

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Monday, January 13, 2014

MINUTE NO. 14
9:01 a.m. – Māwawapiwin Room (Room 8)

1. **Present:** Danielle Chartier in the Chair and Members Jennifer Campeau, Herb Cox, Glen Hart, Scott Moe, Warren Steinley*, Corey Tochor and Trent Wotherspoon.

Substituting Members

Warren Steinley for Laura Ross

Provincial Auditor's Office

Judy Ferguson, Acting Provincial Auditor
Angèle Borys, Deputy Provincial Auditor and Chief Operating Officer
Ed Montgomery, Deputy Provincial Auditor
Tara Clemett, Principal
Kim Lowe, Principal
Carolyn O'Quinn, Principal
Jason Shaw, Manager
Heather Tomlin, Office Manager

Provincial Comptroller's Office

Chris Bayda, Executive Director, Financial Management Branch
Jane Borland, Manager, Financial Management Branch

2. The Chair advised the committee that pursuant to Rule 142(2), the following reports were deemed referred to the committee:

Public Accounts 2012-13 Volume 1 (June 19, 2013)

Public Accounts 2012-13 Volume 2 (October 11, 2013)

Provincial Auditor of Saskatchewan, *Business and Financial Plan* for the year ended March 31, 2015 (December 16, 2013)

3. The committee considered Chapter 22 (Saskatchewan Watershed Authority) of the *2012 Report of the Provincial Auditor (Volume 2)*, Chapter 26 (Water Security Agency) of the *2013 Report of the Provincial Auditor (Volume 2)*, Chapter 41 (Saskatchewan Watershed Authority – Dam Safety Follow Up) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 49 (Water Security Agency – Identifying Risks to the Water Supply) 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 Water Security Agency officials appeared before the committee and answered questions:

Witnesses

Wayne Dybvig, President
Bill Duncan, Executive Director, Engineering and Geoscience Division
Sam Ferris, Executive Director, Environmental and Municipal Management Services Division

Irene Hrynkiw, Executive Director, Corporate Services

4. The committee concluded consideration of Chapter 22 (Saskatchewan Watershed Authority) of the *2012 Report of the Provincial Auditor (Volume 2)*.
5. The committee concluded consideration of Chapter 26 (Water Security Agency) of the *2013 Report of the Provincial Auditor (Volume 2)*.
6. The committee concluded consideration of Chapter 41 (Saskatchewan Watershed Authority – Dam Safety Follow Up) of the *2012 Report of the Provincial Auditor (Volume 2)*.
7. The committee concluded consideration of Chapter 49 (Water Security Agency – Identifying Risks to the Water Supply) of the *2013 Report of the Provincial Auditor (Volume 2)*.
8. The committee considered Chapter 17 (Regulating Drinking Water) of the *2013 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Water Security Agency officials appeared before the committee and answered questions:

Witnesses

Wayne Dybvig, President

Bill Duncan, Executive Director, Engineering and Geoscience Division

Sam Ferris, Executive Director, Environmental and Municipal Management Services Division

Irene Hrynkiw, Executive Director, Corporate Services

9. The committee concurred with recommendation 17-1 made at page 229 of Chapter 17 (Regulating Drinking Water) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Water Security Agency complete its process to update *The Water Regulations, 2002* and its permits to align with the current Guidelines for Canadian Drinking Water Quality. The committee noted that the Water Security Agency is making progress towards complying with the recommendation.
10. The committee concurred with recommendation 17-2 made at page 232 of Chapter 17 (Regulating Drinking Water) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Water Security Agency identify non-compliance with drinking water sampling requirements in a timely manner. The committee noted that the Water Security Agency is making progress towards complying with the recommendation.
11. The committee concurred with recommendation 17-3 made at page 233 of Chapter 17 (Regulating Drinking Water) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Water Security Agency perform inspections of public waterworks in accordance with the frequency identified in its policies. The committee noted that the Water Security Agency is making progress towards complying with the recommendation.
12. The committee concurred with recommendation 17-4 made at page 236 of Chapter 17 (Regulating Drinking Water) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Water Security Agency establish policies to consistently address non-compliance by waterworks owners and take action when they do not comply with permit conditions. The committee noted that the Water Security Agency has complied with the recommendation.

13. The committee concurred with recommendation 17-5 made at page 236 of Chapter 17 (Regulating Drinking Water) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Water Security Agency and the Ministry of Government Relations coordinate their efforts to ensure waterworks owners have feasible plans for upgrading water infrastructure before approving new residential developments to ensure sufficient infrastructure exists as development occurs. The committee noted that the Water Security Agency is making progress towards complying with the recommendation.
14. The committee concurred with recommendation 17-6 made at page 237 of Chapter 17 (Regulating Drinking Water) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Water Security Agency determine an appropriate enforcement policy for waterworks owners that do not fulfill their commitments to upgrade waterworks for new residential developments. The committee noted that the Water Security Agency has complied with the recommendation.
15. The committee recessed from 10:03 a.m. until 10:11 a.m.
16. The committee considered Chapter 15 (Municipal Affairs) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 10 (Government Relations) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Al Hilton, Deputy Minister

Keith Comstock, Assistant Deputy Minister, Municipal Relations and Northern Engagement

Karen Lautsch, Assistant Deputy Minister, Public Safety and Corporate Services

Margaret Anderson, Executive Director, Provincial Disaster Assistance Program

Wanda Lamberti, Executive Director, Corporate Services

Janie Markewich, Director, Financial Services

17. The committee concurred with recommendation 15-1 made at page 128 of Chapter 15 (Municipal Affairs) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Government Relations document and implement procedures to ensure unneeded user access to its information technology systems and data is removed promptly. The committee noted that the Ministry of Government Relations is making progress towards complying with the recommendation.
18. The committee concurred with recommendation 10-1 made at page 87 of Chapter 10 (Government Relations) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Ministry of Government Relations establish a formal process to regularly review its prior year estimates of amounts owing under the Provincial Disaster Assistance Program. The committee noted that the Ministry of Government Relations has complied with the recommendation.
19. The committee concurred with recommendation 10-2 made at page 89 of Chapter 10 (Government Relations) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Ministry of Government Relations keep clear documentation of the estimation methods, supporting data, and key assumptions it uses in making significant accounting estimates. The committee noted that the Ministry of Government Relations is making progress towards complying with the recommendation.
20. The committee concurred with recommendation 10-3 made at page 90 of Chapter 10 (Government Relations) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Ministry of Government

Relations develop criteria for determining when and how much additional compensation should be paid to emergency management services contractors and communicate these criteria to the contractors. The committee noted that the Ministry of Government Relations is making progress towards complying with the recommendation.

21. The committee concurred with recommendation 10-4 made at page 91 of Chapter 10 (Government Relations) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Ministry of Government Relations clearly document the services it expects to receive from emergency management services contractors, formally communicate those expectations to contractors, and monitor that contractors are performing as expected. The committee noted that the Ministry of Government Relations is making progress towards complying with the recommendation.
22. The committee considered Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Al Hilton, Deputy Minister

Keith Comstock, Assistant Deputy Minister, Municipal Relations and Northern Engagement

Karen Lautsch, Assistant Deputy Minister, Public Safety and Corporate Services

Margaret Anderson, Executive Director, Provincial Disaster Assistance Program

Wanda Lamberti, Executive Director, Corporate Services

Duane McKay, Commissioner and Executive Director, Emergency Management and Fire Safety

Janie Markewich, Director, Financial Services

23. The committee concurred with recommendation 12-1 made at page 112 of Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Municipal Affairs, in consultation with the Government, consider if or when the provision in *The Public Health Act, 1994* should come into force that requires the Minister of Municipal Affairs to ensure that there is a supply of safe drinking water for the use of residents of northern settlements. The committee noted that the Ministry of Government Relations has complied with the recommendation.
24. The committee concurred with recommendation 12-2 made at page 115 of Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Municipal Affairs complete its analysis of the 2010 Waterworks System Assessment reports for northern settlements and communicate how it intends to address recommendations made in these reports. The committee noted that the Ministry of Government Relations is making progress towards complying with the recommendation.
25. The committee concurred with recommendation 12-3 made at page 116 of Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Municipal Affairs define its approach for the long term to provide safe drinking water. The committee noted that the Ministry of Government Relations is making progress towards complying with the recommendation.
26. The committee concurred with recommendation 12-4 made at page 117 of Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial*

Auditor (Volume 1) that the Ministry of Municipal Affairs consistently carry out all required maintenance for its water systems. The committee noted that the Ministry of Government Relations has complied with the recommendation.

27. The committee concurred with recommendation 12-5 made at page 118 of Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Municipal Affairs document its monthly supervision of maintenance carried out on its water systems to evidence that all required maintenance is occurring. The committee noted that the Ministry of Government Relations is making progress towards complying with the recommendation.
28. The committee concurred with recommendation 12-6 made at page 119 of Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Municipal Affairs, where it has contracted for the supply of drinking water from a First Nations community, specify in its contract that the First Nation community provide water quality test results to the Ministry on a timely basis. The committee noted that the Ministry of Government Relations is making progress towards complying with the recommendation.
29. The committee concurred with recommendation 12-7 made at page 120 of Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Municipal Affairs test drinking water samples and document the results as required by its water system permits issued by the Ministry of Environment. The committee noted that the Ministry of Government Relations has complied with the recommendation.
30. The committee concurred with recommendation 12-8 made at page 120 of Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Municipal Affairs implement a formal process for communicating in writing about the safety of drinking water to residents of the Northern Settlements of Stanley Mission and Wollaston Lake, as required by its water system permits issued by the Ministry of Environment. The committee noted that the Ministry of Government Relations has complied with the recommendation.
31. The committee concurred with recommendation 12-9 made at page 121 of Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Municipal Affairs formally report to its senior management the results of water tests and issues with water systems. The committee noted that the Ministry of Government Relations is making progress towards complying with the recommendation.
32. The committee concurred with recommendation 12-10 made at page 122 of Chapter 12 (Provision of Safe Drinking Water to Saskatchewan's Northern Settlements) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Municipal Affairs take prompt action to address problems in providing safe drinking water to northern settlements. The committee noted that the Ministry of Government Relations has complied with the recommendation.
33. The committee recessed from 11:30 a.m. until 11:37 a.m.
34. The committee considered Chapter 9 (Finance) of the *2011 Report of the Provincial Auditor (Volume 2)*, Chapter 9 (Finance) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 9 (Finance) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Clare Isman, Deputy Minister

Margaret Johannsson, Assistant Deputy Minister, Revenue Division

Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency

Chris Bayda, Executive Director, Provincial Comptroller's Office, Financial Services Branch

Joanne Brockman, Executive Director, Economic and Fiscal Policy Branch

Jim Fallows, Executive Director, Treasury and Debt Management Division

Arun Srinivas, Executive Director, Taxation and Intergovernmental Affairs Branch

Larry Jacobson, Acting Director, Financial Services Branch

Scott Parker, Supervisor, Financial Services Branch

35. The committee concurred with recommendation 9-1 made at page 166 of Chapter 9 (Finance) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Finance establish a process to better estimate resource surcharge revenue earned during each quarter and record this estimate each quarter. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
36. The committee concurred with recommendation 9-2 made at page 167 of Chapter 9 (Finance) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Finance establish a current service agreement with the Public Service Commission for the provision of human resources services. The committee noted that the Ministry of Finance has complied with the recommendation.
37. The committee concurred with recommendation 9-1 made at page 95 of Chapter 9 (Finance) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Finance revise its processes to estimate and record corporate income tax revenues so that it only records revenue that it has earned. The committee noted that the Ministry of Finance has complied with the recommendation.
38. The committee recessed from 12:00 p.m. until 1:00 p.m.
39. The committee concluded consideration of Chapter 9 (Finance) of the *2013 Report of the Provincial Auditor (Volume 2)*.
40. The committee considered Chapter 7 (MIDAS Financials – Security) of the *2012 Report of the Provincial Auditor (Volume 1)* and Chapter 9 (Finance – MIDAS Financials Annual Audit) of the *2013 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Clare Isman, Deputy Minister

Margaret Johannsson, Assistant Deputy Minister, Revenue Division

Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency

Chris Bayda, Executive Director, Provincial Comptroller's Office, Financial Services Branch

Joanne Brockman, Executive Director, Economic and Fiscal Policy Branch

Jim Fallows, Executive Director, Treasury and Debt Management Division

Arun Srinivas, Executive Director, Taxation and Intergovernmental Affairs Branch

Larry Jacobson, Acting Director, Financial Services Branch

Scott Parker, Supervisor, Financial Services Branch

41. The committee concurred with recommendation 7-1 made at page 81 of Chapter 7 (MIDAS Financials – Security) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Finance implement a policy for the timely removal of user access upon receipt of requests for removal from user agencies. The committee noted that the Ministry of Finance has complied with the recommendation.
42. The committee concurred with recommendation 9-1 made at page 93 of Chapter 9 (Finance – MIDAS Financials Annual Audit) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of Finance establish service level agreements with user agencies to clearly assign responsibilities for key payment processing activities. The committee noted that the Ministry of Finance has complied with the recommendation.
43. The committee considered Chapter 6 (Finance – Special Purpose Funds) of the *2012 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Ms. O’Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Clare Isman, Deputy Minister
Margaret Johannsson, Assistant Deputy Minister, Revenue Division
Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency
Chris Bayda, Executive Director, Provincial Comptroller’s Office, Financial Services Branch
Joanne Brockman, Executive Director, Economic and Fiscal Policy Branch
Jim Fallows, Executive Director, Treasury and Debt Management Division
Arun Srinivas, Executive Director, Taxation and Intergovernmental Affairs Branch
Larry Jacobson, Acting Director, Financial Services Branch
Scott Parker, Supervisor, Financial Services Branch

44. The committee concurred with recommendation 6-1 made at page 78 of Chapter 6 (Finance – Special Purpose Funds) of the *2012 Report of the Provincial Auditor (Volume 1)* that Public Employees Benefits Agency and the Joint Board of Trustees of the Extended Health Care Plan improve their processes to identify and document key financial decisions in their minutes of the Extended Health Care Plan. The committee noted that the Ministry of Finance has complied with the recommendation.
45. The committee concurred with recommendation 6-2 made at page 78 of Chapter 6 (Finance – Special Purpose Funds) of the *2012 Report of the Provincial Auditor (Volume 1)* that Public Employees Benefits Agency promptly record all financial transactions of the Extended Health Care Plan. The committee noted that the Ministry of Finance has complied with the recommendation.
46. The committee considered Chapter 22 (Finance – Oversight of Information Technology Follow) of the *2013 Report of the Provincial Auditor (Volume 1)* and Chapter 23 (Finance – Provincial Sales Tax Audit Selection Follow Up) of the *2013 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Ms. O’Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Clare Isman, Deputy Minister
Margaret Johannsson, Assistant Deputy Minister, Revenue Division
Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency
Joanne Brockman, Executive Director, Economic and Fiscal Policy Branch
Jim Fallows, Executive Director, Treasury and Debt Management Division
Arun Srinivas, Executive Director, Taxation and Intergovernmental Affairs Branch
Larry Jacobson, Acting Director, Financial Services Branch
Scott Parker, Supervisor, Financial Services Branch

47. The committee concluded consideration of Chapter 22 (Finance – Oversight of Information Technology Follow) of the *2013 Report of the Provincial Auditor (Volume 1)*.
48. The committee concluded consideration of Chapter 23 (Finance – Provincial Sales Tax Audit Selection Follow Up) of the *2013 Report of the Provincial Auditor (Volume 1)*.
49. The committee considered Chapter 8 (Public Employees Benefits Agency Security Audit Follow Up) of the *2012 Report of the Provincial Auditor (Volume 1)* and Chapter 1 (Municipal Employees' Pension Plan) of the *2013 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Clare Isman, Deputy Minister
Margaret Johannsson, Assistant Deputy Minister, Revenue Division
Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency
Joanne Brockman, Executive Director, Economic and Fiscal Policy Branch
Jim Fallows, Executive Director, Treasury and Debt Management Division
Arun Srinivas, Executive Director, Taxation and Intergovernmental Affairs Branch
Larry Jacobson, Acting Director, Financial Services Branch
Scott Parker, Supervisor, Financial Services Branch

50. The committee concluded consideration of Chapter 8 (Public Employees Benefits Agency Security Audit Follow Up) of the *2012 Report of the Provincial Auditor (Volume 1)*.
51. The committee concurred with recommendation 1-1 made at page 29 of Chapter 1 (Municipal Employees' Pension Plan) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Municipal Employees' Pension Commission direct the Plan's administrator to establish additional financial reporting controls to ensure those responsible for the preparation of the Plan's financial statements obtain sufficient information to appropriately disclose risks relating to investments in the Plan's financial statements. The committee noted that the Ministry of Finance has complied with the recommendation.
52. The committee considered Chapter 10 (Financial reporting – Public financial reporting – the need to change) of the *2011 Report of the Provincial Auditor (Volume 2)*, Chapter 11 (Financial reporting – Summary reporting practices – from an entire government perspective) of the *2011 Report of the Provincial Auditor (Volume 2)*, Chapter 12 (Financial reporting – Financial status of pensions – an update) of the *2011 Report of the Provincial Auditor (Volume 2)* and Chapter 26B (Quality of annual reports of ministries and Treasury Board agencies) of the *2011 Report of the*

Provincial Auditor (Volume 2). Ms. Ferguson and Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Clare Isman, Deputy Minister
Margaret Johannsson, Assistant Deputy Minister, Revenue Division
Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency
Joanne Brockman, Executive Director, Economic and Fiscal Policy Branch
Jim Fallows, Executive Director, Treasury and Debt Management Division
Arun Srinivas, Executive Director, Taxation and Intergovernmental Affairs Branch
Larry Jacobson, Acting Director, Financial Services Branch
Scott Parker, Supervisor, Financial Services Branch

53. The committee concluded consideration of Chapter 10 (Financial reporting – Public financial reporting – the need to change) of the *2011 Report of the Provincial Auditor (Volume 2)*.
54. The committee concluded consideration of Chapter 11 (Financial reporting – Summary reporting practices – from an entire government perspective) of the *2011 Report of the Provincial Auditor (Volume 2)*.
55. The committee concluded consideration of Chapter 12 (Financial reporting – Financial status of pensions – an update) of the *2011 Report of the Provincial Auditor (Volume 2)*.
56. The committee concurred with recommendation 26B-1 made at page 493 of Chapter 26B (Quality of annual reports of ministries and Treasury Board agencies) of the *2011 Report of the Provincial Auditor (Volume 2)* that the Ministry of Finance encourage ministries and Treasury Board agencies to disclose performance targets for their performance measures in their annual reports. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.
57. The committee considered Chapter 1 (Public Accounts – 2012 Auditor's Reports) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 1 (Public Accounts – General Revenue Fund) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Ms. O'Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Clare Isman, Deputy Minister
Margaret Johannsson, Assistant Deputy Minister, Revenue Division
Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency
Joanne Brockman, Executive Director, Economic and Fiscal Policy Branch
Jim Fallows, Executive Director, Treasury and Debt Management Division
Arun Srinivas, Executive Director, Taxation and Intergovernmental Affairs Branch
Larry Jacobson, Acting Director, Financial Services Branch
Scott Parker, Supervisor, Financial Services Branch

58. The committee concluded consideration of Chapter 1 (Public Accounts – 2012 Auditor's Reports) of the *2012 Report of the Provincial Auditor (Volume 2)*.

59. The committee considered recommendation 1-1 made at page 14 of Chapter 1 (Public Accounts – General Revenue Fund) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Government use Canadian generally accepted accounting principles for the public sector to prepare the General Revenue Fund's financial statements.

60. It was moved by Mr. Wotherspoon:

That the committee concurs with the recommendation that the Government use Canadian generally accepted accounting principles for the public sector to prepare the General Revenue Fund's financial statements.

A debate arising and the question being put, the motion was defeated on the following Recorded Division:

YEAS – 1

Wotherspoon

NAYS – 5

Campeau

Cox

Moe

Steinley

Tochor

61. It was moved by Mr. Moe:

Recognizing the difference of professional's interpretations, the Standing Committee on Public Accounts recommends that the Minister of Finance have his officials continue to examine this issue and discuss it further with the Provincial Auditor.

A debate arising and the question being put, it was agreed to on the following Recorded Division:

YEAS – 6

Campeau

Cox

Hart

Moe

Steinley

Tochor

NAYS – 1

Wotherspoon

62. The committee then considered Exhibit 3 at page 15 Chapter 1 (Public Accounts – General Revenue Fund) of the *2013 Report of the Provincial Auditor (Volume 2)*.

63. It was moved by Mr. Wotherspoon:

That the Standing Committee for Public Accounts finds that it's not acceptable for the government of Saskatchewan to prepare and present the public finances of Saskatchewan in a manner that has caused an adverse opinion to be placed on the General Revenue Fund, and calls on the Government of Saskatchewan to take action to rectify this to ensure that Saskatchewan's public finances are prepared and presented in compliance with public sector accounting standards, specifically Canadian GAAP, and in a manner that is deemed appropriate, reliable, and trustworthy by the independent Provincial Auditor.

A debate arising and the question being put; the motion was defeated on the following Recorded Division:

YEAS – 1

Wotherspoon

NAYS – 5

Campeau Cox Hart Moe Steinley Tochor

64. The committee then considered Section 2.0 at page 9 of Chapter 1 (Public Accounts – General Revenue Fund) of the *2013 Report of the Provincial Auditor (Volume 2)*.

65. It was moved by Mr. Wotherspoon:

That the Standing Committee for Public Accounts call on the Government of Saskatchewan to use the summary reporting entity as the primary basis for reporting its financial plans and results.

A debate arising, it was moved by Mr. Hart and by leave of the committee the following motion was withdrawn:

That the motion be adjourned until the committee discusses Chapter 51.

The debate continuing, the motion was defeated on the following Recorded Division:

YEAS – 1

Wotherspoon

NAYS – 5

Campeau Cox Moe Steinley Tochor

66. The committee considered Chapter 51 (Summary Financial Statements – Interprovincial Comparisons) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Ms. O’Quinn of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Clare Isman, Deputy Minister

Margaret Johannsson, Assistant Deputy Minister, Revenue Division

Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency

Joanne Brockman, Executive Director, Economic and Fiscal Policy Branch

Jim Fallows, Executive Director, Treasury and Debt Management Division

Arun Srinivas, Executive Director, Taxation and Intergovernmental Affairs Branch

Larry Jacobson, Acting Director, Financial Services Branch

Scott Parker, Supervisor, Financial Services Branch

67. The committee concluded consideration of Chapter 51 (Summary Financial Statements – Interprovincial Comparisons) of the *2013 Report of the Provincial Auditor (Volume 2)*.

68. The committee recessed from 3:07 p.m. until 3:17 p.m.

69. The committee considered the Office of the Provincial Auditor *Business and Financial Plan* for the year ended March 31, 2015. Ms. Ferguson provided an overview of the plan and answered questions.

70. It was moved by Mr. Cox:

That the 2014-2015 Estimates of the Office of the Provincial Auditor, Vote 28 - Provincial Auditor (PA01) be approved, as submitted, in the amount of \$7,983,000.

The question being put, it was agreed to.

71. It was moved by Mr. Moe:

That the 2014-2015 Estimates of the Office of the Provincial Auditor, Vote 28 – Unforeseen Expenses (PA02) be approved, as submitted, in the amount of \$547,000.

The question being put, it was agreed to.

72. It was moved by Mr. Cox:

That the Estimates as approved be forwarded to the Speaker as Chair of the Board of Internal Economy, pursuant to section 10.1(4) of *The Provincial Auditor Act*.

The question being put, it was agreed to.

73. The committee adjourned at 3:50 p.m. to the call of the Chair.

Kathy Burianyk
Committee Clerk

Danielle Chartier
Committee Chair