

STANDING COMMITTEE ON PUBLIC ACCOUNTS

November 25, 1998

MINUTE NO. 41

9:00 a.m. — Room 10

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

Provincial Auditor's Office

Wayne Strelloff, Provincial Auditor
Fred Wendel, Assistant Provincial Auditor
Mike Heffernan, Executive Director
Mobashar Ahmad, Executive Director
Bob Black, Principal
Phil Creaser, Principal
Corrine Rybchuk, Manager
Rodd Jersak, Manager
Tara Kucher, Auditor
Shana Smith, Project Leader

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller
Chris Bayda, Director, Financial Management Branch
Cindy Ogilvie, Senior Analyst, Financial Management Branch

2. The Committee proceeded to consider Chapter 6 (Saskatchewan Energy Incorporated) of the *Fall 1997 Report of the Provincial Auditor (Volume 2)*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapter.

The following SaskEnergy officials appeared before the Committee and answered questions:

Witnesses

Ronald Clark, President and Chief Executive Officer
Jullian Olenick, Senior Vice-President, TransGas Limited
Doug Kelln, Vice-President, Distribution Utility
Ken From, Vice-President, Gas Supply
George Barnhart, Vice-President, Information Systems
Greg Mrazek, Acting Vice-President, Finance & Administration
Robert Haynes, Vice-President, Human Resources
Mark Guillet, General Counsel & Corporate Secretary
Ron Podbielski, Acting Director, Corporate Affairs

3. In consideration of the recommendation made at paragraph 6.11, that SaskEnergy should obtain the Minister of Finance's and the Lieutenant Governor in Council's approval for all debt, the Committee agreed to recommend to the Assembly that this issue be referred to the Standing Committee on Crown Corporations for its review and consideration.

4. The Committee concurred with the recommendations made at paragraphs 6.19 and 6.20, that the Crown Investments Corporation (CIC) should issue guidelines to ensure members of the Board of Directors of SaskEnergy understand their responsibilities, roles and duties pertaining to broad policy objectives of the government, and that CIC should also issue guidelines explaining the rule of Crown corporation Board chairs. The Committee noted that CIC has complied with these recommendations.
5. In consideration of the recommendation made at paragraph 6.25, that SaskEnergy should include comparisons of planned performance to actual results in its annual report, the Committee agreed to recommend to the Assembly that this issue be referred to the Standing Committee on Crown Corporations for its review and consideration.
6. In consideration of the recommendation made at paragraph 6.30, that SaskEnergy should provide the Assembly with a list of persons who receive public money and the amounts, the Committee agreed to recommend to the Assembly that this issue be referred to the Standing Committee on Crown Corporations for its review and consideration.
7. The Committee recessed at 10:20 a.m. until 10:35 a.m.
8. The Committee proceeded to consider Chapter 7 (Department of Energy and Mines) of the *Fall 1997 Report of the Provincial Auditor (Volume 2)*. The Provincial Auditor provided an overview of the chapters and responded to questions.
9. The Committee recessed at 11:54 a.m. to 1:30 p.m.
10. The Committee proceeded to consider Chapter 12 (Saskatchewan Liquor and Gaming Authority) of the *Fall 1997 Report of the Provincial Auditor (Volume 2)*. Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Saskatchewan Liquor and Gaming officials appeared before the Committee and answered questions:

Witnesses

Dave Innes, President and CEO
Kathy Langlois, Vice-President, Corporate Services
Paul Weber, Vice-President, Operations
Wes Mazer, Manager, Financial Services
Lillie Wong, Director, Casino and Electronic Gaming

11. The Committee concurred with the recommendations made at paragraphs 12.11, 12.13, and 12.14, concerning better monitoring of casinos operated by the Saskatchewan Indian Gaming Authority (SIGA). The Committee noted that that SIGA has complied with these recommendations.
12. The Committee proceeded to consider of Chapter 13 (Saskatchewan Gaming Corporation) of the *Fall 1997 Report of the Provincial Auditor (Volume 2)*. Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Saskatchewan Gaming Corporation officials appeared before the Committee and answered questions:

Witnesses

Gordon W. Staseson, President and CEO

Kathie Maher-Wolbaum, Vice-President, Corporate Affairs and Strategic Planning

Twyla Meredith, Vice-President, Finance and Administration

13. The Committee concurred with the recommendation made at paragraph 13.06, that the Saskatchewan Gaming Corporation management should continue to improve its internal reports. The Committee noted that the corporation has complied with this recommendation.
14. The Committee concurred with the recommendation made at paragraphs 13.13, that the Saskatchewan Gaming Corporation should establish rules and procedures to ensure it receives all the money due from Silver Sage Casino. The Committee noted that the corporation has complied with this recommendation.
15. The Committee recessed at 2:15 p.m. until 2:35 p.m.
16. The Committee proceeded to consider of Chapter 4 (Saskatchewan Transportation Company) of the *Spring 1998 Report of the Provincial Auditor*. Mr. Creaser of the Office of the Provincial Auditor provided an overview of the chapter.

The following Saskatchewan Transportation Company (STC) officials appeared before the Committee and answered questions:

Witnesses

Jim Hadfield, President and CEO

Don Wincherauk, Vice-President, Corporate Services

Shawn Grice, Director, Finance/Controller

Tracy Kuhtz, Director, Corporate Development/Internal Auditor

17. The Committee concurred with the recommendation made at paragraph 4.10, that STC should complete and approve a formal information security and confidentiality policy. The Committee noted that STC has taken steps to comply with this recommendation.
18. The Committee concurred with the recommendation made at paragraph 4.11, that STC should complete the documentation and testing of its information systems contingency plan. The Committee noted that STC has complied with this recommendation.
19. The Committee concurred with the recommendation made at paragraph 4.22, that STC should establish corporate project management and system development policies based on an analysis of lessons learned from the express system project. The Committee noted that STC has complied with this recommendation.
20. The Committee concurred with the recommendation made at paragraph 4.23, that STC should establish adequate systems and practices to ensure that all revenue is recorded and billed on a timely basis. The Committee noted that STC has complied with this recommendation.

21. The Committee concurred with the recommendation made at paragraph 4.29, that STC should ensure its annual report included a comparison of planned results to actual results. The Committee noted that STC has complied with this recommendation.
22. In consideration of the recommendation made at paragraph 4.32, that STC should provide the Assembly with a list of persons who receive public money and the amounts, the Committee agreed to recommend to the Assembly that this issue be referred to the Standing Committee on Crown Corporations for its review and consideration.
23. The Committee proceeded to consider of Chapter 1 (Executive Council) of the *Fall 1997 (Volume 2) Report of the Provincial Auditor*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapter.

The following Department of Executive Council and Electoral Office officials appeared before the Committee and answered questions:

Witnesses

Gregory P. Marchildon, Deputy Minister to the Premier and Cabinet Secretary
Janice Baker, Acting Chief Electoral Officer
Bonita Heidt, Director of Administration

24. The Committee concurred with the recommendation made at paragraph 1.29, that the Electoral Office should improve the rules and procedures for identifying anonymous donations of more than \$100 in a fiscal year to candidates of political parties. The Committee noted that there has been progress towards compliance with this recommendation.
25. The Committee concurred with the recommendation made at paragraph 1.33, that the Electoral Office should issue directives to improve rules and procedures for election expenses. The Committee noted that there has been significant progress towards compliance with this recommendation.
26. In consideration of the recommendation made at paragraph 1.40, that the Department of Executive Council should prepare an annual report on its performance, it was noted that this matter was reviewed by the Committee on February 19th, 1998, in the context of the review of the *Fall 1996 Report of the Provincial Auditor*. The Committee reiterated its previous disposition of this matter, which was that it did not concur with the recommendation.
27. In consideration of the recommendation made at paragraph 1.48, that all government agencies should make public a list of persons who have received money from them, it was moved by Mr. Shillington:

That with respect to recommendation .48, the Members note the recommendations of the Provincial Auditor and recommend that the Provincial Comptroller work co-operatively with the agencies involved, the affected departments and the Provincial Auditor, to develop a process that will achieve the required degree of public disclosure and report back to the Public Accounts Committee.

The question being put, the motion was agreed to.

28. It was moved by Mr. Shillington:

That this committee do now adjourn.

The question being put, the motion was agreed to.

29. The Committee adjourned at 4:22 p.m. until Thursday November 26th, 1998 at 9:00 a.m.