

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

February 17, 1998

MINUTE NO. 30

9:30 a.m. — Room 10

1. **PRESENT:** Ms. Draude in the Chair and Members, Gantefer, Goochsen, Hillson, Jess, Koenker, Stanger, Tchorzewski, Thomson and Whitmore.

### Provincial Auditor's Office

Wayne Strelloff, Provincial Auditor  
Fred Wendel, Assistant Provincial Auditor  
Mobashar Ahmad, Executive Director  
Phil Creaser, Principal  
Dale Markewich, Principal  
Rod Grabarczyk, Manager  
Kristen Fry, Auditor  
Shana Smith, Auditor  
Carey Robertson, Communications Intern

### Provincial Comptroller's Office

Terry Paton, Provincial Comptroller  
Chris Bayda, Director, Financial Management Branch  
Kathy Rintoul, Senior Analyst, Financial Management Branch  
Elaine Wood, Senior Analyst, Financial Management Branch  
Jim Fallows, Manager, Financial Management Branch  
Jeannette Lowe, Senior Analyst, Financial Management Branch

2. The Committee proceeded to consider Chapter 12 (Department of Finance) of the *Fall 1996 Report of the Provincial Auditor*. Mr. Grabarczyk of the Provincial Auditor's office provided an overview of the chapter and responded to questions put by Members.

The following Department of Finance officials appeared before the Committee and responded to questions put by Members:

### Witnesses

Bill Jones, Deputy Minister  
Kent Walde, Director, Pension Programs

3. In consideration of the recommendation made at paragraph 12.11, concerning the recording of pension liabilities by Treasury Board in the General Revenue Fund, it was moved by Mr. Whitmore:

That the Public Accounts Committee note that the government fully discloses its unfunded pension liability in the notes to GRF financial statements; and further that the unfunded pension liability is recorded in summary financial statements in accordance with PSAAB recommendations and that the government budgets and fully records its annual pension cash requirements in the GRF.

A debate arising and the question being put, the motion was agreed to.

4. The Committee concurred with the recommendation made at paragraph 12.14, that the government should give timely financial statements to the Legislative Assembly for pension and benefit plans, and noted that the Department intends to comply with the recommendation.
5. In consideration of the recommendation made at paragraph 12.20, concerning the tabling of financial statements by Greystone Capital Management Inc., SaskPen Properties Ltd., and SP Two Properties Ltd., the Committee reiterated its previous conclusion that the cited entities are not subject to audit under the *Provincial Auditor Act*. This position was reported to the Legislative Assembly in the Committee's Second Report, dated April 22<sup>nd</sup>, 1997.
6. The Committee concurred with the recommendation made at paragraph 12.30, concerning the establishment of rules and procedures to accurately determine the amount of the Public Employees Disability Income Plan liability. The Committee noted that the Department has complied with the recommendation.
7. The Committee concurred with the recommendation made at paragraph 12.39, concerning the establishment of rules and procedures to accurately determine the amount of the Public Employees Group Life Insurance Plan liability. The Committee noted that the Department has complied with the recommendation.
8. The Committee recessed at 10:20 a.m. until 10:33 a.m.
9. The Committee proceeded to consider legal opinions concerning the question of the autonomy of the Workers' Compensation Board and jurisdiction of the Provincial Auditor to audit the Workers' Compensation Board, which were requested at the meeting of May 6<sup>th</sup>, 1997 (re: Minute No. 26). Mr. Wendel provided an overview of the position of the Office of the Provincial Auditor on this matter.

10. Mr. Tchorzewski moved the following motion:

That with respect to the issues regarding the Workers Compensation Board before this committee, the committee makes the following recommendations to the Legislative Assembly; that the Standing Committee on Public Accounts has the authority to examine those aspects of the reports of the Provincial Auditor which deal with the Worker's Compensation Board and which fall within the scope of the Provincial Auditor's mandate, as stated in section 11 of the Provincial Auditor's Act, and further, that pursuant to the terms of reference and mandate of the Standing Committee on Public Accounts, as a consequence of the Provincial Auditor having produced and tabled a report on the Worker's Compensation Board, the committee has the jurisdiction to consider that report as tabled and examine any subject in it, and further, that the Provincial Auditor has some authority in relation to the accounts of the Worker's Compensation Board; that this authority is restricted by the terms of subsection 11(1) of The Provincial Auditor's Act and by concerns relating to the adjudicative independence of the Board, and finally, that the Standing Committee on Public Accounts recognizes the autonomy and independence of the Worker's Compensation Board and that the Provincial Auditor and the Standing Committee on Public Accounts, should take significant care, so that the fundamental principle of Board independence is not eroded.

A debate arising, it was moved by Mr. Hillson in amendment thereto:

That the word "some", as it appears in line 10, be deleted.

The question being put on the amendment, it was agreed to. The debate continuing on the motion as amended, it was moved by Mr. Hillson in amendment thereto:

That the word "restricted" (line 11) be deleted and in its place the word "defined" be inserted.

The question being put on the amendment, it was agreed to. The debate continuing on the motion as amended, it was moved by Mr. Hillson in amendment thereto:

That all words after the words "Worker's Compensation Board" (line 14) be deleted.

The question being put on the amendment, it was negated on the following division:  
Yeas 2; Nays 6.

The question being put on the motion as amended, it was agreed to.

11. The Committee recessed at 11:45 a.m. until 1:30 p.m.

12. The Committee proceeded to consider Chapter 11 (Department of Education, Training and Employment) of the *Fall 1996 Report of the Provincial Auditor*. Mr. Ahmad provided an overview of the chapter. Officials of the Department of Education and the Department of Post-Secondary Education and Skills Training responded to questions put by Members.

The following officials appeared before the Committee:

**Witnesses**

**Post-Secondary Education and Skills Training**

Dan Perrins, Deputy Minister

Lily Stonehouse, Assistant Deputy Minister

Brady Salloum, Director, Student Financial Assistance

**Saskatchewan Education**

Craig Dotson, Deputy Minister

John McLaughlin, Executive Director, Teachers' Superannuation Commission

**Finance and Operations**

Raman Visvanathan, Director, Financial Planning and Administrative Services

13. The Committee concurred with the recommendation made at paragraph 11.30, that the Teachers' Superannuation Commission should improve its investment contract with Greystone Capital Management Inc. The Committee noted that the Commission is on the threshold of compliance.
14. The Committee concurred with the recommendation made at paragraph 11.37, that the Teachers' Superannuation Commission should calculate pensions according to *The Teachers Superannuation and Disability Act*. The Committee noted that the Commission has complied with this recommendation.
15. The Committee concurred with the recommendation made at paragraph 11.41, that the Teachers' Superannuation Commission should register its shares in Greystone Capital Management Inc. The Committee noted that the Commission has complied with this recommendation.
16. The Committee concurred with the recommendation made at paragraph 11.15, that the Saskatchewan Institute of Applied Science and Technology (SIASST) should establish a long-term human resource plan. The Committee noted that SIASST has substantially completed such a plan.
17. The Committee concurred with the recommendation made at paragraph 11.20, that the Saskatchewan Institute of Applied Science and Technology (SIASST) should establish rules and procedures to determine expected benefits of any international operations. The Committee noted that SIASST has complied with this recommendation.
18. The Committee concurred with the recommendations made at paragraph 11.60, 11.61, 11.62 and 11.63, concerning financial information needed by the Board of Directors of the Regional Colleges to oversee senior management. The Committee noted that progress has been made to comply with these recommendations.

19. The Committee concurred with the recommendations made at paragraph 11.78, 11.79, 11.85 and 11.90, concerning governance policies and compliance *with The Regional Colleges Act* by the Saskatchewan Indian Regional College. The Committee noted that this has been a long-standing issue complicated by the fact that the College is funded by the federal government and is subject to Federation of Saskatchewan Indian Nations management policy.
20. The Committee recessed at 2:50 p.m. until 3:00 p.m.
21. The Committee proceeded to consider Chapter 15 (Saskatchewan Government Growth Fund Management Corporation) of the *Fall 1996 Report of the Provincial Auditor*. Mr. Markewich provided an overview of the chapter and responded to questions put by Members.
22. The Committee adopted the recommendation made at paragraph 15.09, that the Saskatchewan Government Growth Fund Management Corporation should invest money held for investors in eligible businesses as required by The Canada Immigration Regulations or seek changes to the Regulations.

The Committee noted that it has addressed this matter in the past and pursuant to its request (re: Second Report of the Standing Committee of Public Accounts, April 22<sup>nd</sup>, 1997, page 8), the Provincial Auditor did contact the Auditor General of Canada to discuss means to resolve this issue.

23. The Committee proceeded to consider Chapter 17 (Saskatchewan Transportation Company) of the *Fall 1996 Report of the Provincial Auditor*. Mr. Creaser provided an overview of the chapter and responded to questions put by Members.
24. In consideration of the recommendations made at paragraphs 17.12, 17.13, 17.14 and 17.15, concerning improvements to the Saskatchewan Transportation Company information system, it was moved by Mr. Thomson:

That the Public Accounts Committee agrees with the Auditor's recommendation in Chapter 17, paragraphs 12, 13, 14 & 15 and note progress.

A debate arising, it was moved by Mr. Hillson in amendment thereto:

That we delete the words "and note progress".

The question being put on the amendment, it was negatived on the following division:  
Yeas 2; Nays 7.

The question being put on the main motion, it was agreed to on the following division:  
Yeas 7; Nays 2.

25. It was moved by Mr. Tchorzewski:

That this committee do now adjourn.

The question being put, the motion was agreed to.

26. The Committee adjourned at 3:32 p.m. until Wednesday February 18<sup>th</sup>, 1998, at 9:30 a.m.

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Gregory A. Putz  
Committee Clerk

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June Draude  
Committee Chair