

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

June 21, 2005

### MINUTE NO. 24

9:00 a.m. - Room 8

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

**Substituting Member:**

Mr. Hart for Mr. Cheveldayoff (for consideration of Chapter 3 (Saskatchewan Watershed Authority) of the *2005 Report of the Provincial Auditor (Volume 1)*)

**Other Members:**

Mr. Elhard, Mr. Stewart

**Provincial Auditor's Office**

Fred Wendel, Provincial Auditor  
Bashar Ahmad, Deputy Principal Auditor  
Judy Ferguson, Deputy Principal Auditor  
Kelly Deis, Principal  
Jane Knox, Principal  
Angie Hungle, Manager  
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 25/25 – Department of Justice:** Response to questions raised at the April 12, 2005 meeting of the committee, re: Report of the Audit Committee (for the period October 1, 2003 to December 31, 2004) and the fines pilot project in the North Battleford area, dated June 17, 2005.

3. The committee proceeded to consider Chapter 10 (Industry and Resources) of the *2005 Report of the Provincial Auditor (Volume 1)*. Ms. Knox of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Bruce Wilson, Acting Deputy Minister  
Hal Sanders, Executive Director, Corporate and Financial Services

4. The committee concurred with recommendation 10-1 made at page 144 of Chapter 10 (Industry and Resources) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Department of Industry and Resources should use systematic processes to detect risks to all its objectives.
5. The committee concurred with recommendation 10-2 made at page 145 of Chapter 10 (Industry and Resources) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Department of Industry and Resources should quantify the likelihood and impact of strategic risks to identify priorities.

6. The committee proceeded to consider Chapter 5 (Justice) of the *2005 Report of the Provincial Auditor (Volume 1)*. Mr. Ahmad 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

Keith Laxdal, Associate Deputy Minister, Finance and Administration Division  
David Wild, Chairperson and Superintendent of Pensions, Saskatchewan Financial Services Commission

7. The committee concurred with recommendation 5-1 made at page 66 of Chapter 10 (Justice) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Superintendent of Pensions should expand its analysis of pension plan risks to include the key risks faced by all pension plans. The committee noted that the Superintendent of Pensions is making progress towards complying with the recommendation.
8. The committee concurred with recommendation 5-2 made at page 66 of Chapter 10 (Justice) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Superintendent of Pensions should prepare a risk-based work plan to supervise pension plans. The committee noted that the Superintendent of Pensions is making progress towards complying with the recommendation.
9. The committee concurred with recommendation 5-3 made at page 66 of Chapter 10 (Justice) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Superintendent of Pensions should provide staff with written guidance regarding information to document for the registration and amendment of pension plans. The committee noted that the Superintendent of Pensions has complied with the recommendation.
10. The committee concurred with recommendation 5-4 made at page 66 of Chapter 10 (Justice) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Superintendent of Pensions should develop alternative ways to obtain information from pension plan administrators or seek legislative changes to expand its enforcement powers to obtain the required information.
11. The committee recessed from 11:05 a.m. until 11:17 a.m.
12. The committee proceeded to consider Chapter 3 (Saskatchewan Watershed Authority) of the *2005 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Stuart Kramer, President  
Bryan Ireland, Acting Vice President, Operations Division  
Bill Duncan, Director, Infrastructure Management, Major Structures, Operations Division  
Eldon Hymers, Manager, Major Structures Engineering, Major Structures, Operations Division  
Doug Kilgour, Project Manager, Dam Operations and Maintenance, Major Structures, Operations Division

13. The committee concurred with recommendation 3-1 made at page 38 of Chapter 3 (Saskatchewan Watershed Authority) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Watershed Authority should obtain an independent comprehensive dam safety review on each of its very high consequence dams (i.e., Rafferty, Alameda, Qu'Appelle River, and Gardiner) at least every five years. The committee noted that the Saskatchewan Watershed Authority is making progress towards complying with the recommendation.
14. The committee concurred with recommendation 3-2 made at page 38 of Chapter 3 (Saskatchewan Watershed Authority) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Watershed Authority should have up-to-date tested emergency preparedness plans for each of its major dams (i.e., Rafferty, Alameda, Qu'Appelle River, and Gardiner). The committee noted that the Saskatchewan Watershed Authority is making progress towards complying with the recommendation.
15. The committee concurred with recommendation 3-3 made at page 38 of Chapter 3 (Saskatchewan Watershed Authority) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Watershed Authority should set processes that ensure its manuals always include complete procedures to operate, maintain, and monitor dam safety. The committee noted that the Saskatchewan Watershed Authority is making progress towards complying with the recommendation.
16. The committee concurred with recommendation 3-4 made at page 38 of Chapter 3 (Saskatchewan Watershed Authority) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Watershed Authority should set long-term targets (e.g., five to ten years) for measures related to dam safety to help it better monitor the effectiveness of its dam safety activities. The committee noted that the Saskatchewan Watershed Authority is making progress towards complying with the recommendation.
17. The committee recessed from 12:20 p.m. until 1:08 p.m.
18. The committee proceeded to consider Chapter 2 (Public Service Commission) of the *2005 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

The following Public Service Commission officials appeared before the committee and answered questions:

Witnesses

Clare Isman, Chair

Rick McKillop, Executive Director, Employee Relations

Lynn Jacobson, Director, Corporate Services

19. The committee concurred with recommendation 2-1 made at page 28 of Chapter 2 (Public Service Commission) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Public Service Commission should communicate to departments a manageable number of human resource priorities. The committee noted that the Public Service Commission is making progress towards complying with the recommendation.

20. The committee concurred with recommendation 2-2 made at page 30 of Chapter 2 (Public Service Commission) of the *2005 Report of the Provincial Auditor (Volume 1)* that the Public Service Commission should use a risk management framework to identify and analyze human resource risks and set acceptable risk levels. The committee noted that the Public Service Commission is making progress towards complying with the recommendation.
21. The committee resumed consideration of the matter raised at yesterday's meeting regarding a request from Brenda Bakken-Lackey that the Provincial Auditor conduct an investigation into the public money spent by the Saskatchewan Liquor and Gaming Authority on its mega bingo program. It was then moved by Mr. Cheveldayoff:

That this committee request the Provincial Auditor to carry out a special investigation of Saskatchewan Liquor and Gaming Authority's spending on Mega Bingo from February 2000 to June 2001.

The question being put, it was on motion of Mr. Yates adjourned.

22. The committee adjourned at 2:14 p.m. to the call of the chair.

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Margaret A. Woods  
Committee Clerk

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Elwin Hermanson  
Committee Chair