to say that this is one of the lessons learned. And this is an area that, for the ministry, we ought to have done a better job, I ought to have done a better job, and relying just simply on tried and true was insufficient.

Mr. Broten: — Thank you for that information. My question, I think the deputy minister spoke about the internal controls in place that could . . . well first of all spoke about the nature of the convictions and the relevance. And certainly stealing from a burn fund and fraud is certainly relevant and certainly serious.

And the governance controls I think, on the Carlton Trail Regional College side through the Andy Burgess memo, we see the flaw because of a political board. We see concerns that were raised through a process in place on Carlton Trail Regional College through the memo. And you know, that's where we get the information about double dipping for reimbursement, a missing Sony flat screen TV, issues like that, the Enterprise membership for \$1,000, and the Sask Party.

Now on the St. Peter's side, because of it being a private institution, the controls and the checks there are even less than on the Carlton Trail side. And so my concern now is ensuring that we obtain a clear and accurate picture of the finances on the St. Peter's College side and the \$10 million plus that has flowed to St. Peter's College. Now when we look at the funding that has flowed to St. Peter's and the construction project that has been going on there — we touched on this at the beginning of the estimates this evening when we talked about the amount of funding that St. Peter's College has received, and for the building project — it was identified that the total was \$12 million for the cost of the building project.

Through earlier answers, we learned that \$6 million was contributed by the federal government, \$3 million was contributed by the province, and then St. Peter's College was responsible for fundraising \$3 million which they did through a capital campaign. Belinda Stronach was in town, and I believe they hit up past alumni with deep pockets, and they gathered up the additional funding that was needed for that \$12 million project.

I apologize for the long question but cognizant of the hour, and I want to get a few items in. With that \$12 million price tag for the construction project and \$12 million obtained through the feds, through the province, and through fundraising, to me that

would . . . I think that should be enough for that project. Now people in the community, I've heard a number of things from different people — and I'll allow the minister to say whether or not he's heard similar items — and I guess we'll ultimately know when KPMG comes out with the full forensic-type audit.

I'm told that St. Peter's regional college is essentially broke. And I'm told that St. Peter's . . . not regional college, St. Peter's College. I'm told this by a number of individuals, that they remortgaged their land or used their land as collateral in order to get a line of credit in the millions of dollars. So that's the one bit of information. I've also heard from individuals that the finances on the St. Peter's College side, that the processes there were not correct and that what we saw was a collapse of capital dollars, operational dollars, and fundraising dollars, that those pools of money were not controlled properly and were perhaps used inappropriately.

So my question: given that \$9 million of federal and provincial money has flowed for the project, given that \$3 million was raised through a fundraising campaign, can the minister confirm if St. Peter's College has mortgaged a lot of their farm land to obtain millions of dollars? And if so, why?

Hon. Mr. Norris: — Thanks very much, Mr. Chair. I will certainly reiterate what has most recently been told to me from that region as a very, very energetic senior citizen and he said this to me. He said upon asking about what was going on, he said, "There are a lot of rumours out there." And I'll paraphrase, but essentially he had two requests: please account for the money, and please let the chips fall where they may. And I think those are reasonable measures by citizens or other stakeholders.

I think what we've highlighted or attempted to highlight . . . and this evening is to demonstrate our commitment to meet those two fundamental benchmarks. And as far as issues that have been raised or concerns that have been raised, I think what we've been able to demonstrate is our sincere commitment, and I would say quite sophisticated commitment, as far as speaking within the endeavours to get to the bottom of this, that we will account for these dollars.

At this stage we have a decision not to merge based on a process that was done independently. Beyond the recommendations there were questions and concerns that came forward and we are working diligently with a number of partners to meet those simple benchmarks. And so the answer is, we are going to find out. And regarding the internal governance structures regarding St. Peter's, those were flagged by Meyers Norris Penny as part of the process. And we will ensure, as we've promised, especially on what we anticipate will be at the June findings regarding St. Peter's, those will be made public, and those will also be directed to both the auditor and to Justice.

Mr. Broten: — Okay . . . [inaudible] . . . places I'd like to go right now. How about . . . I want to deal with one other phone call I received. And given that it's almost 10:30 . . . This is another slightly different vein than what we've been talking about but somewhat related. And I suppose it's . . . I'll put it in now because it's consistent with the minister's remarks about many rumours going on right now.

And I received an anonymous phone call from a person, and they told me that Glen Kobussen was somehow involved in the land purchase by SIAST that was done without the minister's permission, the properties adjacent to Kelsey Campus, the two parcels that were purchased and has been the focus of the Provincial Auditor. This individual told me that Glen Kobussen was involved in some way in that. And to me it seemed like, well they're both two concerning issues about oversight and transparency and control, but to me they're unrelated.

But it was an interesting phone call that I received. And I just wanted to provide the minister the opportunity right now to either confirm or deny unequivocally that Mr. Kobussen did or did not have involvement with the land purchase in any way, shape, or form of the two properties adjacent to current Kelsey Campus of SIAST.

Hon. Mr. Norris: — To my knowledge, not at all. And that knowledge or that point of view is shared by our leadership team within the ministry.

Mr. Broten: — Thank you for that answer. Who is the current acting president of St. Peter's College, and is this person related to Mr. Kobussen?

[22:30]

Mr. Pandya: — Thank you, Mr. Chair. The current acting president of St. Peter's College is Rob Harasymchuk — excuse me if I got that wrong. To our knowledge, we have heard that he is the nephew of Mr. Kobussen, but we have no confirmation of that. In fact he's a past president of St. Peter's College and has been appointed by the board of St. Peter's College to act as president.

The Chair: — Mr. Broten, in light of time, I would ask you to ask one closing question.

Mr. Broten: — One closing question. Does the minister know the whereabouts of Mr. Kobussen? Is he in the province? Is he in Saskatoon? Does the ministry know where Mr. Kobussen is?

Hon. Mr. Norris: — I do not know Mr. Kobussen's whereabouts.

Mr. Broten: — Thank you. With that, since it sounds like that was my last question, I will thank the minister for his answers and especially thank the ADM and the DM for their answers this evening as well and thank all the officials for being here. Thank you very much.

The Chair: — And on behalf of the committee, I'd also like to thank the minister and his staff and officials and the committee members and ladies and gentlemen at home for watching our committee meeting tonight, and ask the minister if he has any closing comments.

Hon. Mr. Norris: — Mr. Chair, thank you very much. And again I would reiterate to all committee members and certainly to all the officials who have worked tirelessly, not just for tonight but on an ongoing basis, and those within the Legislative Assembly that provide us the opportunity to be here, I just want to say thank you and I look forward to our next

session.

The Chair: — Thank you, Mr. Minister. I'll entertain a motion to adjourn. This meeting stands adjourned.

[The committee adjourned at 22:31.]