

STANDING COMMITTEE ON PUBLIC ACCOUNTS
February 18, 2002

MINUTE NO. 25
10:00 a.m. - Room 10

1. **PRESENT:** Mr. Krawetz in the Chair and Members Gantefer, Hamilton*, Harper, Higgins, Jones, Kwiatkowski, Stewart, Wakefield and Yates*.

Substituting Members

Ms. Hamilton for Ms. Junor
Mr. Yates for Mr. Wartman

Provincial Auditor's Office

Fred Wendel, Acting Provincial Auditor
Brian Atkinson, Acting Assistant Provincial Auditor
Bashar Ahmad, Executive Director
Mike Heffernan, Executive Director
Ed Montgomery, Executive Director
Rodd Jersak, Principal
Andrew Martens, Principal
Glen Nyhus, Principal
Jeff Kress, Manager
Leslie Wendel, Manager

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller
Chris Bayda, Executive Director, Financial Management Branch
Jane Borland, Manager, Financial Management Branch
Lori Taylor, Manager, Financial Management Branch
Tamara Stocker, Analyst, Financial Management Branch

2. The following response to an undertaking was tabled:

PAC 22/24 – Saskatchewan Justice: Response to an undertaking given at the June 13, 2001 meeting, regarding information provided to Prosecutors at court appearances and a description of the linkages between the information systems that Prosecutions and Courts use, dated February 14, 2002.

3. The Committee proceeded to consider Chapter 12 (Finance) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)*. Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Ron Styles, Deputy Minister
Terry Paton, Provincial Comptroller
Brian Smith, Executive Director, Public Employees Benefits Agency

4. The Committee considered recommendation 12-1 made at page 311 of Chapter 12 (Finance) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Finance should account for pension costs in the General Revenue Fund financial statements in accordance with the Canadian Institute of Chartered Accountants accounting standards for the public sector.

It was moved by Mr. Yates that:

The Committee do not concur in the recommendation.

The question being put and a debate arising, Mr. Wakefield moved a superseding motion that:

The Committee postpone consideration of this recommendation until a later date.

The question being put, it was defeated. The question being put on the original motion, it was agreed to.

5. The Committee next considered recommendation 12-2 made at page 312 of Chapter 12 (Finance) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the General Revenue Fund financial statements should record transfers to the Fiscal Stabilization Fund as an asset, not as an expenditure. In addition, the General Revenue Fund financial statements should record any transfers back to the General Revenue Fund as a reduction of that asset, not as revenue.

It was moved by Mr. Gantefer that:

The Committee do concur in the recommendation.

The question being put, the motion was defeated. It was then moved by Mr. Yates that:

The Committee do not concur in the recommendation.

The question being put, it was agreed to.

6. The Committee next considered recommendation 12-3 made at page 313 of Chapter 12 (Finance) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Finance should include the General Revenue Fund's total pension costs for the year in the Estimates.

It was moved by Mr. Gantefer that:

The Committee do concur in the recommendation.

The question being put, the motion was defeated. It was then moved by Mr. Yates that:

The Committee do not concur in the recommendation.

The question being put, it was agreed to.

7. The Committee concurred with recommendation 12-4 made at page 315 of Chapter 12 (Finance) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Finance should seek change to the provisions of *The Members of the Legislative Assembly Superannuation Act, 1979* to make them consistent with Canada's *Income Tax Act*.

8. The Committee proceeded to consider Chapter 5 (Pensions) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)*. Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.
9. The Committee noted that Chapter 5 (Pensions) was received for informational purposes and that there were no recommendations to report on.
10. The Committee recessed from 11:40 a.m. until 1:30 p.m.
11. The Committee proceeded to consider Chapter 9 (Justice) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)*. Mr. Nyhus of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

John D. Whyte, Deputy Minister
Keith Laxdal, Associate Deputy Minister, Finance & Administration
John Baker, Executive Director, Law Enforcement Services
Rod Crook, Executive Director, Registry Services
Ron Kruzeniski, Q.C., Public Trustee
Elizabeth Smith, Director, Administrative Services
Stella LaRocque, Assistant Director, Administrative Services
Mike Pestill, Manager, Financial Services, Public Law and Community Justice

12. The Committee concurred with recommendation 9-1 made at page 237 of Chapter 9 (Justice) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Justice should:
 - follow its established procedures for recording tickets distributed to law enforcement agencies; and
 - strengthen its procedures to ensure that the Department of Justice records all tickets issued by law enforcement agencies.The Committee noted that the Department is making progress towards complying with the recommendation.
13. The Committee concurred with recommendation 9-2 made at page 243 of Chapter 9 (Justice) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Justice's Finance and Audit Committee should regular meetings to direct and approve the work plans of internal audit; and to review and discuss the findings of internal audit and the Provincial Auditor's Office.
14. The Committee concurred with recommendation 9-3 made at page 244 of Chapter 9 (Justice) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Justice should strengthen its project management practices by identifying the lessons learned from the Office of the Public Trustee's recent information technology project. The Committee noted that the Department is making progress towards complying with the recommendation.
15. The Committee concurred with recommendation 9-4 made at page 244 of Chapter 9 (Justice) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Justice should consistently apply its project management practices to ensure appropriate skills, processes, and resources are used to manage its information technology projects.

16. The Committee recessed from 2:45 p.m. until 3:30 p.m.
17. The Committee proceeded to consider Chapter 13 (Social Services) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Bonnie Durnford, Deputy Minister
Shelley Hoover, Assistant Deputy Minister
Bob Wihlidal, Assistant Deputy Minister
Phil Walsh, Executive Director, Income Security Division
Don Allen, Executive Director, Financial Management Division

18. The Committee concurred with recommendation 13-1 made at page 329 of Chapter 13 (Social Services) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Social Services should verify the validity of each Saskatchewan Employment Supplement applicant's social insurance numbers. The Committee noted that the Department is making progress towards complying with the recommendation.
19. The Committee concurred with recommendation 13-2 made at page 329 of Chapter 13 (Social Services) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Social Services should periodically verify the incomes of Saskatchewan Employment Supplement recipients. The Committee noted that the Department is making progress towards complying with the recommendation.
20. The Committee adjourned at 3:54 p.m. until 9:00 a.m. on Tuesday, February 19, 2002.

Margaret A. Woods
Committee Clerk

Ken Krawetz
Committee Chair