

# STANDING COMMITTEE ON PUBLIC ACCOUNTS

May 18, 2004

## MINUTE NO. 5

10:30 a.m. - Room 8

1. **PRESENT:** Mr. Hermanson in the Chair and Members Borgerson, Krawetz, Hagel, Hart, Trew and Yates.

### **Other Member**

Mr. Huyghebeart

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

Fred Wendel, Provincial Auditor

Bashar Ahmad, Deputy Provincial Auditor

Rodd Jersak, Principal

Tara Clemett, Senior Manager

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

Terry Paton, Provincial Comptroller

Chris Bayda, Executive Director, Financial Management Branch

2. The following document was tabled:

**PAC 3/25 – Saskatchewan Property Management Corporation:** Response to question raised at the April 27, 2004 meeting of the committee.

3. The committee resumed consideration of Chapter 12 (Reporting on Infrastructure) of the *2003 Report of the Provincial Auditor (Volume 3)*.

The following Saskatchewan Transportation Company and Saskatchewan Property Management Corporation officials appeared before the committee and answered questions:

### Witnesses

John Millar, Director, Strategic Planning and Communications, STC

Shawn Grice, Senior Director, Finance and Administration, STC

Ray Clayton, President, SPMC

Donald Koop, Vice President, Commercial Services, SPMC

Dale Minion, Director, Policy, Planning and Real Estate, Accommodation Services Division, SPMC

4. The committee concurred with recommendation 12-1 made at page 268 of Chapter 14 (Reporting on Infrastructure – STC and SPMC) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Transportation Company should provide the public with additional information about the current condition of its facilities to help explain their capacity. The committee noted that the Saskatchewan Transportation Company has complied with the recommendation.
5. The committee concurred with recommendation 12-2 made at page 269 of Chapter 14 (Reporting on Infrastructure – STC and SPMC) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Property Management Corporation should provide the public with additional information about the capacity of its facilities and vehicles including their current condition and potential volume of service. The committee noted that the Saskatchewan Transportation Company is making progress towards complying with the recommendation.

6. The committee concurred with recommendation 12-3 made at page 272 of Chapter 14 (Reporting on Infrastructure – STC and SPMC) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Property Management Corporation should provide the public with additional information about the extent to which the use of its key infrastructure (i.e. facilities, vehicles, and aircraft) achieved its operational and financial plans, and explain significant differences between actual and planned results. The committee noted that the Saskatchewan Property Management Corporation is making progress towards complying with the recommendation.
7. The committee concurred with recommendation 12-4 made at page 273 of Chapter 14 (Reporting on Infrastructure – STC and SPMC) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Transportation Company should provide the public with additional information about the strategies used to manage major risks facing its facilities by describing the actions it is taking to reduce these risks to an acceptable level. The committee noted that the Saskatchewan Transportation Company has complied with the recommendation.
8. The chair advised the committee that an invitation had been received to attend the Canadian Council of Public Accounts Committees 25<sup>th</sup> Annual Conference in Fredericton, New Brunswick from August 29<sup>th</sup> to 31<sup>st</sup>, 2004.
9. The committee recessed from 10:37 a.m. until 10:45 a.m.
10. The committee proceeded to consider Chapter 14 (Environment and Resource Management) of the *2002 Fall Report of the Provincial Auditor (Volume 2)* and Chapter 9 (Environment) of the *2003 Report of the Provincial Auditor (Volume 3)*. Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Department of Environment and Saskatchewan Watershed Authority officials appeared before the committee and answered questions:

Witnesses

Lily Stonehouse, Deputy Minister  
Alan Parkinson, Associate Deputy Minister, Compliance, Fire and Forest  
Dave Phillips, Assistant Deputy Minister, Resource and Environmental Stewardship  
Bob Ruggles, Assistant Deputy Minister, Planning and Risk Analysis  
Lynn Tulloch, Executive Director, Corporate Services  
Donna Johnson, Director, Finance and Administration, Corporate Services  
Michele Arscott, Manager of Accounting, Finance and Administration, Corporate Services  
Stuart Kramer, President, Saskatchewan Watershed Authority  
Bob Carles, Vice President, Stewardship Division, Saskatchewan Watershed Authority  
Wayne Dybvig, Vice President, Operations Division, Saskatchewan Watershed Authority  
Terry Hymers, Director, Financial Services, Saskatchewan Watershed

Debbie Ooms, Manager, Meyers Norris Penney (Appointed auditor for Saskatchewan Watershed Authority)

11. The committee reconsidered recommendation 14-4 made at page 348 of Chapter 14 (Environment and Resource Management) of the *2002 Fall Report of the Provincial Auditor (Volume 2)* that the Department of Environment and Resource Management should record the money received from the General Revenue Fund (GRF) as a liability of the Forest Fire Contingency Fund until the Department incurs costs to fight escaped fires or until it returns the money to the GRF.

It was moved by Mr. Yates:

That the committee conclude consideration of this recommendation as the Department no longer uses the Forest Fire Contingency Fund.

A debate arising and the question being put, it was agreed to.

12. The committee concurred with recommendation 9-1 made at page 220 of Chapter 9 (Environment) of the *2003 Report of the Provincial Auditor (Volume 3)* that the internal auditor should prepare its audit plan based on a complete risk assessment of the Department's programs and activities. The committee noted that the Department of the Environment is making progress towards complying with the recommendation.
13. The committee concurred with recommendation 9-2 made at page 221 of Chapter 9 (Environment) of the *2003 Report of the Provincial Auditor (Volume 3)* that management should receive the internal auditor's reports as planned and discuss those reports with the internal auditor promptly. The committee noted that the Department of the Environment is making progress towards complying with the recommendation.
14. The committee concurred with recommendation 9-3 made at page 230 of Chapter 9 (Environment) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Operator Certification Board should prepare and approve a financial plan for its operations. The committee noted that the Operator Certification Board has complied with the recommendation.
15. The committee concurred with recommendation 9-4 made at page 232 of Chapter 9 (Environment) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Watershed Authority should prepare its annual report using the Department of Finance's reporting guidelines. The committee noted that the Saskatchewan Watershed Authority is making progress towards complying with the recommendation.
16. The committee adjourned at 11:48 a.m. until 10:30 a.m. on Tuesday, June 1, 2004.

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Margaret A. Woods  
Committee Clerk

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Elwin Hermanson  
Committee Chair