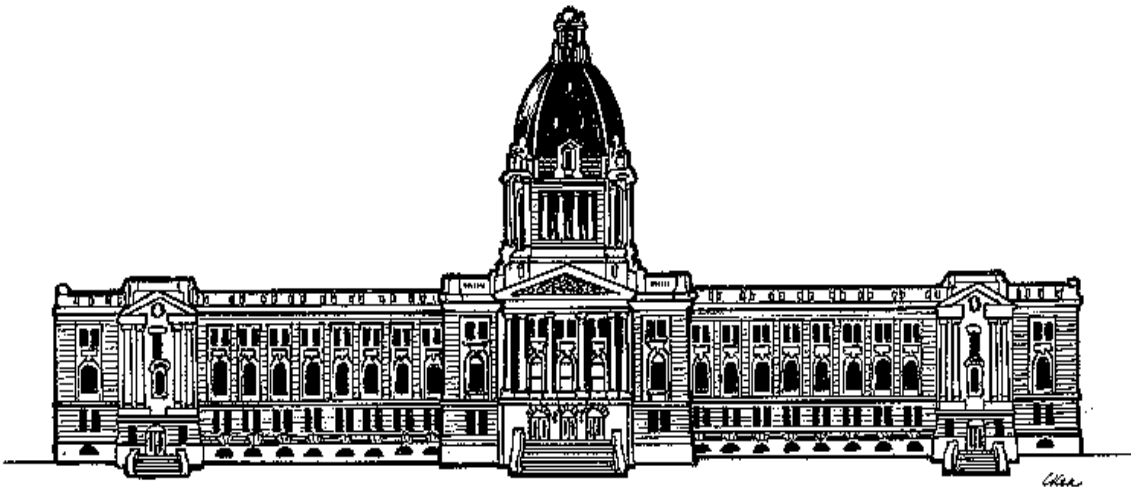




STANDING COMMITTEE ON PUBLIC ACCOUNTS

Hansard Verbatim Report

No. 32 – February 13, 2015



Legislative Assembly of Saskatchewan

Twenty-Seventh Legislature

STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Mr. Rob Norris
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Mr. Randy Weekes
Biggar

Mr. Trent Wotherspoon
Regina Rosemont

[The committee met at 09:01.]

The Deputy Chair: — Good morning, everyone. Thank you very much for joining us this morning on Public Accounts, meeting on Education, and later on this afternoon, we'll be talking with Justice. First of all I'd like to introduce the committee members. I have Mr. Weekes, Mr. Michelson, Mr. Doke, and Mr. Nilson substituting in for Mr. Wotherspoon, and myself. I am Paul Merriman.

I'll just go through a couple of housekeeping things here, introduce Terry Paton and Chris Bayda from the Provincial Comptroller's office. Thank you very much for joining us. And of course our Acting Provincial Auditor, Judy Ferguson, thank you very much for you and your staff joining us.

And at this point I will ask the ministry officials to introduce themselves for the records of *Hansard*, and any officials joining them at the table, if they could introduce themselves as well just so we have a verbal confirmation of that. And I think we'll get started with the 2013 Provincial Auditor report volume 1, chapter 5, and at this point I'll turn it over to Ms. Ferguson.

Education

Ms. Ferguson: — Thank you very much, Chair. Just to introduce who I have with me this morning, I've got Mr. Kelly Deis. Kelly's responsible for the education division. And behind him is Ms. Michelle Lindenbach. Michelle actually is responsible for coordinating the work on school divisions and doing work within the education sector also. And Ms. Kim Lowe, and Kim, as you know, is our committee liaison.

Before we make the presentation this morning, I'd like to actually pause and thank the ministry and also the school division officials that are here with us today and also that helped us and provided us with excellent co-operation on these audits that are before us.

Today we're actually discussing the annual integrated audits of the school divisions. The focus will be on chapter 5 of our 2013 report volume 1. When we do that actually we're going to build in the status to the 2014 report volume 2 at the same time so that we don't have to make two presentations. And so at this point, I'll just turn it over to Mr. Deis to present.

Mr. Deis: — Thank you, Ms. Ferguson. So I'll first describe the findings from our 2013 report, and then after that, I'll update the committee separately on the new recommendations in the 2014 report.

So starting with the issues related to the segregation of duties on pages 44 to 46 of our 2013 report volume 1, we made seven recommendations directed at five school divisions over the need to better segregate certain duties to reduce the risk of fraud and error. By August 2013, five of these recommendations were implemented and two were not, so Ile-a-la-Crosse and North East School Division still had work to do.

On page 45 of our 2013 report volume 1, in recommendation 3 we recommend that Ile-a-la-Crosse School Division formally document and implement a policy for recording journal entries

in its accounting records including independent review and approval. As reported on page 26 of the 2014 report volume 1, by August 2013 Ile-a-la-Crosse had not yet implemented a journal entry policy. Our testing continued to find instances of journal entries that were not independently reviewed and approved. This increases the risk of unauthorized entries being made to the accounting records.

Also on page 45 of the 2013 report volume 1, in recommendation 5 we recommend that North East School Division follow its purchasing policy. As reported on page 26 in the 2014 report volume 1, by August of 2013 North East continued to not follow its purchasing policy, and that we found several instances where purchase orders were missing or not completed, contained incomplete information, and/or were not approved. This increases the risk the school division may acquire unnecessary goods or services or not obtain best value.

So moving on to the need to improve IT [information technology] security policies, going to pages 46 and 47 of our 2013 report volume 1, in recommendations 8 to 17 we recommended that 10 different school divisions establish adequate information technology security policies. On pages 27 and 28 of the 2014 report volume 1, we reported that by August of 2013, seven school divisions established adequate IT security policies and three did not.

These three that didn't are Prince Albert Roman Catholic, Chinook, and Living Sky. IT security policies help ensure the confidentiality, integrity, and availability of information systems and data. For example, these policies identify the rules that staff need to follow. We found these school divisions did not set minimum password standards, allowed inappropriate access by employees to systems and data, did not review security logs to detect and address security threats, and/or did not appropriately test and document changes to their systems.

Now moving on to the IT disaster recovery plans on pages 47 and 48 of our 2013 report volume 1, we recommended that seven school divisions approve and test their information technology disaster recovery plans. On pages 28, 29, and 30 in the 2014 report volume 1, we reported five did and two did not. By August of 2013, Chinook and Northern Lights school divisions had not yet approved and tested an IT disaster recovery plan.

IT disaster recovery plans will help ensure divisions to continue to deliver their programs and services should their IT systems become damaged. For example, IT systems need to be available for instructors and students who utilize computers. Financial systems need to be available to pay contractors and staff the correct amounts of money on time. And student records need to be accessible.

By August 2013, Sask Rivers had implemented our recommendation on page 49 of the 2013 report volume 1 about verifying its physical assets. By August of 2013, Horizon School Division had not implemented our recommendation on page 49 in the 2013 report volume 1 about preparing regular performance evaluations for management. It had not yet updated documentation of job descriptions and accountabilities for key management positions. Regular performance

evaluations help monitor that employees perform their duties as expected.

In summary, only eight of the 26 new recommendations contained in the 2013 report volume 1 were not implemented by August of 2013. So now in our 2014 report, I'll just move to the other report now briefly. Do you want me to . . .

The Deputy Chair: — Yes. Sorry, Kelly, I think we'll just pause, and if we can get Ms. Johnson to go through the 2013 report with the 26 recommendations one by one, that would just give us a status update on them.

Ms. Johnson: — As of today? All right. Well good morning. I'm pleased to be here today to present on behalf of the ministry and the school division officials to identify progress on the recommendations made by the auditor's office. With me today is Clint Repski, assistant deputy minister; Rob Spelliscy, executive director of corporate services; Angela Chobanik, executive director of education funding; Doug Schell, director of financial analysis and reporting.

And also from the school divisions, we have Dr. Laura Vilness, director of education at Ile-a-la-Crosse School Division; Lionel Diederichs, deputy director of corporate services from Horizon School Division; Dr. Ken Ladouceur, our director of education from Northern Lights School Division; Tom Harrington, secretary treasurer of Northern Lights School Division; and Cal Martin, chief financial officer of the Prince Albert Roman Catholic Separate School Division.

So we welcome the auditor's reports on our school division operations and certainly note that it has been beneficial in improving the controls and processes at the school divisions. Now with respect to the 2013 report, I'll start by just highlighting the eight recommendations that as of the time that the 2014 report was written had not yet been addressed, had not yet been fully addressed.

So the first one is in the 2013 report, recommendation no. 3, Ile-a-la-Crosse School Division needing to formally document and implement a policy for recording amounts. While that work had not been fully implemented at the time of the 2014 report, I'm pleased to report that today we believe that the necessary work has been fully implemented. A process was already in place at the time of the last review, but the policy had not yet been fully documented. The policy is now documented, and it was approved on January 13, 2015 at the Ile-a-la-Crosse board meeting. So if there are any questions on that, we could ask Ile-a-la-Crosse School Division to speak to it, otherwise I can move on to the next recommendation.

The Deputy Chair: — Cover off the eight first, and then we'll open up the floor to questions.

Ms. Johnson: — Sure. All right. So recommendation no. 5 from 2013, North East School Division needing to follow its purchasing policy was the next outstanding recommendation. And that purchasing policy was reviewed and updated over the 2012-13 year. Policy changes were approved and became effective in September of 2013. And that, I understand, was audited for the year ended March 2014, and at that time no concerns were found. So it's our expectation that when the

auditor comes to review this the next time around that they'll note that that one has been fully implemented.

The next recommendation not yet fully implemented was recommendation no. 13 from the 2013 report, Prince Albert Roman Catholic Separate School Division needing to establish adequate information technology security policies. And as of January 31, 2015, it is our opinion that that is now fully implemented. Policies were established during the 2013-2014 fiscal year and have been implemented.

Moving on, and I'm sorry if I'm jumping out of order a little bit. I've got a summary in front of me that lists the recommendations in the order that they appear in the 2014 report.

So the next one that I have on my list is actually recommendation no. 8 from the 2013 report, and that is the Chinook School Division needing to also establish adequate information technology security policies. And as of January 31st, 2015, we believe that that recommendation has been partially implemented, so we would report progress on that one.

And we'd also note that during the spring and fall of 2014, we implemented a new network system in which active directory has been utilized. In January 2015, all employees have been switched to the active directory in order to access the school division portal, the Chinook School Division portal. And they now have a password policy in place.

In terms of the future activities, in order to be able to fully address this recommendation, in early 2015 Chinook School Division notes that their payroll and accounting system will be migrated to active directory so that the password policy will apply to that program as well. They are also looking to migrate an application called My Budget File to active directory so that the password or policy will apply to those programs also.

[09:15]

So the next recommendation that I'll speak to is no. 11 in the 2013 report, again, Living Sky School Division needing to have adequate information technology security policies. That one also is not fully implemented as of the auditor's review for the 2014 report, but as of January 31st, 2015, it's our opinion that it has been fully implemented at the school division. Their procedures have been amended and adopted by the board during the 2013-14 school division year.

The next recommendation, Prince Albert Roman Catholic Separate School Division approve and test its information technology disaster recovery plan. The plan, again, as of January 31st, 2015, we believe that that recommendation has been addressed and that steps have been taken in order to have fully implemented that recommendation. The IT disaster recovery plan, according to the school division, was approved and tested in the 2013-14 school division year.

Mr. Michelson: — Can you tell me which one you're on?

Ms. Johnson: — Oh sorry. Prince Albert Roman Catholic School Division. Oh, sorry, that one's new. That one is new, and that one Kelly hasn't spoken to yet. Sorry about that.

Mr. Doke: — So what number are you on?

Ms. Johnson: — We haven't gotten to that one yet. My apologies.

So the next one that's outstanding is the Chinook School Division approving and testing its information technology disaster recovery plan, and that was no. 18 in the 2013 report. It is, as of January 31st, partially implemented. They have drafted a disaster recovery plan but have yet to test the plan. So that work will be undertaken in the coming fiscal year.

And what else is outstanding? Next one would be recommendation no. 22: Northern Lights School Division required to "... approve and test its information technology disaster recovery plan," also not implemented as of the 2014 review. As of January 31st, that work has been partially done. So we believe the recommendation's been partially implemented. The school division has procedures and backups in place and have recovered data from system hardware failures on numerous occasions. They've hired a consultant in the summer of 2014 to update the process for backing up all information division-wide and off-site and storing information off-site. They have yet to formally document the plan and have it tested, so that work will be taking place in the 2014-15 fiscal year.

And then I believe the final of the eight recommendations is no. 26: Horizon School Division to "... prepare regular performance evaluations for management." As of January 31st, 2015, that recommendation, the school division reports as being partially implemented and notes that senior management structure has been changed with a reduction in senior staff and other significant changes in roles. As of December 31st, 2014, a performance evaluation system was complete as of the end of December 2014, and future actions include finalizing the new job descriptions. And those new job descriptions are expected to be approved by March 31st of 2015. Performance evaluations of senior management will therefore be complete by August 31st, which is their school year-end, August 31st of 2015. So their timeline for full implementation is the end of this August of this year.

The Deputy Chair: — Thank you very much for walking us through that. It was a little . . . We were all shuffling pages but dealing with multiple year reports. Very much appreciated. I think we'll move on to the next year report, and then we can ask questions about both of them if that's fine with the committee. Mr. Deis.

Mr. Deis: — In our 2014 report volume 1, we made three new recommendations, each directed to Prince Albert Roman Catholic Separate School Division. On page 25, we made two recommendations. We recommended that Prince Albert Roman Catholic Separate School Division adequately segregate duties of staff to reduce the risk of misappropriation of assets. We also recommended that Prince Albert Roman Catholic Separate School Division follow its purchasing policy.

We found that at August of 2013, P.A. [Prince Albert] Roman Catholic had not adequately segregated incompatible duties amongst its employees — for example, the preparation of bank deposits from making bank deposits, staff's access to the

accounts payable system from their ability to sign cheques. We also found several instances where the appropriate authority did not approve purchase orders.

On page 29, we recommended that Prince Albert Roman Catholic approve and test its IT disaster recovery plan. In common with two other school divisions, this school division, at August 2013, did not have an approved or tested IT disaster recovery plan. And, Mr. Chair, that concludes our discussion.

The Deputy Chair: — Thank you very much. And, Ms. Johnson, if I could get a response from the ministry on that.

Ms. Johnson: — Certainly.

The Deputy Chair: — Thank you.

Ms. Johnson: — So starting with the first two recommendations for the adequate segregation of duties of staff to reduce the risk of errors, that recommendation as of January 31st, 2015, we believe is implemented. Duties have been separated as best as they possibly can given the number of staff in the school division's head office, and those changes were made in the school division fiscal year 2013-14. And we believe that that will meet the auditor's expectations for proper segregation of duties.

Moving on to the second new recommendation that the school division follow its purchasing policy, again as of January 31st, we believe that that recommendation has been implemented. They have put policies or processes in place during the 2013-14 fiscal year in order to ensure that their purchasing policy is followed.

And with the third new recommendation for the school division to approve and test its information technology disaster recovery plan, that again we believe has been implemented. Their IT disaster recovery plan was approved during the '13-14 fiscal year and it was also tested during the '13-14 year.

The Deputy Chair: — Thank you very much, Ms. Johnson. I'd like to open it up to the committee for questions. Mr. Nilson.

Mr. Nilson: — Yes, thank you for coming here this morning. I basically don't have many questions, but I had a question I think related to the Ile-a-la-Crosse situation. So that basically you've sorted out . . . And it seems to me when I'm listening to your reporting, one of the challenges for everybody is the actual size of the offices in various places. And perhaps could you give us a little bit of an explanation of, like, are we dealing with two people or five people, and how you've solved the problem of having separated the various tasks so that you meet the auditor's requirements.

Ms. Johnson: — So we'll start by addressing Ile-a-la-Crosse.

Ms. Vilness: — Good morning. Dr. Laura Vilness, director of the Ile-a-la-Crosse School Division. So the size of staff that we have, we have two staff. We have an assistant secretary-treasurer who does all the day-to-day accounting work, and we have a chief financial officer. And so those are the two people that handle the business administration end of things. So the segregation of duties really involves the CFO

[chief financial officer] reviewing and initialling journal entries.

Mr. Nilson: — And so that meets the requirements then of the department and the auditor, is that correct? I mean, obviously it's very hard to get somebody else in there to actually do the work. And that's why I asked the question, is that sometimes you have to figure out a pragmatic solution. And that's what you've done, I take it?

Ms. Vilness: — Yes, that's right. And so the gap too was that we didn't have a policy, and we were directed to develop a policy that identified what we did. And so the policy we developed outlined the manual journal entries process and the checking, the verification by the CFO of the journal entries. So I think it's that we did not have a policy where we had our process written down and identified and approved, and now we do.

Mr. Nilson: — Okay, thank you. That explanation, I think, helps us.

The Deputy Chair: — Thank you very much, Dr. Vilness. Appreciate you coming. Is there any other questions from the committee? Mr. Michelson.

Mr. Michelson: — Yes. Just, I guess, it's an advantage of having the two reports together, but is there an explanation why — and I appreciate the work that was done between the two years — but there is eight that were not completed in that time frame. And I'm thinking if the auditor had pointed these out, what were the circumstances why these wouldn't have been acted upon in a little bit more faster pace?

Ms. Johnson: — Well I'll speak to that generally, and then if the school divisions would like to comment on any specifics we could ask them to join us here. But looking at some of the recommendations that were not implemented fully within the one-year period, some of them reflect on things like establishing the information technology disaster recovery plan and ensuring that that plan has been adequately tested.

That sort of a recommendation oftentimes is very time consuming to fully address, depending on the state that the organization is in. So it could require a significant amount of work in developing a policy and then testing that policy. And then when the auditor comes to review the test work that's done, oftentimes there can be deficiencies in the test that was conducted. So there can often be a need to re-test the disaster recovery plan to ensure that it is meeting everyone's full expectations.

So that recommendation in particular is one that organizations typically do struggle with for the sake of having a policy that is comprehensive and complete and fully tested. The Provincial Auditor is nodding there. I don't know if you wanted to comment on that as well.

Ms. Ferguson: — Actually that's an excellent example, because in our view, to do that within two years is pretty good. You'll find that we do have agencies that we are reporting that same matter for a period of time longer than two. So for school divisions to accomplish that within two, great. If others would pick up the same timeline, we'd be thrilled.

Mr. Michelson: — All right, then. Thank you for that. I guess I can appreciate that, the time and that. One of the recommendations, no. 5, it says the recommendation that the North East School Division follow its purchasing policies. I find that one a little hard to digest, seeing that again we've gone a year without following purchasing policies. When there's a policy in place, I would think that that would be a natural, just to find out that it needs some tweaking or something, and then follow through on the corrective measures on that. Would you like to comment?

[09:30]

Mr. Repski: — What we have noted from the school division who was unable to be here with us today is once the deficiency has been identified by the Provincial Auditor . . . I don't know the specific items that were noted through the Provincial Auditor's review, but from the indication here it is that they had an old purchasing policy that they were operating under, which was found to be ineffective. So what the school division did in the interim was to develop a new policy. So that would be typically done to reflect very similar to what we had just talked about in terms of what are those pragmatic solutions that would work for a purchasing policy, keeping in mind a lot of school divisions are still adjusting to post-amalgamation. I know it was a number of years ago now. But seeing how an office can work, what would typically happen is you're still working through more of an antiquated purchasing policy piece. Once you've identified who are your staff, what do your systems look like, you need to reflect that through your purchasing policy.

So without understanding the specific pieces in general terms, they found out their existing purchasing policy was difficult to follow given their staffing complement. Given the changes in their organization, they reflected a new purchasing policy which would be followed and they will find — the Provincial Auditor on their next review — that it is adequate. But that would typically be why there's a bit of a gap in there. They looked at their existing policy, found it to be ineffective and addressed it to match their current circumstances.

Mr. Michelson: — Would they not follow up with other divisions and find out what purchasing policies are and have them adapted to the North East School Division?

Mr. Repski: — I think there's becoming more and more — and I'd certainly invite one of our CFOs here today — but there is becoming more and more information sharing among school divisions about best practice information. The Saskatchewan organization of school business officials certainly tries to facilitate that type of information sharing. But in terms of what is happening, existing, there's certainly more sharing. Did you want to comment on the . . .

Mr. Diederichs: — Absolutely. Good morning. I'm Lionel Diederichs, the deputy director of corporate services, CFO with Horizon School Division. Certainly school divisions are sharing information and things like a purchasing policy. The information is always accessible to any of the other school divisions and a system within the organization is there to gather and collect, and as well as the peer relationships.

The piece that I would add — and that is very much growing, as

the assistant deputy minister indicated — the other piece I would add to that, that it is never as simple as taking an existing policy or practice from one school division and applying it to another. There still will have to be adaptations made for their particular situation.

A couple of examples of why that could be would be geography. So if I take Horizon School Division as an example, a couple of years ago our administration took place in three separate geographical areas. That will have its own implications in how you need to purchase. Where it's a more concentrated administration, there's a difference in what you can do and what's practical to do.

So even though the information is there and more and more information is shared, what other school divisions are doing is really a starting place, not an ending place, and it takes some time to get to what's best for a particular school division.

Mr. Michelson: — Okay. Well thank you for your answer. Mr. Chair, that was really the only red flag that I saw that I wanted to question. And I'm sure the next time the auditor does the report, we will follow up on that. Thank you.

The Deputy Chair: — Thank you, Mr. Michelson, and thank you, Mr. Diederichs, for your comments. Is there any other comments or questions? Mr. Nilson.

Mr. Nilson: — It's just this conversation that we've had now raises the question whether the Ministry of Education has a policy as to what types of various programs are used across the board, and that do you certify certain programs and not others, and whether you strongly recommend the use of certain financial controls versus others, because it strikes me that that would be a good role for the ministry.

Ms. Johnson: — So in response to that, what we do at the ministry is we certainly provide guidance to school divisions. The school divisions are organizations that are run by their boards and by the management of the school division. All of them are expected to operate using appropriate financial controls and to have segregation of duties, for instance, and to adopt all of the appropriate financial controls as would be expected of any multi-million dollar organization, because individually they are all organizations that run a business that has revenues and expenses of anywhere from \$90 million a year to over \$200 million a year. So at that rate we do expect them to have policies in place.

Where they are needing some guidance, certainly we do provide that, and we do work with the Saskatchewan Association of School Business Officials as well to develop more consistent practices in different areas across the board. We do not require them to use specific programs. So for instance, we have not prescribed a particular financial management system or a particular payroll system, that kind of thing. We do not prescribe purchasing policies. We do expect them though to ensure that their purchasing policies ensure that the money that they are responsible for is properly used so that they exercise the appropriate fiduciary responsibilities there.

Mr. Nilson: — Thanks for that explanation. I'm curious as to what happens within the ministry itself when you are preparing

your overall budget. You end up having obviously to compare all of the different school divisions, and do you then have standard descriptions of expenses?

Ms. Johnson: — Yes we do.

Mr. Nilson: — And so does that then go back to the school division so that they know how you're describing their expenses versus what they actually show on their books?

Ms. Johnson: — Yes. In fact some time ago, in fact I don't know exactly what the date is, but certainly the school divisions all operate using the same common chart of accounts. And when it comes to financial reporting and reporting of all revenues and expenditures, the ministry does have a financial reporting manual, an accounting manual that we update each year to ensure that it's in compliance with the most recent accounting guidelines from the Public Sector Accounting Board. And that manual is provided to all school divisions at generally the April-May time frame of each year.

Mr. Nilson: — Thank you.

The Deputy Chair: — Any other questions from the committee? Seeing none, if I could ask what is the will, what is the committee's wish? Mr. Doke.

Mr. Doke: — Thank you, Mr. Chair. At this time I would move on the 2013 auditor's report volume 1, chapter 5 that we concur with recommendations and note compliance on, and there's quite a list here: 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 23, 24, 25.

The Deputy Chair: — Thank you, Mr. Doke. The motion put forward is to concur with the recommendation and note compliance for the 2013 report volume 1, chapter 5, recommendation no. 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 23, 24, and 25. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. Mr. Doke.

Mr. Doke: — Mr. Chair, thank you. Also on the 2013 Provincial Auditor's report volume 1, chapter 5 there are four outstanding recommendations. They are no. 8, 18, 22, 26 that we would concur with the recommendations and note progress towards compliance.

The Deputy Chair: — Thank you, Mr. Doke. The motion put forward for the 2013 report volume 1, chapter 5, concur with the recommendation and note progress towards compliance on recommendation no. 8, 18, 22, and 26. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. On the 2014 report we have three new recommendations. Is there any question specifically from the committee on those ones? Seeing none, if I could ask what is the committee's wish? Mr. Doke.

Mr. Doke: — Thank you, Mr. Chair. On the 2014 Provincial Auditor report volume 1, chapter 5 I would note that

recommendations 1, 2, and 3 concur with the recommendations and note compliance.

The Deputy Chair: — Thank you, Mr. Doke. The recommendation is for the 2014 report volume 1, chapter 5, and out of the three recommendations, the motion is to concur with the recommendation and note compliance. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. Well I guess that kind of concludes things for the Education portion of that. I wanted to first off thank Ms. Johnson and her staff for everybody coming out. Especially the school divisions, very much appreciate you coming. Some of you have travelled a ways to be able to participate.

As a committee, we feel it's very important, as you are working with this committee in an arm's-length way, and it's good to see what happens on this side of things. And I hope you take that back to your divisions and talk about some of the other people coming down and visiting us.

I thank the Provincial Comptroller's office for coming, Ms. Ferguson and her staff, and the people from Hansard. And at this point we will be recessing until 1 o'clock this afternoon. Thank you very much.

[The committee recessed from 09:43 until 13:00.]

The Deputy Chair: — Thank you very much and welcome back to the second half today of Public Accounts where we will be discussing with Justice and the Attorney General's area. We have three chapters to discuss over the 2014 report.

I'd just like to make some quick introductions. We have Mr. Weekes, Mr. Michelson, Mr. Doke, and Mr. Nilson substituting for Mr. Wotherspoon, and myself, Paul Merriman. I'd also like to introduce Mr. Ahmad who will be sitting in for our acting auditor. And we have Kevin Fenwick, the assistant Deputy Minister and his staff. And I will ask you to introduce yourself and your officials when it comes around for the records of *Hansard*.

And I will start off with asking the Provincial Auditor's representative, Mr. Ahmad, to go into the first chapter which, I believe, is chapter 10 from the 2014 report volume 1.

Justice and Attorney General

Mr. Ahmad: — Thank you, Mr. Chair. I will get into chapter 10 then, relating to ministry's processes to support the Provincial Court in managing workload, and that chapter begins on page 67 of our 2014 report volume 1. The chapter reports the result of our audit to assess the effectiveness of ministry's processes to support the Provincial Court in managing workloads for the year ended December 31st, 2013. We did not assess the performance of the judiciary or the chief judge, nor did we assess the judgments made by the Provincial Court.

Under *The Department of Justice Act*, the Ministry of Justice is responsible for the supervision of all matters connected with the administration of justice, including responsibility to support the

Provincial Court in managing workload. The ministry works with the chief judge to support the monitoring and management of workload. The chief judge is responsible for the sitting of the Provincial Court and provides the administrative link to the Ministry of Justice while preserving judicial independence.

The ministry provides the chief judge with administrative support to manage the Provincial Court's workload. Lack of effective processes to support and manage these workloads could affect timely scheduling of Provincial Court hearings, resulting in delays in delivery of justice. Such delays could also result in additional costs to hold the accused in detention centres and loss of public faith in our justice system.

The Supreme Court of Canada has set guidelines of 8 to 10 months, that is 240 to 300 days, as a reasonable length of time for an institutional delay in provincial courts. Institutional delays is defined as the time that runs from the time the parties are ready for trial and continues till the system can accommodate the proceedings.

Figure 2 on page 70 shows that in October 2013 the average wait time for trial in each of the three major centres in Saskatchewan was less than 200 days. However in other smaller centres like Ile-a-la-Crosse, it exceeded 300 days. We concluded that the ministry had effective processes to support the Provincial Court in managing court workloads except for the matters covered in our six recommendations.

Our first two recommendations are related. First on page 73, we recommend the ministry define clear and appropriate performance measures and targets for supporting the management of Provincial Court workloads.

Second, on page 74, we recommend that the ministry develop and implement a complete forecasting system that identifies administrative and financial resources — that is, staff, facilities, and equipment — needed to support management of court workloads.

We found that the ministry's 2013-14 plan included actions to improve support to the court, but the plan was not complete. For example, the ministry could not show us how it fully identified the root causes for time-to-trial pressures. It had not assessed specifications to support the management of court workloads, including how the ministry would measure its success in managing workloads.

Also we noted that the ministry's actual cost of providing resources to courts had exceeded its budget for several years. Staff in court services worked over 4,000 overtime hours in 2009, increasing to over 6,000 hours in 2013-14. Consistently exceeding its budget indicates a need for the ministry to strengthen its budgeting and forecasting process. Incomplete planning can lead to increased overtime costs, inadequate facilities, and longer time-to-trial for the accused.

At the time of the audit the ministry was developing a new information system that is expected would be operational in 2016.

In our third and fourth recommendations on page 75, we recommend that the ministry develop and consistently use

complete administrative procedures to support the management of Provincial Court workloads, and that the ministry implement a complete human resource plan, including standardized training processes for staff that support the management of court workloads.

The ministry court services staff are located all across the province. We found that the administrative processes and training material for court services staff were not consistent between court locations. Also its human resource plan for court services staff was incomplete. For example, it lacks succession planning for retiring staff. Differing processes and training between locations can result in inefficiencies and increase the risk of administrative errors.

Fifth on page 75, we recommend the ministry improve the collection, analysis, monitoring, and public reporting of information related to supporting the management of court workloads. We found that the ministry had not identified all key factors that influenced court workloads or analyzed the support to determine root causes for increases in workload. Also, although the ministry periodically reviewed key areas of court operation, it did not formally follow up on the recommendation of these reviews.

Sixth on page 76, we recommend the ministry make public its key action plans to address operating pressures relating to supporting the management of court workloads. The ministry did not make public the action plan it expected to use to address the court workloads and operating pressures in court services, nor did it make public the extent to which it is achieving this plan. Providing this information to the legislature and public will help understand the underlying reason for the increased cost of court services and how the ministry planned to manage them. And that concludes my remarks. Thank you.

The Deputy Chair: — Thank you very much, Mr. Ahmad. And I can turn it over, Mr. Fenwick, if we can get a response on that, that would be great.

Mr. Fenwick: — Thank you, Mr. Chair. Yes, for the record, my name is Kevin Fenwick and I am the deputy minister of Justice and deputy Attorney General for the province of Saskatchewan. I will introduce our officials that are here with me today shortly. Just before I do though, I would like to thank the committee for the opportunity to be here, and sincerely thank the Office of the Provincial Auditor for the good work that they do. We really do regard the role of the folks that are in the financial side of affairs in our office in our division of corporate services as being in partnership with the Provincial Auditor's office. We certainly value the work that they do, and they strengthen our own internal audit capacity as well. So we thank them very much for their very good service.

I think we have — I hope they would say the same; I think they would — we have a very good working relationship with the Provincial Auditor's office that shows mutual respect. And I see the acting Provincial Auditor has joined us. Thank you very much. I could say all the nice things again if you didn't hear them when you were coming in, Judy.

Ms. Ferguson: — I'll watch the tape later.

Mr. Fenwick: — Okay. The officials accompanying me today are, in no particular order, Jan Turner who is our assistant deputy minister for court services; Glennis Bihun, who is to my left right now, who is our executive director of court services; Roberta Behr who is the assistant director for the maintenance enforcement office; Monica Field who is the executive director for strategic systems and innovation; Dave Tulloch, who is to my right, who is the executive director of corporate services; Kim Leibel who is our acting director of audit services; Mindy Gudmundson who is the director of financial and resource planning; and my executive assistant, Jeff Crawford who is with us here as well today. I'm here on the shoulders of giants, I would say without hesitation.

With respect to the particular recommendations that we're now addressing, I'll talk about recommendation no. 1, which is found on page 73 of chapter 10, relates to the need to define clear and appropriate performance measures and targets for supporting the management of court workloads. The issue is that the ministry has not considered the long-term capacity needs of all Provincial Court facilities — or had not, we would suggest — and we would consider at this point that the ministry has partially implemented that recommendation.

What we continue to do is that the ministry is in the process of completing a multi-year strategic and operational plan, including establishing performance measures and annual targets which consider the long-term capacity needs of all Provincial Court facilities. A template for that assessment which is currently being developed by SaskBuilds will be utilized.

I'm going to add one other aside here as well if I could, and that is that when we're talking about long-term capacity we really are addressing, with the innovation agenda within the Ministry of Justice, what comes in the front end of this process. Historically, justice and legal systems have responded to what comes in the door by trying to find efficiencies and finding better ways to handle what comes in when the tap gets turned on. We continue to do that, however we are working very hard with our innovation agenda of trying to address what's coming in the door, both on the Attorney General and the Corrections and Policing side of our ministry.

As my colleague, the deputy minister of Corrections and Public Safety would say, we need to address the demand side and the supply side both. Right now for example, we have a pilot project that we're just embarking on together with police agencies, prosecutions, legal aid, and the courts in Meadow Lake. And as the auditor's office would point out, our Meadow Lake court point and the various rural and northern court points that emanate out of Meadow Lake are the ones that are presented with some of our greatest challenges in terms of time to trial and time to resolution. So we've decided that we're going to attack the most challenging situation first, so Meadow Lake is the pilot that we're working on where we can really get a handle on what those timelines are and why.

And we hope to significantly reduce the time to resolution. We used to talk about time to trial. Very few of the cases actually go to trial. What gobbles up resources and gobbles up the time are the continued adjournments and system-generated breach charges, etc., so time to resolution is a better term. And we want to work very hard to attack those issues in partnership with the

other players in the system, and that Meadow Lake pilot will give us an opportunity to, we hope, not just fix the situation there but learn some lessons that we can apply across the province.

We've also commenced a review of the effectiveness of our data collection usage, and our timeline for implementation of the entire program with respect to recommendation no. 1 would be 2015-2016.

I could certainly take questions if you have any, point by point, as we go through. If I don't see any, I'll continue on if that's your preference.

The Deputy Chair: — Yes, if you could please continue on. We'll go through the recommendations, then we'll have questions after.

Mr. Fenwick: — Thank you. Recommendation no. 2 is found on page 74 of chapter 10. The auditor reported that the ministry needs to develop and implement a complete forecasting process that identifies the administrative and financial resources needed to support court workloads. The issue is that the ministry does not use its data collection results on court workload factors, such as the length of time to trial, the number of appearances, etc., for forecasting purposes; nor can the ministry identify all of the root causes of time-to-trial pressures; and finally that the ministry consistently exceeds budgeted expenses. Once again we would consider this recommendation as partially implemented at this time.

The ministry is developing a new information system that is scheduled for implementation in 2016 that will provide better information to assist in determining the root causes of workload pressures. The ministry is also developing a project plan to undertake a review of the capital improvements plan which will be used to forecast equipment and facility needs, and the ministry will develop a human resource plan including workforce indicators which will be utilized to forecast staffing needs. The time for implementation of all of this is March of 2016.

Now again I digress for just a moment. You'll hear a recurring theme with all of these recommendations with respect to courts and that is the development of our new IT system called CJIMS [criminal justice information management system]. We work on a process now that is less than affectionately referred to as JAIN [Justice automated information network] because it's been in place for so long and only provides us with limited data.

CJIMS, after getting over some initial frustrations in the first few years, we believe is actually going to be a model for all kinds of things across government right now. We're able to use the unusual words of on time and on budget in the same sentence right now with respect to CJIMS, and CJIMS we think will give us a very robust reporting mechanism. And again I think all of our folks would like to thank the Provincial Auditor for bringing these kinds of recommendations forward at this time because it has allowed us to build into CJIMS some pieces that might not have been there otherwise had it not been for the recommendations. So we're endeavouring to assure that CJIMS will give us the capacity to respond effectively to all of the recommendations.

Recommendation no. 3, which is found on page 75 of chapter 10, relates to the ministry not defining policies and procedures for all key administrative processes. Further processes such as documentation procedures are not consistent across all court locations.

[13:15]

Again, we consider this recommendation to be partially implemented. We completed a project in December of 2014 with the support of the chief judge of the Provincial Court to implement standardized endorsement sheets throughout the province. We've commenced a review to identify gaps in policies and procedures, and we will be developing a plan to update the assessment of consistent practices in court locations that took place in 2009 and 2010 — the original plan, that is. It was '09 and '10, and it is certainly time for an update.

So our timelines for implementation of these phases are, for the endorsement project, actually completed as I mentioned, that was just in December of 2014. For the traffic court policies portion, our goal is March 31st of this year, 2015. With respect to audio recording policies, our goal is also March 31st, 2015. And for the policy and procedure review, at the end of this calendar year, December of 2015.

With respect to recommendation no. 4, found on page 75 of chapter 10, it relates to the ministry not having a complete human resources plan including standardized training processes for court services staff across the province. The auditor noted inconsistencies among identifying staff needs in training. Once again we consider this recommendation to be partially implemented. Resources are now in place to complete a human resource planning template to be used in all court locations, which includes such factors as workforce indicators, the number of court sittings, and the number of circuit points.

Resources are in place to complete the development of training modules for new and existing staff. The ministry continues to offer a leadership development program that court services managers participate in. Court services in collaboration with the Saskatchewan Polytechnic — formerly SIAST [Saskatchewan Institute of Applied Science and Technology] — initiated a court services administrator applied certificate program in the fall of 2014. A future offering will occur in the fall of 2015 in Regina, and expansion is being considered in 2015 to include offerings in North Battleford and in Saskatoon.

We are exploring the potential efficiencies of using the government's recently implemented Learn system to facilitate the delivery of training. Judiciary development of templates to ensure consistency for adult and youth conditions is either in place or in the process of development. And our timelines for implementation are: for the standardized competencies for all jobs and recruitment practices and assessment tools, June of this year, 2015; and for the orientation program, in October of 2015.

Recommendation no. 5 is found on page 75 of chapter 10. It relates to improving the ministry's collection, analysis, monitoring, and public reporting of information related to court workloads. The auditor's concern was that although the ministry has reviewed key areas of its court operations, it did not formally follow up on the recommendations in these

reviews, resulting in an inefficient use of resources. The auditor also noted that court workload data was not being analyzed to determine root causes for why court workloads were increasing.

Once again we consider this recommendation to be partially implemented. The ministry is pursuing the expertise to undertake this review to enable sophisticated analysis of data collected. This is certainly also related to the CJIMS project, and our timeline for implementation is March of 2016.

Lastly recommendation no. 6, which is found on page 76 of chapter 10, relates to the ministry not making public the action plans it expects to use to address court workload and operating pressures in court services. The auditor notes that the ministry has not made public the extent to which it is achieving those plans.

At this point we would consider that recommendation to be not yet implemented. The ministry has cited for years that ongoing court workload and operating pressures in court services are the reasons for increased spending. The ministry is expanding the use of technology to enable court appearances via video conferencing and will continue to report on this success. Following the completion of the multi-year strategic and operational plan as noted under recommendation no. 1, the ministry will publish its annual results based on performance measures identified in support of the management of court workloads, and our timeline for implementation of these programs is March of 2016.

Again there are links to the CJIMS project because we have to be acting on the basis of good data, and that's what that data is. I think that the Meadow Lake pilot project will feed into this as well.

And I can also report that we have an excellent working relationship I think with the judiciary and have engaged, immediately upon his appointment, with discussions with the new chief judge of the Provincial Court for Saskatchewan who is very anxious to address these same issues as well. And so we're working with the judges to make sure that we address these issues, and they, quite frankly, are as anxious as we are to see these changes made.

And we have judges, particularly in the rural points and the northern points, who don't enjoy sitting till 7 o'clock at night any more than our court staff enjoy being there till 7 o'clock at night before the long trips home in some cases, so these kinds of efficiencies will help in all that regard. And ultimately the people we should be looking after are the citizens who are there appearing in court, and we need to find these better ways of doing things.

So in closing, with respect to chapter 10, the ministry feels very confident in the actions it's taken in response to the auditor's findings. Our new information system that is scheduled for completion in 2016 . . . Although I would point out we are already in the process of phasing in various modules of it, so we are starting to see the benefits of that already, but scheduled for full implementation in 2016, to provide us with better information to assist in determining the root causes of workload pressures. Work is under way to address all six of the recommendations, and we've made progress on at least five of

the six to this point.

And I would conclude my remarks at this point on that chapter. And if there are specific questions we'd be happy to answer them, and I would probably defer to Glennis to my right who's our director of court operations for specific detailed questions. Thank you.

The Deputy Chair: — Thank you very much, Mr. Fenwick. I'll open it up to the committee for questions. Mr. Nilson.

Mr. Nilson: — Yes. Thank you. Thank you very much, and thank you for appearing today to answer some questions. It appears that you've been working hard on an age-old problem. This is not a new problem, and I'm not certain that this will solve all the issues, but I think it will get you a long way down the road.

And so I don't have a lot of questions. I think right off the top, much of the work is going to be done this year and into next year. Are there going to be difficulties getting the budget to do that, given some of the things that have been happening recently, so that this might have to slow down a bit?

Mr. Fenwick: — We're hoping not, and we're not predicting at this point that that will be the case. We have the resources in place and we've made a commitment internally because we believe that the actions that we've undertaken will return dividends to us, both in terms of time and quality of service delivery but also in terms of what it costs to run the system. We've maintained that these changes are a priority because we think that they'll generate a return. So at this point we're not under pressure to slow down because of the current restraint measures that are in place.

Mr. Nilson: — Okay. Thank you for that explanation. My next question is, I was trying to figure out where an analysis of changes to the Criminal Code fits into this because we know that there were some fairly dramatic changes over the last number of years. And I think right across the country everybody's been trying to figure out what the effect of that was, especially as it relates to all of the issues that we're dealing with here. Perhaps you could comment on that.

Mr. Fenwick: — I'll just make a quick comment and then, if Glennis would like to add, she certainly may. Those have been really difficult numbers to nail down because it's such a dynamic area, and I can't tell you that we can attribute any changes in the number of cases coming in the door specifically to the changes in the Criminal Code. There were, certainly in my former role as the Ombudsman for Saskatchewan that was one of the issues that we were addressing in that role when we did some considerable research, as the ministry had done, to anticipate what effect that might have on what was coming in the door. And commentators and legal experts gave us estimates ranging from 20 or 30 per cent increases to probably nothing at all because the system would adapt.

And the numbers would suggest that although we've been seeing increases, they're probably not attributable to a large extent to the changes to the Criminal Code. There are a number of filters that are in place that have lessened the impact of the Criminal Code changes. It would appear that police for example

are using more discretion in terms of where they lay charges. Judges still have a lot of independence to do things that they need to be done. So although there might have been some impact, it's difficult to identify exactly what that would be.

Ms. Bihun: — I would add to that that part of what we're looking at of course is taking a look at those numbers of appearances and what specifically is behind those appearances. We're really early into being able to do any kind of analysis on current data — so the year that just ended December 31st.

Overall though at first blush and on a preliminary basis, I can say that it does appear that provincially the number of appearances are increasing from 2013 by about 1 per cent. We now need to take that opportunity and drill down into some of that detail to see, you know, what the nature of those appearances is.

In addition to that, I would add that again we're somewhat dependent on the system that supports us to generate the kind of information we need to do . . . related to a really good job to be able to do that analysis. So these discussions being very timely, as Kevin indicated, so that as we're doing the development related to CJIMS, we can be building into what are the kinds of information we know we want to be able to call from that system for reporting so that we can do timely and appropriate assessment on all the data that's collected and are we collecting the data we need to be.

Mr. Nilson: — Thank you. I noted to hear that there was a reference to video appearances. What percentage of the court appearances, I guess primarily on remand I would guess, are video appearances now compared to say five years ago?

Ms. Bihun: — That specific statistic, I don't have with me today. What I can offer is a couple of comments related to video conferencing. We would continue to certainly see a growth in the number of appearances related to video conferencing. While I don't have calendar year-end data for the video conferencing at the end of the third quarter in 2014, there were already about 7,500 video appearances. In total in 2013 there were approximately 9,500. So as we continue to install video conferencing and increase the number of sites where that capability is available, in addition to more often than not, the number of appearances in sites that have been using video conferencing overall, we're definitely seeing an increase in the use of video conferencing.

Mr. Fenwick: — If I could just add a point or two on that as well. Video conferencing is still relatively new. We've actually struck a Western deputy ministers of Justice working group where we're sharing information and trying to learn from each other. Manitoba has been in the video conferencing in court business a little bit longer that we have, and so we've been working with them as well.

Where I think that there's certainly room for growth is, we continue to expand our video conferencing capability into more centres, and that's essential as we do this. But part of this is also a cultural change. I mean, it's new. And lawyers and judges and police take a little while to warm up to the idea of video conferencing. And we're getting there, and certainly in the points where it's been in place the longest, that's happening.

One of the areas, though, I think where we have some untapped benefits to gain is that we need to combine our use of video conferencing with more creative court scheduling. Because there are times when we have fewer people on, for example, fewer prisoners on the plane to a court point because they've appeared by video conference, but the plane's still going. That would be an example, and I don't have hard numbers on that. So there are, I think, better things that we can do to actually reduce the cost of our transportation with more judicious use of scheduling as well. So we've started to tap into the benefits, and there's more to be gained.

The feedback that we get, certainly anecdotally from those who have been using the system, is that the quality of justice is not suffering — that, in fact, the timeliness of justice that video conferencing can provide more than offsets reluctance that the vast majority of the parties have to speaking to a television screen.

Mr. Nilson: — Is there any connection between the use of video conferencing and the increase in the number of appearances? Because it is quite simple and fast, and so basically you can say, oh yes, another three weeks or six weeks of remand and then you end up with another appearance, whereas if the person was right in front you, you'd say, well you know, you might as well go home. There's no need to keep you in remand.

Mr. Fenwick: — Difficult, difficult about hard numbers, and that's certainly not what we're experiencing, not what we're hearing reported. Much of that would be anecdotal at this point. But no, I don't think so.

And you know, specifically with remand, you know, for the most part people don't like to be on remand and so I think that the opposite would be the case. The quicker that we can get this dealt with by video, the quicker I can get out of jail in those cases where people are going to be released. So certainly we haven't seen video as increasing the numbers. It probably is one of the reasons that we've only seen a 1 per cent increase in the number of appearances. My guess would be it would have been higher than that, had it not been for video conferencing.

[13:30]

Mr. Nilson: — Okay, thank you. The question around the numbers on remand, you know, aren't directly related to this but they are because it's sort of your supply side if I can use your term. And so are we still sitting with, I don't know, 40 per cent of the people in Corrections on remand because, you know, some of the numbers seem to be getting quite high on that side? I don't know if you have that kind of information available.

Mr. Fenwick: — I don't have it directly. That's certainly in the Corrections and Policing side. The last information that I have seen from the Corrections and Policing side is that in fact it's hovering around or just over 50 per cent, not 40, and actually has been for some time. And that's consistent across Canada. It's one of the things that we have talked about at federal-provincial-territorial meetings of ministers of Justice and Public Safety is that in most provinces we're all facing the same thing.

The numbers would suggest that, of the people who are in jail, the number of sentenced inmates over the last decade or two has increased just about not at all. I mean, the number of sentenced inmates is almost consistent, and certainly given population growth it hasn't really increased at all on a per capita basis, but the number of inmates on remand has increased dramatically. I think the number is 85 per cent over the last couple of decades and Saskatchewan is consistent with other provinces.

Mr. Nilson: — So is anything that you're doing here going to help that issue? And perhaps you can explain how.

Mr. Fenwick: — Absolutely, we hope so. So I mean there is a number of things that we can do, and the challenge we have is that a lot of this really is changing the culture within the criminal courts. And that means changing the way lawyers approach things, both prosecution and defence, and changing what judges would tolerate or support or encourage or discourage. The culture is that there is an almost automatic adjournment the first time or the second time while we wait for things like, is this person eligible for legal aid, when disclosure happens. And I think there are a number of things, and we're examining all of these, where we can speed those processes up.

In many areas we still do reactive disclosure so that the police or prosecutions will wait until there's a request from defence counsel before disclosure is provided. Many times you know who defence counsel are going to be, so one of the things we're looking at is reaching out and doing proactive disclosure. That will save one adjournment, I think, in all kinds of cases.

If someone is denied legal aid because they're not eligible for legal aid, there's typically an adjournment of two or three weeks if they want to appeal that decision. I think we can use technology so that those appeals, in many cases, could almost be instantaneous. And I use perhaps a silly example of every Sunday morning I grab my iPad and I do FaceTime with my grandson in Saskatoon. Why aren't we using that kind of simple technology like Skype or FaceTime, so the appeal of denial of eligibility of legal aid could happen at the time of denial on that first court appearance? And what that saves us is potentially two or three weeks of very expensive remand time. So those are just two small examples of what I think should be relatively simple things that, while they won't answer all of the questions, will be bites off the overall numbers that could be significant.

Mr. Nilson: — Okay. Well thank you for your answers to my questions. I'm sure we could talk about this for all day and all night, but I know my colleagues have got lots of other things to do. But this is good work that you're doing and it's hard; it's very hard work to do. So I suspect we might see the words, partially implemented, for the next five years, frankly. But I think the auditor will understand. So thank you.

The Deputy Chair: — Thank you very much, Mr. Nilson. Open it up for any other questions from the committee. Seeing none, I'm wondering if I could get a recommendation or a motion from the floor on the specific report, on chapter 51. Mr. Doke.

Mr. Doke: — Thank you, Mr. Chair. In regards to the 2014 Provincial Auditor's report volume 1, chapter 10, recommendations 1, 2, 3, 4, and 5, we would concur with the

recommendations and note progress towards compliance.

The Deputy Chair: — Thank you, Mr. Doke. The motion is for the 2013 report volume 1 . . . sorry, 2014 report volume 1, chapter 10, recommendation 1, 2, 3, 4, and 5, that we concur with the recommendation and note progress towards compliance. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. Mr. Doke.

Mr. Doke: — And second to that, the 2014 Provincial Auditor report volume 1, chapter 10, on recommendation no. 6, we would concur with the recommendation.

The Deputy Chair: — Thank you, Mr. Doke. For the 2014 report volume 1, chapter 10, recommendation no. 6, the motion is to concur with the recommendation. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. Thank you. That concludes chapter 10. We will move on to the 2014 Provincial Auditor report volume 1, chapter 23, and I'll turn things over to the Acting Provincial Auditor.

Ms. Ferguson: — Thank you very much. My apologies for being late; my car didn't like me this afternoon. I just want to take a moment before I do that. I understand that . . . Oh, she slipped out. I was going to introduce who was also with us this afternoon. Ms. Linda Klassen was joining us along with Ms. Kim Lowe. Linda was involved in the audit before us this afternoon.

So chapter 23 of our 2014 report volume 1 reports the results of our follow-up of five recommendations that we made in 2012, in our 2012 audit of the Ministry of Justice's process to enforced maintenance payments. Your committee has considered and agreed with these recommendations in 2013. By March of 2014 the ministry had implemented two recommendations.

With respect to the three outstanding recommendations at March of 2014, the ministry was developing a computer system to replace its current system. Its current system was developed in 1986 and is no longer supported by the software service provider. We understand that the ministry is designing the new system to address these three outstanding recommendations, and at the time of our follow-up they expected that system to be operational by this upcoming spring.

Chair, this concludes our presentation on this follow-up.

The Deputy Chair: — Thank you very much, Ms. Ferguson. If I could get the response from Mr. Fenwick on behalf of the ministry on this specific chapter.

Mr. Fenwick: — Thank you. Certainly I'm happy to do so. This particular chapter does contain five outstanding recommendations. We would agree that two of them have now been fully implemented, and it is expected that the remaining three will be implemented once the new computer system has

been developed. We all seem to be slaves to the technology no matter which chapter of the auditor's report we're looking at.

I would speak just briefly to what the ministry has done in response to each of these recommendations. And I'm happy to provide a brief update on each, the key actions taken and planned by the ministry, and an expected timeline for implementation.

Just one general introductory comment however, and that is the credit that is due to our maintenance enforcement office and the staff for the absolutely outstanding work that they do in collecting maintenance enforcement payments. We are second in the country at over 90 per cent in terms of our collection rate, and only behind Quebec that has a different scheme and has its own income tax system and that has all kinds of benefits with it. But we have collected in excess of 90 per cent of the amounts that are outstanding on annual basis.

And by way of comparison, before the maintenance enforcement office was established in 1984, 85 per cent of maintenance orders were in default. So we have gone from an 85 per cent default rate to a, last year, 91 per cent collection rate. And that is truly outstanding and credit largely to the hard work of the folks in that office.

Specifically with respect to the recommendations, recommendation no. 1 is found at page 186 of chapter 23. It relates to the establishment and monitoring of formal performance standards for prompt processing of maintenance enforcement registrations. The maintenance enforcement office has now adopted a performance standard for client registrations in that they should be processed in the program within six weeks. The results of monitoring efforts show the clients in fact are being registered on average within three weeks, which falls obviously well within that standard. Justice monitors compliance with this standard on a weekly basis, and because of that, we would suggest that recommendation no. 1 is considered by us to be fully implemented.

Recommendation no. 2 is found at page 186. The auditor reported that the ministry needs to keep accurate and up-to-date information for its maintenance enforcement clients. The issue is the result of the maintenance enforcement office operating on an outdated computer system, which resulted in challenges related to keeping information up to date.

Although the auditor highlighted the issue, the ministry had already planned to develop a new system to address the issue. That system has been in development for quite some time now and is expected to go live in the fall of this year. The recommendation will be addressed when the system goes live.

Until then, the Ministry of Social Services advises the maintenance enforcement office when custodial parents go on and off social assistance. This is one of the challenges for us, is the change in status on an ongoing basis for many of the clients of the maintenance enforcement office. We also rely on custodial parents to notify the maintenance enforcement officer as soon as the payor returns to work. So we really do think that the new system will help a great deal. At this point, however, we would suggest that the recommendation has been partially implemented.

Recommendation no. 3 is found at page 186. It relates to establishing and monitoring a formal performance standard for reviewing maintenance enforcement files not complying with payment terms. The maintenance enforcement office has developed a new standard in which officers review a default report every two months. Its use will begin once the new computer system is operational. Similar to the previous recommendation, it will be addressed with the new system when it goes live, but at this stage we would say that it has been just partially implemented.

Recommendation no. 4 is found at page 187. It relates to responding to telephone inquiries from maintenance enforcement clients. While the maintenance enforcement office has always made efforts to call back clients in a timely manner, it never previously had written guidelines on that matter, so a formal written policy has now been developed which requires clients to be called back within 48 hours unless the inquiry relates to same-day payments by the maintenance enforcement office to the client. The office is doing random reviews of their client services representatives to make sure that the 48-hour timeline is being met, and weekly meetings are also being held to monitor compliance. We consider this recommendation to be fully implemented.

Recommendation no. 5 is found at page 187. This recommendation relates to reviewing reports that provide information on outstanding support payments. The auditor's concern was that the maintenance enforcement office's outdated computer system had limitations which made certain information on outstanding support payments unavailable. The new system that has been referenced several times will provide additional reporting to address this issue. As with the others that rely on the IT system, we would suggest rather that this has been partially implemented at this time.

So in closing, with respect to this particular chapter, the ministry feels confident in the actions it's taken in response to the auditor's findings. The system that has been referenced multiple times is key to addressing the three outstanding recommendations, although we have done the paperwork side of things so that we're ready to roll as soon as the IT system catches up. And as I pointed out, in fact a lot of this work was under way even before the auditor reviewed our processes, notwithstanding it was very helpful to have the support of the auditor to justify the work that we were doing.

And again I would conclude my remarks on this chapter and would ask for assistance on technical matters from Robbi Behr who's with me here as well.

The Deputy Chair: — Thank you very much, Mr. Fenwick. I would open it up to the committee for questions. Mr. Nilson.

Mr. Nilson: — I'd basically just say thank you for the work that you're doing. And once again this is a long-standing issue of getting appropriate IT support, and so if it's going to come this year, that's great. And I guess my only question would be whether there will be some delay in timeline as a result of budgets, or do you have the money all set already?

Mr. Fenwick: — Yes we do. And we, you know, as with the fiscal restraints in place, there have been places in the ministry

where we've had to reassess priorities from time to time. But we, again because this is about front-line client service, it is about doing the work better in a very, very important area, we've maintained this as a priority and have no plans to delay it despite any fiscal restraints that we're facing.

Mr. Nilson: — Okay, well thank you very much for your work, and I have no further questions.

The Deputy Chair: — Thank you, Mr. Nilson. I just have one comment. I think it's absolutely fabulous that over since I think 1986 that you were talking about that you've gone from 85 per cent in default to 91 per cent leading the country outside of Quebec for different circumstances. I think that's absolutely commendable. It certainly helps out single moms, families to be able to have that income coming in and not having to worry about it. So I commend you and your staff for that.

And if there's any other questions from the committee? No. As the committee has already reviewed this, I would just put forward that we conclude considerations on the 2014 auditor's report volume 1, chapter 23. Is that agreed?

Some Hon. Members: — Agreed.

[13:45]

The Deputy Chair: — Carried. Thank you. And now we'll move on to the last one of the day which is the 2014 Provincial Auditor's report volume 2, chapter 51. And at this point I'll turn it over to Ms. Ferguson for the auditor's office.

Ms. Ferguson: — Thank you very much. As indicated, it's the final chapter for this afternoon and a short one at that. So this chapter reports the results of our second follow-up of recommendations we made in our 2010 audit about the Ministry of Justice's processes for security awareness.

Your committee considered and agreed with those recommendations in 2011. And we're pleased to say that by June of 2014, all of the recommendations that were previously outstanding have been implemented. So that concludes our presentation.

The Deputy Chair: — Thank you very much, Ms. Ferguson. Any comments, Mr. Fenwick?

Mr. Fenwick: — We agree that they've all been fully implemented. I won't impose on the committee's time by running through a review unless there are questions. We thank the auditor for their support and, unless there are specific questions, which I'd be happy to answer, or Monica Field is to my left, I don't have any other comments to make.

The Deputy Chair: — Okay. Thank you very much. We'll open it up to questions for the committee. Mr. Nilson.

Mr. Nilson: — Yes. My only question when I first saw this, I didn't think there was a sufficient description either by the auditor or by the department. Because security awareness of IT systems, isn't that what you're talking about here?

Ms. Ferguson: — Yes.

Mr. Nilson: — So you might want to actually change our records and our minutes to say that because I get questions about security as it relates to courthouses, as it relates to corrections, and other places. And so when I first saw this, that was my thought — oh, here's my chance to ask a lot of really good questions — but that's not what it's about. So my suggestion is that somehow we amend the minutes and the records to make sure it says, IT security awareness or security awareness of IT, so that it's entirely clear what this is. Because once again, this is good work and it's done, so let's have it done, but the wording isn't as clear as it could be.

The Deputy Chair: — Thank you very much, Mr. Nilson. Duly noted. I think the auditor made a note of that as well as it'll be reflected in the minutes that we should have a little more accurate description of exactly what the specific chapter has to deal with. So I thank you for that. Is there any other specific questions on this one? Mr. Michelson.

Mr. Michelson: — I'll just make a comment that I think this is great. You're doing great work, and I appreciate the co-operation and the effort that you and your staff have put into this. Thank you.

Mr. Fenwick: — We'll look forward to the security courthouse questions then at estimates, will we? Should I be put on notice?

Mr. Nilson: — Or sooner.

The Deputy Chair: — Thank you, Mr. Michelson, Mr. Fenwick. As again this committee has already reviewed this, for the 2014 Provincial Auditor report volume 2, chapter 51, I would recommend that we conclude considerations. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. Again, Mr. Fenwick, thank you to you and your staff in all three areas that we've discussed today, doing an absolute fabulous job. Please convey that back to your staff that it's very nice to see when everything is working hand in hand with the auditor's office and, as we discussed prior to the meeting, that your internal audit process is working with the auditor's office in conjunction and not in duplication, and that's always good to see as well.

And in saying that, I think that we are finished for today. I just have to check our next ... If I can get a motion for adjournment, please.

Mr. Michelson: — I so move.

The Deputy Chair: — Mr. Michelson has moved. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. This committee stands in recess until the call of the Chair.

[The committee adjourned at 13:49.]