

STANDING COMMITTEE ON PUBLIC ACCOUNTS

June 26, 2007

MINUTE NO. 52

9:00 a.m. - Room 8

1. **PRESENT:** Mr. Hermanson in the Chair and Members Cheveldayoff, Chisholm, Crofford, Hagel*, Iwanchuk, Prebble* and Trew.

Substituting Members

Mr. Prebble for Hon. Mr. Borgerson

Mr. Hagel for Mr. Trew

Other Members

Mr. D'Autremont, Mr. Huyghebaert

Provincial Auditor's Office

Fred Wendel, Provincial Auditor

Bashar Ahmad, Deputy Provincial Auditor

Judy Ferguson, Deputy Provincial Auditor

Tara Clemett, Principal

Kelly Deis, Principal

Rod Grabarczyk, Principal

Kim Lowe, Principal

Carolyn O'Quinn, Principal

Corrine Rybchuk, Principal

Rosemarie Volk, Principal

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller

Chris Bayda, Executive Director, Financial Management Branch

2. The committee proceeded to consider Chapter 7 (Learning) of the *2007 Report of the Provincial Auditor (Volume 1)*. Mr. Grebarczyk of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Wynne Young, Deputy Minister

Darren McKee, Assistant Deputy Minister

Dave Tulloch, Director, Financial Planning and Management

Dawn Court, Senior Financial Manager

David Barnard, Executive Director, Teachers' Superannuation Commission

Shirley Robertson, Manager, Teachers' Superannuation Commission

3. The committee considered a draft Procedures Manual. A discussion ensued and it was agreed to prepare a further draft for consideration at a later meeting of the committee.
4. The committee recessed from 9:53 until 10:15 a.m.

5. The committee proceeded to consider Chapter 8 (Liquor and Gaming Authority) of the *2006 Report of the Provincial Auditor (Volume 3)* and Chapter 8 (Liquor and Gaming Authority) of the *2007 Report of the Provincial Auditor (Volume 1)*. Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Liquor and Gaming Authority officials appeared before the committee and answered questions:

Witnesses

Barry Lacey, President and Chief Executive Officer
Jim Engel, Vice President, Policy and Planning Division
Dale Markewich, Vice President, Regulatory Compliance Division
Paul Weber, Vice President, Retail Operations Division
Lisa Ann Wood, Vice President, Human Relations Division
Fiona Cribb, Acting Vice President, Gaming Operations Division
Val Banilevic, Director, Financial Services Branch

6. The committee concurred with recommendation 8A-1 made at page 244 of Chapter 8A (Liquor and Gaming Authority) of the *2006 Report of the Provincial Auditor (Volume 3)* that the Liquor and Gaming Authority should document and communicate potential competency gaps. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.
7. The committee concurred with recommendation 8A-2 made at page 246 of Chapter 8A (Liquor and Gaming Authority) of the *2006 Report of the Provincial Auditor (Volume 3)* that the Liquor and Gaming Authority should document employees' career goals and action plans as part of its staff performance and development process. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.
8. The committee concurred with recommendation 8A-3 made at page 247 of Chapter 8A (Liquor and Gaming Authority) of the *2006 Report of the Provincial Auditor (Volume 3)* that the Liquor and Gaming Authority should document and monitor the progress of its succession strategies.
9. The committee concurred with recommendation 8-1 made at page 102 of Chapter 8 (Liquor and Gaming Authority) of the *2007 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Indian Gaming Authority should have adequate project plans before starting major construction projects. The committee noted that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.
10. The committee concurred with recommendation 8-2 made at page 102 of Chapter 8 (Liquor and Gaming Authority) of the *2007 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Indian Gaming Authority should finalize financing arrangements before starting major construction projects. The committee noted that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.
11. The committee concurred with recommendation 8-3 made at page 102 of Chapter 8 (Liquor and Gaming Authority) of the *2007 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Indian Gaming Authority should have dispute resolution processes with its key partners before starting major construction projects.

12. The committee concurred with recommendation 8-4 made at page 102 of Chapter 8 (Liquor and Gaming Authority) of the *2007 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Indian Gaming Authority should provide the Board of Directors complete and accurate progress reports on major construction projects. The committee noted that the Saskatchewan Indian Gaming Authority is making progress towards complying with the recommendation.
13. The committee recessed from 11:31 a.m. until 1:00 p.m.
14. The committee proceeded to consider Chapter 10 (Property Management) of the *2006 Report of the Provincial Auditor (Volume 3)*. Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Deb McDonald, Deputy Minister
Phil Lambert, Assistant Deputy Minister, Information Services
Debbie Koshman, Assistant Deputy Minister, Corporate Services Division
Shelley Reddekopp, Director, Financial Services

15. It was moved by Mr. Cheveldayoff:

That the Public Accounts Committee ask the Provincial Auditor to look into the leasing practices of Saskatchewan Property Management, both on vehicles and on aircraft and any other leasing that is undertaken.

A debate arising, the motion was by leave withdrawn.

16. The committee concurred with recommendation 10-1 made at page 290 of Chapter 10 (Liquor and Gaming Authority) of the *2006 Report of the Provincial Auditor (Volume 3)* that the Department of Property Management should segregate the duties of employees who make purchases using procurement cards by removing their ability to approve payment for those purchases. The committee noted that the Department of Property Management has complied with the recommendation.
17. The committee concurred with recommendation 10-2 made at page 291 of Chapter 10 (Liquor and Gaming Authority) of the *2006 Report of the Provincial Auditor (Volume 3)* that the Department of Property Management should prepare and independently review and approve all significant reconciliations promptly. The committee noted that the Department of Property Management making progress towards complying with the recommendation.
18. The committee concurred with recommendation 10-3 made at page 292 of Chapter 10 (Liquor and Gaming Authority) of the *2006 Report of the Provincial Auditor (Volume 3)* that the Department of Property Management should follow its established information technology policies and procedures. The committee noted that the Department of Property Management has complied with the recommendation.
19. The committee recessed from 1:36 p.m. until 1:55 p.m.

20. The committee proceeded to consider the *2006 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Doug Matthies, Deputy Minister of Finance
Terry Paton, Provincial Comptroller
Kirk McGregor, Assistant Deputy Minister, Taxation and Intergovernmental Affairs
Brian Smith, Assistant Deputy Minister, Public Employees Benefit Agency
Joanne Brockman, Executive Director, Economic and Fiscal Policy
Raelynn Douglas, Director, Performance Management Branch

21. The committee concurred with recommendation 1 made at page 19 of the *2006 Report of the Provincial Auditor (Volume 2)* that the Government of Saskatchewan should publish financial statement discussion and analysis along with its audited Summary Financial Statements.
22. The committee proceeded to consider Chapter 4 (Finance) of the *2007 Report of the Provincial Auditor (Volume 1)*. Mr. Grabarczyk of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Doug Matthies, Deputy Minister of Finance
Terry Paton, Provincial Comptroller
Kirk McGregor, Assistant Deputy Minister, Taxation and Intergovernmental Affairs
Brian Smith, Assistant Deputy Minister, Public Employees Benefit Agency
Joanne Brockman, Executive Director, Economic and Fiscal Policy
Raelynn Douglas, Director, Performance Management Branch

23. The committee concurred with recommendation 4-1 made at page 48 of Chapter 4 (Finance) of the *2007 Report of the Provincial Auditor (Volume 1)* that the Public Employees Benefits Agency should obtain timely and accurate payroll reports for its benefit plans to ensure all employer contributions are received. The committee noted that the Public Employees Benefits Agency is making progress towards complying with the recommendation.
24. The committee concurred with recommendation 4-2 made at page 48 of Chapter 4 (Finance) of the *2007 Report of the Provincial Auditor (Volume 1)* that the Public Employees Benefits Agency should ensure its outside service providers have timely and accurate information to assess employee eligibility for benefits. The committee noted that the Public Employees Benefits Agency has complied with the recommendation.
25. The committee concurred with recommendation 4-3 made at page 50 of Chapter 4 (Finance) of the *2007 Report of the Provincial Auditor (Volume 1)* that the Public Employees Benefits Agency should report monthly to participating employers the amount of surplus or deficit relating to enhanced dental benefits. The committee noted that the Public Employees Benefits Agency has complied with the recommendation.

26. The committee concurred with recommendation 4-4 made at page 52 of Chapter 4 (Finance) of the *2007 Report of the Provincial Auditor (Volume 1)* that the Municipal Employees Pension Commission should have a written, tested, and approved disaster recovery plan. The committee noted that the Municipal Employees Pension Commission is making progress towards complying with the recommendation.
27. The committee recessed from 3:04 p.m. until 3:10 p.m.
28. The committee proceeded to consider Chapter 13 (Financial status of Pensions) of the *2006 Report of the Provincial Auditor (Volume 3)*. Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Doug Matthies, Deputy Minister of Finance
Terry Paton, Provincial Comptroller
Brian Smith, Assistant Deputy Minister, Public Employees Benefit Agency
Raelynn Douglas, Director, Performance Management Branch

29. The committee proceeded to consider Chapter 14 (Public Plans and Annual Report Assessments) of the *2006 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 of Finance officials appeared before the committee and answered questions:

Witnesses

Doug Matthies, Deputy Minister of Finance
Terry Paton, Provincial Comptroller
Brian Smith, Assistant Deputy Minister, Public Employees Benefit Agency
Raelynn Douglas, Director, Performance Management Branch

30. The committee adjourned at 3:44 p.m. to the call of the chair.

Margaret A. Woods
Committee Clerk

Elwin Hermanson
Committee Chair