

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

January 5<sup>th</sup>, 1999

MINUTE NO. 44

9:00 a.m. — Room 10

1. **PRESENT:** Ms. Draude in the Chair and Members, Gantefoer, Hillson, Koenker, Shillington, Stanger and Whitmore.

### Provincial Auditor's Office

Wayne Strelloff, Provincial Auditor  
Fred Wendel, Assistant Provincial Auditor  
Mike Heffernan, Executive Director  
Judy Ferguson, Executive Director  
Bob Black, Principal  
Glen Nyhus, Principal  
Jane Knox, Principal  
Lorianne Earis, Manager  
Rosemarie Volk, Manager  
Mark Anderson, Manager  
Bill Harasymchuk, Manager  
Leanne Forgie, Auditor  
Amy Kinvig, Project Leader

### Provincial Comptroller's Office

Terry Paton, Provincial Comptroller  
Chris Bayda, Director, Financial Management Branch  
Lori Taylor, Senior Analyst  
Elaine Wood, Senior Analyst  
Tamara Stocker, Analyst  
Lisa Healy, Analyst  
Jane Borland, Manager

2. The Committee proceeded to consider of Chapter 5 (Department of Health) and Chapter 6 (District Health Boards) of the *Fall 1998 Report of the Provincial Auditor (Volume 2)*. Mr. Heffernan, Mr. Nyhus, Ms. Knox and Ms. Earis of the Office of the Provincial Auditor provided an overview of the chapters.

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

### Witnesses

Con Hnatiuk, Deputy Minister  
Steve Pillar, Associate Deputy Minister  
Carol Klassen, Acting Assistant Deputy Minister  
Rod Wiley, Executive Director, Finance & Management Services Branch  
Barry Lacey, Director, Integrated Financial Services Unit  
Gord Nystuen, Chief Executive Officer, Saskatchewan Health Information Network

2. In consideration of recommendation 5-1 of Part A, that the Department should improve its service agreements with District Health Boards, the committee reiterated its decision of November 26<sup>th</sup>, 1998 (PAC Minute No. 42).
3. In consideration of recommendation 5-2 of Part A, that the Department should work with District Health Boards to ensure the timely receipt and approval of all plans before the end of the fiscal year, the committee reiterated its decision of November 26<sup>th</sup>, 1998 (PAC Minute No. 42).
4. In consideration of recommendation 5-3 of Part A, that the Department should work with District Health Boards to ensure they submit complete and timely performance reports, the committee reiterated its decision of November 26<sup>th</sup>, 1998 (PAC Minute No. 42).
5. In consideration of recommendation 5-4 of Part A, that the Department should improve its internal financial reports to senior management, the committee reiterated its decision of November 26<sup>th</sup>, 1998 (PAC Minute No. 42).
6. In consideration of recommendation 5-5 of Part A, that the Department should describe in its annual report to the Assembly how key issues are managed, as well as the performance targets and actual results compared to its plans, the committee reiterated its decision of November 26<sup>th</sup>, 1998 (PAC Minute No. 42).
7. In consideration of recommendation 5-6 of Part A, that the La Ronge Hospital should improve its internal financial reports by taking the steps suggested by the Provincial Auditor, the committee reiterated its decision of November 26<sup>th</sup>, 1998 (PAC Minute No. 42).
8. The Committee concurred with recommendation 5-7 of Part A, that the La Ronge Hospital prepare a plan to address the Year 2000 issue and carry out corrective action on critical systems before December 31, 1999.
9. In consideration of recommendations 5-8, 5-9, 5-10 and 5-13 of Part A, that the directors of the Uranium City Hospital need to define required periodic financial information and improve its internal financial reports by taking the steps suggested by the Provincial Auditor, the committee reiterated its decision of November 26<sup>th</sup>, 1998 (PAC Minute No. 42).
10. The Committee concurred with recommendation 5-11 of Part A, that the Uranium City Hospital should prepare a plan to address the Year 2000 issue and carry out corrective action on critical systems before December 31, 1999.
11. In consideration of recommendation 5-12 of Part A, that the Uranium City Hospital should submit to the Minister the monthly information required by *The Hospital Standards Act*, the committee reiterated its decision of November 26<sup>th</sup>, 1998 (PAC Minute No. 42).
12. The Committee concurred with recommendation 5-1 of Part B, that the Saskatchewan Health Information Network Corporation (SHIN) should do the following: prepare a development plan for each phase of SHIN that shows the benefits that will be achieved for the money spent; clearly set out when its development partner is to meet its expected

performance level; obtain an independent assessment of its development partner's performance, and ensure differences, if any, between the expected and actual performance levels; obtain an independent assessment of the project's risks; and obtain progress reports from its development partner that provide more measures on the status of the project.

13. In consideration of recommendation 6-1, the Committee noted that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13<sup>th</sup>, 1996.

The Committee reiterated its support of this recommendation, which states as follows: that District Health Boards board of directors formally define and document what health outcomes the boards expect and the measures and targets needed to monitor progress in achieving outcomes, and further that districts' internal reports compare actual performance costs for services delivered to planned performance and costs. The Committee also noted that the Department has made progress towards compliance.

14. In consideration of recommendation 6-2, the Committee noted that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13<sup>th</sup>, 1996.

The Committee reiterated its support of this recommendation, which states as follows: that for the districts indicated, management establish, and boards approve written rules and procedures to safeguard and control health districts' assets, to govern the proper recording of transactions and preparation of monthly financial reports (Living Sky and Pipestone); control of bank accounts (Battlefords, East Central and Living Sky); authorized changes to computer records used to pay suppliers (Battlefords); preparation of written and tested contingency plans (East Central, Living Sky and South Country); control of patient billings (Battlefords); control of payroll records to ensure they are accurate and authorized (Battlefords and Living Sky); control of client trust accounts (Battlefords); control of inventory (East Central); compliance with restricted funds contracts (Living Sky); hiring of staff and designating of training plans (Living Sky); and control of capital assets (Swift Current).

The Committee also noted that the Department has made progress towards compliance.

15. In consideration of recommendation 6-3, the Committee noted that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13<sup>th</sup>, 1996.

The Committee reiterated its support of this recommendation, which states as follows: that for the districts indicated, management establish, and boards approve written policies and controls for developing information systems (Battlefords, East Central, Living Sky and South Country).

The Committee also noted that the Department has made progress towards compliance.

16. The Committee concurred with recommendation 6-4, that Battlefords, East Central, Living Sky and South Country health districts prepare plans to address the Year 2000 issue and carry out any corrective action on critical systems before December 31, 1999. The Committee also noted that the Department has made progress towards compliance.
17. In consideration of recommendation 6-5, the Committee noted that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13<sup>th</sup>, 1996.

The Committee reiterated its support of this recommendation, which states as follows: that for the district indicated, health districts agreements with affiliated organizations require the affiliates to establish and report on their systems to achieve the district's financial, operational and compliance objectives (Regina).

The Committee also noted that the Department has made progress towards compliance.

18. In consideration of recommendation 6-6, the Committee noted that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13<sup>th</sup>, 1996.

The Committee reiterated its support of this recommendation, which states as follows: that for the district indicated, health districts obtain the Minister's prior approval to borrow money as required by *The Health Districts Act* (East Central).

The Committee also noted that the Department has made progress towards compliance.

19. In consideration of recommendation 6-7, the Committee noted that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13<sup>th</sup>, 1996.

The Committee reiterated its support of this recommendation, which states as follows: that for the district indicated, health districts obtain the Minister's prior approval before purchasing hospital equipment costing more than the limits set out in the Hospital Standards regulations (East Central and Living Sky).

The Committee also noted that the Department has made progress towards compliance.

20. In consideration of recommendation 6-8, the Committee noted that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13<sup>th</sup>, 1996.

The Committee reiterated its support of this recommendation, which states as follows: that health districts continue to work with the Department to ensure they can provide the Minister and the public with the full range of information required by *The Health Districts Act*.

The Committee also noted that the Department has made progress towards compliance.

21. In consideration of the first part of recommendation 6-9, the Committee noted that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13<sup>th</sup>, 1996.

The Committee reiterated its support of part one of this recommendation, which states as follows: that for the district indicated, health districts submit their budgets to the Minister on time (East Central and Swift Current).

The Committee concurred with the second part of the recommendation, that the East Central Health District obtain approval for planned operation deficits.

The Committee also noted that the Department has made progress towards compliance.

22. In consideration of recommendation 6-10, the Committee noted that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13<sup>th</sup>, 1996.

The Committee reiterated its support of this recommendation, which states as follows: that for the district indicated, the health districts publicly report a list of persons who receive money from them and the amounts (South Country).

The Committee also noted that the Department has made progress towards compliance.

23. The Committee proceeded to consider Chapter 15 (Public Service Commission) of the *Fall 1998 Report of the Provincial Auditor (Volume 2)*. Ms. Volk of the Office of the Provincial Auditor provided an overview of the chapter.

The following Public Service Commission (PSC) officials appeared before the Committee and answered questions:

**Witnesses**

Rick McKillop, Acting Chair

Clare Isman, Executive Director Human Resource Development

Sharon Roulston, Director, Administration and Information Services

Shelley Banks, Manager, Communications

24. The Committee concurred with recommendation 15-1, that PSC should continue to improve its annual report. It was noted that PSC is working towards developing a system by which it will comply with the recommendation.
25. The Committee proceeded to consider Chapter 14 (Department of Labour) of the *Fall 1998 Report of the Provincial Auditor (Volume 2)*. The Provincial Auditor provided an overview of the chapter.
26. The Committee concurred with recommendation 14-1, that the Department of Labour should continue to improve its annual report. It was noted that the Department of Labour is working towards developing a system by which it will comply with the recommendation.

27. The Committee recessed at 12:13 p.m. until 1:30 p.m.
28. The Committee proceeded to consider Chapter 3 (Department of Education) of the *Fall 1998 Report of the Provincial Auditor (Volume 2)*. Mr. Anderson and Ms. Volk of the Office of the Provincial Auditor provided an overview of the chapter.

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

**Witnesses**

Craig Dotson, Deputy Minister  
Mae Boa, Executive Director, Finance & Operations  
John McLaughlin, Executive Director, Teachers Superannuation Commission

29. The following document was tabled by the Deputy Minister of Education:

**PAC 45/23 – Department of Education:** Saskatchewan Education Indicators;  
Kindergarten to Grade 12.

30. In consideration of recommendation 3-1, concerning the reporting responsibilities and expectations the Department of Education has for school divisions, the Committee reiterated its recommendations of November 23, 1998 (PAC Minute No. 39), that the Department of Education should continue working with the locally elected school boards and other stake holders to improve public accountability of school divisions with respect to the goals of education.
31. In consideration of recommendation 3-2, the Committee reiterated its decision of November 23, 1998 (PAC Minute No. 39), that the Department should require school divisions to prepare their financial statements following the standards recommended by The Canadian Institute of Chartered Accountants.
32. The Committee concurred with recommendation 3-3, that the Department should continue to improve the contents of its annual report.
33. The Committee recessed at 3:30 p.m. until 3:45 p.m.
34. The Committee proceeded to consider Chapter 8 (Department of Social Services) of the *Fall 1998 Report of the Provincial Auditor (Volume 2)*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapter.

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

**Witnesses**

Glenda Yeates, Deputy Minister  
Bonnie Durnford, Assistant Deputy Minister  
Phil Walsh, Executive Director, Income Support  
Bob Wihlidal, Executive Director, Financial Management

35. The Committee concurred with recommendation 8-1, that the Department should improve its records and document its procedures to ensure single parents receiving social assistance pursue child support. It was noted that the Department has made progress towards compliance with this recommendation.
36. The Committee concurred with recommendation 8-2, that the Department should ensure the Northern Indian Bands (as specified in the Provincial Auditors report) submit performance reports required by agreements. It was noted that the Department has made progress towards compliance with this recommendation.
37. The Committee concurred with recommendation 8-3, that the Department should ensure that Community Based Organizations submit financial reports to the Department and submit them on time as required by agreements. It was noted that the Department has made progress towards compliance with this recommendation.
38. In consideration of recommendation 8-4, the Committee reiterated its decision of October 8, 1998 (PAC Minute No. 38), that the Department of Social Services should include in its report to the Assembly a description of how it manages the key issues it faces.
39. In consideration of recommendation 8-5, the Committee reiterated its decision of October 8, 1998 (PAC Minute No. 38), adopted as follows: "that keeping in mind the difficulty in establishing measurable performance targets for Social Services within the framework of a single year, as noted by both the Auditor's office and the Department of Social Services, the Committee concurs and notes progress."
40. The Committee proceeded to consider Chapter 4 (Department of Post-Secondary Education and Skills Training) of the *Fall 1998 Report of the Provincial Auditor (Volume 2)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.
41. In consideration of recommendation 4-1, the Committee reiterated its decision of November 23, 1998 (PAC Minute No. 39), that the Department of Post-Secondary Education and Skills training needs to indicate the reporting responsibilities and expectations it has for Universities.
42. The Committee concurred with recommendation 4-2, that the Department bring its planning efforts that focus on individual components of the Post-Secondary sector together to form a plan for the entire Post-Secondary Education and Skills Training sector, then report publicly against this sector-wide plan.
43. The Committee concurred with recommendation 4-3, that the Department should continue to improve its annual report.
44. The Committee concurred with recommendation 4-4, that the New Careers Corporation should establish a system to ensure it receives adequate funds prior to making payments for provincial training allowance. The Committee noted that the Department has complied with this recommendation.
45. The Committee agreed to drop consideration of Chapter 20 (Board of Internal Economy) of the *Fall 1998 Report of the Provincial Auditor (Volume 2)* from its agenda.

46. The Committee proceeded to consider Chapter 12 (Department of Environment and Resource Management) of the *Fall 1998 Report of the Provincial Auditor (Volume 2)*. Mr. Wendel of the Office of the Provincial Auditor provided an overview of the chapter.
47. The Committee concurred with recommendation 12-1, that the Department should define and document its operational and compliance reporting requirements. It was noted that the Department has made progress towards compliance with this recommendation.
48. The Committee concurred with recommendation 12-2, that the Department should follow its established rules and procedures for preparing all of its internal financial reports. It was noted that the Department has made progress towards compliance with this recommendation.
49. The Committee concurred with recommendation 12-3, that the Department should keep complete records of its capital assets. It was noted that the Department has made progress towards compliance with this recommendation.
50. The Committee concurred with recommendation 12-4, that the Department should periodically reconcile its capital assets records to its financial records and include information about its capital assets in its annual report. It was noted that the Department has made progress towards compliance with this recommendation.
51. The Committee concurred with recommendation 12-5, that the Department should make public a list of persons who have received money from the Fish and Wildlife Development Fund and the amounts received. It was noted that the Department has made progress towards compliance with this recommendation.
52. The Committee adjourned at 5:14 p.m. until Wednesday January 6<sup>th</sup>, 1999 in Room 10.