

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Tuesday, December 9, 2008

MINUTE NO. 12

9:30 a.m. – Room 8

1. **PRESENT:** Mr. Harry Van Mulligen in the Chair and Members Michael Chisholm, Dustin Duncan*, Jeremy Harrison, Warren Michelson, Laura Ross* and John Nilson.

Substituting Members

Dustin Duncan for Fred Bradshaw (from 9:30 a.m. until 12:06 p.m.)

Laura Ross for Fred Bradshaw (from 1:30 p.m. until adjournment)

Other Member

David Forbes

Provincial Auditor's Office

Fred Wendel, Provincial Auditor

Brian Atkinson, Assistant Provincial Auditor

Bashar Ahmad, Deputy Provincial Auditor

Mike Heffernan, Deputy Provincial Auditor

Ed Montgomery, Deputy Provincial Auditor

Mark Anderson, Principal

Angèle Borys, Principal – Support Services

Kelly Deis, Principal

Charlene Drotar, Principal

Rod Grabarczyk, Principal

Jeff Kress, Principal

Kim Lowe, Principal

Victor Schwab, Principal

Regan Sommerfeld, Principal

Melanie Heebner, Manager

Sandra Walker, Manager – Administration

Heather Tomlin, Data Systems Administrator

Scott Hamilton, Auditor

Stephanie Toth, Auditor

Provincial Comptroller's Office

Terry Paton, Provincial Comptroller

Chris Bayda, Executive Director, Financial Management Branch

2. The committee proceeded to consider the Business and Financial Plan of the Office of the Provincial Auditor for the year ended March 31, 2009. Mr. Wendel provided an overview of the plan and answered questions.
3. The committee adjourned consideration of the Business and Financial Plan.
4. The committee recessed from 9:48 until 10:00 a.m.

5. The committee proceeded to consider Chapter 8 (First Nations and Métis Relations) of the *2008 Report of the Provincial Auditor (Volume 3)*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of First Nations and Métis Relations officials appeared before the committee and answered questions:

Witnesses

Ron Crowe, Deputy Minister

John Reid, Acting Assistant Deputy Minister

Kerry Gray, Director, Finance and Corporate Services

Anita Jones, Executive Director, Northern Economic Programs and Policies

6. The committee recessed from 10:16 a.m. until 10:30 a.m.
7. The committee proceeded to consider Chapter 19 (Workers' Compensation Board) of the *2008 Report of the Provincial Auditor (Volume 3)*. Mr. Grabarczyk of the Office of the Provincial Auditor provided an overview of the chapter.

The following Workers' Compensation Board officials appeared before the committee and answered questions:

Witnesses

David Eberle, Chairman

Peter Federko, Chief Executive Officer

Jamie Wilson, Appointed Auditor, KPMG

8. The committee concurred with recommendation 19-1 made at page 344 of Chapter 19 (Workers' Compensation Board) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Workers' Compensation Board should formally communicate its information needs for the industrial safety program to the Ministry of Advanced Education, Employment and Labour.
9. The committee concurred with recommendation 19-2 made at page 344 of Chapter 19 (Workers' Compensation Board) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Workers' Compensation Board should establish processes for assessing the costs and impact of the industrial safety program on the Workers' Compensation Board's injury prevention and safety programs.
10. The committee concurred with recommendation 19-3 made at page 344 of Chapter 19 (Workers' Compensation Board) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Workers' Compensation Board management should report its assessment of the impact of the industrial safety program on the injury prevention and safety to the members of the Board.
11. The committee concurred with recommendation 19-4 made at page 345 of Chapter 19 (Workers' Compensation Board) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Workers' Compensation Board should ensure there is Order in Council approval for payment of the industrial safety program costs before paying those costs.
12. The committee concurred with recommendation 19-5 made at page 345 of Chapter 19 (Workers' Compensation Board) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Workers' Compensation Board should document its analysis of the effectiveness of its injury prevention and safety programs and document any changes required.

13. The committee proceeded to consider Chapter 18 (Social Services) of the *2008 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 Social Services officials appeared before the committee and answered questions:

Witnesses

Allan Hansen, Deputy Minister
Cheryl Senecal, Acting Assistant Deputy Minister, Policy
Don Allen, Executive Director, Corporate Services
Andrea Brittin, Executive Director, Child and Family Services
Jeff Redekop, Executive Director, Community Living Division
Lynn Tulloch, Executive Director, Income Assistance Division
Arlene Mongovius, Acting Executive Director, Service Management
Cathy Bulych, Director, Program Support Services
Marlene Bugler, Director, First Nations and Métis Services
Gord Tweed, Associate Executive Director, Program Policy and Services

14. The committee concurred with recommendation 18-1 made at page 315 of Chapter 18 (Social Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Social Services should properly segregate duties of its employees responsible for the disbursement or expenditure of public money to help prevent errors or fraud. The committee noted that the Ministry of Social Services is making progress towards complying with the recommendation.
15. The committee concurred with recommendation 18-2 made at page 316 of Chapter 18 (Social Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Social Services should monitor the effectiveness of the Information Technology Office's security to protect the Ministry's computer systems and data.
16. The committee concurred with recommendation 18-3 made at page 317 of Chapter 18 (Social Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Social Services should establish an adequate information technology plan. The committee noted that the Ministry of Social Services is making progress towards complying with the recommendation.
17. The committee concurred with recommendation 18-4 made at page 318 of Chapter 18 (Social Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Social Services should implement a system to know how many children are the Minister's responsibility, who they are, and where they live.
18. The committee concurred with recommendation 18-5 made at page 321 of Chapter 18 (Social Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Social Services should follow its policies to review and approve foster homes when placing more than four children in the foster home.
19. The committee concurred with recommendation 18-6 made at page 326 of Chapter 18 (Social Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Social Services should make agreements with First Nations Child and Family Services agencies to require timely and relevant information to ensure proper care for children who are wards of the Minister.

20. The committee concurred with recommendation 18-7 made at page 326 of Chapter 18 (Social Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Social Services should adequately monitor the First Nations Child and Family Services agencies' compliance with the Ministry's standards for approval of out-of-home care providers.
21. The committee concurred with recommendation 18-8 made at page 326 of Chapter 18 (Social Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Social Services should implement a process to ensure the adequacy of First Nations Child and Family Services agencies' long-term case planning for children who are wards of the Minister.
22. The committee concurred with recommendation 18-9 made at page 326 of Chapter 18 (Social Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Social Services should seek regular personal contact with children who are wards of the Minister and regularly review the First Nations Child and Family Services agencies' child protection files.
23. The committee recessed from 12:06 p.m. until 1:30 p.m.
24. The committee proceeded to consider Chapter 5 (Education) of the *2008 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 Education officials appeared before the committee and answered questions:

Witnesses

Audrey Roadhouse, Deputy Minister
Helen Horsman, Assistant Deputy Minister
Sue Amundrud, Associate Executive Director, Curriculum and E-Learning
Margaret Ball, Director, Education Finance and Facilities
David Tulloch, Director, Financial Planning and Management
Dawn Court, Senior Financial Manager, Financial Planning and Management
Greg Tuer, Executive Director, Human Resource Services, Public Service Commission
Richard Murray, Executive Director, Policy and Planning, Information Technology Office

25. The committee concurred with recommendation 5-1 made at page 74 of Chapter 5 (Education) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Education should properly segregate the duties of employees so that the same employees are not requesting and making payments to the Teachers' Superannuation Commission. The committee noted that the Ministry of Education is making progress towards complying with the recommendation.
26. The committee concurred with recommendation 5-2 made at page 74 of Chapter 5 (Education) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Education should receive and review proper support for the payments made to the Teachers' Superannuation Commission. The committee noted that the Ministry of Education is making progress towards complying with the recommendation.
27. The committee concurred with recommendation 5-3 made at page 75 of Chapter 5 (Education) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Education should sign a shared service agreement with the Ministry of Advanced Education, Employment and Labour.

28. The committee concurred with recommendation 5-4 made at page 75 of Chapter 5 (Education) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Education should monitor the effectiveness of the Information Technology Office's security controls to protect the Ministry's computer systems and data.
29. The committee proceeded to consider Chapter 2 (Advanced Education, Employment and Labour) of the *2008 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 Advanced Education, Employment and Labour officials appeared before the committee and answered questions:

Witnesses

Wynne Young, Deputy Minister
Karen Allen, Executive Director, Corporate Services
Glennis Bihun, Executive Director, Occupational Health and Safety Division
Tammy Bloor Cavers, Acting Executive Director, Training Institutions and Programs Branches
Brent Brownlee, Director, Training Institutions
Marine Perran, Vice-President of Administrative Services, Saskatchewan Institute of Applied Arts and Sciences

30. The committee concurred with recommendation 2-1 made at page 32 of Chapter 2 (Advanced Education, Employment and Labour) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Advanced Education, Employment and Labour should sign a shared service agreement with the Ministry of Education.
31. The committee concurred with recommendation 2-2 made at page 33 of Chapter 2 (Advanced Education, Employment and Labour) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Advanced Education, Employment and Labour should follow its established procedures for removing user access to its computer systems and data. The committee noted that the Ministry of Advanced Education, Employment and Labour is making progress towards complying with the recommendation.
32. The committee concurred with recommendation 2-3 made at page 34 of Chapter 2 (Advanced Education, Employment and Labour) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Advanced Education, Employment and Labour should sign an adequate agreement on disaster recovery of computer systems and data with the Information Technology Office
33. The committee concurred with recommendation 2-4 made at page 34 of Chapter 2 (Advanced Education, Employment and Labour) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Advanced Education, Employment and Labour should monitor the effectiveness of the Information Technology Office's security controls to protect the Ministry's computer systems and data.
34. The committee concurred with recommendation 2-5 made at page 38 of Chapter 2 (Advanced Education, Employment and Labour) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Institute of Applied Science and Technology's Board should use more comprehensive risk management policies and procedures that:
- define key terms and processes
 - assign roles and responsibilities for risk management
 - require risks be identified in relation to strategic objectives

- require analysis of risk likelihood and impact including timeframes
- set criteria to evaluate risk tolerance
- outline guidance to treat key risks.

The committee noted that the Saskatchewan Institute of Applied Science and Technology is making progress towards complying with the recommendation.

35. The committee concurred with recommendation 2-6 made at page 38 of Chapter 2 (Advanced Education, Employment and Labour) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Institute of Applied Science and Technology's Board should require that the written risk management reports it receives include analysis of risks and outcomes of risk management. The committee noted that the Saskatchewan Institute of Applied Science and Technology is making progress towards complying with the recommendation.
36. The committee proceeded to consider Chapter 21 (Standing Committee on Public Accounts) of the *2008 Report of the Provincial Auditor (Volume 3)*. Ms. Lowe of the Office of the Provincial Auditor provided an overview of the chapter.

The Provincial Auditor and officials from his office answered questions.

37. The committee recessed from 2:36 p.m. until 2:57 p.m.
38. The committee proceeded to consider Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)*. Mr. Grabarczyk 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

Bob Wynes, Acting Assistant Deputy Minister, Lands and Forest Division

Lin Gallagher, Executive Assistant, Environmental Protection

Donna Johnson, Executive Director, Finance and Administration

Susan Loewen, Acting Director Financial Management Section, Finance and Administration

Gord Will, Manager, Policy and Communications, Saskatchewan Watershed Authority

Richard Murray, Executive Director, Policy and Planning, Information Technology Office

39. The committee concurred with recommendation 6-1 made at page 84 of Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment should supervise its employees to ensure they follow the Ministry's policies and procedures for billing, collecting, and recording lease and forestry fee revenues promptly. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
40. The committee concurred with recommendation 6-2 made at page 86 of Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment should supervise its employees to ensure they follow the Ministry's policies and procedures for reviewing the reconciliation of its recorded bank balances to the bank's records promptly. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.

41. The committee concurred with recommendation 6-3 made at page 86 of Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment should supervise its employees to ensure they follow the Ministry's policies and procedures for preparing the amount owing to terminated employees. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
42. The committee concurred with recommendation 6-4 made at page 87 of Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment should supervise its employees to ensure they follow the Ministry's policies and procedures for preparing accurate and timely financial records and financial statements for the Fish and Wildlife Development Fund and the Commercial Revolving Fund. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
43. The committee concurred with recommendation 6-5 made at page 88 of Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment should establish processes to monitor compliance with its agreements. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
44. The committee concurred with recommendation 6-6 made at page 89 of Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment should sign an adequate agreement with the Information Technology Office for information technology services. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
45. The committee concurred with recommendation 6-7 made at page 90 of Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment should establish an adequate information technology plan. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
46. The committee concurred with recommendation 6-8 made at page 90 of Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment should establish adequate processes to secure its systems and data. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
47. The committee concurred with recommendation 6-9 made at page 91 of Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment should establish processes for changing lease rates and customer information on its computer systems. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.
48. The committee concurred with recommendation 6-10 made at page 92 of Chapter 6 (Environment) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment should provide the Legislative Assembly with the Fish and Wildlife Development Fund's audited financial statements in accordance with the law.

49. The committee proceeded to consider Chapter 13 (Justice and Attorney General) of the *2008 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 Justice and Attorney General officials appeared before the committee and answered questions:

Witnesses

Doug Moen, Q.C., Deputy Minister of Justice and Deputy Attorney General
Ken Acton, Assistant Deputy Minister, Courts and Civil Justice
Gordon Sisson, Executive Director, Corporate Services
Jim Bingaman, Director, Information Management
Jeff Markewich, Director, Assurance and Financial Reporting
Lionel McNabb, Director, Maintenance Enforcement and Fine Collection
Richard Murray, Executive Director, Policy and Planning, Information Technology Office

50. The committee concurred with recommendation 13-1 made at page 259 of Chapter 13 (Justice and Attorney General) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Justice and Attorney General should work with the Ministry of Corrections, Public Safety and Policing to ensure the fine for the voluntary payment option on issued tickets complies with the law. The committee noted that the Ministry of Justice and Attorney General is making progress towards complying with the recommendation.
51. The committee concurred with recommendation 13-2 made at page 259 of Chapter 13 (Justice and Attorney General) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Justice and Attorney General should secure credit card information in accordance with the credit card industry's security standards. The committee noted that the Ministry of Justice and Attorney General is making progress towards complying with the recommendation.
52. The committee concurred with recommendation 13-3 made at page 260 of Chapter 13 (Justice and Attorney General) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Justice and Attorney General should properly segregate the duties of its employees to ensure they cannot authorize payments to themselves. The committee noted that the Ministry of Justice and Attorney General has complied with the recommendation.
53. The committee concurred with recommendation 13-4 made at page 260 of Chapter 13 (Justice and Attorney General) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Justice and Attorney General should determine and record in its accounting records the long-term disability benefit liability and the related expense for disabled judges. The committee noted that the Ministry of Justice and Attorney General is making progress towards complying with the recommendation.
54. The committee concurred with recommendation 13-5 made at page 261 of Chapter 13 (Justice and Attorney General) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Justice and Attorney General should sign an adequate agreement on disaster recovery and security with the Information Technology Office. The committee noted that the Ministry of Justice and Attorney General is making progress towards complying with the recommendation.

55. The committee concurred with recommendation 13-6 made at page 261 of Chapter 13 (Justice and Attorney General) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Justice and Attorney General should prepare strategic and operational information technology plans. The committee noted that the Ministry of Justice and Attorney General is making progress towards complying with the recommendation.
56. The committee concurred with recommendation 13-7 made at page 262 of Chapter 13 (Justice and Attorney General) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Justice and Attorney General should adequately monitor the security and availability of its information technology systems and data. The committee noted that the Ministry of Justice and Attorney General is making progress towards complying with the recommendation.
57. It was moved by Mr. Harrison:
- That this committee do now adjourn.
- The question being put, the motion was carried.
58. The committee adjourned at 3:49 p.m. until 9:30 a.m. on Wednesday, December 10, 2008.

Margaret A. Woods
Committee Clerk

Harry Van Mulligen
Committee Chair