

STANDING COMMITTEE ON PUBLIC ACCOUNTS

November 23, 1998

MINUTE NO. 39

9:00 a.m. — Room 10

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

Provincial Auditor's Office

Wayne Strelloff, Provincial Auditor
Fred Wendel, Assistant Provincial Auditor
Judy Ferguson, Executive Director
Bob Black, Principal
Andrew Martens, Principal
Rosemarie Volk, Manager
Corrine Rybchuk, Manager
Bill Harasymchuk, Manager
John Kodas, Auditor
Salma Salman, Project Leader

Provincial Comptroller's Office

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

2. The following document received since the last meeting of the committee was tabled:

PAC 41/23 – Crown Investments Corporation: “CIC Crown Sector Year 2000 Report”, dated October 29th, 1998 (distributed to Members of the Committee on November 4th, 1998).

3. The Committee considered a proposed business agenda for its meetings of the week November 23rd through 26th. It was moved by Mr. Shillington:

That the draft agenda, of the Standing Committee on Public Accounts, for meetings to be held Monday, November 23rd to Thursday, November 26th, 1998 be adopted.

The question being put, the motion was agreed to.

4. The Committee proceeded to consider Chapter 14 (Department of Agriculture and Food) of the *Fall 1997 Report of the Provincial Auditor (Volume 2)* and Chapter 12 (Department of Agriculture and Food) of the *Spring 1998 Report of the Provincial Auditor*. Ms. Rybchuk of the Office of the Provincial Auditor provided an overview of the chapters.

The following Department of Agriculture and Food officials appeared before the Committee and answered questions:

Witnesses

Terrance Scott, Deputy Minister

Jack Zepp, Director, Administrative Services Branch

Ken Petruic, Manager, Financial Services, Administrative Services Branch

Laurier Donais, Senior Manager, Financial Systems, Administrative Services Branch

Roy White, Institutional Development Specialist, Industry Development Branch

Greg Haase, Director, Lands Branch

5. The Committee recessed at 10:30 a.m. to 10:40 a.m.
6. Consideration of Chapter 14 (Department of Agriculture and Food) of the *Fall 1997 Report of the Provincial Auditor (Volume 2)* and Chapter 12 (Department of Agriculture and Food) of the *Spring 1998 Report of the Provincial Auditor* was adjourned until Tuesday November 24th, 1998, at 3:00 p.m.
7. The Committee agreed by unanimous consent to permit a motion to be moved, unrelated to the current agenda. Therefore, it was moved by Mr. Gantefoer:

That the Standing Committee on Public Accounts urges the Premier of Saskatchewan and an all-party committee of the Legislature to immediately travel to Ottawa to meet with the Prime Minister of Canada with the sole intent of obtaining immediate emergency financial assistance for Saskatchewan farmers who are victims of the current international grain subsidy war.

The question being put, the motion was agreed to unanimously.

8. The Committee proceeded to consider Chapter 18 (Department of Education) of the *Fall 1997 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapters.

The following Department of Education officials appeared before the Committee and answered questions:

Witnesses

Craig Dotson, Deputy Minister

John McLaughlin, Executive Director, Teachers' Superannuation Commission

Mae Boa, Executive Director, Finance and Operations Branch

9. In consideration of the recommendations made at paragraphs 18.21, 18.22, 18.23 and 18.24, concerning the reporting responsibilities and expectations the Department of Education has for school divisions under Section 282 of *The Education Act, 1995*, it was moved by Mr. Whitmore:

That the Public Accounts Committee recommend that the Department of Education should continue working with the locally elected school boards and other stakeholders to improve public accountability of school divisions with respect to the goals of education.

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

10. The Committee concurred with the recommendation made at paragraph 18.33, that the Department should require school divisions to prepare their financial statements following the standards recommended by The Canadian Institute of Chartered Accountants.
11. The Committee concurred with the recommendation made at paragraph 18.39, that the Department should ensure that operating grants to school divisions are calculated according to regulations. The Committee noted that the Department has complied with this recommendation.
12. The Committee concurred with the recommendation made at paragraph 18.52, that the Teachers' Superannuation Commission should improve its monitoring of investments. The Committee noted that the Commission has complied with this recommendation.
13. The Committee concurred with the recommendation made at paragraph 18.57, that the Teachers' Superannuation Commission should table its annual report by the date required by law. The Committee noted progress towards compliance with this recommendation.
14. The Committee proceeded to consider Chapter 19 (Department of Post Secondary Education and Skills Training) of the *Fall 1997 Report of the Provincial Auditor (Volume 2)* and Chapter 15 (Department of Post Secondary Education and Skills Training) of the *Spring 1998 Report of the Provincial Auditor*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapters.

The following Department of Post Secondary Education and Skills Training officials appeared before the Committee and answered questions:

Witnesses

Ken Alecxe, Associate Deputy Minister
Lily Stonehouse, Assistant Deputy Minister
Brady Salloum, Director, Student Financial Assistance
Mae Boa, Executive Director, Finance and Operations Branch

15. The Committee concurred with the recommendations made at paragraphs 19.16, 19.17, 19.18 and 19.19, concerning the need for the Department of Post Secondary Education and Skills training to indicate the reporting responsibilities and expectations it has for universities. The Committee noted that steps have been taken to comply with the recommendations and that the department acknowledges that further work is needed.
16. The Committee concurred with the recommendation made at paragraph 19.34, that the Department should verify critical information on student loan applications.
17. The Committee concurred with the recommendations made at paragraphs 19.42 and 19.43, that the trustees of the Student Aid Fund should meet regularly and formally define and document their internal reporting needs and regularly review financial and operational reports from management and document their review.
18. The Committee concurred with the recommendation made at paragraph 19.71, that the New Careers Corporation should improve its internal financial reports. The Committee noted that the corporation has complied with the various recommendations for improvement.

19. The Committee concurred with the recommendation made at paragraph 19.78, that the New Careers Corporation should improve its service agreements with agencies delivering services, but noted that because the corporation is being wound-down the necessity of this recommendation is diminished.
20. The Committee concurred with the recommendation made at paragraph 15.24, that certain regional colleges should prepare, test and approve a written contingency plan for their computer system. The Committee noted that Cypress Hills Regional College and North West Regional College have complied and progress is being made by Parkland Regional College to comply with the recommendation.
21. The Committee concurred with the recommendations made at paragraphs 15.30 and 15.31, that the Southeast Regional College should ensure its capital asset records are accurate and periodically examine its capital assets to verify their existence. The Committee noted that steps have been taken to comply with this recommendation.
22. In consideration of the recommendations related to the Saskatchewan Indian Regional College, being paragraphs 15.44, 15.52, 15.53 and 15.62, the Committee reiterated its position of February 17th, 1998, when the issues were reviewed in the context of Chapter 11 of the *Fall 1996 Report of the Provincial Auditor*.
23. It was moved by Mr. Whitmore:

That this committee do now adjourn.

The question being put, the motion was agreed to.
24. The Committee adjourned at 4:25 p.m. until Tuesday November 24th, 1998 at 9:00 a.m.