

STANDING COMMITTEE ON PUBLIC ACCOUNTS

September 28, 2001

MINUTE NO. 18

8:30 a.m. - Room 10

1. **PRESENT:** Mr. Krawetz in the Chair and Members Draude*, Harper, Higgins, Junor, Kwiatkowski, McCall*, McMorris*, Stewart and Yates*.

Substituting Members

Ms. Draude for Mr. Wakefield

Mr. McCall for Ms. Jones

Mr. McMorris for Mr. Gantefer

Mr. Yates for Mr. Wartman

Provincial Auditor's Office

Fred Wendel, Acting Provincial Auditor

Brian Atkinson, Acting Assistant Provincial Auditor

Bashar Ahmad, Executive Director

Rod Grabarczyk, Principal

Rodd Jersak, Principal

Tara Clemett, Manager

Cindy Fysh, Auditor

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller

Chris Bayda, Executive Director, Financial Management Branch

Erich Finkeldey, Senior Analyst, Financial Management Branch

2. The Committee proceeded to consider Chapter 10 (Energy and Mines) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)*. Ms. Clemett of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Ray Clayton, Deputy Minister

Donald Koop, Assistant Deputy Minister

3. The Committee disagreed with recommendation 10-1 made at page 260 of Chapter 10 (Energy and Mines) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* that the Estimates should present future grant payments to NewGrade as expenditures. The Committee reaffirmed its previous decision that was reported to the Assembly on April 24, 1997, that in its view, the Department is in compliance with the accounting requirements provided for in section 24 of The Financial Administration Act as it pertains to Order-in-Council 7/89.
4. The Committee disagreed with recommendation 10-2 made at page 260 of Chapter 10 (Energy and Mines) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* that the Department should report these payments as an expense of the Department.

5. The Committee concurred with recommendation 10-3 made at page 261 of Chapter 10 (Energy and Mines) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* that the Department should continue to improve its annual report.
6. The Committee resumed its discussion on the appointment of an Audit Committee pursuant to section 20 of The Provincial Auditor Act as amended. Mr. Bayda of the Provincial Comptroller's Office provided a briefing on the Treasury Board's policy on per diems and expenses for boards, commissions and committees. The following document was tabled:

PAC 18/24 – Department of Finance: Information for the Public Accounts Committee re: Per diems and Expenses for Appointees, dated September 27, 2001

A discussion ensued and it was agreed that the responsibility level of the Audit Committee would be considered as high.

7. The Committee recessed from 9:15 a.m. until 10:05 a.m.
8. The Committee proceeded to consider pages 244-249 and pages 251-253 of Chapter 9 (Environment and Resource Management) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* and Chapter 10 (Environment and Resource Management) of the *Fall 2000 Report of the Provincial Auditor (Volume 3)*. Mr. Grabarczyk of the Office of the Provincial Auditor provided an overview of these chapters.

The following Department of Environment and Resource Management officials appeared before the Committee and answered questions:

Witnesses

Stuart Kramer, Deputy Minister
Dave Phillips, Assistant Deputy Minister, Operations Division
Bob Ruggles, Assistant Deputy Minister, Programs Division
Lynn Tulloch, Executive Director, Corporate Services Division

9. The Committee concurred with recommendation 9-1 made at page 253 of Chapter 9 (Environment and Resource Management) of the *Fall 1999 Report of the Provincial Auditor (Volume 2)* that the Department of Environment and Resource Management should continue to improve its annual report. The Committee noted that the Department is making progress towards complying with the recommendation.
10. The Committee concurred with recommendation 10-1 made at page 269 of Chapter 10 (Environment and Resource Management) of the *Fall 2000 Report of the Provincial Auditor (Volume 2)* that the Department should improve its rules and procedures to ensure it pays only for goods and services received. The Committee noted that the Department is making progress towards complying with the recommendation.
11. The Committee adjourned at 11:00 p.m. until Thursday, November 1, 2001.

Margaret A. Woods
Committee Clerk

Ken Krawetz
Committee Chair