

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**Thursday, January 20, 2011**

**MINUTE NO. 29**  
**9:33 a.m. – Room 8**

1. **Present:** Trent Wotherspoon in the Chair and Members Pat Atkinson, Dan D'Autremont, Doreen Eagles\*, Wayne Elhard\*, Glen Hart, and Warren Michelson.

**Substituting Members**

Doreen Eagles for Rod Gantefer

Wayne Elhard for Warren Michelson (10:42 a.m. – 2:00 p.m. only)

**Provincial Auditor's Office**

Judy Ferguson, Assistant Provincial Auditor

Ed Montgomery, Deputy Provincial Auditor

Mark Anderson, Principal

Kelly Deis, Principal

Bill Harasymchuk, Principal

Mike Heffernan, Principal

Jane Knox, Principal

Michelle Lindenbach, Principal

Kim Lowe, Principal

Glen Nyhus, Principal

Rosemarie Volk, Principal

**Provincial Comptroller's Office**

Terry Paton, Provincial Comptroller

Jane Borland, Manager, Financial Management Branch

2. The committee considered Chapter 19 (Saskatchewan Watershed Authority) of the *2010 Report of the Provincial Auditor (Volume 2)*. Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapter.

The following Saskatchewan Watershed Authority officials appeared before the committee and answered questions:

Witnesses

Wayne Dybvig, Acting President

Bob Charles, Vice-President

3. The committee concurred with recommendation 19-1 made at page 296 of Chapter 19 (Saskatchewan Watershed Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Watershed Authority implement and test a business continuity plan. The committee noted that the Saskatchewan Watershed Authority is making progress towards complying with the recommendation.
4. The committee concurred with recommendation 19-2 made at page 297 of Chapter 19 (Saskatchewan Watershed Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Watershed Authority have an adequate information technology service agreement with Saskatchewan Water Corporation. The committee noted that the Saskatchewan Watershed Authority is making progress towards complying with the recommendation.

5. The committee concurred with recommendation 19-3 made at page 302 of Chapter 19 (Saskatchewan Watershed Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Watershed Authority's Board approve a policy for identifying risks to the water supply. The committee noted that the Saskatchewan Watershed Authority is making progress towards complying with the recommendation.
6. The committee concurred with recommendation 19-4 made at page 302 of Chapter 19 (Saskatchewan Watershed Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Watershed Authority implement a written plan for identifying risks to the water supply.
7. The committee concurred with recommendation 19-5 made at page 304 of Chapter 19 (Saskatchewan Watershed Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Watershed Authority document its processes to collect information about the water supply.
8. The committee concurred with recommendation 19-6 made at page 304 of Chapter 19 (Saskatchewan Watershed Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Watershed Authority systematically evaluate information about the water supply to identify risks.
9. The committee concurred with recommendation 19-7 made at page 304 of Chapter 19 (Saskatchewan Watershed Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Watershed Authority consistently document identified causes of risks to the water supply.
10. The committee considered recommendation 19-8 made at page 305 of Chapter 19 (Saskatchewan Watershed Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Watershed Authority adequately communicate to the public risks about the water supply including likelihood and impact of these risks. It was moved by Mr. D'Autremont:

That the word 'adequately' be removed from the recommendation and the committee concur with the revised recommendation: that the Saskatchewan Watershed Authority communicate to the public risks about the water supply including likelihood and impact of these risks.

A debate arising and the question being put, it was agreed to.

11. The committee recessed from 10:09 a.m. until 10:13 a.m.
12. The committee considered Chapter 2 (Advanced Education, Employment and Labour) of the *2010 Report of the Provincial Auditor (Volume 1)*. Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Advanced Education, Employment and Immigration officials appeared before the committee and answered questions:

Witnesses

Clare Isman, Deputy Minister

Karen Allen, Executive Director, Corporate Services

Dion McGarth, Executive Director, Public Institutions and Infrastructure

13. The committee considered Chapter 2 (Advanced Education, Employment and Immigration) of the *2010 Report of the Provincial Auditor (Volume 2)*. Mr. Montgomery of the Office of the Provincial Auditor provided an overview of the chapter.

The following Advanced Education, Employment and Immigration officials appeared before the committee and answered questions:

Witnesses

Clare Isman, Deputy Minister

Karen Allen, Executive Director, Corporate Services

Dion McGarth, Executive Director, Public Institutions and Infrastructure

14. The committee concurred with recommendation 2-1 made at page 10 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Advanced Education, Employment and Immigration 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 Immigration has complied with the recommendation.
15. The committee concurred with recommendation 2-2 made at page 12 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Apprenticeship and Trade Certification Commission establish rules and procedures to reconcile its accounting records to its cash amount recorded in MIDAS promptly. The committee noted that the Saskatchewan Apprenticeship and Trade Certification Commission has complied with the recommendation.
16. The committee concurred with recommendation 2-3 made at page 13 of Chapter 2 (Advanced Education, Employment and Immigration) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Institute of Applied Science and Technology obtain approval of the Minister of Advanced Education, Employment and Immigration before making purchases of real property.
17. The committee recessed from 10:36 a.m. until 10:42 a.m.
18. The committee considered Chapter 9 (Government Services) of the *2009 Report of the Provincial Auditor (Volume 3)*. Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Ron Dedman, Deputy Minister

Deb Koshman, Assistant Deputy Minister

Helen Huber, Executive Director, Facility Management

Greg Lusk, Executive Director, Commercial Services

Shelley Reddekopp, Director, Financial Services

19. The committee considered Chapter 10 (Government Services) of the *2010 Report of the Provincial Auditor (Volume 2)*. Mr. Deis of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Ron Dedman, Deputy Minister

Deb Koshman, Assistant Deputy Minister  
Helen Huber, Executive Director, Facility Management  
Greg Lusk, Executive Director, Commercial Services  
Shelley Reddekopp, Director, Financial Services

20. The committee concurred with recommendation 10-1 made at page 125 of Chapter 10 (Government Services) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Government Services approve construction contracts in accordance with its signing authority delegation. The committee noted that the Ministry of Government Services has complied with the recommendation.
21. The committee concurred with recommendation 10-2 made at page 125 of Chapter 10 (Government Services) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Government Services review and approve invoices prior to paying suppliers in accordance with *The Financial Administration Act, 1993*. The committee noted that the Ministry of Government Services has complied with the recommendation.
22. The committee concurred with recommendation 10-3 made at page 125 of Chapter 10 (Government Services) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Government Services sign an adequate agreement on disaster recovery and security with the Information Technology Office. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
23. The committee concurred with recommendation 10-4 made at page 126 of Chapter 10 (Government Services) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Government Services adequately monitor the security of its information technology systems and data. The committee noted that the Ministry of Government Services is making progress towards complying with the recommendation.
24. The committee recessed from 11:18 a.m. until 11:22 a.m.
25. The committee considered Chapter 7 (Environment) of the *2010 Report of the Provincial Auditor (Volume 2)*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Liz Quarshie, Deputy Minister  
Lin Gallagher, Assistant Deputy Minister, Resource Management and Compliance Division  
Mark Wittrup, Assistant Deputy Minister, Environmental Protection and Audit Division  
Donna Johnson, Acting Assistant Deputy Minister, Environmental Support Division  
Kevin Murphy, Executive Director, Strategic Planning and Performance Improvement Branch  
Laurel Welsh, Acting Executive Director, Finance and Administration Branch  
Susan Loewen, Director, Financial Management Section, Finance and Administration Branch

26. The committee recessed from 11:32 a.m. until 12:30 p.m.
27. The committee considered Chapter 6 (Energy and Resources) of the *2010 Report of the Provincial Auditor (Volume 2)*. Mr. Heffernan of the Office of the Provincial Auditor provided an overview of the chapter.

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

Witnesses

Kent Campbell, Deputy Minister

Twyla MacDougall, Assistant Deputy Minister, Corporate and Financial Services

Steve Rymes, Acting Assistant Deputy Minister Petroleum and Natural Gas and Director, Engineering Services

28. The committee recessed from 12:34 pm to 12:38 p.m.

29. The committee considered Chapter 15A (Liquor and Gaming Authority) of the *2010 Report of the Provincial Auditor (Volume 2)*. Ms. Lindenbach of the Office of the Provincial Auditor provided an overview of the chapter.

The following Liquor and Gaming Authority officials appeared before the committee and answered questions:

Witnesses

Barry Lacey, President & Chief Executive Officer

Rod Wiley, Vice-President of Corporate Services and Chief Financial Officer

Warren Fry, Vice-President of Gaming Operations

Fiona Cribb, Vice-President of Regulatory Compliance

Michel Carpenter, Executive Assistant to the President and Chief Executive Officer

30. The committee concurred with recommendation 15A-1 made at page 243 of Chapter 15A (Liquor and Gaming Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Liquor and Gaming Authority comply with its approved policy and procedures for evaluating employee performance. The committee noted that the Liquor and Gaming Authority has complied with the recommendation.

31. The committee concurred with recommendation 15A-2 made at page 244 of Chapter 15A (Liquor and Gaming Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Liquor and Gaming Authority manage its contractual costs related to the pension plan for certain employees of the Western Canada Lottery Corporation. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

32. The committee concurred with recommendation 15A-3 made at page 249 of Chapter 15A (Liquor and Gaming Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Liquor and Gaming Authority identify key risks to charitable gaming and use them to focus its evaluation of the Indigenous Gaming Regulators' compliance with the Licensing Agreement. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

33. The committee concurred with recommendation 15A-4 made at page 249 of Chapter 15A (Liquor and Gaming Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Liquor and Gaming Authority's senior management receive timely, summarized, written reports of its quarterly and annual evaluations of the Indigenous Gaming Regulators' compliance with the Licensing Agreement for charitable gaming. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

34. The committee concurred with recommendation 15A-5 made at page 251 of Chapter 15A (Liquor and Gaming Authority) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Liquor and Gaming Authority keep a written record of required actions and proposed changes to its Licensing Agreement for charitable gaming as agreed upon with Indigenous Gaming Regulators Inc. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.
35. The committee considered Chapter 15B (Saskatchewan Indian Gaming Authority Inc.) of the *2010 Report of the Provincial Auditor (Volume 2)*. Ms. Volk of the Office of the Provincial Auditor provided an overview of the chapter.

The following Liquor and Gaming Authority officials appeared before the committee and answered questions:

Witnesses

Barry Lacey, President & Chief Executive Officer  
Rod Wiley, Vice President of Corporate Services and Chief Financial Officer  
Warren Fry, Vice President of Gaming Operations  
Fiona Cribb, Vice President of Regulatory Compliance  
Michel Carpenter, Executive Assistant to the President and Chief Executive Officer

36. The committee concurred with recommendation 15B-1 made at page 260 of Chapter 15B (Saskatchewan Indian Gaming Authority Inc.) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Indian Gaming Authority Inc. adequately segregate responsibilities of information technology staff so that one person cannot both develop and make system changes. The committee noted that the Saskatchewan Indian Gaming Authority Inc. is making progress towards complying with the recommendation.
37. The committee concurred with recommendation 15B-2 made at page 260 of Chapter 15B (Saskatchewan Indian Gaming Authority Inc.) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Indian Gaming Authority Inc. perform regular reviews of its computer application user accounts. The committee noted that the Saskatchewan Indian Gaming Authority Inc. has complied with the recommendation.
38. The committee concurred with recommendation 15B-3 made at page 261 of Chapter 15B (Saskatchewan Indian Gaming Authority Inc.) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Indian Gaming Authority Inc. follow its policies to control capital assets. The committee noted that the Saskatchewan Indian Gaming Authority Inc. is making progress towards complying with the recommendation.
39. The committee concurred with recommendation 15B-4 made at page 262 of Chapter 15B (Saskatchewan Indian Gaming Authority Inc.) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Indian Gaming Authority Inc. follow its computer password setting policy. The committee noted that the Saskatchewan Indian Gaming Authority Inc. has complied with the recommendation.
40. The committee concurred with recommendation 15B-5 made at page 262 of Chapter 15B (Saskatchewan Indian Gaming Authority Inc.) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Indian Gaming Authority Inc. follow its policy of timely review and approval of journal entries. The committee noted that the Saskatchewan Indian Gaming Authority Inc. has complied with the recommendation.

41. The committee concurred with recommendation 15B-6 made at page 264 of Chapter 15B (Saskatchewan Indian Gaming Authority Inc.) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Indian Gaming Authority Inc. comply with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. The committee noted that the Saskatchewan Indian Gaming Authority Inc. is making progress towards complying with the recommendation.

42. The committee considered the Provincial Auditor selection process.

43. It was moved by Mr. Hart:

That the committee do now meet *in camera*.

The question being put, it was agreed to.

44. The committee met *in camera* from 1:19 p.m. until 1:59 p.m.

45. It was moved by Mr. D'Autremont:

That this committee do now adjourn.

The question being put, it was agreed to.

46. The committee adjourned at 2:00 p.m. to the call of the Chair.

---

Kathy Burianyk  
Committee Clerk

---

Trent Wotherspoon  
Committee Chair