

STANDING COMMITTEE ON PUBLIC ACCOUNTS

May 26, 2005

MINUTE NO. 22

9:00 a.m. - Room 8

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

Substituting Members:

Mr. Wakefield for Mr. Cheveldayoff

Mr. Iwanchuk for Mr. Hagel

Other Member:

Mr. Allchurch

Provincial Auditor's Office

Fred Wendel, Provincial Auditor

Bashar Ahmad, Deputy Principal Auditor

Victor Schwab, Principal

Rosemary Volk, Principal

Kim Lowe, Manager

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller

Chris Bayda, Executive Director, Financial Management Branch

2. The following document was tabled:

PAC 19/25 – Provincial Auditor of Saskatchewan: Report to the Standing Committee on Public Accounts Regarding the Department of Environment, dated May 2005.

3. The committee proceeded to consider Chapter 15 (Public Plans and Annual Reports Assessments - Departments) of the *2004 Report of the Provincial Auditor (Volume 3)*. Ms. Volk of the Office of the Provincial Auditor provided an overview of the chapter.

The following department Finance officials appeared before the committee and answered questions:

Witnesses

Ron Styles, Deputy Minister

Naomi Mellor, Executive Director, Performance Management Branch, Budget Analysis Division

4. The committee proceeded to consider Chapter 8 (Industry and Resources) of the *2004 Report of the Provincial Auditor (Volume 3)*. Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Departments of Northern Affairs officials appeared before the committee and answered questions:

Witnesses

Larry Steeves, Deputy Minister

Glen McKenzie, Assistant Deputy Minister

Anita Jones, Executive Director, Planning and Financial Management, Northern Affairs

Gerald DesRoches, Senior Account Manager, NANDF Loan Program

5. The committee concurred with recommendation 8-2 made at page 222 of Chapter 8 (Industry and Resources) of the *2004 Report of the Provincial Auditor (Volume 3)* that the Government should clarify which agency is responsible to oversee the affairs of the north . The committee noted that the Government has complied with the recommendation.
6. The committee concurred with recommendation 8-3 made at page 222 of Chapter 8 (Industry and Resources) of the *2004 Report of the Provincial Auditor (Volume 3)* that the Office of Northern Affairs should update the delegation of authority for approval of payments and contracts for loans and grants and communicate this delegation to all staff . The committee noted that the Office of Northern Affairs has complied with the recommendation.
7. The committee concurred with recommendation 8-4 made at page 223 of Chapter 8 (Industry and Resources) of the *2004 Report of the Provincial Auditor (Volume 3)* that the Office of Northern Affairs should improve its service agreement with the Department of Industry and Resources to clearly state who is responsible to approve payments and ensure the accuracy of the accounting records. The committee noted that the Office of Northern Affairs is making progress towards complying with the recommendation.
8. The committee concurred with recommendation 8-5 made at page 223 of Chapter 8 (Industry and Resources) of the *2004 Report of the Provincial Auditor (Volume 3)* that the Office of Northern Affairs should obtain the Minister's approval of the interest rate it charges on loans. The committee noted that the Office of Northern Affairs is making progress towards complying with the recommendation.
9. The committee concurred with recommendation 8-6 made at page 224 of Chapter 8 (Industry and Resources) of the *2004 Report of the Provincial Auditor (Volume 3)* that the Office of Northern Affairs should follow the procedures in the Financial Administration Manual for opening the mail and safeguarding the money received. The committee noted that the Office of Northern Affairs is making progress towards complying with the recommendation.
10. The committee adjourned at 10:12 a.m. until Monday, June 20th, 2005.

Margaret A. Woods
Committee Clerk

Elwin Hermanson
Committee Chair