

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**February 19, 2002**

**MINUTE NO. 26**  
**9:00 a.m. - Room 10**

1. **PRESENT:** Mr. Krawetz in the Chair and Members Atkinson\*, Gantfoer, Harper, Jones, Kwiatkowski, McCall\*, Stewart, Wakefield and Yates\*.

**Substituting Members**

Ms. Atkinson for Ms. Higgins  
Mr. McCall for Mr. Wartman  
Mr. Yates for Ms. Junor

**Other Members**

Mr. Forbes

**Provincial Auditor's Office**

Fred Wendel, Acting Provincial Auditor  
Brian Atkinson, Acting Assistant Provincial Auditor  
Bashar Ahmad, Executive Director  
Judy Ferguson, Executive Director  
Mike Heffernan, Executive Director  
Rodd Jersak, Principal  
Mark Anderson, Manager  
Jolene Beblow, Manager  
Deann Dickin, Executive Assistant

**Provincial Comptroller's Office**

Terry Paton, Provincial Comptroller  
Chris Bayda, Executive Director, Financial Management Branch  
Larry Boys, Manager, Financial Management Branch

2. The Committee agreed to meet *in camera* to consider appointments to the Audit Committee.
3. A discussion ensued and it was moved by Mr. Kwiatkowski:

That the Standing Committee on Public Accounts unanimously recommend the appointment of Dr. Morina Rennie as chairperson of the Audit Committee and that this recommendation be communicated to the Speaker.

The question being put, the motion was agreed to.

4. The Committee then agreed to continue its meeting *in public*.

5. The Committee proceeded to consider Chapter 15 (Post-Secondary Education and Skills Training) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

The following Department of Post-Secondary Education and Skills Training officials appeared before the Committee and answered questions:

Witnesses

Neil Yeates, Deputy Minister  
Lily Stonehouse, Assistant Deputy Minister  
Brady Salloum, Executive Director, Student Financial Assistance  
Gord Sisson, Director, Financial Planning

6. The Committee concurred with recommendation 15-1 made at page 353 of Chapter 15 (Post-Secondary Education and Skills Training) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Post-Secondary Education and Skills Training should verify critical information on graduate tax credit applications. The Committee noted that the Department has complied with the recommendation.
7. The Committee concurred with recommendation 15-2 made at page 356 of Chapter 15 (Post-Secondary Education and Skills Training) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Post-Secondary Education and Skills Training should provide the Trustees of the Student Aid Fund with timely quarterly financial statements
8. The Committee recessed from 10:00 a.m. until 10:45 a.m.
9. The Committee proceeded to consider Chapter 10 (Environment and Resource Management) 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.

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

Witnesses

Stuart Kramer, Deputy Minister  
Bob Ruggles, Assistant Deputy Minister, Programs  
Donna Johnson, Acting Executive Director, Corporate Services Division  
Dave Tulloch, Senior Manager, Strategic Performance and Financial Management  
Michelle Arscott, Senior Financial Consultant

10. The Committee concurred with recommendation 10-1 made at page 265 of Chapter 10 (Environment and Resource Management) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Operator Certification Board should establish adequate rules and procedures to ensure it records all the revenue it receives.
11. The Committee concurred with recommendation 10-2 made at page 271 of Chapter 10 (Environment and Resource Management) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Environment and Resource Management should improve its rules and procedures for preparing and reporting on its prevention program.

12. The Committee concurred with recommendation 10-3 made at page 273 of Chapter 10 (Environment and Resource Management) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Environment and Resource Management should prepare a complete record of the values at risk in the forest and update that record regularly.
13. The Committee concurred with recommendation 10-4 made at page 276 of Chapter 10 (Environment and Resource Management) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Environment and Resource Management should ensure it has suitable infrastructure for detection and suppression of forest fires.
14. The Committee concurred with recommendation 10-5 made at page 278 of Chapter 10 (Environment and Resource Management) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Environment and Resource Management should establish written guidelines for: referring forest fires to investigators; investigators to follow in their investigation; and when and how much of the cost to fight fire staff should recover.
15. The Committee recessed from 11:40 p.m. until 1:15 p.m.
16. The Committee proceeded to consider Chapter 6A (Health) 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 Health officials appeared before the Committee and answered questions:

Witnesses

Glenda Yeates, Deputy Minister

Dan Florizone, Assistant Deputy Minister

Neil Gardner, Executive Director, Corporate Information Technology Branch

Bert Linklater, Executive Director, District Management Services Branch

Rod Wiley, Executive Director, Finance & Management Services Branch

17. The Committee disagreed with recommendation 6A-1 made at page 81 of Chapter 6A (Health) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Department of Health should include a complete set of financial statements in its annual report prepared in accordance with Canadian generally accepted accounting principles for the public sector.
18. The Committee concurred with recommendation 6A-2 made at page 102 of Chapter 6A (Health) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Board of Governors of the Uranium City Hospital should prepare and approve adequate contracts for the Chief Executive Officer and Chief Financial Officer functions.
19. The Committee concurred with recommendation 6A-3 made at page 105 of Chapter 6A (Health) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Board of Governors of the Uranium City Hospital should strengthen its rules and procedures to safeguard and control its bank accounts. The Committee noted that the Department is making progress towards complying with the recommendation.

20. The Committee concurred with recommendation 6A-4 made at page 106 of Chapter 6A (Health) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Board of Governors of the Uranium City Hospital should prepare proper written inventory count procedures. The Committee noted that the Department is making progress towards complying with the recommendation.
21. The Committee concurred with recommendation 6A-5 made at page 107 of Chapter 6A (Health) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Board of Governors of the Uranium City Hospital should obtain a ruling from Canada Customs and Revenue Agency for all its contract employees to determine whether an employer-employee relationship exists with its contract employees and then take deductions accordingly. The Committee noted that the Department is making progress towards complying with the recommendation.
22. The Committee concurred with recommendation 6A-6 made at page 107 of Chapter 6A (Health) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Board of Governors of the Uranium City Hospital should give its financial statements to the Assembly by the date required by *The Tabling of Documents Act, 1999*. The Committee noted that the Department is making progress towards complying with the recommendation.
23. In light of the Committee's decision on recommendation 6A-1 of Chapter 6A (Health) noted above, Chapter 6B (Department of Health financial statements) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* was deemed to be redundant. No further consideration of Chapter 6B took place.
24. The Committee proceeded to consider Chapter 6C (District Health Boards) 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 officials then answered questions from Committee Members.

25. The Committee concurred with recommendation 6C-1 made at page 133 of Chapter 6C (District Health Boards) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that, for each of the districts named in parenthesis, that:
  - Boards of health districts should formally define and document their financial information needs (Lloydminster, Regina and Saskatoon); and
  - Boards of health districts should receive better and timely interim financial reports to enable them to assess the financial performance of their districts (Living Sky, Lloydminster, Regina, Saskatoon and Twin Rivers).
26. The Committee concurred with recommendation 6C-2 made at page 135 of Chapter 6C (District Health Boards) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that:
  - Boards of directors should continue to formally define and document the health outcomes that the boards expect and the measures needed to monitor progress in achieving the outcomes (Assiniboine Valley, Living Sky, North Valley, South East and Twin Rivers);
  - Boards of directors should approve the targets needed to monitor progress in achieving the outcomes (Assiniboine Valley, Living Sky, North Valley, Prince Albert, Regina, Saskatoon, South East and Twin Rivers); and
  - Districts' internal reports on health outcomes should compare actual performance for services delivered to planned performance (all districts).

27. The Committee concurred with recommendation 6C-3 made at page 136 of Chapter 6C (District Health Boards) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that management should establish, the boards approve, and management implement written rules and procedures to safeguard and control health districts' assets to ensure the:
  - Preparation of written and tested contingency plans (Assiniboine Valley);
  - Capital asset records are prepared (Regina);
  - Control of bank accounts, that is, adequate segregation of duties, and that staff members should check invoices for accuracy and completeness and leave evidence of their check (South East);
  - Control of payroll (i.e. time sheets are signed to verify hours worked) (South East); and
  - Access to computer systems and data is authorized (South East).
28. The Committee concurred with recommendation 6C-4 made at page 137 of Chapter 6C (District Health Boards) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the Lloydminster District Health Board should improve its operating agreement with the East Central Regional Health Authority 7.
29. The Committee concurred with recommendation 6C-5 made at page 138 of Chapter 6C (District Health Boards) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that health districts should receive approval of the Minister of Health for borrowing money in excess of the limits provided by *The Health Districts Act* (Twin Rivers).
30. The Committee concurred with recommendation 6C-6 made at page 138 of Chapter 6C (District Health Boards) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that health districts should charge rates to special-care home clients in accordance with *The Housing and Special-care Homes Act* (Lloydminster).
31. The Committee concurred with recommendation 6C-7 made at page 139 of Chapter 6C (District Health Boards) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that the health districts (South East) should publicly report a list of persons who received money from them and the amounts.
32. The Committee recessed from 2:45 p.m. until 3:00 p.m.
33. The Committee reconsidered the issue of disclosure of payee lists, in particular whether the Department of Health should disclose a list of persons who received money from the Saskatchewan Prescription Drug Plan and the amounts each received. As noted in Chapter 6A at pages 96 and 97, the Committee had considered this issue in the past but that the matter remained unresolved.

A discussion ensued and it was moved by Mr. Gantefoer that:

The Standing Committee on Public Accounts recommends that the Department of Health should adopt the Government's policy to not provide payee information for high volume programs of a universal nature, or income security or other programs of a confidential and personal nature.

The question being put, the motion was agreed to.

34. The Committee proceeded to consider Chapter 6D (Capital equipment plans of health districts) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)*. Mr. Anderson of the Office of the Provincial Auditor provided an overview of the chapter.
35. The Committee concurred with recommendation 6D-1 made at page 146 of Chapter 6D (Capital equipment plans of health districts) of the *Fall 2001 Report of the Provincial Auditor (Volume 2)* that all health districts should prepare capital equipment plans that contain the key elements for capital equipment plans in the public sector.
36. The Committee proceeded to consider Chapter 6E (Follow-up of needs-based resource allocation among health districts) 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.

This chapter was received and reviewed for informational purposes. There were no recommendations to report on.

37. The Committee adjourned at 3:16 p.m. to the call of the Chair.

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Margaret A. Woods  
Committee Clerk

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Ken Krawetz  
Committee Chair