

STANDING COMMITTEE ON PUBLIC ACCOUNTS

June 30, 2004

MINUTE NO. 10

9:00 a.m. - Room 8

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

Other Member

Mr. McMorris

Provincial Auditor's Office

Fred Wendel, Provincial Auditor

Judy Ferguson, Deputy Provincial Auditor

Mike Heffernan, Deputy Provincial Auditor

Mark Anderson, Principal

Rodd Jersak, Principal

Jane Knox, Principal

Rosemarie Volk, Principal

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller

Chris Bayda, Executive Director, Financial Management Branch

2. The committee began consideration of Chapter 11 (Education) of the *2002 Fall Report of the Provincial Auditor (Volume 2)*, Chapter 4 (Learning) of the *2003 Report of the Provincial Auditor (Volume 3)* and Chapter 13 (Learning) of the *2004 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapters.

The following Department of Learning officials appeared before the committee and answered questions:

Witnesses

Neil Yeates, Deputy Minister

Margaret Lipp, Assistant Deputy Minister

Wayne McElree, Assistant Deputy Minister

Brady Salloum, Executive Director, Student Financial Assistance Branch

Nelson Wagner, Executive Director, Facilities Branch

Kevin Hoyt, Director, Corporate Services Branch

3. The committee concurred with recommendation 11B-1 made at page 291 of Chapter 11 (Following up curriculum evaluation reports) of the *2002 Fall Report of the Provincial Auditor (Volume 2)* that the Department of Learning should establish processes to monitor action taken and report progress achieved in relation to specific curriculum evaluation recommendations. The committee noted that the Department of Learning is making progress towards complying with the recommendation.
4. The committee concurred with recommendation 4-1 made at page 117 Chapter 4 (Learning) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Department of Learning should set out the rate of incorrect payments for the Provincial Training Allowance program that it will accept, and use procedures that prevent and detect incorrect payments to meet the pre-established rate. The committee noted that the Department of Learning is making progress towards complying with the recommendation.

5. The committee concurred with recommendation 13-1 made at page 186 Chapter 13 (Learning) of the *2004 Report of the Provincial Auditor (Volume 1)* that the Department of Learning should obtain from school divisions comparisons of planned and actual costs and timing by key stage for each approved project. The committee noted that the Department of Learning is making progress towards complying with the recommendation.
6. The committee concurred with recommendation 13-2 made at page 189 Chapter 13 (Learning) of the *2004 Report of the Provincial Auditor (Volume 1)* that the Department of Learning should document its assessment of the processes that its partners use to identify and mitigate significant risks or set its own processes to identify and mitigate significant risks on approved capital projects. The committee noted that the Department of Learning is making progress towards complying with the recommendation.
7. The committee recessed from 10:55 a.m. until 11:05 a.m.
8. The committee began consideration pages 129-132 of Chapter 7 (Labour) of the *2003 Report of the Provincial Auditor (Volume 1)* and Chapter 8 (Labour) of the *2003 Report of the Provincial Auditor (Volume 3)*. Mr. Jersak of the Office of the Provincial Auditor provided an overview of the chapters.

The following Department of Labour officials appeared before the committee and answered questions:

Witnesses

Bill Craik, Deputy Minister

Jim Nicol, Assistant Deputy Minister

Margaret Halifax, Director, Office of the Worker's Advocate

Glennis Bihun, Manager, Occupational Health and Safety Partnerships

9. The committee concurred with recommendation 8-1 made at page 204 of Chapter 8 (Labour) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Department of Labour should improve its processes to assist workers with their claims for compensation. The improvements should include:
 - setting clear performance expectations; and
 - aligning resources to meet established performance expectations.The committee noted that the Department of Labour is making progress towards complying with the recommendation.
10. The committee concurred with recommendation 8-2 made at page 204 of Chapter 8 (Labour) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Department of Labour should improve its processes to monitor the achievement of its performance expectations for the worker's advocate program. The improvements should include the regular review of written analysis of performance. The committee noted that the Department of Labour is making progress towards complying with the recommendation.
11. The committee recessed from 12:00 noon until 1:00 p.m.

12. The committee began consideration of Chapter 5D (Capital construction accountability – follow up) of the *2002 Fall Report of the Provincial Auditor (Volume 2)*, Chapter 2 (Health) of the *2003 Report of the Provincial Auditor (Volume 1)*, Chapter 2 (Health) of the *2003 Report of the Provincial Auditor (Volume 3)* and Chapter 14 (Health) of the *2004 Report of the Provincial Auditor (Volume 1)*. Mr. Heffernan and Ms. Knox of the Office of the Provincial Auditor provided overviews of the chapters.

The following Department of Health officials appeared before the committee and answered questions:

Witnesses

Glenda Yeates, Deputy Minister

Mike Shaw, Associate Deputy Minister

Lawrence Krahn, Assistant Deputy Minister

Max Hendricks, Executive Director, Finance and Administration Branch

Rod Wiley, Executive Director, Regional Policy Branch

13. The committee concurred with recommendation 2A-1 made at page 40 of Chapter 2A (Health) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Department of Health should develop a capital assets plan to help ensure that it can carry out its strategic plan. The committee noted that the Department of Health is making progress towards complying with the recommendation.
14. The committee concurred with recommendation 2A-2 made at page 43 of Chapter 2A (Health) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Department of Health should ensure pharmacists follow its processes for “exception drug status” payments. The committee noted that the Department of Health is making progress towards complying with the recommendation.
15. The committee considered recommendation 2A-3 made at page 44 of Chapter 2A (Health) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Department of Health should follow appropriate accounting policies for capital expenditures. It was moved by Mr. Yates:

That the Department of Health should follow the accounting policies laid out by the Provincial Comptroller.

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

16. The committee concurred with recommendation 2A-4 made at page 45 of Chapter 2A (Health) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Department of Health should give the Legislative Assembly the lists of persons (e.g. employees, suppliers) who received money from each Regional Health Authority and the amounts the persons received. The committee noted that the Department of Health is making progress towards complying with the recommendation.
17. The committee concurred with recommendation 2C-1 made at page 64 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the boards of directors of all regional health authorities (RHAs) should define the RHAs’ objectives and the measures and targets needed to monitor progress in achieving the objectives; and the RHAs’ internal reports to the boards of directors should compare actual performance to planned performance. The committee noted that the Regional Health Authorities are making progress towards complying with the recommendation.

18. The committee concurred with recommendation 2C-2 made at page 64 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the board of directors of the Keewatin Yatthé Regional Health Authority should receive complete and accurate financial information. The committee noted that the Keewatin Yatthé Regional Health Authority is making progress towards complying with the recommendation.
19. The committee concurred with recommendation 2C-3 made at page 65 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Regina Qu'Appelle Regional Health Authority should establish financial management policies. The committee noted that the Regina Qu'Appelle Regional Health Authority is making progress towards complying with the recommendation.
20. The committee concurred with recommendation 2C-4 made at page 66 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Keewatin Yatthé, Heartland, and Mamawetan Churchill River Regional Health Authorities should improve the control over their bank accounts. The committee noted that the Keewatin Yatthé, Heartland, and Mamawetan Churchill River Regional Health Authorities are making progress towards complying with the recommendation.
21. The committee concurred with recommendation 2C-5 made at page 66 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Regina Qu'Appelle and Keewatin Yatthé Regional Health Authorities should ensure that their accounting records for equipment are accurate and complete. The committee noted that the Regina Qu'Appelle and Keewatin Yatthé Regional Health Authorities are making progress towards complying with the recommendation.
22. The committee concurred with recommendation 2C-6 made at page 67 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Keewatin Yatthé Regional Health Authority should strengthen its processes over payments to employees. The committee noted that the Keewatin Yatthé Regional Health Authority is making progress towards complying with the recommendation.
23. The committee concurred with recommendation 2C-7 made at page 68 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the board of directors of the Sunrise Regional Health Authority should approve written processes for developing information systems. The committee noted that the Sunrise Regional Health Authority is making progress towards complying with the recommendation.
24. The committee concurred with recommendation 2C-8 made at page 68 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Prairie North, Heartland, Cypress, Sunrise, Kelsey Trail, Saskatoon, and Mamawetan Churchill River Regional Health Authorities should prepare information technology disaster recovery plans. The committee noted that the Prairie North, Heartland, Cypress, Sunrise, Kelsey Trail, Saskatoon, and Mamawetan Churchill River Regional Health Authorities are making progress towards complying with the recommendation.
25. The committee concurred with recommendation 2C-9 made at page 69 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the board of directors of the Keewatin Yatthé Regional Health Authority should promptly approve the Board's minutes. The committee noted that the Keewatin Yatthé Regional Health Authority is making progress towards complying with the recommendation.

26. The committee concurred with recommendation 2C-10 made at page 69 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Heartland Regional Health Authority should receive approval from the Minister of Health before making facility renovations. The committee noted that the Heartland Regional Health Authority is making progress towards complying with the recommendation.
27. The committee concurred with recommendation 2C-11 made at page 70 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Heartland and Sun Country Regional Health Authorities should comply with *The Housing and Special Care Homes Regulations* when holding trust monies for safekeeping. The committee noted that the Heartland and Sun Country Regional Health Authorities are making progress towards complying with the recommendation.
28. The committee concurred with recommendation 2C-12 made at page 71 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Sun Country Regional Health Authority should ensure that private health care organizations comply with its service agreements. The committee noted that the Sun Country Regional Health Authority is making progress towards complying with the recommendation.
29. The committee concurred with recommendation 2C-13 made at page 71 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Keewatin Yatthé Regional Health Authority should give its financial statements to the Legislative Assembly in accordance with *The Tabling of Documents Act, 1991*. The committee noted that the Keewatin Yatthé Regional Health Authority is making progress towards complying with the recommendation.
30. The committee concurred with recommendation 2C-14 made at page 72 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that all the Regional Health Authorities' annual reports should include:
 - their objectives, performance measures, and actual results compared to plans; and
 - the risks to achieving the RHAs' objectives, and how the RHA will manage the risks.The committee noted that the Regional Health Authorities are making progress towards complying with the recommendation.
31. The committee considered recommendation 2C-15 made at page 73 of Chapter 2C (Regional Health Authorities) of the *2003 Report of the Provincial Auditor (Volume 3)* that the Sunrise, Sun Country, and Five Hills Regional Health Authorities should:
 - properly account for construction revenue from the General Revenue Fund; and
 - amend and reissue their 2003 financial statements accordingly.

It was moved by Mr. Yates:

That the Department of Health should follow the accounting policies laid out by the Provincial Comptroller.

The question being put, the motion was agreed to.

32. The committee concurred with recommendation 2-1 made at page 34 of Chapter 2 (Health) of the *2003 Report of the Provincial Auditor (Volume 1)* that the Boards of Governors of the Regina Qu'Appelle and Saskatoon Health Regions should commit to workplace safety as a priority and that the boards should:
- set specific targets to reduce work-related injuries to care staff in the short term;
 - allocate resources to achieve the targets (e.g. staff or mechanical aids);
 - receive frequent reports about injury rates and actions to reduce injuries; and
 - hold senior managers accountable to reduce injuries.
- The committee noted that the Boards of Governors of the Regina Qu'Appelle and Saskatoon Health Regions are making progress towards complying with the recommendation.
33. The committee concurred with recommendation 2-2 made at page 35 of Chapter 2 (Health) of the *2003 Report of the Provincial Auditor (Volume 1)* that the Regina Qu'Appelle and Saskatoon Health Regions should analyze the unit staffing patterns that are associated with high and low injury rates, and implement the lessons learned. The committee noted that the Regina Qu'Appelle and Saskatoon Health Regions are making progress towards complying with the recommendation.
34. The committee concurred with recommendation 2-3 made at page 35 of Chapter 2 (Health) of the *2003 Report of the Provincial Auditor (Volume 1)* that the occupational health committees of the Regina Qu'Appelle and Saskatoon Health Regions should:
- monitor injury trends at least quarterly;
 - analyze the causes of injuries in areas with high injury rates at every meeting; and
 - make written recommendations to senior management and their board to fix unresolved causes of injuries.
- The committee noted that the Regina Qu'Appelle and Saskatoon Health Regions are making progress towards complying with the recommendation.
35. The committee adjourned at 3:12 p.m. to the call of the chair.

Margaret A. Woods
Committee Clerk

Elwin Hermanson
Committee Chair