

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Wednesday, December 10, 2008

MINUTE NO. 13
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 and John Nilson.

Provincial Auditor's Office

Fred Wendel, Provincial Auditor
Bashar Ahmad, Deputy Provincial Auditor
Judy Ferguson, Deputy Provincial Auditor
Mark Anderson, Principal
Kelly Deis, Principal
Rod Grabarczyk, Principal
Jane Knox, Principal
Jeff Kress, Principal
Kim Lowe, Principal
Andrew Martens, Principal
Rosemarie Volk, Principal
Leslie Wendel, Principal
Bill Harasymchuk, Manager
Jason Shaw, Manager

Provincial Comptroller's Office

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

2. The committee proceeded to consider Chapter 7 (Finance) of the *2008 Report of the Provincial Auditor (Volume 3)*. Ms. Ferguson of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Doug Matthies, Deputy Minister of Finance
Terry Paton, Provincial Comptroller
Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency
Brent Hebert, Director, Financial Services Branch

3. The committee concurred with recommendation 7-4 made at page 114 of Chapter 7 (Finance) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Public Employees Benefits Agency should complete a business continuity plan for the pension and benefit plans it administers. The committee noted that the Public Employees Benefits Agency is making progress towards complying with the recommendation.
4. The committee concurred with recommendation 7-5 made at page 115 of Chapter 7 (Finance) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Public Employees Pension Plan should reconcile investments recorded in its financial records to those reported by the investment managers and the custodian, and document the resolution of significant differences. The committee noted that the Public Employees Pension Plan is making progress towards complying with the recommendation.

5. The committee concurred with recommendation 7-6 made at page 120 of Chapter 7 (Finance) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Pension Annuity Fund Board should establish processes to regularly reconcile the investments reported by the investment manager to the investments reported by the custodian and investigate significant differences. The committee noted that the Saskatchewan Pension Annuity Fund Board is making progress towards complying with the recommendation.
6. The committee recessed from 10:05 a.m. until 10:14 a.m.
7. The committee concurred with recommendation 7-1 made at page 111 of Chapter 7 (Finance) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should make payments from the Judges of the Provincial Court Superannuation Plan in accordance with the law.
8. The committee next considered recommendation 7-2 made at page 112 of Chapter 7 (Finance) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should seek legislative authority to administer the Judges Disability Benefit Program; and recommendation 7-3 made at page 112 of Chapter 7 (Finance) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance should prepare audited financial statements for the Judges Disability Benefit Program and submit them to the Legislative Assembly.
9. It was moved by Mr. Nilson:

The Standing Committee on Public Accounts recommends that the Ministry of Finance and the Ministry of Justice work together to make the appropriate arrangements to have the Judges of the Provincial Court Disability Benefit Program administered in accordance with the law, with the Ministry of Justice preparing the appropriate accounting records.

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

10. The committee proceeded to consider Chapter 20 (Government Accountability) of the *2008 Report of the Provincial Auditor (Volume 3)*. Ms. Knox of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministries of Finance and Executive Council officials appeared before the committee and answered questions:

Witnesses

Doug Matthies, Deputy Minister, Finance

Marian Zerr, Associate Deputy Minister, Cabinet Planning, Executive Council

Raelynn Douglas, Director, Performance Management Branch, Finance

11. The committee recessed from 10:31 a.m. until 10:58 a.m.
12. The committee resumed consideration of the Business and Financial Plan of the Office of the Provincial Auditor for the year ended March 31, 2009.
13. The committee adjourned consideration of the Business and Financial Plan.

14. The committee proceeded to consider Chapter 20 (Public Service Commission) of the *2007 Report of the Provincial Auditor (Volume 3)*, Chapter 9 (Public Service Commission) of the *2008 Report of the Provincial Auditor (Volume 1)* and Chapter 15 (Public Service Commission) of the *2008 Report of the Provincial Auditor (Volume 3)*. Mr. Martens of the Office of the Provincial Auditor provided an overview of the chapter.

The following Ministry of Public Service Commission officials appeared before the committee and answered questions:

Witnesses

Clare Isman, Chair, Public Service Commission

Rick McKillop, Assistant Chair, Human Resource Client Service and Support

Karen Aulie, Assistant Chair, Corporate Human Resource Management and Employee Relations

Raman Visvanathan, Executive Director, Employee Service Centre

Mike Pestill, Director, Corporate Services

15. The committee concurred with recommendation 20-1 made at page 354 of Chapter 20 (Public Service Commission) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Public Service Commission 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 Public Service Commission has complied with the recommendation.
16. The committee concurred with recommendation 20-2 made at page 361 of Chapter 20 (Public Service Commission) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Public Service Commission should have policies and procedures for monitoring user access to MIDAS HR/Payroll. The committee noted that the Public Service Commission has complied with the recommendation.
17. The committee concurred with recommendation 20-3 made at page 362 of Chapter 20 (Public Service Commission) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Public Service Commission should test its disaster recovery plan for MIDAS HR/Payroll. The committee noted that the Public Service Commission has complied with the recommendation.
18. The committee concurred with recommendation 20-4 made at page 363 of Chapter 20 (Public Service Commission) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Public Service Commission should document and test changes to the MIDAS HR/Payroll system. The committee noted that the Public Service Commission has complied with the recommendation.
19. The committee concurred with recommendation 20-5 made at page 364 of Chapter 20 (Public Service Commission) of the *2007 Report of the Provincial Auditor (Volume 3)* that the Public Service Commission should provide user agencies with reports from MIDAS HR/Payroll to help them monitor the accuracy of payroll and approve payroll payments in accordance with *The Financial Administration Act, 1993*. The committee noted that the Public Service Commission has complied with the recommendation.
20. The committee concurred with recommendation 9-1 made at page 113 of Chapter 9 (Public Service Commission) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Public Service Commission should have policies and procedures for monitoring user access to MIDAS HR/Payroll. The committee noted that the Public Service Commission has complied with the recommendation.

21. The committee concurred with recommendation 9-2 made at page 114 of Chapter 9 (Public Service Commission) of the *2008 Report of the Provincial Auditor (Volume 1)* that the Public Service Commission should provide user agencies with written guidance on the processing and approval of payroll payments in accordance with *The Financial Administration Act, 1993*. The committee noted that the Public Service Commission has complied with the recommendation.
22. The committee recessed from 11:34 a.m. until 1:30 p.m.
23. The committee proceeded to consider Chapter 9 (Government Services) of the *2008 Report of the Provincial Auditor (Volume 3)*. Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapter.

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
Shelley Reddekopp, Director, Financial Services Branch, Corporate Support Services Division
Cathy Drader, Director, Telecommunications Branch, Commercial Services Division

24. The committee concurred with recommendation 9-1 made at page 136 of Chapter 9 (Government Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Government Services should sign a service level agreement with the Information Technology Office for information technology services. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
25. The committee concurred with recommendation 9-2 made at page 136 of Chapter 9 (Government Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Government Services should properly segregate duties of its employees to ensure the same employee cannot initiate payments and approve the same payments. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
26. The committee concurred with recommendation 9-3 made at page 137 of Chapter 9 (Government Services) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Ministry of Government Services should establish and use policies to monitor its fuel expenses made with its credit cards to ensure fuel purchases are for government purposes. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
27. The committee proceeded to consider Chapter 11 (Highways and Infrastructure) of the *2008 Report of the Provincial Auditor (Volume 3)*. Ms. Wendel of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

John Law, Deputy Minister
Terry Schmidt, Assistant Deputy Minister, Operations Division

Witnesses (continued)

Ted Stobbs, Assistant Deputy Minister, Corporate Services Division
Gary Diebel, Director, Financial and Administration Branch

28. The committee proceeded to consider Chapter 12 (Information Technology Office) of the *2008 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, Policy and Planning
Darren Hoeving, Director, Business Development

29. The committee concurred with recommendation 12-1 made at page 238 of Chapter 12 (Information Technology Office) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Information Technology Office's human resource plan should:

- Quantify its future human resource needs
- Provide details on the human resource gap between actual and required resources
- Provide measurable indicators and targets for its key strategies
- Provide details on plans to implement the major strategies.

The committee noted that the Information Technology Office is making progress towards complying with the recommendation.

30. The committee concurred with recommendation 12-2 made at page 242 of Chapter 12 (Information Technology Office) of the *2008 Report of the Provincial Auditor (Volume 3)* that the Information Technology Office's human resource plan should establish information technology security policies for its clients. The committee noted that the Information Technology Office is making progress towards complying with the recommendation.

31. It was moved by Mr. Bradshaw:

That this committee do now adjourn.

The question being put, the motion was carried.

32. The committee adjourned at 2:03 p.m. to the call of the chair.

Margaret A. Woods
Committee Clerk

Harry Van Mulligen
Committee Chair