



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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**STANDING COMMITTEE ON PUBLIC ACCOUNTS
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Rosetown-Elrose

Ms. Joanne Crofford, Deputy Chair
Regina Rosemont

Mr. Lon Borgerson
Saskatchewan Rivers

Mr. Ken Cheveldayoff
Saskatoon Silver Springs

Mr. Michael Chisholm
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Mr. Andy Iwanchuk
Saskatoon Fairview

Mr. Kim Trew
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[The committee met at 10:30.]

The Chair: — Good morning everyone. We'll bring the Public Accounts Committee to order. I'd like to welcome all of my colleagues to the table this morning and also welcome the Provincial Auditor and a couple of his colleagues here. And we have witnesses from the Department of Learning that will be questioned in just a few minutes.

I have received some correspondence since we last met, and I will just make you aware of, first of all, a document you received some time ago from the Provincial Auditor regarding our motion in the last Public Accounts Committee to have him carry out an immediate special investigation into the Oyate centre. And Mr. Wendel has written us to explain how he plans to carry that out.

Also we have received a letter from the Leader of the provincial Liberal Party, Mr. Karwacki, and he is asking that we ask the auditor to undertake an investigation of the Meadow Lake pulp facility. And I believe committee members have that. I know, Ms. Crofford, you've received a copy of the letter. I know my colleagues have received the letter.

And we also . . . In response to Mr. Karwacki's letter, I received a letter from Mr. Cline, which I'm not sure everyone has received around the table. But Mr. Cline tells me that in light of Mr. Karwacki's request, a couple of things, that there's a different auditor who has been examining the Investment Saskatchewan's assets which includes their ownership in the Meadow Lake Pulp Limited Partnership. And he is also suggesting, I believe in his letter, that if this issue is to be pursued with the Provincial Auditor, he would recommend that it be pursued through the Crown and Central Agencies Committee.

So as your Chair, I'm certainly open to any suggestions or motions in regard to the letter we've received from Mr. Karwacki and from Minister Cline. We can deal with that, I think, right at the front end of this meeting. But hopefully it won't take us a long time to decide whether we want to ask the auditor to fulfill out Mr. Karwacki's request or transfer this request somewhere else or do something else. Ms. Crofford.

Ms. Crofford: — It would be my recommendation that, seeing as there is another committee that deals with Crown-related matters, that we refer it to them, notify Mr. Karwacki that it's been referred to the appropriate committee. And then, you know, you have members on that committee, we have members on that committee; they can choose how to deal with it there.

But to get two committees tangled up in it, I think, would be counterproductive. And seeing that there is a committee that's charged with Crown responsibility, I would move that we refer Mr. Karwacki's inquiry to the Crown Corporations Committee.

The Chair: — Okay. You've made a motion. Is there discussion on the motion? Do you have a copy of the motion?

Ms. Crofford: — No because I don't have the paper to do that.

The Chair: — We will try to undertake the paperwork . . .

Ms. Crofford: — I don't have my own motions papers. Am I supposed to have a file full?

The Chair: — Well that would be helpful, but I think we can accommodate this. It didn't sound like it was a difficult motion to deal with. Is there any discussion on the motion? Mr. Borgerson.

Mr. Borgerson: — I think, just given the matter of the little bit of time that this will take, that perhaps we could have that drafted by the end of this meeting and take the vote then.

The Chair: — All right. I can tell you that the official opposition also recognizes that the situation in regard with the Meadow Lake pulp facility is serious, and we have called for a public inquiry to investigate the situation — the loss of \$800 million of public money. We have called for the inquiry to be made up of First Nations leaders from the northwest part of Saskatchewan, as well as industry people, and other community leaders for two purposes: not only to find out what went wrong, but also to determine how we can salvage the industry and maintain its strength.

So we are not content just to let it lie at the committee level, whether it be this committee or as we are determining to send it to the Crown and Central Agencies Committee. We think it needs some special attention, and of course we'll be calling for our colleagues on the government side to support us in that.

We will deal with the motion then at the end of the meeting, unless you have it completed now Ms. Crofford.

Ms. Crofford: — Well I just want to make sure I've got all the right information here so it's clear what we're dealing with. I'm just about done.

The Chair: — We'll wait just a second, then we don't have to worry about it at the end. And we will table these two letters from Mr. Karwacki and Mr. Cline with the Clerk of the committee.

You realize that our huge television audience is slipping away, Ms. Crofford, as you hastily write out this motion. If we break, then we go to the Shopping Channel.

While that's being concluded, I'll just prepare you for the main item on our agenda which is to deal with the Learning, chapter 3 of the 2005 report volume 3 of the Provincial Auditor. We have Judy Ferguson here from the Provincial Auditor's office. She will give us a summation of the auditor's findings and recommendations. And then we will ask the deputy minister, Ms. Durnford, to introduce her colleagues and respond if she so cares to. And following that, then we will entertain questions from committee members.

I believe we now have the motion in place. Do you want to read the motion again, Ms. Crofford?

Ms. Crofford: — It may not be poetically worded, but I move:

That the letter from Liberal leader David Karwacki regarding his letter on auditing Meadow Lake pulp mill be

referred to the Crown and Central Agencies Committee for response with a letter to Mr. Karwacki indicating the change.

The Chair: — Okay. Is there any discussion on that? Everybody happy with that? Call the question, all in favour?

Some Hon. Members: — Agreed.

The Chair: — It's agreed unanimously. Thank you very much. All right. Ms. Ferguson, we thank you for your patience while we dealt with this matter that has come up, and we give you the floor.

Public Hearing: Learning

Ms. Ferguson: — Thank you. Thank you, Mr. Chair, members and government officials. I'm pleased to present chapter 3, Learning, of volume 3 of our 2005 report. The chapter begins on page 83 of that report.

This chapter reports on our audits of the department, its various funds and agencies for the year ending on or before June 30, 2005, with two exceptions. At the time of our report, we had not yet completed our audits of the Teachers' Superannuation Commission or of the Saskatchewan population health employee evaluation network, since the management of each had not yet completed the preparation of their financial statements.

We conclude that the 2005 financial statements of each of these funds and agencies are reliable. The department and each of the agencies complied with the law and had adequate rules and procedures to safeguard public assets with a number of exceptions as set out on pages 88 to 96 of the report.

The chapter contains three new recommendations for the committee's consideration, along with the status of previous recommendations. The first new area deals with assessing risks. Learning is a large, diverse department. To help it determine whether the department's services achieve their intended results, management needs information. In particular management needs information on activities and programs that have a higher chance of problems, errors, or failure.

The department has appropriately assigned staff to evaluate its programs and activities. However at the time of our audit, the department had not formally assessed its risks. Without such an assessment, the department's evaluation activities may not be focused sufficiently on its high-risk areas. As a result, management may not be receiving the right information to take corrective actions when needed.

On page 89 the first recommendation:

We recommend [that] the Department ... use a department-wide risk assessment to guide the nature and extent of its evaluation activities.

The second new area deals with steps to reinforce appropriate staff conduct. The Public Service Commission has numerous policies that provide departmental staff with guidance on appropriate conduct. It is important that staff understand and

avoid situations that place them in positions of conduct.

As with financial policies, staff need additional guidance to help them understand and monitor situations that may be unique to a particular program or area that they are delivering. It is important that the department provide staff with this guidance in writing. Written guidance helps ensure staff receive a consistent message and helps other staff monitor compliance. Learning provides many individuals and agencies with money under a variety of programs. Although Learning provides staff with direction on handling situations for its various programs verbally, it has not set out this guidance in writing. On page 90 we recommend that the department provide staff with written guidance on situations unique to the department to help staff avoid conflicts of interest.

The third new area, the third area deals with documenting estimates. Agencies make estimates when information is not available. Estimates by their nature are based on assumptions and are subject to more variance than other financial transactions. As such it is important agencies take steps to make sure the estimates are reasonable and supportable.

The department makes estimates when it prepares the financial reports and statements of the Correspondence School Revolving Fund. In our audit of the fund, we noted that the department's estimate of unearned fees was too high by about 178,000. This is significant given that the funds total registration and tuition fees are about 1.3 million. The department had not fully documented the basis of its estimated unearned fees. In addition management did not review this estimate before recording it in its financial statements. Upon completion of the audit, the department corrected its estimate of unearned fees and its financial statements.

On page 91 we make the third new recommendation. We recommend that the management of the department review written support including the method, assumptions, and source of key information used to determine the estimate for all significant estimates prior to recording them in its financial records.

The rest of the chapter deals with matters that we have reported and discussed with this committee in the past. We note that the department continues to take reasonable steps to address our concerns about ensuring only eligible persons receive provincial training allowances and student financial assistance. It continues to make progress in improving its planning and reporting of performance.

With respect to improving school divisions' reporting, that is reporting on overall performance and on school divisions' finances, the department's progress was slower. As noted on page 93, the department continues to work with school divisions and is developing a framework that should help school divisions identify and report on student outcomes.

It, along with the Saskatchewan Association of School Business Officials, are developing a plan to help school boards use generally accepted accounting principles to prepare their financial statements.

Finally we note the department has taken and has planned

further steps to address our recommendations on monitoring capital construction projects to ensure school divisions, universities, and colleges meet the department's requirements for these projects. We will continue to monitor and report on the department's progress in this area in future reports.

That concludes my presentation and we'd be pleased to respond to your questions.

The Chair: — Thank you very much, Ms. Ferguson. Ms. Durnford, if you'd introduce your colleagues, and we'd invite a response and then we'll get to questions.

Ms. Durnford: — Thank you. I'm joined today . . . Sitting at my right is Larry Steeves, associate deputy minister. Behind me is Rob Cunningham, assistant deputy minister for labour market services; Karen Allen, who has recently joined the department as executive director of corporate services; Naomi Mellor, executive director of education finance and legislative services; Brady Salloum, executive director of student financial assistance; Nelson Wagner, executive director of facilities; Trina Fallows, director of finance; and Raman Visvanathan, executive director of institutions branch.

I'll keep my comments to a minimum and let the members of the committee use the time for the questions and the dialogue. I think we have certainly understood the issues that have been raised by the Provincial Auditor and I think we're making progress, as has been noted by Ms. Ferguson, on many of the issues that she's identified here.

Some of the activities have been . . . We probably haven't made as much progress as we would have liked in those ones related to the K to 12 [kindergarten to grade 12] system, particularly some of the movement on increasing the compliance of the system to generally accepted accounting principles. And part of that is because we've had the system quite busily engaged in the restructuring of school divisions and that has been a major occupation for the department over the last year in terms of our relationships with our partners.

But lots of work has been undertaken and I'd be pleased to describe that to the members as we go through the day.

The Chair: — All right. Thank you, Ms. Durnford. Mr. Gantefoer.

Mr. Gantefoer: — Thank you very much, Mr. Chair, and thank you, Ms. Ferguson, for your report. And welcome to Ms. Durnford and the members of the Department of Learning.

Ms. Durnford, your comments in terms of the department being a bit preoccupied with the restructuring process, I think, is very appropriate. And I'm wondering that with the auditor looking at department-wide risk management and things of that nature, I wonder if you could report how you see that happening within the department, which is where the recommendations are specifically aimed at, but how it's also going to relate towards the restructured school divisions. Because I think it's important that this system-wide risk management process not only involves the department but also involves the re-formed school districts. So I'd invite your comments on where you see that going.

Ms. Durnford: — Well the risk management . . .

The Chair: — Ms. Durnford, if I could just interject. I failed to mention we have two substitutions for my colleagues this morning and I do want to put that on record. I apologize, Mr. Gantefoer and Ms. Durnford, for interrupting. But Mr. Gantefoer is substituting for Mr. Chisholm on our committee this morning and Mr. McMorris is substituting for Mr. Cheveldayoff. I just want everyone to be clear of that. Now again, Ms. Durnford, you have the floor.

Ms. Durnford: — Certainly. Thank you.

The department made a decision probably a couple of years ago to move to a risk management approach in terms of looking at our quality assurance areas. And the place that we focused our efforts initially with regard to this was with particularly the student financial assistance area and the income support programs that we run and particularly focus there because of the nature of those kinds of programs.

I think the work that we have in front of us is to expand that risk assessment approach more broadly in the department and to have it be used as a way of measuring and understanding those places where . . . [inaudible] . . . group of managers need to spend time and attention.

I think that that approach of sort of evaluation and understanding of the nature of the accountability to the public and the responsibilities to the public are there within the school divisions but I think that the process that we're undertaking with school divisions in a collaborative fashion around developing a continuous improvement framework and having school divisions start to report on outcomes — and move from just activity-based reporting, but move to outcomes-based reporting — I think will help facilitate that sort of dimension of it.

I think the notions about where you need to spend time and attention as a manager is going to be something that will have to be just as we are working it through with departments. I think these larger school divisions are going to have to start to work through this because they are — boards and directors of education are — running fundamentally different organizations in many respects than they have in the past. These are much larger budgets, more capital, more employees. So there are many pieces of this work that's going to have to work its way through the K to 12 system as part of the change.

Mr. Gantefoer: — As part of this whole process, part of the risk management I would suspect is that there are . . . that in these school divisions that there is going to be perhaps guidelines for what appropriate ratios of managerial type positions are to staffing positions, given the restructured organization. And also then to make sure that there is the accountability through to the local communities because we're moving communities out of what they had been comfortable with and used to in terms of ownership of the system to one that's larger and more indirect. Is part of this risk management then going to provide some guidelines to the school divisions as to what are appropriate ratios, for lack of a better word, of managerial positions to staff positions?

Ms. Durnford: — Well I'll get Larry to comment on this in more detail. But there's a couple of things that I would say. One is that the ratio of managers to staff is largely determined by the nature of the collective agreement with the Saskatchewan Teachers' Federation. Now the teachers' federation has been very helpful in the transition process in allowing us some flexibility around those ratios. But a lot of that is determined, those ratios are determined in the nature of the collective agreement. So that would be one point I'd make.

The second point that I would make is with regard to the notion around community involvement and local voice. And I think the government has indicated very clearly its desire to make sure that that is maintained, and that's maintained in the school system and actually strengthened in the school system — and thus the work that was done over the course of the last 18 months around the establishment of a policy direction for school community councils which are intended to bring local voice and community involvement into the schools. And that's a standard that is going to apply across the board whether the school is a rural school or an urban school. So I'll let Larry speak a bit more to both of those topics.

Mr. Steeves: — Okay. Thanks, Bonnie. Firstly yes, with respect to the number of management positions as Bonnie said, that is governed by collective agreements. And essentially the numbers are broadly similar to what was in place before. Some boards went up or down a bit but quite frankly it was very, very close to what was in place with the existing school divisions.

More broadly with respect to the accountability issue — and I'll repeat to some extent what Bonnie just referred to perhaps in a bit more detail — I'd talk about two things. Firstly the continuous improvement framework and how that relates I think to school community councils, because these things were developed in tandem.

Firstly, talk about the continuous improvement framework which was established with extensive consultation from the educational community. School boards were heavily involved, LEADS [League of Educational Administrators, Directors and Superintendents] was heavily involved, STF [Saskatchewan Teachers' Federation] was heavily involved, and school financial administrators, etc. And essentially the model will work on a basis of school divisions reporting — and I'll talk more about the reporting aspect in a moment — on kind of a two-level approach.

On a biennial, every-two-year model, they will be providing information to the department and also to their own ratepayers and publics about student learning outcomes and a variety of other issues that I could talk about but you probably don't want to hear about in too much detail.

Then in addition to the biennial model, we've also developed, in conjunction with the system, an annual reporting framework which is a bit more focused. It talks about things like financial reporting, capital facility issues, some more focused, specific educational kinds of things. For example, curriculum this year, what are you doing — I'll pick one — what are you doing in science 10, which is one that the school divisions are implementing this year. So we'll ask on a yearly basis that kind of information too.

That serves — I'll firstly talk about the provincial level — that serves our interests because we are in a better position to report on what's going on in school divisions. With respect to the accountability side, I think we're going to have a clearer and more consistent ability to take a look at what school divisions are doing in terms of financial practices, that kind of thing. I think they think that's a good thing. We certainly, I think, feel the same way. So on a provincial level we'll get that kind of information which can help and form our strategic plan, potentially I think will form some of our basis for performance measurements, those kind of things, etc.

On a school division level I think the continuous improvement framework serves another important function, and that is public reporting for them. I think the new school divisions clearly understand that they have a responsibility and accountability towards their publics and that the continuous improvement framework envisages an annual reporting that will be provided to their publics. How do we do that? Well I think through the standard kinds of things that we're used to in terms of print.

The other thing that's under active discussion right now with the Saskatchewan school boards is the possibility of websites that in fact school divisions can use to report their information in terms of the outcomes that they've identified over the past year. We've identified some markers of things that we want to know about. We will assume that they will report on a number of those things. In addition we fully expect that they will provide more specific information that's detailed with respect to their strategic plan priorities that they're developing and their own strategic planning process that will inform their publics. I think we're in the process of . . . in discussions right now with the school boards about building some template websites over the coming six months that they can use then and adapt to their local situation. Maybe an urban, maybe a rural, maybe a northern, francophone, those kinds of things, so they can take and revise it and adapt it to their situation.

Also then on a local school level, as Bonnie referred to, an important part of the whole reform process was the school community council concept. And I think, given my own experience, this really builds on the kind of things that local boards — I'll use that term — were doing in rural communities. And to some extent I think that the concept, the school community council, builds on those practices that were in place in rural Saskatchewan and in many cases on a parent advisory council concept in many urban systems as well. It expands it, I think systematizes it, talks about elected parents, talks about role to some extent of the school staff, potentially students if the school's appropriate for that kind of involvement. And then significant other community-based groups that might contribute to and enhance, I think, the role of the school community council.

One of their responsibilities is to, in conjunction with the school, to review the school plan. Because individual schools will be asked to provide a school plan which will go to the division board, which will be rolled up and we would anticipate be reported through on their accountability website and their annual reporting processes, etc.

We're not sure we want to collect every one of those school plans for every one of those schools across the province. That

might become more than we can bear. But we do think that that's an important aspect of telling the community, telling the public in a school-by-school basis, here's what's important in this school, here's what we're going to work on as a school community council with the stakeholders in that school community.

That then goes to the division board who reviews and approves that process. So basically we're trying to build in place through the continuous improvement framework an enhanced public reporting accountability model. And I think consistent with accountability really what this is a lot about is helping provide information to parents, to community members, to ratepayers, to provincial government as another example, about what's happening, how are we doing — those kind of things.

The school community council I think we really feel is intrinsic to that role because at the school-based level they not only provide a support framework to the school, but also provide a bit of an accountability framework that also I think fits into that continuous improvement framework.

Mr. Gantefer: — Thank you very much. As tempting as it is to speak more specifically about the school community council, I believe there's legislation being introduced today or tomorrow that's going to deal specifically with that. And I'm sure we're going to have an opportunity to explore that whole concept in more detail.

What I'd like to try to keep focused on as much as I can, is the recommendations and the general thrust of the report. You mentioned the whole issue of continuous improvement and measuring incomes, outcomes, and we want that to happen with some consistency across the system.

How do you see that happening? And are you going to implement testing programs or what are going to be the measurements on these outcomes system wide? And what is the timeline that you have in mind for this to be implemented?

Ms. Durnford: — Well I'll again ask Larry to give more detail to this, but we currently already have a provincial learning for assessment program that we have been working on, developing for numbers of years with the support of the partner organizations: SSBA [Saskatchewan School Boards Association], SASBO [Saskatchewan Association of School Business Officials], and STF. And it will be, I think, the core of what we do. And it's an assessment for learning and that's an important distinction because it tries very much to get both a systematic sense of how students are achieving, but it also tries to get to sort of the individual sense and the child's notion about how they're achieving as well.

We also participate in a national series of testing programs. And we also participate — as part of the ministers of Education of Canada — we participate in international testing called PISA [Programme for International Student Assessment], P-I-S-A, and you'll see those results reported periodically. So we participate in numbers of these activities.

And we need to, as we go through the implementation of this, we need to make sure that we bring, I would describe, a balanced approach to this because we don't want the system

totally preoccupied with testing at all opportunities, right. But we do want to make sure that we have the right kind of information that's going to be available to the teacher and to the school principal and to the director of education and provincially to us as well, to shape programs, to shape interventions, to make sure that we're doing as well as we can on all of these fronts. So it is always a balance that has to be drawn here, and it's a balance that you need to keep constant care and attention of.

Mr. Gantefer: — Thank you. In this process, I would then assume when Mr. Steeves talked about, you know, potential of websites on these new school divisions, would some of these results of these testing programs then be posted to the website for that division, and would there be comparisons then arrived at between divisions? Or would it be more of a provincial outcome that is reported?

Ms. Durnford: — The approach that my previous minister and my current minister, I mean, both soundly endorse is they don't want this to be a competition-based approach. They are very . . . And I think they have both been very clear that this needs to be information for the purposes of improvement and not for the purpose of competition. And so the publication of results will not happen on a school basis or a division basis.

And currently the way the provincial learning for assessment program works is information is given back to the division but only their information, and so they don't receive information on the division next door to them. And I think that's an important feature of the system in order to encourage people to sort of buy in and to use the results . . . is to know this is about what's going on in your school division, and this isn't what's going on in the school division next door to you.

Mr. Steeves: — I think to add to Bonnie's comments, the reason that the teachers federation has been supportive of the assessment for learning process is that it really is focused on helping teachers improve instruction and by definition improve learning outcomes. And because of that, there's been a pretty broad consensus that this is a useful initiative and one that everybody can support as it moves through the system.

Mr. Gantefer: — I appreciate very much the sensitivity of the situation and the fact that having competition between schools or competition between divisions is not a desired direction to go in. But unless there is some comparative information shared, how would anybody know how they're doing compared to the provincial average or the provincial standard or national standard? If all that you know is what applies to your individual division, how do you know if that's successful or needs improvement if we're going to have a system wide evaluation?

Ms. Durnford: — Well let me be clear. Provincial information would be provided so they would have the comparator of how the province is doing in relation to their school division. So they do have a comparator, but it's at a provincial level. And certainly in the broader testing, we know how Saskatchewan is doing. We know how Saskatchewan is doing compared to Canadian results, and we know how Saskatchewan and Canada are doing in relation to international results.

Mr. Gantefer: — Thank you. In this reorganization that is

occurring, I believe one of the roles in the past, at least of the regional offices and the regional directors and regional support staff, have been to assist and provide support to individual school divisions and teachers and programs and things of this nature. Is the regional structure contemplated to be reorganized and its role updated or changed somewhat in light of this pretty significant reorganization?

Ms. Durnford: — We certainly have been engaged in discussions about that. I don't think we've concluded what the final composition or role for the regional offices will be. I think my sense is we're going to continue to have regional offices, and I think in some places, we're going to want to reinforce some of the kinds of things they do.

One of the places that, I think over time, we'll try to reinforce is on the front of Aboriginal education and partnerships with First Nations and Métis folks. I think that's a place where we could see a stronger role for our regional offices. So again I'll ask Larry to comment further on that.

Mr. Steeves: — I think that . . . just a few other things. The early learning child care field staff that moved in will be reporting through the regional offices. We've talked about the regional offices assuming more responsibility in the area of independent schools and home-based education, some of those kind of things.

So that we see the regional office potentially, and as Bonnie said, we're still working through this process, but potentially being involved in support to school divisions as they work through the continuous improvement framework model providing support, in-service, some of those kind of things in addition to the traditional areas of curriculum support, facilities, information moving back and forth, special ed, children services support in terms of what school divisions are doing, those kind of things. So potentially it could be somewhat broader role than it currently is, but that's something we're just working through at the present time.

Mr. Gantefer: — There have been reported in a number of urban and rural locations that there are a significant number of children that are falling through the cracks and really the system is missing them there. They're children that are not in attendance on any kind of regular basis.

Are you looking at the regional offices of potentially having a leadership role in trying to address this issue of children at risk and children who really are not being accounted for in the system? And some comments have been that, you know, it's been a difficult situation to deal with, and no one is entirely sure of who should take the leadership role in addressing this whole issue of missing children. Are the regional offices anticipated to take more of a leadership role in this regard?

Ms. Durnford: — Well we have implemented or are in the final stages of implementing a student data system, a student tracking system that will start to track enrolments and compare enrolments against health system information so that we actually know whether there's children that are missing from school enrolments as compared to the health services number.

In terms of the implementation of the system, we're just in the

final stages of cleaning data and trying to get a sense of how complete our data set is. And you know, I think it's reasonably complete, but there's still some work that we can do on that front.

Our next step is to actually then start to say, okay now that we've got this data system, how are we going to operationalize it, and how are we going to use the data set in order to find the children that we've all heard about being reported as either dropping out of school, not being in school, or never having been in school? In some cases we hear stories to that effect.

And our plan is to try and test out how we're actually going to operationalize that in a pilot project in Saskatoon. We have a group in Saskatoon that's actively engaged in the discussion around keeping kids in school. And so we want to try to do some work there. I think clearly our regional director will be involved and has been involved in that discussion.

But what we're going to need to do is, as you start to locate these children and you start to understand what their individual circumstances are, I think it's going to require an inter-agency response. We're going to talk to folks from Department of Community Resources. I suspect we'll have some need to have some participation and co-operation from Corrections and Public Safety because I think the situations that we're going to find these children in are going to be pretty complex ones.

And the two school divisions are going to have to be front and centre in this because they're going to need to sort through what kind of response is going to be required in order to not just get the children back into school but then to keep them once they're there.

And Larry's just reminding me we've got issues relative to movement of children back and forth between reserve schools, and on-reserve and schools off-reserve.

Mr. Gantefer: — Thank you. And I agree completely that it's, I'm sure, going to be an inter-agency initiative. And I heard you suggesting that the Department of Learning through the regional directors will be the ones taking a leadership role in this project.

Ms. Durnford: — Pardon me. I'm sorry.

Mr. Gantefer: — Did I hear you correctly in assuming that the Department of Learning, through the regional director or whatever other function on this pilot, is taking the leadership role in coordinating this inter-agency initiative?

Ms. Durnford: — I don't want to mischaracterize it as a leadership role, but we'll certainly be front and centre in it because we're operating the data system. I mean, schools are entering the data, but we're going to have the provincial system. I think it's going to be really important that the two school divisions in Saskatoon are, if you like, equal participants in this because, at the end of the day, they've got the responsibility on the ground to make sure that whatever the support response is that it's actually going to work for the child.

Mr. Gantefer: — Deputy Minister, you've also mentioned that there are some issues of students moving between urban

situations and the public and separate school system potentially and also the First Nations school system on-reserve. What is the relationship between the department, the regional directors, the new school divisions envisaged to be with the First Nations school system?

Ms. Durnford: — Well maybe I'll just go back to the student data system just for a minute because it's a piece of what we've been working on. We've been actively working with bands and tribal councils to participate. And of course we're looking for . . . In these situations, they have a choice as to whether they participate. We've certainly been asking them to work with us and to participate in the student tracking system, and many are. I just have forgotten the numbers offhand.

But many have made that choice about participation because they know the issues around the mobility of their population. So that will give us a very important piece of information over time to try and understand what some of these patterns are in terms of movement. And so that's an important piece that will help us into the future in terms of thinking through this issue and planning.

I think the nature of the relationship between the department and the on-reserve school system has been one of trying to encourage and support, where we can, local partnerships around use of facilities, around representation at the local level. I think the school community councils are going to be another interesting area where I'll be able to start to see some local partnerships.

But I think this is a fundamental area that we are going to have to pay, I think, even more attention to than what we have in the past. I think this is one of our big challenges as we go forward, as around how we find and support Aboriginal partnerships between the on- and off-reserve school systems.

Larry, do you want to add to that?

Mr. Steeves: — I think just that . . . [inaudible] . . . so to speak in some ways because I haven't been here. But what I hear from other areas across Canada is that Saskatchewan probably has done as much as any province in terms of building those kinds of relationships. You know, for example we've talked about the possibility of some of the tribal councils becoming involved with our continuous improvement of framework initiatives as one example. We've talked about the possibility of a shared standards council working with First Nations community. The list goes on.

So I think that there's been a lot of good work done and my sense is a lot of goodwill. I think that our deputy's comment about many more miles to go on this is very relevant though.

Mr. Gantefer: — Thank you. Deputy Minister, in this whole process where does the School^{PLUS} program fit into this whole relationship?

Ms. Durnford: — Well the School^{PLUS} program has really had sort of two aspects to it. One has been around this dimension around learning outcome, so I think it very much is within that sort of the broader context of . . . So that's the broader context for what we've been working on over time on that, on the

assessment for learning project.

The other dimension of School^{PLUS} is around the inter-agency and service responses for children and families. And one of the things that I think is an interesting opportunity for us, maybe not quite as interesting as it might have been but still there for us to pursue, is the introduction of the early learning and child care frame to the new Department of Learning with the movement of the child care programs from the Department of Community Resources and Employment into the new Department of Learning. I think it's going to give us another opportunity to think about, on the ground, ways to bring those early learning opportunities in the child care system together, whether they exist in a school or whether they exist in child care centres around schools or in family child care homes in neighbourhoods around schools. So I think it's a real opportunity for us to take School^{PLUS} to another place.

Mr. Gantefer: — Thank you. Mr. Chair, I don't want to overstay my welcome in terms of taking the time, but I would like to specifically address two or three of the auditor's recommendations.

I think we covered the system-wide or department-wide assessment of these issues. There's a recommendation that the department improve and put in writing its guidelines for staff conflict of interest protocol and procedures. Would the deputy minister comment on where that process is at?

Ms. Durnford: — Certainly. This particular recommendation came out of a particular case. And what we've done in response to the particular case is to go back to the unit within which the case occurred and review with all of the staff there what the Public Service Commission's guidelines are relative to conflict of interest but also to reinforce the interpretation of those guidelines within the context of the work of that unit. We need to still do that, I think, across the department. And that would be in our work plan for this next year in both of the departments that will be shortly in place, is to reinforce people's understanding of the general requirements relative to conflict of interest and then to have people think about it — what does that mean in the context of my individual workplace? Because it plays itself out a little bit differently everywhere.

Mr. Gantefer: — Thank you very much, Mr. Chairman. That is the questions that I had. Thank you.

The Chair: — Mr. McMorris.

Mr. McMorris: — I just have one question leading back to, I think maybe it was the second question, first or second question that Rod asked about and it was regarding management to staff ratios. And I believe, Ms. Durnford, you had talked about the collective bargaining agreement. Could you explain a little bit — I believe Mr. Steeves said that there are some divisions that it's higher or lower than it was before — could you just expand on that a little bit? I'm trying to get clear because certainly part of the restructuring of school divisions was to deal with trying to, I guess, reduce the amount of management and then have more money going into the classroom. Could you kind of clarify that for me?

Ms. Durnford: — Certainly. The collective agreement

establishes ratios and I'm afraid to say that I can't remember what the precise ratios are in the agreement but what we were able . . . We knew as we were going to work through the transition process and as we were bringing school divisions together we were going to see numbers — particularly in some areas of the province — we were going to see the numbers of administrative positions beyond what the ratio would permit. And I think that's what Larry's comment would refer to.

What we agreed to at the restructuring coordinating committee table is we agreed with STF and the school boards association that they would give us, through the process, some leeway on those ratios so they wouldn't be strictly enforced over the restructuring process, to allow school divisions to develop human resource plans and to deal with how they were going to move numbers of management positions into the school divisions.

Mr. Steeves: — Yes. I think two issues. One was just that, as they brought things together, a little bit of flexibility to deal with the number . . . some people retiring out and/or moving on to give some segue.

The other thing is that it had to do with a number of smaller divisions coming together in a larger division. For example — and this is a hypothetical so forgive me if I'm not providing accurate information in this regard — but the guidelines in place in the collective agreement might have made provision for an out-of-scope based on X number of students or teachers. Well if your . . . its division that would be somewhere around maybe one and a half, what do you do? And I know in some cases sort of provisions were made that somebody would be half-time out of scope, those kind of arrangements.

Well as you bring it together into a larger whole, those numbers collapse together. When I say there was some movement around, it would also refer to as you brought the division, a larger division together and you collapsed the numbers together, sometimes those numbers rounded down or up depending on what it came out to arithmetically.

But particularly I think the deputy minister's comment about the fact that in many cases you had folks who were close to their retirement time, maybe somebody needed to work on a policy manual. To get that work done, we with the board provided transitional funding to allow that person to segue out and get some of that important work done to pull a common policy manual together for the new board.

Mr. McMorris: — So the collective agreement stipulates or dictates the number of management — meaning the number of principals, vice-principals — over a division and population base. Is that correct then?

Mr. Steeves: — Not really. If a board chooses to have X number of schools, they will make the decision internally as to whether or not . . . Well firstly there will be a principal. I mean it is a school division call whether they choose to support that principal with a vice-principal or not. And that will vary, as most would expect, based on the size of the school, traditions of that school division, and their management culture and how they choose to do things and so on. So no, those are left to the individual board to determine based on the number of schools

and so on.

Ms. Durnford: — It should also be made clear that principals and vice-principals are not considered out of scope with the collective agreement. They're considered in scope. So they're counted in the in-scope population. And it's sort of the administrators, the what I would call more central office administrative staff, would be the ones that would be considered out of scope.

Mr. McMorris: — So in the collective agreement then, what they are dictating to the board is how many they have on the staff, how many the board would have for staff, how many directors, assistant directors. Is that . . .

Ms. Durnford: — That's what's been agreed to. Sorry. Go ahead, Larry. Yes, go ahead.

Mr. Steeves: — Yes, basically you're talking about your out-of-scope personnel which in a school division are relatively few. So that the number of out-of-scope staff you would have, as I say, is defined within the terms of the collective agreement, etc.

The traditions in school systems are different than other organizations where there's a relatively small number of out-of-scope staff. Most of the functions in a school division are done by principals — for example, assistant principals, vice-principals on occasion, supervisory consultants, and so on. And those are people who are employees of the board but are also members of the Saskatchewan Teachers' Federation and on occasion perform functions, depending on the nature of the school division, that would normally be viewed within a supervisory function. It's not unusual, for example, in rural Saskatchewan to see principals writing performance appraisals, things like that.

Mr. McMorris: — Maybe I'm slow on this but I just want to try and get this clear then. For example, the new division of Prairie Valley School Division for example. They set up their structure, their management structure, administration structure of . . . will have a director. I don't know how many divisions were brought together under that particular name. I know there's parts of divisions. I know there's many divisions, one division that didn't have a school. A number of those happened to be in my constituency but I'll leave that alone. So the school division has come together, bringing a number of school divisions together. They'll have a director and a number of assistant directors now, staff people, just all the people that work in that division. That is determined partially through the collective bargaining agreement?

Ms. Durnford: — The numbers that they would have in terms of their ability to have out-of-scope administrative staff would be determined on a ratio basis in the collective agreement. Now as I've said we've been able to get STF to have some flexibility around that in order to allow the school divisions to work through human resource planning. And so we have, I mean as part of the restructuring process we asked each school division — the new school divisions — to produce a human resource plan that would say, here's what your structures look like and here's how you would plan to move folks through. And options were given relative to transition funding for bridging for some

folks to move to retirement.

Many of the folks that we're dealing with here had opportunities around retiring and so we wanted to make sure that we had an orderly transition of the people. And so what we did through the process was to try and encourage school divisions to think very strategically about what their needs were going to be in their new environment and how they were going to manage that. And then to think about who they had and how they were going to support those folks and to make some choices around that. You know in any good human resource plan that helps manage people through a transition.

Mr. McMorris: — I understand and certainly am glad to see STF worked with the boards and allowed leeway because I mean it's such a major restructuring that there has to be some leeway granted, because to go on the strict numbers would have been very difficult. But so then it's determined on how much division or school, like for example, Prairie Valley Division staff they have, it's determined on the school population and teacher population of the board to determine?

Ms. Durnford: — I don't believe that to be the case. I think we need to get another level of information for you in order to answer that question. My understanding is it's a ratio of determination of the out-of-scope staff, how many in-scope staff. And what else they would do within the school division is the school division's choice, my sense would be. But certainly I could undertake to provide you with a more full explanation of that.

Mr. McMorris: — So I guess just one last question then. When we heard that there was going to be restructuring and when we went through the whole restructuring debate, and one of the arguments for restructuring was a reduction in administration. But really if there's a collective agreement, if there is a collective agreement dictating on what the administration level would be, that was really . . . that couldn't ever be adjusted because the agreement is dictating on a population, student population or teacher population, on how much administration there can be or would be.

So that was already set regardless of whether we have 30 divisions or 12 divisions. The collective agreement already dictates what the administration level of a school division would be.

Ms. Durnford: — By the division, but we've significantly reduced the number of divisions. So for example in some areas where we've brought nine school divisions together, we would have had nine directors of education. That school division would now have one, right. So that's . . .

Mr. McMorris: — But the number of positions in that school division, there might have been nine directors with three or four supporting staff, but there may be one director with 18 supporting staff. I'm just saying the collective bargaining agreement says that you can have this many out-of-scope positions.

Ms. Durnford: — No, I appreciate your comment. I think what we . . . and I would undertake to provide you with a more full explanation of how this, the ratios work.

Mr. McMorris: — Great, I would appreciate that.

Ms. Durnford: — Thank you.

The Chair: — Thank you. I'd like to ask the Provincial Auditor, on page 86, the original estimates versus the actual, post-secondary education the actual was about \$62 million more than was estimated. I realize there's a length that we could go to find out why that happened. But I wonder if you could just briefly explain to the committee why there was such a large variance in those numbers. The estimate was 387.9 million, and the actual spent was 450 million.

Ms. Ferguson: — I'm going to make an attempt to answer, but I think, Nelson, you might assist me on this one. I think actually the increase is due to the additional capital funding that's provided to primarily to the universities — the University of Regina and University of Saskatchewan. Is that . . .

The Chair: — Ms. Durnford, did you want to . . .

Ms. Durnford: — That's correct. What happened in the '04-05 fiscal year is a number of larger projects were funded at both universities, and capital funding was advanced to them. And so we dealt through the supplementary estimates process.

The Chair: — So is this done in a hasty manner, and that's why it wasn't included in the estimates or was it a change? Was it shifted from some other account? I would think that this would be long-term planning and that that money should have been included in the original estimates.

Ms. Durnford: — No, I think the funding was provided for projects that had been under some length of time for planning. So for example, funding was provided for the vet med college at the University of Saskatchewan. Funding was provided for the University of Regina lab building, and we advanced some capital just on their sustaining capital files just to allow them, the universities, to have a bit more flexibility in terms of how they managed their capital accounts.

And I think the . . . So this money was advanced for projects that had been identified over a long term and had undergone numbers of planning rounds.

The Chair: — But at some point, there was a change in plans between the time of the estimates and the actual spending of the money. How could that occur to that large degree?

Ms. Durnford: — The plans were there. I mean the University of Regina has been working on the lab addition planning for numbers of months, well numbers of years, and the commitment was made by the government to work with the university on funding the laboratory addition, the lab building addition.

And I think what happened over the course of the '04-05 year particularly was, as funds became available within the context of broader government, choices were made that these were opportunities to direct funds to these one-time projects and to move some of these capital projects, particularly at the universities, forward.

The Chair: — So revenues exceeded expectations in the General Revenue Fund, say, because of the oil and gas boom . . .

Ms. Durnford: — That's correct.

The Chair: — And so those monies were then . . . The capital projects I guess were accelerated as a result. Is that what you're saying?

Ms. Durnford: — Yes.

The Chair: — The other, and others would understand this better than I do, but the whole issue of the teachers' pensions and benefits . . . and there's a note here. There's a chapter, a couple of paragraphs on page 94. But the teachers' pensions and benefits, the numbers go the other way, about \$50 million less spent than was originally estimated. And yet the Provincial Auditor suggests that for the year ended March 31, 2005, the department understates the amount of teachers' pension and benefit costs reported in its annual report by \$65 million. It had overstated it by \$11 million in 2004 and understates the amount it owes for teachers' pensions by 2.55 billion. That about blew me away. Now we're talking Enron-type of numbers.

So I guess first of all I'd ask the Provincial Auditor, why the error in the . . . why the understating and overstating in the amount of 65 million? Why the discrepancy here between the original estimates and the actual spent? And particularly, how could the department understate what it owes teachers' pensions by 2.55 billion?

Mr. Wendel: — My understanding is the department is following the accounting principles the Department of Finance sets for them. We've taken exception to the Department of Finance's accounting principles for many years, that they don't record their pension liabilities properly in the General Revenue Fund. They don't record their pension costs properly in the General Revenue Fund.

The Chair: — So then, Mr. Wendel, are you saying that they don't state them at all, and the total unfunded liability is 2.5 billion, and they just ignore that? Or are they miscalculating?

Mr. Wendel: — They don't record the pension liability in the General Revenue Fund, and as a result they don't show the pension liability or the pension expenses that the Department of Education . . .

The Chair: — Does that have any bearing in the discrepancy in the numbers on page 86, teachers' pensions and benefits?

Mr. Wendel: — Yes, it does.

The Chair: — I don't know if I should be asking Ms. Durnford or it I should be asking Mr. Bayda why we don't follow what the auditor determines to be generally accepted accounting principles in regard to unfunded liabilities for our teachers' pensions.

Mr. Bayda: — Thank you, Mr. Chair. In the General Revenue Fund financial statements, the government has a policy of reporting its pension obligations in the notes to the financial

statements. So in the notes to those statements, the accrual liability for pensions is reported. And in the summary financial statements, the government does record its, you know, its accrued pension liability. And that's just how things have been for some time now.

The Chair: — So is this just a matter of semantics? It's being reported somewhere else? The auditor says you should report it on this line, and you're saying it's reported on that line. Or is there a discrepancy in the amount that is considered to be unfunded liabilities?

Mr. Bayda: — I don't think there's a discrepancy in the amount. I think both statements accurately report the amount of the pension liability. It's a matter of where it's reported. And in the General Revenue Fund statements, it's reported in the notes. And in the summary statements, it's reported in the . . . actually reported as a liability on the balance sheet of the province.

The Chair: — So is Finance working with the auditor to clarify how this accounting and reporting should be undertaken so that we don't see things in the report like an understating of the amount of those teachers' pension by \$2.55 billion, which is rather alarming when you see that in this report.

Mr. Bayda: — Well certainly, you know, the auditor has his opinion, how he feels those obligations should be reported in the General Revenue Fund statements. And we've had a disagreement there, and it's just a matter of the . . . it's the choice that's been made. The government has decided to report its pension obligations on a cash basis in the General Revenue Fund statements, and that's the way that those costs are appropriated through the budget process.

So I think if you were to look to the Public Accounts, in volume 2 of the Public Accounts, you'd probably find a number, a number that would be much more similar to the \$119 million that's reported in the Estimates. You'd probably find an actual number that's much more comparable to that if you were look to the Public Accounts.

So the auditor has sort of restated the actual numbers to reflect his idea that pension costs should be reported on an accrual basis in the General Revenue Fund financial statements.

The Chair: — I guess then I'd ask the Provincial Auditor why he would recommend that the accrual basis be used rather than the cash out basis. You know, are taxpayers and is the province at some risk with the current accounting practices of the government?

Mr. Wendel: — Well we expect the government agencies to follow generally accepted accounting principles for all our financial statements, and when they don't, we bring that to your attention. At the moment, pension costs and pension liabilities are not following generally accepted accounting principles in the General Revenue Fund financial statements, so we brought that to your attention. We've restated the numbers to show what the numbers should look like based on generally accepted accounting principles, so you have the information. You can then decide what you want to do with it.

The Chair: — But is it correct that the summary financial

statements are not affected by the two different approaches — the approach you suggest and the approach taken by the Department of Finance?

Mr. Wendel: — That's correct. The summary financial statements do record pension liabilities and pension expenses at the appropriate amount. What isn't happening though is the General Revenue Fund isn't doing that. And that's a concern because much of the focus that legislators have is on the budget and on the General Revenue Fund as opposed to the summary financial statements. So when you're discussing this, you need to be aware that they're not following generally accepted accounting principles.

The Chair: — So the General Revenue Fund appears to be healthier than it would appear if they were following generally accepted accounting principles?

Mr. Wendel: — Well it could work either way, depending how much cash was decided to put into the teachers' pension plan or whether the accrual was larger than the cash or lower than the cash amount. It could go either direction.

The Chair: — Okay. On prior recommendation 3 there's a section that was mentioned by the auditor in her summary about the department not properly reviewing "... its estimate of the Correspondence School Revolving Fund's ... unearned fees prior to recording the estimates in its financial records."

Being an oddity and being a graduate of the government correspondence school, of course that intrigued me. And I'm wondering how the revenues could be overstated by that amount. My understanding is that this is a pretty small school, not that many students, and yet the anticipated fees coming in were hugely overstated in light of the total amount that would normally be collected and then turned out to be collected. Can you explain where the mix-up was here?

Mr. Steeves: — Yes I can. Can I give a little bit of background context firstly? The revolving fund actually serves as the primary vehicle for handling the funds coming in and going out for the Saskatchewan Correspondence School, as it's been traditionally known. In addition to that, with the development of technology and new kinds of technological approaches to distance education, over the past 10, 15, 20 years a couple of other things have developed.

One, interactive television. And a number of sites, both rural and urban, have provided some of that kind of service. In addition to that we've gotten into, over the past number of years also, web-based distance education programs whereby students sit at a computer and work with an instructor, etc.

The revolving fund assumes the responsibility for handling the cash related to all three of those. What happens in the estimate of earned versus unearned income is that with respect to the correspondence school, they use historical information to project when a student starts and ends. Now as a rule of principle I can tell you that I was impressed to hear that they can do that because that was always a challenge for me getting kids through those correspondence courses.

But in any event they've got pretty good statistical analysis of

historical data and completion rates and so on. Based upon that, and I won't bore you with tedious detail of that, they can reasonably well tell you when a student will complete. And if for example the student registers and they figure it's going to take six months to complete and there's three months left in the existing fiscal year and three months in the next fiscal year, well half is earned, half unearned.

What happened was that the interactive television students — particularly I'll talk about those because they were most of the situation — those students were being included within the student count as well. Well actually that really distorted, I think, the overall reporting because in fact in that case what the revolving fund in the department really does is collect the funds in that the students pay and then forwards it back to those individual boards who were providing that particular service in terms of the provision of the interactive television distance education. So what we had done is inadvertently counted those students as well. Well of course we really don't, shouldn't consider those as unearned or earned income. All we really do is provide a collection agency, to use that terminology.

So when the Provincial Auditor brought this to the department's attention, we went back, firstly added staffing capacity both in the e-learning branch to support this kind of financial work and as well in the corporate services area of our department; went back and brought back the particular year that we'd misstated the situation because of counting those students from the interactive television area as well as the traditional correspondence school students. So we went back, tidied up that year, and then the auditor appropriately suggested we should go back a few more years. And I think three. And my understanding is the number 178 reflects the restated of the past year plus the previous three years as well.

So it would be about 35, \$40,000 on a yearly basis, well maybe a bit more. But that's the specifics of what occurred.

The Chair: — Thank you for that. And then on page 92, second paragraph:

Under *The Education Act, 1995*, the Minister of Learning must give the financial statements of the Fund to the Legislative Assembly by July 29th each year (... within 120 days of the Fund's year-end). The Minister provided the 2004 financial statements on September 12, 2004 and at October 31, 2005, had not provided the 2005 financial statements.

Why is the compliance with The Education Act not in place?

Mr. Steeves: — Given the helpful direction we received from the Provincial Auditor in going back three years, that took a little longer than we had anticipated and as a result, we're late in providing that information. And that's one of the reasons we've enhanced the staffing capacity both in the e-learning branch and also given it more focus in corporate services.

The Chair: — So has that statement now been ...

Mr. Steeves: — That's my understanding.

The Chair: — Okay. It's been tabled so it's in place. And do

you assume that in future years the Act will be complied with?

Mr. Steeves: — We'd like to think this is a good news story — the Provincial Auditor helping us to get where we should have been.

The Chair: — Okay. And then just one last question, and it's just because of my curiosity. With regard to The Regional Colleges Act: "The College did not comply with certain provisions of the Act." I'm reading now on page 95. In June 2005 the college borrowed 57, almost \$58,000 to buy a vehicle. The Act requires that the minister's approval be had before monies are borrowed.

Is this problem corrected? And out of curiosity, what kind of a vehicle was purchased for \$58,000?

Ms. Durnford: — I'll let Rob Cunningham, the assistant deputy responsible for this area, describe the vehicle.

Mr. Cunningham: — Well I haven't seen it so I can't describe it.

The Chair: — Is it a Hummer?

Mr. Cunningham: — It's used to tow something which is called a confined space simulator which allows the college to take this large trailer with a confined space out to workplaces so that work can be done around women's training, simulating welding within a tight space.

And the circumstance that the college found themselves in, they had an opportunity to purchase this truck and then came upon an opportunity to get a zero per cent financing. So instead of purchasing the truck, they took the zero per cent financing route not realizing that it put them afoul of the Act with regard to borrowing money versus just a straight-out purchase. So they then did subsequently request minister's approval to borrow the money for the purposes of this truck.

The Chair: — Thank you very much. Well I'm impressed that the auditor was able to find that. That's interesting. That's the end of my questions. We are near the end of our time. Are there any questions from the government side?

There are three recommendations that we are asked to deal with. And they are on pages ... beginning page 89, recommendation no. 1. I will read the recommendation and then entertain a motion:

We recommend the Department of Learning use a department-wide risk assessment to guide the nature and extent of its evaluation activities.

Is there a motion? Mr. Borgerson.

Mr. Borgerson: — Yes. I'll move that we concur with this recommendation and note progress.

The Chair: — Okay. A motion to concur and note progress. Is there any discussion on the motion? Seeing none, we'll call the question. All in favour? Carried unanimously.

Second recommendation is on page 90. It reads:

We recommend the Department of Learning provide staff with written guidance on situations unique to the Department to help staff avoid conflicts-of-interest.

Is there a motion? Mr. Borgerson.

Mr. Borgerson: — Yes. Again I'll move that we concur and note progress.

The Chair: — Again a motion to concur and note progress. Any discussion on this motion? I know it was discussed earlier, so I assume that you've completed your discussion on this issue. We'll call the question. All in favour? None opposed. That's carried.

And the third recommendation is on page 91. It reads:

We recommend that the management of the Department of Learning review written support (including the method, assumptions, and source of key information used to determine the estimate) for all significant estimates prior to recording them in its financial records.

Is there a motion? Again, Mr. Borgerson.

Mr. Borgerson: — Yes. I'll move that we concur with this recommendation and note progress.

The Chair: — Again a motion to concur and note progress. Any discussion on this motion? Okay. Seeing none, we will call the question. All in favour? That is carried. And I believe that concludes chapter 3 of the Provincial Auditor's 2005 report volume 3.

Ms. Durnford and your colleagues, again I thank you for appearing before the committee. You were most helpful in supplying answers to my colleagues in regard to their questions. I want to thank officials from the comptroller's office for being here. We actually had to call on you this morning and that was good. Thank you to the auditor and your staff, and the committee members. Thank you for being present.

We intend to meet again on Tuesday of next week to deal with the last portion of the chapter on health care. Until that time I declare the meeting adjourned.

[The committee adjourned at 11:46.]