

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Tuesday, June 17, 2014

MINUTE NO. 20
9:02 a.m. – Māwawapiwin Room (Room 8)

1. **Present:** Danielle Chartier in the Chair and Members Larry Doke, Glen Hart, Paul Merriman, Warren Michelson, Rob Norris, Randy Weekes and Trent Wotherspoon.

Provincial Auditor's Office

Judy Ferguson, Acting Provincial Auditor
Mobashar Ahmad, Deputy Provincial Auditor
Kelly Deis, Deputy Provincial Auditor
Charlene Drotar, Principal
Kim Lowe, Principal
Corrine Rybchuk, Principal
Evan Stroh, Manager

Provincial Comptroller's Office

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

2. The Chair presided over the election of a Deputy Chair. Mr. Merriman was nominated for the position. There being no further nominations, it was moved by Mr. Hart:

That Mr. Paul Merriman be elected to preside as Deputy Chair of the Standing Committee on Public Accounts.

The question being put, it was agreed to.

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

2014 Report of the Provincial Auditor (Volume 1) (June 4, 2014)

4. The committee considered Chapter 5 (Education) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 6 (Education) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Dan Florizone, Deputy Minister
Donna Johnson, Assistant Deputy Minister
Greg Miller, Assistant Deputy Minister
Clint Repski, Acting Assistant Deputy Minister
Gerry Craswell, Executive Director, Information Management & Support
Rob Spelliscy, Executive Director, Corporate Services
Doug Volk, Executive Director, Teachers' Superannuation Commission

5. The committee concurred with recommendation 5-1 made at page 73 of Chapter 5 (Education) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Education properly record capital grants to school divisions in its financial records.
6. The committee concurred with recommendation 6-1 made at page 57 of Chapter 6 (Education) of the *2013 Report of the Provincial Auditor (Volume 2)* that the Ministry of Education follow Canadian generally accepted accounting principles for the public sector when accounting for assets constructed under shared ownership agreements.
7. The committee considered Chapter 3 (Teachers' Superannuation Commission) of the *2012 Report of the Provincial Auditor (Volume 1)*; Chapter 25 (Teachers' Dental Plan) of the *2012 Report of the Provincial Auditor (Volume 2)*; and Chapter 25 (Teachers' Dental Plan) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Dan Florizone, Deputy Minister
Donna Johnson, Assistant Deputy Minister
Greg Miller, Assistant Deputy Minister
Clint Repski, Acting Assistant Deputy Minister
Gerry Craswell, Executive Director, Information Management & Support
Rob Spelliscy, Executive Director, Corporate Services
Doug Volk, Executive Director, Teachers' Superannuation Commission

8. The committee concluded consideration of recommendation 3-1 made at page 53 of Chapter 3 (Teachers' Superannuation Commission) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Government use Canadian public sector accounting principles to record the Teachers' Superannuation Plan's pension benefits expense and related pension debt in the Estimates and financial statements of the General Revenue Fund so that legislators and the public receive accurate information about the planned and actual costs of teachers' pensions.
9. The committee concluded consideration of recommendation 3-2 made at page 53 of Chapter 3 (Teachers' Superannuation Commission) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Education base the amount of Teachers' Superannuation Plan's pension benefits expense reported in its Estimates and Annual Report on Canadian public sector accounting principles so that legislators and the public receive accurate information about the planned and actual costs of teachers' pensions.
10. The committee concluded consideration of Chapter 25 (Teachers' Dental Plan) of the *2012 Report of the Provincial Auditor (Volume 2)*.
11. The committee concluded consideration of Chapter 25 (Teachers' Dental Plan) of the *2013 Report of the Provincial Auditor (Volume 2)*.
12. The committee recessed from 10:33 a.m. until 10:46 a.m.

13. The committee considered Chapter 4 (Child Care Facilities Follow Up) of the *2012 Report of the Provincial Auditor (Volume 1)* and Chapter 41 (Education – Child Care Facilities) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Dan Florizone, Deputy Minister
Donna Johnson, Assistant Deputy Minister
Greg Miller, Assistant Deputy Minister
Clint Repski, Acting Assistant Deputy Minister
Gerry Craswell, Executive Director, Information Management & Support
Rob Spelliscy, Executive Director, Corporate Services
Doug Volk, Executive Director, Teachers' Superannuation Commission

14. The committee concluded consideration of Chapter 4 (Child Care Facilities Follow Up) of the *2012 Report of the Provincial Auditor (Volume 1)*.
15. The committee concluded consideration of Chapter 41 (Education - Child Care Facilities) of the *2013 Report of the Provincial Auditor (Volume 2)*.
16. The committee considered Chapter 20 (Education – Instruction Time) of the *2014 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapters.

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

Witnesses

Dan Florizone, Deputy Minister
Donna Johnson, Assistant Deputy Minister
Greg Miller, Assistant Deputy Minister
Clint Repski, Acting Assistant Deputy Minister
Gerry Craswell, Executive Director, Information Management & Support
Rob Spelliscy, Executive Director, Corporate Services
Doug Volk, Executive Director, Teachers' Superannuation Commission

17. The committee concluded consideration of Chapter 20 (Education – Instruction Time) of the *2014 Report of the Provincial Auditor (Volume 1)*.
18. The committee considered Chapter 8 (Capital Asset Planning for Schools) of the *2013 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapters.

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Witnesses

Dan Florizone, Deputy Minister
Donna Johnson, Assistant Deputy Minister
Greg Miller, Assistant Deputy Minister
Clint Repski, Acting Assistant Deputy Minister

Gerry Craswell, Executive Director, Information Management & Support
Rob Spelliscy, Executive Director, Corporate Services
Doug Volk, Executive Director, Teachers' Superannuation Commission

19. It was moved by Mr. Hart:

That the committee adjourn consideration of Chapter 8 (Capital Asset Planning for Schools) of the *2013 Report of the Provincial Auditor (Volume 1)*.

The question being put, it was agreed to.

20. The committee recessed from 12:05 p.m. until 1:02 p.m.

21. The committee considered Chapter 54 (Social Services – Securing Physical Information) of the *2012 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapters.

The following Social Services officials appeared before the committee and answered questions:

Witnesses

Ken Acton, Deputy Minister
Don Allen, Assistant Deputy Minister, Housing Programs and Finance
Andrea Brittin, Assistant Deputy Minister, Child and Family Program
Tammy Kirkland, Assistant Deputy Minister, Income Assistance Programs and Corporate Planning
Bob Martinook, Executive Director, Community Living Service Delivery
Miriam Myers, Executive Director, Finance and Administration
Wayne Phaneuf, Executive Director, Child and Family Community Services
Jeff Redekop, Executive Director, Income Assistance Service Delivery

22. The committee concluded consideration of Chapter 54 (Social Services – Securing Physical Information) of the *2012 Report of the Provincial Auditor (Volume 2)*.

23. The committee considered Chapter 24 (Social Services) of the *2012 Report of the Provincial Auditor (Volume 2)* and Chapter 24 (Social Services) of the *2013 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Social Services officials appeared before the committee and answered questions:

Witnesses

Ken Acton, Deputy Minister
Don Allen, Assistant Deputy Minister, Housing Programs and Finance
Andrea Brittin, Assistant Deputy Minister, Child and Family Program
Tammy Kirkland, Assistant Deputy Minister, Income Assistance Programs and Corporate Planning
Bob Martinook, Executive Director, Community Living Service Delivery
Miriam Myers, Executive Director, Finance and Administration
Wayne Phaneuf, Executive Director, Child and Family Community Services
Jeff Redekop, Executive Director, Income Assistance Service Delivery

24. The committee concurred with recommendation 24-1 made at page 174 of Chapter 24 (Social Services) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Social Services establish a process to perform and document all necessary due diligence before making payments for capital projects to external parties. The committee noted that the Ministry of Social Services has complied with the recommendation.
25. The committee concurred with recommendation 24-2 made at page 174 of Chapter 24 (Social Services) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Social Services maintain complete and up-to-date information for all capital projects with external parties. The committee noted that the Ministry of Social Services has complied with the recommendation.
26. The committee concurred with recommendation 24-3 made at page 174 of Chapter 24 (Social Services) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Social Services provide guidance to staff to ensure all transactions are recorded properly in the Ministry's financial records. The committee noted that the Ministry of Social Services has complied with the recommendation.
27. The committee concurred with recommendation 24-4 made at page 178 of Chapter 24 (Social Services) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Social Services monitor quality assurance results, establish increasing and achievable targets for compliance with child protection standards in its own service areas and at First Nation Child and Family Services agencies, and work to achieve those targets. The committee noted that the Ministry of Social Services is making progress towards complying with the recommendation.
28. The committee concurred with recommendation 24-5 made at page 180 of Chapter 24 (Social Services) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Social Services finalize reports of its quality control assessments of First Nations Child and Family Services agencies on a timely basis. The committee noted that the Ministry of Social Services has complied with the recommendation.
29. The committee concurred with recommendation 24-6 made at page 182 of Chapter 24 (Social Services) of the *2012 Report of the Provincial Auditor (Volume 2)* that the Ministry of Social Services conduct reviews to monitor compliance with child protection standards at First Nation Child and Family Services agencies as often as it does for its own service areas. The committee noted that the Ministry of Social Services is making progress towards complying with the recommendation.
30. The committee concluded consideration of Chapter 24 (Social Services) of the *2013 Report of the Provincial Auditor (Volume 2)*.
31. The committee considered Chapter 22 (Supervision of CBOs Providing Services to Intellectually Disabled People) 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 chapter.

The following Social Services officials appeared before the committee and answered questions:

Witnesses

Ken Acton, Deputy Minister

Don Allen, Assistant Deputy Minister, Housing Programs and Finance

Andrea Brittin, Assistant Deputy Minister, Child and Family Program

Tammy Kirkland, Assistant Deputy Minister, Income Assistance Programs and Corporate Planning

Bob Martinook, Executive Director, Community Living Service Delivery

Miriam Myers, Executive Director, Finance and Administration
Wayne Phaneuf, Executive Director, Child and Family Community Services
Jeff Redekop, Executive Director, Income Assistance Service Delivery

32. The committee concurred with recommendation 22-1 made at page 192 of Chapter 22 (Supervision of CBOs Providing Services to Intellectually Disabled People) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services work with community – based organizations (CBOs) to establish program objectives, and outcome performance measures and targets to be used to monitor and evaluate the services CBOs deliver to intellectually disabled people and their families. The committee noted that the Ministry of Social Services is making progress towards complying with the recommendation.
33. The committee concurred with recommendation 22-2 made at page 193 of Chapter 22 (Supervision of CBOs Providing Services to Intellectually Disabled People) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services document the program selection and funding decisions associated with each community-based organization that provides services to individuals with intellectual disabilities. The committee noted that the Ministry of Social Services has complied with the recommendation.
34. The committee concurred with recommendation 22-3 made at page 194 of Chapter 22 (Supervision of CBOs Providing Services to Intellectually Disabled People) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services develop and implement complete policies and procedures for addressing risks identified in community-based organizations that provide services to individuals with intellectual disabilities. The committee noted that the Ministry of Social Services is making progress towards complying with the recommendation.
35. The committee concurred with recommendation 22-4 made at page 195 of Chapter 22 (Supervision of CBOs Providing Services to Intellectually Disabled People) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services require staff to comply with the annual work plan to attend annual general board meetings of all community-based organizations that provide services to individuals with intellectual disabilities on the Ministry's behalf or amend the annual work plan to incorporate a risk-based focus for meeting attendance. The committee noted that the Ministry of Social Services has complied with the recommendation.
36. The committee concurred with recommendation 22-5 made at page 195 of Chapter 22 (Supervision of CBOs Providing Services to Intellectually Disabled People) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services require its staff to follow established policies to obtain all required reports that are not submitted by the due date from community-based organizations that provide services to individuals with intellectual disabilities on the Ministry's behalf. The committee noted that the Ministry of Social Services has complied with the recommendation.
37. The committee concurred with recommendation 22-6 made at page 196 of Chapter 22 (Supervision of CBOs Providing Services to Intellectually Disabled People) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services follow their established monitoring procedures as outlined in their agreements with community-based organizations that provide services to individuals with intellectual disabilities. The committee noted that the Ministry of Social Services has complied with the recommendation.

38. The committee concurred with recommendation 22-7 made at page 198 of Chapter 22 (Supervision of CBOs Providing Services to Intellectually Disabled People) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services analyse and document its review of serious incidents and incident trends at community-based organizations that provide services to individuals with intellectual disabilities and determine how to address the increasing trend in incidents. The committee noted that the Ministry of Social Services has complied with the recommendation.
39. The committee concurred with recommendation 22-8 made at page 198 of Chapter 22 (Supervision of CBOs Providing Services to Intellectually Disabled People) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services take timely action to address service quality issues at community-based organizations that provide services to individuals with intellectual disabilities on the Ministry's behalf and document their actions taken. The committee noted that the Ministry of Social Services is making progress towards complying with the recommendation.
40. The committee considered Chapter 14 (Processes to Place Minister's Wards in Permanent Homes) of the *2013 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Social Services officials appeared before the committee and answered questions:

Witnesses

Ken Acton, Deputy Minister
Don Allen, Assistant Deputy Minister, Housing Programs and Finance
Andrea Brittin, Assistant Deputy Minister, Child and Family Program
Tammy Kirkland, Assistant Deputy Minister, Income Assistance Programs and Corporate Planning
Bob Martinook, Executive Director, Community Living Service Delivery
Miriam Myers, Executive Director, Finance and Administration
Wayne Phaneuf, Executive Director, Child and Family Community Services
Jeff Redekop, Executive Director, Income Assistance Service Delivery

41. The committee concurred with recommendation 14-1 made at page 169 of Chapter 14 (Processes to Place Minister's Wards in Permanent Homes) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services complete and approve the new adoption policy manual to guide staff on its adoption program for children who are permanent wards of the Minister. The committee noted that the Ministry of Social Services has complied with the recommendation.
42. The committee concurred with recommendation 14-2 made at page 170 of Chapter 14 (Processes to Place Minister's Wards in Permanent Homes) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services develop performance measures and targets relating to the adoption program for its permanent wards. The committee noted that the Ministry of Social Services is making progress towards complying with the recommendation.
43. The committee concurred with recommendation 14-3 made at page 172 of Chapter 14 (Processes to Place Minister's Wards in Permanent Homes) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services consistently document the permanency plan for each child in care and place the plan in the child's case file. The committee noted that the Ministry of Social Services has complied with the recommendation.

44. The committee concurred with recommendation 14-4 made at page 172 of Chapter 14 (Processes to Place Minister's Wards in Permanent Homes) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services clearly document the rationale for its decisions to seek permanent or long-term custody of children at the time of the decision. The committee noted that the Ministry of Social Services has complied with the recommendation.
45. The committee concurred with recommendation 14-5 made at page 173 of Chapter 14 (Processes to Place Minister's Wards in Permanent Homes) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services follow its established policy to place those children whose permanency plans includes adoption on the adoption list within 120 days. The committee noted that the Ministry of Social Services is making progress towards complying with the recommendation.
46. The committee concurred with recommendation 14-6 made at page 176 of Chapter 14 (Processes to Place Minister's Wards in Permanent Homes) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services collect and analyse information related to the outcomes of its services to long-term wards and permanent wards in its care. The committee noted that the Ministry of Social Services has complied with the recommendation.
47. The committee concurred with recommendation 14-7 made at page 177 of Chapter 14 (Processes to Place Minister's Wards in Permanent Homes) of the *2013 Report of the Provincial Auditor (Volume 1)* that the Ministry of Social Services implement a formal complaints and appeals mechanism for its Domestic Adoption Program. The committee noted that the Ministry of Social Services has complied with the recommendation.
48. The committee recessed from 2:46 p.m. until 2:56 p.m.
49. The committee considered Chapter 23 (Saskatchewan Housing Corporation) of the *2012 Report of the Provincial Auditor (Volume 1)*; Chapter 3 (Saskatchewan Housing Corporation) of the *2013 Report of the Provincial Auditor (Volume 1)*, Chapter 2 (Saskatchewan Housing Corporation) of the *2014 Report of the Provincial Auditor (Volume 1)* and Chapter 25 (Saskatchewan Housing Corporation – Long-Term Capital Plan Follow Up) 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 chapter.

The following Social Services officials appeared before the committee and answered questions:

Witnesses

Ken Acton, Deputy Minister

Don Allen, Assistant Deputy Minister, Housing Programs and Finance

Miriam Myers, Executive Director, Finance and Administration

50. The committee concluded consideration of Chapter 23 (Saskatchewan Housing Corporation) of the *2012 Report of the Provincial Auditor (Volume 1)*.
51. The committee concluded consideration of Chapter 3 (Saskatchewan Housing Corporation) of the *2013 Report of the Provincial Auditor (Volume 1)*.
52. The committee concluded consideration of Chapter 2 (Saskatchewan Housing Corporation) of the *2014 Report of the Provincial Auditor (Volume 1)*.

53. The committee concluded considered of Chapter 25 (Saskatchewan Housing Corporation –Long-Term Capital Plan Follow Up) of the *2012 Report of the Provincial Auditor (Volume 1)*.
54. The committee considered Chapter 24 (Saskatchewan Housing Corporation – Housing Maintenance) of the *2012 Report of the Provincial Auditor (Volume 1)* and Chapter 26 (Saskatchewan Housing Corporation – Housing Maintenance) of the *2014 Report of the Provincial Auditor (Volume 1)*. Ms. Ferguson and Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Social Services officials appeared before the committee and answered questions:

Witnesses

Ken Acton, Deputy Minister

Don Allen, Assistant Deputy Minister, Housing Programs and Finance

Miriam Myers, Executive Director, Finance and Administration

55. The committee concurred with recommendation 24-1 made at page 207 of Chapter 24 (Saskatchewan Housing Corporation – Housing Maintenance) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Housing Corporation better document key information about the condition and risks of all its housing units to facilitate corporate-wide maintenance decision-making and planning. The committee noted that the Saskatchewan Housing Corporation is making progress towards complying with the recommendation.
56. The committee concurred with recommendation 24-2 made at page 208 of Chapter 24 (Saskatchewan Housing Corporation – Housing Maintenance) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Housing Corporation set long-term, corporate-wide service objectives for its housing projects and use them to guide maintenance planning and priorities. The committee noted that the Saskatchewan Housing Corporation is making progress towards complying with the recommendation.
57. The committee concurred with recommendation 24-3 made at page 209 of Chapter 24 (Saskatchewan Housing Corporation – Housing Maintenance) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Housing Corporation develop a corporate maintenance plan for the medium to long term timeframe. The committee noted that the Saskatchewan Housing Corporation is making progress towards complying with the recommendation.
58. The committee concurred with recommendation 24-4 made at page 211 of Chapter 24 (Saskatchewan Housing Corporation – Housing Maintenance) of the *2012 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Housing Corporation regularly give senior management and the Board appropriate written reports on planned and completed maintenance activities and the overall condition and key risks to the housing units it owns. The committee noted that the Saskatchewan Housing Corporation is making progress towards complying with the recommendation.
59. The committee concluded consideration of Chapter 26 (Saskatchewan Housing Corporation – Housing Maintenance) of the *2014 Report of the Provincial Auditor (Volume 1)*.

60. It was moved by Mr. Norris:

That this committee do now adjourn.

The question being put, it was agreed to.

61. The committee adjourned at 3:19 p.m. to the call of the Chair.

Kathy Burianyk
Committee Clerk

Danielle Chartier
Committee Chair