

STANDING COMMITTEE ON PUBLIC ACCOUNTS
September 27, 2001

MINUTE NO. 17
9:00 a.m. - Room 10

1. **PRESENT:** Mr. Krawetz in the Chair and Members Bjornerud*, Draude*, Harper, Jones, Junor, Kwiatkowski, Stewart, Wartman and Yates*.

Substituting Members

Mr. Bjornerud for Mr. Gantefoer

Ms. Draude for Mr. Wakefield

Mr. Yates for Ms. Higgins

Provincial Auditor's Office

Fred Wendel, Acting Provincial Auditor

Brian Atkinson, Acting Assistant Provincial Auditor

Judy Ferguson, Executive Director

Ed Montgomery, Executive Director

Rodd Jersak, Principal

Bill Harasymchuk, Manager

Kim Lowe, Auditor

Provincial Comptroller's Office

Chris Bayda, Executive Director, Financial Management Branch

Larry Boys, Manager, Financial Management Branch

Lori Taylor, Manager, Financial Management Branch

Garth Herbert, Analyst, Financial Management Branch

2. The following document was tabled:

PAC 17/24 – Municipal Affairs, Culture and Housing: Response to undertaking made at the June 6, 2001 meeting re: costs of studies regarding municipal restructuring, dated July 13, 2001

3. The Committee proceeded to consider Chapter 16 (Chief Electoral Officer) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of this chapter.

The following officials from the Office of the Chief Electoral Officer appeared before the Committee and answered questions:

Witnesses

Jan Baker, Chief Electoral Officer

Michael Mahon, Assistant Chief Electoral Officer

3. The Committee concurred with recommendation 16-1 made at page 321 of Chapter 16 (Chief Electoral Officer) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*, that the Electoral Office should prepare and submit to the Speaker all reports as required by *The Elections Act, 1996*. The Committee noted that the Office is making progress towards complying with the recommendation.

4. The Committee concurred with recommendation 16-2 made at page 325 of Chapter 16 (Chief Electoral Officer) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*, that the Electoral Office should comply with the Standing Committee on Public Accounts' recommendation by requesting that the Board of Revenue Commissioners cancel the collection of any anonymous donations for 1996 and for the six prior calendar years. The Committee noted that the Office is making progress towards complying with the recommendation.
5. The Committee next considered recommendation 16-3 made at page 325 of Chapter 16 (Chief Electoral Officer) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*, that the Electoral Office should issue guidance to candidates' and registered political parties' auditors that requires them to verify whether all contributions received and all expenses incurred are reported on the returns and report on such in their audit reports. It was moved by Ms. Jones:

That the Committee defer its decision on this recommendation until the Office of the Chief Electoral has received a legal opinion on the matter and has had an opportunity to discuss the issue further with the Office of the Provincial Auditor.

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

6. The Committee recessed from 10:30 a.m. until 11:00 a.m.
7. The Committee was advised that additional duties had been delegated to it as a result of amendments passed to The Provincial Auditor's Act earlier this year. These new responsibilities include the reviewing of the estimates for the Office of the Provincial Auditor, the appointment of the Provincial Auditor and the appointment of the Audit Committee.
8. The Committee reviewed the selection process for the position of Provincial Auditor that it had adopted in its 1st Report of the 24th Legislature. It was agreed that a Selection Committee would be appointed and 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 with the Institute of Chartered Accountants of Saskatchewan, who holds a senior position within the private sector, the academic field or the Institute of Chartered Accountants of Saskatchewan, and who is not engaged in public practice.

It was further agreed that the Chair would correspond with the Office of the Clerk, the Public Service Commission and the Institute of Chartered Accountants of Saskatchewan to seek, by October 31st, the nomination of one appropriate individual from the first two organizations and for three names from the Institute of Chartered Accountants of Saskatchewan. At its next meeting, the Committee would chose from the proposed names the three individuals that would be appointed to the Selection Committee.

9. The Committee next considered the recommendation of persons to serve on the Audit Committee, pursuant to section 20 of The Provincial Auditor Act as amended. The Committee agreed to recommend that the Audit Committee should consist of five individuals, all of whom must be resident in Saskatchewan, and who must include one of each of the following:
 - ☐ One person who is a member in good standing of the Institute of Chartered Accountants of Saskatchewan;
 - ☐ One person who is a member in good standing of the Society of Management Accountants of Saskatchewan;

- ❑ One person with an accounting background chosen from the faculty of a post-secondary educational institution;
- ❑ One person who is a member in good standing of the Law Society of Saskatchewan and whose preferred area of practice involves financial dealings; and
- ❑ One person who has experience in operating a business in the private sector.

It was further agreed that the Chair would correspond with the Institute of Chartered Accountants of Saskatchewan, the Society of Management Accountants of Saskatchewan, the Universities of Regina and Saskatchewan, the Saskatchewan Institute of Applied Arts and Science Technologies, the Law Society of Saskatchewan and the Saskatchewan Chamber of Commerce to seek, by October 31st, the nomination of four to six appropriate individuals from each organization. At its next meeting, the Committee would chose from the proposed names the five individuals that would be recommended to be appointed to the Audit Committee.

10. The Committee was advised that the 22nd Annual Conference of Canadian Council of Public Accounts Committees, which was to have been held in Regina from September 16th to 18th, 2001, had been cancelled due to the terrorist actions in the United States on September 11th and the ensuing disruption to air travel in Canada.
11. The Committee considered its next meeting dates. It was agreed that meetings would be scheduled for November 1st and 2nd and for November 26th and 27th, 2001.
12. The Committee recessed from 1:00 p.m. until 1:30 p.m.
13. The Committee proceeded to consider pages 193-209 of Chapter 6B (Canada-Saskatchewan Infrastructure Works Program – Phase II) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* and pages 61-71 and pages 84-85 of Chapter 3 (Municipal Affairs, Culture and Housing) of the *Spring 2001 Report of the Provincial Auditor*. Mr. Harasymchuk of the Office of the Provincial Auditor provided an overview of the chapter.

The following Department of Municipal Affairs, Culture and Housing officials appeared before the Committee and answered questions:

Witnesses

Brij Mathur, Deputy Minister

John Edwards, Acting Assistant Deputy Minister, Municipal and Community Services

Jan Carter, Executive Director, Corporate Services

Larry Chaykowski, Executive Director, Housing Financial Operations

Russ Krywulak, Executive Director, Grants Administration and Provincial-Municipal Relations

Mariette Nygren, Executive Director, Business Operations & Information Technology

Joylene Campbell, Acting Provincial Librarian

14. The Committee noted that the recommendations contained in Chapter 6B of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* were superseded by Chapter 3 of the *Spring 2001 Report of the Provincial Auditor*. It was agreed that the Committee would consider the recommendations contained in Chapter 3 only.
15. The Committee concurred with recommendation 3-1 made at page 67 of Chapter 3 (Municipal Affairs, Culture and Housing) of the *Spring 2001 Report of the Provincial Auditor* that the Department should improve its procedures to ensure that provincial-municipal infrastructure grants provided to municipalities meet the conditions of the related program.

16. The Committee concurred with recommendation 3-2 made at page 68 of Chapter 3 (Municipal Affairs, Culture and Housing) of the *Spring 2001 Report of the Provincial Auditor* that the Government of Saskatchewan should ensure its agreements contain provisions that clearly assign responsibilities among the partners and provide sufficient resources to carry out administrative and other program requirements (including timely monitoring and reporting on achievement of results).
17. The Committee next considered recommendation 3-9 made at page 85 of Chapter 3 (Municipal Affairs, Culture and Housing) of the *Spring 2001 Report of the Provincial Auditor* that the Saskatchewan Housing Corporation should provide the Assembly with the audited financial statements of each of the 20 housing authorities and the eight housing authority territories. It was moved by Mr. Wartman:

That the Committee defer its decision on this recommendation until further information is available.

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

18. The Committee adjourned at 3:05 p.m. until 8:30 a.m. on Friday, September 28, 2001.

Margaret A. Woods
Committee Clerk

Ken Krawetz
Committee Chair