

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**Monday, December 9, 2013**

**MINUTE NO. 13**  
**9:00 a.m. – Māwawapiwin Room (Room 8)**

1. **Present:** Danielle Chartier in the Chair and Members Jennifer Campeau, Herb Cox, David Forbes\*, Glen Hart, Russ Marchuk\*, Scott Moe, Laura Ross and Corey Tochor.

**Substituting Members**

David Forbes for Trent Wotherspoon

Russ Marchuk for Scott Moe (12:58 p.m. - 3:46 p.m. only)

**Provincial Auditor's Office**

Judy Ferguson, Acting Provincial Auditor

Mobashar Ahmad, Deputy Provincial Auditor

Ed Montgomery, Deputy Provincial Auditor

Tara Clemett, Principal

Linda Klassen, Principal

Kim Lowe, Principal

Glen Nyhus, Principal

Carolyn O'Quinn, Principal

Rosemarie Volk, Principal

**Provincial Comptroller's Office**

Lori Taylor, Manager, Financial Management Branch

Jenn Clark, Senior Analyst, Financial Management Branch

Patricia Schoenroth, Analyst, Financial Management Branch

2. The following documents were tabled:

**PAC 29/27 – Ministry of Health:** Reporting of public losses for the period from July 1, 2013 to September 30, 2013, dated November 1, 2013.

**PAC 30/27 – Ministry of Finance:** Reporting of public losses for the period from July 1, 2013 to September 30, 2013, dated November 1, 2013.

3. The Chair advised the committee that pursuant to Rule 142(2), the following report was deemed referred to the committee:

*2013 Report of the Provincial Auditor (Volume 2)* (December 4, 2013)

4. The committee considered Chapter 21 (Tourism, Parks, Culture and Sport) of the *2010 Report of the Provincial Auditor (Volume 2)*, Chapter 25 (Tourism, Parks, Culture and Sport) of the *2011 Report of the Provincial Auditor (Volume 2)*, Chapter 17 (Parks, Culture and Sport) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 17 (Parks, Culture and Sport) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapters.

The following Parks, Culture and Sport officials appeared before the committee and answered questions:

Witnesses

Lin Gallagher, Deputy Minister

Nancy Cherney, Assistant Deputy Minister, Parks Division

Twyla MacDougall, Assistant Deputy Minister, Stewardship Division

Byron Davis, Director, Facilities Branch, Parks Division

Lynette Halvorsen, Director, Corporate Services

5. The committee concurred with recommendation 21-1 made at page 337 of Chapter 21 (Tourism, Parks, Culture and Sport) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Tourism, Parks, Culture and Sport establish rules and procedures for the collection of commercial lease revenue in arrears. The committee noted that the Ministry of Tourism, Parks, Culture and Sport has complied with the recommendation.
6. The committee concurred with recommendation 21-2 made at page 338 of Chapter 21 (Tourism, Parks, Culture and Sport) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Tourism, Parks, Culture and Sport maintain a current service level agreement with the Public Service Commission for the provision of payroll services. The committee noted that the Ministry of Tourism, Parks, Culture and Sport has complied with the recommendation.
7. The committee concurred with recommendation 21-3 made at page 338 of Chapter 21 (Tourism, Parks, Culture and Sport) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Tourism, Parks, Culture and Sport follow its processes for removing unneeded user access to its information technology systems and data promptly. The committee noted that the Ministry of Tourism, Parks, Culture and Sport has complied with the recommendation.
8. The committee concurred with recommendation 21-4 made at page 340 of Chapter 21 (Tourism, Parks, Culture and Sport) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Western Development Museum establish procedures that require independent review and approval of journal entries before changing its accounting records. The committee noted that the Western Development Museum has complied with the recommendation.
9. The committee concurred with recommendation 21-5 made at page 341 of Chapter 21 (Tourism, Parks, Culture and Sport) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Western Development Museum establish written procedures for:
  - purchasing and selling goods and services
  - authorizing staff to approve agreementsThe committee noted that the Western Development Museum has complied with the recommendation.
10. The committee concurred with recommendation 21-6 made at page 343 of Chapter 21 (Tourism, Parks, Culture and Sport) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Tourism, Parks, Culture and Sport direct Western Canada Lottery – Saskatchewan Division Inc., Sask Sport Distributors Inc. and the Western Canada Lottery Corporation to allow the Provincial Auditor access to audit their accounts related to public money. The committee noted that the Ministry of Tourism, Parks, Culture and Sport has complied with the recommendation.
11. The committee concurred with recommendation 25-1 made at page 476 of Chapter 25 (Tourism, Parks, Culture and Sport) of the *2011 Report of the Provincial Auditor (Volume 2)* that when the Ministry of Tourism, Parks, Culture and Sport renews its agreement with its lotteries marketing agent that the Ministry amend the agreement to require the lotteries marketing agent to make payee lists

(e.g., employees and suppliers) available to the Ministry. The committee noted that the Ministry of Parks, Culture and Sport is making progress towards complying with the recommendation.

12. The committee concluded consideration of Chapter 17 (Parks, Culture and Sport) of the *2012 Report of the Provincial Auditor (Volume 2)*.
13. The committee concluded consideration of Chapter 17 (Parks, Culture and Sport) of the *2013 Report of the Provincial Auditor (Volume 2)*.
14. The committee recessed from 9:27 a.m. until 9:31 a.m.
15. The committee considered Chapter 19A (Liquor and Gaming Authority) of the *2011 Report of the Provincial Auditor (Volume 2)*, Chapter 53 (Saskatchewan Liquor and Gaming Authority - Monitoring Charitable Gaming on Reserves) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 46 (Saskatchewan Liquor and Gaming Authority - Encouraging Responsible Use of Beverage Alcohol) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Barry Lacey, President and Chief Executive Officer  
Lee Auten, Vice President, Partnerships and Supply Management Division  
Jim Engel, Vice President, Corporate Services Division  
Tim Kealey, Vice President and Chief Financial Officer, Performance Management Division  
Warren Fry, Senior Director, Liquor and Gaming Partnerships  
Val Banilevic, Director, Financial Services Branch

16. The committee concurred with recommendation 19A-1 made at page 390 of Chapter 19A (Liquor and Gaming Authority) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Liquor and Gaming Authority follow its procedures to control its bank accounts. The committee noted that the Saskatchewan Liquor and Gaming Authority has complied with the recommendation.
17. The committee concluded consideration of Chapter 53 (Saskatchewan Liquor and Gaming Authority - Monitoring Charitable Gaming on Reserves) of the *2012 Report of the Provincial Auditor (Volume 2)*.
18. The committee concluded consideration of Chapter 46 (Encouraging Responsible Use of Beverage Alcohol) of the *2013 Report of the Provincial Auditor (Volume 2)*.
19. The committee considered Chapter 21 (Saskatchewan Liquor and Gaming Authority) of the *2012 Report of the Provincial Auditor (Volume 2)*, Chapter 22 (Saskatchewan Liquor and Gaming Authority) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Barry Lacey, President and Chief Executive Officer  
Lee Auten, Vice President, Partnerships and Supply Management Division

Jim Engel, Vice President, Corporate Services Division  
Tim Kealey, Vice President and Chief Financial Officer, Performance Management Division  
Warren Fry, Senior Director, Liquor and Gaming Partnerships  
Val Banilevic, Director, Financial Services Branch

20. The committee concurred with recommendation 21-1 made at page 156 of Chapter 21 (Saskatchewan Liquor and Gaming Authority) of the *2012 Report of the Provincial Auditor (Volume 2)* that Saskatchewan Liquor and Gaming Authority develop and implement an enterprise risk management framework and plan. The committee noted that the Saskatchewan Liquor and Gaming Authority is making progress towards complying with the recommendation.
21. The committee concurred with recommendation 21-2 made at page 156 of Chapter 21 (Saskatchewan Liquor and Gaming Authority) of the *2012 Report of the Provincial Auditor (Volume 2)* that Saskatchewan Liquor and Gaming Authority complete its review of Saskatchewan Indian Gaming Authority's expenses on a timely basis. The committee noted that the Saskatchewan Liquor and Gaming Authority has complied with the recommendation.
22. The committee concurred with recommendation 22-1 made at page 161 of Chapter 22 (Saskatchewan Liquor and Gaming Authority) of the *2013 Report of the Provincial Auditor (Volume 2)* that Saskatchewan Liquor and Gaming Authority develop security policies and procedures for monitoring information technology security.
23. The committee considered Chapter 17 (Saskatchewan Liquor and Gaming Authority – Liquor Procurement Processes) of the *2012 Report of the Provincial Auditor (Volume 1)* and Chapter 47 (Saskatchewan Liquor and Gaming Authority – Liquor Procurement Processes) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Barry Lacey, President and Chief Executive Officer  
Lee Auten, Vice President, Partnerships and Supply Management Division  
Jim Engel, Vice President, Corporate Services Division  
Tim Kealey, Vice President and Chief Financial Officer, Performance Management Division  
Warren Fry, Senior Director, Liquor and Gaming Partnerships  
Val Banilevic, Director, Financial Services Branch

24. The committee concurred with recommendation 17-1 made at page 147 of Chapter 17 (Saskatchewan Liquor and Gaming Authority – Liquor Procurement Processes) of the *2012 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Liquor and Gaming Authority make its procurement and pricing policies public and provide a breakdown of liquor price (e.g., cost, taxes, markup, etc.). The committee noted that the Saskatchewan Liquor and Gaming Authority has complied with the recommendation.
25. The committee concurred with recommendation 17-2 made at page 151 of Chapter 17 (Saskatchewan Liquor and Gaming Authority – Liquor Procurement Processes) of the *2012 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Liquor and Gaming Authority document what it uses and how it uses the information it has to ensure the product selection meets its customers' needs. The

committee noted that the Saskatchewan Liquor and Gaming Authority is making progress towards complying with the recommendation.

26. The committee concurred with recommendation 17-3 made at page 152 of Chapter 17 (Saskatchewan Liquor and Gaming Authority – Liquor Procurement Processes) of the *2012 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Liquor and Gaming Authority develop written procedures for staff to use to objectively select all liquor purchases. The committee noted that the Saskatchewan Liquor and Gaming Authority is making progress towards complying with the recommendation.
27. The committee concurred with recommendation 17-4 made at page 153 of Chapter 17 (Saskatchewan Liquor and Gaming Authority – Liquor Procurement Processes) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Listing Committee of Saskatchewan Liquor and Gaming Authority keep minutes supporting its decisions on product listings and delistings. The committee noted that the Saskatchewan Liquor and Gaming Authority has complied with the recommendation.
28. The committee concurred with recommendation 17-5 made at page 154 of Chapter 17 (Saskatchewan Liquor and Gaming Authority – Liquor Procurement Processes) of the *2012 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Liquor and Gaming Authority formally evaluate new liquor products and share written results of these evaluations with unsuccessful suppliers. The committee noted that the Saskatchewan Liquor and Gaming Authority is making progress towards complying with the recommendation.
29. The committee concurred with recommendation 17-6 made at page 154 of Chapter 17 (Saskatchewan Liquor and Gaming Authority – Liquor Procurement Processes) of the *2012 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Liquor and Gaming Authority obtain formal assurance that liquor products sold in Saskatchewan are safe to drink and contain their stated alcohol content. The committee noted that the Saskatchewan Liquor and Gaming Authority is making progress towards complying with the recommendation.
30. The committee concurred with recommendation 17-7 made at page 155 of Chapter 17 (Saskatchewan Liquor and Gaming Authority – Liquor Procurement Processes) of the *2012 Report of the Provincial Auditor (Volume 1)* that Saskatchewan Liquor and Gaming Authority develop and use written procedures for monitoring product performance regarding sales targets, quotas, and product quality. The committee noted that the Saskatchewan Liquor and Gaming Authority is making progress towards complying with the recommendation.
31. The committee concluded consideration of Chapter 47 (Saskatchewan Liquor and Gaming Authority – Liquor Procurement Processes) of the *2013 Report of the Provincial Auditor (Volume 2)*.
32. The committee considered Chapter 19B (Saskatchewan Indian Gaming Authority Inc.) of the *2011 Report of the Provincial Auditor (Volume 2)*, Chapter 20 (Saskatchewan Indian Gaming Authority Inc.) of the *2012 Report of the Provincial Auditor (Volume 2)*, Chapter 21 (Saskatchewan Indian Gaming Authority Inc.) of the *2013 Report of the Provincial Auditor (Volume 2)* and Chapter 35 (Saskatchewan Indian Gaming Authority Inc. – Information Technology Threat and Risk Assessment Processes) of the *2012 Report of the Provincial Auditor (Volume 2)*. Ms. O’Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Barry Lacey, President and Chief Executive Officer

Jim Engel, Vice President, Corporate Services Division

Tim Kealey, Vice President and Chief Financial Officer, Performance Management Division

Warren Fry, Senior Director, Liquor and Gaming Partnerships

Val Banilevic, Director, Financial Services Branch

33. The committee concluded consideration of Chapter 19B (Saskatchewan Indian Gaming Authority Inc.) of the *2011 Report of the Provincial Auditor (Volume 2)*.
34. The committee concluded consideration of Chapter 20 (Saskatchewan Indian Gaming Authority Inc.) of the *2012 Report of the Provincial Auditor (Volume 2)*.
35. The committee concluded consideration of Chapter 21 (Saskatchewan Indian Gaming Authority Inc.) of the *2013 Report of the Provincial Auditor (Volume 2)*.
36. The committee concurred with recommendation 35-1 made at page 309 of Chapter 35 (Saskatchewan Indian Gaming Authority Inc. – Information Technology Threat and Risk Assessment Processes) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Indian Gaming Authority fully document and approve its plan for assessing the risks to its business from vulnerabilities to its information technology systems. The committee noted that the Saskatchewan Indian Gaming Authority Inc. is making progress towards complying with the recommendation.
37. The committee concurred with recommendation 35-2 made at page 310 of Chapter 35 (Saskatchewan Indian Gaming Authority Inc. – Information Technology Threat and Risk Assessment Processes) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Indian Gaming Authority follow its policies by documenting its analysis of the impact and likelihood for information technology risks and developing responses for significant risks. The committee noted that the Saskatchewan Indian Gaming Authority Inc. is making progress towards complying with the recommendation.
38. The committee concurred with recommendation 35-3 made at page 310 of Chapter 35 (Saskatchewan Indian Gaming Authority Inc. – Information Technology Threat and Risk Assessment Processes) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Indian Gaming Authority report to senior management:
  - The impact of significant information technology risks
  - Responses taken for those risks
  - The estimated residual riskThe committee noted that the Saskatchewan Indian Gaming Authority Inc. is making progress towards complying with the recommendation.
39. The committee concurred with recommendation 35-4 made at page 311 of Chapter 35 (Saskatchewan Indian Gaming Authority Inc. – Information Technology Threat and Risk Assessment Processes) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Indian Gaming Authority assess the effectiveness of its information technology risk assessment processes and monitor its significant risks on an on-going basis. The committee noted that the Saskatchewan Indian Gaming Authority Inc. is making progress towards complying with the recommendation.

40. The committee recessed from 10:40 a.m. until 10:52 a.m.
41. The committee considered Chapter 50 (Financial and Consumer Affairs Authority – Processes to Investigate Complaints) of the *2012 Report of the Provincial Auditor (Volume 2)*, Chapter 51 (Justice - Security Awareness Processes) of the *2012 Report of the Provincial Auditor (Volume 2)*, Chapter 44 (Financial and Consumer Affairs Authority of Saskatchewan – Regulating Saskatchewan Credit Unions) of the *2013 Report of the Provincial Auditor (Volume 2)* and Chapter 10 (Justice and Attorney General – Maintenance Enforcement) of the *2012 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapters.

The following officials appeared before the committee and answered questions:

Witnesses

Ministry of Justice

Kevin Fenwick, Deputy Minister and Deputy Attorney General  
Dave Tulloch, Executive Director, Corporate Services Branch  
Cathy Drader, Director, Information Management  
Clinton Griffiths, Director, Risk Management and Audit  
Lionel McNabb, Director, Maintenance Enforcement Office and Family Justice Services Branch

Financial and Consumer Affairs Authority

Dave Wild, Chair  
Dean Murrison, Director, Securities Division  
Cory Peters, Director, Consumer Credit Division

42. The committee concluded consideration of Chapter 50 (Financial and Consumer Affairs Authority – Processes to Investigate Complaints) of the *2012 Report of the Provincial Auditor (Volume 2)*.
43. The committee concluded consideration of Chapter 51 (Security Awareness Processes) of the *2012 Report of the Provincial Auditor (Volume 2)*.
44. The committee concluded consideration of Chapter 44 (Financial and Consumer Affairs Authority of Saskatchewan – Regulating Saskatchewan Credit Unions) of the *2013 Report of the Provincial Auditor (Volume 2)*.
45. The committee concurred with recommendation 10-1 made at page 99 of Chapter 10 (Justice and Attorney General – Maintenance Enforcement) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Justice and Attorney General establish a formal performance standard for prompt processing of maintenance enforcement registrations and monitor compliance with this standard. The committee noted that the Ministry of Justice has complied with the recommendation.
46. The committee concurred with recommendation 10-2 made at page 99 of Chapter 10 (Justice and Attorney General – Maintenance Enforcement) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Justice and Attorney General keep accurate and up-to-date information for its maintenance enforcement clients. The committee noted that the Ministry of Justice is making progress towards complying with the recommendation.
47. The committee concurred with recommendation 10-3 made at page 101 of Chapter 10 (Justice and Attorney General – Maintenance Enforcement) of the *2012 Report of the Provincial Auditor (Volume*

- 1) that the Ministry of Justice and Attorney General establish a formal performance standard for the timely documented review of maintenance enforcement client files not complying with payment terms and monitor compliance with this standard. The committee noted that the Ministry of Justice is making progress towards complying with the recommendation.
48. The committee concurred with recommendation 10-4 made at page 102 of Chapter 10 (Justice and Attorney General – Maintenance Enforcement) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Justice and Attorney General establish a formal performance standard for prompt response to telephone inquiries from maintenance enforcement clients and monitor compliance with this standard. The committee noted that the Ministry of Justice has complied with the recommendation.
49. The committee concurred with recommendation 10-5 made at page 103 of Chapter 10 (Justice and Attorney General – Maintenance Enforcement) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Justice and Attorney General periodically review reports that show who owes outstanding maintenance support payments, how much is owed, and how long amounts have been outstanding. The committee noted that the Ministry of Justice is making progress towards complying with the recommendation.
50. The committee recessed from 11:46 a.m. until 12:58 p.m.
51. The committee considered Chapter 7 (Enterprise and Innovation Programs) of the *2011 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Kent Campbell, Deputy Minister  
Denise Haas, Chief Financial Officer, Revenue and Corporate Services  
Ed Dancsok, Assistant Deputy Minister, Petroleum and Natural Gas  
Hal Sanders, Assistant Deputy Minister, Minerals, Lands and Resource Policy  
Alastair MacFadden, Acting Assistant Deputy Minister, Labour Market Development.  
Kirk Westgard, Executive Director, Immigration Services, Labour Market Development

52. The committee concurred with recommendation 7-1 made at page 135 of Chapter 7 (Enterprise and Innovation Programs) of the *2011 Report of the Provincial Auditor (Volume 2)* that Enterprise Saskatchewan document its analysis and assumptions used to estimate ethanol fuel tax expenses. The committee noted that the Ministry of the Economy has complied with the recommendation.
53. The committee considered Chapter 7 (Energy and Resources) of the *2012 Report of the Provincial Auditor (Volume 2)*, Chapter 40 (Economy – Project Management Processes) of the *2013 Report of the Provincial Auditor (Volume 2)* and Chapter 5 (Economy) of the *2013 Report of the Provincial Auditor (Volume 2)*. Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Kent Campbell, Deputy Minister  
Denise Haas, Chief Financial Officer, Revenue and Corporate Services



Ed Dancsok, Assistant Deputy Minister, Petroleum and Natural Gas  
Hal Sanders, Assistant Deputy Minister, Minerals, Lands and Resource Policy  
Alastair MacFadden, Acting Assistant Deputy Minister, Labour Market Development.  
Kirk Westgard, Executive Director, Immigration Services, Labour Market Development

54. The committee concluded consideration of Chapter 7 (Energy and Resources) of the *2012 Report of the Provincial Auditor (Volume 2)*.
55. The committee concluded consideration of Chapter 40 (Economy – Project Management Processes) of the *2013 Report of the Provincial Auditor (Volume 2)*.
56. The committee concurred with recommendation 5-1 made at page 50 of Chapter 5 (Economy) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Ministry of the Economy sign a complete memorandum of understanding with the Ministry of Advanced Education that defines all key roles and responsibilities for shared services. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
57. The committee concurred with recommendation 5-2 made at page 51 of Chapter 5 (Economy) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Ministry of the Economy disclose its liability for the cleanup of the Gunnar Uranium Mine and Mill Site in accordance with Public Sector Accounting Standards. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
58. The committee considered Chapter 5 (Energy and Resources - Regulating Pipelines) of the *2012 Report of the Provincial Auditor (Volume 1)*. Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Kent Campbell, Deputy Minister  
Denise Haas, Chief Financial Officer, Revenue and Corporate Services  
Ed Dancsok, Assistant Deputy Minister, Petroleum and Natural Gas  
Hal Sanders, Assistant Deputy Minister, Minerals, Lands and Resource Policy  
Alastair MacFadden, Acting Assistant Deputy Minister, Labour Market Development.  
Kirk Westgard, Executive Director, Immigration Services, Labour Market Development

59. The committee concurred with recommendation 5-1 made at page 66 of Chapter 5 (Energy and Resources - Regulating Pipelines) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Energy and Resources develop written policies and procedures to guide staff when assessing pipeline design, monitoring pipeline construction, and evaluating pipeline operations. The committee noted that the Ministry of the Economy has complied with the recommendation.
60. The committee concurred with recommendation 5-2 made at page 67 of Chapter 5 (Energy and Resources - Regulating Pipelines) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Energy and Resources consider seeking responsibility in law to verify that pipeline operators clean up contaminated sites to an acceptable condition. The committee noted that the Ministry of the Economy has complied with the recommendation.
61. The committee concurred with recommendation 5-3 made at page 67 of Chapter 5 (Energy and Resources - Regulating Pipelines) of the *2012 Report of the Provincial Auditor (Volume 1)* that the

Ministry of Energy and Resources consistently document its assessments of pipeline license applications for compliance with the law prior to issuing pipeline licenses. The committee noted that the Ministry of the Economy has complied with the recommendation.

62. The committee concurred with recommendation 5-4 made at page 68 of Chapter 5 (Energy and Resources - Regulating Pipelines) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Energy and Resources assess the resources it requires to fulfill its responsibilities under *The Pipelines Act, 1998*. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
63. The committee concurred with recommendation 5-5 made at page 68 of Chapter 5 (Energy and Resources - Regulating Pipelines) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Energy and Resources implement a risk-based assessment approach to monitor pipeline construction and verify pressure tests. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
64. The committee concurred with recommendation 5-6 made at page 69 of Chapter 5 (Energy and Resources - Regulating Pipelines) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Energy and Resources monitor pipeline operator compliance with integrity management and safety processes for existing pipelines. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
65. The committee concurred with recommendation 5-7 made at page 70 of Chapter 5 (Energy and Resources - Regulating Pipelines) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Energy and Resources consider seeking responsibility in law to license flowlines. The committee noted that the Ministry of the Economy has complied with the recommendation.
66. The committee considered Chapter 31 (Managing the Risks and Cleanup of Oil and Gas Wells) of the *2012 Report of the Provincial Auditor (Volume 2)*. Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Kent Campbell, Deputy Minister

Denise Haas, Chief Financial Officer, Revenue and Corporate Services

Ed Dancsok, Assistant Deputy Minister, Petroleum and Natural Gas

Hal Sanders, Assistant Deputy Minister, Minerals, Lands and Resource Policy

Alastair MacFadden, Acting Assistant Deputy Minister, Labour Market Development.

Kirk Westgard, Executive Director, Immigration Services, Labour Market Development

67. The committee concurred with recommendation 31-1 made at page 246 of Chapter 31 (Managing the Risks and Cleanup of Oil and Gas Wells) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of the Economy actively mitigate the risks resulting from the Ministry being responsible for both the promotion of the development of the oil and gas industry and for the protection of the environment, property, and the safety of the public. The committee noted that the Ministry of the Economy has complied with the recommendation.
68. The committee concurred with recommendation 31-2 made at page 247 of Chapter 31 (Managing the Risks and Cleanup of Oil and Gas Wells) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of the Economy assess and allocate the resources and skills necessary to effectively

carry out the Licensee Liability Rating Program, the Orphan Abandonment Program (including the timely cleanup of orphaned wells and facilities), and the Acknowledgement of Reclamation Program. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.

69. The committee concurred with recommendation 31-3 made at page 248 of Chapter 31 (Managing the Risks and Cleanup of Oil and Gas Wells) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of the Economy use current estimates and trend analysis to monitor, assess, and report on the risks and associated costs of the future cleanup of wells and facilities. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
70. The committee concurred with recommendation 31-4 made at page 250 of Chapter 31 (Managing the Risks and Cleanup of Oil and Gas Wells) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of the Economy assess the need for extending its independent audit practices to sample licensees' well sites whose reclamation reports contained no anomalies and/or discrepancies. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
71. The committee concurred with recommendation 31-5 made at page 251 of Chapter 31 (Managing the Risks and Cleanup of Oil and Gas Wells) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of the Economy report on its effectiveness to the Legislative Assembly and the public in managing the financial and associated environmental risks related to the future cleanup of oil and gas wells and related facilities. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
72. The committee considered recommendation 31-6 made at page 252 of Chapter 31 (Managing the Risks and Cleanup of Oil and Gas Wells) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of the Economy estimate and record its liability for cleaning up orphaned wells and facilities in its financial records for inclusion in the Government's financial statements.
73. The committee adjourned consideration of recommendation 31-6 made at page 252 of Chapter 31 (Managing the Risks and Cleanup of Oil and Gas Wells) of the *2012 Report of the Provincial Auditor (Volume 2)*.
74. The committee concurred with recommendation 31-7 made at page 253 of Chapter 31 (Managing the Risks and Cleanup of Oil and Gas Wells) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of the Economy manage the financial and associated environmental risks related to the timely cleanup of inactive wells and facilities. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
75. The committee concurred with recommendation 31-8 made at page 253 of Chapter 31 (Managing the Risks and Cleanup of Oil and Gas Wells) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of the Economy complete its assessment of the financial and environmental risks arising from legacy well sites, assess its liability, and develop a plan for cleaning up contaminated legacy well sites. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
76. The committee considered Chapter 12 (Nominating Qualified Immigration Applicants) of the *2013 Report of the Provincial Auditor (Volume 1)*. Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Kent Campbell, Deputy Minister

Denise Haas, Chief Financial Officer, Revenue and Corporate Services

Ed Dancsok, Assistant Deputy Minister, Petroleum and Natural Gas

Hal Sanders, Assistant Deputy Minister, Minerals, Lands and Resource Policy

Alastair MacFadden, Acting Assistant Deputy Minister, Labour Market Development.

Kirk Westgard, Executive Director, Immigration Services, Labour Market Development

77. The committee concurred with recommendation 12-1 made at page 142 of Chapter 12 (Nominating Qualified Immigration Applicants) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of the Economy provide guidance for staff to assess the feasibility of relocation and settlement plans and business establishment plans for the Entrepreneur Immigration Categories of the Saskatchewan Immigrant Nominee Program. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
78. The committee concurred with recommendation 12-2 made at page 142 of Chapter 12 (Nominating Qualified Immigration Applicants) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of the Economy provide training for staff to assess the feasibility of relocation and settlement plans and business establishment plans for the Entrepreneur Immigration Categories of the Saskatchewan Immigrant Nominee Program. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
79. The committee concurred with recommendation 12-3 made at page 143 of Chapter 12 (Nominating Qualified Immigration Applicants) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of the Economy follow the Saskatchewan Immigrant Nominee Program policies and procedures that require staff to document the support (e.g., date, institution, or person contacted) to explain how decisions were reached on eligibility and qualifications of immigration applicants. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
80. The committee concurred with recommendation 12-4 made at page 144 of Chapter 12 (Nominating Qualified Immigrant Applicants) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of the Economy update policies to reflect its risk-based practice for quality reviews to guide staff of the Saskatchewan Immigrant Nominee Program. The committee noted that the Ministry of the Economy is making progress towards complying with the recommendation.
81. The committee considered recommendation 12-5 made at page 145 of Chapter 12 (Nominating Qualified Immigration Applicants) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of the Economy establish a process to estimate and communicate future processing times for the Saskatchewan Immigrant Nominee Program. It was moved by Mr. Cox:

We recommend that the Ministry of Economy provide the necessary information to assist applicants to make informed decisions regarding their application for the SINP [Saskatchewan Immigrant Nominee Program].

The question being put, it was agreed to.

82. It was moved by Ms. Ross:

That this committee do now adjourn.

The question being put, it was agreed to.

83. The committee adjourned at 3:46 p.m. to the call of the Chair.

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Stacey Ursulescu  
Committee Clerk

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Danielle Chartier  
Committee Chair