



# STANDING COMMITTEE ON PUBLIC ACCOUNTS

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## STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Ms. Lisa Lambert  
Saskatoon Churchill-Wildwood

Mr. Jim Lemaigre  
Athabasca

Ms. Aleana Young  
Regina University



[The committee met at 13:01.]

**The Chair:** — Okay, folks, good afternoon. We'll convene the Standing Committee on Public Accounts. I'll introduce the committee members at this point: Deputy Chair Hugh Nerlien, Mr. Fiaz substituting for Mr. Harrison, Ms. Lisa Lambert, Mr. Grewal substituting for Mr. Jim Lemaigre, Mr. Todd Goudy, and Ms. Aleana Young.

I'd like to advise the committee that pursuant to rule 142(2) the following reports were committed to the committee: Provincial Auditor of Saskatchewan, *Business and Financial Plan for the Year Ended March 31st, 2025*; and Provincial Auditor of Saskatchewan, 2023 report volume 2.

I'll briefly introduce Tara Clemett, our Provincial Auditor, and certainly thank her for her service and leadership in this province and ask her to introduce her official that's with her today.

**Ms. Clemett:** — Perfect. Thank you so much. So with me is Ms. Angèle Borys. She is our chief operating officer and also our deputy provincial auditor for support services.

**The Chair:** — Wonderful. Thank you both for being here on behalf of your office.

We'll be considering the Provincial Auditor's *Annual Report on Operations for the Year Ended March 31st, 2023* and *Business and Financial Plan for the Year Ended March 31st, 2025*.

***Annual Report on Operations for the  
Year Ended March 31st, 2023***

**The Chair:** — We'll begin with the *Annual Report on Operations for the Year Ended March 31st, 2023*. At this point I'll turn it over to our Provincial Auditor if she has some remarks, and then we'll open it up for questions.

**Ms. Clemett:** — Okay. Thank you so much, Mr. Chair, Deputy Chair, committee members. So I am going to start by making some opening comments on our 2023 annual report and then answer any questions that the committee may have.

To ensure legislators and the public receive the value they deserve from our office, we follow a clear process of accountability and transparency for results, and report the results publicly in our annual report on operations. I will just remind the listening public that both reports that are coming before the committee today — the annual report as well as our business and financial plan — are available on our website, [www.auditor.sk.ca](http://www.auditor.sk.ca).

So the annual report completes the accountability cycle that did begin when the office tabled its 2023 business and financial plan in December 2021. The report includes details on the office's operational and financial performance for the year ended March 31st, 2023. It includes seven unqualified independent external audit reports on key aspects of the office's operations, finances, and controls.

The audit reports are the full yellow pages, if you flip through the annual report. These audit reports are issued by Virtus Group,

and give legislators and the public confidence in the reliability of the office's administration and what is reported in this annual report. Virtus Group is an accounting firm who is independent of our office.

I'm going to briefly highlight a few achievements and challenges the office encountered for the year ended March 31st, 2023. Overall our operating expenses for 2023 were less than budget by \$55,000, mainly because our FT [full-time] salaried position was at 60 staff compared to the budgeted 61. So we had to increase the use of our contracted staff in order to get our work done.

Pages 16 to 24 summarize our operating results by each of our four strategic goals and their associated performance measures and targets. Overall 2022-23 was a challenging year for the office. The office achieved 7 of its 12 performance targets. It is easy to determine which targets we did not meet if you turn to page 27 of our annual report.

Some measures and targets that showed positive results included PAC [Public Accounts Committee]. So this committee continued to accept our audit recommendations, and government acted on our audit recommendations, which shows the office's work did contribute to better management in the public sector. Auditees also continued to view our work as adding value, and our employee surveys indicated positive employee engagement.

The area where we continue to struggle as an office is employee turnover. We had 15 per cent, or 9 of our employees, voluntarily leave the office, which was higher than our target of 13 per cent, and we also had four retirements. The higher than anticipated employee turnover was a trend that continued from prior year and began to impact our ability to provide assurance reports to government agencies by agreed-upon dates and meet our audit planned costs.

I do want to note that we do over 300 assurance reports each year, given that we audit 140 government agencies directly, and we issue financial statement opinions and management letters for each of those. And then we also do performance audits and follow-ups.

We outline the dates that we plan to provide our assurance reports in our audit plans with government agencies each year. We met those dates 69 per cent of the time compared to our target of 75 per cent. I will mention that the vast majority of the government agencies though were able to table their financial statements within the time frames that are set in legislation, which does mean that while we did not hit the dates that were agreed to in the audit plans, the legislators did get timely information as expected.

We also didn't complete a number of audits within our planned costs, and this is based on looking at each of those individual projects so, like I said, hundreds of projects. We met planned costs 60 per cent of the time for each of the separate audits, compared to our target of 70 per cent. You will notice though that our total costs overall to audit all of the government agencies, as outlined on page 49 of our annual report, we were close to budget. So this does indicate that some government agency audits go over and some go under, but overall we're trying to do a better

job of staying on budget for each project and meeting our planned dates.

The office's employees are one of our most valuable resources because the quality and timeliness of our work depends on their knowledge, their skills, and their professionalism. In terms of employee turnover, the market for CPAs [chartered professional accountant] has become extremely competitive and aggressive. Professional accounting firms, like our office, are having to significantly increase compensation in order to attract and retain talent.

This also includes and makes it more difficult to find contracted staff, which do come from various firms, at the rates that we used to get in the past. We often use contracted staff to help deal with our workload pressures, given that a fair amount of the government agencies all have March 31st year-ends.

While we know some staff departures are inevitable, we are really having to work at reducing the high turnover rate with fair compensation, employee learning and training, valuing our employees, and career growth and development.

The recruitment period has also changed drastically. What was usually typical, whereby we would only recruit from the universities in the fall each year — and be on campus and become known and then have people apply and be seeking really to want to become CPAs — it has become just a year-long process. So overall a key focus for the office now and in the future will be recruitment, retention, and succession planning to effectively manage our staff departures.

With that I'd be happy to answer any questions with regards to our March 31st, 2023 annual report on operations.

**The Chair:** — Thank you so much to the auditor. Thanks as well how you've described the targets and provided information as well where those haven't been met. I'll open it up to committee members for questions at this point. Ms. Young.

**Ms. A. Young:** — Thank you, Mr. Chair. Thank you for that presentation. I just have a couple questions largely focused on resourcing the office, as it is clearly a challenge, noting your comments, and has been over the past few years. So clearly a trend which is continuing as this competition for talent continues to be fierce.

As you noted, the market for CPAs is incredibly competitive, and you've noted the challenges even with contracting staff. So I'm curious, how does public sector compensation for CPAs compare to private sector compensation? I ask because it was noted, I believe, in the annual report that your office strives to remain highly competitive with public sector salaries, and I'm curious how that plays out in comparison.

**Ms. Clemett:** — Yeah, I think we're always factoring that into our market analysis. So there was a recent study done, you know, with regards to CPAs overall. And in Saskatchewan, what we find is that study seemed to indicate — and these people would obviously work for the public sector as well as private firms — that if I became a CPA and then I have experience since I've become a CPA, so it's about three years out or more, on average, the average median salary in Saskatchewan right now is like

\$145,000.

You can probably see through some of our reports and just even our own payee list, not necessarily everybody's a bit that high. So yeah, we're having to be strategic in terms of, you know, our overall compensation package, I would say, and just rewards and recognition.

We have though as an office as a result . . . Obviously we're competing always for people when we recruit them, against the firms, so we have had to increase our entry-level sort of salaries to try and get people to come and want to train with us because we do equate to that public firm.

So yeah, we want them to come to our office, so we're doing everything we can to almost market ourselves, make ourselves visible, and make sure that salary we are paying is competitive so that they won't necessarily choose us . . . or not choose us and choose a firm.

**The Chair:** — Just a quick intervention from broadcast. They're just suggesting that if Ms. Young could just be a little closer to her microphone. They're having trouble picking up your voice. She's so soft-spoken. Especially in question period.

**Ms. A. Young:** — Speak more. I'm told that often.

Thank you. Thank you for that answer. As this has come up in the past couple years, and it looks like it is a trend that's likely to continue, at what point does this become a concern for the office?

**Ms. Clemett:** — Well I think that's why once I get to the plan conversation, it is about, yeah, sort of increasing those salaries. A lot of our ask this year is around that overall compensation because at the end of the day, you can see 80 to 90 per cent of our budget is spent on staff and salaries, and we definitely need quality employees to be able to deliver quality work.

That said, I'm always optimistic. I think what it comes down to, you will also notice sort of the desire for, I think, some people to support us in initiatives when it comes to recruiting and almost that HR [human resources] side because I just want to really create a culture. For me it's about, do we need to do more on that recruitment side, or is it about retention too?

So we always plan in and we know that people will come in and train with us and leave. Maybe I can potentially do more to have them stay. So we're really, we're striving, and so I'm optimistic. And I think it's always about continually revisiting your strategies and going, what do we need to keep doing and what do we need to change?

We really, I would say, try to stay in sync with our employees. So we are actually doing what I would call pulse surveys. So we are surveying our staff now three times a year. So I'm striving to stay very abreast of like, what are the concerns that people that work for us are having, where are they seeing challenges, and what could we do. And then as an executive we do meet and strategize and sort of decide what modifications we need to make to, yeah, our environment, our culture, and so forth.

**Ms. A. Young:** — Thank you. And then the last question from me, on page 31 in footnote 8, it notes that the office will require

additional staff and work hours to meet CPA Canada's [Chartered Professional Accountants of Canada] new quality management standards.

[13:15]

Can you, just out of curiosity, expand on that a bit for the committee?

**Ms. Clemett:** — Yeah, sure. So at the end of the day there is new quality management standards when you are basically, I guess, a public practice firm. So you are doing audits and, as a result, you have to make sure you have mechanisms whereby you are providing, obviously, quality products overall, that you have those controls in place. It does require extensive monitoring now. And so at the end of the day, the position that is actually responsible in fulfilling this oversight role is our assistant provincial auditor.

So an example would be whereby we just completed . . . There's a number of things that you can see that happen to check the quality of our work whereby CPA Saskatchewan [Chartered Professional Accountants of Saskatchewan] comes in. But for example, just internally we would have had a number of files checked from that quality standpoint to make sure the conclusions that we made and the audit work we did, the documentation, it met auditing standards. So we've gone through that process. And then whereby you identify any deficiencies or deviations, we have to set up mechanisms that we decide how we're going to rectify.

Often that is, like, do I need to change anything with regards to my methodology, which would be more my forms? Do I need to document more? Do I need to provide more training or do I just need to watch people more, that type of thing. So, yeah.

**Ms. A. Young:** — Thank you.

**The Chair:** — Thank you. Mr. Nerlien, Deputy Chair.

**Mr. Nerlien:** — Thank you, Mr. Chair. Do you do or do you have a mechanism to do independent exit interviews to see why people have left the organization?

And just more broadly on that, you know, we tend to focus on compensation, but culture is always extremely, extremely important in retention. So I'm just wondering sort of what that package looks like in terms of reviewing why people are coming. Why are they coming and why are they leaving?

**Ms. Clemett:** — So we do have a mechanism by which we do do exit interviews for everyone that does leave our office. Some of our departures as of late have actually been . . . And it could be, given our hiring circumstances, we have a fair amount of, I would say, international students coming to us. So we've had more departures now than we have had in the past. They leave the province actually. We've had, I think it was three of them go to Alberta. Alberta does pay better than Saskatchewan for CPAs.

But the other thing they talk about is workload. So I do have an environment right now where again you have a lot of new staff. And then what it is, is a lot of the staff have to support training the new staff but still do their own work, and they're just finding

that balance a little bit difficult. Obviously they're just short people overall. Everybody else is having to step up to the plate.

Work-life balance is concerning, and obviously compensation. We have people that leave for a federal Crown corporation, not necessarily . . . it doesn't seem like it is remote work, I wouldn't say that. We obviously offer that as something that would be available, but that isn't seem to be a reason that people are leaving. And otherwise, yeah, I would just say they're leaving sometimes — what I would say to sum it up — almost more money, less work, in the simplest terms. They can sometimes feel like they won't have to work as hard and get paid better potentially, which is concerning always.

So again we've done some recent, like rewards and recognition because it isn't necessarily about if I can't pay you more. So we're really trying to do a good job of spreading out, figuring out how much . . . We're very obviously project management driven, where we have everything drilled down to the amount of hours and dollars every project should take. So we continually are revisiting, are those budgets big enough on a project-by-project basis? We're also trying to build in more time so that these people can do the training and that it's worked into their . . . We almost do these weekly, yearly schedule concepts. So we're building that in.

We're trying to do better in terms of, like performance feedback on a more regular basis, try to do some things that are a little bit, I'd say, more fun. So even as part of regular division meetings I'm encouraging them to do get to know your employees more. So take 15 minutes or 30 minutes out of your formal, you know, one-hour to two-hour meeting to do something that's a little bit more exciting and gets everyone to know each other better. Yeah, just things like that.

So we're planning to start giving something probably very nominal but recognize, even through certificates, somebody that's been with us for five years, things like that. Whereas obviously we usually align with the public sector and we're using that 10, 20, 30. If they can stay with me for five, that would be great too. So we want to reward that. And like, we will be obviously raising that at our staff meetings and getting people excited about it and so forth.

**Mr. Nerlien:** — Just, if I may just follow up on that. It strikes me that working within your department would give people exposure to an awful lot of different things that they wouldn't get in private or public practice, and that to me would be a significant selling feature to build a four- or five-year bio to take forward.

**Ms. Clemett:** — We do have, you're right, I think additional options and challenges. I think the firms are struggling too. I think right now though you have to remember the profession has changed, whereby you don't have to almost train with public practice to become a CPA. So the array of employer opportunities has definitely changed when it comes to my training opportunities for CPAs.

As a result I don't think they're necessarily . . . We do get lumped with the firms, and it's kind of like, yeah, we all sort of build concepts. So we work them hard and we want to be as lean and mean as possible. So I think they're thinking that there's potentially other options there.

It's also too, I think, some people aren't necessarily . . . They're just really looking for a more balanced work than we've seen in the past, if that makes sense. They're not necessarily looking to move up in the organization, and as quickly as I have probably seen in the past, or like that we would have been leaning toward. So we're really trying to do more to understand what they value — those employees, right? — and then respect that and give that to them.

**Mr. Nerlien:** — Thank you, Mr. Chair.

**The Chair:** — Those are really interesting observations, right, that I think a lot of organizations and businesses are dealing with, just that whole dimension of professionals looking increasingly at that work-life balance. And interesting that you noted that it seems there's a bit of a trend as well that folks aren't necessarily looking to just accelerate to the top as quick as they can, that that work-life balance piece is quite important.

Obviously you're assessing, you described it, you're assessing what's going on with other, you know, employers on this front in the private sector. Anything that you've gleaned from that? You've talked about how you're incorporating some of that into your practice to respect sort of that work-life balance and where employees are at right now. Anything you're seeing specifically as significant trends that are shifting in employment with alternative employers in the private sector?

**Ms. Clemett:** — We always meet with our Canadian, sort of, counterparts, so the other jurisdictions and the OAG [Office of the Auditor General] offices. So yeah, and Angèle would be on sort of the HR committee there, whereby we're trying to stay, I guess, in touch with just any ideas that are coming out of that. I don't know if I have anything additional that I would . . .

**The Chair:** — No, that's good.

**Ms. Clemett:** — Yeah. It's kind of like, obviously we've added the remote work, really trying to create, I think, a little bit of fun in the workplace. They just really appreciate the smaller things. We're extremely flexible though, whereby if people want to come in at 9 and work till 5, that works; or 6; and then versus, like a 7 to 3. So there's lots of options available to our employees, and we continue to just try to . . . Sometimes it's about building that awareness.

We've also been doing . . . like I think we're very supportive of the amount of time and the dollars that we give to help someone go through and obtain their CPA designation, I would say. We've done a better job of trying to market and package that. And so we're getting out there in the university and almost profiling some of that, and through social media doing videos now. So it's some of that stuff where we're just trying to be very seen, and everyone just needs to be aware.

Like you said, it's also the concept of we do performance audits. We're just not numbers people here. Like a lot of what we do can be very . . . We have a lot of IT [information technology] specialists. You can get into pensions. So it's trying to make sure our staff is just aware of, I think, how great we are, hopefully, and if they left, the outside might be a little bit different. And then hopefully the people that aren't in our office right now, just the impact they could have.

I think the one thing that comes through from the CCOLA [Canadian Council of Legislative Auditors] which is our other, sort of, OAG offices, is just the need to really . . . If there's one thing with this sort of newer generation, is they want to be doing work that they feel like they're sort of having impact and adding value. And so that is something that I think we really bring. And so it's about selling that and promoting that, making sure that people can see themselves contributing to the better good of society for their province, for people.

**The Chair:** — As far as cybersecurity and potential attacks or breaches, do you have anything to report from the last year as far as any activities on this front, or anything that was detected and stopped, or any potential breaches?

**Ms. Clemett:** — If you're talking within our office, no, there wouldn't be anything. Obviously we always, from that antivirus perspective there's always . . . We do find, I think, there's more phishing attempts, so we all have basically our antivirus or we have our email filtering.

I think we do find that there's more people trying to phish and scam and get through, almost to make us kind of click on those links, but we have security awareness training. That we do have, and then otherwise, yeah, satisfied with really our perimeter security and detection response whereby there hasn't been any incidents.

**The Chair:** — And Deputy Chair Nerlien had a follow-up there.

**Mr. Nerlien:** — Yes, just to comment on that. I think we, as a committee that's broadcasting publicly, we have to be very conscious of where we tread when we're talking about security, cybersecurity, things like that. And so if there's an opportunity to have those discussions in camera or something, that might be more appropriate then. We do have to be very, very careful around that. Thank you.

**The Chair:** — No, without a doubt. And certainly I trust the leadership at the auditor's office to know what could be identified or not, and then us having a responsibility to the office to make sure that they're resourced and supported and that we're aware of any actions. But you're quite right, the active efforts across government and across the private sector, these are real concerns.

Just the area where you're focused on increasing the familiarity with the office and their work, and you've identified sort of the trend that you're wanting to work towards — sort of a five-year trend of improvement there — can you speak to why it's important to grow recognition of the value of the work and the work of the office? And then maybe speak to some of the factors you identify as barriers to progress on that front.

**Ms. Clemett:** — So I assume you're talking about, yeah, just increase awareness of the office. I think, you know, right now we are working through a new strategic plan, I would say. So I'm not sure whether this measure will continue. I think there needs to be a concept with regards to what are we trying to . . . We want people to, I guess, read the information that we put out there. It's like we are doing these audits for the public, so you want the public to take an interest.

So what we currently do is, almost like through an omnibus



survey, is determine what's the extent of people that have familiarity with our office. It seems to be staying fairly like — I guess it dipped by, I think, 1 per cent — kind of 30 per cent of the people are familiar with our office. But it isn't so much about necessarily the office. It's about the work we do, is what I would want to articulate.

**The Chair:** — Right.

**Ms. Clemett:** — I want people to understand the . . . Because a lot of the times when I feel like we do these performance audits we, I think, explain it quite well. We really try to make it very simplified. So I want people to understand the various government processes that we've looked at and how they work and how they might be accessible to really the people of Saskatchewan, and then at the end of the day how we think the areas could be improved.

So I do think that these may evolve. Like we obviously utilize social media, our website, obviously our press conferences as that mechanism to just get an understanding out there of the work we've done and what we've found. I think that's just important so the public and the legislators have the information available to them.

But I do think we will potentially move towards, are we doing enough from that, I call it communications strategy standpoint. And are our reports as easy and accessible as they need to be? Are they easy to understand? All that type of thing. So I envision this measure may go away and isn't something necessarily that will continue. But we will probably look at our volume of activity.

[13:30]

**The Chair:** — Right. Not seeing any further questions on this document. If so I would ask a member to move that the committee concludes consideration of the Office of the Provincial Auditor *Annual Report on Operations for the Year Ended March 31st, 2023*.

Do we have a mover? Mr. Goudy moves. All agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Well that's carried.

***Business and Financial Plan for the  
Year Ended March 31st, 2025***

**The Chair:** — We'll move along now and focus our attention on the consideration of the Provincial Auditor's *Business and Financial Plan for the Year Ended March 31st, 2025*. I'll kick it over to the Provincial Auditor for some opening remarks and then open it up for questions.

**Ms. Clemett:** — Perfect. Thank you. This is our plan for the year ended March 31st, 2025. It contains information that *The Provincial Auditor Act* requires, along with additional supporting information. It was prepared using the CPA Canada statement of recommended practice, or SORP-2, about performance reporting, and our financial forecast has been audited. Before we discuss our request for funding, I'm just going to do a quick recap

of what's in the plan and its various content.

So section 1 describes the Office of the Provincial Auditor, really the purpose of the office, highlights the key accountability mechanisms included in our Act, the legislative framework for the independence of our office and its staff. The Act requires us to audit all government agencies. It highlights our responsibilities to the members of the Legislative Assembly and in particular this committee, including having the committee review and approve our funding requests for the inclusion in the estimates that then get tabled in the Legislative Assembly.

Section 2 outlines our 2024-25 funding requests. It includes our request for the resources for 2024-25 to enable us to carry out our work so we can appropriately discharge our responsibilities under our Act.

Section 3 outlines our annual work plan and supporting schedules. It includes our audited financial forecast, including a scheduled planned cost to audit 257 government agencies, which we summarize into various sectors or agencies like health and education. You'll find the costs of the audits, of auditing each of these sectors or agencies, often does differentiate each year, based on the performance work that we end up doing in those various sectors.

We have summarized our potential areas of focus for future performance work in section 3.3. It's on page 28 of the plan. And if you look, here are the various risk areas that we have identified that we plan to examine in the future. We plan to look at public housing, IT project management, opioid treatment, international trade offices, municipal appeals, and online gaming regulation.

Section 4 contains other supporting information like the impact of the changes on our plan given the change in government agencies, the annual salaries of our executive management of the office, and the office's out-of-province travel cost.

And finally section 5 outlines our office's strategic plan. As I did mention, we do plan to have a new strategic plan that will be formulated by the end of this year and it will inform the development of our 2026 business and financial plan.

So now I'm going to focus on section 2.0, which is our 2024-25 funding request. And it starts on page 7. Consistent with *The Provincial Auditor Act*, the funding request includes two separate appropriations. The first is our main appropriation and the second is for unforeseen expense appropriation. It's to enable the Provincial Auditor to retain the independence to manage effectively. For our 2024-25 main appropriation or (PA01) — it's found on page 9 — we are requesting \$9.576 million, and this reflects a net increase of \$583,000 from our prior-year approved appropriation.

When determining our 2024-25 requests, we carefully considered the work and employees necessary to achieve our mandate, and the factors, forces, and trends affecting our appropriation. We used information known at September 30th, 2023. We describe these factors starting on page 10. I'm going to highlight a few of the external forces that we considered when we were making this request for additional funding.

Our main cost, and thus the most significant increase in our

request, is for salaries and benefits — \$492,000 more than prior year. The availability of CPAs has decreased over the past years including those interested in becoming professional accountants. We've experienced staff turnover in the past two years that is above what is easily manageable for the office.

To ensure the office has the staff required to meet its mandate, it will need to maintain competitive salaries, benefits, and provide flexible work arrangements. The office provided an economic increase of 3 per cent to staff effective April 1st, 2023, and therefore this funding request includes the salary implications from this increase. This funding request also includes market adjustments required to meet the demand for competitive wages and benefits for those wanting to become CPAs as well as those who have recently obtained their CPA designation.

About 80 per cent of our staff are professional accountants or staff training to become professional accountants. A recent CPA compensation study has shown that the median compensation for a CPA with three years of experience or more since becoming a CPA is about \$145,000 in Saskatchewan. Research indicates increasing salaries continues to be a key factor when recruiting top talent.

The funding request also includes an increase for one FTE [full-time equivalent] to assist with recruiting, coaching, and training new staff in the office, so really an HR manager for the office. This position will support the office in maintaining a healthy, diverse, and inclusive workplace. For example, we have a number of new auditors coming to our office that are new Canadians. The office is in the process of finalizing a diversity and inclusion strategy that will require implementation, and this person would be leading that initiative. As I previously mentioned, given the extent of turnover, we also have to do hiring and recruitment on a more regular basis, and this position will also fill that need.

To supplement our staff complement and to help us address the peak workloads, particularly given the bulk of government agencies have, the number that have a March year-end, we also do have to hire contract staff. The use of contract staff, expected to be about two staff each year, helps us meet our reporting deadlines and obtain the necessary expertise for our performance audits. We are finding the rates for contract staff continue to increase and we have factored this in as well.

Employee contribution rates for dental, health, and WCB [Workers' Compensation Board] are expected to increase, as are federal EI [employment insurance] and CPP [Canada Pension Plan] rates, so our funding request in these increases ask for a projected overall increase of \$47,000.

Changes in the number and size of government agencies and whether the government hires appointed auditors to do the annual audits affects our costs and staffing needed. For 2024-25 we estimate these changes increase our cost by \$44,000, and page 32 provides more details on the changes. For example, the creation of the Lotteries and Gaming Saskatchewan Corporation and the Saskatchewan Distance Learning Corporation will increase our audit hours and costs.

Moving on to (PA02), the appropriation for unforeseen expenses, also on page 9, for 2024-25 we are requesting appropriation of

\$641,000 for unforeseen expenses. *The Provincial Auditor Act* requires the inclusion of a second appropriation with estimates presented each year. Its purpose is to provide our office with resources in order to respond to unforeseen circumstances. This includes unforeseen work such as requests from your committee; costs to improve the timeliness of our work; and unplanned salary and benefit expenses, like potential cost-of-living adjustments the government may provide to public servants in the near term, with the likelihood that our office would follow suit.

When our office uses this contingency appropriation, we must report back to this committee on its use. We do this through our quarterly financial forecasts and in our annual report on operations. We don't just tell you how much we spent, but why. We return any unused amounts to the General Revenue Fund at the end of each fiscal year. Consistent with prior years, we've determined our request to equate to one month's salary and benefits.

In summary, our office respectfully asks the committee to approve our 2024-25 funding request. Section 2.2 of the plan at page 9 sets out this request in the Assembly-requested format.

In closing, I do appreciate and value the co-operation and assistance the legislators, government officials, and appointed auditors do give us in the work that we do. In particular I do want to thank the Standing Committee on Public Accounts for the attention and support to the work of our office. Its continued public review of our reports helps ensure the work of our office promotes positive change in the public sector and does make a difference for the people of Saskatchewan.

We would be pleased to answer any questions you have.

**The Chair:** — Well thank you very much, Auditor. I'll open it up at this point for questions. Ms. Young.

**Ms. A. Young:** — Thank you. Just a point of clarification. That piece around potential changes to salary and benefits for public servants that may be anticipated this year. Just to make sure my understanding is in line. That's what the contingency appropriation could be used for?

**Ms. Clemett:** — So at this point . . . You're right. Often referred to as cost of living or sort of economic adjustments. But in the event — you're right — the public sector does end up with cost-of-living adjustments, that amount has not been assumed and planned in this, and therefore we would use our contingency appropriation to give, in the event we decide, what amount we give to our employees.

**Ms. A. Young:** — Okay, thanks. So that second contingency appropriation then can essentially be used by the office to cover off additional work that's needed, things like that economic adjustment, additions to the work plan? Yeah, because I was curious. It has been reported in the media that the office of the auditor is going to be investigating the province's procurement and payment practices for folks on social assistance as it pertains to the use of stays at hotels. But I didn't see that included, recognizing this was finalized, I think, in late September. How does that figure into the work plan? Is that also done in the second appropriation?

**Ms. Clemett:** — Yeah, potentially. So you are correct, whereby as at September 30th we wouldn't have been aware or decided whether to proceed with the additional work. And it'll solely be around almost the hotel services procurement and payment for those within the Ministry of Social Services. So depending on the extent of that work we're still, I think, working through the amount of . . . It's almost like what that approach, scope, and procedures will look like. I do envision right now it won't be fairly extensive.

So when I did describe earlier within our annual report on operations that sometimes we kind of go over budget and sometimes we go under budget, I do think there is the potential for this work to be within the Ministry of Social Services. And we can be more efficient in sort of another area of work in that ministry overall, and so it won't put us that out of tune.

In the event it takes more effort, then yes, we would end up utilizing, the contingency appropriation would be what we would just utilize. And then we would come back and, as part of our forecasting and as part of our overall annual report on operations, we would describe that this is the cost that basically that additional look into those processes took and what it overall cost us as an office.

**Ms. A. Young:** — Okay, thanks. Maybe taking a slightly higher level view than that then. You know, given some of the discussions today around resourcing challenges at the office and the critical work then that the Office of the Provincial Auditor does if, say, this committee or the legislature were to ask your office to do any kind of special investigation, how does the OPA [Office of the Provincial Auditor] go about incorporating that into your work plan? Like did those resources exist?

**Ms. Clemett:** — They may exist. So there has been instances, you're right. I would just articulate that under our Act, the committee, I guess even the Legislative Assembly can ask our office to do various audit work. Within my Act I always have the ability to determine within my duty, does it sort of work within my plan, and I decide what I sort of move forward with and when. So as an independent officer I have to have that ability to decide what work I do and when.

[13:45]

So in the event though we decided to go forward — and we have; so I think GTH [Global Transportation Hub] would be an example of sort of a special investigation with a separate report — you're right, first you sort of look to the contingency appropriation. But in the event the committee made a motion and wanted us to do that work, we would be looking for . . . Well you're obviously willing to give the additional funding too, right? So I guess it's the concept of potentially a special appropriation kind of thing. Yeah, like a special warrant, right.

**Ms. A. Young:** — Yeah.

**Ms. Clemett:** — Yes. It would be the concept of us doing a better job of probably describing what's that overall expectation, and do I have enough in contingency or do I need above and beyond? But performance audits, often they don't cost us \$500,000. So in the event we have \$600,000, that's quite a bit of money for just one investigation, is what I would say. Very doable if that was

the only thing I was asked in addition to what I have in this plan. I don't want five of those, okay?

**Ms. A. Young:** — No. I can appreciate that. It's a significant plan. Maybe the last question along these lines. How long do special investigations . . . I'm trying to think back to the GTH. That was what, like a February to June?

**Ms. Clemett:** — Yeah, I would say overall our performance audits are extremely detailed. And we are always striving to do our performance audits because I have reports coming out every six months, so we finish them in a six-month time frame.

Now for the agencies that are listening, I won't be bothering you for the entire six months. But we sort of start. We do some stuff. We come again. There's obviously a compilation of findings. There's reporting. There's editing. But yeah, we often strive to within six months. At the most it might roll into, I guess, the next few months and therefore in my next report.

**Ms. A. Young:** — Thanks. Just one specific question on the work planned for the education sector. It says, look at mental health in schools. Is that intended to look at staff or students?

**Ms. Clemett:** — That's intended to look at students. Yeah, that's in the works right now and will be reported out in volume 1.

**Ms. A. Young:** — Great.

**Ms. Clemett:** — But you're right. We do have some plans to look at employee aspects as well. You notice the correctional workers is something that's on our radar, and then the health sector, and that'd be more from that employee standpoint.

**Ms. A. Young:** — And I think the last question from me, looking at '24-25 plans, when it speaks to government-wide sectoral work, it says, "Planned costs for 2024 include anticipated costs for additional research of complex matters." Can you speak to what "additional research of complex matters" means?

**Ms. Clemett:** — Yeah, so often what it is here is, it's almost sometimes within our performance audit work. So when we're doing our performance audits, this is sort of . . . We have some, I guess, additional hours and costs that are available there. And then it's like you often redistribute it to whichever performance work we're doing.

So we anticipate our performance work taking a certain number of hours. And sometimes that can go longer and be more challenging than anticipated, or in the event we go broader than what we originally planned, this is then to some degree where we either . . . Yeah, we often take from, and so it probably got redistributed elsewhere, is what's happening there.

**Ms. A. Young:** — Thank you.

**The Chair:** — Further questions, Ms. Young? Members, any further questions? I thought in the preceding document when we had some of the questions, you really touched on some of the questions I thought I may bring at this portion around retention and recruiting and the human resource side. So I feel those have been answered.

Not seeing any further questions, then at this time I'd ask a member to move the estimate motions. There are two motions here. Deputy Chair.

**The Chair:** — All right, that's carried. The committee stands adjourned until the call of the Chair.

[The committee adjourned at 13:53.]

**Mr. Nerlien:** — Mr. Chair, I move:

That the 2024-25 estimates of the Office of the Provincial Auditor, vote 28, Provincial Auditor (PA01) be approved as submitted in the amount of \$9,342,000.

**The Chair:** — Moved by Deputy Chair Nerlien. All agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Next motion.

**Mr. Nerlien:** — Mr. Chair, I move:

That the 2024-25 estimates of the Office of the Provincial Auditor, vote 28, unforeseen expenses (PA02) be approved as submitted in the amount of \$641,000.

**The Chair:** — Moved by Deputy Chair Nerlien. All agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — All right. That's carried as well.

I'll look to Deputy Chair Nerlien to move a motion with respect to forwarding this to the Speaker.

**Mr. Nerlien:** — Thank you, Mr. Chair. I move:

That the 2024-25 estimates of the Office of the Provincial Auditor, as approved, be forwarded to the Speaker as Chair of the Board of Internal Economy pursuant to section 10.1(4) of *The Provincial Auditor Act*.

**The Chair:** — All agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Okay, that's carried as well. All right. Any final words from our Provincial Auditor to the Public Accounts Committee?

**Ms. Clemett:** — Thanks so much for the questions. Thanks so much for the continued support. And if you have anyone that's thinking about accounting designation, happy to talk to them and tell them more about the good work that our office does do.

**The Chair:** — Well thank you very much. And to our Provincial Auditor and your entire team, just thank you very much for the service and your leadership in this province, and the accountability and focus on improved performance for the people of Saskatchewan. Thank you so very much.

Okay, folks, not seeing any other items on our agenda, I would welcome a motion to adjourn. Sometimes this is everyone's favourite motion. Moved by Ms. Lambert. All agreed?

**Some Hon. Members:** — Agreed.