



Standing Committee on Public Accounts

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**STANDING COMMITTEE ON PUBLIC ACCOUNTS
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Saskatoon Eastview

Carl Kwiatkowski
Carrot River Valley

Lyle Stewart
Thunder Creek

Milton Wakefield
Lloydminster

Hon. Mark Wartman
Regina Qu'Appelle Valley

The committee met at 09:00.

The committee met in camera for a period of time.

Public Hearing: Post-Secondary Education

The Chair: — Good morning, everybody. Welcome to our second day. This morning we're beginning the morning with Post-Secondary Education. But before I do that, I would like to indicate that we have Mr. Yates in for Ms. Junor this morning; and Mr. McCall is in for Mr. Wartman; and Ms. Atkinson is in for Ms. Higgins.

Mr. Wendel, I'd ask you to introduce and reintroduce some of your staff that's here today and was here yesterday.

Mr. Wendel: — Well thank you, Mr. Chair. I have someone new here today, is Deann Dickin who is my executive assistant and she's filling in for Rodd Jersak this morning who's at another meeting. Next to me is Judy Ferguson — she leads our work at Post-Secondary Education and she'll be making the presentation to you in a few minutes; and Brian Atkinson, who is with us at every meeting.

The Chair: — And from the comptroller's office. Okay. Welcome to the officials from the Post-Secondary Department. I'd ask Mr. Yeates to introduce the officials that are with you, sir.

Mr. Yeates: — Thank you very much, Mr. Chair. On my left is Lily Stonehouse, assistant deputy minister; and on her left is Brady Salloum, executive director of student financial assistance; and on my right is Gord Sisson, who is the director of financial planning.

The Chair: — Great. Thank you very much. I'd ask Ms. Ferguson to go directly into the presentation from the auditor's office.

Ms. Ferguson: — Good morning. Thank you, Mr. Chair, members of the committee, and officials. I am pleased to present to you and provide to you a brief overview of chapter 15 of our report.

This chapter contains an overview of the risks — a very brief overview of the risks — that the department faces and our audit conclusions and findings for a number of different entities. First of all, the department itself, the Saskatchewan Apprenticeship and Trade Certification Commission, the Saskatchewan Communications Network, Student Aid Fund, and the Training Completions Fund. And those are all for the March 31, 2001 year-end. Along with for the June 30, 2001 year-end: SIAST (Saskatchewan Institute of Applied Science and Technology), Cumberland, Cypress Hills and Prairie West regional colleges.

So briefly, the three risks that we set out in this chapter are what's reflected in the overhead. And these risks flowed from our work in 1998 where we worked with the department to identify risk areas. And in summary they are: to coordinate the efforts of key post-secondary institutions to deliver post-secondary effectively and efficiently; to ensure post-secondary response to the needs of the public and

employers; and thirdly, to ensure reasonable access to quality education and training opportunities.

On pages 204 and 205, in addition, we provide information on the department's revenues and assets held at the various funds in institutions within the post-secondary sector. If you look at those pages, you'll find that the post-secondary sector holds about a billion dollars worth of assets, and that's just slightly up from the prior years of \$900 million.

Moving on to discuss the audit conclusions and findings, you'll find those on pages 352 of our report. In summary, the 2001 financial statements for the Apprenticeship and Trade Certification Commission, for Saskatchewan Communications Network Corporation, for SIAST, for the Training Completions Fund, for Student Aid, and for Cumberland, Cypress Hills, and Prairie West regional colleges are reliable. We found that the department and these agencies had adequate rules and procedures to safeguard and control these assets and those are the funds except for the matters that I will raise shortly.

We also found that the department and these agencies complied with the authorities governing their activities except for two areas. The first is a new area for this committee's consideration, which is the verification of the eligibility of graduate tax credits. And the second is a continued concern of our office about the verification of critical information on student loans.

This chapter contains two new recommendations and provides you with an update of five previously reported recommendations. Your committee has discussed and concurred with each of the previously reported recommendations.

On pages 352 and 353 we talk about the graduate tax credit program. This program came into effect for the 2000 calendar year. The program sets out various criteria that the student must meet to be eligible to receive tax credits to apply against their provincial income tax payable. The department is responsible for issuing the tax credits to eligible students. It must have processes in place to ensure tax credits are issued only to eligible students in the correct amounts. These procedures must provide sufficient and timely verification of critical information.

As I just indicated, this was the first year of the program. It was the year that the program rolled out. The department issued tax credits worth over \$3 million to about 10,100 students. The department determined that the tax . . . determined the tax credit based on information received from the students, and for many students from the student's educational institution. During the year the . . . we noted the department did not have adequate procedures to know if only eligible students received tax credits and received them in the correct amount. At the time of the audit the department had not yet taken the necessary steps to ensure critical information received from the educational institutions was reliable.

To ensure only eligible students receive tax credits, we recommend that the department verify critical information on graduate tax credit applications.

On pages 354 to 355 we provide you with an update of the

outstanding recommendations. In this report we note that the department continues to make good progress towards compliance to each of them. The department continues its work on developing a sector-wide plan, and in this process continued to clarify its accountability relationships with those in its sector. At the time of the audit this work was not yet complete.

The completion of this planning process will help the department improve its reporting on performance. We noted that the 2001 annual report was better than the prior year's report, and subsequent to our audit the department tabled its . . . sorry, we knew that the 2000 annual report was better than the prior one. And subsequent to our audit the department tabled its 2001 report and again it was better again than the previous reports.

However both reports do not clearly set out how the department is doing in achieving its goals and objectives. Once its planning process is complete and made public, the department will be in a better position to report on its performance. We encourage the department, in conjunction with the government's accountability initiative, to make its plan public and to report progress against its plan. We look forward to continued progress in these areas.

The next area the chapter deals with is Student Aid Fund. The Student Aid Fund has trustees who are responsible for administering the fund. The fund helps students finance their education. It provides students with grants, bursaries, and loans in combination with the Canada Student Loan Program. Its financial activities are significant. In 2001 it had revenues of 45.6 million, of which over 90 per cent — 42.1 million — came from the General Revenue Fund. The fund had expenditures consisting mainly of grants, bursaries, and scholarships of 39.6 million.

At March 31, 2001 the fund had loans receivables from students of 2.9 million and owed the Royal Bank of Canada 36 million for bursaries, grants, and other amounts that reduced the student loans balances. This is part of their debt reduction program.

Good financial reporting is important. During the audit, we noted that the quality of financial reporting of the fund was adequate, that this financial package is an important tool for monitoring the activities of the fund. Also to effectively monitor the activities of the fund, the trustees need to receive this financial reporting package within reasonable time periods. Timely information helps ensure that the issues are identified and appropriate corrective action can be taken in a timely manner as necessary.

During the year the trustees received information for the first three quarters four to five months after the period to which they related. This timing does not provide for effective monitoring. We recommend that the department provide the trustees with timely quarterly financial statements.

Our office has reported on the department's progress in implementing its recommendation relating to the verification of critical information of student loans for a number of years. Your committee has met and discussed these recommendations in '99 and received an update in 2001. In 2001, the department approved 17,000 student loans worth about \$129 million, of

which 59 million are for Saskatchewan student loans. The remaining are Canada student loans.

The loans made under the student loan program are subject to a large number of eligibility criteria. Verifying the loan amount ensures only eligible students receive aid in the correct amounts. Also, a number of the department's grants and other financial assistance programs are based on their approved loan amounts.

The department must continue to decide which applicant information they verify before approving the loan application and which information to verify at a latter date. Sufficient and timely verification reduces the department's risks of incurring additional costs and of not complying with the provisions of the lender-financed Saskatchewan student loans regulations.

In this report, we noted that the department has made continued progress. For example, it did work in terms of verifying the attendance of students.

On page 357, we set out the areas that the department has not yet sufficiently verified the information, and that's about in the middle of the page there. That information includes the number of dependants, single parent status, receipt of daycare allowances, the amount of scholarship funds, the value and existence of vehicles, whether or not the student is a resident of the province, and whether or not they continue to meet enrolment requirements. We look forward to continued progress of the department in verifying the critical information of the student loans.

The last section of the report deals with regional colleges, and on page 358 we provide you with an update of a previous recommendation that boards of regional colleges need better performance information. During the audits of Cumberland, Cypress Hills, and Prairie West regional colleges, we note that the colleges are working with the department in identifying the key performance measures and targets.

These are necessary to help ensure the colleges gather the necessary information to determine and report on their progress against their plans. We recognize that this work is underway and is part of the department's sector planning process. And again, we look forward to continued progress in this area.

So in summary, this chapter contains two new recommendations. The first can be found on page 353 and it relates to the grad tax credit program. And the second can be found on page 356 and relates to the Student Aid Fund. We look forward to your support on these recommendations to ensure continued progress.

And that concludes my presentation.

The Chair: — Thank you very much, Ms. Ferguson.

Mr. Yeates: — Okay. Thank you, Mr. Chair. I'll just make a few comments in response to the recommendations and the observations from the Provincial Auditor's office. In general we agree with the recommendations that have been made, but I can provide you with some further explanation on a number of them.

And starting off with the graduate tax credit. The process we've used is to have an electronic file transfer from the institutions to provide us a list of all of the individuals who have qualified for graduation from the institutions and meet the requirements of the graduate tax credit. We provided that to the institutions; they sent us the electronic file. And it turns out 98 per cent of the applications were received in that way. And you can imagine the amount of work that saved versus an individual application and file review process.

We think the risk from that process is extremely small because it would mean that file comes from the institutions based on who would be receiving a degree or diploma. So if that file is in error, it would mean that the university or SIAST would be actually granting a degree or diploma in error. And we think the chances of that are pretty well zero.

We've subsequently done a random audit this past year. We selected a number of files and went back and requested the records from the institutions and verified that these individuals, in fact, did qualify to graduate and met the terms of the tax credit. And as we expected, there were no errors in that random audit.

So we will though, we will continue to conduct random audits for the graduate tax credit. And once we get information back from the Canada Customs and Revenue Agency on individuals who actually claimed the credit — because that still remains to be done — we'll also do an audit, a random audit, of those individuals as well.

I should also clarify that the tax credit is a flat amount so there isn't an issue on the amount being correct or not — either you get it or you don't. So it reduces your tax payable. So it's a certificate for \$350 is what it is. It's never adjusted to \$325 or \$275; it's just the flat amount.

So we're fairly confident that the risk of error in this process is very low but we'll continue to strengthen the random audit process. And we feel the efficiencies of the electronic transfers are very, very considerable in terms of the cost of trying to run this kind of program.

Secondly, in terms of the accountability relationships, I think, as Judy noted — and this applies to a number of these continuing recommendations — we've been continuing to work with the sector on the development of a sector strategic plan. The publication of that plan is pending a decision from government on doing that.

But in the meantime, we've been using it as a way to carry out the work with our sector and for each component of our sector to do their own business and organizational planning. And part of that process is the development of a set of performance measures. And I think we talked a bit about this last time. We've included things like graduate employment rates and things like that. And should this be published, that will all be part of the performance management regime, and then you'll begin to see that reflected in the annual reports of both the department and our constituent organization.

So specifically with respect to the regional colleges, we are expecting the development of a set of performance measures for

the regional colleges during this year. And then they'll report on it during the following year. So we'll basically lead with the sector-based goals, objectives, and measures and then follow up with SIAST, the colleges, the Apprenticeship Commission, and so on.

In terms of the Student Aid Fund, we certainly agree with the recommendation on timely quarterly financial statements. And I think you'll find that in the next review, we have improved considerably on that. We've tried to streamline the process from our perspective. So I think we've had a better record of that recently. And we agree the quarterly financial statements, it's important that they be timely.

In terms of verifying information for student loans, we continue to work to balance the cost benefit of verifying this information and the timeliness of providing approvals to students. We will be in a much better position for this kind of verification work when our new integrated income support system is completed later this fall. And that will allow us to do a lot of this work electronically. As you can imagine, when you're trying to do it just by hand it's very time consuming and it's also quite expensive in terms of staff time.

So we will continue between now and then. We'll continue to conduct random audits and do some of the electronic matching that we can do — for example, on verifying dependants, verifying daycare allowances, maintenance payments, and so on. We'll continue to select a random group of clientele and do the verification work. We're doing that with the institutions as well to verify full-time enrolment at the institution.

So that's the process we'll continue with, but I think you will see this will be stepped up considerably once we actually have our full electronic integrated support system in place.

So in summary I think, as they say, we support the recommendations from the auditor's office and we expect that the committee will continue to see progress on these fronts, both in the current year and in future years.

The Chair: — Thank you, Mr. Yeates. General questions?

Mr. Gantfoer: — Thank you, Mr. Chair. And thank you, officials from Post-Secondary for your response.

I guess my first reaction is to the auditor's office a bit in terms of . . . you know, I wonder if the auditor's office balances out sort of a theoretical desirable goal with some pragmatism. You know, the process on the graduate tax credits for example, where the institutions are charged with the criteria that essentially match the graduating criteria from that institution; that information being transferred to the Department of Post-Secondary Education and using that; and then for the auditor's office to comment and say that this isn't good enough in some way of verifying that this information is real.

I mean is there some sense of pragmatic reality that occurs in the auditor's office when these recommendations are made? Because I think the explanation by the department is more than sufficient in terms of safeguarding the public interest. And I get a little concerned that we start spending an inordinate amount of time finding some nitpicky details in order to make a

recommendation. And I'm a little troubled by this recommendation in light of the explanation.

Ms. Ferguson: — Chair, members, I'll be pleased to respond to that. Basically what we recognize is, it was the first year rollout of the program. You are dealing with a number of different institutions. We aren't suggesting at all that they need to verify on a claim-by-claim basis on each applicant. We actually expect that, for the upcoming year, to look at the process that they're getting the information from the institutions and making sure that they can rely on that information, that'll work.

At this point in time those processes were not totally in place, at the point in time of the audit. They had not yet . . . As a department they had provided instructions to the institutions in terms of what they expected the institutions to do, but as the department indicated they weren't . . . they hadn't yet gone back and checked to make sure that the institutions did in fact understand and follow the instructions appropriately and made sure that the information that they got was complete and accurate information.

So I think what we're suggesting from an audit perspective is not something that's onerous or time consuming. It's just practical common sense to make sure that you as a recipient of information do have steps and processes in place to know that the information that you in fact are receiving and relying upon is complete, reliable, and accurate. And that doesn't necessitate a lot of time or a lot of effort often. It's just some practical processes and steps that you put in place.

Mr. Gantefer: — The department said that they've done random checks in terms of the accuracy and the reliability of the information that came from the institution and the verification was 100 per cent.

Ms. Ferguson: — Those steps were done after our audit. At the point in time that the audit . . .

Mr. Gantefer: — So are you saying that the department has completely complied with the recommendation?

Ms. Ferguson: — We're in the . . . in the course of the current audit we'll be looking at the steps that the department has undertaken and be reporting back to the committee. But if the process as described this morning has rolled out as explained, we are expecting that it will be an acceptable.

Mr. Gantefer: — Well thank you. And again I get a little bit concerned about, you know . . . I mean I've sat on the Public Accounts Committee since I was first elected in '95 and I recognize that the magnitude of issues have been steadily improving, in terms of the departments across the piece have been striving to improve on the accountability process. And they should be congratulated.

But I get to the point where sometimes you wonder if stuff is in here just because it needs to fill the book rather than it's in practical reality. And I would certainly hope that the auditor's office exercises that kind of a responsibility in terms of realizing the financial impact of some of the things that they recommend because it is important.

In terms of the student loan program is another area where the auditor's comments say that the department has not yet verified all critical information on student loan applications. And again, you know, that sounds pretty innocuous when you just read it quickly but yet if you complied with the detail of that kind of a comment, it could be extremely onerous in terms of trying to verify every single bit of information on every single application.

And so there has to be some balance between a reasonable structure in place that has an audit component or a verification component that maybe is done in detail. And I heard from Mr. Yeates that that's what you are striving toward and it will be improved pretty significantly when you get the electronic support, if you like, in order to make those random checks even more detailed. And does that . . . again is that the kind of thing that will meet the auditor's office requirements in terms of saying that this is now reasonable and accurate?

Mr. Wendel: — If I could, Mr. Chair, I'd like to respond to the questions of the recommendations that we make. And we only make recommendations that we think are cost effective. We don't make recommendations for the sake of recommendations. So when we've made our recommendations, it's based on it being cost effective to do something, to improve things. We don't want to spend more money fixing things than they cost. So just to put that in light.

And as to whether or not what happens to the Student Aid Fund in the future as the deputy minister described will be satisfactory, we will certainly evaluate that and will be looking at the cost-effectiveness of the processes they put in. And if they're reasonable, we'll be reporting that they've done a good job.

Mr. Gantefer: — Thank you, Mr. Chair.

Ms. Atkinson: — I just want to follow up on Mr. Gantefer's comments. Because when I was listening, the same thought crossed my mind as well — that, you know, how far do we take accountability and at what cost?

So I'm . . . This is a general question to the department. In terms of financial accountability, following up on the Provincial Auditor's recommendations, if one were to look back, what portion of staff time is dedicated to accountability?

And I'll use the student financial services portion as an example, student aid. What portion of staff time would be dedicated to accountability, financial accountability? And has that grown since 1993?

Mr. Yeates: — Member, just in a broad kind of way, I would say that yes, the amount of staff time we're using has increased for accountability and for audit. Rough guess, I would say we spend probably about 10 per cent of our staff time doing that.

And if I might, just to elaborate a little bit, I just have a suggestion, if I might. I think part of the difficulty, and we have this as a department, is these recommendations are very stark, just in my view, the way they're worded. And I don't think really we disagree with the audit in terms of the nature of the random audits and the selection process and so on.

But again if I just might suggest, I think as a number of members have noted, the recommendations certainly come across as being very stark, and I think that really doesn't perhaps quite reflect what the situation is. And when we discuss these things with the auditor's office, we do have a common view on using a random audit process, but I think one doesn't quite get that meaning sometimes when you read these recommendations which come across a bit as, sort of, zero versus 100 per cent. But just a suggestion.

Ms. Atkinson: — Then I'll make a comment, and this is an observation that I've garnered over the last several years. I think it's fair to say that, say eight or nine years ago, the kinds of accountability mechanisms were not what they should be. But I suspect if you were to look at spending within each government department — and all you have to do is look at the Provincial Auditor's office and the kind of increase that the auditor's office has gotten in the last several years for accountability, making sure that government generally is operating within generally defined accounting practices — I suspect . . . well I know that a lot of time is spent by department officials on this matter at a time when people, the public, are asking, you know, what are we getting for our money in terms of human services.

So I think that we have to . . . we can't just spend . . . Accountability is important, but I think that sometimes we might have taken this a bit too far, and that's what I note in this, that this . . . we may have taken it a bit too far. When a kid graduates from a post-secondary institution, they do have a record of this; this is asked for when you apply for this credit. And to have this pointed out that you have to go back to the institutions to see whether or not they graduated, seems bit nitpicky. And I think generally, if you were John Q. Public or Susan Q. Public, you'd wonder, have we taken this too far.

And certainly, as a member of the legislature, I share that observation.

The Chair: — Any comments from either Mr. Yeates or Mr. Wendel? Mr. Yeates.

Mr. Yeates: — I perhaps could clarify that, in terms of member Atkinson's comments, that the institutions are providing us with an electronic file of graduates. We don't think it's unreasonable to do a random audit of that. We don't think it's worth spending a lot of time on because we think the risk level is extremely low, and the random audit we did suggested zero — and we're not expecting to find any. So we don't have a difficulty doing a random audit but it should be in measure to the level of risk that's involved. And that's what we've done in the past year and I would expect — and the auditor's office can of course speak for themselves — but I would expect they will support that approach. And if that is the approach that we continue with, well then it's . . . I think it's reasonable for the circumstances and that's fine.

But as I would just repeat though that I think the way the recommendation reads, that's a very stark recommendation. It implies to me other things just in terms of a straightforward reading of it, but . . .

Mr. Wendel: — If I can just comment on the wording for the recommendations. One of the things we don't want to be doing

is being very prescriptive in our recommendations. We make them very broad and general so management can come up with creative ways to deal with the issue. And that's why they are very broad.

The Chair: — Specific question from . . . on the graduate tax credit. You indicated that, or Ms. Ferguson indicated that there were 10,100 students that received about \$3 million and you have indicated that you rely on the post-secondary institutions to submit the names. What percentage of names submitted is 10,100? In other words, what were the total number of graduate names that were submitted for you for that particular year of which you issued 10,100 certificates for the cost of about \$3 million?

Mr. Yeates: — We have some updated numbers actually and our total up until very recently is 10,600 applications and 10,400 were electronic; 234 were manual, so people mailing in or coming in to our office. And that's really exactly as we had hoped it would go. So basically 98 per cent were electronic.

The Chair: — Just . . . Right. To clarify, is the credit only for those students who graduate from a Saskatchewan post-secondary institution or is it elsewhere provided that they obtain employment, and that employment obviously paying Saskatchewan tax? Is that within a specific period of time that that must be obtained?

Mr. Yeates: — It apply . . . anybody can apply to it who becomes resident in Saskatchewan and then can apply for . . . they would apply to us, get their certificate. When they file Saskatchewan income tax, they have up to four years to claim the credit. They can carry it forward. If they don't have any income tax liability, in that say first year, they can carry it forward to the next year. You can only claim it once.

The Chair: — Great. Thank you very much. Mr. Kwiatkowski.

Mr. Kwiatkowski: — Thank you, Mr. Chair. This is more a matter of curiosity than anything else. A couple of months ago, I had an opportunity to meet with some regional college representatives and in passing there was mention of some of the difficulties associated with the fact that they have the June 30 year-end as opposed to the March 31 year-end and I didn't get an opportunity to pursue that with them at the time. But how did we arrive at a June 30 year-end? Whose responsibility is it to establish the fiscal year? Do they do that autonomously? Is there any thought to perhaps making the two fiscal years the same?

Mr. Yeates: — Yes. Thanks for that question. Basically, it's tied to the academic year for the institution, same as SIAST actually. And just in terms of sort of the planning, you know, year for the academic institutions, it makes a lot of sense for them to tie it to the school year. That's why you have June 30 for those organizations. It actually is in The Regional Colleges Act.

So we think that yes, there is a certain amount of, I suppose, awkwardness in having the different fiscal year-ends. But at the same time, for them, it makes much more sense that it be tied to the end of their academic year. Then you plan again for academic changes come September, so . . .

Mr. Kwiatkowski: — Thank you. I'll at least have a response for them the next time they ask us.

The Chair: — I'm sorry, Mr. Wakefield. I had overlooked you.

Mr. Wakefield: — Thank you, Mr. Chair. It's hard to see me way down here. I realize that.

I'd like to add a point to what was discussed earlier and I don't think it's unreasonable to ask the department to do the random checks and to do the kind of auditing that is necessary to make sure that if a taxpayer wants to know if that money is being utilized the way it was intended, you have a response and an empirical way to demonstrate that.

And I can understand that maybe an increasing amount of time is being spent on that kind of work but basically, all departments are being asked to develop a more business-plan approach. They're asked to put performance objectives and measures in place and if there's compliance of those objectives, I don't think it's uncommon in any department to do that. So I guess I'm not of the opinion that these are onerous requests. I think they're legitimate requests.

I have a couple of questions maybe just for clarification though, if I could. One of them is the electronic support system that you talked about. Is that a separate system entirely? Is that a redundant system with other computer or electronic systems? How does that fit in?

Mr. Yeates: — I'll maybe ask Brady Salloum to speak to this. Brady's been our project leader on developing this project and in giving an overview of what we're trying to do, tying together several different systems into one.

Mr. Salloum: — Thanks very much. The system that we're developing is part of what's called the one-client service model. And so it'll fit into the department's overall computer system. But it's also going to integrate a whole bunch of the income support programs, the student loan program, the provincial training allowance, the employment assistance program for persons with disabilities, and the apprenticeship program allowances, and the skills training benefit. So it's going to be integrated all into one system.

And we're then going to do a whole bunch of electronic interfaces, they call them, between, for example, the student loan program and Revenue Canada to ensure that incomes are reported accurately, and between student loans and SGI (Saskatchewan Government Insurance), for example, to ensure that people record their vehicles appropriately.

Mr. Wakefield: — That's kind of what I had in mind in terms of clarification. I assume that it's going to have to be tailored rather specifically to the demands and objectives that are placed on you. And is that an ongoing developmental process?

Mr. Salloum: — The process is . . . we're going to go live with the new system in this year. And from then on there'll just be incremental developments to it. So when there is new initiatives, we'll add those things on to that new system.

Mr. Wakefield: — So the main costs are being incurred now,

are they?

Mr. Salloum: — The main costs are being incurred now.

Mr. Wakefield: — I just have another question for clarification. It's with regards to the Student Aid Fund. Is there a separate fund?

Mr. Yeates: — Yes.

Mr. Wakefield: — Actually setting aside and it's administered by a trustee — by trustees?

Mr. Yeates: — Yes.

Mr. Wakefield: — Could you give me an idea of who the trustees are and how they are appointed.

Mr. Yeates: — Yes. The trustees are the deputy minister of Finance; myself, as the deputy minister of Post-Secondary Education; and Lily Stonehouse, as the assistant deputy minister.

And basically the fund receives . . . the reason it is a separate fund, perhaps just to provide a little bit of additional explanation, is it gives the fund more flexibility in receiving funds from other sources, which we do. We get funds from the federal government and allow us to sort of manage those finances. There's a lot of transactions going back and forth in terms of disbursements and so on, you know, to students and banks and all of this kind of thing.

So, it's . . . we recently did a review of that fund and the assessment was it should be maintained as a separate fund.

Mr. Wakefield: — One more point of clarification, if I could. I noted in here on page 356 we talk about there's 59 . . . this includes 59 million of Saskatchewan student loans and 70 million of Canada student loans. Do you administer the program on behalf of the Canada programs?

Mr. Yeates: — Yes, we do actually. And this past June we were the first province actually to reach an agreement, a loan integration agreement with the federal government. And so basically we've been administering Canada student loans for some time but now we have a formal agreement to basically integrate the two programs so they operate basically on the same set of rules. And so we're very pleased with that actually. It's been working very well.

Mr. Wakefield: — And do you get administrative compensation for that?

Mr. Yeates: — Yes, we do. Never enough, as it turns out, but yes, we do. And the savings . . . there were some administrative savings to the province from this integration agreement and we were able to reinvest those in improved benefits in terms of debt reduction and so on to Saskatchewan students. So we really feel it was a win-win. It reduced the cost of administration to the province and allowed us to provide better back-end benefits to students.

Mr. McCall: — I guess I've got a bit of a different angle on the

accountability topic, on the topic of accountability. In August of this past year, in August 2001, Wilfred Laurier University conducts an annual accountability survey of the large Canadian universities. This past year, of the 41 schools surveyed, the University of Regina and the University of Saskatchewan finished 25th and 26th respectively which is, you know, middle of the pack and fair enough.

Given the discussion that has taken place about the work being done on accountability and the improvements that I think both sides feel have been made, would you anticipate an improvement both relative to last year's score individually for the universities and an improvement in the standing comparatively across the nation for the standing of our two large universities?

Mr. Yeates: — Yes. I think the short answer to sort of relative improvements at both universities is yes. The universities have both been very good participants with us in the sector-wide work in terms of developing goals and objectives and performance measures and so on. And they've also both been doing a lot of work on integrated planning within their own institution. And actually for the first time both universities will have what they're calling an integrated strategic plan for the entire campus. So that's going to be a major step forward. As part of that they are developing measures or indicators of progress and success. So that, I think, will be major steps forward for the two of them.

In terms of their relative standing, of course it depends on what everybody else does. But I would expect they will make more progress than their peers will be making and I would venture a guess that, yes, you'll see that their ranking will improve.

Mr. McCall: — Thank you.

The Chair: — Seeing no further questions or discussions, as indicated by Ms. Ferguson there are two recommendations in this chapter. First one is found on page 353, reads:

We recommend that the Department verify critical information on graduate tax credit applications.

Mr. Kwiatkowski.

Mr. Kwiatkowski: — I would move concurrence and note compliance.

The Chair: — Concurrence noting compliance. Any discussion? All those in favour? Carried.

Second recommendation is on page 356, reads:

We recommend that the Department provide the Trustees with timely quarterly financial statements.

And I think we heard a comment from Mr. Yeates that they'd love to have quarterly financial statements. Any questions? Further comments? If not, resolution? Mr. Harper?

Mr. Harper: — Move concurrence.

The Chair: — Move concurrence. Any discussion? All those in

favour? Opposed? Carried.

That brings our discussions to an end on chapter 15 regarding Post-Secondary Education and Skills Training. I want to thank Mr. Yeates and your officials for coming and assisting us this morning. And we will recess until 10:45 at which time we will be dealing with chapter 10 on Environment and Resource Management.

The committee recessed for a period of time.

Public Hearing: Environment and Resource Management

The Chair: — Good morning again, everyone. We'll reconvene. I want to welcome the officials from Environment and Resource Management. And first I'd ask Mr. Wendel to introduce one new person that's joined your staff this morning.

Mr. Wendel: — Well, thank you, Mr. Chair. Bashar Ahmad is the new person at the committee now and he'll be presenting the information on Environment and Resource Management.

The Chair: — Thank you and good morning, Bashar. And, Mr. Kramer, I'd ask you to introduce your officials.

Mr. Kramer: — Good morning. To my far right is Bob Ruggles, assistant deputy minister of the programs division for our department; to my immediate right is Donna Johnson, who's our acting executive director of corporate services division; and behind me, Dave Tulloch, who is senior manager in fire management and forest protection branch; and beside him, Michele Arscott, who is a senior financial consultant in our corporate services division.

The Chair: — Thank you very much, Mr. Kramer, and welcome to all of you.

We are dealing with the chapter on Environment and Resource Management, which is chapter 10 from the 2001 Fall Report. And I'd ask Bashar to give us his presentation.

Mr. Ahmad: — Good morning and thank you. I will provide an overview of the chapter on Environment and Resource Management in our 2001 Fall Report Volume 2. This chapter is on pages 255 to 278 of our report. The chapter includes the result of our audit of the department and its special purposes fund and a Crown agency. The chapter also includes the result of our audit of the department's rules and procedures to manage forest fires.

We concluded, for the year ending March 31, 2001, the financial statements for the department's special purposes fund listed on page 258 are reliable.

The financial statement for the Operator Certification Board may not be reliable. I will explain why we say that shortly.

The department's special purpose fund and the Operator Certification Board had adequate rules and procedures to safeguard and control their assets except for the matters described in this chapter. The department's special purpose fund and the Operator Certification Board complied with authorities governing their activities, except for the matter

relating to the department's capital assets.

On pages 259 to 263, we report four matters. These matters relate to improving the department's internal reporting, compliance with department's rules and procedures for making payments for goods and services, need for a complete capital asset record, and improving department's annual report.

We reported these matters in our previous reports. Your committee considered these matters in September 2001 and concurred with our recommendation. The department told us all of these matters will be resolved by March 2002. If these matters are not resolved by March 31, 2002, we will report again in our next Fall Report.

Now getting back to Operator Certification Board, our office worked with Mintz & Wallace, chartered accountants, the appointed auditors of the Operator Certification Board, to form our opinion. We used the framework recommended by the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.

In our opinion, the board's financial statement may not be reliable because the board does not have adequate rules and procedures to ensure it records all the revenue it receives. As a result, we could not determine whether the board had recorded all revenue in its financial statement. The board has only one staff who is responsible for everything, including receiving the operator certification, depositing the fee, reconciling the bank, and preparing the financial report.

It is a small organization and in small organizations it is often not possible to have very close segregation of duties. Small organizations usually put other procedures in place to reduce the risk of errors and frauds. We think the board should do the same. The board told us it plans to do so.

Moving on to pages 265 to 278, this section describes the result of our audit of the department's rules and procedures to manage forest fires. The department is responsible for preventing, detecting, attacking, suppressing, and investigating forest fires. Forest fires are a significant risk the department manages because they pose a significant risk to the human life, property, and natural resources, collectively core values in our province.

Fighting forest fires also costs the province a significant amount of money each year. The department spent annually 51 million to fight 668 fires on average over each of the last five years.

We needed criteria to examine the department's system and practices. We researched and developed criteria. The department thought the criteria we developed and used for audit was reasonable. The criteria we used was as follows.

The department should have system and practices to ensure an adequate fire prevention system exists with clear targets for prevention. Forest fire suppression includes detection, initial attack, and containment of fires; is focused on human life and risk and the key values.

Resources required for forest fire suppression reflect human life at risk and values identified, and timely and effective investigation of the causes of each major fire.

We concluded, overall, the department has adequate rules and procedure to manage forest fires. However, we made four recommendations that would improve the department's rules and procedure for managing forest fires.

The department management and staff gave us excellent co-operation throughout the audit. I will briefly comment on our finding related to each criteria.

We recommend the department needs to improve its rules and procedures for preparing and reporting on its prevention program. The department's prevention program consists of public awareness and fuel treatment projects. Fuel treatment projects include reducing the underbrush, thinning the tree stands, and placing new trees that are more fire resistant.

The department does a good job of preventing fires, however does not have a documented clear and measurable target for fire prevention programs, and it does not always document the cost of prevention programs and analyze the impact of prevention activities on fire suppression costs.

The documentation of clear targets analyzing cost benefit of prevention activities and monitoring results against targets would help the department assess the effectiveness of its prevention program.

Also the department's communication strategy did not include information on its policy of prosecuting those responsible for starting fires and information on lost resources and human suffering. We think the department should do so.

We also recommend the department needs to prepare a complete record of values at risk in the forest and update that record regularly. Once a fire occurs, detecting, attacking, and suppressing it becomes important. When and how suppression of fire occurs depends on the values at risk.

The department has divided the province into three protection zones which reflect the values at risk in the protection zones. The department does document and review the values at risk in each eco-region on an annual basis.

We think the department needs to identify all the values in these eco-regions and prioritize them on a mapping system. Such documentation will allow the department to determine what prevention actions it should take in specific areas, whether or not it should suppress a fire in a specific area, or which area to tackle first in the case of multiple fire starts.

We also recommend the department should ensure it has suitable infrastructure to . . . for detection and suppression of forest fires. Success in suppressing fire depends on the resources available and the location. The department allocates a predetermined level of resources to forest fires with high value and a high risk of fire. The resources include initial attack firefighters, helicopters, and firefighting equipment.

The department has an adequate process to determine its detection and suppression capacity. The department uses the annual fire review to support the requirement for resources and organizations — structure needed to suppress fire in future years. The department's last review of suppression model

concluded that its aging aircraft is deteriorating rapidly and most of its towers used for fire detection were unsafe.

Lastly we recommend that the department should have written guidelines for referring forest fire to investigators, written guidelines for investigators to follow for investigations, and guidelines on when and how . . . how much of the cost to fight fires staff should recover.

Once a fire has occurred, it is important to investigate the . . . to pursue those responsible, seek recovery of cost, and target future prevention activities. Regional fire staff refer human-caused fires to conservation officers for investigation. These staff are trained in wildfire investigation. However, the department does not have written guidelines for referring fires to investigation nor does it have documented guidelines for investigators to follow for investigating fires or when to investigate a fire. Without guidance, staff may use inconsistent or inaccurate methods to arrive at their conclusion. Also the department need to provide guidance on when and how much of the firefighting costs staff should recover from those who are held responsible for causing fire.

That concludes my comments. Thank you.

The Chair: — Thank you very much, Mr. Ahmad.

Mr. Kramer: — Good morning. I would make just a few brief introductory comments, and then would seek the committee's advice in terms of how much detail to go in in terms of response to some of the particular recommendations or what particular approach you might like to take.

But I'd want to say at the outset that we welcome as a department the opportunity to meet with the committee today. The first few issues that have been outlined in the Fall 2001 Report are ones that continue to be brought to our attention.

These are the same issues that we discussed with the committee on September 28 of last year when we were last meeting with the committee. And SERM (Saskatchewan Environment and Resource Management) continues to work with the Provincial Auditor and with Finance to resolve these issues. We've made major advances in resolving the questions around internal reporting, payment rules and procedures, and capital asset recording. We look forward to also having some time to discuss the successes and challenges in our fire program.

SERM specifically requested the Provincial Auditor to review our systems and practices for managing forest fires, and we believe that utilizing the skills of the Provincial Auditor's office in this review will further support our effort to develop an even stronger fire management practice.

SERM believes that our practices in fire management are strong but it is important for us. In our current year the fire program has a budget of \$38 million out of our total of 130 million, so it's significant as a part of our overall operation. We believe that we have a program verified by the auditor that has much strength to it and we look forward to working on the opportunities there are to look at areas for improvement as well.

With regard to specific recommendations, the ones that are

repeats from previously, I could provide an update in those three areas on some of the progress in the last year for the committee in the order of a minute or two for each of the areas, or we could move to fire management — whatever would be best in terms of use of your time.

The Chair: — Well I think in light of discussions that we've had with other departments, I think we can get into some general questions that will probably bring out your comments on specific sections from the past. So and that's what I would do right now is open the floor to general questions.

Mr. Kwiatkowski: — Thank you, Mr. Chair. On page 260 the Provincial Auditor makes the observation that the department needs to improve its rules and procedures to ensure that it does not pay for goods and services that it did not receive. My question to the Provincial Auditor is, firstly, how serious was the problem and was there any particular area where it perhaps was more prevalent than other areas?

Mr. Ahmad: — Mr. Chairman, the area was not that . . . it was significant for the audit but it could be one that could be managed by the department if they had the proper rules and procedures in place. We did not find anything that has gone wrong. The potential was that something could go wrong.

Mr. Kwiatkowski: — So this wasn't in particular related to the firefighting operations . . .

Mr. Ahmad: — No.

Mr. Kwiatkowski: — . . . or any specific area within the department. It was an overall observation.

Mr. Ahmad: — Yes. No, Mr. Chairman, it was not related to firefighting. It was just a general area of when they require goods and services there were some weaknesses and we asked the department to fix those. And they have agreed to do so.

Mr. Kwiatkowski: — Thank you. To Mr. Kramer, what measures have been put in place in order to resolve the concern?

Mr. Kramer: — The issue that was identified in terms of our system for approving purchases, it was identified that in our computer system — if I can describe it that way — it was possible for the same person who made the purchase to approve the payment for the purchase. And what we will have in place by the end of this fiscal year is an adjustment to that program so it will not be possible for the person who made the purchase to also be the approver. So it separates that function, which is proper audit procedure, and we will have that in place by the end of this fiscal year.

Mr. Kwiatkowski: — Okay. Thank you. I also noticed that the department made a commitment to complete the reconciliation of its capital assets records to the financial records by March 2002. We're now getting close towards the end of February. Where is the department with that? Is that now complete? Has that reconciliation taken place? And what were the results of finally getting that accomplished?

Mr. Kramer: — I'd be glad to provide an update on that. The

observation that's made is that the department's recording of assets needs to be improved. I'd describe by way of general background that we do have a wide array of capital assets. We've assets spread geographically across the department and in a number of our program areas, parks, fire fighting, our field enforcement offices.

And those assets have been accumulated over a number of years, and in fact through a number of different departments over time. Some would go back to have their original records with the Department of Northern Saskatchewan, some with the Department of Natural Resources, some with Environment and Public Safety. So we now operate from a number of different systems that have been in place over the course of a number of years.

But we have taken two particular actions to address the concerns of the auditor. One is that we are putting in place a capital asset and inventory tracking system, if I can call it that, which would ensure that assets are recorded and tracked inside the department. And that system would be expected to be implemented as of the end of fiscal year.

Secondly, we're going to be doing a specific reconciliation of our capital asset schedule for Public Accounts with the detailed financial records for the department. It may sound technical but we expect that reconciliation to be done by the end of March of 2002 for Public Accounts as well.

The observation I would make that may be helpful is that in past years it was appropriate to have the recording of capital assets done on a group basis as opposed to individual assets.

When first capital assets were recorded in Public Accounts, in 1996 I believe until 1998, that was appropriate. So we have some of that. And the process that we're involved in is transferring or reconciling the group valuation to now current practice, the individual valuation.

So we have some different systems that are in place and we need to go through and reconcile Public Accounts and the individual financial reporting and that's in the process of being done.

So it is an issue which needs to be addressed. By the end of fiscal year we will have done that reconciliation.

Mr. Kwiatkowski: — Thank you, Mr. Kramer. With respect to three of your newest assets, I understand that the department recently purchased three trail groomers at a cost of approximately \$320,000 and for the sole purpose of grooming trails in three provincial parks.

I also understand that the provincial snowmobile association felt that it may have been in the government's best interests to talk to them prior to the purchase of these groomers. They have snowmobile clubs around the province that would gladly have groomed these trails on a contract basis. They feel it could have been a win-win situation in that the government wouldn't have incurred the costs. The contracts would have allowed them some revenue with which they could go about doing the kinds of things that they need to do at both the provincial and the local level.

Were there any discussions whatsoever with the Saskatchewan Snowmobile Association in terms of perhaps contracting the work in those three provincial parks to the association or to any of its members? And ultimately, why was the decision made to independently purchase the groomers and do it, I guess, solely as a government initiative?

Mr. Kramer: — Yes, some observations I would bring to the committee on that. The information is one that is correct in that three groomers were purchased over the course of recent months for Greenwater Provincial Park, Moose Mountain Provincial Park, and Duck Mountain Provincial Park. And the purpose was replacement of units that were previously held by the provincial park system as well for trail grooming within the provincial parks. The reason for the replacement was that the old units were past their useful life.

In terms of options, from the analysis that was done the conclusion we reached was that leasing of the equipment from other parties wasn't the most economically efficient decision in the longer run. The equipment that we have has been used for an extended period of time and done at . . . or operated at very low costs. So we did consider leasing but in the end made the choice to purchase.

We followed normal tendering processes through SPMC (Saskatchewan Property Management Corporation). Those were utilized in acquiring the units but we also did have discussion — I confirm we had discussion — with the CEO (chief executive officer) of the Snowmobile Association. He was aware of our requirements, of our intent to purchase the machines, and we are in discussions in terms of use of those machines by the various clubs on a lease basis from the department to get maximum use from the acquisition that the department has made. So we are certainly open to having machines used by clubs on a rental or lease kind of basis.

But essentially the present equipment was past its useful life, needed replacement. We looked at our alternatives from a financial perspective, made the analysis or choice that purchase was best, but are certainly willing to use those machines as fully as possible through lease agreements with various of the clubs that are close to those three provincial parks.

Mr. Kwiatkowski: — I don't want to belabour this issue but I guess the discussions I've had with the association and member groups is that perhaps that's going at it backwards in the sense that now these groomers are going to be sitting at these three provincial parks. They're going to be underutilized, so as you indicate, the government will make an attempt to go out and contract them to the snowmobile clubs to groom their trails.

What they're suggesting is that, you know, that firstly is going to perhaps even put them at risk in a sense that they then won't have the ability to be able to utilize their own groomers to the degree that they need to. But that had the department contracted the use of their groomers to the provincial parks, then there wouldn't . . . the investment in the three groomers wouldn't have been required.

Plus it would have allowed them a form of revenue — another revenue stream that would allow them to be able to upgrade their equipment and to continue doing the things that they do

without needing further assistance on the operating side, if you will.

Mr. Kramer: — The observation I would make is that the financial analysis that was done would have had the purchase option as lowest cost for government, particularly in the longer term. So I think that was an option that we looked at. That's the conclusion that we came to.

What I'd say in addition, I guess, is that with the investment from parks, felt it important that the trails in the parks were treated with priority and wanted to ensure that we had access to the machines when we needed as well. So we would do that with the acquisition but we will actively pursue use by other clubs as well.

I mean I understand the point that is being made. The observation I'd make is when we'd done the financial analysis, we thought we were served best financially by ownership and it gives us opportunity to put priority on the trails in the parks. But we are certainly willing and expecting to enter into further use agreements with other clubs that are close to the parks.

Mr. Kwiatkowski: — Thank you. I guess the frustration that they're feeling is their groomers have to go into the park and go through the park in order to go from one part of their trail to another. So they're going through anyway and covering basically the ground that the groomers that you purchased are going to be.

Mr. Chair, if I could, I'd like to move on to the Operator Certification Board. Could you perhaps bring us up to speed in terms of how many graduates, if you will, there have been of the certification program? How many operators out there remain to be certified yet, and what the long-term plans are in terms of ultimately certifying all operators in the province?

Mr. Kramer: — I may ask . . . Bob Ruggles may have some further detail, but initial response would be that the requirement now by regulation is that for each of the plants that are regulated, there needs to be at least one operator that has gone through certification by 2005.

So the operators are in active process of being trained but there is yet a fair bit of work to be done. That is, we aren't close to achieving that objective, but there is participation. And this is the board then that would coordinate the certification, would collect the fees for certification, and manage that process on behalf of operators.

So that's the role that's here. I don't know, Bob, if you have with you any closer estimates than I've given in terms of just how far along we are.

Mr. Ruggles: — I don't have the exact numbers. It's over 200 candidates who have successfully completed the exams for mandatory certification, but it's a moving target. We can provide you the update numbers right away.

We're working on a window which allows people who were in the voluntary program before, to write the exams directly and be certified at their current levels; that window, I think, has just closed. They were given the opportunity to take advantage of

that program and most of them have, but we can provide the exact numbers.

The expectation is that all systems will have a certified operator within the regulatory time frame of five years.

Mr. Kwiatkowski: — Okay. I would very much appreciate that. The other question is that, is there any provision whatsoever for recertification down the road? We've got a lot of new technology coming to bear in terms of water treatment. Things, I think, are going to change very, very quickly. There have been some tremendous advances in a number of areas with respect to water treatment. So in order to be able to keep up with the technology and make sure that the operators are current, is there going to be any thought given to a recertification or an ongoing process after that?

Mr. Kramer: — Yes. The question is a good one. I think as we've looked at the program as it operates now, that question of not only being certified at one point in time, but being aware of changes in what are the threats to water, is important. And we are actively looking at that in discussion with the operators and communities as well, and we'd expect that that would be one of the issues that we would address in coming months.

Mr. Kwiatkowski: — Thank you. Mr. Chair, I'd like to move to forest fires and forest firefighting. But first, I'd like to refer to a comment on page 267:

Forest fires could also have a significant affect on the forestry industry and northern communities.

Living in a part of the province that is heavily dependent on forestry, I'm all too aware of that. I guess my question is: when forest management agreements are negotiated with companies, are there provisions or calculations within those agreements that take into account potential losses by fire?

Mr. Kramer: — The answer is yes. And I will commit to send the specifics in terms of what those numbers are. But they aren't even identical necessarily for different FMAs (forest management agreement), but there's a fire allowance that is in the forest management agreement.

So for instance when we have an area that has an annual allowable cut to ensure long-term sustainability, we make an estimate of what fire loss will be over the course of years so that that's factored in. But there's also opportunity, as annual allowable cuts are determined in the future, if fire losses are more or less than the average or more or less than expected, then it does have an effect on annual allowable cut.

So the intent is to ensure that fire seasons that would be bad would not take us to the point, along with the annual allowable cut numbers, so that we were non-sustainable for the longer term within any FMA as far as the level of harvest that was allowed.

Mr. Kwiatkowski: — Thank you, Mr. Kramer. And that is for all intents and purposes what I understood as well, except I've been informed that in the case of the Pasquia/Porcupine FMA, there is no fire allowance. Is that true?

Mr. Kramer: — That is a piece of information that I couldn't finally give you an answer to because I don't know specifically, but we would commit to get that back to the committee. I know that in the FMAs, a number that do have that. Whether there is something unique about Pasquia/Porcupine, I'm not able to speak to that this morning.

Mr. Kwiatkowski: — Okay. I would very much appreciate a response to that. And if there isn't a calculation for a fire allowance in the Pasquia/Porcupine FMA, then I would also appreciate an explanation as to why it isn't part of it.

Mr. Kramer: — Agreed.

Mr. Kwiatkowski: — Thank you. Thank you, Mr. Chair.

Mr. Harper: — Thank you, Mr. Chair. Mr. Kramer, just a couple of questions here. You had mentioned earlier that the trail grooming equipment had surpassed its life expectancy. What is the life expectancy of a trail grooming machine?

Mr. Kramer: — I think the best estimate that we would have is somewhere in the order of 20 years if it's properly maintained.

Mr. Harper: — And the equipment that you replaced, how old was it?

Mr. Kramer: — Older than that.

Mr. Harper: — Okay. So it would be about my partner's age here then — quite old, okay.

What is the usage of the groomed trails in the provincial park by snowmobiles and snow machine enthusiasts?

Mr. Kramer: — I'm not sure the best way to give a good response to that, but it's a popular sport. We have tried to focus on those parks that seem to draw the most interest, so that's where the acquisitions have been made.

But it is very significant for the commercial operations in the parks in wintertime in terms of the lodges and condos and the like. And it's also significant for the rural communities that are adjacent, in terms of both things like meals, gas purchase, and night's accommodation as well.

Mr. Harper: — So it contributes to tourism and that type of activity in the rural area as well, like in the park and then the rural area around it?

Mr. Kramer: — In an increasing way. I mean the people are aware that the snowmobiling industry is expanding in Saskatchewan and it is very significant winter tourism for a number of our communities.

And parks are certainly not exclusive in terms of the kilometres for trails, but they're active drawing cards because there yet are also the facilities in the parks, many of which they can use in wintertime as an add-on to whatever else outdoor experience they would care to have.

Mr. Harper: — Moving on to forest fires for a moment. I note here that it was suggested that the department was involved in

419 fires last year. Is that correct?

Mr. Kramer: — This would have been the audit for one year ago. So in fact if we look at our 2001 fire season, we would have had a far more active season. My recollection is in the 800s for numbers of fires as opposed to just over 600 being a normal season. So it was in contrast to the one that was reported on here, which was less than average — 2001 was significantly more busy than average.

Mr. Harper: — Thank you. I suppose this was simply because we had a dryer year last year and the fire risk was much greater?

Mr. Kramer: — That's true. I mean that's a major determinant of how many fires. It's the weather or the drought index, fire index going into the year, and then depends on the weather over the course of summer. Sometimes even in relatively dry years, if there aren't a lot of storms that go through with lightning, one can still get a lower level of starts. But if there's significant numbers of lightning storms and dry conditions, those are the years that are the biggest challenge.

Mr. Harper: — And that leads me on to my next question. How many of these fires, or approximately how many of these fires or a percentage of these fires would have been created through nature, through lightning strikes and the like?

Mr. Kramer: — The number that was in the auditor's report, and I think holds up to long-term scrutiny or long-term averages, is about 50 per cent of Saskatchewan's fires are human caused and about 50 per cent are nature caused. And of the human-caused side, the number that's included as well, about 80 per cent of those come from campfire burning or burning of debris or other refuse in the forest where people expect they can control what they've started and end up causing a fire that they can't control.

So about 50 per cent human, 50 per cent natural, and of the human about 80 per cent of that is from active burning — campfires or debris burning that happened to get away on people.

Mr. Harper: — The debris burning, that would be caused from those people who live in that . . . in the fire permit area on the fringes of the forest reserve?

Mr. Kramer: — Yes. I mean local people handling of their garbage, handling of waste, those kind of things where people may choose to burn.

Mr. Harper: — But in your opinion how many people who live in that forest fringe area that requires a permit before they can start a fire of any type, how many of those fires would have got away from those individuals and encroached upon the forest reserve?

Mr. Kramer: — That's information that we'd be happy to provide the best estimate that we would have to the committee. Again, it's not a number that I would want to give an estimate on, because I just wouldn't have that info with me.

Mr. Harper: — Well your inability to answer that question sort

of answers my question. It's obviously not a high percentage. If it was, it would be a number that would stand out in your mind.

So then one would say that the number of people who are involved in that permitting process do a very good job of looking after the fire and ensuring that their fires do not get away from them and get into the forest.

Mr. Kramer: — I think that's true.

Mr. Harper: — Thank you. Thank you, Mr. Chair.

The Chair: — Just to follow up on that, Mr. Kramer. When you said 50 per cent of last year's . . . And let's jump ahead to last year rather than what's in the book here: 800 fires, 50 per cent is 400 fires of which you said an 80/20 ratio, 80 is caused by campfires, debris burning. Are you suggesting then that 20 per cent of that 400, which would be 80 fires then, were caused intentionally? They were deliberately set?

Mr. Kramer: — Well there may be other categories as well, but just an observation around intentional set fires that I'd provide to the committee.

The department has had significant success in the investigation and communication and education activities in communities that have brought that cause significantly in check. If we go back, I believe to 1992, the number would have been about 120 fires that would have been intentionally set. And if we go to I believe the year 2000, which is just the latest info that I had, that number was in and around 20. So there has been significant work and successful work to bring awareness down.

Some of the things that the auditor makes reference to, ensuring people are aware of the both cost of fires and the threat of fires and that's had significant impact. So we have that now as less of a cause for concern than it was, say, a decade back.

But we would give to the committee the best breakdown we can of fire starts within the 50 per cent of human cause so that we'd break it down and can provide info on some of the things since we're not able to give full info on at the table this morning.

The Chair: — Thank you. And I understand that, you know, your department is attempting to deal with intentionally set fires. All of us witnessed last fall's fire outbreak in Australia and I mean that's of great concern when you have that kind of damage occurring. So obviously you . . . is it your department that puts in place not only the investigation of a fire but also trying to ensure that deliberate fires are not set? Is that your responsibility? Or is that the education . . . are you working cooperatively with Department of Education?

Mr. Kramer: — That would flow from SERM's responsibility. We would have activities that would be involved in education, for instance, as part of the fire budget, part of the \$38 million you made reference to, and also the department's communication budget. People would have seen ads. We have the Smokey the Bear program that is for school-age children to build awareness of the threat from fire.

So that would fall under SERM's mandate and we would see it as part of the full responsibility of managing fires, dealing with

prevention through education, communication program.

The Chair: — Thank you very much.

Mr. Stewart: — Thank you, Mr. Chair. I understand that the firefighting aircraft fleet is aging and I recognize that maintenance must be an increasing concern. I understand that there are six bombers, six trackers, and six birdog aircraft. And I wonder if you or some of your officials could give me a number on what's budgeted for maintenance for those aircraft for a year.

Mr. Kramer: — We will provide that information. It would be part of our \$38 million overall budget. It would be a significant part but is not an overriding part. The largest portion of that is operations, labour, and the like.

I think what I would say is that, as with any aircraft, what needs to be done to have an aircraft airworthy is part of pretty firm written requirements so that we know what those requirements are: how many hours at certain ages before there is full refurbishing of engines, full refurbishing of body of the aircraft, and the likes. So we know what those costs are. But as you describe, they continue to go up in a relative sense because maintenance gets more onerous as the age gets older.

Mr. Stewart: — Thank you. Has any consideration been given a programs similar to the SEAT program in Manitoba, which stands for single engine air tanker program, I believe. Heavier agricultural spray planes are sort of on call to fight forest fires when required. I'm wondering if a program like that might take some of the load off our fleet.

Mr. Kramer: — I'd give response to your earlier question, just information provided to me, that within the \$38 million budget the allocation for operation and maintenance of aircraft is \$7 million a year. So that's the total that would be operating costs but also maintenance included. It's 7 out of the 38.

On the most recent question in terms of use of agricultural spray planes as part of the planes we would use for firefighting in Saskatchewan, first of all some observations just on some of the differences. Manitoba is in a situation where it doesn't have fire retardant planes at all in its normal base service. In Saskatchewan, as you described, we have six planes that are water bombers, we have six that are ones that drop fire retardant, and then six that are the communication aircraft that basically are . . . well, communication centres when a particular fire is being worked on from the air. So they need them to ensure there's coordination of what planes are moving where.

But the point around Manitoba is that they're very vulnerable because in early spring seasons, before the lakes are open in the North, or in areas where they're long distances from water and they have a fire, they are vulnerable because they don't have access to fire retardant planes. So they have looked at that and they do employ them on a as-needed kind of basis.

In Saskatchewan we have looked at that. We have our fire retardant planes that compare to the model that I believe Manitoba's generally using — I'm told Air Tractor 802 — but our planes in Saskatchewan have greater carrying capacity and greater speed. So we haven't moved to that, but it is a

possibility down the road when we look at what we need to cover Saskatchewan. Our situation is a little different from Manitoba in terms of our base fleet now, so our need for additional is somewhat different. And to this point we haven't moved to add that to our fleet.

Mr. Stewart: — Thank you. Thanks.

The Chair: — Mr. Kwiatkowski?

Mr. Kwiatkowski: — Thanks. Just one really quick question. I understand that all of the fire towers in the province have been deemed unsafe. If that is the case, what are the plans to fulfill the function that those fire towers did at critical times?

Mr. Kramer: — That's correct. We had 51 fire towers in the province. There's one that was built in very recent years but the remaining 50 have had review done by . . . initially an outside engineering firm, based on occupational health and safety complaints from employees. And following up on that, there was a second review then done by another agency, an outside engineering consulting firm. On the basis of that, the department has moved over the last year to condemn the 50 towers that are our standard old towers.

So the intent is to replace those over coming years. There's some that will be provided for leave in this spring's budget. To begin, replacement can't be done financially over the course of just one year, but we are actively making plans to increase some of our airplane surveillance as an alternative. And again, if there is a regular flight through areas, we can handle essentially the same responsibilities from air observation as we would from our towers.

So it's an issue, but we have been aware of it now over the course of winter and are looking at alternatives. And we believe that we will be in a ready position when fire season rolls around this spring.

So there are alternatives to the towers which we will be using.

Mr. Kwiatkowski: — Is there a way to bring, I guess, some of the technology that we have at our disposal today to bear on this, in that in some jurisdictions I understand that satellite surveillance is used very effectively. Is that something that's a possibility in terms of contracting some type of satellite surveillance?

Mr. Kramer: — We put a strong emphasis on looking at new technology. I mean heat monitors are another thing that have proved very effective — more so in many ways in identifying on existing fires where hot spots yet are, as opposed to initial identification of where there is heat. But we have looked at technology.

I would say as well, for the information of the committee, that there is very active work interprovincially and federally/provincially done through the Winnipeg office of the Canadian Forest Fire Centre. Part of their work is to look at technology and to ensure that there is common research done for the benefit of all the fire agencies. So some of that we're doing on our own and some of it, which is done through CIFFC (Canadian Interagency Forest Fire Centre) and the Winnipeg

office that looks at that kind of technology for all of Canada.

So I would give comfort to the committee that the technology option in all of what we do is actively being looked at. And I think Canada's reputation and Saskatchewan's within Canada is very good in terms of making use of technology that's leading edge.

Mr. Kwiatkowski: — Thank you.

Ms. Johnson: — And if I may, I'll just add another comment to that. The satellite technology is actually a question that I raised with our SaskTel representatives, not that long ago, to find out if they had any new technology on the go that could provide us with some support in fire detection. They indicated to me that they did not.

But we've also learned, in the review of alternate technologies, that satellite technology isn't particularly reliable. It wouldn't work on cloudy days, for example, wouldn't be particularly reliable in areas near other fires that are currently burning where the smoke is obliterating the fact that there's a new fire start nearby.

Mr. Kwiatkowski: — Actually, just one more question. This actually relates back to Mr. Stewart's question.

In Spain they are actually using the single engine air tankers and patrolling loaded with them. Would that be an option in terms of perhaps compensating for some of the lost function of the fire towers?

Mr. Kramer: — We talked about the option that we have pursued and that we will use quite extensively, which is just aerial surveillance.

But we would look at any option that would have impact, because a significant portion of identifying starts would yet be done through the tower system that was out there. But we have made use in the past, I mean, when there are very high-risk days, of loaded patrols as well, both the bombers and the retardants. So that, as people know, I mean, the trick in the fire business is to get there early to find the fire when it's small and the impact then, the ease of putting out a fire and low cost happens when you get it when it's small. But we would have a practice already of having the 215s run loaded patrols on high-risk days and we would use more of that in a year like this coming year.

The Chair: — Thank you. Seeing no further questions, we have five recommendations, committee members. There are five to deal with. Your first recommendation appears on page 265, recommendation around recording all the revenue it receives. Is there any comment from Mr. Kramer on this one?

Mr. Kramer: — The observations we would make — this is with regard to Operator Certification Board — is that . . . (inaudible interjection) . . .

The Chair: — Sorry. Yes, go ahead. I apologize. This is the recommendation regarding the revenue from the operation board, is that right?

Mr. Kramer: — Right. We would accept the recommendation from the auditor as has been identified. This is a small, one-person office. Options of either having the department do that revenue or having pre-numbered cheques or other things that would provide a verification, we are pursuing that. And we would expect yet, because this practice has gone on during the current fiscal year to have this yet cited in the auditor's report that winds up the 2001-2002 audit, but we would commit to have this resolved in the next fiscal year.

The Chair: — Thank you for those comments. Any resolution to put forward?

Mr. Harper: — Mr. Chair, I move concurrence.

The Chair: — Move concurrence. Any discussion? All those in favour? Opposed? Carried.

Second recommendation appears on page 271. Are there any comments or further questions? Any resolution?

Mr. Yates: — Yes, Mr. Chair. I'll move concurrence.

The Chair: — Moving concurrence of recommendation no. 2. Any discussion? All those in favour? Opposed? Carried.

Recommendation no. 3 on page 273. Any comments?

Mr. Wakefield: — I move concurrence of the recommendation.

The Chair: — Moving concurrence of recommendation no. 3. Any discussion? All those in favour? Opposed? Carried.

Recommendation no. 4 is on page 276 — forest fire discussion. We spent quite a bit of time this morning discussing that. Any further questions, comments?

Ms. Atkinson: — I move concurrence.

The Chair: — Moved concurrence of recommendation no. 4. Any discussion? All those in favour? Opposed? Carried.

Recommendation no. 5 on page 278.

Mr. Kwiatkowski: — I move concurrence.

The Chair: — Mr. Kwiatkowski moving concurrence. Any discussion? All those in favour? Opposed? Carried.

That brings chapter 10 to its conclusion. Thank you very much, Mr. Kramer, and your officials for assisting us this morning. And to members, we will recess for lunch and we will reconvene at 1:15.

The committee recessed for a period of time.

Public Hearing: Health

The Chair: — Good afternoon everyone. Welcome back for this afternoon's session. I'd ask the auditor, Mr. Wendel, to introduce some new people from his office.

Mr. Wendel: — Thank you, Mr. Chair. Over on the far side we have Jolene Beblow. She does work in our Health area. Rodd Jersak, everybody knows, he coordinates all our activities here. Mike Heffernan, who I introduced yesterday, will be presenting the . . . (inaudible) . . . section and leads our work there. Mark Anderson, and he also will be leading a section of this report. And Brian Atkinson who's . . . (inaudible) . . .

The Chair: — And this afternoon we have chapter 6 dealing with Health. But before I get into the Health section and ask the deputy minister to introduce her officials, I'd like Mr. Harper to introduce a gentleman who's seated in the observing chairs.

Mr. Harper: — Thank you, Mr. Chair. It's my pleasure to introduce to the committee and to the officials here, Mr. David Forbes, the MLA (Member of the Legislative Assembly) for Regina Idylwyld . . . Saskatoon, pardon me. Saskatoon Idylwyld.

The Chair: — Welcome, Mr. Forbes. And with that I'd ask the deputy minister, Ms. Yeates, to introduce your officials.

Ms. Yeates: — Thank you, Mr. Chair. I am Glenda Yeates, the deputy minister of Health and with me, starting from my left, Rod Wiley, our executive director of finance and management services branch. On my immediate right, Bert Linklater, our executive director of district services, management services branch and to Bert's right, Dan Florizone, our ADM (assistant deputy minister) of district services. Also sitting behind me, Neil Gardner, our executive director of corporate information and technology branch.

The Chair: — Great. Thank you very much, Ms. Yeates, and welcome to all your officials.

We have a fairly large chapter. Chapter 6 is divided into five subsections: A, B, C, D, and E. And I think to make it easier for all members we will have presentation from both the auditor's office and comments from the department on each section in turn. And we'll deal with the recommendations, if any exist, for the sections as we go along.

So we'll begin with section A and we'll ask Mr. Heffernan for his presentation from the auditor's office.

Mr. Heffernan: — Thank you, Mr. Chair, members. I'm going to . . . I'll give you presentations on all parts except for part D which I'll have Mark Anderson do.

Part 6A starts on chapter 73. And if you're following along I'm going to have you turn pretty quickly to page 78 where we show total Health revenues by source and total Health costs by programs over the past six years to give you a comparison over time.

On page 79 we start to get into our audit conclusions and recommendations. Our first point is on the department's annual report which has improved significantly over the past year or so. The report describes the key risks the department must manage well to succeed and gives some indication of how it plans to manage the risks.

The annual report has begun to set out some performance

measures the department uses to assess the financial performance of the health system and the health status of Saskatchewan residents. The annual report does not contain a complete set of financial statements for the department. To encourage the department to prepare financial statements we have prepared a model set of financial statements for the department and included them in part B of this chapter, which we'll discuss later.

On page 81 we recommend that the department include a complete set of financial statements in its annual report prepared in accordance with Canadian generally accepted accounting principles for the public sector.

Also on page 81 we discuss the first ministers' September 2000 agreement to start reporting publicly on their health systems' performance relating to health status, health outcomes, and quality of services starting in . . . starting really this fall, in September 2002.

Legislators and the public will need to know that these health indicator reports are reliable and comparable with other jurisdictions. They'll also need to know that the independent audit assurance provided on the health reports is credible and consistent across jurisdictions. We're working with all legislative auditors in Canada to ensure that the audit assurance in all jurisdictions is consistent in form and is based on similar professional standards and auditing procedures. We're working with the department to ensure that legislators and the public know the health reports are reliable.

On pages 81 to 90 we set out six financial and economic measures for the years ended March 1995 to March 2001. It is important to keep in mind that these six measures do not provide information on the trends and health status of the province residents or the effectiveness of health services. These measures pertain only to financial sustainability of the health system.

In the interests of time I'll limit my discussion to the first three measures.

The first performance measure of sustainability involves analyzing the total health spending as a percentage of the province's GDP. If health spending grows faster than the GDP (gross domestic product), the economy in the long run may not be able to support that level of health spending. The graph at the bottom of page 84 shows that from 1995 to 1997 health spending declined as a percentage of GDP, but from 1997 to 2000 health spending increased as a percentage of GDP. In 2001, health spending is almost the same percentage of GDP as it was in 1995.

This comparison indicates that the financial demands being placed on the health . . . on the economy by the health spending are keeping pace with the province's GDP.

The second performance measure of sustainability involves analyzing the total health spending as a percentage of the government's total spending. If health spending grows faster . . . by a faster rate than the overall government spending, this trend may not be sustainable due to a need to provide other essential government services.

The graph on page 85 shows that from 1995 to 2001 health spending has increased from 20.1 to 22.8 per cent of the government's total spending. The upper trend on this graph suggests a decrease in sustainability due to more demands for health care spending being placed on the government's total spending.

A third performance indicator of sustainability involves analyzing the change in health spending compared to the change in consumer price index and the GDP. This indicator compares trends in health spending through annual inflation rates and to the growth in the province's economy.

The graph on page 87 shows that the total health spending grew faster than CPI (consumer price index) and at a rate about the same as the provincial economy. Although health spending is not growing faster than the provincial economy, it is growing faster than inflation.

Because Saskatchewan's economy is vulnerable to changes in commodity prices, interest rates, and the weather, the increases in health spending in recent years could prove to be unsustainable in the long term. A downturn in Saskatchewan's economy would require the government to make difficult decisions on health spending.

On pages 90 to 96, we continue to recommend improvements to the department's rules and procedures. The Public Accounts Committee has considered these recommendations in previous years and it has concurred with them.

These rules and procedures relate to approving district budgets and plans on time; working with health districts to ensure they submit complete and timely performance reports; improving its service agreements with district health boards to ensure the appropriate use of public money; a service agreement with the Canadian Blood Services to ensure that it achieves the department's objectives; improving its capital project agreements with districts to help ensure that the department can meet its objectives for capital construction; written policies and procedures for preparing sound internal financial reports to ensure good management decisions are made.

On page 96, we note that the department did not identify the persons who received payments through the Saskatchewan prescription drug plan. We also reported this matter in previous years. In its second report to the second session of the twenty-third legislature, this committee recommended that the department further review the issue of disclosure of persons who received money from the drug plan and report back to this committee on the implication of adopting the Provincial Auditor's recommendations.

At this committee's meeting on May 30, 2001, the Provincial Comptroller advised the committee of the government's policy to not provide pay information on high-volume programs of a universal nature or income security or other programs of a confidential and personal nature. It is the Assembly's role to decide what information it needs from government agencies to assist the Assembly in this role. We encourage the committee to decide whether it wants information on who received public money from the drug plan and the amounts used in the process we set out in exhibit 1. We continue to recommend the

department provide the Assembly with a list of persons who received money from the drug plan.

On page 98, we note that the Saskatchewan Health Information Network's 2001 financial statements are not reliable. The financial statements understate the corporation's revenues and overstate its deficit by 1.4 million. We also reported this matter in our 2000 Fall Report. And this committee considered this matter and noted that the Canadian Institute of Chartered Accountants may be providing additional guidance on this issue in the future, and therefore delayed a decision on their recommendation.

We continue to recommend that the corporation record the money received from the General Revenue Fund for the acquisition of capital assets as a debt until the corporation acquires the related assets. We also continue to recommend that the corporation amend its 2001 financial statements and table revised financial statements in the Legislative Assembly.

On page 100, we reported on the results of our work on the Uranium City Hospital. The first thing we say is that we've not completed our audit of the financial statements because the hospital had not prepared its financial statements. We are just now completing the audit of the financial statements and expect to send them to Treasury Board for their approval this week. We plan to issue a clean opinion on the financial statements.

On pages 100 and 101, we continue to recommend that the board of the hospital establish and approve a code of conduct and a conflict of interest policy for management of staff, and to approve a strategic plan and an operating budget. The Public Accounts Committee has agreed with these recommendations.

On page 102, the board did not have contracts with its chief executive officer and chief financial officer to outline the board's expectations of their performance. And so we recommend that the board prepare and approve adequate contracts for its CEO and CFO (chief financial officer).

On pages 102 to 105, we continue to make a number of recommendations, and the Public Accounts Committee has agreed with these recommendations in the past: first that the board, with the help of senior management, define and document the board's periodic financial reporting requirements; that the board approve its internal financial reports; and that the board establish written rules and procedures to ensure that the goods and services purchased are authorized and appropriate, received, and used for the operation and management of the hospital, and that the prices are fair.

In addition, on page 105, we recommend that the board of the hospital strengthen its rules and procedures to safeguard and control its bank accounts.

On page 106, we continue to recommend that the board of . . . that the board improve its control over the hospital's inventory by securing vulnerable assets. This committee has agreed with that recommendation.

In addition, we recommend that the board of governors prepare a proper written inventory count procedures.

Also on page 106, we note the hospital needs to assess all its contracts to determine whether an employer/employee relationship exists between the hospital and its contract employees. The Canada Customs and Revenue Agency has guidance for determining whether an employee/employer relationship exists. The rules for Canada Pension Plan, Employment Insurance and income tax deductions contributions are different if an employer/employee relationship exists than if it's an employer/private contractor relationship.

On page 107, we recommend that the board of governors obtain a ruling from Canada Customs and Revenue Agency for all its contract employees to determine whether an employer/employee relationship exists with its contract employees, and if so, to take deductions accordingly.

Also on page 107, we recommend that the board give its financial statements to the Assembly by the date required by The Tabling of Documents Act.

That concludes my remarks on part A. I'll be happy to deal with any questions.

The Chair: — Thank you, Mr. Heffernan. Before we get into questions, I'd ask Ms. Yeates or any of your officials if you have any comments on section 6A.

Ms. Yeates: — Well overall I'd just like to begin by saying we very much appreciate the work that the auditor's office has done with us on the items raised in this section. We've had a good relationship with the auditor's office and I think they've provided us with some very good advice and feedback on particular issues. I think many of the recommendations are ones we have seen before and have made significant progress on, thanks to the ongoing discussions that we've had.

So I would just make those comments in general, then I'd be pleased to answer specific questions on any of the specific recommendations.

The Chair: — Thank you very much for those comments. Mr. Gantfoer, general questions?

Mr. Gantfoer: — Thank you very much, Mr. Chairman, and welcome to the department officials. And particular welcome to Mr. Florizone, as I believe this is the first opportunity you've had to participate in Public Accounts discussion. So welcome to all of you.

My colleagues have virtually threatened me to keep this participation to a reasonable level and I certainly will, and I appreciate the fact that we're doing it by subsection and we'll try to keep the topic relevant to those subsections.

First of all, in the sequence that goes out, the auditor talks about, that while there has been some significant progress made in the financial reporting of the department, that there are still further challenges and his first recommendation talks about the challenge of more complete financial reports. And I wonder if you would update us on where you are from the department standpoint.

Ms. Yeates: — Certainly. We certainly appreciate the

comments that the annual report is much improved. And I think we have made some real efforts at responding to the issues about performance measures and setting out our plans.

On the issue about the recommendation of financial statements, I would note that this is . . . the auditor is encouraging full and transparent disclosure which we would agree with. My understanding is this is really a matter of presentation rather than of public disclosure. The information is publicly available in various forms and there is an interpretation, I guess, in terms of the government's accounting position in terms of where in fact this should be put forward in terms of financial statements.

Because it's an accounting issue, I might turn to my accounting colleague, Rod Wiley, to speak to the issue that I understand is at debate here, which is the way in which it's reported — not that it be reported, but the place in which it's reported.

Mr. Wiley: — Right. I would only just reiterate that, I guess. All of the information that's contained in the consolidated sector reports that are included in chapter 6B are public information today. So my understanding would be that the notion of having the department publish sector financial statements would be to add, in the auditor's eyes, to add to the transparency and full public reporting.

Because all the information is in the public sector, it is, I believe, a presentation issue. I believe that the same issue was dealt with in the Department of Agriculture report when sector statements were prepared. And this committee did not concur with the recommendation of the auditor to publish these statements.

In terms of the disclosure of information, it's suggested that the additional statements would help in the sense of managing the challenges before us. I think what we would suggest is that it would add to the amount of administrative work to prepare them, but it would not in any material way assist in the way that we manage the financial results.

So with that . . . those kind of comments, our view would be that we would disagree with the auditor's recommendation.

Mr. Paton: — Yes, Mr. Chairman, if I could make a couple of comments in regard to this issue as well. As Mr. Wiley pointed out, this was an issue that was raised under the Department of Agriculture and some discussion took place at that time.

The standards that the auditor is proposing be applied to the Department of Health are standards of the Public Sector Accounting Board. Now those standards have been developed primarily for federal, provincial, and territorial governments. They're currently being expanded to apply to local governments as well, that being the municipalities and cities and so on.

But the one thing I'd like to make clear is that they were never intended to apply to sectoral statements which is . . . I guess, sectoral statements are kind of like a consolidation of all health activity, not just the Department of Health but all other items that might be the responsibility of the Minister of Health. So to take a set of standards that were not intended for this purpose is a little bit dangerous.

There's only one province I'm aware of that's attempted to do this and that's the province of Alberta. They tried a couple of years ago. I've had some discussions with the comptroller from Alberta and it's my understanding that all of their sectoral statements are currently qualified by their Provincial Auditor because there is difficulty in applying the standard. So while Alberta went ahead and tried to do the statements that are being suggested by the Provincial Auditor, they've experienced extreme difficulty in getting a set of statements and I think they're not very happy with where they've gone with it so far. So I caution you on moving on this one too quickly.

Mr. Gantefoer: — Thank you. I'm wondering is there work that's being done between the department and the auditor's office to try to reconcile this issue or is there pretty much a philosophical deadlock? I don't know exactly who to address it to.

Mr. Paton: — Maybe if I could address that. This is an issue that is being looked at by the Public Sector Accounting Board. They have not started a project on it, but it is being raised as an issue. And I would suggest that this committee wait to see what's happening.

I don't think it's something that can be resolved at any department level. So when it gets raised at Agriculture or at Health, it's equally equivalent to be applied to any department. And I would encourage you, for wherever it's raised, to wait and see what the recommendations would be.

Mr. Gantefoer: — Thank you very much. Moving on. The first ministers agreed to a set of undertakings in September of 2000 that are scheduled to come up . . . be put into place this September in terms of a standard set of health indicators. And I think there was, yes, 14 indicators that would be reported consistently across the country as a way of making intelligent comparisons, and I would like to know where that project is at from the department's standpoint.

Ms. Yeates: — I'd be happy to update you on this. It's, I think we feel, quite an exciting development in terms of working all across the country to deal with what has historically been, I think, quite a challenging area which is health indicators.

There were 14 indicators outlined in the first ministers' communiqué of September 2000 with, as you mentioned, the September 2002 deadline for the first reporting. Following that, the provinces and territories and the federal government have formed a joint task force on the public reporters indicators and have been working through where data is available, where indicators would be meaningful under each of the 14 areas.

They've held some public meetings. In terms of expert meetings, they've worked with CIHI, the Canadian Institute for Health Information, and they now have a list that they are preparing for consideration for the deputies of Health this June and then the ministers following that, that would then lead up to the public reporting in September.

They have gone in some cases with indicators where there is good, reliable information across the country, where it will be comparable or at least where it will be solid in each area. And in some cases there will be indicators where not all 13

jurisdictions — or 14 jurisdictions if you include the federal responsibility for Aboriginal health — would be able to report. But there is an understanding that there's a good starting point for reporting and that over time that data will be gathered either by StatsCanada or by individual jurisdictions to fill in the gaps in a sense in reporting. So good progress has been made.

Mr. Gantefer: — The auditor has also included in his report some of the financial measurements, if you like, of the sustainability of the health care system and its impact on provincial budgets in this province over the last five or six years. And, you know, there are some interesting statistics in there, and certainly the importance of the health care sector to the whole province's economy is pretty clearly indicated.

But I'm wondering if you would have some other information that doesn't clearly set out here. For example, of the 2.2-odd billion dollar health care budget, do you have any sense of the percentage of that budget that would be directed to, what I would broadly call, human resources as opposed to material things? And I've heard figures somewhere in the magnitude of 65 per cent. I don't know if that's true and I'm wondering if you would have some of that approximate information.

Ms. Yeates: — The numbers do vary depending on exactly which portion we're looking at and particularly whether we consider physicians as part of the mix.

But certainly, overall, we would use the figure of about 70 per cent and that would include physician payments as part of that.

Mr. Gantefer: — The other bit of information that I ran across, and I'm not sure if it came from CIHI or other information, was an interesting bit of statistic or information that said that, on average in Canada, somewhere in the magnitude of 75 per cent of all of the health care spending that will be attributed to any individual will be spent on one last catastrophic battle that each of us will lose.

Is that something I've said with any accuracy or is there statistics that would indicate the trends of when health care spending occurs for each of us?

Ms. Yeates: — There have been a number of studies that look at the life cycle spending patterns and typically it's the first year of life and then near the end. And I've seen various studies — I don't know the exact one to which you refer — but that indicate the last six months or the last year or the last illness, depends on where they draw the line. But certainly there is a significant expenditure in the last six months of life.

The number that sticks with me is about 50 per cent. But it may, in fact, be higher depending on the definition. And if it's the last year it might be longer than if it's the last month or six months. So certainly the number sounds in the ballpark.

Mr. Gantefer: — Thank you. One of the other issues that are identified in some of these financial statistics are the relative solvency or fiscal stability of the health districts themselves, both in terms of operating surpluses or deficits and also the working capital and capital assets of the districts. And from the looks of it, it's sort of a mixed trend over the last five or six years. In some instances, districts have done a little better and

others had some difficulties. And certainly operating deficits are an ongoing concern and challenge. And the working capital ratio though would seem to indicate to me that the solvency of operating funds for districts are under some pressure.

And I'm wondering, coupled with that, was the general recommendation that there should be more fore planning? And in the action plan, there was some mention of the fact that districts could expect to have a little more advanced planning in terms of their budgets and things of that nature. And I wonder if you could bring us up to date on that whole issue, because I think part of the problem for districts have been being able to anticipate levels of fundings and commitments over a longer term so that they could make longer term plans. That has been difficult to do because, as you're aware — and I think, including this year — there's some districts that may not have their plans approved yet. And we're three-quarters of the way through the budget year, and in the past those trends also occurred.

Ms. Yeates: — Certainly we would agree with the challenge that we've had in terms of matching, in a sense, the planning horizon with the actual provincial budget cycle and districts' individual year planning cycles.

So the action plan did respond to that concern that we've, in our ongoing discussions with districts, had . . . have lots of conversation about how can we improve that situation to give them the kind of planning horizons that would lead to individual budget years being approved, preferably before the year even begins, but certainly not partway through.

So that is what led to the action plan commitment to give districts multi-year planning targets. They . . . given, I think there was a reference earlier to the ups and downs of the Saskatchewan economy, and that means they will need to be planning targets. But we certainly acknowledge that the multi-year framework would assist districts in planning.

We've also looked and been having conversations about how we align not only the multi-year nature of our planning cycle with districts but also ensure that we are in conversation and planning with them earlier in their planning year so that we can align districts' planning cycles better with government.

Once we form the regional health authorities, it is then our intention to work with them on these new planning cycles. So beginning, I guess that would be in '03, '04, we should be at the point where we are dealing with them in that new way that the action plan envisages.

Mr. Gantefer: — Is there . . . There's going to be a transition from the current district configuration to the regional authorities. Is there going to be an attempt to make the transition at a budget year-end — you know, the March 31/April 1 time period? I suspect that it would be difficult this year. Or are we going to carry it forward for another year? Or are we not concerned about when the actual changeover occurs from a budget standpoint?

What is the plan going forward to the move towards the regional authorities from that aspect?

Ms. Yeates: — Our intention would be to do it to not have it coincide with the fiscal year-end, either March 31 of this year or to wait an entire other year.

What districts have said to us is that to make the transition, you need to make it long enough to ensure a smooth transition, but also not to make it so long that we in fact create greater uncertainty for staff and for individuals. So our plan would be to do it midway through the fiscal year.

Mr. Gantefoer: — In terms of the auditor's concern that . . . it strikes me as that there is some discrepancy about the quality of information that's coming from individual districts and that there has been progress made to sort of standardize and bring everybody up to the same level of competency, if you like.

Given the fact that this transition is in process, is there going to be the same emphasis on sort of dealing with the current configuration or a greater commitment to deal with the new regional authorities which will be perhaps easier to manage and have a size that will accommodate a greater expertise, if you like, on financial reporting?

Ms. Yeates: — Well we will continue to deal with . . . while the current district health boards exist and have the authority to spend funds and run programs, we will be working with them to ensure that we have adequate financial and program reporting from them.

But certainly we would agree with your comment at the end that the emphasis that we are putting into future reporting improvements will be with the regional health authorities. And we do think that the bigger entities will have . . . will offer greater opportunity for stronger possibilities at the regional health authority level to pull together and analyze and provide information in a timely and thoughtful way.

Mr. Gantefoer: — When the department had advisory groups working on different topics and the reconfiguration of the districts topic, if you like, would come up, what obviously happened is we went from the existing districts to what were the service area agreements in essence. And I'm wondering if the department looked at something that may have made more sense logistically and logically in terms of actual professional and trade, economic trading patterns and things of that nature.

Because, for example, we have the Regina Health District that has sort of a sliver that goes right to the Manitoba border which would seem to at least somewhat defy logic when we're going through this transition that I believe that there have . . . was even some consideration by these advisory committees that if we're going through this exercise again we maybe should do it on the basis of more logic than that the health districts were formed in the past.

Ms. Yeates: — We did look at through that exercise a number of possible configurations. We looked very much at health-seeking patterns, I would say, more than trading patterns. But we looked at where people sought care.

And we did regression analyses and analyses that said, if we grouped these districts together what proportion of the care would be sought within that district as . . . and to minimize —

there will always be border issues, but to minimize those as much as possible.

We also looked at that with the trade-off with numbers of districts. So there was a point at which obviously the districts go very big. The proportion of people . . . if you had for example two districts, the proportion of people seeking care then becomes larger but then the trade-off is within. Would we be able to assure ourselves that we could effectively govern an area of that geographic size?

So we did look at a number of configurations. And actually the service area, while not perfect — none of them match 100 per cent, certainly — but the percentage of people actually seeking particularly their acute care within those boundaries . . . People tend to seek home care . . . those are the things that people . . . Primary care would typically get close to where they live. But we looked at particularly care-seeking patterns of acute care which is something that people do travel more for. It's more episodic. And the existing service agreement boundaries were, generally speaking, quite strong.

So when we did look . . . in answer to your question we did look at a number of configurations and we didn't by any means focus initially or only on the service agreement. But when we actually did the percentage numbers about the care-seeking patterns, they were actually reasonably robust.

Mr. Gantefoer: — Thank you. The auditor's report goes on to talk about capital project and project agreements that currently exist. In this transition period a while there will be projects that are at various stages of approval, actual construction, and things of that nature. Could you bring the committee up to date as to how those will be handled and how the transition to the new regional authorities' request for capital projects will evolve.

Ms. Yeates: — We do have a number of projects, as you mentioned, in progress and nothing about the transition is going to affect that. We've not said that the transition means that something needs to change there. We have not issued a call for . . . a province-wide call for capital proposals in the last year because we wanted to complete the work, the planning work with the people across the province in terms of understanding what the hospital classification for example would look like and what the plan would look like.

Some districts have submitted emergency projects. For example we are always in the . . . wanting to be alerted to, you know, if an elevator needs replacing or a roof or a boiler, those kind of ongoing maintenance projects. But we've not issued an overall call for capital proposals and would not anticipate doing so until after the regional health authorities are formed so that they then could guide that next set of priority setting that would occur for capital.

Mr. Gantefoer: — Thank you. Then from what I understand, other than the emergency kind of projects that come forward, is there going to be a carrying forward then of capital resources so that as we have this transition period of a good chunk of a budget year, and perhaps the whole budget year that we're currently in is being put on hold, is there going to be sort of the need to have — catch-up isn't the right word — but that we don't lose the capital allocations that have been set aside, even

though that you haven't invited projects at this stage?

Ms. Yeates: — Well we would be setting the 2002-2003 capital budget with the transition in mind and understanding what commitments we have that are ongoing from existing projects and that we're still in the process of doing that. But we would not anticipate losing money in a sense because . . . so we'll set this understanding that the transition year that we are likely to be in.

Mr. Gantfoer: — There's the ongoing issue about the department or the auditor's suggestion that the department publish payee lists for the, I believe the drug plan particularly, prescription drug plan, and we've kind of keep going around some of these issues. And we've had a report from the Provincial Comptroller about where the government stands.

And I guess that you get to the stage where, how long do we sort of keep going around and coming to the same conclusion? Because I think that the department and the government has reasonably outlined the concerns and the issues surrounding that. And the Public Accounts Committee, I guess, is being challenged in this section of the report to suggest a decision, and maybe then it will be dealt with in a definitive way. And I'm not asking for any comment on that but just sort of saying that I think that that has to be done because we have to come to a conclusion.

The Saskatchewan Health Information Network is of course an entity that is set up as a Crown, but I do believe that it's under the responsibility of the Department of Health to oversee the general direction. And there has been some concern and frustration that there have been a great deal of monies expended and a fair bit of time taken to bring this system on-line, and that we still seem to be some distance away from a really well-working system that will provide the benefits that I think everybody agrees philosophically are there by having electronic health records.

And I'm wondering if you could update us in terms of your sense of where the project is at in a general sense and when are we going to get to the day where we have electronic client records, if you like, that could be called up in Melfort and Saskatoon or Regina, depending on where a client requires service.

Ms. Yeates: — Well I appreciate the comments, and certainly I think in our province as well as across the country there is a real growing appreciation of probably a couple of things.

One is how important this is to the health sector and in a sense how under-invested this sector is relative to retail or banking or others. But I think also the complexity of it has challenged us.

And as we're now working with the federal government on the new . . . the creation of the new Canada Health Infoway Corporation, and I think there, while the numbers are large there, we also understand that that too has to in a sense foster the development. Because even though that sum of \$500 million of the federal government sounds like it's a huge amount of money, and it clearly is a huge amount of money, I think the task will be ongoing.

That I also think is true for us and I will in a moment ask Neil Gardner to speak more specifically.

But I guess I would comment that I think we have made some very targeted investments. We have moved to try and build up some of the basic systems. Right now our priority has been working with the regional centres where there have not been the kind of basic pharmacy lab systems; that before we can gather things into an electronic health record that we could move centrally, we have to actually build some of the components. And we're trying to work with partners in the field to identify what the priorities are and how we might build those.

We've also, while we've been doing that, been piloting some of the electronic health record pieces in Saskatoon, for example. But maybe I'll ask Neil to speak more specifically to some of the accomplishments and some of the specifics that SHIN (Saskatchewan Health Information Network) has been funding.

Mr. Gardner: — Thank you. Just then to recap some of the things that SHIN has been working on. One of the key issues that we've been working with SHIN is to develop a secure province-wide network.

Until now there really hasn't been a network to connect health facilities. We had a separate network that we had developed a number of years ago for pharmacies, which worked but only for that specific purpose.

So one of the significant things that's happened is we've sort of built on the work with the pharmacy network, working closely with government and the new CommunityNet initiative to begin to use that infrastructure across the province.

Concurrently, SHIN has developed a central hosting environment. This is very important because traditionally to implement systems, you had to implement a server and a system at each and every physical location. That's very costly, if we're going to move forward as Glenda talked about in terms of developing the systems necessary to connect together to achieve the electronic health record. And SHIN's been very successful. We've moved a number of initiatives that were underway to that environment. A good example would be the long-term care assessment tool, the MDS (Minimum Data Set) tool, for assessing the needs of long-term care clients.

The project that Glenda mentioned where we're now implementing a common solution for the regional centres with pharmacy, lab, registration, home care components, we're able to do that now on this central infrastructure. And that's really very much in keeping with sort of current technology trends. It's clearly the most effective way to deploy technology in a province like ours, and can only happen by virtue of having put together the network by which providers will be able to access that kind of central hosting environment.

As Glenda mentioned, we're also been moving forward in terms of in places where we have had systems for a longer period of time, we're beginning to now implement the electronic health records software. We have a significant pilot project going on in the St. Paul's Hospital, in the emergency room, linking together their information sources for lab, pharmacy, etc. We're getting very positive feedback from the physicians and it's really good

to see the kind of response that we're getting.

That kind of project, actually, is fairly leading edge in Canada. As Glenda mentioned, we're moving ahead with the Canada Health Infoway, working together as provinces because we're all trying to move in the same direction. We've been able, I think, as a province, to play a pretty leading role in a lot of those developments. And I think that's based on some of the really solid experience we've had to date with SHIN.

One other thing I'd like to comment on. We've certainly realized as we moved forward, that being able to move forward in integrating systems, you need both the technology; you also need the information and technology standards so that all those different systems can interconnect effectively.

Since so many of the systems are developed and sold as commercial software packages, many from the States, and there's physicians' offices, pharmacy solutions, etc., working together on national standards for the data and the interfaces between these systems is very fundamental to moving forward. This is an area where we've been working a lot, especially with the Western provinces but now nationally, and we have a number of initiatives under way to develop those standards.

We're also now beginning to work on even some common systems that we can use and share between provinces. I'm really excited about the prospects we have now with the federal government investing \$500 million in the Canada Health Infoway to really be able to lever some of the work that we've done here and to benefit by work that's been done in other provinces.

So I think, in summary, we're well positioned. It's a lot of effort to get to where we are. I think compared to other jurisdictions we're really actually quite far advanced in terms of the infrastructure we have in place. Now we have the opportunity to move forward and actually be able to implement systems that begin to assist in the delivery of care, and I think that's what we're all anxious to see happen and move forward with.

Thank you.

Mr. Gantefoer: — And the final topic under this section is the Uranium City Hospital. And it indicates that in the auditor's report that the hospital will be closing in 18 months from, I guess, the date that this was written. Do we have a final date, a closure date yet? Approximation?

Ms. Yeates: — Eighteen months would have been my approximation as well but I'll just see if there's an up-to-date . . . it's depending upon the proceeding of the Athabasca health centre and I think mid . . . 18 months is still the estimate?

Mr. Gantefoer: — Spring of 2003?

A Member: — Yes.

Mr. Gantefoer: — Is that what it's going to take to make these issues go away with Uranium health . . . the hospital? Because I seem to recall similar or same recommendations since 1995 when the order in council was almost established to set it up.

Ms. Yeates: — Well we think we've made progress on the five recommendations, as I understand it, that have been here before and perhaps many times before. The conflict of interest policy is in place; the strategic plan is in place. But it is the case that there are some new recommendations here which we will work with the existing board on and I'm not sure if they will go away before that 18-month period or not.

But we would report progress on this and I think . . . Again the auditor's staff have been very helpful in terms of helping us putting in the kind of control mechanisms that this audit and other processes have uncovered for us.

Mr. Gantefoer: — So the hospital itself will be closing but what facility will exist in Uranium City after the spring of 2003?

Mr. Linklater: — My understanding is, there'll be a health centre still at an access point but the main acute care centre will be in Stony Rapids.

Mr. Gantefoer: — And responsibility for that institution will then be under the appropriate health district . . . (inaudible interjection) . . . Thank you, Mr. Chair. That's all I have in this section.

Ms. Atkinson: — And can the officials tell us where things are at in having a program available in pharmacies that would signal to the pharmacist whether a patient is receiving a drug, has been prescribed a drug, that is not appropriate given the other drugs that they are taking.

This is where drugs interact incorrectly with each other, and there are some jurisdictions that have been able to get the software into appropriate . . . into the pharmacies. So the pharmacist becomes aware if the prescription is prescribed to an individual patient, the program will indicate if that particular prescription would be harmful given the other prescriptions that the individual is taking. And I'm asking the department whether or not that particular technology is on its way into Saskatchewan pharmacies.

Mr. Gardner: — Certainly the area of drug information is a key priority and one that has been identified nationally between the provinces. The type of functionality you are talking about is really electronic functionality to identify drug interactions and that has been implemented in some jurisdictions.

We're currently working amongst the Western provinces and in fact we have a meeting in a couple of weeks to put together a strategy across provinces that we could move forward with a much more, even more comprehensive solution in terms of providing information to improve drug prescribing. And so we're looking at it actually from the perspective even of the physician office in terms of enabling physicians to have better information about the drugs someone is currently receiving, have access to the latest information around, what drugs would be appropriate at the time of prescribing, and then that would follow through and include that kind of functionality that would identify potential drug interactions.

Certainly as well through our initiatives with the regions, we're including pharmacy as one of the priority areas. We really want

to pull together then the full drug profile of individual clients. Currently we have the drugs that we are paying for under the drug plan. But this strategy would be more comprehensive in terms of including all drugs because we feel it is very important to have the full set of drugs so that the commission can rely on then any system that flags interactions for them.

Ms. Atkinson: — My understanding is that this technology is available in British Columbia and Alberta and I also believe it's in Manitoba and that we are the only jurisdiction in the West, of those four Western provinces that you're talking about, that has not yet implemented this particular technology.

My understanding is that there's been discussions about this over the last several years and I guess I'm interested in knowing whether we will see the appropriate technology in our province in one year or two years or three years. When do you anticipate that pharmacists will have access to this technology and therefore we will see improved patient safety?

Ms. Yeates: — We've certainly been working on some of the . . . There are legislative issues here, but I think one of the issues has been our ability to financially sustain what priorities we set. So as we've been trying to deal with the vast number of possible initiatives and projects as we build the electronic health record, this has been one that we are interested in pursuing, certainly. But as dollars are tight, we have to make choices about what is the next priority.

And I think it's one we're working to build on as much as we can, the knowledge, and in a sense let other provinces have some of the developmental costs so that when we are able to move forward, we do so at a reduced cost here.

Ms. Atkinson: — Can you indicate what we're looking at in terms of cost, given that Alberta certainly has had several years of experience with this technology, British Columbia has as well. Are we talking about a million dollars, \$2 million? How much are we talking about?

Mr. Gardner: — We don't have a price tag at this point. I would suggest it's more in the neighbourhood of \$2 million than \$1 million, keeping in mind that to do this properly, we really need to include all drugs so we have the full profile for clients.

The other piece that we're currently actively working on is the standards to connect to the pharmacy systems and so on. We need to have consistent standards in place and it'll be much easier to do once we agree on those standards. The work is currently proceeding in that vein. We anticipate it'll be finished in the spring. There's an active process of working with the pharmacy association nationally, the vendors, the drug chains, etc., to achieve those standards.

Ms. Atkinson: — My final question has to do with . . . Well I've got two questions actually. My final question on this point has to do with money that is coming from the federal government for health information technology. How much money have we received to date? What have we spent that money on? And secondly, how much do we anticipate receiving in the next fiscal year and what are the department's priorities for that money, in terms of health information technology?

Mr. Gardner: — Okay. Currently we received and are investing a million dollars from the federal government in expanding our Telehealth program and updating it to new technology. The bigger initiative . . . and that was a one-time grant called CHIP (Canadian Health Infrastructure Partnership) program. The significant money though I think you were speaking of likely is the Canada Health Infoway — the agreement by first ministers to invest \$500 million.

We are currently . . . No money has been expended by that corporation on projects just yet. We're currently doing an assessment of electronic health records initiatives across Canada, consulting with stakeholders. The plan is to have a business plan ready for the deputy ministers of Health to review at their June meeting. And it would be after that point then that decisions would begin to be made about actual investments.

Ms. Atkinson: — And finally I think we should acknowledge that the department has had quite a bit of influence in this process. In that you have been a member of the national committee, we are seen as knowing something about this field.

And given that we do have some influence, I would strongly urge us to continue on the prescription drug plan and changes in order that we know pharmacists have access and patients have access to the kind of information necessary to see whether drugs are interacting in an improper way. I think it should be a priority and it . . . it's something that we can get done. Thanks.

The Chair: — Any further questions?

Mr. Wakefield: — Thank you, Mr. Chair. Just to follow up a little bit with that same thing, when SHIN was first talked about — I see back here it was something like 1997 — the technology has changed considerably, almost weekly at times.

So my question would be, is this kind of a moving target? As you develop a system, there's other advantages being developed that will allow you to do even more. And then you try to adapt to that and then there's more. And the associated costs with that is also a moving target then. Is that accurate?

Ms. Yeates: — Well I think in a sense SHIN was never a single informatics project, you know, with a big . . . with a sense of we're doing, we're paving one road in a sense from A to B and it will be finished. Maybe it's more like designing an entire highway system for a province that continues to grow and change, perhaps is the analogy I would make.

So I would absolutely agree with your comment, that it is a part of an investment in the health sector and that investment will change as the technology changes. And we have in fact . . . some of the initial planning has changed significantly because the technology changes. There are much cheaper and better ways to do things than we originally envisaged because there are technologies available that weren't there. So I would agree with your characterization that this is a . . . I suppose just as, you know, we might all drive cars, but the cars are very different and the technology changes.

This is, in a sense, perhaps like an ongoing capital . . . It's like renewing our capital equipment. It's an ongoing thing. And the MRI (magnetic resonance imaging) we purchase today will not

be the same as the MRI that we purchased 10 years ago.

Mr. Wakefield: — So if that's the case, in using the analogy about buying a car, if you bought a car today, it's out of date tomorrow but it's still a useful car. But the fact is, is it maybe more practical to lease that car so that you're not stuck at a certain level of technology?

Ms. Yeates: — And I'll let Neil speak to this. But in some ways, there are some pieces that are the road and some pieces that are the car. So the answer is, I think, for the . . . Neil spoke about some of the basic infrastructure — creating the secure lines, for example, that then you can run Telehealth or you can run electronic health records. Those things, it may make sense to build and own or lease from SaskTel, for example, as one central server. Whereas there are other pieces that in fact perhaps make more economic sense to lease over time.

A lot of the initial pieces are the software development. But again, where those software packages exist from other jurisdictions, we try as much as possible not to have to create them here.

Neil, if you have other comments there.

Mr. Gardner: — Certainly. I think the other thing we've been careful to try and do with SHIN is take a very modular approach — to know where we're going in terms of what our longer term objective is, but to take a pragmatic, step-by-step approach to it. And that's really enabled us to adapt and use the latest technologies as we move forward.

A good example would be, the initial design did call for servers all over the province that would have to be interconnected, and we didn't do that. We saw where the technology was going. We took our time and piloted this approach and then proved that it's going to be very successful to host much more of it centrally. And we're doing it at SaskTel. We're leasing the equipment in that case to do a lot of that work.

So it is a challenge because, just like medical equipment, it's a very fast moving area. But I think if, in the typical Saskatchewan way, we take a very pragmatic approach — invest one step at a time, make sure the pieces fit together — we can minimize the risk of technological obsolescence.

The Chair: — Seeing no further questions, let's turn to the recommendations in this chapter. Part A we have six recommendations. The first one appears on page 81, and this recommendation I believe we've had Mr. Paton make a comment about potential to defer this and await some further discussions rather than concurring or not concurring, if that is the consensus. Is anyone prepared to move that resolution in that fashion, or some other choice?

Mr. Yates: — Mr. Chair, I would like to move a motion of nonconcurrency at this time.

The Chair: — A motion of nonconcurrency. Any discussion? Yes, Mr. Gantefer?

Mr. Gantefer: — Well thank you, Mr. Chair. You know, in listening to Mr. Paton in terms of that this is sort of a work in

progress, I don't know if nonconcurrency is the right way to deal with it or to leave it open until that further information as was indicated comes forward. And I recognize that if we don't concur at this stage, it doesn't preclude the auditor from bringing it back.

I'm just sort of wondering what's the best way. Because I want to make sure that this committee doesn't send the wrong messages, that we're keeping an open mind subject to this more further information coming from looking at this whole issue on a bigger, on a broader scale.

The Chair: — I'd ask Mr. Paton for a comment first.

Mr. Paton: — Mr. Chairman, if I could just clarify. While I stated that there are no recommendations on this, this isn't a current project that the Public Sector Accounting Board is looking at. It's an issue that has been raised by some jurisdictions but is not a current project. So I wouldn't expect anything happening in the near future.

Mr. Yates: — Thank you, Mr. Chair. That's the issue I wanted to raise. I didn't want to leave an issue unresolved for what could be a substantial period of time.

We don't know whether or not this will be taken on as a project, and then we don't know the time frames in which it may be in fact looked or reviewed over. And not knowing those time frames, we must deal with the business of this committee as it comes forward year to year. And at this time, without all the information available to us, I would suggest that a motion of nonconcurrency is most appropriate today.

The Chair: — Mr. Gantefer?

Mr. Gantefer: — Thank you, Mr. Chair. Again I heard the department express some concerns about this. And I'm wondering in a . . . Directing a comment or question to the auditor's office: is there some middle ground here?

I mean I don't think it's right that this be left waiting. A project may or may not be implemented into the future. Is there not some middle ground in here that might satisfy the auditor's concerns, and also be reasonable from the department's point of view?

Mr. Wendel: — Mr. Chairman, I think I have a difference of professional opinion with the Provincial Comptroller on this, and it is my view that the Canadian Institute of Chartered Accounts has passed standards for preparing these kinds of financial statements. And the guidance is quite clear for the public sector. You can either go to the recommendations for the private sector and follow what we call the blue book, or you can follow the recommendations for the public sector, which is a red book.

And accounting standards will continue to evolve and change, and there may be different things come up. At the moment, even though we have standards for the summary financial statements, they're continuing to change and they will continue to change for the next — long as I live. And that's the way the private sector is too; they'll continue to evolve. So I think there's enough guidance here to prepare financial statements for

departments.

Mr. Paton: — Obviously we do have a difference of professional opinion. The only comment I would add further is that there is only one province that has attempted to do the sectoral statements to my understanding, so it's not a generally accepted procedure to prepare sectoral standards or sectoral statements for departments, or for ministries.

Mr. Wakefield: — Mr. Chairman, I guess in voting nonconcurrency I'm afraid of the signal that would be sent from the Public Accounts. We would be voting against having a complete set of financial statements and we'd be voting against generally accepted accounting principles. And I think that signal is not right.

Mr. Yates: — Thank you, Mr. Chair. I think to reiterate the information provided to us as we talked about the financial accounting of the government, this information is already available. It is not in the annual report, but it is in many documents. It's in documents that are accessible to the public, to members of the legislature. So it is no move to try to hide anything or subvert anything. This information is readily available.

Now to move in a new direction that is not widely done or not used across governments in Canada, without a clear agreement between the parties, is moving down a road that . . . we're not the accountants. We're not certain of what the direction should be.

So at this time, I think, while this is being reviewed, we should in fact move a motion of nonconcurrency — this information is available to us — and seek further direction in the future.

The Chair: — Any further comments? Mr. Gantefoer.

Mr. Gantefoer: — Well I'm a little bit at a loss here between the differences in professional opinions, I suppose. And I want to understand quite clearly, because I don't recognize this in the words, and maybe I've just missed it.

Leading up to the auditor's recommendation on page 80, it says:

We continue to recommend that the Department's annual report describe more fully:
the Department's performance indicators, targets, and actual results compared to plans;
and performance information on major capital construction projects.

Now is it implied in these words that there would be this sectoral reporting that the Provincial Comptroller says is not workable? And I recognize that from the information provided as well, that there was some words even in the auditor's report that said there were three jurisdictions, one of which was Alberta, that have done this and it might not be successful.

And what I'm wondering is, is this what the auditor's office implies when they make this recommendation? I mean the wording in that recommendation, it strikes me as pretty generic. And so I'm not quite sure why everybody is so concerned. I'm seeking information here to see what the root of this

disagreement is. Is it indeed that the auditor's office is requiring a sectoral reporting that is very problematic to implement?

The Chair: — I'd ask Mr. Wendel and Mr. Paton for comments, please.

Mr. Wendel: — I'm not certain there's any problems in preparing it. I think we've put up some draft statements for you to look at in section 6B. And you can look at those. We've done them, and there didn't seem to be a great deal of difficulty doing them. So they are there. I think there are standards to follow. I'll have to let the . . .

Mr. Gantefoer: — Well then my question to Mr. Paton is then what are the . . . I need to understand what the problem would be for the department to actually put together statements similar to what is the pro forma suggested.

Mr. Paton: — Mr. Chairman, in all honesty I haven't spent a lot of time studying the issue of sectoral statements. Like I say, this is something that is relatively new that various auditors in various provinces are promoting as a movement, something that provinces should be doing. I'm aware of one province that does that. I think you're implying that the Provincial Auditor thinks there's more than one. I continue to say that the standards that have been developed to this point that Mr. Wendel is referring to, were developed primarily for federal and provincial governments. I know provinces that have tried to do this on a sectoral basis and have experienced difficulty. And to simply take this approach to do sectoral statements with a set of standards that I believe were not developed for this purpose, is a risky way to go at this time. I think there is some study to be done and it's an interesting concept.

Some of the information that the auditor has here comes out of the summary financial statements, but not all of it. There is perhaps different entities — the question of accountability as to who's going to answer to some of these statements.

I can speak kind of more directly to the Department of Agriculture where you have the Department of Agriculture that does their own financial statements and then you have Sask Crop Insurance Corporation. And when you're sitting here at Public Accounts Committee you had the general manager of Sask Crop step forward and answer the questions as it related to the Sask Crop Insurance Corporation.

So those are some of the issues from a management perspective that have to be worked out. The other thing is you have potentially different accounting standards that are being used by some of these organizations.

Mr. Wendel referred to the public sector accounting standards that I'm referring to, but there's also a set of blue book standards that some other organizations follow and you may have a mixture of accounting policies that are being used.

So there's a lot of issues to be worked out here. And to simply accept the recommendation on a face value, I think, is dangerous.

The Chair: — There being no further discussion, question for nonconcurrency. All those in favour? Opposed? Carried.

I'll turn you to recommendation no. 2 on page 102. The recommendations, I believe, the remaining five are all connected with the Uranium City Hospital. Is there any comment from Ms. Yeates on that recommendation? No. Is that happening?

Ms. Yeates: — Yes, the recommendation on the contracts would be . . .

The Chair: — Yes.

Ms. Yeates: — Yes.

The Chair: — Resolution?

Ms. Atkinson: — I would move concurrence.

The Chair: — Moved by Atkinson for concurrence. Any discussion? All in favour? Carried.

Recommendation no. 3 on page 105, board of governors strengthening its rules and procedures to safeguard and control its bank accounts. Progress being made?

Ms. Yeates: — Yes, it is. We agree that further work does need to be done but we have also been working with the Uranium City board and the staff, and the CEO has been working to document some of the bank reconciliation. So there is progress.

The Chair: — Hearing concurrence and some progress.

Ms. Jones: — Recommend concurrence, noting progress.

The Chair: — Noting progress. Thank you. All those in . . . any discussion? All those in favour? Opposed? Carried.

Recommendation no. 4 on page 106. It might be a very important recommendation if indeed the hospital closes in the spring of 2003. So what inventory count actually exists? I take it there is progress being made as well and agreement by departmental officials.

Mr. Harper: — Move concurrence and note progress.

The Chair: — Concurrence. Noting progress. Any discussion? All in favour? Opposed? Carried.

Recommendation no. 5 on page 107, the next page.

Ms. Yeates: — Our understanding is there has been a ruling by the CCRA (Canada Customs and Revenue Agency) and this is currently under appeal so the Uranium City board would plan to have the appeal take place, and then subsequent to that deal with the fallout of that appeal resolution in terms of dealing with the remaining employee contracts as to whether they are in fact employee/employer contracts or should be treated as employee . . . or rather other kinds of contracts that are treated differently from a tax perspective.

The Chair: — So you're stating then that there has been a ruling?

Ms. Yeates: — No, it is under appeal. There's been an initial

ruling and there's an appeal. So we would . . .

The Chair: — Right. But that's what I am saying. This resolution suggests that they obtain a ruling.

Ms. Yeates: — Yes.

The Chair: — That has been obtained, but now it's being appealed.

Ms. Yeates: — That's being appealed. So progress is being made on this item.

The Chair: — Okay.

Ms. Yeates: — We would support it.

Mr. McCall: — I would move concurrence, noting progress.

The Chair: — Concurrence. Noting progress. Any discussion? All in favour? Carried.

Recommendation 6.

Ms. Yeates: — Certainly we would support the recommendation. There is a challenge in terms of completing the audit and then getting it done in time. So there is progress being made as I think the auditor himself noted, but they are working to be more timely in their reporting

The Chair: — Concurrence, progress, anybody?

Mr. Gantefoer: — Concur and note progress.

The Chair: — Gantefoer, concurrence and noting progress. Any discussion? All in favour? Carried.

In light of the committee members' decision on recommendation no. 1 regarding B becomes a bit irrelevant and Mr. Wendel is suggesting that rather than spend time on something that may be a bit redundant we will move directly to 6C. And that I understand, Mr. Heffernan, is also your section.

Mr. Heffernan: — Yes. Thank you, Mr. Chair.

The Chair: — So take it away.

Mr. Heffernan: — Chapter 6C starts on page 130. For the year ended March 31, 2001, we audited 10 of the 32 districts. For nine of those districts, we carried out our audit by working with other auditors and for the Regina Health District we performed the audit ourselves. The exhibit on page 130 lists the 10 districts we audited.

I should note that this committee has previously agreed to all the recommendations in this chapter. The reason we've bolded and numbered them is because we don't audit every district every year. So the names change but the recommendations stay the same so we'll have you consider those again.

On page 132, we note that for five of the nine districts that we examined, the boards of directors need better internal financial information to monitor their performance.

And at page 133, we recommend that for each of the districts named in the parentheses, that the boards of health districts formally define and document their financial information needs, and the boards of health districts receive better and timely interim financial reports to enable them to assess the financial performance of their districts.

On page 134, we note that in setting direction and monitoring performance, boards need to advise management what health outcomes the board expects and the measures and targets needed to monitor progress in achieving of outcomes.

On page 135, we recommend that boards of directors continue to formally define and document the health outcomes they expect and the measures needed to measure progress. Boards need to approve targets to monitor progress in achieving outcomes and districts' internal reports on health outcomes should compare actual performance to planned performance.

On page 135, we note that three of the districts that we examined need better written rules and procedures to safeguard their assets.

On page 136, we recommend that management establish and boards approve and management implement written rules and procedures to safeguard and control health districts' assets to ensure the control objectives we list in the bullets below are achieved.

Also on page 136, we describe how the Lloydminster Health District needs to have an adequate operating agreement with the East Central Regional Health Authority to ensure that the responsibility and expectations are clearly understood.

On page 137, we recommend that the Lloydminster District Health Board improve its operating agreement with the East Central Regional Health Authority.

On page 137, we describe how the boards of directors need to ensure management has established adequate rules and procedures to comply with the law, including key agreements. All the districts that we examined need to improve the information they submit to the minister and the public to fully comply with The Health Districts Act which requires districts to report annually to the minister on health status of residents and effectiveness of programs.

On page 138, we note that two of nine districts that we examined need to improve their compliance with the laws as described in the following recommendations. We recommend that health districts receive approval of the minister for borrowing money in excess of the limits provided under The Health Districts Act and we recommend that health districts charge rates to special care home clients in accordance with The Housing and Special-care Homes Act, and that relates to one district.

On page 139 we describe an improper use of assets. During the audit of Living Sky District, management told us that an employee misused the district's assets. The Provincial Auditor Act requires us to notify the Minister of Finance and of Health in this matter. An employee used a district vehicle for personal activities and made purchases of computer equipment for

personal use totalling \$28,000. The district detected this misuse of assets, ended the person's employment, notified the police, and recovered the district's assets.

On page 139 we note that one of the nine districts that we examined did not publicly report a list of persons who received money from the district. We recommend that health districts publicly report a list of persons who receive money from them, and the amounts.

That concludes my remarks on part C.

The Chair: — Thank you, Mr. Heffernan. Ms. Yeates, any comments on section C?

Ms. Yeates: — I guess our overall comment would be that we would note as the Provincial Auditor's office has, as Mike has, that these are all notes . . . repeats and in fact that the number of districts, as I understand it, are getting fewer and fewer. We are making progress on the omissions and I think that the guidance has been very useful for us to work with the health districts in terms of improving their performance. So this has been . . . it's been a helpful process from our point of view.

The Chair: — Thank you for those comments. Questions in the general sense? No questions. Let's move to recommendation no. 1 on page 133. Any questions? Resolution.

Are you moving concurrence? Moved by Mr. Gantefer that there is concurrence. Any discussion? All those in favour? Carried.

Recommendation no. 2 on page 135.

Mr. Kwiatkowski: — Move concurrence.

The Chair: — Kwiatkowski moving concurrence. Any discussion? All those in favour? Opposed? Carried.

Recommendation no. 3 on page 136.

Mr. Kwiatkowski: — Move concurrence.

The Chair: — Kwiatkowski moving concurrence. Any discussion? All those in favour? Opposed? Carried.

Recommendation no. 4 on page 137. Mr. Wakefield from Lloydminster moves concurrence on recommendation no. 4. Any discussion? All those in favour? Carried.

Recommendation no. 5 on page 138. Mr. Stewart moving concurrence of recommendation no. 5. Any discussion? All those in favour? Opposed? Carried.

Recommendation no. 6. Mr. Stewart . . . Mr. Stewart moving concurrence on recommendation no. 6. Any discussion? All those in favour? Opposed? Carried.

And the final recommendation, no. 7 on page 139. Ms. Jones moving concurrence. Any discussion? All those in favour? Carried.

Before we move to 6D and E, might I suggest a 19-minute

break. We'll reconvene at 3 o'clock.

The committee recessed for a period of time.

The Chair: — Ms. Yeates, and members, we need to go back to page 97. And it's not a recommendation that was bolded but it was a recommendation that was put forward before by the auditor regarding the payee list. And this committee should make a decision as to whether or not we want that practice to be established or not established to indicate to the auditor what we do with this.

Page 97, the recommendation read in the past that:

We continue to recommend that the Department provide the Legislative Assembly with a list of persons who received money from the Saskatchewan Prescription Drug Plan and the amounts.

And above that we've indicated, of course, from officials in the comptroller's office that that payee list was, you know, confidential to a degree and we need to determine whether this committee's position is that we want to create the criteria that establishes a list or not. Discussion, please.

Mr. Gantefoer: — Thank you, Mr. Chair. After our May 30, 2001 meeting when we were advised of the government's policy, did the committee make any decisions at that time and if . . . I guess it was an oversight for us to leave it unanswered. And I think there's a point well taken, is that the issue of disclosure of people who receive money from government — especially those people who understand that it's in the public nature like ourselves and people that work for government departments — it's fair game. But I think when we get into potential third parties, where the whole issue of confidentiality has some relevance, that that creates a different environment. And I think it's quite in keeping that . . . I'm a little bit reluctant to sort of put it in a situation where this goes away forever because I think that there always should be the ability of the auditor to sort of monitor these kinds of issues. And I guess that's just as an automatic by the legislation and the Act.

So at this point I would recommend that the committee, or I would move that the committee accept the current government's policy insofar as it deals with not providing payee information for high-volume programs of a universal nature or income security or other programs of a confidential and personal nature.

The Chair: — Okay, it's . . . I think Mr. Gantefoer has indicated a new recommendation that would be made that the PAC committee accept the current standards or current policies that are in place according to the paragraph that's contained on page 97. Is there discussion of that resolution? Ms. Jones.

Ms. Jones: — I'm wondering . . . I'm not sure who I should ask, if indeed this is a question. I'm wondering if the Department of Health should request an exemption from Treasury Board for non-disclosure of these payments and if that would put some rest to it. I mean, Treasury Board provides exemptions now for certain high-volume things. And so I'm wondering if we should handle it in that way, that the Department of Health request an exemption for non-disclosure.

The Chair: — I'd ask Mr. Payment to . . . or Paton to comment on that. Payment — sorry, Mr. Paton.

Mr. Paton: — Thank you, Mr. Chairman.

Mr. Chairman, first of all just, I think, a slight clarification. The auditor's reporting this issue because it was a recommendation of this committee that those lists be provided. So that's where the starting point is with this. If this committee were to say in this particular situation that recommendation doesn't apply, I believe the auditor would cease to note that because he's really reporting back to you against one of your recommendations.

Answering the question directly, if the committee were to concur with this position, I wouldn't have a problem with getting the appropriate authority through Treasury Board to ensure that that indeed does happen.

The Chair: — That should clarify then . . .

Ms. Jones: — Yes.

The Chair: — . . . as you've indicated. Any further comments?

Okay. The resolution as proposed by Mr. Gantefoer, all those in favour? Opposed? Carried.

Okay. Now we can turn to section 6D. That's Mr. Anderson will be making the presentation on behalf of the auditor's office on section 6D, which is found on page 141.

Mr. Anderson: — Thank you, Mr. Chair. Members, I'm here to present our chapter on capital equipment plans of health districts. You'll find the chapter at page 141 of the report. This is part 6D.

I wanted to note that this audit builds on some earlier work that our office has done. In our 2001 Spring Report we set out what capital asset plans in the public sector should include — that is, what their key elements should be. This audit uses those key elements as criteria. The objective of our audit was to determine whether capital equipment plans of health districts adequately included key elements for capital asset plans in the public sector.

The criteria at page 145 in the report — and I want to just mention them briefly — public sector capital equipment plans should include the capital equipment that's required to support strategic objectives and programs. The plan should include the gap between the equipment that's required and the existing capital equipment. The plan should describe strategies to maintain the capital equipment. The plan should include a justification of the capital equipment strategies. And finally, the plan should outline the financial implications of the strategies.

Now I want to highlight a couple of key findings from our audit. First, the districts' plans tended to focus on only one dimension of capital equipment, that is, the acquisition of equipment. Our criteria, our expectations, were that the plans would include not only the acquisition of capital equipment, but they would show at a summary level other elements, other things that need to be considered when you're looking at capital equipment, such as maintenance, training, disposal, other

dimensions of capital equipment. That was one of our key findings.

The other one I want to mention is that the districts' plans did not adequately summarize the capital equipment they required in light of their strategic objectives and in light of their plans for program delivery.

Now the lessons that we learned in this audit we feel are important for all health districts, and we crafted our recommendation accordingly.

Our recommendation is that all health districts prepare capital equipment plans that contain the key elements for capital equipment plans in the public sector.

And that, Mr. Chair, is the presentation.

The Chair: — Great. Thank you very much, Mr. Anderson. Any comments from Ms. Yeates or other officials?

Ms. Yeates: — We fully support the Provincial Auditor's recommendation of the importance of effective capital planning. And with the move to a smaller number of regional health authorities, we are quite confident that we can work with them to improve their . . . and ensure that they are doing the capital planning along the criteria that have been mentioned. We had lots of input into the criteria and certainly agree with it.

The Chair: — General questions on section 6D. Seeing no questions, we have one recommendation in 6D, and that's found on page 146. Mr. Yates.

Mr. Yates: — Yes, Mr. Chair. I move concurrence.

The Chair: — Move concurrence. Any discussion? All those in favour? Opposed? Carried.

Okay, that will turn us back to section 6E, the final section of this chapter. And there are two follow-up recommendations in 6E that we should talk about, and we have again a presentation from Mr. Heffernan first.

Mr. Heffernan: — Yes, thank you, Mr. Chair. In 1999 we made two recommendations relating to the department's process to allocate resources among health districts based on health needs. And the Public Accounts Committee agreed with our first recommendation, which was that the department continue to develop, as one component of resource allocation, processes that involve stakeholders and experts to identify and communicate (1) priority health needs for the province; and (2) health status objectives for the long term for the highest priority provincial health needs.

At present the department's priorities vary from year to year and are not always clearly communicated to health districts. Consistent priorities would help the department to set more specific objectives for improving health status over the long term.

The government now endorses an accountability framework that requires all departments to set specific objectives. To help MLAs to improve the accountability in the health sector, the

department will need to make its objectives more specific than the current objectives by setting performance targets.

This committee also concurred with our second recommendation, that the department monitor and report the impact of resource allocation on the achievement of provincial objectives for service delivery and health status. To date, the department's public reports have not compared their plan achievements with actual outcomes. Adding this component will strengthen the department's accountability to the Assembly and the public.

We will continue to watch how the department improves its accountability through its processes to identify priority health needs, set specific objectives, and report achievements compared to those objectives. That concludes my remarks.

The Chair: — Thank you, Mike. Ms. Yeates.

Ms. Yeates: — We certainly concur with the sentiment here of ever improving our ability to set performance targets and to match our resource allocations to them. I think the movement that was referenced earlier in the public . . . in our annual report that starts to actually outline some of the health status indicators and put more information there to look at actually what the impact of the health system is over time . . . And certainly the work we're doing with other provinces for the September 2002 reporting I think will further that.

The health plan as well is, we believe, a strong statement in many cases of what we are planning to do and where we are going to allocate resources. And we are certainly looking to being held accountable to our allocating resources in accordance with that plan.

We are, following the development of the health plan, also looking at new funding arrangements. We are reviewing them post health plan to assure ourselves that, given what we want to achieve in the health plan and given the new accountability framework with the new regional health authorities, we've got the degree of both specificity or generality in the funding arrangements that basically allow us to appropriately allocate the resources and ensure that we've got the outcomes for those resources that we had planned. So we are in fact engaging that funding review now which I think speaks to the direction that the auditor is suggesting.

So we concur with the direction, and it will be an ongoing challenge to . . . in a system as complex as health to match resources with outcomes that we are trying to achieve.

The Chair: — Questions or comments of the auditor's office or the department?

So for reporting purposes we have the comments by Mr. Heffernan and Ms. Yeates on the handling of both of the recommendations put forward in 1999 and ongoing attempt to achieve those goals.

Any further questions or discussions on chapter 6 related to Health? If not, I wish to thank Ms. Yeates and your officials for being present this afternoon and assisting us, and to Mr. Heffernan and Mr. Anderson also for assisting us.

That concludes the two days of agenda that was put forward and the meeting will stand adjourned.

The committee adjourned at 15:16.