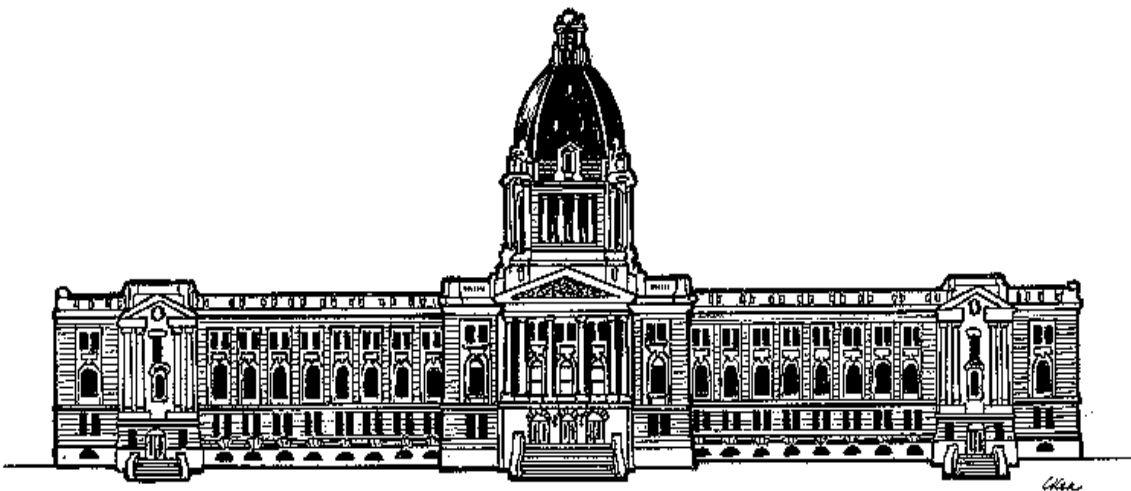




STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Harry Van Mulligen, Chair
Regina Douglas Park

Mr. Warren Michelson, Deputy Chair
Moose Jaw North

Mr. Fred Bradshaw
Carrot River Valley

Mr. Michael Chisholm
Cut Knife-Turtleford

Mr. Jeremy Harrison
Meadow Lake

Mr. John Nilson
Regina Lakeview

Mr. Jim Reiter
Rosetown-Elrose

[The committee met at 09:00.]

Finance

The Chair: — Good morning, everyone. We are gathered this morning to review chapters in two reports of the Provincial Auditor. And for those that are watching and would like to access those reports, they can be found at www.auditor.sk.ca. We're dealing with two reports. One is the 2007 report volume 3, and then the 2008 report volume 1. And I'll try to make sure I reference those before we get into discussions with the appropriate departments.

With us is the Department of Finance. And I wonder if we could ask the deputy, Doug Matthies, to introduce the officials that are with him, then go to the Provincial Auditor for his comments with respect to chapter 5, Finance of the *Report of the Provincial Auditor*, and then go back to you, Mr. Matthies, for any comments that you might want to make. And so, Mr. Matthies.

Mr. Matthies: — Thank you very much, Mr. Chairman. With me this morning is Brian Smith. Brian is the assistant deputy minister responsible for the Public Employees Benefits Agency. And also Kathy Strutt, Kathy is the general manager of the Saskatchewan Pension Plan.

The Chair: — Thank you very much. Mr. Wendel.

Mr. Wendel: — I'll have Mr. Ahmad make the presentation. Thank you, Mr. Chair.

The Chair: — Right. Mr. Ahmad.

Mr. Ahmad: — Thank you, Fred. Good morning, Mr. Chair, and members of the committee. I'll provide an overview of chapter 5 of our 2008 report volume 1. The chapter begins on page 59. In this chapter, we report the result of our audits of the department's agencies for the year ended December 31, 2007.

Our 2008 report volume 3 will include the results of our audit of the department's agencies with the year ending March 31, 2008. This chapter also includes the result of our work to assess the adequacy of PEBA's, that is Public Employees Benefits Agency's processes to manage the delivery of agreed upon services to its client plans. Client plans are those pension and benefit plans that have signed service agreements with PEBA.

On page 64, we continue to recommend that the municipal employees' pension plan should have written, tested, and approved disaster recovery and business continuity plans. We reported this matter in our 2007 report volume 1. In June 2007, your committee considered this matter and agreed with our recommendation. Management told us that PEBA is in the process of providing an overall disaster recovery and business continuity plan for all of the plans it manages.

On page 65, we make a new recommendation asking Saskatchewan Pension Plan to approve information technology, that is IT security policy and procedures based on a documented threat and risk assessment. We made this recommendation because the plan did not have complete IT security policies,

procedures, and whatever policies it had adopted did not have a supporting, documented threat and risk assessment.

Pages 65 to 69 report the result of our work on PEBA's processes to manage the delivery of agreed upon services to the client plans for the period from April 1 to December 31, 2007. To do our work we use the criteria listed on top of page 67. We concluded PEBA had adequate processes, except that it needs to explain significant differences between expected and actual results for each specific service standard described in the service agreement. On page 68, we made recommendation for PEBA to do so. We understand, beginning 2008, PEBA has begun providing explanations for significant differences between expected and actual results for each service standard. When we do our audit next year, we'll examine their new procedures. And that concludes my overview. Thank you.

The Chair: — Thank you very much. Mr. Matthies, any comments?

Mr. Matthies: — Thank you, Mr. Chair. I'm pleased to report to the committee that the volume, I guess, or the chapter this year on Finance is significantly reduced compared to the one that you were looking at last year. We made great progress against the items that the auditor had identified last year.

We have one carry-over item that was identified, and there are two new recommendations. It is our view that the recommendations of the auditor will serve to strengthen our procedures and our documentation and our client services, and we fully intend to move forward, acting on all of these items.

The Chair: — Questions? Any questions of the department? Mr. Chisholm.

Mr. Chisholm: — Yes, just a little bit of the history on the Sask Pension Plan. Initially there was a matching contribution between government and contributors. Is that correct?

Ms. Strutt: — Correct.

Mr. Chisholm: — And when did the plan come into effect, initially to start? Do you know? Oh I'm sorry. I should be addressing through the Chair.

Ms. Strutt: — 1986. August of 1986 is when it came in.

Mr. Chisholm: — And when did the non-matching part disappear? Did it disappear all at once or was it phased out or how did that . . . Do you remember?

Ms. Strutt: — 1992. It was all at once.

Mr. Chisholm: — So what would be the main advantage of the Sask Pension Plan over just an RSP [registered savings plan] plan, whether it be self-administered or through a financial institution? What would you see as the benefits of the program?

Ms. Strutt: — How much time do we have? The biggest benefit is . . . what we're seeing is for people that work for small businesses that do not have a pension plan, so we are administrators of the pension plan, funds are locked in to at

least age 55, very low administration fee compared to retail mutual fund, and access to a great program that they wouldn't have otherwise.

So the biggest . . . Our members mostly are part of . . . full-timers or part-time workers where they work for a small business, and the small-business owner can't afford a pension plan. They can afford to have access to that plan through the Saskatchewan Pension Plan.

The Chair: — Can I just ask: page 64 where the auditor makes comments with respect to municipal employees' pension plan and their disaster recovery program, and it indicates that PEBA is in the process of providing overall disaster recovery and continuity plan for all the plans that it manages. Any comments on that?

Mr. Matthies: — Mr. Chair, I'll have Brian Smith respond to this.

Mr. Smith: — Mr. Chairman, we continue to make incremental progress on completing the business continuance plan. In this fiscal year, we have retained a third party consultant to help us with risk assessment. We intend by the end of this fiscal year to also test our disaster recovery plan, so we're making significant progress on the plan. We hope to finish it. We hope to finish it to the Provincial Auditor's standards, yes.

The Chair: — And you get co-operation, like from the municipal employees in other plans that you manage, in terms of the direction you're headed in?

Mr. Smith: — Oh absolutely. Mr. Chairman, the disaster recovery plan is for PEBA. It really is then for all the plans that we administer.

The Chair: — The auditor recommends “. . . that the Saskatchewan Pension Plan approve information technology security policies and procedures that are based on a documented threat and risk assessment.” Any work done or any progress on this recommendation?

Mr. Matthies: — Mr. Chair, I'll have Kathy Strutt provide some details on that.

Ms. Strutt: — Yes, Mr. Chair, the administration's working towards that. We've made a lot of documentation already, and the board will be reviewing the policy in November.

The Chair: — All right. Thank you very much. Any further questions on that specific recommendation? Mr. Michelson.

Mr. Michelson: — When it says, “based on a documented threat,” what is a documented threat and risk assessment? How do you define a documented threat?

Mr. Ahmad: — Mr. Chair, what we are thinking of is they have to actually put down on a piece of paper what is their assessment of threats and risks, and based on that then make some procedures to mitigate those risks.

Mr. Michelson: — Okay. No further questions.

The Chair: — Thank you very much. The auditor expresses concern about PEBA explaining significant differences between expected and actual results for each specific service standard. Any comments on that?

Mr. Smith: — Mr. Chairman, for the public employees pension plan and the municipal employees' pension plan, the evolution of time has been that we have service standards on several activities in the pension plan — X number of days to pay a refund out of the pension plan for a terminated member, X number of days to process a retirement. And so we have a page and a half or two pages of service standards for each of the pension plans.

We report to the boards quarterly, and we report the target expectation that we have for performance standards and the actual results. We had previously discussed with the boards at each quarterly meeting the differences. The Provincial Auditor has commented that we did not do that in writing, and so we have changed our processes so that in the quarterly reports we provide to the pension boards we will have the expected results, the actual results, and the significant differences out of the page and a half of standards that we do have.

The Chair: — Okay. And explanations of the differences.

Mr. Smith: — Correct.

The Chair: — So it would appear that some progress is being made there then. Mr. Michelson, yes.

Mr. Michelson: — The administration costs, how do they compare with industry standards?

Mr. Smith: — The public employees pension plan is possibly the best example. It's the largest defined contribution pension plan in Canada. The administration costs on average for the public employees pension plan are about point four per cent. And this is not an apples-to-apples comparison, but mutual funds, the average mutual fund fees in Canada are 2.8 per cent. And so it's not a direct comparison, but that's the extreme is 2.8 per cent. The public employees pension plan is point four per cent of the assets of the plan. So it is very, very low and the benefits then accrue to the plan members.

We benchmark all of our costs against other pension plans. We survey other pension plans every year. The costs really are a function of the complexity of the plan. The municipal employees' pension plan, the costs are not as low; it is a more difficult plan to administer. So the costs really derive from the complexity of the plan. But for the public employees plan, it is very low, and the benefits then accrue to the plan members.

Mr. Michelson: — Thank you.

The Chair: — Mr. Chisholm.

Mr. Chisholm: — Yes, what is the cost ratio on the Sask Pension Plan as a percentage of assets?

Ms. Strutt: — It's point nine.

Mr. Chisholm: — That's four and a half times worse than . . .

Okay, still lower than industry standards is the point.

Mr. Matthies: — Yes, I think, Mr. Chair, that would be the point that we would make. Certainly one of the notable points is the asset base. The broader the asset base and the larger the number of plans that you're able to sort of package under that administration gives you the opportunity for these very low numbers. So that's an advantage for both PEBA and for SPP [Saskatchewan Pension Plan].

Mr. Chisholm: — Good.

The Chair: — Any further questions? Okay. Perhaps then we could deal with the recommendation regarding the Saskatchewan Pension Plan. Based on the comments that we heard, I think it's fair to say that some progress is being made. And perhaps we could have a motion that we note progress.

Mr. Michelson: — I would make a motion that we concur with the recommendation and note the progress toward compliance.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Okay. Then the next recommendation is the recommendation concerning PEBA and the question of explaining differences between expected and actual results for each of their agreements. And again, based on Mr. Smith's comments, it would appear that some progress is being made. So if someone would move a motion to the effect that we concur with the recommendation and note progress.

Mr. Michelson: — I so move to concur with the recommendations and note progress toward compliance.

[09:15]

The Chair: — Moved by Mr. Michelson. Is that agreed? That's also agreed.

That concludes consideration of chapter 5, Finance, in the 2008 report volume 1 of the Provincial Auditor. Any closing comments, Mr. Matthies?

Mr. Matthies: — Thank you very much, Mr. Chair. We certainly appreciate the co-operation and the collaborative approach in working with the auditor. And thank you very much for your questions.

The Chair: — Thank you very much. Our next department is scheduled for 9:30. In the meantime, we want to deal with the motion:

That the Standing Committee on Public Accounts authorize the attendance of the Chair and the Deputy Chair at the Western Canadian Symposium on Public Performance Reporting to be held in Vancouver, BC September 10 to 11, 2008.

Moved by Mr. Nilson. Any discussion on that? Is that agreed? That's agreed.

We're just waiting for officials from the next department, so perhaps we could recess for a period of five minutes and reconvene about 9:25, thereabouts.

[The committee recessed for a period of time.]

Justice and Attorney General

The Chair: — We are joined by officials from the Ministry of Justice and Attorney General. And I would reference those who are following these proceedings to the *Report of the Provincial Auditor 2007* report volume 3 — and again that can be accessed at www.auditor.sk.ca — chapter 15. At this point if we could ask Doug Moen, the deputy minister of Justice and deputy attorney general, to introduce the officials who have joined us and then go to Mr. Deis of the Provincial Auditor's office for his comments on this chapter. Mr. Moen.

Mr. Moen: — Thank you, Mr. Chair. I would introduce the following officials. With me on my right is Murray Sawatsky. Murray Sawatsky is the executive director of the policing services division, Corrections and Public Safety. And to my left is Dave Wild who is the Chair of the Saskatchewan Financial Services Commission.

In addition I have with us Ken Acton who is the acting assistant deputy minister, courts and civil justice; Gord Sisson, the executive director of corporate services; Lionel McNabb, the director of maintenance, enforcement, and fine collection; Jeff Markewich, the acting director of financial assurance and reporting; Christine Horsman, manager of human resources programs with the Public Service Commission; and Terry Hawkes, the director of the policing services division, Corrections, Public Safety and Policing. I believe the deputy minister of Public Safety and Policing, Terry Coleman, is also in the room. Thank you very much.

The Chair: — Thank you. Mr. Deis.

Mr. Deis: — Good morning, Chair, members, and officials. Chapter 15 of the Department of Justice begins on page 281 of our report. The chapter describes the results of our audits of Justice and its agencies for the year ended March 31, 2007. The chapter also includes the results of our audit of the Saskatchewan Financial Services Commission, the commission's processes to investigate complaints by the investigating public. We also report the results of our follow-up on the superintendent of pensions' progress to address our past recommendations.

We'll start by talking about Justice on pages 285 to 291. We make two new recommendations and provide an update on three previous recommendations.

Firstly we will briefly talk about our new recommendations. The first recommendation on page 287 requires Justice to adequately review the payroll accuracy to ensure that all employees' pay is approved as required by the law. We've made this recommendation for almost all departments. We understand your committee has agreed with this recommendation for all departments.

The second recommendation is on page 288 and is about

compliance with The Police Act, 1990. In 2006-07, Justice did not use the rate set out in The Police Regulations to charge municipalities for the cost of policing services. Therefore some municipalities overpaid a total of point seven million dollars, while others underpaid a total of \$1.2 million. We recommend that Justice charge municipalities for the cost of policing services in accordance with The Police Regulations.

For the repeat recommendations from our past reports, on page 286, Justice needs to strengthen its procedures to ensure that it records the tickets issued by law enforcement agencies. On page 287, we recommend that Justice ensure that when repeat offenders appear in court, Justice informs the sentencing judge of any unpaid fines. On page 289, we recommend Justice complete and implement its business continuity plan. Your committee has considered these three matters in the past and agreed with our recommendations.

[09:30]

Now we're going to talk about the Saskatchewan Financial Services Commission, or the commission if you would. On pages 289 to 297, the objective of our audit was to assess whether the commission had adequate processes at March 31, 2007, to investigate complaints by the investing public. We did not examine investigations to determine if we agreed with the conclusions reached.

We will briefly discuss some background information that is provided on pages 289 to 291. The Securities Act, 1988 provides protection to investors; fosters fair, efficient capital markets; and strengthens investor confidence in capital markets. The commission is responsible to administer the Act. The commission is made up of six members appointed by cabinet. Members of the commission are responsible to establish processes to meet the objectives of the Act.

The commission relies on complaints from the investing public as a key mechanism to detect breaches of securities laws because investors are close to the financial matters in question. According to the commission's records, for the past five years enforcement cases in Saskatchewan involved over \$5 million in investor losses due to investment fraud. The commission told us it thinks that this is a small portion of actual losses.

During the last five years, the commission opened over 600 files in response to complaints to the investing public. Over the same period, the commission issued 29 temporary cease trade orders and held five hearings. There have been three prosecutions under the Act in Provincial Court since 1988.

If the commission does not have adequate processes to investigate and address complaints received, investors may experience further losses, investor confidence in capital markets may lessen, and inefficiencies could develop in capital markets. There's also the risk that the government could face litigation if citizens conclude that the commission had not adequately performed its regulatory duties.

On page 292, we outline the criteria we used in the audit. To have adequate processes to investigate complaints by the investing public, the commission should determine which complaints to investigate, conduct the investigation, monitor the

effectiveness of the securities complaints process. We concluded that at March 31, 2007, the commission did not have adequate processes that met all the criteria to investigate complaints by the investing public.

We make five recommendations. On page 293, we recommend the members of the commission establish a formal system to focus investigative resources on timely attention to the most significant complaints.

On page 295, we recommend the members of the commission establish standards for planning, conducting, and reviewing investigations into complaints from the investing public. On page 295, we recommend the members of the commission monitor all investigations of complaints from the investing public, including those referred to self-regulatory organizations.

On page 296, we recommend the members of the commission review sufficient information about investigations of complaints from the investing public to carry out their responsibilities. And we recommend the members of the commission set performance targets to help measure progress towards objectives.

This chapter also includes our follow-up of our four recommendations to help the superintendent of pensions improve supervision of pension plans that we reported in our 2005 report volume 1. The superintendent has addressed two of our recommendations. It now provides staff with written guidance regarding information to document for registration and amendment of pension plans. It has developed alternative ways to obtain the information from pension plan administrators. The superintendent has also made progress on the other two recommendations but needs to do more. And that concludes my overview.

The Chair: — Mr. Moen.

Mr. Moen: — Thank you, Mr. Chair, and committee members and Mr. Wendel and your staff. I'd like to begin by thanking the Provincial Auditor and his staff for their efforts and co-operation during the last year. And the ministry certainly appreciates the valuable work done by the office.

And I'll briefly comment on the four areas cited by the Provincial Auditor as needing improvement, in the Provincial Auditor's 2007 report volume 3. I'll then turn to colleagues, Mr. Murray Sawatsky who is the executive director of the policing services division within CPSP [Corrections, Public Safety and Policing], to address the compliance with The Police Act and, Dave Wild, to speak to the issues related to the Saskatchewan Financial Services Commission.

So with respect to the recording, tracking, and enforcement of tickets, the Ministry of Justice and Attorney General has continued to work with the ministry of CPSP and law enforcement agencies to emphasize the importance of procedures relative to the distribution, issuance, and return of all issued, spoiled, or voided tickets. It's bringing those tickets back in that haven't been used.

Since April 1, 2006, when it became a formal policy for police agencies to return voided or spoiled tickets, the ministry has

received voided tickets from approximately 85 per cent of 130 agencies that receive tickets, including all of the major police services. So this is a vast improvement. You know, it was at zero before essentially, so it's gone to 85 per cent of 130 agencies.

I would like to point out that there is no evidence to suggest that tickets are not being recorded or used for fraudulent purposes. As tickets are widely distributed to agencies within the province, and with each agency and officer issuing tickets at different intervals, we believe the tickets are voided or spoiled or unissued. Over the next year, we plan to undertake some further analysis on the issue, Mr. Chairman, the actual disposition of a small sample of tickets. So that area has significantly improved, I believe, in terms of keeping track of these unused tickets.

In terms of the collection of unpaid fines, I would start out by acknowledging that the work of the ministry since 1999 in improving its procedures for collecting court-ordered fines. At that time, the Provincial Auditor made a lengthy list of recommendations for improvement. And we have spent the last four years focusing on the lone remaining recommendation that procedures be developed to ensure that repeat offenders appear in court and that the sentencing judge be informed if previous fines are not unpaid.

In the past we have faced numerous limitations in providing information as a result of our system, the legacy system called JAIN [Justice automated information network] used to administer fines. However over the past year, we have made modifications for outstanding fines reports to be produced automatically for offenders appearing on Criminal Code charges. In other words, if it's a criminal matter, there is definitely a report going to the prosecutor outlining when a fine hasn't been paid.

It's important to note that providing unpaid fine information when an offender appears in court on a new matter is only really useful when there's no prescribed penalty for the new offence, and the court has the option of imposing a harsher penalty. And that's certainly the case in terms of Criminal Code offences because then you can impose jail.

As stated in the Provincial Auditor's report, automated outstanding fine reports are not provided for offenders appearing on the docket on provincial offences. The reason for this is twofold. First, many offences have a prescribed penalty by regulation, so that regardless of whether there's an outstanding fine owing, the penalty on the new matter will be the same. Second, generating outstanding fine reports on an automated basis for all offenders appearing on the docket is not practical, as it would put enormous strain on what is a very old system — the JAIN system — with little benefit resulting from the action.

I'd point out that while outstanding fine reports are not produced on an automated basis for all offenders appearing on the docket for provincial offences, provincial prosecutions does obtain outstanding fine information on offenders from JAIN manually where the provincial offence is a big one, major one; where there is no prescribed penalty; and where there's likely to be a significant fine. And that would include occupational

health and safety situations, environmental situations.

It's also important to note that the ministry has taken a number of other steps to improve fine collection overall. In addition to the numerous initiatives reported at previous appearances, the ministry has implemented the Canada Revenue Agency refund setoff to withhold income tax refunds and GST [goods and services tax] credits from individuals with outstanding fines. And we feel this will effectively complement our enhanced civil enforcement measures to investigate offenders and target available resources. And we have some other initiatives we have in the hopper, so to speak.

So given the limited benefit in providing outstanding fine reports on all docket matters, we would suggest that the committee consider that this matter has been sufficiently addressed by the ministry.

Now with respect to the control over employees' pay, the ministry acknowledges the Provincial Auditor's position on this issue and agrees that the accuracy and proper approval of payroll under The Financial Administration Act, 1993 is very important. I mean, we just cannot agree more with that. Since this is a government-wide issue, ministries continue to work with the PSC [Public Service Commission] to ensure improvements are made to its payroll processing procedures.

In addition to the review of monthly financial statements, the PSC ensures payroll system generated reports are reviewed for accuracy of data prior to paying employees. Certain online features of the system are also being used to verify the accuracy of payroll data. The ministry has entered into a service level agreement with the PSC to ensure these processing procedures as well as any required delegations are adequate. So the ministry believes that, with these improvements, employees' pay is being approved in accordance with The Financial Administration Act.

And the final one I'll report on is the testing of the business continuity plan. The ministry agrees that our business continuity plan needs to be tested. A table top exercise to test the plan has been scheduled for November 19 of this year. Key individuals from the ministry and the ITO [Information Technology Office] will be involved in the exercise. While the Provincial Auditor acknowledges that the Justice business continuity plan has been completed, the ministry continues to work on a small number of program-related business continuity plans and further refine components of the plan.

The ministry also agrees that the impact of the ITO delivering system services to the ministry must be considered in the testing process. This will be an important concern in testing individual program plans, as well as testing the ministry-wide continuity plan.

And finally the service level agreement between ITO and Justice will include recovery time objectives for mission critical applications. The service level agreement between the ministry and the ITO is anticipated to be signed within the next very short while, hopefully within the next two weeks.

So now I turn it over to Murray Sawatsky from CPSP to report on the matters relating to The Police Act.

Mr. Sawatsky: — Thank you, Chair, and members of the committee for the opportunity to speak to this. I'm going to speak specifically to the compliance with The Police Act piece from the auditor's report where it says, "We recommend that the Department of Justice charge municipalities for the cost of policing services in accordance with *The Police Regulations*."

When this was identified by Mr. Wendel in his report in 2007, we immediately began to correct the issues pointed out in that report. The per capita rates charged for municipalities for policing in 2006 and 2007 were approved as part of the budget process. Each municipality as well as SUMA [Saskatchewan Urban Municipalities Association] and SARM [Saskatchewan Association of Rural Municipalities] were informed of those rates and were aware of the rates that were going to be invoiced as an assessment. Those municipalities actually paid those assessed rates in 2006 and 2007.

This program, the municipal cost redistribution program, is a way to provide cost-effective policing for rural residents and residents of communities with a population of less than 5,000. It is premised on the principle that every municipality must pay. And it's quite a transparent process because the RCMP [Royal Canadian Mounted Police] is able to identify the actual costs of providing policing within that cost redistribution pool, and then that amount is then passed on to those municipalities through this program.

The amendments to The Police Act, the deficiencies that were identified by Mr. Wendel, those amendments to The Police Act regulations were drafted to ensure the regulations reflected the amount charged to municipalities for policing services. And those amendments came into effect on March 24, 2008. So that defect has been remedied.

Mr. Moen: — Okay. And then I turn it over to Dave Wild.

Mr. Wild: — Thanks, Mr. Chair, and committee members. I'm going to first address the enforcement report. The recommendations of the Provincial Auditor were very significant, and we took them quite seriously and demanded a very significant and serious response. And to that end we engaged the services of Mr. Robert Chambers from AssetRisk Advisory services to help us in the project. Mr. Chambers holds designations in law, accounting, investigation, valuation, and corporate recovery. Prior to forming AssetRisk in 1999, Chambers led the financial institution practice of an international accounting firm where he also was responsible for forensic accounting and risk advisory services.

He's worked in this area extensively. He has reviewed the enforcement divisions of the Alberta Securities Commission, the British Columbia Securities Commission, the Ontario Securities Commission. He's worked with the Investment Dealers Association, which is a self-regulatory organization in the securities industry. He's developed best practices in capital enforcement for the British Columbia Securities Commission and the Ontario Securities Commission. He's developed a cost-awards methodology and conducted an information intake review for the OSC [Ontario Securities Commission]. And he's provided oversight for the development of specifications for investigation database management systems for a consortium of securities regulators and police. He's eminently qualified to

assist us.

Mr. Chambers was engaged in February, and his work is complete. We received the final report yesterday from Mr. Chambers. The commission members heard an interim report in August from Mr. Chambers and accepted his recommendations at that point. We will consider and most likely approve the final report in September. Implementation has already commenced, and we fully expect by the end of this calendar year that most if not all of the recommendations will be substantially complete.

If I could just take a moment and run through the recommendations of the Provincial Auditor and the response that Mr. Chambers and our staff have crafted, the first recommendation was to recommend the members of the Saskatchewan Financial Services Commission, the SFSC, establish a formal system to focus investigative resources on timely attention to the most significant complaints — some methodology of setting priorities.

The first task Mr. Chambers did was to perform and document a risk assessment. This would be a risk to the achievement of the commission's objectives where enforcement is the best solution to mitigate the risk. The risk assessment was then used to prepare a case assessment worksheet. The case assessment worksheet is to be completed after each intake of a new complaint. It is updated periodically as we work through the investigation. The case assessment worksheet is a tool that will assure appropriate factors are considered and weighed when evaluating complaints and priorities are set appropriately.

[09:45]

The second recommendation was that members of the SFSC establish standards for planning, conducting, and reviewing investigations into complaints from the investing public. The commission will establish these standards for planning, conducting, reviewing investigations. Mr. Chambers has assisted in the preparation of a detailed procedures manual addressing these areas.

Among other items within the manual, we will have templates for an investigation plan to document how and when an investigation will be completed, time targets for acknowledgement of complaints, completion of case assessment and completion of investigations, and a management reporting structure to allow tracking and assessment of complaints investigated by the enforcements branch, and those referred to the police and to the self-regulatory organizations.

The third recommendation was that members of the SFSC monitor all investigations of complaints. We, the members of the commission, must approach this recommendation with some degree of caution. We're a multi-functioning commission, multi-functioning in the sense that we're involved in policy. We set rules under the Act. We're involved in oversight. We are the board of directors of the SFSC, if you like. And we're also involved in adjudication. We hear matters. Appeals come up to the commission. So when you have a structure like that, where you've got multiple roles, you've got potential for conflict between those roles.

So we want to be very careful. Members of the commission can

receive information about investigation files as long as the information that they receive is not so specific that it interferes with their ability to adjudicate on a case in their role as an adjudicative tribunal. If we involve too much in investigation, if we know too many details, if we direct the investigation, we cannot then hear the case at the end. The principles of natural justice under administrative law include a requirement that a tribunal must avoid creating a reasonable apprehension of bias. Members of the commission on a hearing panel must be impartial on the matter that is before them.

So Mr. Chambers and the commissioners have designed a process that addresses these concerns in fulfilling our duty to monitor investigations without spoiling our ability to hear matters. And it's a three-part approach. First we are going to approve, of course, the framework, the standards, the approach, the processes for prioritizing files. I've talked about that already, so that'll be the commission's stamp on the front end.

Secondly we will review summary reports of ongoing files. This won't have details. This won't have names. It'll be summary reports only. It'll allow for the oversight of the enforcement staff. We'll have an understanding of the number of files they're reviewing and what they've referred to police or SROs [self-regulated organization], the time factors involved — how long has this file been open, how many have been closed — that sort of thing.

And then finally we're going to conduct detailed reviews of closed files. So certain commission members will be assigned to review closed files. And if that file ever becomes open again — and the possibility always exists that a closed file may be re-opened — those members that review that closed file will not sit on the hearing panels with respect to that matter.

In addition the Chair, myself, I've decided many years ago that I would not sit on hearing panels so that I could be more involved in the day-to-day administration in the enforcement area. So I haven't sat on a hearing panel in quite a few years, and it allows me the freedom to be able to discuss the specifics of cases on an ongoing basis. And that will be a role that will be more formalized and documented as part of the process. So the commission, in the embodiment of me, will be involved in ongoing investigations to that degree. But again I won't be sitting on any panels, and I won't be sharing any information with commissioners that might sit on panels.

The fourth recommendation is that members of the commission require and review sufficient information about investigations to carry out their responsibilities. And we believe that the implementation of the recommendations that I've gone through in terms of processes, reporting, and performance measurement approval — in terms of monthly dashboard reports about what's going on in the ongoing investigations — will provide sufficient information to our commissioners to fulfill this duty.

The fifth recommendation, "We recommend the members of the Saskatchewan Financial Services Commission set performance targets to help measure progress towards objectives." Assessment of outcome or impact of a securities regulator like the SFSC [Saskatchewan Financial Services Commission] is very difficult to demonstrate because of the presence of a whole lot of contributing factors to how the capital markets are

operating. You know, we have the influence of the police. We have the influence of other regulators. We have of course just the state of the economy, the state of the markets which influence, you know, the amount of enforcement activity.

So there is always a challenge in coming up with standards for measuring enforcement activities. Nevertheless we have a recommended approach from Chambers. Certainly there'll be targets in term of timeliness — how long we're taking to investigate, how long we're taking to close files to move it to hearings, that sort of thing — and also some measures with respect to outcomes of activities that we're undertaking to mitigate key risks identified by the SFSC.

We think these recommendations will meet, you know, the recommendations of the Provincial Auditor. We are busy implementing. We have contacted other jurisdictions to look at procedures manuals, to look at systems for file management, and we think we can implement these actions fairly quickly and will have a very, very positive impact on the management of the enforcement branch. It's grown fairly dramatically in recent years, and it's time to bring greater management discipline to the piece.

Just in terms, if I could briefly touch on the superintendent of pensions recommendations. I am the superintendent of pensions as well, by the way, in addition to being Chair.

As the Provincial Auditor's staff noted, we have worked towards implementing the recommendations of the Provincial Auditor. We will continue to try. Frankly, at this point the stumbling block for us is a combination of resources and authority. There are three persons that man the pensions division of the SFSC, and those persons must carry out certain statutory duties. The Pension Benefits Act of Saskatchewan requires us to review all registrations, to review all actuarial evaluations, to review all annual information returns, and at the end of the day it leaves precious little time for the more discretionary activities associated with risk assessment and designing activities to go out and manage those risks.

So resources are an issue. Authority also is an issue. The auditor asked us to gather more information to assess risk in pension plans, and we've found that we simply don't have the authority in The Pension Benefits Act to ask. And we found it has been an issue. We've tried on a voluntary basis to get pension plans to submit more information to us and it's been with mixed success. Some co-operate, some say show me the authority.

Now the simple answer would be give us more resources, give us more authority. But I'm not going there. The Pension Benefits Act is an Act that's very unique within our world. Generally regulated entities want to be in the business. They're motivated by profit. They want to start an insurance company. They want to sell securities.

In pensions, pensions are a voluntary scheme. An employer doesn't start a pension plan to make money. It's there to meet human resource issues and concerns. And only about half the paid workforce is in a pension plan. We have about 400 plans in the province. Half the paid workforce is in; half is not though. And we always in the regulation business walk a very fine line between protection and promotion, but that's even more acute

in the pension world because anything that we do that increases compliance costs for employers will drive out pension plans. And that isn't a positive; that isn't a positive result.

So we have to be careful in terms of how much regulation we're placing on pension plans. So that's why I'm not saying the answer necessarily is more resources, more authority. Questions?

The Chair: — I just first of all just want to deal with this question of the enforcing and collecting fines, the question of tickets. The auditor notes that law enforcement agencies issue between 130,000 and 150,000 tickets a year, and Justice has a significant role in administering those tickets.

It raises the question of whether other jurisdictions would similarly administer tickets in the fashion that we are, or would they have moved to or devolved to a more decentralized system where the role of Justice is less on administering the tickets, as opposed to auditing the activities of the responsible agencies that issue the tickets.

Mr. Moen: — I'm just going to have Lionel McNabb speak to that question.

Mr. McNabb: — Thank you. I'm not aware of all jurisdictions but most of them are similar to ours. We do know where every ticket goes. We send out reports regularly to each police agency saying here's all the tickets we sent you; here's the ones we don't have back. It's then up to them to see what happens to those.

What some jurisdictions have started to explore and what we're looking at — hopefully down the road, it's one of those wishful thinking things — but more and more police cars are moving to computers in their cars. And electronic ticketing seems to be the way of the future. So you would just generate the ticket. The policeman would generate the ticket in the car. It prints the ticket, and then they just download that information at the end, of course, back to Department of Justice. That would track every ticket, and you can't have a void ticket that way.

So it's sort of a twofold answer, that most jurisdictions are doing the same as us. The police know exactly what tickets they have now because we track that. It's up to them to find out where they're going, and more and more they're getting back to us. As you see from the numbers, we get 85 per cent back, and we used to get very few. So does that answer the question?

The Chair: — Well it's getting at it. But the question of centralization versus decentralization, something that has so many different parts — what? — up to 150,000 tickets. And whether decentralized administration of that . . . and your role is then more one of auditing compliance with the framework that you have for that. But, you know, that's not an issue for us here today. I'm just curious.

Mr. McNabb: — The challenge somewhat may be there has to be a central collection point to collect the monies. And you can't do that without having the information or the ticket at some point. I don't know of any jurisdiction certainly in Canada that's gone to where, you know, the Saskatoon police would issue and then collect the money themselves. That's fraught

with challenges because people can end up in court anywhere in the province. So there's a challenge with that as well.

The Chair: — Okay. I have Mr. Nilson.

Mr. Nilson: — This appears to be related to the types of systems that you have. So you indicate here, or it's indicated in the report, that the JAIN system is still being used. Or has it been beefed up? Or has it been improved since this problem initially was identified . . . well it's almost 10 years ago?

Mr. Moen: — Yes, the JAIN system continues to be a challenge. We're in the process of re-platforming it, so it will extend some life, but we're also in the process of rebuilding that system. And in the sense that we're at the beginning of that process, we're examining where we can go with the rebuild of the process. But in the meantime, we have re-platformed it so to extend the life of the system.

Mr. Nilson: — Well my sense would be that it should be replaced. And is that what the plan is, so that you're looking at getting something that's 21st century technology, or is it continue to patch what we've got?

Mr. Moen: — No, your sense is the same as ours. It needs to be replaced, but it'll take some time. It's a complex system, and we in the meantime, we've re-platformed it. But absolutely it does need to be replaced. It's not an efficient system, and it's no longer a robust system. It's outdated technology and does need to be replaced.

[10:00]

Mr. Nilson: — So some of these issues around ticketing really relate to a system that's not strong enough to deal with all of the kind of information you've got, plus the fact that it's really a paper-based system from 30, 40, 50 years ago. So I know, from travelling in other jurisdictions, this whole electronic ticketing business is very much like what one sees in our stores or in the banking system or other places, where what's generated electronically then is automatically recorded in the central system, which totally eliminates this question.

So is that the goal of where we're moving, or is that something that, because of the cost, we have to do in conjunction with another province or a few provinces? Or, you know, what are the options?

Mr. McNabb: — That's a very broad question. Some of the things we can do with JAIN, if we went to electronic ticketing, it would solve a whole bunch of our problems. And again the JAIN system likely wouldn't handle that.

What we're trying to do when we issue, in the next year or two, issue . . . We print the tickets. We're going to try to go to bar codes on those, and that will require modification of JAIN that we think it will handle. But that alone will help us, as the fine collection branch, a whole bunch.

It's just technology where when you bring the ticket back in, we enter the data. We have five or six people that full-time enter 100,000, thousands of tickets, 3 or 400,000 tickets a year. If we can get a bar code on that, you just swipe it, and the information

would be there. You enter it once on the front end. Once they've paid their fine, you swipe the ticket. That's how the money comes in. You bring your ticket in with the payment.

So certainly technology will help us down the road and we continue to look at . . . So JAIN will handle some of the things. But you're quite right, and I agree with Mr. Moen that we have some challenges there.

Mr. Nilson: — How much would this kind of an update cost?

Mr. Moen: — You mean to replace JAIN?

Mr. Nilson: — Well even just this enhancement with the bar coding or other things. But to replace JAIN, sure, why don't you give us the information on both of these ones?

Mr. Moen: — Well I mean JAIN is the backbone of the Justice system. It's a minimal \$20 million project. So it's a sizable change, and it's not being done. It wouldn't be done obviously just to deal with fine collection. As you know well, it's the whole information backbone linking Corrections and the court system. So it's a very big project, and we will treat it as a very high priority because obviously it's the key information network within both ministries.

Mr. Nilson: — Does the JAIN system . . . as I understand, it also relates to the kind of information that's available to the courts when they're dealing with people who are repeat offenders or coming back on remand or those kinds of things. Is that true?

Mr. Moen: — Yes, it's definitely true. Yes.

Mr. Nilson: — So that a number of the issues that relate to court procedures . . . and once again marrying paper-based system with an outdated computer system could be corrected if we did further development on this new program here.

Mr. Moen: — Yes, I mean there's no doubt that there's a whole raft of improvements that could occur that would be of significant importance to the entire justice system.

Now, you know, I should say the JAIN system is the justice system as it relates to the courts. I mean there are other systems in Corrections. And the idea is that we would integrate those systems so that it would be a seamless system between the various parts of the justice system.

Mr. Nilson: — In the last three or four years, what changes have taken place as it relates to the tracking and recording of tickets? I mean you've explained a little bit here, but when have some of these things come into effect? It's good to hear that it's 85 per cent of the tickets are tracked. But, you know, what can you tell me the progress over the last five years or three or some reasonable . . .

Mr. Moen: — Yes, let's try with three. When the auditor started reporting on this, the department said this is very serious. And we too are concerned that there's tickets out there that we don't know where they were. And to some extent, when the auditor first started to report on it years and years ago, we couldn't necessarily tell you where the tickets were. And we

started going back to the police saying, help us here.

In the last three years, we have a clear system. And a good chunk of that is manual, where we send out batches of tickets because they order more tickets. You know, each police force, when they run out of tickets, they order more when they're getting low. So we track exactly what numbers go out to each police force. We track — and again it's mostly manual unfortunately — but we know the numbers that they get shipped out.

Of course when you enter the ticket, when it comes back onto JAIN, that tells us which ones have been used. So we can tell exactly which ones haven't been done. I mean there's hundreds of them, and those are the lists that we generate. And unfortunately again it's done and it's very labour intensive, but a couple times a year we send out to each police force a list saying, here's the tickets we sent you. Here's the ones, some that haven't come back. And there'll be hundreds of them. And they again are getting back to us more and more, like 85 per cent of the time. But how they track those or what they're doing from their end is more that police force's concern.

The Chair: — Questions on this part of the chapter.

Mr. Michelson: — Just at the start of the chapter, it talks about revenues of \$61 million. Is that tickets? Is that . . .

Mr. McNabb: — That's all revenue from fines.

Mr. Michelson: — Is that what it is?

Mr. McNabb: — Yes, it's right around that number, and we have a target of 80 per cent.

Mr. Michelson: — Yes. It says Justice spent 236 million on its programs and earned revenues of 61 million. I'm not sure where the 61 million . . .

Mr. Sisson: — Yes, I can answer that for you . . . Gord Sisson. Sixty-one million is the total revenue for the ministry. So of that, approximately 12 to 14 million would be fines. The rest would be fees paid to corporations branch, Financial Services Commission, those types of . . .

Mr. Michelson: — I see. Okay. This may be, on page 286, the third paragraph from the bottom it says, "Effective April 1, 2006, Justice implemented a policy requiring law enforcement agencies to return all issued, spoiled . . . [invalid] tickets." On the next paragraph it says, "On February 18, 2002, the Standing Committee on Public Accounts considered this matter and agreed with our recommendation." They "considered the matter." Like is that a misprint, or am I missing something here?

Mr. Deis: — What it means is that the recommendation, the original recommendation would have been from five or six years ago. And in 2002 when it was heard by this committee, it was agreed to by this committee or concurred with by this committee. And there's been progress made in the meantime. So that's what's being discussed.

Mr. Wendel: — If I could, Mr. Chair, when our

recommendations are accepted by the committee, we monitor the progress in getting the recommendation fixed. So this is a repeat in keeping this before the committee so that they know it's still outstanding. They're working on it; here's how far they've gotten so far. And once we're satisfied that they've gone as far as they can go, this will disappear.

Mr. Michelson: — So if the Standing Committee on Public Accounts agreed with this in 2002, there wasn't an awful lot of progress made till 2006. Is that it?

Mr. Wendel: — There's been progress each and every year. This is just progress, additional progress that's made in 2006.

Mr. Michelson: — Okay.

Mr. Wendel: — So we just keep bringing this forward. We don't itemize each year. Each year you'll get a report on progress. We just happen to highlight this particular one for this report. It's just this was this fiscal year; they did this during the fiscal year we're reporting on.

Mr. Michelson: — I see that. I guess my observation is that since 2002 — this is 2008 — that's six and a half years later that we're still working on this. Is that comfortable?

Mr. Wendel: — Well that's correct, and I bring it forward to the committee. And the committee is the one that has to be satisfied with the progress. When we're not satisfied, we continue to bring it forward to you.

Mr. Michelson: — Is that general progress then, six and a half years on a recommendation?

Mr. Moen: — Well I think we made substantial progress on this one. I mean we're at the point where we're 85 per cent of over 100 agencies are returning all of this material. You know, it's not as easy as it sounds because a lot of these agencies we have to get co-operation from them, bring them onside, ensure that they're willing to return all these tickets. So it does take some period of time, but there has been substantial progress in having this matter resolved.

Mr. Michelson: — Okay.

The Chair: — Mr. Chisholm.

Mr. Chisholm: — Yes, I have a question. The breakdown on the revenue said 12 to 14 is kind of roughly the fines. That would leave 47, \$48 million. Do you have a little further breakdown on, like you said, fees? Would probate fees be a major part of that number, or do you have a breakdown offhand about where that money comes from?

Mr. Sisson: — I could send more information to the committee. I don't have it with me now, but yes, we can break it down into some categories for you.

Mr. Moen: — Do you want us to focus on the probate fees or do you want it . . . You'd just like a general overview?

Mr. Chisholm: — Yes.

Mr. Moen: — I think it's important to note it's not maybe all that well understood that the Justice department is a substantial revenue raiser, and when you're raising \$60 million, that that's a considerable amount of money.

Mr. Michelson: — Mr. Chair, I was wondering can I get a little bit more explanation under The Police Act why we weren't following the regulations for the police services, billing the police services. If the regulations were there, why wouldn't they be followed in their appropriate rates?

Mr. Moen: — I'll just assist the other ministry on this. I think the bottom line was that the reg that existed at the time was overlooked in implementing the fees. But the entire structure was approved through the budget process. There's a constant negotiation that goes on with the municipalities on this point. Everybody knew in terms of the SUMA and SARM exactly what the rates would be. It's all sort of worked out with them in advance, and there was no disadvantage to any municipality as a result of this. So the correction that's made in March was to correct that situation and ensure that the proper legal authority was put in place.

Mr. Michelson: — I'm sorry, but there was a disadvantage. Some municipalities overpaid by a total of point seven million dollars, and some underpaid by a total of \$1.2 million. So there was a disadvantage here.

Mr. Sawatsky: — If I could, Mr. Chair. Terry Hawkes here can provide the committee with any financial details, amounts, etc., if you wish to go there.

Mr. Michelson: — I don't need the amounts. I want to know why the administration wasn't following the rates that were set out. Like that's not the best use of the public purse for the province of Saskatchewan, citizens of Saskatchewan. So where's the leadership here? Where's the management? Where's the ministry? Why was the former government not looking into this and making sure that those rates that were laid out were followed?

Mr. Sawatsky: — I think, as Mr. Moen has indicated, the rates that were followed were those which were approved in the budget process. And of course those rates, those amounts were communicated to the municipalities. They understood — because I had mentioned before the process is fairly transparent — they knew what the actual costs were. Each municipality paid those actual costs.

Where the problem came in is that the regulation didn't move forward to catch up to where it should have been. And then when we did the regulation, it was made retroactive so that it did in fact correct that situation. So we simply overlooked amending the regulation, but the rates charged to each municipality was fair. It was actually paying for the service provided, and the municipalities understood that.

Mr. Michelson: — Well I guess the important thing now is that the rates are being adhered to as stated.

Mr. Sawatsky: — That's correct. The regulation is now in effect as of March 24. And municipalities are paying the amounts, and the regulation matches the amounts they are

paying.

Mr. Michelson: — Okay, thank you.

Mr. Nilson: — Just a comment on this one. This one is quite an interesting area. And those of us who live in cities, like you do and I do, part of what's happening here is that the Department of Justice pays or the policing — however it's divided up now — pays a lot of the costs for rural areas and for smaller towns, whereas we who live in Regina or Moose Jaw or Saskatoon or P.A. [Prince Albert], we end up paying that all in our own communities.

And so the big debate becomes costs of rural policing versus costs of municipal policing. And this whole effort is quite a substantial political issue that I think both departments have tried to manage quite carefully over a lot of years, to actually get people in rural area to contribute through their municipalities for policing.

[10:15]

So this result here is always one that's under constant discussion, both in the municipal government area and in the justice area. And I think what the auditor's done here is to say — and basically slap the hands of the people — when you get the thing finally negotiated, get the regulations done right away. Don't wait six months or a year.

So that's all this reflects. And I think maybe the auditor might even comment that that's what it is, is just make sure that when you negotiate these complex kinds of efforts, make sure that you get the regulations done as soon as possible afterward. Now the difficulty with that often is that there's one or two or five or ten communities that don't agree with what the ultimate result is.

Mr. Michelson: — Mr. Chair, could I ask, it was the superintendent of pensions' process to supervise pension plans.

The Chair: — Could I just . . . Are there any other questions with respect to fines and tickets and that? Okay, go ahead.

Mr. Michelson: — The gentleman said that there was a stumbling block in resources and authority. You kind of explained that, but I'm wondering if that isn't something that we have to change as far as getting more resources or giving more authority.

Mr. Wild: — I would certainly welcome more resources and a consideration of more authority. We are very stretched right across all of our regulatory divisions. And we need to bring some attention to that fact, that we are under-resourced relative to other regulators across Canada in each of our divisions.

So pension division doesn't stand out by itself. Securities division and the financial institutions division also need resources. But there are a number of priorities around government, as you know. And so we would welcome any sort of consideration of adding resources, absolutely. We'd put them to good use.

In terms of authority as well, we'd like to consider authority.

My only caution was that, you know, we have to be careful not to discourage the formation of registered pension plans. I don't think anyone here would argue that they're a very positive influence in our society. But they are a voluntary scheme; no one's required to have a pension plan by law. And obviously the greater the cost, the more likely it is that an employer will look elsewhere in terms of providing compensation directly to employees and leaving them on their own to fend for retirement. So we just have to be careful, that's all.

Mr. Michelson: — Thank you, I have no more questions.

The Chair: — Mr. Nilson.

Mr. Nilson: — I assume we're now moved on the Saskatchewan Financial Services Commission. I have a few questions here that relate to exactly what you've been talking about now, which is small jurisdiction, some fairly major issues that could show up that you as a commission have to regulate and monitor. And clearly the auditor is watching that to make sure that the public is protected, and that's what this section is about.

But with the discussions around a national securities commission, will that decrease the kinds of responsibilities that you would have locally as it relates to some of these things, and therefore allow us to manage within the kinds of costs that you've got? Or does that just add another layer of costs that would mean we'd still have to do all these things that are of provincial jurisdiction as well?

Mr. Wild: — There's been discussion of a national securities commission for at least 40 years in Canada. And there's been, in my experience, at least five major studies supporting a national securities commission. So it's always a piece of our environment.

It's a political decision, as you might guess. You know, certainly economic regulation is a very, very powerful tool for any government. And provincial governments are going to have to weigh carefully what the best interests of Saskatchewan residents are and how to best manage the economic risks that Saskatchewan residents face.

In terms of the here and now though, we have a securities Act in Saskatchewan. And that's my job to administer The Securities Act of Saskatchewan. And so, you know, I will certainly support the minister in terms of providing any information or advice he needs with respect to any discussions of how regulators should be organized. But that can't distract me or take away from my focus on administering The Securities Act to the best of our abilities.

Saskatchewan, as you know, is on the cusp of a protracted and significant economic boom. And we've felt it. There's always a downside to a boom, and certainly we've felt it on the enforcement side. There is more activity, and there's more fraudulent activity in Saskatchewan. There's more people that are preying on our citizens. They believe that Saskatchewan folks are making lots of money, and that's attracting the fraud artists. They also realize that Saskatchewan's got a bit of a cachet in the global economy right now, so we're seeing more incidents of misrepresentation of what's going on in

Saskatchewan outside of Saskatchewan. We're seeing people that are using Saskatchewan in their press releases to commit fraud elsewhere because there's some credibility to saying that, you know, we've got a hot property in Saskatchewan.

So it causes us a lot of work. And that's not going to go away. And until we reorganize in some fashion, my job is to apply The Securities Act to the best of our abilities.

Mr. Nilson: — I appreciate those comments. My specific question was, any discussions of a national securities commission wouldn't include lots of the smaller activities that would take place in Saskatchewan, which would require that the provincial government still be involved in the securities business. At least that's my understanding of any of the proposals. They wouldn't maybe include anything under \$10 million or something like that.

Mr. Wild: — We generally, any time we participate in discussions on a national securities commission, we raise two particular issues for Saskatchewan. One is with respect to our small issuers. Our market is really quite distinct from our neighbours, say Alberta or Manitoba, BC [British Columbia], particularly in terms of the fact that we have a lot of small issuers. And we don't have a lot of support for the small issuers. We don't have an extensive securities bar in Saskatchewan. We don't have underwriters in Saskatchewan.

And so we find our commission has to play a bit of a support role for small issuers. We guide them through the processes, and so that's an important role for any commission. Whether it's a Saskatchewan commission or a national commission, we feel that there should be some attention paid to small, Saskatchewan issuers.

Second point is enforcement. Enforcement is a local concern in our view. Again whether it's operated on a national commission basis or a local commission basis, the crimes are being committed in Saskatchewan. The investors are in Saskatchewan, and you can't service that, you know, through a 1-800 number with a Toronto-based investigator.

We think those two factors are going to be part of the discussion. And it doesn't really matter how you're organized, whether it's national or local. Those two factors have to be paid attention to.

The investment in ensuring vigorous enforcement in Saskatchewan is a good investment, no matter how we are organized down the road, even if we go to a national commission. We've got to protect the confidence in Saskatchewan's economy here and now and going forward. So I would say, no matter what your views are and how we should be organized, national or local, it's a good investment to invest in enforcement activity in Saskatchewan now.

Mr. Nilson: — So is this what this risk assessment report that you've got now before the commission is starting to deal with? It's about complaints and about risks, and so does it reflect the fact that you might be the regulator for some international kind of operation, which costs you a lot of money? Or you may be the regulator for some small, local investments where the possibility of fraud is maybe even greater. So is that the kind of

question that's being asked in your report?

Mr. Wild: — Yes, it is. It is. The commissioners and the staff and others that work with us all were canvassed, and Mr. Chambers interviewed a number of folks to come up with a list of what we believe are the top risks to Saskatchewan that can be mitigated by enforcement action. Not every risk requires an enforcement type of action obviously, so that is part of it.

There's other factors that come into play — number of investors involved, potential loss, dollar amounts of loss. So it's not just, you know, a particular focus on particular risks. But that is the heart of it, Mr. Nilson, yes.

The Chair: — Any further questions? Then let's take a look at these recommendations. The recommendation with respect to employees' pay, that's one that's been dealt with.

The question of the Department of Justice charging municipalities for the cost of policing services, my sense is, having listened to the officials, that progress is being made there. No? Full compliance in terms of . . .

Mr. Michelson: — Concur with the recommendation and note progress.

The Chair: — Yes.

Mr. Nilson: — . . . regulations. There isn't any disparity any more.

The Chair: — So would someone then move that we concur with the recommendation and note compliance? Moved by Mr. Chisholm. Is that agreed? Agreed.

The Financial Services Commission, again listening to Mr. Wild, my sense is that with respect to all of these recommendations, that we can note progress. Could someone move that then, with respect to each of these recommendations that we note progress. Someone want to move that? Mr. Nilson. Any discussion on that?

Mr. Nilson: — I'll note progress on 3, 4, 5, 6, and 7.

The Chair: — Is that agreed? And the comments with respect to pensions, there's no . . . Well there are recommendations I guess. It's noting the activities of the superintendent with respect to each of those recommendations for information. I don't know if any further motions are required at this point.

So that concludes our consideration of Department of Justice, Financial Services Commission. Any further comments? Mr. Moen.

Mr. Moen: — I'd just thank members of the committee for your indulgence and appreciate your attention and your questions. It's very thorough questioning, and we appreciate your efforts in that regard.

The Chair: — Thank you very much. I propose that we just take a five-minute break before we deal with the next department.

[The committee recessed for a period of time.]

Corrections, Public Safety and Policing

The Chair: — The item that we are considering now is chapter 2 of the *Report of the Provincial Auditor 2008* report volume 1. And this pertains to Corrections, Public Safety and Policing. And again for those that are following the proceedings, if they're interested in seeing a copy of the auditor's report, that can be accessed at www.auditor.sk.ca.

We are joined by Terry Coleman, the deputy minister, and a number of officials. And I would ask Mr. Coleman to introduce those officials. And then we'll go to the auditor, Mr. Montgomery, for his comments, and back to you for any comments that you might have in response, and also questions from the committee. So, Mr. Coleman.

Mr. Coleman: — Thank you, sir. Pleased to be here. Maureen Lloyd, the assistant deputy minister of Corrections, is here on my left; and Mae Boa, executive director of corporate services, on my right; and Murray Sawatsky, executive director of policing services, is sitting behind me here. So thank you.

The Chair: — Thank you very much. Mr. Montgomery.

Mr. Montgomery: — Good morning, Mr. Chair, committee members. Chapter 2 of the Ministry of Corrections, Public Safety and Policing begins on page 19 of our report. The chapter describes the results of our audit of the ministry for the year ended March 31, 2007. The chapter also includes the results of our audit of the ministry's processes to rehabilitate sentenced adult inmates within provincial correctional centres as of January 31, 2008.

We make two new recommendations for the ministry. Our first new recommendation is on page 24. We recommend the ministry develop policies and procedures to record its revenues accurately and completely.

The second new recommendation is on page 25. We recommend that the ministry adequately review payroll accuracy to ensure that all employees' pay is approved as required by the law. And we are aware that this committee has previously agreed with this recommendation for all ministries.

Three previous recommendations require further action. On page 23, we continue to recommend the ministry needs to follow its policies and procedures to promptly reconcile its recorded bank balance to the bank records. On page 25, we continue to recommend the ministry complete and implement its business continuity plan. On page 35, we recommend that the ministry analyze and report quarterly to executive managers the ministry's progress toward planned outcomes. Your committee has considered these three matters in the past and agreed with our recommendations.

On pages 26 to 33, we describe our audit of the ministry's processes to rehabilitate adult inmates. In Saskatchewan the crime rate is high, and 50 per cent of former inmates reoffend within two years after their release into the community.

During the year to March 31, 2007, the ministry spent about 61

million at its four correctional centres and supervised daily an average of 1,354 inmates in custody. Before releasing inmates into the community, the ministry's goal is to work with inmates in a way that will reduce the risk of danger to the public when the inmates return to the community.

The objective of our audit was to assess whether the ministry had adequate processes as of January 31, 2008, to rehabilitate sentenced adult inmates within provincial correctional centres. We used a criteria described on pages 27 and 28 to do our work, and the ministry agreed with the criteria.

We found that since 2005, the ministry has worked to align its services with research about what services are effective to rehabilitate inmates. The ministry evaluated and redesigned its services. However it did not yet have ways to monitor whether inmates actually received the services they required — and if not, why not. We concluded that the ministry had adequate processes to rehabilitate sentenced adult inmates in provincial correctional centres, except for completing timely assessments and case plans and monitoring the delivery of rehabilitation programs.

On page 28, we make four recommendations. First we recommend the ministry consistently comply with its policies to assess inmates' needs and plan relevant programs. We refer to both primary needs such as work skills and secondary needs such as violence prevention.

Second we recommend the ministry facilitate inmates' access to key programming related to their offence prior to their release into the community, particularly if the offence was related to assault or bodily harm. Third we recommend the ministry monitor the proportion of inmates accessing planned rehabilitation programs before they are released into the community, and enhance access to rehabilitation if required. And finally we recommend the ministry monitor re-offending rates in relation to rehabilitation programs to better evaluate its rehabilitation of inmates.

We'd like to thank the ministry for their co-operation throughout our audit. That concludes my remarks, and we'd be happy to answer any questions you might have.

The Chair: — Mr. Coleman.

Mr. Coleman: — Thank you, Mr. Chair, members of the committee. Thank you for the opportunity to speak to the auditor's report. Corrections, Public Safety and Policing values the work of the Provincial Auditor, and we take the recommendations of the auditor seriously and concur with all of the recommendations noted by his office. We're pleased to report that corrective action is completed. We're well under way on all of the items noted by the auditor.

I would like to speak for a few minutes specifically related to the April 2008 audit report of processes to rehabilitate adult inmates. The audit examined the program services delivered by our adult corrections secure custody facilities against 11 standards of excellence determined by best practice.

The auditor's report indicates adult corrections fully met eight of the criteria and provided recommendations for improvement

regarding the remaining three criteria related to the rehabilitation of adult inmates. We're very pleased with the report and the validation that he gave to the ministry's direction in applying effective, evidence-based correctional practices. The four recommendations for improvement will be addressed through our program initiatives proposed in the upcoming budget process in order to increase our ministry capacity in this area.

And secondly I'd like to comment on the auditor's recommendations of January 2008, specifically in regard to the business continuity plan. I am pleased to report that the plan is now complete and has been approved by my senior management committee. And it will be tested in early 2009 and amended as necessary.

They are my comments, Mr. Chair. Thank you.

[10:45]

The Chair: — Questions. Mr. Michelson.

Mr. Michelson: — If I could just make a comment on recommendation no. 3. I think it's rather inappropriate to have a recommendation that states we have to consistently comply with the policies. I think that should just be a foregone conclusion that we're going to consistently comply with policies. Have we not? Is that why the recommendation has to be there?

Mr. Coleman: — I'm not totally sure why it's worded that way, but I can assure you that we do and we will consistently apply with policies.

Mr. Michelson: — That one caught me. Other than that, I think you've answered all my questions in your preamble.

The Chair: — No further questions. Mr. Nilson.

Mr. Nilson: — I just have a question related to the overall assessment. And, you know, clearly you're pleased with the number of areas where you were able to hit the mark. So that was a positive thing. And then here are some of the areas where you have to do some extra work.

How long of a process was this that the Provincial Auditor used to examine what this is? Is this over a couple of years or over a six-month process? Or maybe somebody can give us some explanation of what's done because I think it is important that this happen on a regular basis. And then perhaps when did this happen, you know, a previous time, and what kind of differences have we noted?

Mr. Montgomery: — Our audit covered a period of about eight months to January 31, 2008.

Mr. Nilson: — And how often do you do this?

Mr. Montgomery: — This is the first time we've done this particular audit.

Mr. Nilson: — Okay. And so obviously in the process quite a bit was learned, both by the auditor's office and by the various

institutions that were being audited. Is that correct?

Mr. Coleman: — Absolutely. It was a very valuable exercise for us.

Mr. Nilson: — I guess I would just say that as resources allow, doing these kinds of audits in specific areas are quite helpful, and clearly we'll be watching the continuing progress of the recommendations that are still outstanding.

The Chair: — In respect to recommendation 1, which deals with the question of recording revenues accurately and completely, the auditor is recommending that in addition to doing that, we ensure that we have written policies and procedures. Can I infer from your remarks that in fact that is now in place, or we're contesting those or . . .

Mr. Coleman: — It is now in place. I'll ask Ms. Boa to add to that if I could, please.

Ms. Boa: — Thank you. Yes, the written policies and procedures as referenced by my deputy are in place, and they are being followed. And so we do not anticipate a reoccurrence of this type of oversight. Thank you.

The Chair: — What is the committee's wish on this? Can we note progress? Would someone move that? Mr. Bradshaw.

Mr. Bradshaw: — I was almost saying that we concur with it, could we not?

The Chair: — Yes, I don't know quite how to . . . If we note progress and it doesn't appear next year, then we know that we've got the problem solved. Mr. Bradshaw moves that we note progress. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. The question of payroll is one that's been dealt with, recommendation no. 2.

So then we deal with the recommendation regarding rehabilitation. And again, I infer from the deputy's remarks that progress is being made in these areas.

Mr. Michelson: — I think we can concur with recommendations and note progress for recommendations.

The Chair: — Moved by Mr. Michelson. Any discussion? That's been agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. I think that concludes our consideration of the recommendations.

Any closing comments, Mr. Coleman?

Mr. Coleman: — No, we look forward to our next audit, would you believe. Thank you very much.

The Chair: — Thank you very much, and it's been a pleasure. Thank you.

**Saskatchewan Institute of
Applied Science and Technology**

The Chair: — Our next chapter that we will be considering in the *Report of the Provincial Auditor* — and that is the 2008 report volume 1 — is the chapter dealing with the Saskatchewan Institute of Applied Arts and Science, chapter 10. And again for those that are following the proceedings, a copy of the auditor's report can be accessed at www.auditor.sk.ca.

We are joined by a number of officials from the Ministry of Advanced Education, Employment and Labour. And I wonder if I could ask Reg Urbanowski, the assistant deputy minister, to introduce the officials that have joined him and then go to Mr. Montgomery of the auditor's office for his comments.

Mr. Urbanowski: — Thank you. To my far right is Trina Vicq Fallows who's the assistant executive director for our corporate services branch. Tammy Bloor Cavers is our assistant executive director for programs and training and institutions. And Raman Visvanathan who is the acting assistant deputy minister and formerly the executive director of the institutions branch.

The Chair: — Mr. Montgomery.

Mr. Montgomery: — Thank you, Mr. Chair. Our chapter on SIAST [Saskatchewan Institute of Applied Science and Technology] begins on page 117 of our 2008 report volume 1.

There are no new recommendations in this chapter. The chapter is a follow-up to see what action had been taken on previous recommendations. The chapter describes management's action on four recommendations we made for SIAST in our 2006 report volume 1. The recommendations relate to SIAST's processes to build human resource capacity. SIAST has an important role in training people for the workforce. It is essential that SIAST has a human capacity to meet its objectives, especially in the light of the increasing impact of retirements on the workforce.

The recommendations and our follow-up focus on SIAST's processes to analyze competency gaps for its entire workforce and update the board, identify significant barriers to human resource capacity and provide the board with a plan to address them, regularly inform staff involved in the recruiting process about trends in workforce gaps across SIAST and effective strategies to overcome barriers to human resource capacity, and identify the content and frequency of reports to the board to monitor human resource risks and evaluate progress in achieving human capacity objectives.

As of March 31, 2008, we found that SIAST had taken some action on all four recommendations. However further action is required to strengthen SIAST's processes to build its current and future human resource capacity so that SIAST can meet its objectives. SIAST told us that restructuring for a more strategic approach and staff vacancies delayed SIAST's actions and that further action is planned. That ends my comments, Mr. Chair.

The Chair: — Thank you, Mr. Urbanowski, any comments?

Mr. Urbanowski: — Yes, and I'd like to turn it over to Mr. Visvanathan, as he is the one that probably has the most

corporate history with regards to this.

Mr. Visvanathan: — Okay. Thank you, Reg. Mr. Chair, committee members, it's a privilege to speak to the Provincial Auditor's chapter. Both the Ministry of Advanced Education, Employment and Labour and SIAST agree with the auditor's recommendations. And as Mr. Montgomery has noted, progress has been made since the auditor's report was issued in 2006. And I think considerable progress has been achieved since that date, and work plans are under way to address fully all of the recommendations.

If I may briefly provide the committee with some information, in terms of the steps that SIAST are currently taking with respect to addressing each of those four recommendations, and if I can just step through the recommendations in turn, I will, as I mentioned, be quite brief.

With respect to analyzing competency gaps as part of a long-range human resource strategic plan, SIAST has embarked on a review of the qualifications, skills, and abilities used for assessment. As well SIAST has completed the first phase of a workforce planning initiative that includes identification of the core competencies and management expertise necessary for future success of employees at SIAST.

Work is also under way to collect and analyze detailed information relating to expected employee turnover by program area over the next five years, to develop recruitment strategies with senior managers of each of the impacted areas.

[11:00]

With respect to the recommendation noting that SIAST needs to identify barriers to its current and future human resource capacity, as noted by Mr. Montgomery, in 2007 SIAST began the transformation of its human resource function through the implementation of a new organizational structure. The structure is designed to increase the capacity of the human resource organization to plan for, design, build, and implement human resource strategies to address SIAST's human resource strategic priorities.

The new HR [human resources] structure increases HR capacity to support SIAST in the areas of coaching and consulting, planning and research, monitoring of organizational development, communications, performance management, and employment equity. The human resource division is now in the process of developing a revised strategic plan in response to the auditor's recommendations, and the associated framework will also include best practices in human resource management.

SIAST management have been working with the SIAST board. They have a human resource committee, and they've been in active discussion with the subcommittee of the board to better understand the board's requirements with respect to reporting and are developing a process for that.

The third recommendation was in regards to informing staff involved in the recruiting process about trends in the workforce. SIAST is paying increased attention to orientation, training, and development of program heads in recognition of their key roles in the staffing process. Training for all human resources staff on

behaviour description interviewing techniques has already occurred.

The human resource division has restructured in order to increase the consistency and effectiveness of recruitment across all of SIAST. The human resource division has developed a human resource framework that lays out planned strategies for improving practices in overall recruitment, and SIAST continues to monitor the labour market in order to respond to skill requirements.

The fourth recommendation was with respect to monitoring human resource capacity. The human resource division at SIAST has revised its reporting format to the board of directors and to senior management council in order to ensure that they are kept up to date on progress in HR planning and actions relative to SIAST's strategic priorities.

The human resource division continues to conduct research as required in order to inform the SIAST board on matters related to HR trends and risk management. And the SIAST board of directors human resource committee provides an ongoing forum for SIAST's HR organization to brief the board of directors on critical HR issues and to identify the kind of information the board will be seeking to monitor progress on human resource risks and progress towards SIAST's strategic goals for human resources.

That concludes my comments in response to the recommendations. Thank you.

The Chair: — Questions. Any questions? Mr. Michelson.

Mr. Michelson: — In the recommendation on page 121: “. . . we recommend that SIAST regularly inform staff involved in the recruiting process about trends in the workforce gaps across SIAST . . .” Where do you get these recommendations? “Recommend that SIAST regularly” — like, who looks after this? Who monitors this? Where does this information come from?

Mr. Visvanathan: — It would be provided through the human resource division at SIAST. The hiring managers would be obviously the managers, the deans who are responsible for an academic area, and then the program heads who are responsible for a particular program.

SIAST are doing a number of pieces with respect to trend analysis, both analyzing the demographic profile of the organization — looking at age profile, anticipated retirements, turnover rates, some of those kinds of things — also looking at industry trends in terms of employment opportunities and trying to attract people in.

So by doing that trend analysis, the HR branch can work with the hiring managers to let them know what the current information is — what the trends are, industry benchmarks, things like that — so that they can be informed in terms of what adequate compensation would be required and what the competitive labour market is and what they would have to do to be able to successfully recruit and retain somebody.

Mr. Michelson: — And where are they looking for these

trends? Like is it through business organizations, chambers?

Mr. Visvanathan: — Sure. The Conference Board of Canada produces information annually in terms of national trends. The Hay Group, a reputable human resource group, have been engaged by SIAST and they will help provide that information. The HR branch have people that are dedicated to researching those trends, analyzing SIAST's current experience in terms of filling vacancies, so they would feed that information to those folks so that they can be aware of current information.

Mr. Michelson: — So the human resources takes that to management, and then they look at different courses they may have to bring in and whatnot. Is that how the process works?

Mr. Visvanathan: — Yes. The human resource branch would work with both management and to the board, so that the board is generally aware of the current trends.

Mr. Nilson: — The work that's done here, is there a similar type of strategy that's being done by the ministry to look at all of the higher level education institutions as far as it relates to their human resources, or is it just done individually in each institution?

Mr. Visvanathan: — It would be done individually at each of the institutions. The ministry does have a number of forums where we do meet with all of the senior management or at least the CEOs [chief executive officer] from each of the respective training institutions. Each of the institutions would be analyzing trends, similar to what SIAST would be collecting in terms of hiring practices and shortages, some of those kinds of things. So it is done primarily individually by the institutions.

Mr. Nilson: — Have there been similar audits done of the U of S [University of Saskatchewan] or the U of R [University of Regina] or regional colleges as there has been of this SIAST one?

Mr. Visvanathan: — No, we haven't.

Mr. Urbanowski: — This has been the first audit . . .

Mr. Nilson: — Okay, so this is the first one. And there hasn't been an audit of the department as it relates to the overall workforce for the province. Okay, so this is the first venture into this area, I guess, would be the best way to describe it.

Mr. Wendel: — If I could, Mr. Chair. We have done some work in some of the ministries, and we've reported on it. The objective of just doing one or two ministries was to put the information out so that other ministries could begin to work on those things on their own. We've got the criterias out there, the kind of things they should look for, so that's how we dealt with the ministries. And now we've moved it out into a training institution, and we've tried it at . . . another place, I'm just trying to recall.

Mr. Nilson: — Oh no, that's helpful, yes.

Mr. Visvanathan: — While there hasn't been a specific audit with the ministry that's comparable to this, the ministry does pay attention to current trends. And we do have our human

resources branch looking at the demographics of the organization, looking at trends around retirement, and our sort of thinking about strategies about what we need to do to ensure that we have all of the key people in place.

Mr. Nilson: — But that specifically relates to the . . .

Mr. Visvanathan: — To the ministry, yes.

Mr. Nilson: — Yes, right. So another question I have is, are there people that are professors or teachers at SIAST that also have cross-appointments to a regional college or to one of the universities?

Mr. Visvanathan: — The regional colleges do, what we call, broker a program from SIAST. So SIAST, as the academic credential holder, will broker a program. That means they contract the delivery to regional colleges.

So a regional college may deliver a program. The college may hire the SIAST instructor to come out to the regional college to deliver the program, or they may hire their own instructor according to SIAST's credential requirements and deliver the curriculum from SIAST. At the end of the program, the student would get the SIAST credential for that particular program.

Mr. Nilson: — Okay, so that's how it works. Now I guess my question is, is there a possibility that somebody who has interest in long-term research or maybe working at one of the universities, that they could start at SIAST and then have some possibility . . . You know, because you're talking here about recruiting people. And that it seems sometimes to recruit people to work at SIAST may not be as easy as it might be, if there was some opportunity that they could move up in the scale or move sideways or move some other place. Is that contemplated at all in this long-term human resource plan?

Mr. Visvanathan: — Well currently there are a number of senior people, in regional colleges for example, who were former deans at SIAST. So there is some of that sort of career progression or flow within the sector, in terms of people moving within the sector from organization to organization.

In terms of a longer term plan, I don't think we have a comprehensive plan that sort of plans that out. But some of the discussions that we would have around compensation practices at one organization to the other, we do sort of ensure that those things are sort of comparable so that each of the organizations can be aware of what's happening in other places.

Mr. Nilson: — So there are no plans to have more coordination between the various institutions. I know that in a number of other jurisdictions outside Saskatchewan, both the ability for staff to move back and forth and, more importantly, for students to move through the system is better than what we have. And it strikes me that part of this analysis of how you recruit people to be here for the next 30 years because that's kind of what you're talking about, is to get some of those issues sorted out for the whole province.

The Chair: — Mr. Broten.

Mr. Broten: — Thank you. On the recommendation about

identifying barriers to human capacity, the second paragraph on page 121 speaks of market stipends. And I was wondering if you could please explain what criteria is used to determine which positions, which disciplines are eligible for the market stipends?

Mr. Visvanathan: — Okay, typically it's market competitiveness, both salary against other industry comparable positions. So market stipends are paid in three main areas: nursing, in some of the trade areas, and in medical diagnostics.

So SIAST would analyze their ability to recruit people. Nursing for example, the competition I guess, if you will, would be the university and the regional health authorities. So SIAST have found historically that they're able to attract people based on their base salary and the quality of the job that they have. And some of the hour issues I guess are some of the things that are appealing to people. Instead of having to work shift work, they can work sort of more regular hours.

So they look at how they are able to attract people. And if they are short on some of the salary pieces, then they would offer a stipend to those people. And typically they would offer that across the division. It wouldn't be just one person or two people. It would be typically across a division, to be fair to all of the people in that division.

Mr. Broten: — The three areas that you mentioned, I would imagine in a labour market that is very competitive, will see increased pressure across the whole field for instructors in many programs. While providing a market stipend can help in one area, it could perhaps also . . . Or is the ministry experience or is it the SIAST experience that the problem of solving an area perhaps in one field, but then creating tension in another where another position or division might not be eligible for that stipend, and how is that balance achieved?

Mr. Visvanathan: — Well certainly that would be one of the considerations, and so SIAST are very thoughtful, I believe, in terms of when they would offer the market stipends. And we'll have to justify why they would do it. Stipends are kind of something that would have to be renewed, so it's not built necessarily into the base. If the labour market changes so that there's more supply compared to the demand, then perhaps those stipends may come off.

Mr. Broten: — Thank you.

The Chair: — Mr. Bradshaw.

Mr. Bradshaw: — Do you see increased brokerage out to the regional colleges from SIAST, or do you think that that's something that's going to increase?

Mr. Visvanathan: — I think it will. The regional colleges have increased their program array over the last number of years. Certainly there's robust economic activity taking place across rural Saskatchewan. I'm sure the members are familiar with the sort of the growth in the oil and gas sector, as well potash — lots of production there.

So I think over time, regional colleges will continue to increase their capacity locally. That's beneficial to individuals to be able

to stay home, study close to home, helpful to the bank of mom and dad, I guess, in terms of paying for the cost of education, as well beneficial to local employers to have a graduate that's sort of from the community and has roots and is prepared to stay and take those jobs that are available to them.

Mr. Bradshaw: — That's kind of what I wanted to hear.

The Chair: — Any further questions? Any closing comments, Mr. Urbanowski?

Mr. Urbanowski: — Well I would just like to thank the auditor's report for reviewing SIAST because I think it's helpful as we strive towards excellence now. So I want to thank the officials for coming today, especially Mr. Visvanathan. During my third week in this position, I rely heavily on him. And he's done a terrific job.

The Chair: — Thank you very much for being with us today. That concludes consideration of our agenda today. And if someone were to move a motion to adjourn, I would . . . [inaudible interjection] . . . Moved by Mr. Harrison. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed.

[The committee adjourned at 11:16.]