

STANDING COMMITTEE ON PUBLIC ACCOUNTS

March 21, 2006

MINUTE NO. 29

10:30 a.m. - Room 8

1. **PRESENT:** Mr. Hermanson in the Chair and Members Borgerson, Chisholm, Crofford, Hart*, Iwanchuk and Trew.

Substituting Member

Mr. Hart for Mr. Cheveldayoff

Provincial Auditor's Office

Fred Wendel, Provincial Auditor
Bashar Ahmad, Deputy Provincial Auditor
Carolyn O'Quinn, Principal
Kim Lowe, Manager

Provincial Comptroller's Office

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

2. The following documents were tabled:

PAC 30/25 – Standing Committee on Public Accounts: Resignation letter of Lon Borgerson, Deputy Chair, dated March 21, 2006.

PAC 31/25 – Department of Finance: Correspondence from Terry Paton, Provincial Comptroller to Elwin Hermanson, Chair, re: reporting of public losses, dated March 21, 2006.

3. Mr. Borgerson advised the committee that he was submitting his resignation as deputy chair of the committee. The chair then presided over the election of a deputy chair. Mr. Borgerson nominated Ms. Crofford for the position. There being no further nominations, it was moved by Mr. Borgerson:

That Joanne Crofford be elected to preside as deputy chair of the Standing Committee on Public Accounts.

The question being put, the motion was carried.

4. The committee proceeded to consider Chapter 6 (Environment) of the *2005 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 officials appeared before the committee and answered questions:

Witnesses

Lily Stonehouse, Deputy Minister
Dave Phillips, Assistant Deputy Minister, Resource and Environmental Stewardship Division
Bob Ruggles, Assistant Deputy Minister, Planning and Risk Analysis Division
Sam Ferris, Director, Drinking Water Quality Section, Environmental Protection Branch
Donna Johnson, Director, Finance and Administration Branch
Susan Wood, Auditor, Financial Management Section

5. The committee concurred with recommendation 6-1 made at page 154 of Chapter 6 (Environment) of the *2005 Report of the Provincial Auditor (Volume 3)* that the Department of Environment should prepare complete and accurate year-end financial reports as required by the *Financial Administration Manual*. The committee noted that the Department of Environment is making progress towards complying with the recommendation.
6. The committee concurred with recommendation 6-2 made at page 154 of Chapter 6 (Environment) of the *2005 Report of the Provincial Auditor (Volume 3)* that the Department of Environment should submit to Treasury Board the quarterly financial statements of its funds as required by the *Financial Administration Manual*. The committee noted that the Department of Environment has complied with the recommendation.
7. The committee concurred with recommendation 6-3 made at page 155 of Chapter 6 (Environment) of the *2005 Report of the Provincial Auditor (Volume 3)* that the Board of Directors of the Operator Certification Board should define and communicate to management the reports it requires to adequately oversee operations. The committee noted that the Board of Directors of the Operator Certification Board is making progress towards complying with the recommendation.
8. The committee concurred with recommendation 6-4 made at page 161 of Chapter 6 (Environment) of the *2005 Report of the Provincial Auditor (Volume 3)* that the Department of Environment should adequately document its quality control reviews of waterworks inspections. The committee noted that the Department of Environment is making progress towards complying with the recommendation.
9. The committee concurred with recommendation 6-5 made at page 163 of Chapter 6 (Environment) of the *2005 Report of the Provincial Auditor (Volume 3)* that the Department of Environment should follow up water quality monitoring results. The committee noted that the Department of Environment is making progress towards complying with the recommendation.
10. The chair noted that the Provincial Comptroller will now be providing quarterly reports to the committee on incidents of losses reported by departments and Treasury Board Crown corporations. The Provincial Comptroller provided a brief overview of the new policy, the rationale behind it and how it will be implemented. The comptroller then responded to questions from members.
11. The committee adjourned at 11:53 a.m. to the call of the chair.

Margaret A. Woods
Committee Clerk

Elwin Hermanson
Committee Chair