



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Ms. Aleana Young
Regina University

[The committee met at 13:00.]

The Chair: — Well we'll convene the Standing Committee on Public Accounts here this afternoon. Thank you to all those that are attending and that'll be joining us here today. I'll introduce the members that are with us here at this time: Deputy Chair Young, Lloydminster; Mr. Nerlien; Mr. Skoropad; Mr. Friesen; Mr. Goudy; and Ms. Young, Regina University. I think we have another member that's going to be joining us in a little bit.

One thing that I've been asked to pass along is you don't need to touch your microphone or any of these buttons here. Leave them alone. It keeps Hansard in a better position to organize their affairs here today.

We have the following items to table at this time: PAC 14-29, Provincial Auditor of Saskatchewan: Third quarter financial forecast for the nine months ending December 31st, 2021; PAC 15-29, Ministry of Health: Report of public losses, October 1st, 2020 to December 31st, 2020; PAC 16-29, Ministry of Finance: Report of public losses, October 1st, 2020 to December 31st, 2020; PAC 17-29, Ministry of Finance: Government response to fourth report of the Standing Committee on Public Accounts, dated January 28th, 2021.

I'd like to introduce the officials from the Provincial Comptroller's office: Terry Paton, our Provincial Comptroller; Chris Bayda, the assistant Provincial Comptroller. Looking sharp with the tie there today, Mr. Bayda. Thanks for joining us here this afternoon.

Also it's a pleasure to welcome the Provincial Auditor, Judy Ferguson, to the table here today. We don't have officials that are here in the room. Well actually Kelly Deis, sorry, is sitting right at the back there. Maybe I'll quickly turn it to Judy Ferguson to identify if there's other officials that she wants identified at this time or whether we'll do it as we take on each of the respective areas of audit.

Ms. Ferguson: — We'll introduce as we go.

The Chair: — Sounds great. All right, what we'll do is I'll announce that we are going to take on our first area of focus, Highways and Infrastructure, here this afternoon. We have Deputy Minister Antunes with us here today. I'd briefly ask you, Mr. Antunes, to introduce the officials that are with you, not comment on the actual focus here today. We will then turn it over to the auditor for her presentation.

Highways and Infrastructure

Mr. Antunes: — Thank you, Mr. Chair. My name is Fred Antunes. I'm the deputy minister of Highways, and I'm joined by Wayne Gienow, who is the acting assistant deputy minister of policy, planning and regulation division, as well as Andy Landers, who is the new chief of the Saskatchewan Highway Patrol. He's also here with me. So I'm looking forward to answering some questions. Thank you.

The Chair: — Thank you very much. I'll turn it over to our Provincial Auditor to focus on her presentation and the chapters. Maybe I'd ask upfront for you to identify what chapters we might

be bundling together for consideration.

Ms. Ferguson: — Absolutely, yes. So this afternoon I've got with me, as indicated a little bit earlier, Mr. Kelly Deis. Kelly leads the environment and infrastructure division in our office, of which the Ministry of Highways falls within that responsibility.

So before us we actually have a whole slate of chapters that relate to the Ministry of Highways. They relate to audit work starting in 2017 right up to our last '19-20 annual integrated audit. So you can see there's a bunch there. We're going to present the seven chapters that are noted in the agenda in four presentations.

So we're going to group the 2018 report volume 1, chapter 22 and the 2020 report volume 1, chapter 18 together. They both relate to the two follow-ups. The next one that we're grouping together is the 2019 report volume 2, chapter 9; the 2020 report volume 1, chapter 2; the 2020 report volume 2, chapter 7. Each of those are our annual integrated audits. Those integrated audits is a financial-related audit, and so it's for the years ending 2018, 2019, and 2020. The fourth part is going to be one chapter. It's the 2019 report volume 2, chapter 35. Sorry, that's the fourth part. And then the third part — sorry, opposite ordering here — on its own, though, is the 2019 report volume 1, chapter 28.

So he's going to pause after each of those presentations and that'll allow for the committee's deliberation. So before I turn it over to Kelly, I just wanted to say thank you to the deputy minister and his officials for the co-operation that was extended to us throughout this work. So with that, I'll turn it over to Kelly for his presentation.

The Chair: — Thank you, Auditor, and maybe I heard incorrectly or maybe my information's not correct. The second grouping will be chapter 8 — correct? — with the 2018 volume 2 report.

Ms. Ferguson: — Yes, it's chapter 8, chapter 2, and chapter 7.

The Chair: — Yes. No, that's great. Thank you very much. And we'll turn it over now to Mr. Deis for chapter 22 from the volume 1 report and chapter 18 from the 2020 report.

Mr. Deis: — Good afternoon. Being aware of and addressing safety concerns reduces the impact of collisions on society such as loss of life and/or quality of life, lost productive capacity, policing costs, and court costs. Reduction of collisions also reduces the impact on the health care system.

Chapter 22 in our 2018 report volume 1, starting on page 259, reports the status of the recommendations originally made in our 2015 report volume 2, chapter 35 audit of the Ministry of Highways and Infrastructure's processes to address safety concerns raised on existing provincial highways. This chapter does not contain any new recommendations for the committee's consideration.

By November 30th, 2017, the ministry had implemented three of our four recommendations. The ministry developed and followed a process for tracking complaints about road safety. The ministry's safety improvement projects manual sets out criteria

that the ministry used to select projects. We found the ministry used these criteria to select projects. The safety improvement projects manual directs staff to document and keep the analysis and rationale used to select projects for the upcoming year. We found the ministry adequately documented the rationale for selection of safety improvement projects. Documentation included appropriate rationale and analysis for projects not selected.

Chapter 18 in our 2020 report volume 1, starting on page 221, reports the ministry implemented the remaining recommendation. By November 2019 the ministry had increased the types of safety improvement program projects and related collision data in its annual reports to senior management. We found senior management received sufficient information annually to help them assess the effectiveness of the safety improvement program.

This concludes my presentation, and I'll pause here.

The Chair: — Thank you very much. I'll turn it over to Deputy Minister Antunes for a brief response and then we'll get into the questioning.

Mr. Antunes: — Sure. As Mr. Deis indicated, we've already developed criteria for tracking complaints, set criteria for selecting projects, and required staff to keep this analysis and rationale. And we set up a system to report to senior management about the effectiveness of our investments. The auditor asked us to beef that up, which only reported . . . previously we were only reporting our projects with a million dollars in value. Many of the countermeasures that we use, though, are used all across North America, and there's already a lot of reference information about the effectiveness of those types of treatments.

However now we have implemented the final recommendation through an independent analysis conducted in partnership with the University of Saskatchewan. The U of S [University of Saskatchewan] analysis looked at lower cost projects in 50 sample locations. They evaluated treatments like turning lanes, illumination, guardrails, warning or flashing lights, and railway crossing improvements. They compared accident data from 50 sites with treatments at 100 sites where we hadn't made improvements. They looked at collision and traffic data from 2006 to 2018 to determine the effectiveness. And they concluded that the improvements result in statistically significant reductions in the number of collisions that result in injury and death.

The Chair: — Thank you very much for the presentation. I'll open it up at this time to the committee members for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair, and this is my first PAC [Public Accounts Committee] meeting so I apologize to anybody if I make any unintentional errors, but I do want to open by saying hello to Kelly who was the auditor at my very first audit committee meeting with Regina Public about nine years ago. So nice to see you.

So forgive me, Mr. Chair, can I just proceed with asking questions and do I direct these to the deputy minister?

The Chair: — That's correct. If your question is for government,

it would be placed to the deputy minister. Can also seek clarification from the auditor, or a question to the auditor if there's a question there. If you have a question for Mr. Goudy, that would also be in order.

Ms. A. Young: — Thank you, and apologies to Hansard. I'll try not to giggle. I'm not sure how you'd write that down.

I just have a couple of clarification questions on this chapter. It notes that the ministry developed and followed a process for tracking complaints about road safety, and I'm just curious, how do these complaints trend? Do we know how many complaints there are annually and whether this is trending up or down over the years?

Mr. Antunes: — So I don't have information in terms of whether the trend is up or down. I guess where we gather the information is . . . It could be from anybody. It could be from a municipality. It could be from, you know, a concerned citizen. You know, they come from a variety of different sources, and what happens is once we have a complaint . . . and we also do some analysis to find out where we have a lot of traffic accidents and we go in and we look at those specific locations.

But basically we take that information any time somebody does identify a concern. We go in and do an investigation. If there's a treatment that's warranted, then we put it into our safety improvement program database, assess what the alternatives are, and then try to program it for funding when it's available. So I don't have statistics on whether the trend is up or down, but I know that any time somebody does complain about them, we look into them.

Ms. A. Young: — Excellent. Thank you. I guess I have two more questions. My second question would be, in terms of project selection criteria — I wasn't clear, based on the information there — are projects with potential cost sharers prioritized?

Mr. Antunes: — Yes. Typically what we do is we look at and we use kind of a benefit-cost analysis. So what we typically do is if somebody's bringing money to the table, then it reduces, I guess, government's overall cost, then it gets a higher benefit-cost ratio. So partnership projects are somewhat prioritized, yes.

Ms. A. Young: — Wonderful. Thank you. And then my very last question is in regards to the safety improvement projects. The \$1 million threshold is discussed, and I guess I'm wondering is that a . . . I guess two questions. One, I guess, do you know what the total value of safety improvements projects was?

Mr. Antunes: — So our current budget is around \$20 million a year. So we have a \$7 million safety improvement program. And then we have a \$13 million enhanced intersection safety program. So we're roughly spending about \$20 million a year.

I think the reason we picked the initial \$1 million target is just the number of projects that we have. To go in and, you know, turning lanes . . . Or sorry, like lights and different things like that are very small dollar-value projects, so for us to do an analysis on every single one of those becomes kind of onerous and time consuming. So we kind of set a higher threshold and that's what we're reporting back on the effectiveness of. But through this

study we've gone back now and looked at the effectiveness of those types of treatments for the smaller ones. So that's kind of why we set the \$1 million threshold, yes.

Ms. A. Young: — Okay, great. Okay, wonderful. And for the safety improvement projects, is that number fairly consistent from — you know, being new to this — like 2018, 2019, 2020?

Mr. Antunes: — Yes, for the last number of years we've had a \$7 million program. Two years ago we had an increase to get it up to 20. And so there's a five-year, \$65 million program that we're in the middle of right now to get it up to basically \$65 million for the enhanced intersection safety, in addition to the \$7 million. So it's roughly going to be over that five-year period, it'll be \$100 million of investment in safety improvement projects.

Ms. A. Young: — Wonderful. Thank you, Mr. Antunes. I have no further questions, Mr. Chair.

The Chair: — Is there any other committee members with questions here? Not seeing any at this time, thank you very much to the deputy minister and the officials for their work on these fronts. We don't have any new recommendations here. We note that the one that was outstanding has now been implemented. That's great. I would simply close consideration of these chapters at this point, and we'll move along to the next grouping of the three chapters that were identified by the auditor. And I'll turn it over to Mr. Deis.

Mr. Deis: — Thank you. Chapter 8 in our 2018 report volume 2, starting on page 51, reports the results of our 2017-18 annual integrated audit of the Ministry of Highways and Infrastructure, and now that's just simply the Ministry of Highways. The chapter reports our concern about the ministry not removing user access to its IT [information technology] systems promptly. As reported in chapter 7 of our 2020 report volume 2, page 54, we continue to report this concern.

[13:15]

Chapter 2 in our 2020 report volume 1, starting on page 25, reports results of our 2018-19 annual integrated audit. We reported concerns about the ministry's monitoring of purchase cards, oversight of purchases of firearms and ammunition, and tracking of Highway Patrol equipment. We make three new recommendations.

Chapter 7 in our 2020 report volume 2, starting on page 49, reports the results of our 2019-20 annual integrated audit, including the status of the four recommendations.

On page 30 of our 2020 report volume 1, we recommend the Ministry of Highways increase its monitoring of compliance with established transaction limits for purchases made using purchase cards. During 2018-19 the ministry did not sufficiently monitor whether staff of the Highway Patrol consistently followed policies for purchases using purchase cards. Not respecting purchase card transaction limits, or limits used to determine appropriate procurement methods, increases the risk of not treating suppliers equitably and the ministry not getting best value when making purchase decisions. In addition, it increases the risk of inappropriate purchases.

Systematic reviews of purchases can identify non-compliance and provide opportunities to explain and reinforce established purchasing policies and processes. As reported in chapter 7 of our 2020 report volume 2, the ministry had not implemented this recommendation in 2019-20.

On page 31 of our 2020 report volume 1, we recommend the Ministry of Highways implement policies to better oversee purchases of regulated firearms and ammunition to ensure they support its business needs. The ministry bought about \$700,000 of equipment like firearms, helmets, and ammunition since the expansion of the role of the Saskatchewan Highway Patrol in August 2017. And this was at the time of our audit.

The ministry staff used purchase cards to buy many of these firearms and related ammunition. Laws regulate the use and access to some of this equipment. For example, under the federal *Public Agents Firearms Regulations*, the ministry must register its purchases of firearms and comply with storage and training requirements. We found neither the ministry's delegation-of-authority policies nor other policies explicitly restricted which staff had authority to buy regulated firearms and ammunition.

In addition, we found the ministry did not always clearly set out its need to buy certain types of firearms and weapons. Having clear policies that restrict who can buy regulated items, like firearms and ammunition, and restrict how employees can buy them would assist in overseeing purchases of regulated goods and reduce the risk of buying unauthorized or inappropriate items.

As reported in chapter 7 of our 2020 report volume 2, in 2019-20 the ministry had partially implemented this recommendation. Subsequent to March 31st, 2020 and before we completed the 2019-20 audit, the ministry drafted a revised signing authority delegation. This revised policy would use the expertise of the Ministry of Corrections, Policing and Public Safety and help the Ministry of Highways in making decisions about buying restricted firearms and prohibited items under the federal firearms regulations. Adoption and implementation of this policy would provide appropriate oversight of these purchases.

On page 32 of our 2020 report volume 1, we recommended the Ministry of Highways implement better processes to track regulated Highway Patrol equipment. We found the ministry had not formally assigned responsibility for tracking this equipment. The sensitive and portable nature of regulated Highway Patrol equipment increases the importance of keeping track of them and their use. Without processes such as periodic inventory checks and counts and restricting who can make changes to equipment-tracking records, the ministry risks being held liable for misplaced or lost items used for inappropriate purchases. Also the ministry risks incurring loss of public money if items go missing.

As reported in chapter 7 of our 2020 report volume 2, in 2019-20 the ministry made some improvements. In June of 2020 the ministry acquired an IT system to track Highway Patrol equipment. At September 2020 the ministry was in the process of entering the Highway Patrol equipment into the new system and verifying the accuracy of the information. Management informed us it completed this work by October 2020 and fully

implemented the tracking system. This concludes our presentation, and I'll pause here.

The Chair: — Thank you very much for the presentation and an important focus of the work here. I'll turn it over to Deputy Minister Antunes for brief remarks and then we'll open it up for questions.

Mr. Antunes: — So with respect to the timely removal of users from the Government of Saskatchewan network, so since May of 2019 the ministry has implemented a revised workflow to address this recommendation. So when the HR [human resources] service centre at the Public Service Commission receives any termination, an email request immediately goes out to the IT service desk to have that person removed. The user's account is disabled either immediately or on the date of separation when they leave the employment, and the user cannot reinstate the account. This has to be done through a service request approved by the manager.

With respect to Saskatchewan Highway Patrol, the province created the protection and response team in 2017 to provide more police coverage in rural Saskatchewan, and the Ministry of Highways is pleased to do its part. Over the next year, we trained our commercial vehicle enforcement branch to have the skills and competencies required to carry out the new role and rebranded the branch as the Saskatchewan Highway Patrol.

The majority of our officers' duties did not change. Enforcing *The Highway Traffic Act* as it relates to commercial trucking is still the primary responsibility of the officers in the Saskatchewan Highway Patrol. They continue to check drivers and trucks to ensure that they are safe and they enforce vehicle weight and dimension regulations.

However the additional duties they received as part of the protection and response team are significant. There's a fundamental difference between stopping an overweight truck who's a professional driver at work to pulling over a random passenger vehicle or knocking on the door of a house during a domestic emergency in response to a 911 call. Commercial vehicle enforcement officers who previously dealt with only truck traffic are now trained as peace officers, and they receive the same training as any other municipal police officer in the province.

They have been trained and certified to carry firearms and use carbines. They're stopping passenger vehicles who are speeding. They're pulling over any vehicle that's driving without a registration. They're also stopping vehicles that are driving erratically. They'll deal with impaired drivers and they'll respond to 911 calls for assistance. In the course of the traffic stops, they will and have come across drugs, weapons, or persons wanted by law enforcement. The members have always worked to protect the public.

So the SHP's [Saskatchewan Highway Patrol] involvement in the PRT [protection and response team] represented a major change to the mandate and the mindset of our members. After carrying out the mandate for about a year, the ministry hired a consultant with a background in law enforcement to conduct a readiness review. We interviewed all SHP staff to understand our strengths and weaknesses and improve our procedures and training to

ensure that the officers continued to have the training and skills they needed to do their job safely and effectively.

During these interviews, the consultant heard allegations that some of the equipment that had been purchased by the chief of the Saskatchewan Highway Patrol — the then-chief, not the current chief that we have here with us today — was not aligned or required for the SHP mandate. In addition, concerns were identified that the chief was purchasing this equipment without using standard government policies and procedures.

Based on these allegations the ministry took immediate action. The chief of the Saskatchewan Highway Patrol was placed on administrative leave pending further investigation. The ministry evaluated the equipment that had been purchased and confirmed that some of the equipment was not required to carry out the SHP mandate. The ministry also hired an accounting firm to complete a thorough review of the purchasing and procurement within the SHP. The accounting firm found instances where government procurement purchase card policies and rules were not followed.

I think it's worth highlighting the fact that our people suspected that there were problems. The ministry was made aware of the problems. The ministry evaluated its inventory. The ministry itself hired an accounting firm. The ministry then terminated the chief of the Saskatchewan Highway Patrol, and we reported findings to the Provincial Auditor's Office and provided them with our documentation.

The Provincial Auditor didn't really uncover anything that we didn't already know. We had already completed the investigations and had a good understanding of what the situation, what the years, were. They had been reported twice because this happened over multiple fiscal years. I was extremely upset that the rules weren't followed, but once a problem was discovered, the ministry did the right things. We investigated, we reported, and we took action. We are committed to making change to ensure this does not happen again. All of the equipment was accounted for. We're in the process of disposing of the equipment that we do not need to other law enforcement agencies.

But I'm really concerned about what this has done to the reputation of the officers who wear the Saskatchewan Highway Patrol uniform. They risk everything for us and any issues that have been discovered had nothing to do with the high-quality, professional services that they provide every day. It was due to the actions of one individual.

Over the last 18 months, we made a number of changes to the ministry and to the Highway Patrol to address these recommendations. There's a new chief and deputy chief. Both have extensive law enforcement experience with the RCMP [Royal Canadian Mounted Police], having been responsible for the RCMP's Saskatchewan traffic division at one time in their careers.

We are also well into the process of applying for a formal accreditation through the Commission on Accreditation for Law Enforcement Agencies, also known as CALEA. The CALEA certification will demonstrate that we have all of the appropriate procedures and policies in place for a law enforcement agency and that we are following those policies and procedures.

We have revised our policy on acquiring firearms and other restricted weapons so that the Ministry of Corrections and Policing is consulted and makes a recommendation on the acquisition to me, and then I can make a final decision based on that recommendation.

We've implemented the new electronic inventory management tool. We count that inventory regularly and we continue to identify and mitigate those risks. The ministry's also created its own internal audit function, and we're carrying out process and financial audits. This group has provided support to the Highway Patrol on this inventory management tool. Our internal audit is coordinating the work with the Provincial Auditor and in accordance with professional standards is independently assessing risk and controls in the ministry. The reports are resulted to the internal audit committee comprised of the ministry executive as well as representation from the Ministry of Finance.

The Provincial Auditor also found other instances where some of the purchase card policies were not being followed. In response to those recommendations, we've created two new mandatory training programs for cardholders and approvers to reinforce purchase card policies and procedures. The training was delivered across the entire ministry. Anyone who did not complete this training by December 31st, 2020 had their card privileges revoked and suspended until they complete the training. We've increased monitoring to ensure we're not exceeding transaction limits. The SHP's new leadership team has all been trained on purchasing policies and procedures.

Mr. Chair, no one is more disappointed than I about the problems we found. I wish they never happened. But once we did discover a problem, we investigated and took action. We shared our findings with the appropriate authority and we're committed to making changes required to ensure that the public confidence in the brave Saskatchewan Highway Patrol officers who protect us. Thank you.

The Chair: — Thank you for the report. I'll open it up now for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair, and thank you, Mr. Deputy Minister. I do have a couple of questions. And I'll apologize in advance; I hadn't grouped my chapters together, so I'll do my best to keep them on topic. I believe that the, kind of, three areas that I'll have some questions on are in regards to PCards in particular; second group in regards to the equipment in question — obviously the firearms and ammunition are kind of the spicy topics there; and then lastly just a couple questions around that accreditation piece and the role and function of the Highway Patrol.

So I guess the first place to start would be, can you comment on . . . And I do recognize your introductory comments around this perhaps not being so much of a broad culture issue but the actions of one individual. But can you offer any comment on the rationale of buying equipment that's essentially unusable?

Mr. Antunes: — I guess I'm not really able to comment on the former chief's motives. You know, it's something that only he can answer. And I also know that this matter is currently before the courts through a wrongful dismissal lawsuit, so legal counsel has advised me that it would not be appropriate for me to

comment or respond to kind of his motives or his rationale.

Ms. A. Young: — Okay. In regards to I guess maybe some of the secondary items listed there, I believe there was a drone, some communications equipment, and drug testing kits. Is the Saskatchewan Highway Patrol in possession of a drone licence?

Mr. Antunes: — Well people in the ministry do have drone licences if they do need to use them, so if we're using them . . . I don't think that they ever really used it that much. So we do have other drones in the ministry, so we would follow the appropriate licensing that we need to have for that. Yes, I guess we do railway inspections through our drones, so we would follow whatever the requirements are for us to use them.

I guess in this case there's no real need for the Highway Patrol to have a drone, is this issue. We do use them in other areas of the ministry, whether it's looking at culverts that are washed out and you want to go back and see how far the flooding is, railway inspection. So we do use drones in the ministry, just the Highway Patrol has no use for drones.

Ms. A. Young: — Thank you. And my second question is essentially along the same lines in regards to the drug testing kits. Would the Ministry of Highways have . . . Is the Ministry of Highways, as a ministry, allowed to conduct drug testing? And does the ministry have the appropriate privacy controls in place for that?

Mr. Antunes: — So I think the drug testing kits, if I'm not mistaken — Andy can correct me if I'm wrong — but I think the drug testing kits are more around if you pull over somebody and you find some substance, that type of thing. So our officers are, you know, as they do their duties, there's been situations where they've pulled over a vehicle and they have found drugs in the vehicle. Only typically what they do is they turn that over to the RCMP. So again there's no need for us to have the drug kits. If they see that there's somebody that has some suspicious products in the vehicle, whether it's weapons or drugs, that type of thing, we work with the RCMP and turn it over to them. So there's no real need for them to have that.

[13:30]

Ms. A. Young: — So they're not drug-testing kits for individuals; they're for materials. Is that correct?

Mr. Antunes: — Oh, maybe Andy can clarify. He's the expert.

Mr. Landers: — On this subject I would say no, I'm not the expert. But what I was saying is, how you're describing it is what I believe to be the case, Madam.

The Chair: — And just before you depart, if everyone that's before the microphone could just state their name as well for *Hansard*.

Mr. Landers: — Sorry. My name is Andy Landers, chief of the Saskatchewan Highway Patrol.

The Chair: — Thank you.

Mr. Landers: — So I guess to answer your question, in any

event there would be no need for us to have that equipment.

Ms. A. Young: — Okay. Wonderful. And I guess just confirmation that you noted that the ministry was in the process of dispersing those assets that were deemed inappropriate.

Mr. Antunes: — Andy and the Highway Patrol are currently working on that. I mean, they'll have to be disposed of. We're trying to work through other law enforcement agencies is where they'll end up going.

Ms. A. Young: — Wonderful. And can you just remind me, what was the total expense to date on that equipment and supplies?

Mr. Antunes: — Well I think the number that Mr. Deis quoted is the total overall number of the amount of equipment that had been purchased for the Highway Patrol in total. But the amount of equipment that I guess we felt there's no business use for was around \$140,000.

Ms. A. Young: — Thank you. And I will segue into my section on PCards [purchasing card] then, with your indulgence. Thank you. And forgive me, I'm not even sure if the Ministry of Highways, and Corrections and Policing, would be the only ministries that purchase firearms and ammunition, but is the purchase of firearms and ammunition now restricted in regards to being able to purchase these with PCards?

Mr. Antunes: — It's the separation, I guess, between a PCard as a tool of how you buy something versus who can actually buy them. So the signing authority that we have in place right now, the recommendation has to come from the chief of the Highway Patrol for firearms. It would go over to Corrections and Policing, and then they would make a recommendation to me to say yes, you can go ahead. You should buy. This has legitimate business purpose. Go ahead and buy either the firearms or the ammunition.

So that's kind of the current process we have in place. So it really starts with the chief of the Highway Patrol and then eventually comes up to me. There are other ministries in government that do have firearms. Conservation officers, for example, in Environment would have firearms as well.

And then in terms of whether you can use a PCard, so the PCard is really a tool that allows you to do purchasing, I guess, as efficiently as you can. So you know, ideally you would set up, if you're going to be doing volume purchasing, you'd set up a purchase order and then use a standing purchase order. Then you wouldn't necessarily use a PCard. So the PCards are more used for smaller volume . . . Like, lots of volume, small-dollar-value transactions, but there are guidelines around what you can buy with them. So I guess whether they bought it with a PCard or some other mechanism wouldn't matter. They still would have to go through the approval process through the chief of the Highway Patrol.

Ms. A. Young: — Okay, perfect. Thank you. I guess my question is more if PCards can be used to purchase firearms and ammunition, does that necessitate that the individual with the PCard has their PAL [possession and acquisition licence] or RPAL [restricted possession and acquisition licence]?

Mr. Antunes: — Sorry. Can you repeat the last part?

Ms. A. Young: — The individual actually making the purchase, do they have to have their RPAL or PAL in order to use a PCard to purchase firearms or ammunition?

Mr. Antunes: — I'm not sure. I don't think so. No, no. The person that's going to be using the equipment has to have the licence and be certified. Somebody who's buying it just has to have the authority to be able to buy it in accordance with our Highway policies or the policies within the ministry, the delegation of authority.

Ms. A. Young: — And is that a special distinction for government? Because my understanding . . . Like my husband has his RPAL, and I can't just go out and buy ammunition for him since I don't have a gun licence.

Mr. Antunes: — I'll let Andy answer this one.

Mr. Landers: — When you use firearms recreationally that's when you would need to have that designation and that authority. In the police service the authority comes through *The Police Act* so there's no need for . . . If I were a citizen that chose not to use firearms privately or personally then I wouldn't need to have a PAL or an RPAL. But when I choose to do so as an individual, that's when I need that authority. So when we're ordering that equipment for the agency, for SHP, that does not become a consideration because we're buying it under the authority of *The Police Act* as a tool for our business.

Ms. A. Young: — Okay. Wonderful. Thank you. Then I guess I have one more question in regards to this matter and then one in regards to IT and another in regards to the consultants that you mentioned. I guess my final question on this matter: was all of the equipment and also all of the ammunition accounted for?

Mr. Antunes: — All of the equipment was accounted for. I think there was two radio kits that we never received but we got a credit back from the vendor. And then in the ammunition, the ammunition that was still remaining was accounted for, but I mean they had used ammunition when they were doing their testing and certification and all that type of stuff.

Ms. A. Young: — Okay. And then in regards to the equipment that you manage, can you describe the . . . I believe the reports that we have just say an IT [information technology] system was obtained for the inventory management. And I was just curious if you could speak a bit more on that because an IT system could be my iPhone, and I'm sure it's slightly more complicated than that.

Mr. Antunes: — I'll have the chief of the Highway Patrol explain that.

Mr. Landers: — Okay, thank you. The IT system that we use is a cloud-based software called Boxstorm that allows us to barcode basically everything that comes in. So we have a reader and a printer that goes with that, and we have been able to go through our inventory, classify various items so that the barcode identifies what specifically it is that we're trying to track. And we can show where it is, when it was put there, the value—that type of thing.

And we actually went through an audit on that with one of the investigators from your office, ma'am, I think in early December.

And we're anticipating a report back on the effectiveness or your determination of the effectiveness of that system. But we have entered virtually everything that we have in that system now. And we were able, in that process, to kind of search for items in a variety of ways and demonstrate that by going through different paths, we came up with the same results and showed items were where they were supposed to be.

We're in the process now, because we have equipment at offsite locations as well, so now we're in the process of ensuring . . . And we've put the key items that are at those locations in the system. Now we're trying to decide how far down we go in terms of tracking virtually everything.

Ms. A. Young: — Thank you, and sorry to keep beating on this. Is ammunition tracked and maintained and inventoried in the same fashion?

Mr. Landers: — Yes, yes.

Ms. A. Young: — So you know if any firearms are being discharged.

Mr. Landers: — We know if ammunition is being issued. Like the sidearm that I'm wearing is issued to me, is tracked to me, and is inventoried to me, And the ammunition that was afforded to me has already been moved in and out of the system.

Ms. A. Young: — Wonderful, thank you. And then just in regards to the consultant cited, I guess my questions would be is it standard or unusual to have an outside consultant come in and do this type of work? And if you remember, what was the cost of that consultant?

Mr. Antunes: — Yes, so we hired two different consultants. So one was an accounting firm to come in and do the investigation on the purchasing. I can't remember what the cost of that was. I'd have to get back to you on that. I don't remember the cost. I think the cost of the . . . So then on the first consultant, to do a readiness assessment it's not uncommon for us to bring in a management consultant to go through and do the interviews of staff and that type of thing.

I think when we set this up though, recognizing that law enforcement is a little bit different than business that we normally run in the ministry and like most other management-type functions, we've sought out somebody that had an experience in law enforcement, an ex-RCMP officer had worked at Depot. So we used that officer to help us do the readiness review because we felt that that officer would be able to give us recommendations based on the background that they would have had as a police officer in the past. And that's why we used that person.

And I believe the order of magnitude, I think it was between 40 to \$50,000 is what we paid for that assessment. And I think they interviewed 50 people and developed a detailed review and report and recommendations. And that included . . . that person also did some of the inventory follow-ups. So when it came to looking at, you know, most accounting firms don't know the difference between one rifle and another type of rifle, so this consultant also did that investigation separately to make sure we had an understanding on what equipment we did and didn't need.

Ms. A. Young: — Wonderful. Thank you. And then my final question on these chapters, I promise.

The Chair: — Can we stop for one moment? I thank you for the commitment as well to get that first bit of information around the cost of the accounting contract back to the committee. To do that, you can just supply that through the Committee Clerk and then that will be supplied to each of us. Ms. Young, sorry.

Ms. A. Young: — Thank you. No, no. Please, like I said, I'm flying by the seat of my pants here, so thanks for the indulgence. I guess this has obviously been a challenging start to the launch of the Highway Patrol, and I appreciate that it's you folks who've lived through that more so than I have.

But I guess given that challenging start, I'm just wondering if you could offer some high-level comments on — you know, you did mention how some oversight has changed — but how ministerial oversight has changed as a consequence of this and what measures you folks are using internally to kind of track the efficacy of the Highway Patrol in actually meeting its stated goals.

Mr. Antunes: — So there's a number of things, I guess. I'll start with the fact that we've brought in two new people that are the new chief and deputy chief that have law enforcement experience. So that's the starting point. So they understand how a police organization should run and how it runs.

The second part is the whole idea of getting our CALEA certification. So there's a whole body of knowledge that comes with having all of the different policies and procedures that you need to have in place. And I think to date we've already written 180 policies, I think is how many we've written. We expect that we'll be in a position to have an accreditation by the end of this calendar year. So that's the second thing.

So the CALEA certification, if you're familiar with quality management systems, it's almost like a quality system but for police officers. So you document that you have procedures in place and then you have to have evidence that you're following the procedures. And then somebody will come in and audit you to demonstrate that, yes, you are doing what you say you're going to be doing. So I think the CALEA certification will be another level of oversight that will provide to us.

In addition to that the Highway Patrol has written a number of policies that explains kind of when reports come up to either the deputy minister or others, based on incidents that may occur or issues that may occur. So those are now all in place and we'll be following those. The Highway Patrol does a quarterly report to our executive committee talking about what they've been doing over the last quarter in terms of the stops that they've made, how that compares to the work plan that they had at the beginning of the year, any challenges that they're facing. So they do that.

Then in addition to that, the chief has also started producing an annual report where they provide an annual report with the activities that they've done over the last year. Oh, and then I forgot, we also have our internal audit function that we've created which will also, in addition to the good work that the Provincial Auditor does and our comptroller's team does, we also have now a team of people that are trained — they have other

functions as well — but we have a group of people trained that can actually do audits internally in the ministry as well.

So those are, I guess, how we can ensure that at the end of the day that we are letting the people of this province know that the Highway Patrol are very well-trained officers and that we have the exact same type of procedures as any other law enforcement agency that you would expect to run across in Canada.

Ms. A. Young: — Wonderful. And I totally lied; this will be my last question. The CALEA certification that you referenced, I'm less familiar with law enforcement but I am familiar with various levels of going through those accreditation processes. And I recognize they can be incredibly onerous, so I appreciate that. Is this certification in particular something that's common to law enforcement agencies? And I guess if the answer is yes, are you able to offer any comment on why this didn't occur in 2017?

Mr. Antunes: — Well a couple things. So yes, it is common. I think it's a North American standard, North American standard. So there's a lot of North American agencies that are CALEA certified. We always talked about doing CALEA even back in 2017, but it does take a considerable amount of time to lay out the policies and all those types of things.

So the initial effort was focused on getting our officers trained and then kind of making sure that we're stabilizing the organization. And now we're at a point where we can actually, we've got the officers trained, the organization is stabilized, and now we're starting to develop those policies. So it was something we always said we were going to do right at the very beginning when we became part of the PRT. It's just taken us more time just with the maturity of the organization.

Ms. A. Young: — Awesome. Thank you. No further questions, Mr. Chair.

The Chair: — Good questions. Thanks for the information here. Other committee members? I should note as well that Mr. Kirsch has joined the table a while back, so thank you. I did introduce other members before that. Mr. Friesen, any questions on this area of focus? Okay.

Not seeing any other for these respective chapters. This is a very serious matter and I really appreciate hearing that clear communication and understanding as well from the leadership that's here today.

[13:45]

And importantly, thank you very much to the chief, the new chief and his service and his leadership. And certainly through you to all of your members that are out there keeping us safe and keeping our roads safe, thank you to them. And it's not lost on me that today's minus 50 with the wind chill, and we have members of the Highway Patrol all across Saskatchewan keeping us safe. So thank you very much for that.

Not seeing any other questions at this point. We do have four brand new recommendations that haven't been dealt with by this committee before. We have seen the detailed responses that suggest that implementation has occurred on this front, so I would welcome a motion that we concur and note compliance

with . . . Oh, my apologies. Yes, there's three new. There's the one, and the other one is the outstanding one that's . . . So we have three new recommendations, and it would be with respect to chapter 2, Highways and Infrastructure, from the 2020 report, recommendations 1, 2, and 3. Would someone care to move that we concur and note compliance. Moved by Deputy Chair Young. All in favour? That's carried.

All right, and we'll conclude considerations of chapter 8 and chapter 7 here as well. And we'll move along to chapters 28 and 35 and turn it over, I think, to Mr. Deis at this point.

Mr. Deis: — Chapter 28 of our 2019 report volume 1, starting on page 285, reports the status of five recommendations originally made in our 2017 report volume 1, chapter 7 audit of the ministry's processes to enforce vehicle weight and dimension requirements on provincial highways. By December 2018 the ministry implemented three recommendations, made progress on one, and one was no longer relevant.

Also this chapter contains one new recommendation for the committee's consideration. I will focus my presentation on the new recommendation. On page 292 of our 2019 report volume 1, we recommend the ministry consistently document its response to calls received through its inquiry line and actions taken to address each call. Inquiries include questions about or complaints related to vehicle weights and dimensions.

We found, although the ministry consistently tracked receipt of inquiries, it inconsistently documented its responses to inquiries. In particular, responses to inquiries handled by its highway patrol branch were not documented. Inconsistently documenting ministry responses to inquiries increases the risk of not handling inquiries sufficiently and appropriately. Furthermore, without documentation of responses, supervisors cannot monitor the quality of work done and assess whether the ministry completed sufficient work to address each inquiry. And this concludes the presentation and we'll pause here.

The Chair: — Thank you very much. I'll turn it over to Deputy Minister Antunes for his brief response and then we'll open it up for the questioning.

Mr. Antunes: — Yes, so I'll just try to be brief on this one. So I think that since April of 2019 we've been using a new records management system to track all enforcement activities. So in terms of reporting the activities of the Highway Patrol, a new system called PRISM [professional records and information services management] that tracks all of that.

With respect to the inquiry line, the trucking inquiry line, so our transportation policy and program group is now responsible for that. And what we've done is we've set up a spreadsheet that, you know, they log all of the information that comes in and every call that it receives. And it records actions that were taken to address any concerns that were raised. And I think over time . . . our long-term plan is that we've recently implemented a customer service centre with its own designated toll-free number, and we use an enterprise software tool called ServiceNow to provide work flow and reporting to manage public inquiries. So I think over time what we're planning to do is merge the trucking inquiry line into that customer service centre to make the reporting more efficient and more self-serve information available to the public.

The Chair: — Thank you. Questions? Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. In regards to the \$5 million spent in the 2017-2018 year enforcing commercial vehicle regulations, are you able to comment . . . What was the actual spend in years since then?

Mr. Antunes: — Yes, I think the budget has remained relatively stable over the last number of years.

Ms. A. Young: — I have two more questions.

Mr. Antunes: — Okay, I'll stay here then.

Ms. A. Young: — In regards to 3.4, inquiries and complaints, I guess my first is, are there any branch employees devoted specifically to vehicle enforcement after the reorg? Like, were there any changes to FTEs [full-time equivalent]? Were any added for extra duties?

Mr. Antunes: — So what we did is we had a group of employees that did investigations. So what we did is we turned them into officers. So basically we now have traffic officers and if there's investigations that need to be carried out, those people will do the investigations, as opposed to having a special investigation unit. So the number of FTEs has remained . . . I guess we were always understaffed in the Highway Patrol and commercial vehicle enforcement. It was a difficult group to recruit into.

Now we're getting close to the point though . . . With actually moving to the Highway Patrol, we're now finding that it is easier to staff people, and people are staying as opposed to leaving and going off into law enforcement. So what we're finding now is for the budget allocation that we have, we're basically to the point we're almost fully staffed.

Ms. A. Young: — Okay, wonderful. Thank you. And can you expand on what the difference is between investigations and then the process for handling inquiries and complaints and what distinctions are made between those?

Mr. Antunes: — Yes, I guess an investigation would be more one where somebody has laid . . . either we find information or somebody gives us information that maybe somebody is breaking the rules. And then in that case we may do an investigation, almost like you would think a police officer would do, where you're going out with the intent to actually lay some charges.

Whereas an inquiry could be somebody phones in and says, you know, I've got this type of a truck; what's my maximum allowable weight on this axle grouping? Those types of things. So the inquiries are more people wanting to know what the rules are. And an investigation is more, we found somebody doing something that maybe they shouldn't be doing and, you know, could lead to charges.

Ms. A. Young: — Okay, perfect. And then my last question I guess. Given the transition to the provincial protection and response team, do you have any comments or observations on how, if at all, this has impacted your ministry's ability to effectively respond to and enforce vehicle weight and

dimensions?

Mr. Antunes: — Yes, I don't think it's changed that. I think what we found is that, you know, now our officers, they have automatic licence plate readers. They've always had radar guns. So when they were driving down the highway before, they would not engage if they saw somebody speeding. Now what they're doing is when they're driving down the highway or whatever, they'll pull somebody over and that's time that they spend now . . . where they're travelling. They may stop somebody, write them a ticket, whatever, but it doesn't stop them from doing the other duties that they have, which is, you know, inspecting vehicles or doing weight inspections at weigh stations. So they allocate how much time they're going to spend on that versus how much time they're doing patrolling.

So I don't think it's really had an impact. I think the bigger impact has been just going through the whole training to get everybody up to speed. And there's a lot of training time required. But now we're finding as we're getting into more stability, we're getting back to the numbers that we are expecting to see on the number of inspections and the audits that we do.

Ms. A. Young: — Wonderful. Thank you. I've no further questions on that chapter.

The Chair: — Any other questions with respect to chapter 28? Not seeing any, we'll conclude consideration of chapter 28 and will move it to our final chapter. The auditor . . . [inaudible interjection] . . . My apologies here. For some reason I didn't have the new recommendation in front of me here.

And just to be clear, with respect to the new recommendation, the ministry, where are you at in implementing on that front?

Mr. Antunes: — Yes, I guess we think we've implemented it. You know, I think they're going to be doing some follow-up work as they're going through it to confirm that, but I guess from our perspective, like, say we've got the new tool in place and the trucking team basically answers most of those questions.

The Chair: — I appreciate that. It's, I think, worthwhile for anyone that's observing these committee meetings to also know that there is a follow-up process. So we'll have, you know, folks from the ministry coming forward and laying forward their feeling that they've implemented a recommendation. And it's important as well that folks at home maybe know that the auditor comes back in for an entire process and reports back to us, sort of an important feature of our committee. Ms. Young.

Ms. A. Young: — Mr. Chair, may I briefly step outside to grab my infant? I can hear her.

The Chair: — I heard that babe out there. So we have the new recommendation. I would welcome a motion to the effect that we concur and note compliance. Is there somebody that would care to bring that motion?

Ms. C. Young: — I so move it.

The Chair: — Moved by Deputy Chair Young. All in favour? That's carried. We will now conclude considerations. Thank you, Auditor. Keep your Chair on his toes here if I'm missing

something here. That's very helpful. And we'll move it over to Mr. Deis to present chapter 35.

Mr. Deis: — Chapter 35 of our 2008 report volume 2, starting on page 239, reports the status of eight recommendations originally made in our 2016 *Special Report: Land Acquisition Processes: Global Transportation Hub Authority and Ministry of Highways and Infrastructure*. This chapter contains no new recommendations for the committee's consideration.

By August 2018 the ministry improved its processes to acquire land for public improvement projects by implementing all recommendations we made in 2016. The ministry adjusted its planning processes to determine planned routes for projects in a timelier manner, enabling it to identify land requirements earlier during the projects. We found the ministry used a land projection technique to protect land it required for projects from being developed.

The ministry also developed a model to assist in determining the appropriate time for the ministry to acquire land, including the consideration of changes of future land values. In addition ministry staff were responsible for acquiring land periodically documented conflicts of interest. The ministry clearly documented its review of appraisal reports used to acquire land. It consistently followed its policy of paying permanent damages for partial takings of agricultural land and kept sufficient supporting documentation for amounts paid.

Also it followed its delegation of authority for reviewing draft land purchase offers and executing land purchase agreements. Furthermore the ministry gave landowners additional information to help them understand their property rights and how it determines compensation when acquiring land. This concludes my presentation.

The Chair: — Thank you very much for the presentation and for the focus of the work. I'll turn it over to Deputy Minister Antunes, and then we'll open it up for questions.

Mr. Antunes: — Yes, and this one will be really brief. So in 2016 there was a number of recommendations made, and by 2017 we'd implemented it. So I think it's the first time that I can remember at the ministry where, you know, there were a number of recommendations, and then the next chapter, they were all implemented. So with that, I'll leave it at that. And if anybody has any questions, more than happy to answer them.

The Chair: — Are you catching any heat from your fellow deputy ministers for acting so quickly on these recommendations? Sort of setting the standard at a certain place. Thank you very much for that report. I'll open it up for questions. Ms. Young.

Ms. A. Young: — Thank you. I believe my questions are for Deputy Minister Antunes, and I have three, theoretically. So in regards to the Regina bypass in particular, I understand there were some outstanding lawsuits related to the land acquisition, and I'm wondering if you can comment on how many remain outstanding.

Mr. Antunes: — Sure. We were tracking 23 claims. Fourteen have been resolved, and nine are still outstanding. With the nine,

so the ministry has gone through, reviewed all of the different appraisal reports, come back, and said, based on information — that may be, you know, additional information, that type of thing — we've put together, I guess, a recommendation on the nine outstanding. And those are with the . . . we're waiting for the landowners to respond, so those are moving forward basically at the landowners' pace. We've done all the work we can to analyze the information that we have.

We've also offered landowners different methods to be able to resolve the dispute. So you know, they obviously filed a claim in court, so that they can continue on that process, but we've done things like binding appraisals, binding arbitration, binding mediation. Whatever works with the landowners. And we've been able to resolve 14 of those 23.

Ms. A. Young: — Wonderful. Thank you. Moving to Saskatoon, understanding that your ministry adjusted its planning processes in regards to finalizing routes of major public infrastructure projects, how has this played out in the land acquisition process for the planned Saskatoon freeway? I note later in the report, it does talk about the general location study. I'm wondering if you can just comment. Is all the land acquired? Or are there anticipated timelines?

[14:00]

Mr. Antunes: — Sure. So normally when we do these studies, we start with a general location study. And what that does, it creates a corridor that's about 500 metres wide. And we use various planning tools, working with the municipalities, local governments, to register interests so people, you know, they're restricted on what they can do in that 500-metre corridor.

And then our standard practice has been, once you got that general location set, you know, 10 years later when you're getting closer to doing construction, we'd come in and do what we call a functional design. The functional design really takes that 500 metres and narrows it down to exactly how much land do we need. So we know which landowners are impacted, how people are going to get on and off the freeway, things like that.

And so what we've done is with the Saskatoon freeways . . . Rather than waiting 10 years for that to happen — recognizing there's a whole bunch of people that are wondering, well what happens in the next 10 years? What do I do? — we started that functional planning study right now. So we're currently in the middle of a three-phase project. We're currently in the middle of phase 2 and expect to complete it by the middle or end of next year.

And so once we get through the end of the functional planning study, we'll know exactly what land we need and then we can start making acquisitions. But it'll be based on willing buyer, willing seller. So where we know what the land is, and then if somebody says, hey I'm interested in selling this, we've got available funding. We'll be able to go and buy that. So it'll be a much more orderly process to be able to assemble land because we're doing the functional planning study right after we finished the general location study. And that's currently under way.

Ms. A. Young: — Wonderful, thank you. And then my last question is in regards to information on landowner property

rights. And I guess it's noted in that section that the information is now publicly available, which is wonderful to see. But is there any obligation on the ministry or is there a practice of actually directing landowners to it and doing that kind of public education piece? Or is it just, you know, stuck on a website somewhere? I'm wondering if you could maybe comment on that.

Mr. Antunes: — So I guess anytime we go in and, you know, we're talking about the Saskatoon freeway and Regina bypass which are, you know, large parcels of land that you need to assemble for a freeway. We regularly buy land if we're doing passing lanes or things like that. And so the process starts with us engaging with each individual landowner, talking to them about, you know, what we need for land, what the options are.

What the website does is it provides a consistent message that everybody can have. So you know, we come and talk to you or if you're . . . Before we come out and talk to you, you can actually go to that website, see what information is there so you can inform yourself before our staff come out and start asking you questions or talking to you about, you know, how we go through the process. So putting it on the website, I think, gives people an opportunity to be well informed when our staff come to talk to them so that they have a better conversation.

But we typically work with landowners, you know, on a back-and-forth, providing information and answering questions on a regular basis, try to provide that customer service.

Ms. A. Young: — Wonderful. Thank you so much. No further questions.

The Chair: — Any other questions from any other members with respect to chapter 35? We should also welcome Hara to the Public Accounts officially here today.

Ms. A. Young: — I apologize. If this baby would take a bottle, she would be at home, but here we are.

The Chair: — Well, welcome. And Deputy Minister Antunes has remarks.

Mr. Antunes: — Yes, just to minimize the amount of paperwork. So we did go back and check on that. And then the report that we hired to do the internal, the financial, it was between 35 and \$40,000.

The Chair: — Thank you. Thank you for that information, and I guess at this time I'd like to thank the deputy minister and all of the officials that are with us here today, but also those throughout the ministry and throughout the highway patrol, and all those involved obviously in the audit as well through the auditor's office. So thank you for your time here today. We don't have a new recommendation in this one, so we can conclude consideration of chapter 35.

And just for committee members, I might identify that up next is the Global Transportation Hub Authority. There's a chapter there. But we're going to break for just a few minutes so we can properly clean the area that has had officials here today. So thank you once again. Travel safe.

[The committee recessed for a period of time.]

Global Transportation Hub Authority

The Chair: — We're all set to go. We'll reconvene here this afternoon. And we're going to focus on one chapter here now, and that's the Global Transportation Hub Authority. We have Mr. Matthew Schroeder, the president and chief executive officer of the GTH [Global Transportation Hub] here today. Thank you so much for joining us. And I believe we have Dyane Lewis as well. Thank you for that.

I'll turn it over to the Provincial Auditor at this time. She'll make her presentation. We'll then look for subsequent comments and then we'll get into the questioning.

Ms. Ferguson: — Thank you very much, Chair. This afternoon I've actually been joined by Trevor St. John at the back there. Trevor is the deputy that's responsible for the education division of which GTH falls within that division.

So chapter 33 of our 2018 report volume 2 reports that by June 2018 the Global Transportation Authority addressed two recommendations we initially made in chapter B of our 2016 special report. The committee has previously considered and agreed to these recommendations.

So chapter B of the special report related to our audit of the authority's processes to acquire land from the private sector. So by June 2018, the authority established a structured approach for conducting due diligence when deciding whether to buy land or when proceeding with significant new initiatives. It prepared business cases to support decisions concerning significant new initiatives and established processes to review and assess land appraisals when acquiring land from the private sector.

In this chapter we also draw to the committee's attention one additional matter, and that's on page 215 of the report. The authority has agreed to pay 2.86 million to the Ministry of Highways, because the Ministry of Highways relinquished its right to use certain land owned by the authority, and that land was initially . . . That right related to a source-of-borrow-material pit to build the west Regina bypass. The GTH had sold Highways that right as part of its sale to the ministry in 2014. The GTH is to repay this amount if and when it sells this land.

So that concludes my presentation.

The Chair: — Thank you for the presentation and the focus of the work. I'll turn it over to Mr. Schroeder for brief comments, and then we'll open it up for questions.

Mr. Schroeder: — Thank you, Mr. Chair, and to the committee members for inviting me here today. I also want to thank the auditor, her and her staff, for the professional manner in which they executed this follow-up review.

In talking about this follow-up review to review the land acquisition practices at the Global Transportation Hub, the two specific recommendations as noted in the chapter have been implemented, or at least the intent of the recommendations has been implemented. In the case of the second of those two recommendations, we've put in place a process that would allow us to document the review of land appraisals, but we haven't purchased any land and don't have plans to, and so haven't had

the opportunity to exercise that policy as yet.

The Global Transportation Hub has adopted a significant initiatives policy. The intent of that policy really is to govern significant initiatives, land purchases, as well as documentation and approval of land appraisals. And so business cases are to be prepared and reviewed as those initiatives arise.

In addition to the changes noted in the chapter, we did make some minor changes to that policy in the fall of 2019 really to reflect some of the changes that happened in the organization during that year. The intent of those changes wasn't to change the nature and intent of the policy, but really what it did is, previously we had reference to approval levels for vice-presidents in there. We no longer have those positions in the organization, and so that has been removed.

One last comment that I would note, related to the extra comment that Judy had made regarding the \$2.8 million that we will repay to Highways, we have an agreement in place that as that land is sold, it will be repaid. At this point in time that land has not been sold, and so that money hasn't been repaid. And that concludes my comments, Mr. Chair.

The Chair: — Thank you for the remarks. I'll open it up for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. You noted that — and thanks for being here today — you noted that no land has been purchased and in regards to item 4.0, that no land had been sold. But I'm curious whether Colliers has managed to sell any land since the 2019-2020 annual was released.

Mr. Schroeder: — During the current fiscal year, Colliers has not and the Global Transportation Hub has not sold any land during the year. What I will say is in the few intervening months from the point in time that Colliers really took over full operation of the GTH in December of 2019, we did see, you know, an uptick in the amount of discussions and what's happening in the pipeline.

I will say though that COVID-19 has had, to some degree, an impact on their ability and not necessarily hasn't stopped those discussions, but has definitely slowed them. And I would say that's consistent with what Colliers is telling us in terms of what's happening not just in the Regina region or at the GTH, but consistent with secondary markets across the country with some regional anomalies.

Ms. A. Young: — Thank you. One last question before you sit down. Are you able to comment or provide us any numbers in terms of how much has been paid to Colliers to date?

Mr. Schroeder: — I can give you some general discussion right now and then I can undertake to provide an exact number. But I believe a large part of the contract that was built with Colliers was performance based. And so you know, as land is sold, that's where the lion's share of their compensation comes, which is consistent with a lot of the work that happens in their industry.

[14:15]

But there was a fixed fee because some of the activities that

Colliers had taken over was related to the finance function for the GTH, all of the payments and accounts receivable and accounts payable. It still gets approved through myself, but they are executing on behalf of that. They've also taken over the property management activities out at the hub, and so there is some fixed costs that are associated with that. That's approximately \$200,000 a year.

Ms. A. Young: — Okay, wonderful. Yes, I know sometimes it's hard if you don't have these at your fingertips, so appreciate you reporting back to the committee on that. So thanks so much for that.

The Chair: — Yes, just on that front — and this is a habit I make of anyone's endeavouring to bring information to the committee — thanks for endeavouring to bring the amount to the committee. You can supply that through the Clerk and then that will be provided to all of us. So thank you very much.

Ms. A. Young: — Mr. Chair, I have one more question but I suspect it's likely more so for the auditor. I guess as Public Accounts continues to consider auditor chapters related to the GTH, the Economy Committee, if I'm correct, no longer considers the annual reports. At least they did not for 2018 to 2019 and 2019-2020. So I'm curious if the auditor has any observations or concerns about the level of oversight or legislative scrutiny.

Ms. Ferguson: — I think basically what you'll find is that we do do the annual integrated audit. We're actually the direct auditors of record now. And if there's significant findings in that regard we will bring them to the attention of the Assembly, you know. So what I would encourage you to do is look at the annual report on operations that is tabled by the organization. And that one is publicly available and they made their tabling deadline last year. As with other annual integrated audits, we report on an exception basis. So if there's something that will come to light there, well that'll be your mechanism.

Ms. A. Young: — Wonderful. Thank you.

The Chair: — Any other questions on this chapter? Not seeing any here. Any other questions? Thank you so much to the officials for their time here today and for endeavouring to provide the information that you have.

At this point in time we'll conclude consideration with respect to chapter 33 in the Global Transportation Hub Authority. And we will take a recess as a committee here, do a quick cleanup at the official table, and then we'll move ahead with the Saskatchewan Liquor and Gaming Authority, and Saskatchewan Indian Gaming Authority. Thanks all.

[The committee recessed for a period of time.]

[14:30]

Saskatchewan Liquor and Gaming Authority Saskatchewan Indian Gaming Authority

The Chair: — All right. We'll reconvene here this afternoon, the Standing Committee for Public Accounts. We'll turn our attention to chapters that relate to the Saskatchewan Liquor and

Gaming Authority and Saskatchewan Indian Gaming Authority. I would thank and welcome the officials that have joined us here this afternoon. I'll maybe turn it over just real briefly to Ms. Ross, president and CEO [chief executive officer], to just introduce who's with her here today, and then we'll turn it over to the auditor to make a presentation, and then back to you for response.

Ms. Ross: — Thank you very much. I'm Susan Ross, president and CEO of SLGA [Saskatchewan Liquor and Gaming Authority], and with me in the room here are Charlene Callander, vice-president of corporate services and gaming operations, and Fiona Cribb is at the back, vice-president of regulatory services. Our vice-president of liquor and wholesale distribution isn't here yet. It may be something went wrong. It may be he's just a little bit late because we're starting a bit early. His name is Greg Gettle. Hope he shows up.

We're very pleased to be here to discuss the Provincial Auditor's reports in relation to Sask Liquor and Gaming Authority and Saskatchewan Indian Gaming Authority. The reports include the 2020 report volume 2, the 2019 volume 1 and 2, and the 2018 volume 2.

SLGA accepts all of the Provincial Auditor's recommendations, and we appreciate the work done by the auditor and the excellent working relationship we have with the auditor's officials. Thank you very much. Regarding the review of SIGA [Saskatchewan Indian Gaming Authority Inc.] . . .

The Chair: — Thank you so very much for those remarks. What we'll do now is we'll have the auditor make her presentation. We're going to lump together, or the auditor will lump together, I think, four of those chapters, and then we'll flip it over for brief comment. Thank you so much for those remarks. I'll turn it over to our Provincial Auditor.

Ms. Ferguson: — Thank you, Chair, Madam Chair, members, and officials. Mr. Kelly Deis is still with me, actually, and he's also responsible for the SLGA and SIGA. So this is truly a Kelly day.

So you've got eight chapters on the agenda this afternoon. We're actually going to group it into four presentations. So really the first four chapters will be grouped together into one presentation — so the very first four on the agenda — and then the next four will be presented individually. A couple of the chapters do have new recommendations. The very first one has new recommendations, and then one of the ones that will be in our second . . .

Oops, sorry. Actually I said that a little bit wrong. So we're going to group the first four chapters together, then we're going to group the next two together, and then the following two will be on their own. So that's four presentations in total. And so the first presentation will have two new recommendations for the committee's consideration. The second presentation will have one new recommendation for the committee's consideration.

So before I turn it over to Kelly, I just want to congratulate Ms. Ross on her new role. We've worked with you lots in terms of your prior role at the Water Security Agency, and we're looking forward to working with you in your new role. And we thank you and your team for the co-operation extended to our office during

the course of this work.

So, Kelly?

Mr. Deis: — This presentation will provide you with the results of three years of annual integrated audits of SLGA and SIGA. In each of the three years, we report both SLGA and SIGA had reliable financial statements and complied with relevant authorities. My presentation will focus on the areas of concern and improvements made. As chapter 13 of our 2020 report volume 2 reports, some of these concerns continue.

Now for the year ending March 31st, 2018, chapter 16 of our 2018 report volume 2, starting on page 87, reports the Saskatchewan Liquor and Gaming Authority had reliable financial statements, effective rules and procedures to safeguard public resources other than the area reflected in the one new recommendation.

On page 90 of our 2018 report volume 2, we recommend that Saskatchewan Liquor and Gaming Authority management carry out detailed reviews of quarterly and year-end financial information to supporting documents, for example, reconciliations, journal entries, financial reports. We found SLGA did not adequately review detailed support for financial transactions leading to errors in the financial statements presented for audit. Not reviewing financial information with adequate detail or sufficient attention increases the risk of errors occurring and going undetected. In addition, not detecting and correcting errors in interim and year-end financial statements within a reasonable time may result in management making decisions based on inaccurate financial information.

As reported in chapter 13 of our 2019 report volume 2 on page 95, SLGA implemented this recommendation. Management provided appropriate support for year-end financial information and carried out detailed reviews of quarterly financial information throughout 2018-19.

Also in 2017-18, SLGA implemented two recommendations. First it made sure it reconciled its bank accounts within reasonable time frames and accurately. Doing timely reconciliations and reviews of them enables timely follow-up of differences and, if necessary, corrections. This in turn increases accuracy of financial and banking records. Second it approved and implemented a policy over assessing IT security incidents and responding to them. Clear IT security processes for responding to security incidents reduces the risk of harm to those systems.

Chapter 15 of our 2018 report volume 2, starting on page 83, reports Saskatchewan Indian Gaming Authority had effective rules and procedures to safeguard public resources other than the area reflected in the one outstanding recommendation.

At March 31, 2018 we found SIGA did not follow its established policies to annually review user access to its key IT applications, for example, its financial system and the casino management system. SIGA did not complete IT user access reviews for its key IT applications in 2017-18 and 2018-19. And that's chapter 13 of our 2019 report volume 2. As reported in chapter 13 of our 2020 report volume 2 on page 86, by March of 2020 SIGA had implemented this recommendation.

Moving on to the results of our annual integrated audits for the year ended March 31st, 2019. Chapter 13 of our 2019 report volume 2, starting on page 89, reports both Saskatchewan Liquor and Gaming Authority and the Saskatchewan Indian Gaming Authority had effective rules and procedures to safeguard public resources other than the areas reflected in the three recommendations.

This chapter includes two new recommendations. On page 94 of our 2019 report volume 2, we recommend that the Saskatchewan Liquor and Gaming Authority establish a written agreement with the Saskatchewan Indian Gaming Authority indicating when it will receive the audit report on controls for the SIGA casino management system. While SIGA informally agreed to provide SLGA with an annual audit report on controls for the SIGA casino management system, it did not give the 2019 audit report to SLGA within a reasonable time frame. Timely receipt is essential to enable SLGA to monitor SIGA's controls. Without timely receipt, SLGA may be unaware of control deficiencies that could impact the completeness of SIGA's reporting gaming revenues and expenses. Without clear, written deadlines, SLGA may not receive required information to enable timely monitoring of controls for the SIGA casino management system and its data.

As chapter 13 of our 2020 report volume 2 reports, SLGA partially implemented this recommendation in 2019-20. SLGA signed an agreement with SIGA about when it expects to receive an audit report; however, SLGA received the 2020 audit report later than the agreed upon date. Without enforcing the written deadline, SLGA does not have key information to enable timely and sufficient monitoring of controls for the SIGA casino management system and its data.

On page 94 of our 2019 report volume 2, we recommend that the Saskatchewan Indian Gaming Authority monitor activities of its service provider that manages its casino management system. SIGA relies on its casino management system to operate. At March 31st, 2019, SIGA did not have any processes in place to monitor its service provider's activities to ensure access is authorized and appropriate, as well as to identify any changes made and not reported to SIGA.

As chapter 13 of our 2020 report volume 2 reports, as of March 2020, SIGA had not implemented this recommendation. Without monitoring activities of its service provider, SIGA does not know whether access to its casino management system by the service provider is appropriate and whether any unauthorized changes to its system occur. This increases the risk of unauthorized access to and inappropriate modifications of systems and data that could impact the completeness of reported gaming revenues and expenses. This concludes our presentation, and I'll pause here.

The Chair: — Well thank you very much for those presentations. I'll turn it over to Ms. Ross for response, then we'll open it up for questions.

Ms. Ross: — Thank you. With regard to the two outstanding recommendations relating to SIGA, the first relates to SLGA establishing a written agreement with SIGA indicating when it will receive the audit report for controls on the casino management system. SLGA agrees with the recommendation, and we did enter into a written agreement with SIGA in July

2019, but the terms weren't met in 2020.

We've now put measures in place to ensure that the audit report is received within 40 days following March 31st in accordance with that agreement. And I'm happy to say that SIGA has engaged an auditor to ensure the work is completed within the required timelines, and in fact the audit kicks off tomorrow, so it should meet its deadline.

The second outstanding recommendation, that SIGA monitor activities of its service provider that manages its casino management system, SLGA and SIGA agree with the recommendation and continue to work with Scientific Games and Deloitte to develop processes to monitor the activities of the service provider. Measures are in place to ensure that a change request is signed off by all parties and that all system access is now tracked by user ID [identification]. However work continues to determine necessary additional controls. And that concludes my remarks, and we'd be happy to answer your questions.

The Chair: — Thank you very much. I'll open it up to committee members for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair, and thank you, Ms. Ross, for being here today. I apologized to the last delegation; I'll apologize to you. I wrote all my questions down by chapter. I didn't group them together as we seem to be doing. So if they seem a little scattershot, I'll do better next PAC meeting.

I guess I have a couple broad, high-level questions in regards to some of the key financial results cited in the chapters, and then a few specific questions in regards to some of the more material matters with SIGA and SLGA.

Just looking at the key financial reports, I'm thinking there are a number, I believe . . . Under cannabis and other gaming, there's a loss showing, and I'm just curious what impact if any the pandemic and related closures will have on these revenues.

[14:45]

Ms. Ross: — Well clearly on gaming, the casinos have been closed for a good portion of 2020-2021, and so it will have an impact, there's no doubt about it. On the cannabis, I actually can't answer that question, and I wonder if Ms. Cribb can . . . [inaudible interjection] . . . Thank you, yes. New president. We don't have revenues for cannabis. We are the regulator only and so we don't deal with the revenue for them.

Ms. A. Young: — So that's just an accounting nuance where it shows the 1.8. I'm new to this committee so . . .

Ms. Ross: — What page are you on?

Ms. A. Young: — I'm on page 91 of chapter 13, and it showed 1.8 million in revenues for cannabis — 2019 volume 2 chapter 13, on page 91, figure 1.

Ms. Cribb: — So when cannabis first was legalized in the province, the method that we came up with to allocate the permits was RFP [request for proposal] process, and there was a lottery involved in order to participate. It was \$1000 for each community that you entered. And so we had 1,800 entries at \$1000 each, and

that's not a repeatable thing. We're not using that process anymore.

Ms. A. Young: — Perfect. So that's then the discrepancy in the next year going forward. Okay, fabulous. Thank you.

The Chair: — Just a reminder to our officials. Thank you so very much for that direct answer. Just if you're coming to the microphone to just identify who you are for *Hansard* for record keeping.

Ms. A. Young: — And then I guess I'm curious, more broadly speaking, under other key financial results where other gaming is listed. It shows, kind of consistently, it shows losses. And I understand other gaming can be everything from like bingos to lotteries and things like that. But I guess, is it consistent that this continually shows a loss?

Ms. Cribb: — Fiona Cribb. So I will attempt to answer that although I'm not the financial person. All our admin costs and our . . . So our HR and IT and all that, they all go into that line as well as our permit fees that we collect for licensing of the bingos that you referred to. We don't take any revenue from those; it's just permit fees. Same for the liquor and the cannabis. So it is negative, just because of the way it's structured.

Ms. A. Young: — Thank you. I appreciate it. This is my first meeting on this, so I'm trying to wrap my head around all of this as well. So I really appreciate it.

Moving on to slot machines. I note that revenue from slot machines belongs to SLGA and that there are agreements in place between SIGA and SLGA to set the calculation of that revenue. Do you know what the value of these revenues was in the last fiscal year? I might have missed it.

Ms. Ferguson: — People that are following along, it's in chapter 13 of our 2020 report volume 2, page 83, figure 2.

Ms. A. Young: — So I guess my next questions then were in regards to SIGA and some of the . . . I know it was touched on in the introductory remarks in regards to the recommendation that the Saskatchewan Indian Gaming Authority perform regular reviews of its computer application user accounts. And I guess I just note that it jumped out at me that this recommendation did first occur in 2011. And it noted in this 2018 report that said it plans to complete user access reviews for its financial system and casino management system in 2018-2019. I'm just wondering if you could offer some comment on how this has taken place and if you have any sense of what the challenges were in implementing this, since 2011 to 2021 is a . . .

Ms. Ross: — You'll have to forgive us. We're at a bit of a loss. I'm three months here and my vice president of corporate services is one year here, so these things happened before our time. I read all of the reports and I saw that some of it occurred in stages but that it did seem to take a long time.

There seemed to be a number of things going on over a period of quite rapid transition in the organization, and there we found some of the financial confusion in the reporting. But it seems to have been resolved now. And I have quite a bit of confidence that processes have improved quite dramatically and our relationship

with SIGA is also becoming more formal.

Ms. A. Young: — Wonderful, and my sense is from our noble Chair that if there is ever any information that I ask for and you folks don't have, we will happily receive it at a later date.

Ms. Ross: — Yes, absolutely. If we can provide you with further information to address this, we will. Absolutely.

Ms. A. Young: — Thank you. Okay. Moving on, at least hopefully, in my slightly disorganized questions to SLGA and the policies and procedures for responding to IT security incidents. I'm looking at the 2018 report volume 2, chapter 16 on pages 90 and 91, and I have one question in regards to the slot machine revenue on page 90. It's noted that there's an overstatement, and I'm just wondering if you can offer any comment on that overstatement.

Ms. Callander: — I'm Charlene Callander. Yes, with regards to that overstatement, I think the 790 million, if that's what you're referring to . . . Yes, so again I wasn't here when this occurred, but it's our understanding that Sask Finance had asked for some projections, 10-year projections, and we received five years' worth of projections from SIGA. And so we estimated the last five years. And because we didn't have confirmation from SIGA, that wasn't accepted. So now I believe we just provide the five years that SIGA does provide for us.

Ms. A. Young: — Wonderful. Thank you. And then my questions on the subsequent page for 5.3, I'm just wondering, it notes a service provider monitoring security incidents. I'm wondering who that service provider is, if you know that off the top of your head, and whether or not there have been any major security incidents since.

Ms. Callander: — I'm not sure who that exact service provider is. I do know that since this report was generated, we've implemented an entire security program. And we do have an organization that comes in and does an external review of our security. And just in November, we got the results of that review back and we got an excellent, so we were pretty happy with that.

Ms. A. Young: — Wonderful to hear. Thank you. My last questions are on chapter 42 of the 2018 report. Oh sorry, I jumped ahead.

The Chair: — Yes, I think that's the next bundle of chapters, but happy to have any other questions for these chapters. Any other questions for the four chapters that we have before us?

We have two new recommendations in that chapter 13, the 2019 report, and we have one new recommendation in chapter 16. I note in the chapter 13 of the 2019 volume 2 report that there's progress on both, that they have been partially implemented. So I would welcome a motion, something to the effect that we concur with the recommendation and note progress. Would someone care to place . . . I see Mr. Nerlien has moved. All in favour? That's carried.

We will conclude consideration of the 2020 volume 2, chapter 13. And we'll conclude consideration of the SIGA 2018 report volume 2, chapter 15.

And we have a new recommendation in chapter 16 of the 2018 report, and I know it's been noted that the implementation has occurred there, so I would welcome a motion that concurs and notes compliance. Moved by Mr. Friesen. All agreed? That's carried.

All right. We will now move along to . . . I'll pass it over to Mr. Deis of the auditor's office to focus on . . . I think we're bundling two chapters together now, is that correct? All right. Take it away.

Mr. Deis: — So chapters 42 of our 2018 report volume 2, starting on page 283, and 39 of our 2020 report volume 2, also starting on page 283. Each report on the status of the recommendations originally made in our 2015 report volume 2 audit of SLGA's project management processes for its projects with significant IT components. By August 2018 SLGA had implemented one of our five recommendations and by July 2020 it implemented the remaining four recommendations.

Key improvements included the following: SLGA required staff to submit monthly project status reports using a project status report template. We found staff did so. We found staff were appropriately using SLGA's updated and more robust guidance and new templates for determining required skills for projects and the quality control requirements for projects with significant IT components. SLGA updated its project status reporting templates to include the project objective, anticipated outcome, baseline measurement, how often the objective is measured, whether it's on track, and when it is to be achieved.

SLGA actively monitored the achievement objectives of projects with significant IT components at its steering committee meetings and board meetings. It also documented the receipt and approval of monthly project status reports from project managements within its steering committee meeting minutes, consistent with its revised requirements. Effective processes for actively monitoring or reporting on the achievement of objectives increases the likelihood of identifying and addressing issues earlier. It also increases the likelihood of achieving the intended results which includes completing projects on time and on budget. This concludes our presentation and we'll pause here.

The Chair: — Thank you for the presentation. I'll turn it over to Ms. Ross for a brief response and then we'll open it up for questions.

[15:00]

Ms. Ross: — I would just say I don't have much to add to Mr. Deis's comments. The status update on the four recommendations originally reported in 2015 have been implemented, and we would address your questions.

The Chair: — Thank you very much. I'll open it up for questions at this time. Ms. Young, Regina University.

Ms. A. Young: — Thank you. Thank you, Ms. Ross. I just have one. For chapter 42 it notes that as of August 31st, 2018, the authority had four projects in process with a total budget of 5.5 million. And recognizing you're new to the role, but I'm wondering if you can provide any context or update on how that has further . . .

Ms. Ross: — The projects themselves?

Ms. A. Young: — Well are they complete?

Ms. Ross: — Sure. We'll have to provide you that information.

Ms. A. Young: — Wonderful.

Ms. Ross: — Apologies for that.

Ms. A. Young: — No. No problem. I have no further questions.

The Chair: — No further questions from Ms. Young. Any other questions from committee members? What I just would want to identify is thanks so much to all the work that's gone into these recommendations. I note that these outstanding recommendations have all been implemented, and I know that takes a lot of work within an organization. So thanks for the status update. It allows us to really focus our work as well.

What we'll do at this time, I guess we'll conclude consideration of chapter 42 of the 2018 volume 2 report, as well chapter 39 of the 2020 volume 2 report, and we will take just a two-minute recess to change out some of the staff here in the Legislative Assembly. And then we'll proceed with that final grouping of two chapters.

[The committee recessed for a period of time.]

The Chair: — All right, we'll reconvene the Standing Committee on Public Accounts at this time, and we will move along to the 2019 report volume 1, chapter 36, on-table sale of liquor. And I'll kick it over to the Provincial Auditor's office. Mr. Deis.

Mr. Deis: — Chapter 36 in our 2019 report volume 1, starting on page 329, reports the status of the six recommendations first made in our 2017 audit of the Saskatchewan Liquor and Gaming Authority's processes to regulate the on-table sale of liquor to the public for consumption at permitted establishments. By February 2019 SLGA implemented three of the six recommendations. It updated its risk-based inspection plan, formalized timelines for completing inspections and investigations, consistently documented sanction decisions, and notified retail liquor stores about suspended special licences as required by legislation.

However, further work remains. SLGA needs to complete planned inspections within established time frames. In addition it needs to monitor and report key trends of permittee non-compliance with requirements to help ensure it is focusing its inspection efforts in the right areas. This concludes our presentation, and we'll pause here.

The Chair: — Thank you very much for the presentation. I'll turn it over to Ms. Ross to respond to the chapter 36 focus, regulating commercial permittees' on-table sale of liquor.

Ms. Ross: — Thank you. I'll speak to the three outstanding recommendations from this report. The first speaks to SLGA monitoring that its staff complete, at the time planned, inspections of permitted establishments that sell liquor for on-premise consumption, and to obtain the reasons for delayed inspections. SLGA agreed with the findings regarding the partial

implementation of this recommendation. We now monitor when planned inspections of permitted establishments are completed, and we monitor the reasons and obtain them for situations when the inspection has been delayed. SLGA is going to implement an enhanced risk matrix by April 1st, 2021, and that'll allow for improved planning and better monitoring in this area.

The second recommendation, that SLGA formalize expected time frames for completing liquor inspections and investigations and communicating sanctions to permittees who sell liquor for consumption at permitted establishments, we agree with the findings. We now have formalized processes and procedures for service delivery expectations regarding time frames associated with the inspections, investigations, and sanction process. Staff are aware of these expected time frames. And I'm pleased to report that a new manual with formalized procedures will be rolled out to staff by February 28th, 2021, which is earlier than the expected March 31st date that was reported in the status update.

The auditor's recommendation that SLGA analyze and report on key trends of non-compliance with requirements for selling liquor for consumption in a permitted establishment, our response to it is ongoing. We agree with the findings and we will gather data to implement a process for analysis of trends. The updated risk model being implemented in April this year will be relevant for this work. Allowing for a period to generate data under the new models, SLGA plans to begin trends analysis in '21-22. Once sufficient data has been collected, trends will be identified and reviewed to determine if further operational changes are required. And I'm open to questions.

The Chair: — That's good, and of course these recommendations have been before this committee before. Thank you for the updates. Two of them are going to be implemented right away based on those actions, so thank you for that. I'm not sure if there's any questions from committee members at this point with respect to these outstanding recommendations. Ms. Young.

Ms. A. Young: — Thank you, Mr. Chair. I just have two kind of high-level questions. It speaks about the use of risk in determining inspection priorities. And I'm just curious, genuinely curious, can you explain to the committee kind of what those risks might look like?

Ms. Ross: — It has to do with location. It has to do with history of behaviour. I think Fiona could probably tell you completely. Oh, whether there's entertainment. It's just, really, what's the premises? What's its history? How is it behaving? And then we use this formula — or not formula, but set of criteria — to determine whether it's a high risk, medium risk, or lower risk. And then we establish inspections in accordance with the high, medium and low finding.

Ms. A. Young: — Okay. Wonderful. Thank you. My second question is — which I guess is maybe a two-part question — just to make sure I understand. On-table sales would be basically liquor being sold in a permitted establishment that is being consumed there?

Ms. Ross: — That's correct.

Ms. A. Young: — Recognizing this is a bit speculative, but I'm wondering if you could comment or if you have any reflections to date on what impact COVID has had on compliance or non-compliance in regards to this. I know there's been a great deal of change for licensed restaurants and pubs and breweries, and I'm wondering if you've seen any challenges to, or perhaps more compliance, as a result of the pandemic.

Ms. Ross: — I cannot even speculate on that. But we can have a discussion on it, and if we can speculate on it, we could.

Ms. A. Young: — No. Thank you so much. No further questions.

The Chair: — Thank you. Good questions. These have all been voted on already, so we've concurred with these recommendations and we look forward to seeing them come through into compliance. We will close considerations or conclude considerations at this point for chapter 36, the 2019 volume 1 report. And I guess the last chapter for us to consider in this area of focus is chapter 42, safety of liquor, in the 2019 report volume 2. I'll turn it over to Mr. Deis.

Mr. Deis: — Chapter 42 in our 2019 report volume 2, starting on page 313, reports the Saskatchewan Liquor and Gaming Authority implemented the final recommendation outstanding from our 2012 audit of its processes to procure liquor. In 2018 SLGA developed its beverage alcohol quality assurance policy. By following this policy and related processes, SLGA obtains formal assurance from alcohol suppliers on the safety of alcohol and the percentage of alcohol content. By September 2019 SLGA obtained formal assurance reports for almost 90 per cent of the products it regularly distributes from its warehouse. Taking formal steps to confirm alcohol safety decreases the risk to the health and safety of consumers. This concludes our presentation.

The Chair: — Thanks for the presentation. I'll turn it over to Ms. Ross if she cares to offer brief remarks, and then we'll see if there's any questions.

Ms. Ross: — Thank you. I have nothing to add. The recommendation has been implemented and we're quite proud of it.

The Chair: — Right to the point, that's a great presentation. Thank you very much. Any questions from committee members? Not seeing any, we will thank you very much for that. We'll conclude considerations with respect to chapter 42.

And at this point we just would like to thank the officials that have joined us here today and, importantly, all those others that are connecting to this work here today. We know these recommendations are a significant undertaking. So thank you for all those that are involved in that work.

At this time we'll take a brief recess to sort of clean the space where the officials are at. We've got Agriculture up next. Thank you very much.

[The committee recessed for a period of time.]

Agriculture

The Chair: — All right. We'll reconvene the Standing

Committee on Public Accounts with our final consideration of the day, so chapters focusing on Agriculture and then the Crop Insurance Corporation. We will turn our attention right now to chapter 19. I guess before that I would just welcome Deputy Minister Burton and officials that are with him here today. Maybe what I'll do is I'll wait for the auditor's brief presentation and when you respond to that, if you just want to introduce the officials that are here with you here today as well.

So I will turn it over to the Provincial Auditor at this point to focus on . . . I think we're dealing with chapter 27 first — is that correct? — of the 2019 report. And it looks like Mr. Deis is on deck and ready to lead the way.

Ms. Ferguson: — Absolutely. So you're quite correct. Mr. Deis is with me again for this set of chapters. We've got four chapters on the agenda and we're going to present them in the order that they are reflected on the agenda. The first two chapters are follow-ups. They don't contain any new recommendations and the committee has already considered these recommendations at a prior hearing. The last two chapters are performance audits, so each of them contains new recommendations for the committee's considerations.

So before I turn it over to Kelly to present, I just want to extend my thank you to the deputy minister and his team for the co-operation extended to our office during the course of this work.

Mr. Deis: — The Ministry of Agriculture is responsible for preventing and controlling the spread of diseases among farmed animals in Saskatchewan. This includes responsibility for developing regulations to prevent and control any disease and to inspect, test, vaccinate, and quarantine animals.

Chapter 27 of our 2019 report volume 2, starting on page 243, reports by July 2019, the ministry implemented all four recommendations originally made in our 2017 audit of its processes to minimize the risk of the occurrence and spread of the diseases in farmed animals in Saskatchewan.

By July 2019 the ministry improved documentation it was keeping, keeping complete records including the history, outcomes, and actions taken for each of the diseases listed on the notifiable disease list. For example, it maintained sufficient documented support of decisions about which livestock diseases to include on its notifiable disease list and why or why not it required a response plan or active surveillance. Determining which diseases to assess and which to develop response plans for is crucial to mitigating the occurrence and spread of livestock diseases. One incident of a particular disease can have significant economic consequences to the livestock industry.

This concludes my presentation and I'll pause here.

The Chair: — Thanks for the presentation and the focus on this important area of work. I'd invite Deputy Minister Burton to briefly respond, and then we'll open it up to questions.

Mr. Burton: — Thank you, Mr. Deis, and thank you, committee. My officials with me here today are Grant Zalinko, the executive director of our livestock branch, and Faye Dokken, director within our crops and irrigation branch.

As Mr. Deis said, we've implemented the four recommendations from the report, and so just open it up for any questions you might have.

The Chair: — Thanks so much, and of course, these recommendations have been considered and discussed at this table. And thank you for the accounting of the . . . and the work towards implementation which has occurred. Any questions from committee members at this time? Ms. Young, Regina University.

Ms. A. Young: — Thank you. Thank you, Mr. Chair, and thank you, Deputy Minister. I know these have been considered before. So this is my first Public Accounts meeting, so these are slightly more self-indulgent questions, so I hope you don't mind just a couple of things that I was curious about in the report. It's noted that — where am I? — on page 246 of chapter 27, that as of July 2019 the ministry was continuing to work on developing a response plan for chronic wasting disease.

[15:30]

And as I noted, I'm new to this, but my sense — which I'm not even sure is correct, so now I'm hesitating — was that this was kind of increasing in prevalence, or at least in concern here in Saskatchewan. And I guess I'm just curious with this being a recently added disease, and this work continuing in July 2019, is there any update on the status of where this is at?

Mr. Burton: — Yes, I'll just let Grant Zalinko respond to that.

Mr. Zalinko: — Good afternoon. Grant Zalinko, executive director of the livestock branch. To your question, chronic wasting disease was added to our response program. It is a federally reportable disease. Because the CFIA, the Canadian Food Inspection Agency, had made changes to their response in terms of responding to a positive farm with chronic wasting disease, it became apparent to us that we needed to document and identify why and when we respond directly to chronic wasting disease on our game farms. So that's been done, fully documented, and a very good example, as identified by the auditor, supporting the rationale for moving forward with adding it to that list.

Ms. A. Young: — Thank you. My last question, which is just more information for myself, is . . . I'm less familiar with the Ministry of Agriculture than I am with some others. But it notes also in this chapter that the ministry spends about \$1 million on surveillance activities and the majority of the funding comes through the Canadian Agricultural Partnership. And in the notes it says this is a five-year agreement with the federal government. And I was just curious when this was set to expire or if this is something that kind of typically just rolls forward, and if you could just enlighten me as to the nature of this funding agreement.

Mr. Burton: — Yes, the Canadian Agricultural Partnership, it has strategic initiatives and one of them is disease surveillance, and that's where we're spending the 1 million. It expires on March 31st, 2023. And so we're currently in the process of starting the negotiations for the next agreement to replace the existing agreement.

Ms. A. Young: — Wonderful. And they're going well?

Mr. Burton: — Just getting started.

Ms. A. Young: — Awesome. Thank you so much. No further questions, Mr. Chair.

The Chair: — Great. Thank you for the questions. Any other questions? Mr. Nerlien, you look like you're ready to.

Mr. Nerlien: — Later.

The Chair: — All right. Well thank you for the work towards the implementation, all the efforts on these fronts. These are so critical, of course, when one case is so devastating by way of consequences. So thanks for all the leadership and all the work on this front. I'll turn it over to the Provincial Auditor's office. We'll turn our attention to chapter 28.

Mr. Deis: — The Ministry of Agriculture is responsible for administering the intensive livestock provisions under *The Agricultural Operations Act* and related regulations to ensure intensive livestock operators store and manage livestock waste in a manner that protects water resources. A critical action in protecting water resources is identifying the risks such as contaminated sources, transport paths, and water sources receptors resulting from the development and operation of an intensive livestock operation.

Chapter 28 of our 2019 report volume 2, starting on page 249, reports by September 2019 the ministry fully implemented the recommendation originally made in our 2013 audit of its processes to regulate waste generated from livestock operations. The ministry verified the compliance of all intensive livestock operations with approved permits. The ministry considers operations with significant controls to protect water resources to be compliant with the ministry-approved permits. Adequate waste storage is key to protecting groundwater and surface water from potential contamination.

This concludes our presentation and I'll pause here.

The Chair: — Thank you for the presentation on chapter 28. Just to make sure it's on the record, of course, we've concluded considerations of chapter 27. And I'll turn it over to the deputy minister for brief remarks and we'll take questions from there.

Mr. Burton: — Again my remarks will be very brief because we've implemented the recommendations, and so just whatever questions.

The Chair: — Questions from members? Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. And thank you, Mr. Deputy Minister. Much the same as with the last chapter, I just have a couple brief, two questions just in regards to just seeking to understand and grow my knowledge of this subject matter.

I note that the report contains the note that the ministry has about 94 per cent of operating intensive livestock operations in compliance with approved permits as of June 2019, and I'm curious if there's been any change in this metric since that time or if this is an area — and forgive my ignorance — where we actually want and expect 100 per cent compliance or if, you

know, 94 per cent is pretty good?

Mr. Burton: — So that 94 is in relation to the pre-1996 applications. And we'd gone through them all and of the ones that were still operating — there's 280 that were still operating — as of our last update, 167 are now in full compliance, leaving 13 that we continue to work with. Of those 13, 8 of them have a plan. It's just a little bit of time to put that in. The other five we continue to work on what the appropriate plan will be. We expect that to move forward shortly. But yes, we do want to get to 100 per cent compliance.

Ms. A. Young: — Wonderful. Thank you so much, and I appreciate all the hard work that goes into this, and also how important this work is for the province. So I guess my last question, kind of circling back to the high goal of all of this in protecting ground and surface water from contamination. I'm curious, how frequently does this happen? Do we constitute things as small scale or large scale, or is there a reporting threshold for these type of incidents?

Mr. Zalinko: — One of the recommendations from the auditor was to establish a risk-based system by which we could assess that. So scale of a livestock operation goes into that metric, the nature of the manure that is being stored — so liquid manure is a higher risk than solid manure — and then distance to water course or receptor, be it groundwater or surface water, also goes into that. We do now follow up with every operation every five years. The operations that are deemed to be higher risk or larger scale are visited on site every five years. Those that are smaller are followed up with phone audits in the smallest of instances, or we use aerial imagery to look at the specific operations. So based on the recommendation we now go in and audit all of the operations on a five-year minimum cycle.

Ms. A. Young: — Wonderful. Thank you so much. So then hypothetically any contamination is . . . Does the ministry find out about that through, like, self-disclosure from the operators? Or I imagine there's a number of ways.

Mr. Zalinko: — So the operations that would be deemed to be of highest risk that have groundwater monitoring as a condition of their approval, the ministry is provided those reports from their consulting engineer on an annual basis. So it's our job then to look at trend-line analysis and see what is happening in terms of that.

Ms. A. Young: — Thank you so much.

Mr. Zalinko: — Thank you.

The Chair: — Any other questions with respect to this chapter? This might surprise some. I think often it's purported that folks here in the Assembly, that we either have a penchant for a certain type of livestock waste, we often hear, or a certain expertise. So I didn't know that this chapter would be focused, would be a little bit protracted in the questions. But thank you for the very important work on this front.

As well, I will move along to the chapter with the new recommendations here, and that would be the 2020 report volume 2, chapter 19. And I'll turn it over to the auditor's office.

Mr. Deis: — Chapter 19 of our 2020 report volume 2, starting on page 109, reports the results of our audit of the Ministry of Agriculture's processes to mitigate the impact of regulated pests in crops and pastures. The ministry is responsible for mitigating the impact of regulated pests in crops and pastures.

A regulated pest is an animal, insect, or disease that the Ministry of Agriculture declares as a pest. As of July 2020, the ministry had declared six regulated pests, and they are the brown or Norway rat, Richardson's ground squirrel, grasshoppers, clubroot, late blight, and bacterial ring rot.

Saskatchewan accounts for almost half of Canada's total field crop acreage. Saskatchewan producers typically seed almost all of Saskatchewan's crop land into field crops, with the majority of acreage seeded with canola and spring wheat. Canola was Saskatchewan's leading field crop in 2020. The occurrence of regulated pests — and you can see on figure 2 on page 111 of the report — increases the risk of lower quality and crop production, which results in lost revenues to producers and others reliant on the agriculture sector.

Risks can be decreased by actively monitoring crops to mitigate the impact of regulated pests. When a crop is not adequately monitored or control measures are applied too late to be effective, losses may occur. Overall we found that the ministry's processes were effective to mitigate the impact of regulated pests in crops and pastures, other than the areas reflected in our five recommendations. My presentation will focus on those areas.

On page 120 we recommend the Ministry of Agriculture revisit how it will conduct surveillance to determine populations of Richardson's ground squirrel. For Richardson's ground squirrel, commonly referred to as a gopher, the ministry is not involved in planning for or conducting surveillance activities. Rather, the ministry's involvement focuses on population control measures, primarily the use of strychnine through the Richardson's ground squirrel stewardship program. And that is with the participation of over 200 rural municipalities.

The ministry uses information on the volume of strychnine sales as a way to estimate gopher populations. We found the ministry does not actively use data about gopher density to identify areas with high numbers of gopher infestations. Good practice suggests estimating populations based on thresholds — one gopher per four meters. Health Canada has announced that it plans to deregister strychnine effective March 2023, and it will not be available to purchase after March 2022. By July 2020 the ministry had no plan to obtain data about the number of gophers once strychnine is deregistered. Not having a surveillance plan increases the risk the ministry will not have good information to estimate gopher populations.

On page 121 we recommend the Ministry of Agriculture proactively provide producers with written guidance about detecting and reporting the presence of late blight and bacterial ring rot. The ministry does not sufficiently plan or conduct surveillance activities for two regulated pests — late blight and bacterial ring rot. This does not align with its decision to declare these as pests. Even though Saskatchewan has not had confirmed instances of late blight detected since 2010 and of bacterial ring rot since 2012, one incident of either late blight or bacterial ring rot can wipe out an entire crop, leading to extreme economic loss

for the producer.

For late blight, the ministry pays for the costs of testing samples and maintains adequate protocols on lab testing of samples. For bacterial ring rot, the ministry expects table potato producers to self-monitor for late blight and submit soil samples to the lab for testing. It is only responsible for table potato producers given the federal government's responsibilities for regulating the seed potato producers.

We found that the ministry does not plan for and is not involved in any surveillance activities. It does not proactively equip producers with clear guidance on how best to detect the presence of these regulated pests or provide them with clear direction on where and how to report potential infestations.

[15:45]

The ministry needs to do more to assess that producers actively look for the presence of late blight and bacterial ring rot. Proactively equipping producers with clear guidance on detecting and direction on reporting potential infestations would help the ministry determine whether the sufficient surveillance occurs. It would also help keep the risk of occurrence of these regulated paths low.

Early detection is key to controlling spread and mitigating pest impact on crops and pastures. On page 122 we recommend the Ministry of Agriculture make sure laboratory results confirming clubroot presence are communicated to producers promptly. The ministry does not always communicate results of confirmed clubroot testing to producers promptly. While the ministry directly receives all results of lab tests of soil samples for clubroot, it has not set the expectation on timing for each step of the communication process. The ministry shares test results with SARM [Saskatchewan Association of Rural Municipalities] plant health officers and expects the plant health officers to advise the producer of the test results.

For each of three of seven clubroot soil sample test results we tested, the ministry took 13 days to inform SARM's plant health officers of positive clubroot results. It called them. The ministry did not keep documentation about the timing of these calls or confirm when or whether the plant health officers informed the producers. Timely dissemination of lab results enables producers to implement appropriate measures promptly to control the disease and reduce its impact on crops and pastures.

On page 123 we recommend the Ministry of Agriculture, working with its key stakeholders, provide producers with written guidance on developing response plans for grasshoppers, late blight, bacterial ring rot, and brown or Norway rat. As the ministry notes, producers remain responsible by law for responding to detected regulated pests. Where they do not respond properly, *The Pest Control Act* gives municipalities the right to take action. Furthermore, the minister can also under the Act order actions such as the destruction of crops. By July 2020 the ministry has not issued any such orders.

We noted guidance for preparing response plans is not readily available for four of the six pests — grasshoppers, late blight, bacterial ring rot, and brown or Norway rat — whereas sufficient guidance exists for clubroot and Richardson's ground squirrel.

For these four pests we did not see evidence that the ministry works with its key stakeholders to have them provide producers with guidance on responding to potential infestations or detection of pests.

Response planning provides a structured and prompt response for producers to minimize the risk of pest spread. Early pest detection and planning response for both current and newly identified pests allows producers to minimize the risk of crop losses from pest infestations and unnecessary pest management which may lead to increases in production costs.

On page 125 we recommend the Ministry of Agriculture periodically report to senior management on the sufficiency of mitigation of regulated pests including Richardson's ground squirrel, late blight, bacterial ring rot, and brown or Norway rat. Senior management does not receive the results of pest mitigation strategies for four of the six regulated pests, and that's again, the Richardson's ground squirrel, late blight, bacterial ring rot, and the brown or Norway rat.

For clubroot and grasshoppers, senior management receives the annual maps the ministry prepares using annual survey results which contain sufficient information on pest detection. For an example of these maps, you can see them on pages 126 and 27 of the report.

The ministry's agreement with SARM expects SARM to give the ministry each year a report about the rat control program. The report is to include actual and forecasted costs of program delivery, performance indicators, targets, and actual outcomes. Our assessment of the 2019-20 rat control program report against the agreement's requirements found the report did not contain all of the information expected. It did not include trends of the rat infestation counts or targets for provincial rat infestation rates.

Absence of formal regular and robust reporting to senior management on regulated pests, both current and newly identified, increases the risk of ineffective decision making about sufficiency of resources provided and success of mitigation activities. Information from regular reporting can help the ministry assess whether appropriate measures are taken to control confirmed instances of regulated pests and prevent or minimize the risk of future incidences.

I'll pause the presentation here for your consideration.

The Chair: — Thank you very much for the presentation. This is a relatively new report as well and these recommendations are new. So thank you very much to the deputy minister for providing some remarks, and then we'll open it up for questions.

Mr. Burton: — Good. Thank you. And as you said, it's a relatively new report so I'll go into a little more depth. First I'd like to thank the Provincial Auditor's office for identifying some things, what we can do better. I do appreciate that. Overall the acknowledgement is that the ministry does a pretty good job, a very good job of mitigating the impact of regulated pests in crops and pastures, and so I appreciate that acknowledgement. But there are five recommendations that we can continue to improve on, and I'd like to go into each one of those about some of the actions that we plan to undertake.

So with regard to recommendation no. 1 where the Provincial Auditor said, "We recommend that the Ministry of Agriculture revisit how it will conduct surveillance to determine populations of Richardson's ground squirrel." In anticipation of the deregistration of strychnine for 2023, I think this is a very timely recommendation. The ministry will be looking at the options to evaluate the Richardson's ground squirrel populations in Saskatchewan, so we'll certainly follow up on that recommendation shortly.

Recommendation no. 2. The Provincial Auditor said that, "We recommend that the Ministry of Agriculture proactively provide producers with written guidance about detecting and reporting of the presence of late blight and bacterial ring rot." The ministry is developing and implementing a communications plan for bacterial ring rot and late blight that documents both the ministry and the industry extension tools that will be needed. The plan for these potato diseases will include disease detection, reporting, management practices, and a response plan. So that's our plan for following up on that action.

With recommendation no. 3 where the Provincial Auditor said, "We recommend the Ministry of Agriculture make sure laboratory results confirming clubroot presence are communicated to producers promptly," we agree with that recommendation. We will be setting service standards for the 2021 and 2022 season to ensure that producers are notified if their field tests positive for clubroot. These service standards will facilitate timely mitigation of the impact of clubroot on canola production and other susceptible crops. So again, thank the Provincial Auditor for that recommendation.

In regards to recommendation no. 4 where it says that they recommend that the Ministry of Agriculture, working with its key stakeholders, provide producers with written guidance on developing response plans for grasshoppers, late blight, bacterial ring rot, and brown or Norway rat, a science-based approach to extension and response planning will be developed with key stakeholders to address regulated and emerging pests. This approach will include the various communication methods to provide guidance to producers in controlling these pests.

In response to recommendation no. 5 — which was the Provincial Auditor recommends that the Ministry of Agriculture periodically report to senior management on the sufficiency of mitigation of regulated pests, including Richardson's ground squirrel, late blight, bacterial ring rot, and the Norway and brown rat — the ministry agrees that senior management should be updated so that they can guide staff and ensure the necessary resources are available and effective decisions are made. Ministry staff will provide reports to senior management on a regulated pest within *The Pest Control Act* on a regular basis going forward. And that's . . . just open it up for comments.

The Chair: — Perfect. Thank you very much for the attention to these important recommendations, a bit of update on some of the actions that are under way. I'll open it up for questions at this time. Ms. Young.

Ms. A. Young: — Thank you, Chairman Wotherspoon. Forgive me. I missed a small portion of your presentation as I stepped out, so if I ask a question you answered in your remarks, I offer my apologies.

I guess my first question is just if you could expand a little bit further on the . . . I believe the term is the deregulation of strychnine, federally. And you mentioned in your response, I believe, that it was a timely opportunity to review the population. I'm just curious if you could expand on that a little bit more in terms of what that means.

Mr. Burton: — Sure. I'm going to let Faye Dokken . . . But just why it's so timely is the . . . Strychnine has been a great control method tool for producers. And so yes, we haven't maybe done as much on populations — what are they versus how do you control them? — but going forward we're obviously going to have to see what the impact of the deregulation of strychnine will be and how effective some of the other control methods are. But maybe I'll let Faye expand more.

Ms. Dokken: — Thank you for that question. So strychnine, as mentioned, is a very effective pesticide to control the Richardson's ground squirrel, and we've used that really as a proxy to determine the population. So rather than doing direct counts, we're looking at the economic threshold that was mentioned. We've been looking at which rural municipalities in the province have the highest volume of strychnine sales, and then sending our staff there to do inspections within those RMs [rural municipality] to make sure that the product is being used effectively.

That helped us ensure that we could continue using strychnine for as long as possible while it was being reviewed by the Pest Management Regulatory Agency — just to make sure, because it's very effective and very safe if used underground — and to go out and do inspections to make sure it's being used properly. Because the PMRA [Pest Management Regulatory Agency] has determined that it will be deregistered. That means for us as a ministry, we'll have to, for one, come up with a new way of determining the populations because we won't have that volume of sales, but as well look at other options for controlling the population and making sure that that pest doesn't cause too much damage for our producers.

Ms. A. Young: — Thank you very much. That is my only strychnine question. My second question relates to clubroot, so I'm not sure who that would be directed to, yourself or . . .

Ms. Dokken: — I'll stay just in case.

Ms. A. Young: — All right. Excellent. So in regards to other recommendation as it relates to the dissemination of lab results — and forgive me if everyone knows this but me — do lab results have to go through the Ministry of Agriculture or can they go through private companies as well?

Ms. Dokken: — They can go through private companies as well. So there is a private lab in the province that can do clubroot testing on soil. The results that were being looked at by the audit were the results of the surveys that we do as a ministry. So we do a survey in order to, for one, get a better idea of how much clubroot there is distributed throughout the province because it is a relatively new disease for us. And then the second reason is so that we can provide that information to producers if we do find it, so that they can take proactive measures to help limit it and prevent it from causing further damage.

So a producer could go directly to a private lab and get a lab test done, or they could work with us through our survey. Or we may also find the results if we find symptoms in the field or those lab result testing, really collecting soil and taking a test so that you can determine even before symptoms start to show up in the field. It kind of gives you that early warning that you might get clubroot.

Ms. A. Young: — Excellent. And is the increasing, kind of, prevalence and prioritization of clubroot, or I guess the increasing prioritization of clubroot as an area for concern . . . This of course is largely due to the increase in prevalence and concerns over its presence in Saskatchewan.

Ms. Dokken: — Yes, so it was first found in Alberta more than 10 years ago and it slowly increased to higher levels, causing a lot of yield damage. And just looking at how much canola we have, what an important crop it is in Saskatchewan, we really became aware and we're keeping an eye out for it for a long time. After it first started to be found a little bit in Saskatchewan, we ramped up our surveys so that we could really get a better idea, looking a little bit more intensively through visual surveys as well as soil samples to see what the situation was.

And so I think it's partly . . . It is spreading and is an increasing concern in Saskatchewan that continues to be a very important disease for us to look at and provide extension information to producers to help them mitigate the disease.

Ms. A. Young: — Excellent. And do you feel well supported in those efforts? Excellent. Great.

[16:00]

Ms. Dokken: — Yes, I think we're really proud of the work that we've done with clubroot. Especially when you look at the audit, I think it kind of became the key for us with all the other pests that we deal with, that it really has a well-rounded approach when we work with it in our team.

Ms. A. Young: — Thank you so much. My last question is in regards to the recommendation no. 5 through some of the missing information from SARM, and that is my final question. But I guess my take from . . . The comments contained in chapter 19 note that there's some absence of information as part of that reporting. And I guess I'm just curious as this is a new report, is that just a blip, these gaps in reporting, or is that more around developing a new reporting culture on some of these issues?

Ms. Dokken: — Was that for the rat infestation numbers?

Ms. A. Young: — Yes. Thank you. Yes, sorry, on page 125.

Ms. Dokken: — Yes, so we plan to continue to work with SARM to get the additional information. And we'd just note the focus was on, I guess, the overall infestation rates in the province. But what we'd like to do is get a little bit more about the trends in counts and work with them on that.

Ms. A. Young: — Excellent. Thanks.

Mr. Burton: — Maybe I'll just add, I think that the benefit of the recommendation no. 5 is really to ensure that senior

management has all the information that's available on the impact of pests and the trends. And I'd like to think that we do, but we may not have documented it as well as we could and have a process of saying, okay every six months we're going to get a report on these ones. And so that's what we're going to do going forward. It's very similar to a recommendation that they made on the livestock chapter on livestock diseases. And it's just to make sure that we have a documented process for really informing senior management of the risks and the trends in these diseases or pests.

Ms. A. Young: — Thank you. No further questions, Mr. Chair.

The Chair: — Good questions and an important area of discussion. Mr. Nerlien.

Mr. Nerlien: — Thank you, Mr. Chair. Just a quick question. What's the process to identify a regulated pest? And I ask that in the context of the emergence of wild boar in the province.

Ms. Dokken: — All right. Thank you for that question. So under *The Pest Control Act* the minister can declare any animal, insect, or disease as mentioned that's deemed likely to be destructive or dangerous to crops or grain, livestock, or property. So that is how the current pests that are on the Act came to be declared as pests, because they were considered to be potentially more destructive or dangerous, and maybe in the sense of having more limited options for control or potential to cause an outbreak or even localized infestations. Just an ability to go in and control them and kind of implement an early detection and rapid response plan. So that would be our goal with the pests that we have.

In order for that declaration to take place, it would be something that we would identify either through our team or working with industry. Perhaps the industry brings forward the potential pest, and we can look into it further and work through the process to get it declared as a pest through our regulations.

So we definitely work, you know, with industry, like I said, and consider that integrated pest management approach and what our options might be for that pest to see if it is a potential candidate that we'd like to see designated. And that is something that we could consider. We have, I guess, talked about feral pigs. Right now we're doing a project to look a little bit more at the population in the province first.

The Chair: — I know Deputy Chair Young from Lloydminster has a question.

Ms. C. Young: — Yes. Key to getting good information and being able to respond quickly on pest control is about educating the public and how to recognize it and how to report it. So tell me what the ministry is doing in order to educate our producers with regards to recognizing clubroot in particular, and then how to report it.

Ms. Dokken: — We have an excellent extension program in our ministry. We have 10 regional offices throughout the province that have crops extension specialists that can work directly with producers to provide extension information and a plant disease specialist for the province who works out of Regina here and helps to make sure that there is the latest research provided through our extension specialists as well.

That team is also directly involved with the surveillance for clubroot and for other diseases. So they themselves become good at recognizing diseases and they can help then pass that information along to the producers.

We provide that extension information in a number of different ways: fact sheets or through social media, through field days when we're able to get together in person, and various different articles and things like that. So we have lots of opportunity to get that information out to producers to help them recognize that. And we do agree with the recommendations of the auditor to kind of formalize some more of those things that we do with the different pests that we have listed under *The Pest Control Act*.

The Chair: — Any other questions? Thank you to the auditor. You stimulated a really good conversation. And thank you to all the officials in Agriculture for their responses here today and for all the work that's ongoing on these fronts.

We have five new recommendations before us here today. We see the commitments from the ministry, which is great. Some of these are big undertakings, and you know, are a little ways off. I would certainly welcome a motion that we concur with recommendations 1 through 5 for this chapter. Mr. Skoropad moves. All in favour? That's carried.

So I guess at this point we conclude considerations with the Ministry of Agriculture. Thank you so much . . . [inaudible interjection] . . . Crop Insurance? Oh sure. I guess the point being, with the Ministry of Agriculture proper . . . in the sense we're bringing in Crop Insurance and we're doing a little clean-up.

So I guess to those officials, I'll just finish what I was going to say. Thank you very much to the ministry officials that are here today and all those others that are involved in this important work — of course, folks throughout the municipalities and rural municipalities and all the producers as well — but thank you for your time here today and for all your work on this front.

We're going to briefly clean up the spots where the officials were, and we'll bring in the Crop Insurance officials here.

[The committee recessed for a period of time.]

Saskatchewan Crop Insurance Corporation

The Chair: — Okay folks, we'll reconvene the Standing Committee on Public Accounts for our final considerations here today. We'll welcome here at this time, Jeff Morrow to the Public Accounts Committee. He's serving as the acting president and chief executive officer of the Saskatchewan Crop Insurance Corporation. So welcome, Jeff. Thanks for being here today. I'll turn it over to the Provincial Auditor at this point for their presentation. And then, Jeff, we'd welcome your brief responses to that, and then the tough questioning from the members.

Mr. Deis: — Chapter 10 of our 2019 report volume 1, starting on page 159, reports the results of our audit of Saskatchewan Crop Insurance Corporation's succession management processes. It contains two new recommendations for the committee's considerations.

Succession management helps ensure an agency retains an effective workforce to enable achievement of its strategic objectives and help ensure it has the right staff at the right time. We concluded that for the 12-month period ending January 31st, 2019 the corporation had generally effective succession-management processes, and we only made two recommendations. The corporation needs to set time frames to complete specific succession management processes and periodically evaluate the effectiveness of its succession management processes.

I'm going to focus my presentation on the two recommendations. On page 166 we recommend that the Saskatchewan Crop Insurance Corporation set time frames in which to complete specific key succession-management planning processes. As part of its succession-management planning, the corporation set out a number of processes, such as calculation of imminence-of-retirement scores and interviewing potential successors. It calculated the scores in 2015-16, but at the time of the audit did not set a date as to when it would update those scores. Also, it had not completed the interviews of potential successors.

Setting time frames, for example annually or perhaps every three years, or identifying events such as turnover of incumbents in key positions or restructuring, etc., trigger a recalculation of criticality scores and imminence-of-retirement scores and would ensure the corporation uses the most relevant data during its annual succession-management planning. Setting time frames would also help the corporation in completing key steps of their processes within a reasonable time.

On page 167 we recommend that the Saskatchewan Crop Insurance Corporation establish a method to periodically evaluate the effectiveness of their succession management processes. The corporation's succession management plan indicates the corporation would evaluate effectiveness of its succession management processes. However, as of January 2019 the corporation did not identify any measures nor set any baseline data to make this evaluation. Not identifying and collecting key baseline data could place the corporation at risk of not being able to assess its success. In addition, evaluating and adjusting existing processes helps in continuously improving succession management. That concludes our presentation.

[16:15]

The Chair: — Thank you for the presentation. I'll invite the president and CEO, Jeff Morrow, to respond.

Mr. Morrow: — Thank you very much. I'll keep my remarks brief. SCIC [Saskatchewan Crop Insurance Corporation] concurred with the recommendations, and as of July of 2019 have fully implemented both of the recommendations that, I think, will improve our succession management framework. So with that, I'll open it up for questions. And before I do, I'll just introduce a colleague that will be helping me answer questions. Kirk Zawislak is the executive director of our human resources.

The Chair: — Well thank you very much, and thank you for the work that's gone into implementation on these fronts. I'll open it up for questions at this time. Ms. Young.

Ms. A. Young: — Thank you, Mr. Chair. And thank you. I just have one question. I note in note 6 on page 160, it details that as of April 2018, 15 per cent of the corporation's employees are aged 35 and under, 28 per cent are between 36 and 49, 43 per cent are between 50 and 64, and 14 per cent are 65 years or older. So there's obviously, as is addressed by this report, a challenge with the age of the workforce in terms of succession planning.

I'm curious if you can comment on which end the bottleneck is on. Is it an attraction issue in terms of recruiting and hiring new people? Or is Crop Insurance such a wonderful place to work that nobody wants to retire so they just stick around? Or perhaps a combination of the two. But yes, I'm mostly curious if this is a workforce challenge in terms of attraction and retention.

Mr. Morrow: — Thank you for the question. Maybe I'll start and I'll ask my colleague, Kirk, to maybe speak to it too. I think we are fortunate at SCIC in terms that we do have a lot of long-tenured employees. And I think some of the nature of our work, having some seasonal part-time adjusters, sometimes that brings the average age up. But I think I'll ask Kirk to address, if he has any comments to those questions as well.

The Chair: — Just for the official coming to the stand, just introduce yourself. I know you've been introduced, but introduce yourself briefly when you come to the microphone.

Mr. Zawislak: — Good afternoon. My name's Kirk Zawislak. I'm the executive director of human resources at Crop Insurance. In terms of turnover, our turnover rate is well below the average. It's 6 per cent across our corporation. We do have a number of long-term employees, so I think our culture attributes to a lot of that and our development process is attributed to that as well.

The Chair: — Any other questions? Looking to committee members here. Not seeing any, thanks for the detailed status update and the actions that are detailed that sort of, you know, allows members to focus their questions.

At this time then I would entertain a motion to, I guess, concur with the recommendations and note compliance on recommendations 1 and 2. I see Mr. Nerlien is moving. All agreed? That's carried.

Well we will conclude considerations with the Crop Insurance Corporation. Thank you so much to all the officials that have joined us here today and for all the work, and all those others outside of this building here today that are connected to that work. Moving along, I would like to thank all the ministries for the status updates they've provided. Those are such a helpful tool for members.

And I will table PAC 18-29, Ministry of Highways: Status update, dated February 8th, 2021; PAC 19-29, Saskatchewan Liquor and Gaming Authority and Saskatchewan Indian Gaming Authority: Status update, dated February 8th, 2021; PAC 20-29, Ministry of Agriculture: Status update, dated February 8th, 2021.

That concludes our business here for the day. I'd welcome any motion to adjourn. Moved by Deputy Chair Young. All agreed? It's carried. This committee stands adjourned until 10 a.m. tomorrow morning.

[The committee adjourned at 16:20.]