

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Thursday, October 4, 2012

MINUTE NO. 6
9:02 a.m. – Māṁawapiwin Room (Room 8)

1. **Present:** Scott Moe in the Chair and Members Jennifer Campeau, Herb Cox, Warren Michelson, Cathy Sproule* and Corey Tochor.

Substituting Members

Cathy Sproule for Trent Wotherspoon

Other Members

Trent Wotherspoon

Provincial Auditor's Office

Bonnie Lysyk, Provincial Auditor
Judy Ferguson, Assistant Provincial Auditor
Bashar Ahmad, Deputy Provincial Auditor
Kelly Deis, Deputy Provincial Auditor
Ed Montgomery, Deputy Provincial Auditor
Tara Clemett, Principal
Jane Knox, Principal
Kim Lowe, Principal
Corrine Rybchuk, Principal
Victor Schwab, Principal
Regan Sommerfeld, Principal
Trevor St. John, Principal
Rosemarie Volk, Principal
Jason Shaw, Senior Manager

Provincial Comptroller's Office

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

2. The committee considered Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 1)*. Ms. Lysyk and Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Advanced Education and Ministry of the Economy officials appeared before the committee and answered questions:

Witnesses

Louise Greenberg, Deputy Minister, Ministry of Advanced Education
Karen Allen, Assistant Deputy Minister, Ministry of Advanced Education
David Boehm, Assistant Deputy Minister, Ministry of Advanced Education
Duane Rieger, Executive Director, Ministry of Advanced Education
Rupen Pandya, Assistant Deputy Minister, Ministry of the Economy
Alastair MacFadden, Executive Director, Ministry of the Economy

3. The committee concurred with recommendation 2-1 made at page 24 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Ministry of Advanced Education, Employment and Immigration document its assessment of the cost and suitability of options for treating its priority risks. The committee noted that the Ministry of Advanced Education is making progress towards complying with the recommendation.
4. The committee concurred with recommendation 2-2 made at page 25 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Ministry of Advanced Education, Employment and Immigration consult with relevant stakeholders about options for reducing significant risks. The committee noted that the Ministry of Advanced Education is making progress towards complying with the recommendation.
5. The committee concurred with recommendation 2-3 made at page 26 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Ministry of Advanced Education, Employment and Immigration regularly monitor and report to senior management the results of their risk management activities. The committee noted that the Ministry of Advanced Education has complied with the recommendation.
6. The committee considered Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Advanced Education and Ministry of the Economy officials appeared before the committee and answered questions:

Witnesses

Louise Greenberg, Deputy Minister, Ministry of Advanced Education
Karen Allen, Assistant Deputy Minister, Ministry of Advanced Education
David Boehm, Assistant Deputy Minister, Ministry of Advanced Education
Duane Rieger, Executive Director, Ministry of Advanced Education
Rupen Pandya, Assistant Deputy Minister, Ministry of the Economy
Alastair MacFadden, Executive Director, Ministry of the Economy

7. The committee concurred with recommendation 2-1 made at page 34 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Advanced Education, Employment and Immigration sign a memorandum of understanding for shared services with the Ministry of Labour Relations and Workplace Safety. The committee noted that the Ministry of Advanced Education, Employment and Immigration is making progress towards complying with the recommendation.
8. The committee concurred with recommendation 2-2 made at page 37 of Chapter 2 (Advanced Education) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Board of Carlton Trail Regional College fulfil its governance obligations and its responsibilities under *The Regional Colleges Act* by:
 - ensuring that Board motions and decisions are restricted to members of the Board
 - documenting Board decisions and support for decisions
 - having or obtaining through Board training appropriate knowledge and skills
 - regularly evaluating its performance

The committee noted that the Board of Carlton Trail Regional College has complied with the recommendation.

9. The committee concurred with recommendation 2-3 made at page 37 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Board of Carlton Trail Regional College obtain the Minister's approval for its chief executive officer's duties, remuneration, term of office and other terms and conditions of appointment as required under *The Regional Colleges Act*. The committee noted that the Board of Carlton Trail Regional College has complied with the recommendation.
10. The committee concurred with recommendation 2-4 made at page 37 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Board of Carlton Trail Regional College formalize its rights and obligations in written agreements when it enters into financial arrangements with other agencies. The committee noted that the Board of Carlton Trail Regional College is making progress towards complying with the recommendation.
11. The committee concurred with recommendation 2-5 made at page 38 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Advanced Education, Employment and Immigration ensure that boards of regional colleges are trained to fulfil their governance responsibilities and their responsibilities under *The Regional Colleges Act*. The committee noted that the Ministry of Advanced Education, Employment and Immigration is making progress towards complying with the recommendation.
12. The committee concurred with recommendation 2-6 made at page 38 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Advanced Education, Employment and Immigration regularly evaluate whether boards of regional colleges are fulfilling their governance responsibilities and their responsibilities under *The Regional Colleges Act*. The committee noted that the Ministry of Advanced Education, Employment and Immigration is making progress towards complying with the recommendation.
13. The committee concurred with recommendation 2-7 made at page 38 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Advanced Education, Employment and Immigration ensure that boards of regional colleges obtain the Minister's approval for chief executive officer duties, remuneration, terms of office, and other terms and conditions of appointment as required under *The Regional Colleges Act*. The committee noted that the Ministry of Advanced Education, Employment and Immigration has complied with the recommendation.
14. The committee recessed from 9:49 a.m. until 9:55 a.m.
15. The committee considered Chapter 14A (Health) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Dan Florizone, Deputy Minister

Max Hendricks, Associate Deputy Minister

Jason Pirlot, Acting Manager, Regional Financial Services Unit, Financial Services Branch

Matthew Timmons, Senior Financial Analyst, Financial Services Branch

Susan Antosh, CEO, e-Health Saskatchewan

Megan Hanson, CFO, North Sask. Laundry & Support Services Ltd.

Hal Dogniez, General Manager, North Sask. Laundry & Support Services Ltd.
Nilesh Kavia, Vice President Finance and Corporate Services, Saskatoon Regional Health Region

16. The committee concurred with recommendation 14A-1 made at page 246 of Chapter 14A (Health) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health implement a process to verify that patients received the medical services for which doctors billed the Ministry. The committee noted that the Ministry of Health has complied with the recommendation.
17. The committee concurred with recommendation 14A-2 made at page 247 of Chapter 14A (Health) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health update its risk assessments for agencies delivering healthcare services to help monitor their performance. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.
18. The committee concurred with recommendation 14A-3 made at page 249 of Chapter 14A (Health) of the *2011 Report of the Provincial Auditor (Volume 2)* that North Sask. Laundry & Support Services Ltd. establish policies and procedures for controlling payments to its employees. The committee noted that North Sask. Laundry & Support Services Ltd. is making progress towards complying with the recommendation.
19. The committee concurred with recommendation 14A-4 made at page 249 of Chapter 14A (Health) of the *2011 Report of the Provincial Auditor (Volume 2)* that North Sask. Laundry & Support Services Ltd. have clear policies and procedures for purchasing goods and services. The committee noted that North Sask. Laundry & Support Services Ltd. is making progress towards complying with the recommendation.
20. The committee concurred with recommendation 14A-5 made at page 250 of Chapter 14A (Health) of the *2011 Report of the Provincial Auditor (Volume 2)* that North Sask. Laundry & Support Services Ltd. establish policies setting out who can use corporate credit cards, for what purpose, and the approval process. The committee noted that North Sask. Laundry & Support Services Ltd. has complied with the recommendation.
21. The committee considered Chapter 14B (Regional Health Authorities) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Dan Florizone, Deputy Minister
Max Hendricks, Associate Deputy Minister
Jason Pirlot, Acting Manager, Regional Financial Services Unit, Financial Services Branch
Matthew Timmons, Senior Financial Analyst, Financial Services Branch
Susan Antosh, CEO, e-Health Saskatchewan
Nilesh Kavia, Vice President Finance and Corporate Services, Saskatoon Regional Health Region

22. The committee concurred with recommendation 14B-1 made at page 257 of Chapter 14B (Regional Health Authorities) of the *2011 Report of the Provincial Auditor (Volume 2)* that Keewatin Yatthé Regional Health Authority follow its established processes to control its bank accounts. The committee noted that Keewatin Yatthé Regional Health Authority is making progress towards complying with the recommendation.

23. The committee concurred with recommendation 14B-2 made at page 257 of Chapter 14B (Regional Health Authorities) of the *2011 Report of the Provincial Auditor (Volume 2)* that Prince Albert Parkland Regional Health Authority follow its established processes to control its bank accounts. The committee noted that Prince Albert Parkland Regional Health Authority is making progress towards complying with the recommendation.
24. The committee concurred with recommendation 14B-3 made at page 258 of Chapter 14B (Regional Health Authorities) of the *2011 Report of the Provincial Auditor (Volume 2)* that Prairie North Regional Health Authority follow its processes to grant and remove user access to its IT systems and data. The committee noted that Prairie North Regional Health Authority is making progress towards complying with the recommendation.
25. The committee concurred with recommendation 14B-4 made at page 258 of Chapter 14B (Regional Health Authorities) of the *2011 Report of the Provincial Auditor (Volume 2)* that Prince Albert Parkland Regional Health Authority follow its processes to grant and remove user access to its IT systems and data. The committee noted that Prince Albert Parkland Regional Health Authority has complied with the recommendation.
26. The committee concurred with recommendation 14B-5 made at page 258 of Chapter 14B (Regional Health Authorities) of the *2011 Report of the Provincial Auditor (Volume 2)* that Keewatin Yatthé Regional Health Authority improve its processes to grant and remove user access to its IT systems and data. The committee noted that Keewatin Yatthé Regional Health Authority has complied with the recommendation.
27. The committee concurred with recommendation 14B-6 made at page 262 of Chapter 14B (Regional Health Authorities) of the *2011 Report of the Provincial Auditor (Volume 2)* that Keewatin Yatthé Regional Health Authority comply with *The Regional Health Services Act* when constructing, renovating, or altering its facilities. The committee noted that Keewatin Yatthé Regional Health Authority has complied with the recommendation.
28. The committee considered Chapter 14D (Saskatoon Regional Health Authority) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Dan Florizone, Deputy Minister

Max Hendricks, Associate Deputy Minister

Jason Pirlot, Acting Manager, Regional Financial Services Unit, Financial Services Branch

Matthew Timmons, Senior Financial Analyst, Financial Services Branch

Susan Antosh, CEO, e-Health Saskatchewan

Nilesh Kavia, Vice President Finance and Corporate Services, Saskatoon Regional Health Region

29. The committee concurred with recommendation 14D-1 made at page 291 of Chapter 14D (Saskatoon Regional Health Authority) of the *2011 Report of the Provincial Auditor (Volume 2)* that affiliates of Saskatoon Regional Health Authority comply with *The Regional Health Services Act* when borrowing money for capital projects. The committee noted that Saskatoon Regional Health Authority has complied with the recommendation.

30. The committee concurred with recommendation 14D-2 made at page 291 of Chapter 14D (Saskatoon Regional Health Authority) of the *2011 Report of the Provincial Auditor (Volume 2)* that Saskatoon Regional Health Authority comply with *The Regional Health Services Act* when making changes to funding arrangements for capital projects. The committee noted that Saskatoon Regional Health Authority has complied with the recommendation.
31. The committee concurred with recommendation 14D-3 made at page 291 of Chapter 14D (Saskatoon Regional Health Authority) of the *2011 Report of the Provincial Auditor (Volume 2)* that Ministry of Health clarify whether the regional health authorities have powers to lend money to health care organizations. The committee noted that the Ministry of Health has complied with the recommendation.
32. The committee concurred with recommendation 14D-4 made at page 297 of Chapter 14D (Saskatoon Regional Health Authority) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health and Saskatoon Regional Health Authority establish policies for use when seeking interest from private sector healthcare providers to build healthcare facilities. The committee noted that the Ministry of Health and Saskatoon Regional Health Authority have complied with the recommendation.
33. The committee concurred with recommendation 14D-5 made at page 297 of Chapter 14D (Saskatoon Regional Health Authority) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health and Saskatoon Regional Health Authority establish criteria to use when selecting private sector healthcare providers to build healthcare facilities and provide the established criteria to all interested private sector healthcare providers. The committee noted that the Ministry of Health and Saskatoon Regional Health Authority have complied with the recommendation.
34. The committee considered Chapter 18 (Saskatoon Regional Health Authority) of the *2011 Report of the Provincial Auditor (Volume 1)*. Ms. Lysyk and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Dan Florizone, Deputy Minister

Max Hendricks, Associate Deputy Minister

Jason Pirlot, Acting Manager, Regional Financial Services Unit, Financial Services Branch

Matthew Timmons, Senior Financial Analyst, Financial Services Branch

Susan Antosh, CEO, e-Health Saskatchewan

Nilesh Kavia, Vice President Finance and Corporate Services, Saskatoon Regional Health Region

35. The committee concurred with recommendation 18-1 made at page 193 of Chapter 18 (Saskatoon Regional Health Authority) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Saskatoon Regional Health Authority establish written policies and procedures for maintaining medical equipment at all of its healthcare facilities. The committee noted that the Saskatoon Regional Health Authority is making progress towards complying with the recommendation.
36. The committee recessed from 11:53 a.m. until 11:58 p.m.
37. The committee considered Chapter 4 (Education - School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)*. Ms. Lysyk and Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Education officials appeared before the committee and answered questions:

Witnesses

Cheryl Senecal, Deputy Minister

Donna Johnson, Assistant Deputy Minister

Greg Miller, Assistant Deputy Minister

Tim Caleval, Executive Director, Student Achievement and Supports

Val Lusk, Executive Director, Education Funding

Lori Mann, Executive Director, Corporate Services

Doug Volk, Executive Director, Teachers' Superannuation Commission

38. The committee concurred with recommendation 4-1 made at page 49 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school division boards approve policies on when and how the school divisions prepare periodic financial reports for their boards. The committee noted that school division boards are making progress towards complying with the recommendation.
39. The committee concurred with recommendation 4-2 made at page 49 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school division boards review (at least quarterly) financial reports (including comparison to budget) prepared in accordance with Canadian generally accepted accounting principles established by the Canadian Public Sector Accounting Board and document their review in minutes. The committee noted that school division boards are making progress towards complying with the recommendation.
40. The committee concurred with recommendation 4-3 made at page 50 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school divisions establish code of conduct and conflict of interest policies and communicate these to staff. The committee noted that school divisions have complied with the recommendation.
41. The committee concurred with recommendation 4-4 made at page 52 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school divisions have segregation of duties policies. The committee noted that school divisions are making progress towards complying with the recommendation.
42. The committee concurred with recommendation 4-5 made at page 52 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school divisions assess the risks of incompatible functions and take appropriate action. The committee noted that school divisions are making progress towards complying with the recommendation.
43. The committee concurred with recommendation 4-6 made at page 52 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school divisions obtain the approval of the Minister for the existence and use of lines of credit. The committee noted that school division have complied with the recommendation.
44. The committee concurred with recommendation 4-7 made at page 53 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school divisions establish information technology security policies. The committee noted that school divisions are making progress towards complying with the recommendation.

45. The committee concurred with recommendation 4-8 made at page 54 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school divisions prepare and test their information technology disaster recovery plans. The committee noted that school divisions are making progress towards complying with the recommendation.
46. The committee concurred with recommendation 4-9 made at page 54 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school divisions obtain the approval of the Minister of Education before making purchases or disposing of real property. The committee noted that school divisions have complied with the recommendation.
47. The committee concurred with recommendation 4-10 made at page 54 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school divisions establish appropriate processes to collect and record all funds generated in schools. The committee noted that school divisions are making progress towards complying with the recommendation.
48. The committee concurred with recommendation 4-11 made at page 55 of Chapter 4 (Education – School divisions) of the *2011 Report of the Provincial Auditor (Volume 1)* that school divisions ensure that when they enter into financial arrangements with other agencies, they formalize their rights and obligations in written agreements. The committee noted that school divisions are making progress towards complying with the recommendation.
49. The committee considered Chapter 1 (Education – School Divisions) of the *2012 Report of the Provincial Auditor (Volume 1)*. Ms. Lysyk and Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Education officials appeared before the committee and answered questions:

Witnesses

Cheryl Senecal, Deputy Minister
Donna Johnson, Assistant Deputy Minister
Greg Miller, Assistant Deputy Minister
Tim Caleval, Executive Director, Student Achievement and Supports
Val Lusk, Executive Director, Education Funding
Lori Mann, Executive Director, Corporate Services
Doug Volk, Executive Director, Teachers' Superannuation Commission

50. The committee concurred with recommendation 1-1 made at page 23 of Chapter 1 (School Divisions) of the *2012 Report of the Provincial Auditor (Volume 1)* that school divisions periodically verify the existence of their physical assets. The committee noted that the school divisions are making progress towards complying with the recommendation.
51. The committee considered Chapter 5 (Education) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Education officials appeared before the committee and answered questions:

Witnesses

Cheryl Senecal, Deputy Minister

Donna Johnson, Assistant Deputy Minister
Greg Miller, Assistant Deputy Minister
Tim Caleval, Executive Director, Student Achievement and Supports
Val Lusk, Executive Director, Education Funding
Lori Mann, Executive Director, Corporate Services
Doug Volk, Executive Director, Teachers' Superannuation Commission

52. The committee concurred with recommendation 5-1 made at page 106 of Chapter 5 (Education) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Education approve school division operating and capital grant payments in accordance with its delegation of authority. The committee noted that the Ministry of Education has complied with the recommendation.
53. The committee concurred with recommendation 5-2 made at page 107 of Chapter 5 (Education) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Education enter into written agreements with school divisions setting out the terms and conditions of its capital grants that support the Ministry's expenses. The committee noted that the Ministry of Education is making progress towards complying with the recommendation.
54. The committee recessed from 12:30 p.m. until 1:02 p.m.
55. The committee considered Chapter 6 (Highways and Infrastructure) of the *2011 Report of the Provincial Auditor (Volume 1)*. Ms. Lysyk and Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Highways and Infrastructure officials appeared before the committee and answered questions:

Witnesses

Rob Penny, Deputy Minister
Jennifer Ehrmantraut, Assistant Deputy Minister, Services and Standards Division
George Stamatinos, Assistant Deputy Minister, Planning and Policy Division
Ted Stobbs, Assistant Deputy Minister, Regional Services Division

56. The committee concurred with recommendation 6-1 made at page 79 of Chapter 6 (Highways and Infrastructure) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Ministry of Highways and Infrastructure keep bridge management system records up to date. The committee noted that the Ministry of Highways and Infrastructure is making progress towards complying with the recommendation.
57. The committee concurred with recommendation 6-2 made at page 81 of Chapter 6 (Highways and Infrastructure) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Ministry of Highways and Infrastructure document its key bridge maintenance planning processes and its bridge maintenance plan. The committee noted that the Ministry of Highways and Infrastructure is making progress towards complying with the recommendation.
58. The committee concurred with recommendation 6-3 made at page 82 of Chapter 6 (Highways and Infrastructure) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Ministry of Highways and Infrastructure set long-term service objectives for bridges and use them to determine its annual and longer-term maintenance priorities. The committee noted that the Ministry of Highways and Infrastructure is making progress towards complying with the recommendation.

59. The committee concurred with recommendation 6-4 made at page 84 of Chapter 6 (Highways and Infrastructure) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Ministry of Highways and Infrastructure receive and review reports on the results of bridge inspection and maintenance activities. The committee noted that the Ministry of Highways and Infrastructure is making progress towards complying with the recommendation.
60. The committee considered Chapter 15 (Highways and Infrastructure) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Highways and Infrastructure officials appeared before the committee and answered questions:

Witnesses

Rob Penny, Deputy Minister
Jennifer Ehrmantraut, Assistant Deputy Minister
George Stamatinos, Assistant Deputy Minister
Ted Stobbs, Assistant Deputy Minister

61. The committee concluded consideration of Chapter 15 (Highways and Infrastructure) of the *2011 Report of the Provincial Auditor (Volume 2)*.
62. The committee considered Chapter 9 (Highways and Infrastructure) of the *2012 Report of the Provincial Auditor (Volume 1)*. Ms. Lysyk and Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Highways and Infrastructure officials appeared before the committee and answered questions:

Witnesses

Rob Penny, Deputy Minister
Jennifer Ehrmantraut, Assistant Deputy Minister
George Stamatinos, Assistant Deputy Minister
Ted Stobbs Assistant Deputy Minister

63. The committee concluded consideration of Chapter 9 (Highways and Infrastructure) of the *2012 Report of the Provincial Auditor (Volume 1)*.
64. The committee recessed from 1:24 p.m. until 1:37 p.m.
65. The committee considered Chapter 23 (Saskatchewan Watershed Authority) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Mr. Deis 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

Wayne Dybvig, President
Bob Carles, Vice President, Corporate Services

66. The committee concurred with recommendation 23-1 made at page 444 of Chapter 23 (Saskatchewan Watershed Authority) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Watershed Authority approve information technology security policies and procedures to address change management, incident management and segregation of information technology duties. The committee noted that the Saskatchewan Watershed Authority is making progress towards complying with the recommendation.
67. The committee recessed from 1:45 p.m. until 2:00 p.m.
68. The committee considered Chapter 8 (Environment) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Environment officials appeared before the committee and answered questions:

Witnesses

Liz Quarshie, Deputy Minister
Kevin Murphy, Assistant Deputy Minister, Resource Management and Compliance
Lori Uhersky, Assistant Deputy Minister, Environmental Support Division
Wes Kotyk, Executive Director, Industrial Branch
Laurel Welsh, Executive Director, Finance and Administration
Bob Wynes, Executive Director, Forestry Service
Susan Loewen, Director, Financial Management Section
Kevin McCullum, Chief Engineer, Technical Resources

69. The committee concurred with recommendation 8-1 made at page 143 of Chapter 8 (Environment) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Environment modify its agreement with the Public Service Commission clarifying responsibilities for key payroll activities. The committee noted that the Ministry of Environment has complied with the recommendation.
70. The committee recessed from 2:13 p.m. until 2:19 p.m.
71. The committee considered Chapter 17 (Office of the Executive Council) of the *2010 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.
The following Office of the Executive Council official appeared before the committee and answered questions:

Witnesses

Fredrick D. (Rick) Mantey, Cabinet Secretary and Clerk of the Executive Council
Bonita Cairns, Executive Director, Corporate Services

72. The committee concurred with recommendation 17-1 made at page 280 of Chapter 17 (Office of the Executive Council) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Office of the Executive Council follow its processes for removing unneeded user access to its information technology systems and data promptly. The committee noted that the Office of the Executive Council has complied with the recommendation.
73. The committee recessed from 2:24 p.m. until 2:31 p.m.

74. The committee considered Chapter 8 (Justice and Attorney General) of the *2011 Report of the Provincial Auditor (Volume 1)*. Ms. Lysyk and Ms. Clemett of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Justice and Attorney General officials appeared before the committee and answered questions:

Witnesses

Gerald Tegart, Deputy Minister and Deputy Attorney General
Dave Tulloch, Executive Director, Corporate Services
Dave Wild, Chair, Financial and Consumer Affairs Authority

75. The committee concurred with recommendation 8-1 made at page 95 of Chapter 8 (Justice and Attorney General) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Ministry of Justice and Attorney General and the Saskatchewan Financial Services Commission formally assign roles and responsibilities to supervise regulation of credit unions. The committee noted that the Ministry of Justice and Attorney General and the Financial and Consumer Affairs Authority has complied with the recommendation.

76. The committee considered Chapter 17 (Justice and Attorney General) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Ms. Clemett of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Justice and Attorney General officials appeared before the committee and answered questions:

Witnesses

Gerald Tegart, Deputy Minister and Deputy Attorney General
Dave Tulloch, Executive Director, Corporate Services

77. The committee concurred with recommendation 17-1 made at page 353 of Chapter 17 (Justice and Attorney General) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Justice and Attorney General follow its processes to prepare and approve bank reconciliations. The committee noted that the Ministry of Justice and Attorney General is making progress towards complying with the recommendation.

78. The committee recessed from 2:45 p.m. until 2:57 p.m.

79. The committee considered Chapter 9 (Municipal Affairs) of the *2011 Report of the Provincial Auditor (Volume 1)*. Ms. Lysyk and Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Government Relations officials appeared before the committee and answered questions:

Witnesses

Alan Hilton, Deputy Minister
Keith Comstock, Assistant Deputy Minister
Wanda Lamberti, Executive Director, Corporate Services
Janie Markewich, Director, Financial Services

80. The committee concurred with recommendation 9-1 made at page 107 of Chapter 9 (Municipal Affairs) of the *2011 Report of the Provincial Auditor (Volume 1)* that the Northern Municipal Trust Account follow its established procedures to prepare accurate and timely financial and performance reports. The committee noted that the Ministry of Government Relations has complied with the recommendation.
81. The committee considered Chapter 11 (Northern Municipal Trust Account) of the *2012 Report of the Provincial Auditor (Volume 1)*. Ms. Lysyk and Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Government Relations officials appeared before the committee and answered questions:

Witnesses

Alan Hilton, Deputy Minister
Keith Comstock, Assistant Deputy Minister
Wanda Lamberti, Executive Director, Corporate Services
Janie Markewich, Director, Financial Services

82. The committee concurred with recommendation 11-1 made at page 109 of Chapter 11 (Northern Municipal Trust Account) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry follow its established procedures to prepare regular and accurate bank account reconciliations for the Northern Municipal Trust Account. The committee noted that the Ministry of Government Relations has complied with the recommendation.
83. The committee recessed from 3:06 p.m. until 3:32 p.m.
84. The committee considered Chapter 6 (Energy and Resources) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Lysyk and Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of the Economy officials appeared before the committee and answered questions:

Witnesses

Kent Campbell, Deputy Minister
Twyla MacDougall, Assistant Deputy Minister, Revenue and Corporate Services

85. The committee concurred with recommendation 6-1 made at page 119 of Chapter 6 (Energy and Resources) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Energy and Resources follow its established procedures for removing user access to its computer systems and data. The committee noted that the Ministry of the Economy has complied with the recommendation.
86. The committee concurred with recommendation 6-2 made at page 125 of Chapter 6 (Energy and Resources) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Energy and Resources document its plans for measuring and reporting on the expected benefits of its new oil and gas system. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
87. The committee concurred with recommendation 6-3 made at page 127 of Chapter 6 (Energy and Resources) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Energy and

Resources include in its project status reports to senior management the actual development and maintenance costs incurred to date compared to the project's percentage of completion. The committee noted that the Ministry of the Economy has complied with the recommendation.

88. The committee concurred with recommendation 6-4 made at page 128 of Chapter 6 (Energy and Resources) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Energy and Resources prepare an analysis on the merits of conducting an independent risk assessment on the Process Renewal and Infrastructure Management Enhancements project. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.

89. It was moved by Mr. Michelson:

That this committee do now adjourn.

The question being put, it was agreed to.

90. The committee adjourned at 3:45 p.m. to the call of the Chair.

Kathy Burianyk
Committee Clerk

Scott Moe
Deputy Committee Chair