

# STANDING COMMITTEE ON PUBLIC ACCOUNTS

October 5, 1998

## MINUTE NO. 35

9:00 a.m. — Room 10

1. **PRESENT:** Ms. Draude in the Chair and Members, Gantefoer, Goohsen, Jess, Koenker, Osika, Shillington, Stanger, Thomson and Whitmore.

### Provincial Auditor's Office

Wayne Strelloff, Provincial Auditor  
Fred Wendel, Assistant Provincial Auditor  
Phil Creaser, Principal  
Bob Black, Principal  
Andrew Martens, Principal  
Victor Schwab, Manager  
Judy Ferguson, Executive Director  
Brian Atkinson, Executive Director  
Tara Clemett, Auditor

### Provincial Comptroller's Office

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

2. The following documents received since the last meeting of the Committee were tabled:

**PAC 36/23 – Provincial Comptroller:** Understanding General Laws, a Handbook for Boards of Directors.

**PAC 37/23 – Department of Finance:** Report to the Standing Committee on Public Accounts. Responses to Appendix A of the CICA Special Bulletin entitled *“Guidance for Directors – The Millennium Bug”*.

**PAC 38/23 – Department of Economic and Co-operative Development:** Report to the Standing Committee on Public Accounts. Response to Appendix A of the CICA Special Bulletin entitled *“Guidance For Directors – The Millennium Bug”*.

**PAC 39/23 – Department of Health:** Report to the Standing Committee on Public Accounts. Response to Appendix A of the CICA Special Bulletin entitled *“Guidance For Directors – The Millennium Bug”*.

3. The Chair of the Committee presided over the election of a Vice-Chair. Mr. Jess nominated Mr. Shillington for the position. There being no further nominations, it was moved by Mr. Gantefer:

That nominations for the position of Vice-Chair close.

The question being put, the motion was agreed to.

4. It was moved by Mr. Whitmore:

That Ned Shillington be elected to preside as Vice-Chair of the Standing Committee on Public Accounts.

The question being put, the motion was agreed to.

5. The Committee considered a proposed business agenda for its meetings of the week October 5<sup>th</sup> through 9<sup>th</sup>. It was moved by Mr. Gantefer:

That the draft agenda of the Standing Committee on Public Accounts for meetings to be held Monday, October 5<sup>th</sup> to Friday, October 9<sup>th</sup>, 1998 be adopted.

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

6. The Committee proceeded to consideration of the Year 2000 computer systems issue, with respect to the reports of the Provincial Auditor (*being Chapter 3 of the 1997 Fall Report (Volume 2) and Chapter 7 of the 1997 Spring Report of the Provincial Auditor*) and the responses of the Department of Finance, Department of Economic Development and Department of Health to a questionnaire of the Chair (*being tabled documents PAC 37, 38 and 39*). Mr. Creaser of the Office of the Provincial Auditor provided an overview of the chapters and responded to questions put by Members.

Officials of the Department of Economic Development provided an overview of how the Government of Saskatchewan is approaching the Year 2000 issue and the general state of preparedness. Officials of the Department of Finance and the Department of Health outlined measures their respective departments have and are taking to prepare mission critical systems for the Year 2000.

The following officials appeared before the committee and responded to questions.

**Department of Economic and Co-operative Development**

Fraser Nicholson, Deputy Minister  
Tim Whelan, Analyst, Information Technology Office  
Brenda Jameson, Manager, Systems Services

**Department of Finance**

Bill Van Sickle, Executive Director of Administration & Year 2000 Co-ordinator

**Department of Health**

Steve Pillar, Associate Deputy Minister

Rod Wiley, Executive Director, Finance & Management Services Branch

Jack Wilkie, Manager, Technology Solutions, Corporate Information Technology Branch

7. The Committee recessed at 10:35 a.m. until 10:50 a.m.
8. The Committee concurred with the recommendation made at paragraph 3.16, concerning the completion, approval and budget of plans associated with the Year 2000 issue by government agencies, and noted that the government has made progress towards its preparedness.
9. The Committee proceeded to consider Chapter 27 (Joint Evaluation of New Audit Process) of the *Spring 1997 Report of the Provincial Auditor*. The Provincial Auditor provided the committee with a status report.
10. The Committee proceeded to consider Chapter 26 (Board of Directors of Crown Agencies) of the *Spring 1997 Report of the Provincial Auditor*. The Provincial Auditor provided the committee with a status report.
11. The Committee recessed at 11:45 a.m. until 1:30 p.m.
12. The Committee proceeded to consider Chapter 2 (Government Plans and Performance Reports) and Chapter 3 (Understanding the Finances of the Government) of the *Fall 1997 Report of the Provincial Auditor (Volume 1)*, together with Chapter 2 (Understanding the Finances of the Government) of the *Fall 1998 Report of the Provincial Auditor (Volume 1)*. Mr. Atkinson and Ms. Ferguson of the Office of the Provincial Auditor provided the committee with an overview of the chapters.
13. In consideration of the recommendations made at paragraphs 2.61 and 2.62 of the *Fall 1997 Report of the Provincial Auditor (Volume 1)*, and recommendations 1 and 2 of the *Fall 1998 Report of the Provincial Auditor (Volume 1)*, the committee noted that the Minister of Finance had stated in media reports of October 1, 1998, that the government would examine different ways of budgeting, including the use of performance targets. The Committee agreed to await the conclusion of this examination by the Minister before further addressing the issue.
14. The Committee recessed at 3:10 p.m. until 3:20 p.m.

15. The Committee proceeded to consider Chapter 17 (Annual Reports of Departments and Crown Agencies) of the *Spring 1998 Report of the Provincial Auditor*. Ms. Ferguson of the Office of the Provincial Auditor provided the committee with a status report.

The Committee agreed to reiterate Recommendation 3, of its First Report, which recommended that “The government amend *The Tabling of Documents Act* to enable the tabling of reports through the Office of the Clerk when the Assembly is not sitting.”

16. The Committee proceeded to consider Chapter 20 of the *Fall 1997 Report of the Provincial Auditor (Volume 1)* (Department of Finance) and Chapter 13 of the *Spring 1998 Report of the Provincial Auditor* (Department of Finance). Mr. Martens of the Office of the Provincial Auditor provided the committee with an overview of the chapters.

The following officials appeared before the committee and responded to questions put by Members:

**Witnesses**

W. Davern Jones, Deputy Minister

Terry Paton, Provincial Comptroller

Chris Bayda, Director, Financial Management Branch, Provincial Comptroller's Office

Bill Van Sickle, Executive Director of Administration & Year 2000 Co-ordinator

Brian Smith, Executive Director, Public Employees Benefits Agency

17. In consideration of the recommendation made at paragraph 13.38, concerning the preparation of a departmental annual report, it was moved by Mr. Shillington:

That this committee not concur in the recommendation of the Provincial Auditor that the department should prepare an annual report on its activities.

The question being put, the motion was agreed to.

18. In consideration of the recommendation made at paragraph 20.12, concerning the recording of pension liabilities, it was moved by Mr. Shillington: :

That this committee reiterate its comments in its report for the fall of 1996 wherein it was noted that the information is readily available and reported in the summary financial statements.

The question being put, the motion was agreed to.

19. The Committee adopted the recommendation made at paragraph 20.15, that the Department of Finance should ensure its agencies provide their annual reports and financial statements to the Assembly by the date required by law.

20. The Committee adopted the recommendation made at paragraph 20.24, that the Department of Finance should pay allowances to surviving spouses as required by *The Members of the Legislative Assembly Superannuation Act, 1979*, or seek changes to the Act to allow these payments.
21. The Committee adopted the recommendation made at paragraph 20.30, that the Department of Finance should seek changes to by *The Members of the Legislative Assembly Superannuation Act, 1979*, to provide direction for the handling of profits or losses from annuity underwriting.
22. The Committee adopted the recommendation made at paragraph 20.40, that the Department of Finance should follow its established rules and procedures for paying claims associated with the Public Employees Dental Fund.
23. The Committee adopted the recommendation made at paragraph 20.45, that the Department of Finance should prepare and approve a budget for the Public Employees Dental Fund before the fiscal year begins.
24. The Committee concurred with the recommendation made at paragraph 20.46, that the Public Employees Dental Fund annual statements contain a comparison of actual results with planned results. It was noted that the department is making progress towards compliance with the recommendation.
25. It was moved by Mr. Osika:

That this committee do now adjourn.

The question being put, the motion was agreed to.
26. The Committee adjourned at 4:50 p.m. until Tuesday October 6<sup>th</sup>, 1998, at 9:00 a.m.

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Gregory A. Putz  
Committee Clerk

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June Draude  
Committee Chair