



STANDING COMMITTEE ON PUBLIC ACCOUNTS

Hansard Verbatim Report

No. 2 — January 7, 2025

Published under the
authority of
The Hon. Todd Goudy
Speaker



Legislative Assembly of Saskatchewan

Thirtieth Legislature

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Hon. Daryl Harrison
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Joan Pratchler
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[The committee met at 13:50.]

Chair Wotherspoon: — Well hello, everyone. We'll convene the Standing Committee on Public Accounts. I'm your Chair, Trent Wotherspoon. It's wonderful to have you all here. I'll introduce our committee members: Deputy Chair Wilson, Minister Harrison, MLA [Member of the Legislative Assembly] Chan, MLA Crassweller, MLA Gordon, and MLA Housser substituting for MLA Pratchler.

I'd like to introduce our Provincial Auditor and welcome Tara Clemett to our committee and to thank her for her service. She's joined here today with deputy provincial auditor Angèle Borys here as well. And we're going to focus our attention here today on the annual report from the previous year, and then we'll turn our attention to the *Business and Financial Plan for the Year Ended March 31, 2026*.

***Annual Report on Operations
for the Year Ended March 31, 2024***

Chair Wotherspoon: — We'll begin with the *Annual Report on Operations for the Year Ended March 31, 2024*. And I'll turn it over to Provincial Auditor Clemett for any introductory remarks that she may want to make, and then we'll open it up to the members for questions.

Tara Clemett: — Okay. Thank you, Mr. Chair, Deputy Chair, and members. Angèle Borys with me is also basically our chief operating officer for the office. We will go through basically the 2024 annual report on operations first. I do want to remind the listening public that both the annual report and our business and financial plan are available on our website as well, www.auditor.sk.ca.

So to ensure the legislators and the public receive the value that they deserve from our office, we follow a clear process of accountability and transparency for results, and we report these results publicly in our annual report on operations. The annual report completes the accountability cycle that began when the office tabled its 2024 business and financial plan in December 2022. The report includes details on the office's operational and financial performance for the year ended March 31st, 2024.

During 2024 our office delivered two public reports, one in June 2023 and one in December 2023. These reports included the results of annual integrated audits of 260 different government agencies, nine performance audits, and 34 follow-up audits.

We often get asked who audits the auditor. Well we do have an accounting firm, Virtus Group — who is independent from our office — come in and audit our office each year. Our 2024 annual report includes the seven external audit reports issued by Virtus Group. All of them are unqualified, which gives the legislators, this committee, and the public confidence in the reliability of the office's performance measures, finances, and controls to safeguard public money.

I want to briefly highlight a few achievements and challenges for the office that we encountered for the year ended March 31st, 2024. Overall our operating expenses for 2024 were \$48,000 more than planned. The details can be found starting on page 34.

We spent more than planned mainly because we were not able to entirely fill our entire staff complement during the year, and this resulted in us having to contract more staff, with contract staff costing more than salaried staff. So we saved money on salaries but spent more on agent and advisory service expense.

Also employer premium rates for the extended health care, dental, and CPP [Canada Pension Plan] were higher than planned, which means overall employee benefits expense was higher. We always have a contingency appropriation equal to one month's salary cost as part of our annually approved funding, and this is where the additional expense would have come from to pay for this overage.

Even though we spent more though than planned, we also made more in interest income than planned. And so for the year ended, we ended up returning \$615,000 to the government's General Revenue Fund at the end of 2024 compared to \$616,000.

If you turn to page 31, you will see that we ended the 2024 fiscal year with 59.5 full-time equivalent positions during the year compared to the 63 positions planned. A tight CPA [chartered professional accountant] market in the past couple years has meant that we have had more staff turnover, and we have found it difficult to recruit strong CPAs using the same approach we have in the past. So we have consequently broadened our connections with post-secondary schools, began recruiting multiple times a year, hired an HR [human resources] manager in 2024 to help with employee recruitment and retention initiatives.

So you may be wondering how could the office do the same amount of work we expected if we had about three less full-time equivalent employees overall than we planned. Well we didn't complete all the work in 2024 as we expected. So if you turn to pages 48 and 49, these pages summarize our planned and actual cost to audit government agencies in 2024, and the different explanations highlight where we underspent and therefore did less work than we planned.

So the Saskatchewan Health Authority AIMS [administrative information management system] system did not go live in 2024, and so there was no additional work needed before March 31st, 2024 to evaluate new system controls. Also the Saskatchewan health recruitment agency was not operational even though it was established, which meant no additional audit work.

And we did cancel a performance audit at SaskEnergy. We had planned to do work around physically securing natural gas facilities, but given we had less resources than planned, we did cancel this audit. This project made sense though to cancel as we found out that SaskEnergy's internal audit had done recent work in the area of physical security and had made recommendations for improvement to its board. So this meant that it was not a significant risk area that was being overlooked.

I'm now going to move on to our operational performance. You might want to turn to like pages 27 to 29. We have a number of performance measures and targets that we use to measure the office's progress towards achieving its strategic goals and priorities. A number of these measures are similar to those that are used by auditor generals across Canada.

So on pages 27 to 29 we do summarize the measures and the results for 2024 for each of our four strategic goals. The office achieved 8 of its 12 performance targets. Some measures and targets that showed positive results included Public Accounts Committee continued to accept and agree with our audit recommendations, and the government acted on our recommendations, which shows the office's work contributed to better management in the public sector.

We can tell the government agencies have acted on the recommendations because we come back every year for financial audits. And about two to three years after we've done performance audits, we come back to the government agencies and determine whether the audit recommendations have been implemented, and we report those results publicly. We find government agencies often implement our audit recommendations within five years of our office's making the recommendations, which means by the second follow-up sufficient and appropriate process improvements have been fully made by the agency.

Another indicator of strong performance was the fact that our auditees, so the government agencies, continued to view our work as adding value, which we determined based on post-audit questionnaires we send out at the end of audits. And finally our employee surveys indicated positive employee engagement.

The areas where we did not meet our targets included the number of employees who voluntarily left the office was higher than we could easily manage as an office. During 2024, 12 employees left compared to the anticipated eight. So as a CPA training office, the office does expect and plan for some turnover each year. The higher-than-anticipated employee turnover was a trend that continued from the prior year and impacted our ability to provide assurance reports to government agencies by the agreed-upon dates and meet audit plan costs, which are two other performance measures I'm going to touch on shortly.

If you have less staff than you need, it takes longer to complete the audit work. And more turnover means you have less experienced staff working on the audits, which often means that the audits take longer and, again, cost more.

So we communicate our planned assurance report dates in audit plans with each of the individual audit government agencies that we basically audit each year, and we met these dates 72 per cent of the time. But we are striving for 75 per cent, so we did not meet this target.

[14:00]

I do want to note that we do over 300 assurance reports each year, given we audit about 140 government agencies directly as well as do performance audits and follow-up audits. So the volume of audit project tracking that we do is extensive. Even though we didn't deliver all the reports on time, we did make sure that government agencies for the majority of the time were able to table their financial statements within the time frame required by legislation, which means the office didn't hit the dates set out in the audit plans that we had communicated to the government agencies, but the legislators got timely information. In addition, I do want to mention that we were the first province to provide an audit opinion on the government's summary financial

statements in June 2023 and June 2024, showing that we do a good job as an office to really prioritize our key deliverables.

Another area where we didn't meet our target was planned costs. This measure is again based on looking at individual audit projects. We met planned costs 63 per cent of the time for each separate audit compared to our target of 70 per cent. You will notice our total costs though — for all the audits of the government agencies in office, which are on page 49 — were close to budget, which does indicate that we have some government agency audits that go under budget and some that go over. But we would like to see more audit projects overall staying on budget and meeting planned dates.

I want to end by commenting what have we done since March 2024 to minimize our employee turnover. We realize as an office that our employees are our most valuable resource, and the quality and timeliness of the office's work depends on their knowledge, their experience, and their professionalism. We hired a new HR manager in June 2024 who is helping with recruitment and retention initiatives, and we started implementing a scheduling system that will allow us to ensure that staff workloads are balanced. We continue to make sure our compensation rates are competitive and will attract and retain CPAs.

We have broadened our employee recognition efforts, enhanced our internal training and learning program, and expanded our recruitment pursuits, recruiting more frequently throughout the year and recruiting from the Sask Polytechnic as well as both universities in the province. We continue to find the student co-op programs at both universities and Sask Polytechnic are a great opportunity to build connections with soon-to-be accountants wanting to pursue audit careers. We do and will continue to use contracted staff to help alleviate our workload pressures each year when we are completing our March 31st year-end audits for the government agencies.

Overall we have seen a lot of stability in our staff departures since March 2024, with only one staff departing as of today's date.

Lastly, we do survey our staff three times a year to confirm whether they are engaged and consider the office a good place to work. These results continue to show over 80 per cent of our employees express positive engagement in the office, which does mean we are moving in the right direction.

As an office we continue to build a culture where staff see the impact the office's work and reports have on building a government with sound management practices and make a difference for the people of Saskatchewan.

With that I would be happy to answer any questions that you do have on our annual report for operations for the year ended March 31st, 2024.

Chair Wotherspoon: — Well thanks so much, Auditor, and thank you to your leadership team and your entire team and all those that work with you and contract with you for the service you provide to the province. Thank you for the report. I'll open it up to committee members now for questions on the annual report. Minister Harrison.

Hon. Daryl Harrison: — Thank you, Mr. Chair. There was four retirements there. Is there a succession plan or do you practice a succession plan going forward to accommodate those retirements you anticipate?

Tara Clemett: — Yes, we do. So as of late we have been trying to identify, it's almost like what are those key areas of almost knowledge that we would like to . . . so making sure that we almost build that, identify those subject leaders, and make sure we almost have one person that is sort of the lead. And we're starting to make sure we have kind of . . .

We aren't a huge office, 60 people, so having almost like the second person in line as well is something that we've been doing and strategically, yeah, setting up an almost . . . We have been documenting and sharing with staff overall so that they have a sense of what would be that key area of expertise they would like to pursue and who's sort of next in line to maintain that knowledge as well.

Hon. Daryl Harrison: — And just a follow-up. Is there exit interviews done with ones that leave?

Tara Clemett: — There is. So we do have the practice of every employee that does depart — it's usually obviously Angèle and myself who meet with them — to just get an understanding of, yeah, why are they leaving? What could be some things we might potentially then do as an office differently? Obviously we decide if there's any trends that we're seeing.

Overall what we've seen in terms — I assume you might be interested — in terms of, what are we seeing those staff indicating? We are a CPA training office. So there is some staff that come to us; they want to be CPAs but they don't want to be auditors. So there is a bit of that. But that is what we anticipate.

Other people that have left though is whereby we are finding it's almost that balance of work, whereby we have a very busy period as I said, April to June, so whereby people are putting in long days, weekends, and so forth. So we have individuals who don't necessarily want that in sort of . . . So we do believe, as I mentioned, setting up whereby we've got the scheduling system, having that contract staff to try and alleviate that workload, setting up a scheduling system where I can have a better line of sight into, like where do we have the reds, where do we have lots of pressure, and can I kind of keep everybody's time reasonable, we hope will help to alleviate things.

Yeah, and sometimes there is times where the people have obviously circumstances that made them leave the province and so forth.

Hon. Daryl Harrison: — Thank you for that. And also recruitment from the schools going very well? Like I just see . . .

Tara Clemett: — We actually just had four people start this week, so yeah, co-ops continuously. So yeah, right now in terms of like, we are at our sort of full complement right now of staff, which is great. And as I've said, since March we haven't had tons of departures — one person. So yeah, I feel like things . . . And the HR managers really help too.

It used to be kind of, you do a lot of your recruiting in the fall

because that was when the universities had kind of the co-op program. And it was kind of everybody was going to graduate in April, and that was when people were recruiting, and then we'd just hire them to start in May, which works for us because we're busy.

But now it's just, we have to be on campus a lot more often and regular. Reaching out to the Sask Polytechnic has been good. So we've had co-ops from an array of places. And the HR manager is just continually, along with obviously other staff, we're just building those connections, attending the HILL [Honouring Integrity, Legacy & Leadership] business dinners, all those types of things.

Hon. Daryl Harrison: — All good, thank you for that. No, I just see the opportunity there for, you know, a graduate coming out. It would be a great place to get a lot of working knowledge.

Tara Clemett: — Yes. Well at the end of the day we're a CPA training office where, yes, you can just do the financial. But obviously there's an array of other work that we do as well that then, that's what I think keeps people with our office because they get very passionate, and yeah, they want to almost like contribute to the public sector.

Hon. Daryl Harrison: — Thanks.

Chair Wotherspoon: — Good comments. And in this space right now for accountants, it's just very competitive space. Is that correct?

Tara Clemett: — Yes, in terms of just, you're right, the number of people almost going in and coming out. And then we just have to stay very competitive. I think what it is is us continually reinforcing we are equal to a firm. I think because, you know, we don't have a firm name, people are kind of like, are you a firm? Yes, we're a firm. And at the end of the day, yeah, we have to make sure our salaries stay competitive with those individuals coming out. But yeah, we've done well in terms of our recent . . . It's almost like you go in the pool for the co-op group, right, and firms win some and we win some. But so it's been good. Yeah, we've been able to land some of the requests that we've made.

Chair Wotherspoon: — You talked a little bit about some of the additional costs that came with where you weren't able to retain salaried staff and have that capacity in-house, and where you'd then have to go contract that. Could you speak to that a little bit more? And if you can speak to like, you know, how much more does it cost for you to go out and contract than have that salaried capacity. We know that you contract regularly because you can't retain all the expertise and surge capacity or other capacity. But could you put a little bit of perspective on that?

Tara Clemett: — So yes, we do need to obviously utilize contract staff for that May-June period because we have a number of year-ends. Like the government agencies are March year-ends and so you have to finish that work. A fair number of them actually have to table their statements by July each year.

So we have that influx whereby . . . And we do use a bit of a competitive process, or it's not like we just have one relationship with one firm. So Angèle does a fair amount of work reaching out who's . . . what are, you know, the rates; who would be

available; making sure we use firms from Saskatoon in the event we have an audit in Saskatoon, like the university. But whereby we weren't able to hire as many staff as we had in the past, yes, we did have to use contract staff to help us with performance audits.

Obviously when we have performance audits too, you will notice probably in the past year we had a few, a number of technical performance audits too. So like then we will utilize sometimes IT [information technology] expertise, for example, if we were doing an IT-type audit.

But yeah, at the end of the day the rates that you pay when we do end up using contract staff end up being more. But obviously they don't have the benefits, so we just set a contract with them: here's the amount of time; here's the amount of hours you need to be in. They are still supervised, and we still oversee, and usually I'm very satisfied with their work.

We then also make sure that everybody almost provides feedback to Angèle, whether or not we want to use those same contracts or that particular firm to provide us with a reliable and credible resource at the end of it. So she has a sense when she goes back out to kind of market again.

Chair Wotherspoon: — Thank you. MLA Housser.

Sally Housser: — Thank you, Chair. Just, you know, along the same vein, you mentioned the level of work was able to be done with less staff based on a couple of different projects that didn't go ahead and thereby didn't need to be audited. I'm thinking particularly of the AIMS system rollout, which I imagine will be a significant bulk of work given . . .

Tara Clemett: — We're doing it right now. So that work just moved.

Sally Housser: — Okay, right. So I was just wondering if that is going to be kind of a knock-on effect and if you think now that the staffing seems to have stabilized, do you anticipate still having to hire more consultants or do you have the resources available to kind of carry on those projects that were delayed in their audit?

Tara Clemett: — Right. So with the AIMS implementation which did occur this year and so our budget request for 2025, our budget request for '26, it will be ongoing work that we do as an office because there are obviously significant automated and system controls now that we will have to ascertain every year that they're operating effectively. But yes, given that we have that full staff complement at the end of the day, I have the needed resources to complete that work. It's ongoing right now. And yeah, results — if there is anything — will be reported out by next December within the Saskatchewan Health Authority chapter.

Sally Housser: — Great. Thank you so much.

Chair Wotherspoon: — Other questions?

Just looking at the one around public awareness of your work in your office, and as something you measure in an area you've noted progress in and met your target, could you speak to how

that . . . I think you have 34 per cent of respondents through one survey have identified that they express familiarity with your office. How would that compare to other jurisdictions? And why do you think that awareness is important to the public?

Tara Clemett: — Yeah, I don't have anything compared to other jurisdictions and I'm not sure this is a measure that I see in their annual reports as a result. We do have basically though a communication specialist in our office that this would be obviously a bit of her focus in terms of our website. We're obviously on Twitter — X now — LinkedIn she maintains, so you will probably notice that, yeah, she's very active in terms of posting and making sure that the information gets out there publicly.

What we did as of late, we ended up with the recent release of Public Accounts and ultimately our audit opinion on the government summary financial statements. What we ended up doing is an at-a-glance, a sort of a two-pager this year. So I'm sure the Provincial Comptroller indicated earlier, like the Public Accounts is 100-and-some pages, so a lot to read. We tried to put everything into a little bit more condensed format so that at the end of the day it was a little bit more manageable, accessible, and I think understandable for the public.

So yeah, something that she continually does, so obviously this survey is done, an omnibus survey done each year. Things did go up, but we're continually trying to think about different ways that . . . I do a fair amount of presentations when I get asked to present. It's continually about people being aware of what is our office, what does it do, and almost what are the results of some of the work that we have completed.

[14:15]

Chair Wotherspoon: — Thanks for that. And then could you speak to why that's important for the audit office, having the public being rather aware of the function and the role of the office?

Tara Clemett: — Well it'll help me with recruiting for one, hopefully. But ultimately yeah, I mean we're definitely an important part in terms of government accountability and government improvement of that administration. So we want people to be aware of the work, the recommendations we've made, and also the progress that I think government is making on a continuous basis in terms of addressing our recommendations and making things better overall for the Government of Saskatchewan.

So you will notice in our newest strategic plan though, we did change this target. We've kept something around the office awareness being a priority, but in terms of the measure and target itself, we decided not to utilize this survey approach from a measure standpoint but rather more our social media activity, and it's almost like the frequency in which people are connecting. And it's . . . I don't want people just going to my website. I wanted them to go in deep enough. I want them looking at my reports itself and looking at the chapters. So we're going to be doing more to monitor, it's almost that engagement with the public and whether or not, yeah, they know more about what we do and what we found.

Chair Wotherspoon: — Thanks. And again just driving the . . . I mean, I'm sure we've got thousands and thousands of people watching here today. Reminding people that they go to your website to access those reports. I do want to commend you and your staff on really making those reports digestible, as you say. There's substantive, you know, volumes that are there that you can get into the depth, but sort of the briefs that are really digestible, I think, are probably really appreciated by many who just kind of want to get some of the high points and then decide to dig in further.

A reminder to all the MLAs around this table to follow the auditor on those socials, and all those people at home that are on social media on various platforms to consider following the auditor.

One measure that I did see reported one time was public trust in like all these different professions. I think it was like a national survey that had been done. And I still remember, like there was a few professions that were just super high. But auditor, I believe, was like one of the highest, like either provincial auditor or government auditor. And like doctors were way up there. Teachers were pretty high. I won't say where politicians were. It wasn't anywhere close to the auditor.

Anyways I want to say thank you for the presentation here. Any other questions on this front? Not seeing any, I'd 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 31, 2024*.

Moved by Deputy Chair Wilson. That's moved. All agreed?

Some Hon. Members: — Agreed.

Chair Wotherspoon: — All right, that's carried.

***Business and Financial Plan
for the Year Ended March 31, 2026***

Chair Wotherspoon: — Okay, we'll continue now and move our attention to the business and financial plan. So we'll put our consideration of the Provincial Auditor's *Business and Financial Plan for the Year Ended March 31, 2026*. I'd turn it over to the Provincial Auditor to introduce that plan, and then we'll open it up for questions.

Tara Clemett: — Thank you, Mr. Chair. So this is our plan for the year ended March 31st, 2026. It contains information that *The Provincial Auditor Act* requires along with additional supporting information. It's prepared using the CPA Canada published statement of recommended practice, or SORP-2, about performance reporting. The financial forecast included in the plan has been audited by Virtus Group. Before we discuss a request for funding, I am going to do a quick recap of what the plan's contents entail.

Section 1 briefly describes the Office of the Provincial Auditor. It describes the purpose of our office, highlights key accountability mechanisms included in *The Provincial Auditor Act*, and the legislative framework for the independence of the office and its staff. The Act does require that our office 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 request for inclusion in the estimates that get tabled in the Legislative Assembly.

Section 2 outlines our 2025-26 funding request. It includes our request for resources for 2025-26 to enable us to carry out the work so that we can appropriately discharge our responsibilities required under the Act, support this committee in carrying out its mandate, and provide timely information to the public and the legislators.

Section 3 includes our annual work plan and supporting schedules. It includes an audited financial forecast, a schedule of planned costs to audit 253 government agencies, which we summarize into various government sectors like health and education. You will find the costs of auditing the various sectors fluctuate significantly each year, and this is usually dependent on which sector we're doing performance work in each year.

We have summarized the potential areas of focus for our future performance work in section 3.3 on page 27. We plan to look at various risk areas, including environmental assessments, long-term care home inspections, child care spaces, travel nurses, online gaming regulation, and municipal appeals in 2026.

Section 4 includes other supporting information. It contains details supporting our work plan, including the impact on the changes in our plan given the change in government agencies, the annual salaries of our executive management for the office, and the office's out-of-province travel costs.

And section 5 outlines the office's strategic plan, sets out the office's four strategic goals, and our performance measures and targets that we use to measure our success. As mentioned, we did update our strategic plan in March 2024 and we now have a plan that outlines our strategic priorities until 2029. We remain focused on meeting the highest standards and contributing to well-managed and accountable government, but some of our newer priorities include implementing a diversity and inclusion plan, using innovative technology, focusing on social and environmental issues, and increasing awareness of the office's work.

So now I'm going to focus on section 2.0, the 2025-26 funding request, starting on page 8. Consistent with *The Provincial Auditor Act*, the funding request includes two separate appropriations. The first is our main appropriation, and the second is our unforeseen expenses appropriation to enable the Provincial Auditor to retain the independence to manage effectively.

For our 2025-26 main appropriation, or (PA01), found on page 9, we are requesting \$10.323 million. This reflects a net increase of \$747,000 from our prior-year approved appropriation. When determining our 2025-26 request, we carefully considered the work and employees necessary to achieve our mandate, the factors and forces and trends affecting our appropriation.

Ultimately this is the funding needed so we can partake in the audits of 253 government agencies, conduct the planned performance audits outlined on page 27 which is about nine a year, and complete follow-up audits so we can inform the

legislators, this committee, and the public about the status of previous audit recommendations. We used information known at September 30th, 2024. We described the factors on page 10. I'm going to highlight a few of the external forces that is making us request additional funding for 2026.

Our main cost, and thus the most significant increase in the request, is for salaries and benefits. Again I want to remind the committee about 80 per cent of our total expenses are made up of salary and benefits. In order to meet our mandate and keep our staff turnover at a manageable level, the office must have staff receiving competitive salaries and benefits. In July 2024 the Government of Saskatchewan authorized pay increases through order in council for its out-of-scope public servants. The office's 2026 financial plan provides similar increases for our employees so did consider the 3 per cent and the 3.41 per cent that were authorized for 2024 and the 1.67 per cent for 2025.

My salary, so the Provincial Auditor's salary, is also showing a pay rate increase. It's based on a formula that is set out in *The Provincial Auditor Act*. It's a salary equal to the average salary of all the deputy ministers and acting deputy ministers, which would have also gone up as a result of the government-authorized pay rate increases.

Employer contribution rates for our health care plan and WCB [Workers' Compensation Board] are expected to increase, and so are federal EI [employment insurance] and CPP rates, so our funding request factors in these increases with a projected overall increase of \$62,000.

Again our assumptions and estimates have been audited to make sure they are supported and reasonable. We have estimated a 2 per cent increase due to the inflation on goods and services like contracted staff assistants and hotel rates, which resulted in an increase by \$24,000. In order to maintain our IT systems and enhance our IT risk management processes, we require an additional \$59,000.

And our office, along with this committee, will be co-hosting the CCPAC [Canadian Council of Public Accounts Committees]-CCOLA [Canadian Council of Legislative Auditors] annual conference in Regina in September 2025 this year. And while a number of these costs should be costs recovered from the attendees, our 2026 budget does include \$10,000 in additional funding in order to keep the conference fees reasonable for the participants coming from across Canada and enable us to put on a memorable event.

Lastly changes in the number and the size of the government agencies and whether the government hires appointed auditors to do the annual integrated audits does affect our costs and the staff needed. For 2025-26 we estimate these changes reduce our cost by \$34,000, and on page 31 it provides more details on the changes.

There were some smaller agencies that were wound up by government in the past year and will not have ongoing activities. And therefore we won't be auditing these agencies going forward, like the Correctional Facilities Industries Revolving Fund, the Provincial Mediation Board trust accounts, and SLGA [Saskatchewan Liquor and Gaming Authority] Retail Inc. So this does result in cost savings.

Moving on to the appropriation for unforeseen expenses, so (PA02), for 2025-26 we are requesting appropriation of \$706,000 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 the resources in order to respond to unforeseen circumstances. This includes unforeseen work such as requests from this committee and costs to improve the timeliness of our work, so the use of contracted assistance when needed.

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 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 have determined our request to equate to one month's salary and benefits.

In summary, our office respectfully asks the committee to approve our 2025-26 funding request. Section 2.2 of the plan at page 9 sets out this request in the Assembly-requested format.

In closing, I do want to comment and note that we appreciate and value the co-operation and the assistance of the legislators, government officials, and appointed auditors that do assist in all the work we do. In particular I do want to thank this committee for the attention and the support for the work of our office. Your review of our annual budget, our annual report, and our public reports do help 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 now be pleased to answer any questions you may have.

Chair Wotherspoon: — Well thanks so much for the presentation and the report, the detail. And I'll open it up to committee members for questions.

[14:30]

Well that's a good presentation when you leave them speechless after. Yeah, thank you for detailing the report as you have. Can you just speak, because we spoke in the annual report a little bit about some of the costs, the challenges on the human resource side. You spoke about some of the positive measures that have been taken and some of the . . . to try to best respond to that competitive labour market in the world of accounting and some of the expertise you need to retain. Can you give us just a little bit more perspective on the year ahead and your budget here as it relates to making sure you have the labour force that you need?

Tara Clemett: — Sure. So yeah, I mean as an office we have to make sure that we have competitive salaries with the public sector of course. Because we do know we're a training office and ideally we'll have some CPAs come to us and then move on, and we do hope they end up staying in the public sector of government. So it's great when they end up on the other side and we get to audit them as well. But we have to make sure that our salaries stay competitive more from that public and private kind of firm perspective.

So Angèle does, yeah, an analysis and a market look each year.

But in the event the government's giving, you know, pay increases, you have to stay competitive and make sure our people are paid fairly and competitively. But I think it's not necessarily about . . . As I said, we do end up surveying a number of our staff on a regular basis, and it isn't necessarily . . . When we do our exit interviews with staff, they aren't always leaving us necessarily for money.

So there is a number of things that we're trying to do on that office front whereby, you know, rewards and recognition, just small things in terms of thank yous, making sure there's emails periodically sent at the successful completion of significant projects, having like coffee breaks after we do a real push on the summary financial statements, all those types of things. So just trying to make sure and continuously trying to reinforce with staff just the value and the impact that they are ultimately having on that, the government's I guess overall management of public resources, and just for the people of Saskatchewan.

So I do think, you know, everybody sees or has some touchpoint on a number of the audits that we end up doing from that performance audit side. Everybody has. So it's just reinforcing for them when we hear, we get amazing feedback sometimes from the agencies overall. They appreciate that we've come in and done good work and made valid recommendations. Obviously we get feedback sometimes through the Legislative Assembly. So I just continually am trying to commend my staff for the impact and the great work that they do.

Chair Wotherspoon: — Thank you very much. And as a committee and as Chair on behalf of the committee, again thank you to all of them for their leadership and service to this province. And I think you describe it very well. It's a very noble service that they're providing to the people of Saskatchewan, one that benefits all, one that you deal with things like health and safety, one that can save lives, one that protects public dollars, ensures government performing in a better way.

So just a big shout-out and thanks to all of them. And thanks for, you know, leading the way and instilling that pride and that culture and that team out of the independent Provincial Auditor's office. I'll turn it over to MLA Gordon.

Hugh Gordon: — If I may, thank you for coming here today and providing your orientation and helping all of us newcomers to this committee understand a bit better about the work that you do for the province and how we can help you do that going forward.

If I understood correctly, your office is responsible for auditing some 200-and-some agencies every year in the province. And I would just pull my attention to page 27, section 3.3 of your report, where your potential areas of focus for performance work lays out for '26, '27, and '28. In '26, the year after this, you're focusing or going to focus on nine areas. And I just was curious if you could explain to me and to the committee members how these areas are determined for focus work and how that differs from the normal work you would do in the course of your year for auditing all these different agencies.

Tara Clemett: — Sure. Thanks for the question. So annually of course there's close to probably then 250 financial statements that we're auditing each year and looking at the controls to make sure that those agencies properly safeguarded public resources,

so you know, providing those opinions and making sure that those get, you know, I guess attached to those financial statements that ultimately get tabled in the Legislative Assembly each year.

What we do as part of our annual planning process which happens, you know, each fall every year, is we do try to identify what are those areas for performance audits that we should be doing in the next upcoming year. We do lay out a three-year plan, as you indicated, in our business and financial plan. So obviously my year two often can move to year one. But we have to like revisit and think about the environmental scan and the risks ultimately to government, in Canada overall, and almost like what am I seeing other Auditor General offices do.

So how do we select our performance audit topics? We do look at what other auditor generals or provincial auditors basically across Canada have done in terms of work. We meet periodically and review environmental scans of the government agencies. So we try to understand what are those key risk areas, where are they seeing almost like challenges.

We end up reviewing the *Hansards* of all of the Legislative Assembly debates to determine what is it the legislators are discussing. We end up meeting with the Chair and Deputy Chair from this Public Accounts Committee, hopefully on an annual basis, to get any feedback on the proposed performance audits that we have upcoming.

We also have on our website the opportunity for citizens of this province to inform us about concerns or areas that they would like us to look at. We maintain a log of all that. And so the comprehensive list is looked at and determined is there anything there where we're seeing trends or there's things that have been raised that make sense.

And then ultimately I have a number of staff who do research of course as well, in terms of almost like from that media standpoint, what are we just seeing in terms of on the horizon and risks overall for the government, for us as a province, and for us as people of Saskatchewan.

Hugh Gordon: — And sorry, just a follow-up on that. So how does the work that you do for the performance work, how is that different with respect to your regular work? Are you saying essentially that you identify particular issues in these areas in the different departments and that's what will be the focus of the work itself in addition to all the other auditing your office would do for that particular agency or department?

Tara Clemett: — Well and what this does is it looks at like their broader processes to ultimately either comply with legislation or safeguard public resources. So in the financial audits we're very much focused on financial controls and the financial numbers.

This one is about more operational controls to ultimately meet their operational goals and objectives and whether or not they have solid processes in place and in line with good practice to meet those.

So there will always be these nine performance audits. There will always be a detailed chapter on it because we very much formulate an audit objective, audit criteria, and to be honest we

usually find something. I guess it's partly because we pick topics where we know there's going to be risks or there's going to be probably areas for improvement, so there will always be an audit chapter on this.

There has been performance audits we've done where we've found no recommendations but you will still have the details of overall those processes. When it comes to environmental assessments, ultimately how does that almost get planned? What's that framework like, how does that get developed, and then how is it implemented? So it informs the public a lot more and hence this committee. And as the Chair has indicated, that's why as a result, you will learn a lot about the details of government administration from listening to this committee's hearings.

Hugh Gordon: — Thank you.

Chair Wotherspoon: — Any further questions as it relates to the business and financial plan and the budget consideration for the year ahead for the auditor here today? Not seeing any at this time, if all agree with the amounts requested, I'd ask a member to move the estimate motions. There are two motions, of course, one for subvote (PA01) and one for subvote (PA02). Deputy Chair Wilson.

Sean Wilson: — I move:

That the 2025-2026 estimates of the Office of the Provincial Auditor, vote 28, Provincial Auditor (PA01) be approved as submitted in the amount \$10,666,000.

Chair Wotherspoon: — Moved by Deputy Chair Wilson. All agreed?

Some Hon. Members: — Agreed.

Chair Wotherspoon: — Okay, that's carried. I'd welcome the second motion. Deputy Chair Wilson.

Sean Wilson: — Yes:

That the 2025-2026 estimates of the Office of the Provincial Auditor, vote 28, unforeseen expenses (PA02) be approved as submitted in the amount of \$706,000.

Chair Wotherspoon: — Moved by Deputy Chair Wilson. All agreed?

Some Hon. Members: — Agreed.

Chair Wotherspoon: — That's carried. And I'll now ask the member to move the third motion.

Sean Wilson: — Yes:

That the 2025-26 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 of *The Provincial Auditor Act*.

Chair Wotherspoon: — Moved by Deputy Chair Wilson. All agreed?

Some Hon. Members: — Agreed.

Chair Wotherspoon: — All right, that's carried. Well listen, thanks for the time here today. Thanks to the members for their work on these considerations. Thanks to the auditor for all the work that she's put into these meetings here today. Thanks again to her entire audit office.

Of course we also had our orientation for our new committee and for members here today, so thanks to the auditor and her team on that front. Thanks to the comptroller. Thanks to our committee Clerk here today.

And we look forward to the important work ahead. I think we're going to be meeting again in a couple weeks, but at this point in time I'd ask for a motion of adjournment. Moved by MLA Chan. Over the boards. All agreed?

Some Hon. Members: — Agreed.

Chair Wotherspoon: — That's carried. This committee stands adjourned until the call of the Chair.

[The committee adjourned at 14:43.]