

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

November 23, 2000

### MINUTE NO. 8

9:00 a.m. — Room 10

1. **PRESENT:** Mr. Krawetz in the Chair and Members Gantefer, Higgins, Kasperski\*, Kwiatkowski, Lorje, Stewart, Trew, Wakefield and Wartman.

#### **Substituting Members**

\*Mr. Kasperski substituted for Ms. Jones

#### **Provincial Auditor's Office**

Fred Wendel, Acting Provincial Auditor

Brian Atkinson, Executive Director

Rodd Jersak, Manager

Gordon J.K. Neill, Q.C., Legal Counsel

#### **Provincial Comptroller's Office**

Terry Paton, Provincial Comptroller

Chris Bayda, Director, Financial Management Branch

Lori Taylor, Manager, Financial Management Branch

Lisa Healy, Analyst, Financial Management Branch

2. It was agreed, that the Committee would meet from 1:00 p.m. until 4:00 p.m. instead of 1:30 p.m. until 5:00 p.m. as originally agreed to.
3. The Committee resumed deliberation on proposed changes to *The Provincial Auditor Act*; as proposed by the *Special Report by the Provincial Auditor to the Legislative Assembly of Saskatchewan regarding Changes to the Provincial Auditor Act* (Special Report) and the Minister of Finance's Provincial Auditor Advisory Committee's *Report of the Provincial Auditor Advisory Committee*.

The following representatives of the Advisory Committee appeared before the Committee:

John K. Aitken – Advisory Committee Member

Nola D. Joorisity – Advisory Committee Member

Lori Taylor, Manager, Financial Management Branch – Staff to the Advisory Committee

Lisa Healy, Analyst, Financial Management Branch – Staff to the Advisory Committee

4. The Committee resumed its review of the recommendations of the Provincial Auditor's *Special Report* and came to the following conclusions.

Recommendation 8	<p>On motion of Mr. Wartman, the Committee concurred. While deliberating on this recommendation, the Committee took into consideration recommendations of the <i>Report of the Provincial Auditor Advisory Committee</i> as follows:</p> <p><i>Recommendation 14</i> – The Committee agreed such an Audit Committee should exist but noted that the appointment process should allow for advice from the Standing Committee on Crown Corporations, and the appointment mechanism should be through the Legislative arm of government.</p> <p><i>Recommendation 15</i> – The Committee agreed but without the provision that the Audit Committee receive draft reports of the Provincial Auditor, nor meet with the Auditor and management as specified in the first bullet of the recommendation.</p> <p><i>Recommendation 16</i> – The Committee disagreed.</p> <p><i>Recommendation 17</i> – The Committee concurred.</p>
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5. The Committee recessed at 10:30 a.m. until 10:45 a.m.
6. The Committee resumed its review of the recommendations of the Provincial Auditor's *Special Report* and came to the following conclusions.

Recommendation 9	On motion of Mr. Gantefer, the Committee concurred.
Recommendation 10(1)	On motion of Ms. Lorje, the Committee disagreed. In consideration of this recommendation, the Committee concurred with recommendation 27 of the <i>Report of the Provincial Auditor Advisory Committee</i> .
Recommendation 10(2)	On motion of Ms. Lorje, the Committee disagreed. In consideration of this recommendation, the Committee concurred with recommendation 31 of the <i>Report of the Provincial Auditor Advisory Committee</i> .
Recommendation 11	On motion of Ms. Lorje, the Committee concurred.
Recommendation 12	On motion of Ms. Lorje, the Committee concurred.
Recommendation 13	On motion of Mr. Wakefield, the Committee disagreed.
Recommendation 14(1)	On motion of Mr. Gantefer, the Committee concurred.

Recommendation 14(2)	On motion of Ms. Lorje, the Committee disagreed. In consideration of this recommendation, the Committee came to the certain conclusions with respect to recommendations contained in <i>Report of the Provincial Auditor Advisory Committee</i> : <i>Recommendation 11</i> – The Committee concurred. <i>Recommendation 12</i> – The Committee concurred. <i>Recommendation 13</i> – The Committee concurred, with the additional stipulation that the report of the auditor of accounts of the office of the Provincial Auditor be tabled in the Legislative Assembly.
Recommendation 15	On motion of Mr. Gantefoer, the Committee concurred and noted its agreement with recommendations 8 and 9 of <i>Report of the Provincial Auditor Advisory Committee</i> .

7. The Committee resumed its deliberations on recommendation 7(2) of the Provincial Auditor's *Special Report*.
8. The Committee recessed at 11:47 a.m. until 1:00 p.m.
9. The Committee came to the following conclusion about recommendation 7(2) of the Provincial Auditor's *Special Report*.

Recommendation 7(2)	On motion of Ms. Lorje, the Committee disagreed but, while deliberating on this recommendation, the Committee took into consideration recommendations of <i>Report of the Provincial Auditor Advisory Committee</i> as follows: <i>Recommendation 5</i> – The Committee concurred. <i>Recommendation 6</i> – The Committee agreed with the recommendation, with the condition that the word “would” be replaced by “shall,” so that the recommendation reads as follows: “that legislation allows the Provincial Auditor to request Special Warrants funding, which shall be provided on the recommendation of the Standing Committee on Public Accounts.” <i>Recommendation 18</i> – The Committee concurred. <i>Recommendation 19</i> – The Committee concurred.
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10. The Committee reviewed the recommendations of *Report of the Provincial Auditor Advisory Committee* not considered in conjunction with its consideration of the Provincial Auditor's *Special Report*. The Committee came to the following conclusions:

Recommendation 22	On motion of Mr. Wartman, the Committee agreed with the recommendation but further recommends that <i>The Provincial Auditor's Act</i> incorporate the principle that the Provincial Auditor can rely on the appointed auditor if he or she possess the defined designations.
Recommendation 23	On motion of Mr. Wakefield, the Committee concurred.
Recommendation 28	On motion of Ms. Lorje, the Committee concurred.

11. The Committee recessed at 1:52 p.m. until 2:04 p.m.

12. The Committee resumed consideration of a process for the appointment of a new Provincial Auditor. It was moved by Ms. Lorje:

That the Standing Committee on Public Accounts recommends a process for the selection of a Provincial Auditor as follows:

- i) That the selection of a candidate for the position of Provincial Auditor must be the unanimous choice of the Standing Committee on Public Accounts;
- ii) That the successful candidate be recommended by report of the Standing Committee on Public Accounts to the Legislative Assembly of Saskatchewan at the earliest opportunity;
- iii) That the Standing Committee on Public Accounts appoint a selection committee of three persons to consist of a person designated by the Office of the Clerk, a senior staffing officer from the Public Service Commission, and an independent individual who is a member in good standing of the Institute of Chartered Accountants of Saskatchewan and holds a senior position within the private sector, the academic field, or the Institute of Chartered Accountants of Saskatchewan; this individual should not be engaged in public practice;
- iv) That the said selection committee be charged with responsibility for: drafting a newspaper advertisement for the position of Provincial Auditor; establishing criteria for selecting applicants; the shortlisting of applicants to a list of no more than three candidates for the position of Provincial Auditor; the drafting of questions for the interview of the shortlisted candidates; and the selection of a senior interviewer from the Public Service Commission to conduct the interviews;
- v) That the draft advertisement, screening criteria, and interview questions be submitted to the Standing Committee on Public Accounts for its approval;
- vi) That the selected candidates be interviewed before the Standing Committee on Public Accounts;

vii) That interviews be conducted on the basis of the approved interview questions and all questions to candidates be conducted by the interviewer;

viii) That the salary and compensation accorded to the Provincial Auditor be as follows:

- (1) subject to subsections (2) and (3), the Provincial Auditor is to be paid a salary equal to the average salary of all deputy ministers and acting deputy ministers of the Government of Saskatchewan calculated as at April 1 in each year;
  - (2) any benefits or payments that may be characterized as deferred income, retirement allowances, separation allowances, severance allowances, or payments in lieu of notice, are not to be included in the average salary of all the deputy ministers and acting deputy ministers pursuant to subsection (1);
  - (3) where, as a result of a calculation made pursuant to subsection (1), the salary of a Provincial Auditor would be less than that Provincial Auditor's previous salary, the Provincial Auditor is to be paid not less than his or her previous salary;
  - (4) the Provincial Auditor is entitled to receive any privileges of office and economic adjustments that are provided generally to deputy ministers;
- ix) That the term of office of the Provincial Auditor be set at 10 years; that the incumbent shall not be re-appointed but would be eligible to re-apply in competition for a second term;

and that the Standing Committee on Public Accounts recommend that the appropriate changes be made to *The Provincial Auditor Act* to affect these changes.

The question being put, the motion was agreed to.

13. The Committee considered a business agenda for future meetings. The following document, prepared on behalf of the Committee by the Office of Provincial Auditor, was tabled:

**PAC 10/24 Office of the Provincial Auditor:** Proposed outline for Reviewing the Reports of the Provincial Auditor that are currently before the Committee.

It was agreed that the said document should form the basis for the Chair's and the Vice-Chair's preparation of a business agenda for the next meeting, and that the dates for the next meetings be December 18<sup>th</sup> and 19<sup>th</sup>, 2000.

14. The Committee deliberated on the subject of review of the Provincial Auditor's reports and recommendations concerning Crown corporations. The Committee requested that the Provincial Auditor consider a process to address the overlap of business between the Standing Committee of Public Accounts and the Standing Committee on Crown Corporations, and to report back at the next meeting.

15. It was moved by Mr. Kwiatkowski:

That this Committee do now adjourn.

The question being put, the motion was agreed to.

16. The Committee adjourned at 3:12 p.m. until Monday, December 18<sup>th</sup>, 2000 at 11:00 a.m.

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Gregory A. Putz  
Committee Clerk

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Ken Krawetz  
Committee Chair