

# STANDING COMMITTEE ON PUBLIC ACCOUNTS

May 30, 2001

## MINUTE NO. 14

9:00 a.m. - Room 10

1. **PRESENT:** Mr. Krawetz in the Chair and Members Bakken\*, Draude\*, Gantfoer, Harper, Higgins, Jones, Junor, Wakefield and Wartman.

### **Substituting Members**

Ms. Bakken for Mr. Stewart

Ms. Draude for Mr. Kwiatkowski

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

Fred Wendel, Acting Provincial Auditor

Brian Atkinson, Acting Assistant Provincial Auditor

Michael Heffernan, Executive Director

Rodd Jersak, Principal

Jane Knox, Principal

Rosemarie Volk, Principal

Mark Anderson, Manager

Jolene Beblow, Manager

Jeff Kress, Manager

Rena Strecker, Acting Manager

Lloyd Orrange, Project Leader

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

Terry Paton, Provincial Comptroller

Chris Bayda, Executive Director, Financial Management Branch

2. The Chair tabled the following document:

**PAC 15/24 – Saskatchewan Education:** Response to undertaking made at the March 14, 2001 committee meeting regarding dyslexic children.

3. The Committee proceeded to consider pages 33-37 of Chapter 1A (Health) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* and Chapter 2A (Health) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapters.

The following Department of Health officials appeared before the Committee and answered questions:

### Witnesses

Steven Pillar, Associate Deputy Minister

Rod Wiley, Executive Director, Finance & Management Services Branch

Bert Linklater, Executive Director, District Management Services Branch

Leslie Parker, Director, Capital Management Team, District Management Services Branch

Chuck McDonald, Director, Administration, Finance and Administration

4. The Committee recessed from 10:20 a.m. until 10:50 a.m.

5. The Committee noted that several of the recommendations in these chapters had been considered dealt with in earlier Committee reports. Only the four new recommendations would be considered at the current meeting.
6. The Committee concurred with recommendation 2A-2 made at page 98 of Chapter 2A (Health) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*, that the Department of Health make a service agreement with the Canadian Blood Services to ensure it achieves the Department's objectives. The Committee noted that the Department is making progress towards complying with the recommendation.
7. The Committee concurred with recommendation 2A-3 made at page 101 of Chapter 2A (Health) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*, that the Department's capital construction agreements: require health districts to provide the Department with adequate and timely performance information on capital construction projects; and describe the Department's process for verifying performance information.
8. The Committee next considered recommendation 2A-4 made at page 105 of Chapter 2A (Health) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)* which recommended that the Corporation record the money received from Saskatchewan Health for the acquisition of capital assets as a debt until the Corporation acquires the related assets. It was moved by Ms. Jones that:

The Committee takes notes of the opinions of the Provincial Auditor's Office and the Department of Finance and recommends that they continue to work towards reconciling their accounting policies in light of the anticipated recommendations of the Institute of Chartered Accountants.

The question being put and a debate arising, the motion was agreed to.

9. The Committee next considered recommendation 2A-5 made at page 105 of Chapter 2A (Health) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)* which recommended that the Corporation amend its 2000 financial statements and table the revised financial statements in the Legislative Assembly. It was moved by Mr. Ganteferer that:

The Committee takes notes of the opinions of the Provincial Auditor's Office and the Department of Finance and recommends that they continue to work towards reconciling their accounting policies in light of the anticipated recommendations of the Institute of Chartered Accountants.

The question being put, the motion was agreed to.

10. The Committee proceeded to consider Chapter 1B (District Health Boards) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* and Chapter 2C (District Health Boards) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapters.

The officials then answered questions from Committee Members.

11. The Committee noted that the recommendations in these chapters had been considered dealt with in earlier Committee reports. The Committee did however reconsidered recommendation 2C-4 made at page 132 of Chapter 2C (District Health Boards) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*. An additional recommendation was moved by Ms. Jones that:

The Committee recommends that health districts develop agreements that help ensure affiliates effectively deliver health services.

The question being put and a debate arising, the motion was agreed to.

12. The Committee proceeded to consider Chapter 1C (Toward 2000 – Project ‘98) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapters.

The officials then answered questions from Committee Members.

13. The Committee concurred with recommendation 1C-1 made at page 63 of Chapter 1C (Toward 2000 – Project ‘98) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)*, that the Department of Health and health districts make public timely performance information on major capital construction projects including:

- The full cost of construction projects compared to the original planned cost;
- The nature of any significant changes to such projects; and
- The extent that the expected project benefits are achieved (e.g., reduced service costs and improved service outcomes).

14. The Committee concurred with recommendation 1C-2 made at page 63 of Chapter 1C (Toward 2000 – Project ‘98) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)*, that the Department of Health:

- Ensure its capital project agreements with health districts describe the process of verifying expected performance;
- Ensure it requests and receives adequate and timely performance information on capital construction projects; and
- Ensure it determines whether such performance information is reliable.

15. The Committee proceeded to consider Chapter 1D (Board Development: A Health District Case Study) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* and Chapter 2D (Health district board information for financial decisions) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*. Mr. Anderson of the Office of the Provincial Auditor provided an overview of the chapters.

The officials then answered questions from Committee Members.

16. The Committee concurred with recommendation 2D-1 made at page 140 of Chapter 2D (Health district board information for financial decisions) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*, that boards of health districts should improve the relevance of financial and program information they receive by requesting:

- Timely reports. Boards should request that they receive reports as soon as possible after the end of the reporting period, preferably within 30 days, and at least one week before meetings;

- Reports that describe progress towards goal and objectives. Boards should continue their efforts to define performance measures and should focus their efforts on defining a limited set of key measures that monitor progress toward the board's most critical objectives; and
  - Reports that help them look ahead. Reports should include projections or forecasts (e.g., of results, service delivery volumes, staffing levels).
17. The Committee concurred with recommendation 2D-2 made at page 141 of Chapter 2D (Health district board information for financial decisions) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*, that boards of health districts should improve the reliability of financial and program information they receive by ensuring:
- Reports include information about the financial position and program effectiveness of significant affiliates;
  - Reports disclose significant assumptions used in preparing projections or forecasts; and
  - Districts standardize the way they collect and safeguard information.
18. The Committee adjourned at 12:00 noon until 9:00 a.m. on Wednesday, June 6, 2001.

---

Margaret A. Woods  
Committee Clerk

---

Ken Krawetz  
Committee Chair