

STANDING COMMITTEE ON PUBLIC ACCOUNTS
April 24, 1986

MINUTE NO. 4
April 24, 1986 at 7:00 a.m.

1. PRESENT: Mr. Shillington in the Chair, and Members Engel, Glauser, Katzman, Muller and Young

Provincial Auditor's Office

W. Lutz, Provincial Auditor
B. Atkinson, Deputy Provincial Auditor
B. Bucknall, Deputy Provincial Auditor

Comptroller's Office

G. Kraus, Comptroller
G. Benson, Deputy Provincial Comptroller

2. The following documents were Tabled in the Committee:

RESEARCH DOCUMENTS

R6/86 — Putting Deputies through Hoops. (Policy options, January 1986, pp. 3-5)

R7/86 — Handling of pension fund upsets MLAs (Star Phoenix, April 12, 1986, p. A8)

R8/86 — Financial Management Conference (International Journal of Government Accounting, January 1986, pp. 16-17)

R9/86 — University cuts costs to keep year's deficit below \$1 million mark (Leader Post, March 14, 1986, p. A12)

R10/86 — Understanding Financial Statements Through the Maze of a Corporate Annual Report (by Lyn M. Fraser, Prentice-Hall; table of contents).

R11/86 — Government deficits: how far down is the bottom line (Canadian Institute of Chartered Accountants, 1985, 18 p.)

3. The Committee considered the Provincial Auditor's Position Paper (E10/86).
4. The Committee adjourned debate on the Provincial Auditor's Position Paper (E10/86) until Thursday, May 1, 1986.
5. The Committee resumed consideration of the Provincial Auditor's Report and the following sections were flagged:

2.4 Department of Agriculture

- (1) Management control systems — Agricultural Supplies Revolving Fund; Conservation and Development Revolving Fund.
- (2) Differences between perpetual inventory records and annual physical inventory — Agricultural Supplies Revolving Fund
- (4) Periodic financial reports — Conservation and Development Revolving Fund
- (5) Management not establishing a system to accurately determine the marketing levy re: Saskatchewan Agricultural Returns Stabilization Fund.
- (6) Conservation and Development Revolving Fund operating loss. Conflict with Treasury Board guidelines.
- (7) Conservation and Development Revolving Fund — financial statements prepared using an inappropriate accounting principle for the transfer of assets between Crown agencies.

2.5 **Department of Cooperation and Cooperative Development**

Payments not properly vouchered.

2.7 **Department of Finance**

(Miscellaneous) Provincial Auditor's Position Paper (E10/86)

- (2) CICA standards for general purpose summary financial statements
- (3a) Investments could be made which is in contravention of restrictions respecting allowable investments
- (3b) Borrowing may be made by crown agencies without the approval of the Minister of Finance
- (2) SaskPen Properties Ltd. — pension fund purchasing property
- (5a) SaskPen joint ventures
- (5b) SaskPen policies regarding joint venture agreements
- (5c) SaskPen joint ventures — safeguarding of public money, public money fully accounted for, expenditures properly supported and authorized
- (5d) SaskPen's general ledger not balanced monthly
- (6a) SaskPen Properties Ltd. — encumbering the Government of Saskatchewan
- (6b) SaskPen Properties Ltd. — joint venture financial statements deadline
- (6c) SaskPen Properties Ltd. — Shareholders registered improperly
- (7) Saskatchewan Heritage Fund application to Canada Deposit Insurance Corporation not made re: Pioneer Trust

2.8 **Department of Health**

- (1a) Home Care Program — ministerial approval of policy manual
- (1b) Certain program criteria not specified in the Manual
- (2) Saskatchewan Hospital Services Plan — overpayments
- (3) Imprest bank accounts overdrawn
- (4) Frank Eliason Centre; Parkland Regional Centre; Saskatoon Sanatorium — improper charges
- (5) Saskatchewan Cancer Foundation — detailed billings from MCIC
- (6) Saskatchewan Hospitalization Fund — management Control re segregation of duties.
- (7) Saskatchewan Hospitalization Fund failure to obtain interest (raise with Department of Finance)
- (8) Wascana Rehabilitation Centre Board — honorariums

2.8 **Indian and Native Affairs Secretariat**

Inadequate system to ensure that there is documented evidence that the conditions attached to the grants by the Orders-in-Council have been adequately discharged by grant recipients.

2.9 **Department of Justice**

- (1a) Land Titles — non compliance with prescribed procedures for the collection, recording and deposit of money for services provided.

Inmates Trust Account — trust money could be misappropriated, essential records not maintained

- (1b) Royal Canadian Mounted Police Services — verifying of annual statement of expenditures and revenue

- (2) Provincial Correctional Centre; Pine Grove Correctional Centre — payments charged to 1984-85 appropriation.

2.11 **Department of Revenue and Financial Services**

- (2) Consideration adjourned until Thursday, May 1, 1986

- (9) Members of the Legislative Assembly Superannuation Fund — 60% role contained in section 26.1 of the Act.

2.12 **Department of Social Services**

- (1a) Failure to obtain annual declarations

- (1b) Inadequate collection procedures to recover overpayments

- (1c) Target error rate of 4% for overpayment recovery

- (1d) Failure to follow up on recipient files

- (1e) Significant overpayments

- (2) Cases of overpayments referred to police.

- 5. The Committee adjourned at 11:00 a.m. until Thursday, May 1, 1986 at 7:30 a.m. in Room 10.

Agenda

- 1. Continuation of the review of the Provincial Auditor's Report (E3/86)

- 2. Municipal Employees Superannuation Commission (930 a.m.)