

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

Monday, June 16, 2008

### MINUTE NO. 7

9:30 a.m. – Room 8

1. **PRESENT:** Mr. Harry Van Mulligen in the Chair and Members Fred Bradshaw, Michael Chisholm, Jeremy Harrison, Warren Michelson, John Nilson and Jim Reiter.

#### **Other Member**

Pat Atkinson

#### **Provincial Auditor's Office**

Fred Wendel, Provincial Auditor  
Bashar Ahmad, Deputy Provincial Auditor  
Ed Montgomery, Deputy Provincial Auditor  
Mark Anderson, Principal  
Kelly Deis, Principal  
Rod Grabarczyk, Principal  
Jeff Kress, Principal  
Kim Lowe, Principal  
Andrew Martens, Principal  
Glen Nyhus, Principal  
Victor Schwab, Principal  
Rosemarie Volk, Principal  
Bill Harasymchuk, Manager  
Trevor St. John, Manager

#### **Provincial Comptroller's Office**

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

2. The committee proceeded to consider Chapter 2 (Agriculture and Food) of the *2007 Report of the Provincial Auditor (Volume 1)* and Chapter 3 (Agriculture and Food) of the *2007 Report of the Provincial Auditor (Volume 3)*. Mr. Martens of the Office of the Provincial Auditor provided an overview of the chapters.

The following Ministry of Agriculture officials appeared before the committee and answered questions:

#### Witnesses

Alanna Koch, Deputy Minister  
Laurier Donais, Director, Corporate Services Branch  
Al Syhlonyk, Director, Lands Branch  
Roy White, Manager, Regulatory Services, Inspection and Regulatory Management Branch  
Stan Benjamin, General Manager, Saskatchewan Crop Insurance Corporation  
Jamie Wilson, Partner, KPMG (Appointed Auditor – Saskatchewan Crop Insurance Corporation)

3. The committee concurred with recommendation 2-1 made at page 29 of Chapter 2 (Agriculture and Food) of the *2007 Report of the Provincial Auditor (Volume 1)* that the Ministry of Agriculture should formally analyze the risks that licensees and exempt persons are not following pesticide control laws. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.

4. The committee concurred with recommendation 2-2 made at page 29 of Chapter 2 (Agriculture and Food) of the *2007 Report of the Provincial Auditor (Volume 1)* that the Ministry of Agriculture should document its strategy to address identified risks associated with monitoring and enforcing compliance with pesticide control laws. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.
5. The committee concurred with recommendation 3-1 made at page 42 of Chapter 3 (Agriculture and Food) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Agriculture should adequately review the payroll for accuracy prior to paying employees to ensure that all employees' pay is approved in accordance with *The Financial Administration Act, 1993*. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.
6. The committee concurred with recommendation 3-2 made at page 43 of Chapter 3 (Agriculture and Food) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Agriculture should maintain adequate books and records to enable it to prepare accurate financial statements for the Pastures Revolving Fund. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.
7. The committee concurred with recommendation 3-3 made at page 44 of Chapter 3 (Agriculture and Food) of the *2007 Report of the Provincial Auditor (Volume 3)* that senior employees of Thomson Meats Ltd. should file their employment contracts with the Clerk of the Executive Council as required by *The Crown Employment Contracts Act*. The committee noted that Thomson Meats Ltd. has complied with the recommendation.
8. The committee concurred with recommendation 3-4 made at page 48 of Chapter 3 (Agriculture and Food) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Crop Insurance Corporation should document and approve all of its procedures for calculating premium rates. The committee noted that the Saskatchewan Crop Insurance Corporation is making progress towards complying with the recommendation.
9. The committee concurred with recommendation 3-5 made at page 49 of Chapter 3 (Agriculture and Food) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Crop Insurance Corporation should establish and document procedures to check the accuracy of data and formulas used to calculate premium rates. The committee noted that the Saskatchewan Crop Insurance Corporation is making progress towards complying with the recommendation.
10. The committee concurred with recommendation 3-6 made at page 50 of Chapter 3 (Agriculture and Food) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Crop Insurance Corporation Board of Directors should approve an internal auditor plan that includes follow up of the internal auditor's recommendations. The committee noted that the Saskatchewan Crop Insurance Corporation is making progress towards complying with the recommendation.
11. The committee recessed from 10:50 a.m. until 10:57 a.m.
12. The committee proceeded to consider Chapter 25 (Standing Committee on Public Accounts) of the *2007 Report of the Provincial Auditor (Volume 3)*. Ms. Lowe of the Office of the Provincial Auditor provided an overview of the chapter.

13. The committee proceeded to consider Chapter 6 (Culture, Youth and Recreation) of the *2007 Report of the Provincial Auditor (Volume 3)*. Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Tourism, Parks, Culture and Sport officials appeared before the committee and answered questions:

Witnesses

S.P. (Van) Isman, Deputy Minister  
Nevin Danielson, Acting Executive Director, Strategic Policy, Planning and Partnerships  
Susan Hetu, Acting Executive Director, Culture and Heritage  
Melinda Gorrill, Director, Corporate Services  
Peter Sametz, Director of Operations, Saskatchewan Arts Board

14. The committee concurred with recommendation 6-1 made at page 87 of Chapter 6 (Culture, Youth and Recreation) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Tourism, Parks, Culture and Sport should adequately review the payroll for accuracy prior to paying its employees to ensure that all employees' pay is approved in accordance with *The Financial Administration Act, 1993*. The committee noted that the Ministry of Tourism, Parks, Culture and Sport is making progress towards complying with the recommendation.
15. The committee concurred with recommendation 6-2 made at page 88 of Chapter 6 (Culture, Youth and Recreation) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Arts Board should have signed agreements prior to making investments. The committee noted that the Saskatchewan Arts Board has complied with the recommendation.
16. The committee proceeded to consider Chapter 14 (Information Technology Office) of the *2007 Report of the Provincial Auditor (Volume 3)*. Mr. Kress of the Office of the Provincial Auditor provided an overview of the chapter.

The following Information Technology Office officials appeared before the committee and answered questions:

Witnesses

Don Wincherauk, Deputy Minister  
Rory Norton, Assistant Deputy Minister, Corporate Information Services  
Richard Murray, Executive Director of Policy and Planning  
Darren Hoeving, Director of Business Development

17. The committee concurred with recommendation 14-1 made at page 272 of Chapter 14 (Information Technology Office) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Information Technology Office should adequately review the payroll for accuracy prior to paying its employees to ensure that all employees' pay is approved in accordance with *The Financial Administration Act, 1993*. The committee noted that the Information Technology Office is making progress towards complying with the recommendation.

18. The committee next considered its representation at the Canadian Council of Public Accounts Committees 29<sup>th</sup> Annual Conference. It was moved by Mr. Michelson:

That the Standing Committee on Public Accounts authorize the attendance of the Chair, Deputy Chair, and two other members of the committee at the Twenty-ninth Annual Meeting of the Canadian Council of Public Accounts Committees to be held in Whitehorse, Yukon, September 7<sup>th</sup> to 9<sup>th</sup>, 2008, and further that if the Chair or Deputy Chair cannot attend, they be authorized to designate another committee member to attend in their place.

The question being put, it was agreed to.

19. The committee recessed from 11:32 a.m. until 1:05 p.m.
20. The committee proceeded to consider Chapter 13 (Industry and Resources) of the *2007 Report of the Provincial Auditor (Volume 3)*. Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Energy and Resources officials appeared before the committee and answered questions:

Witnesses

Glen Veikle, Acting Deputy Minister

Hal Sanders, Executive Director, Corporate and Financial Services

21. The committee concurred with recommendation 13-1 made at page 265 of Chapter 13 (Industry and Resources) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Energy and Resources should adequately review the payroll for accuracy prior to paying its employees to ensure that all employees' pay is approved in accordance with *The Financial Administration Act, 1993*. The committee noted that the Ministry of Energy and Resources is making progress towards complying with the recommendation.
22. The committee proceeded to consider Chapter 19 (Property Management) of the *2007 Report of the Provincial Auditor (Volume 3)* and Chapter 6 (Government Services) of the *2008 Report of the Provincial Auditor (Volume 1)*. Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapters.

The following Ministry of Government Services officials appeared before the committee and answered questions:

Witnesses

Phil Lambert, Acting Deputy Minister

Debbie Koshman, Assistant Deputy Minister, Corporate Support Services Division

Lloyd Brierley, Director, Central Vehicle Agency, Commercial Services Division

Glynn Mitchell, Director, Risk Management Services Branch, Corporate Support Services Division

Shelley Reddekopp, Director, Financial Services Branch, Corporate Support Services Division

Dorothy Riviere, Director, Human Resources, Public Service Commission

23. The committee concurred with recommendation 19-1 made at page 347 of Chapter 19 (Property Management) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Government Services should adequately review the payroll for accuracy prior to paying its employees to ensure that all employees' pay is approved in accordance with *The Financial Administration Act, 1993*. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
24. The committee concurred with recommendation 19-2 made at page 348 of Chapter 19 (Property Management) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Government Services should have an information technology strategic plan. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
25. The committee concurred with recommendation 19-3 made at page 349 of Chapter 19 (Property Management) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Government Services should have a complete business continuity plan. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
26. The committee concurred with recommendation 19-4 made at page 349 of Chapter 19 (Property Management) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Ministry of Government Services should improve its human resource plan by providing measurable indicators and targets for its key strategies. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
27. The committee concurred with recommendation 6-1 made at page 76 of Chapter 6 (Government Services) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Ministry of Government Services should establish processes to ensure its vehicle fleet meets the safety standards of *The Traffic Safety Act*. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
28. The committee concurred with recommendation 6-2 made at page 76 of Chapter 6 (Government Services) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Ministry of Government Services should keep reliable maintenance and repairs records for its vehicles. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
29. The committee concurred with recommendation 6-3 made at page 77 of Chapter 6 (Government Services) of the *2008 Report of the Provincial Auditor (Volume 1)* that the senior management of the Ministry of Government Services should receive reports to verify that vehicles are maintained in a safe condition and in an economical manner. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
30. The committee recessed from 1:43 p.m. until 1:52 p.m.
31. The committee proceeded to consider Chapter 24 (Saskatchewan Research Council) of the *2007 Report of the Provincial Auditor (Volume 3)*. Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapter.

The following Saskatchewan Research Council officials appeared before the committee and answered questions:

Witnesses

Laurier Schramm, President and Chief Executive Officer  
Crystal Smudy, Chief Financial Officer and Vice President, Finance, Safety and Risk  
Toby Arnold, Vice President, Organizational Effectiveness  
Chuck Ingerman, IT Manager, Organizational Effectiveness

32. The committee concurred with recommendation 24-1 made at page 392 of Chapter 24 (Saskatchewan Research Council) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Research Council should implement security controls to reduce information technology risks to an acceptable level. The committee noted that the Saskatchewan Research Council is making progress towards complying with the recommendation.
33. The committee concurred with recommendation 24-2 made at page 392 of Chapter 24 (Saskatchewan Research Council) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Research Council should test its information technology disaster recovery plan. The committee noted that the Saskatchewan Research Council is making progress towards complying with the recommendation.
34. The committee recessed from 1:59 p.m. until 2:30 p.m.
35. The committee proceeded to consider Chapter 4 (Environment) of the *2008 Report of the Provincial Auditor (Volume 1)*. Mr. Ahmad of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Environment officials appeared before the committee and answered questions:

Witnesses

Liz Quarshie, Deputy Minister  
Donna Johnson, Executive Director, Finance and Administration Branch  
Lin Gallagher, Executive Director, Environmental Protection Branch

36. The committee concurred with recommendation 4-1 made at page 53 of Chapter 4 (Environment) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Ministry of Environment should establish an adequate system for tracking contaminated sites. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
37. The committee concurred with recommendation 4-2 made at page 55 of Chapter 4 (Environment) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Ministry of Environment should complete its risk assessments for identified contaminated sites and rank them in terms of priority. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
38. The committee concurred with recommendation 4-3 made at page 57 of Chapter 4 (Environment) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Ministry of Environment should complete its written guidance for monitoring contaminated sites. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.

39. The committee concurred with recommendation 4-4 made at page 57 of Chapter 4 (Environment) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Ministry of Environment should prepare a communication plan for internal and external reporting on the status of contaminated sites. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
40. The committee proceeded to consider Chapter 7 (Health) of the *2008 Report of the Provincial Auditor (Volume 1)*. Ms. Volk of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Health officials appeared before the committee and answered questions:

Witnesses

Lauren Donnelly, Assistant Deputy Minister  
Ron Knaus, Executive Director, Workforce Planning Branch  
Ted Warawa, Executive Director, Financial Services Branch  
Doug Calder, Director, Specialized Services, Acute and Emergency Services Branch  
Garth Herbert, Financial Management Consultant / Internal Audit, Financial Services Branch

41. The committee concurred with recommendation 7-1 made at page 85 of Chapter 7 (Health) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health and the Regina Qu'Appelle Regional Health Authority should follow established processes to correct data errors in the Saskatchewan Surgical Care Network Registry. The committee noted that the Ministry of Health and the Regina Qu'Appelle Regional Health Authority have complied with the recommendation.
42. The committee concurred with recommendation 7-2 made at page 87 of Chapter 7 (Health) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health and the Regina Qu'Appelle Regional Health Authority should periodically monitor how well surgeons follow the established processes to book patients in the Saskatchewan Surgical Care Network Registry and encourage them to follow the processes. The committee noted that the Ministry of Health and the Regina Qu'Appelle Regional Health Authority are making progress towards complying with the recommendation.
43. The committee concurred with recommendation 7-3 made at page 87 of Chapter 7 (Health) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health should disclose sufficient information in the surgical wait times report so that readers can better understand the limitations of the information presented. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

44. It was moved by Mr. Bradshaw:

That this committee do now adjourn.

The question being put, the motion was carried.

45. The committee adjourned at 3:16 p.m. until Tuesday, June 17, 2008 at 8:30 a.m.

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Margaret A. Woods  
Committee Clerk

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Harry Van Mulligen  
Committee Chair