

STANDING COMMITTEE ON PUBLIC ACCOUNTS



THIRD REPORT

September 6, 2011

4th SESSION OF THE 26th LEGISLATURE

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN



September 6, 2011

To the Honourable Members of the Legislative Assembly:

HONOURABLE MEMBERS:

I have the pleasure to present the Third Report of the Standing Committee on Public Accounts. The committee is authorized by the Assembly to review and report to the Assembly its observations, opinions and recommendations on the Reports of the Provincial Auditor and on the Public Accounts.

This report reflects the work of the committee for the period March 12, 2009 – June 7, 2011. During this time, the committee examined chapters in five Provincial Auditor reports, considered the business and financial plans for the Office of the Provincial Auditor, hired a new Provincial Auditor, reviewed the Provincial Comptroller Reports and attended two Canadian Council of Public Accounts Committees (CCPAC) and Canadian Council of Legislative Auditors (CCOLA) Annual Conferences.

Respectfully submitted on behalf of the committee,

A stylized blue ink signature of Trent Wotherspoon.

Trent Wotherspoon
Chair
MLA Regina Rosemont

TABLE OF CONTENTS

Introduction	1
Government Response	1
Review of Provincial Auditor's Recommendations	
Summary of the Standing Committee on Public Accounts' review of the	
Provincial Auditors Recommendations.....	2
Advanced Education, Employment and Immigration	5
Advanced Education, Employment and Labour	5
Agriculture	6
Corrections, Public Safety and Policing.....	8
Education	12
Energy and Resources	14
Enterprise and Innovation programs	15
Environment.....	15
Finance	16
First Nations and Métis Relations	19
Government accountability	20
Government's summary-level financial reporting practices	20
Government Services	20
Health	21
Highways and Infrastructure	29
Information Technology Office	30
Justice and Attorney General	32
Liquor and Gaming Authority.....	33
Municipal Affairs.....	37
Public Service Commission	37
Saskatchewan Research Council.....	38
Saskatchewan Watershed Authority.....	39
Social Services	40
Standing Committee on Public Accounts	40
Sunrise Regional Health Authority	40
Tourism, Parks, Culture and Sport.....	41

Workers' Compensation Board.....	43
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Other Work of the Committee

Review of the Business and Financial Plan of the Office of the Provincial Auditor	44
Audit Committee.....	44
Provincial Comptroller Reports	45
Provincial Auditor Competition.....	45
Attendance at CCPAC.....	46
Correspondence from the Saskatchewan Safety Council.....	46

Appendices

Appendix A - Provincial Auditor's Officials	48
Appendix B - Provincial Comptroller's Officials	49
Appendix C - Ministry Officials	50

COMPOSITION OF COMMITTEE

Mr. Trent Wotherspoon, Chair,
Regina Rosemont

Mr. Glen Hart, Deputy Chair
Last Mountain-Touchwood

Ms. Pat Atkinson
Saskatoon Nutana

Mr. Dan D'Autremont
Cannington

Mr. Rod Gantefer
Melfort

Mr. Warren Michelson
Moose Jaw North

Mr. Lyle Stewart
Thunder Creek

Introduction

Membership of the Committee

The inaugural membership of the committee for the 26th Legislature was appointed on December 12, 2007. Since the First Report, presented on March 29, 2009, there have been several membership changes. On June 15, 2009, the Standing Committee on House Services named Pat Atkinson, Dan D'Autremont, Laura Ross, Lyle Stewart and Trent Wotherspoon to the Committee. Later that day, the Standing Committee on Public Accounts nominated and elected Mr. Trent Wotherspoon as the new Chair and Mr. Michael Chisholm as the Deputy Chair. On August 27, 2010, committee membership changed once more. Michael Chisholm and Laura Ross's names were substituted with Glen Hart and Rod Gantefoer respectively. Mr. Glen Hart was nominated as Deputy Chair on September 29, 2010.

The Rules of the Assembly permit the temporary substitution of members on the Standing Committee on Public Accounts. Several Members of the Legislative Assembly have participated in the proceedings and your committee wishes to thank them for their contribution.

Acknowledgments

Your committee expresses its appreciation to the employees of the Office of the Provincial Auditor including new Provincial Auditor, Ms. Bonnie Lysyk, former Provincial Auditor, Mr. Fred Wendel, and former Acting Provincial Auditor, Mr. Brian Atkinson. Your committee would also like to thank the Provincial Comptroller and his staff, and to the many witnesses who appeared before the committee. A list of witnesses is attached to this report as an appendix.

Government Response

Pursuant to Rule 135(7), it is your committee's request that the Government of Saskatchewan respond to this report within 120 days.

Summary of Review of the Provincial Auditor's Recommendations

Your committee reviewed the following reports of the Provincial Auditor:

- *2009 Report of the Provincial Auditor (Volume 1)*
- *2009 Report of the Provincial Auditor (Volume 2)*
- *2009 Report of the Provincial Auditor (Volume 3)*
- *2010 Report of the Provincial Auditor (Volume 1)*
- *2010 Report of the Provincial Auditor (Volume 2)*

The Provincial Auditor made 245 recommendations that required PAC's consideration. Your committee completed its consideration of 235 of those recommendations and your committee concurred with 233 of the Provincial Auditor's recommendations. Of those recommendations where there was agreement, your committee noted 64 recommendations had been complied with and there was progress towards compliance on 125 recommendations.

There were two Provincial Auditor's recommendations that the committee did not concur with. In addition to the Provincial Auditor's recommendations, PAC made three further recommendations. A summary of those recommendations are as follows:

AMENDMENTS TO RECOMMENDATIONS

2009 Report of the Provincial Auditor (Volume 1) – Chapter 7: Information Technology Office

Recommendation 7-5: that the Information Technology Office agree with ministries on relevant service delivery measures and targets. The committee agreed with the intent of the recommendation but did not agree with the wording of the recommendation. It was moved by Mr. D'Autremont:

That the Information Technology Office seek mutual agreement with ministries on relevant service delivery measures and targets.

2010 Report of the Provincial Auditor (Volume 2) – Chapter 19: Saskatchewan Watershed Authority

Recommendation 19-8: 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.

ADDITIONAL RECOMMENDATIONS

2009 Report of the Provincial Auditor (Volume 3) - Chapter 10: Health

COMMITTEE RECOMMENDATION

That the committee adhere to the \$50,000 threshold, in regard to payee disclosure reporting, that was set under the previous administration.

2010 Report of the Provincial Auditor (Volume 2) – Chapter 11C: Maintenance of Medical Equipment

COMMITTEE RECOMMENDATION

That Kelsey Trail Health Authority and the Ministry of Health report to PAC on September 30, 2011 the progress achieved on the Auditor's recommendations in the 2010 Report Volume 2 Chapter 11C.

2010 Report of the Provincial Auditor (Volume 2) – Chapter 13: Information Technology Office

COMMITTEE RECOMMENDATION

That when the Provincial Auditor next reports that they take a look at all of the necessary protections that ITO has in place to ensure the citizens of Saskatchewan that their third party contractor cannot share information with the parent company where the parent company is subject to the *Patriot Act*.

MOTIONS DEFEATED

2010 Report of the Provincial Auditor (Volume 2) – Chapter 8: Finance

Upon discussion of recommendations made in Chapter 8, it was moved by Ms. Atkinson:

That PAC recommends that the General Revenue Fund's financial statements record pension costs and transfers in accordance with Canadian generally accepted accounting principles for the public sector.

A debate arising and the question being put, the motion was defeated on the following Recorded Division:

YEAS – 2

Atkinson

Wotherspoon

NAYS – 4

Chisholm

D'Autremont

Gantefoer

Stewart

2010 Report of the Provincial Auditor (Volume 2) – Chapter 23: Government's summary-level financial reporting practices

Upon discussion of Chapter 23, it was moved by Ms. Atkinson:

That the committee concur with the previous outstanding recommendations made by the Provincial Auditor relating to the government reporting its financial plans and results.

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

Provincial Auditor's Recommendations

ADVANCED EDUCATION, EMPLOYMENT AND IMMIGRATION

Chapter 2 – 2010 Report of the Provincial Auditor (Volume 2)

User access

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.

Saskatchewan Apprenticeship and Trade Certification Commission

Better control over cash needed

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.

Saskatchewan Institute of Applied Science and Technology

Purchase without Minister's approval

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.

ADVANCED EDUCATION, EMPLOYMENT AND LABOUR

Chapter 2 – 2009 Report of the Provincial Auditor (Volume 3)

Information technology strategic plan needed

The committee concurred with recommendation 2-1 made at page 30 of Chapter 2 (Advanced Education, Employment and Labour) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Advanced Education, Employment and Labour prepare an information technology strategic plan. The committee noted that the Ministry of Advanced Education, Employment and Labour is making progress towards complying with the recommendation.

Chapter 2 – 2010 Report of the Provincial Auditor (Volume 1)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

AGRICULTURE

Chapter 2 – 2009 Report of the Provincial Auditor (Volume 1)

Milk Control Board

Inadequate segregation of accounting duties

The committee concurred with recommendation 2-1 made at page 29 of Chapter 2 (Agriculture) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Milk Control Board assign responsibilities so that accounting functions that are not compatible are appropriately separated.

The committee concurred with recommendation 2-2 made at page 29 of Chapter 2 (Agriculture) of the *2009 Report of the Provincial Auditor (Volume 1)* that all employees of the Milk Control Board have job descriptions that accurately reflect their responsibilities.

Employment contract not filed when required

The committee concurred with recommendation 2-3 made at page 30 of Chapter 2 (Agriculture) of the *2009 Report of the Provincial Auditor (Volume 1)* that all employment contracts of Milk Control Board employees who fall under *The Crown Employment Contracts Act* be filed with the Clerk of Executive Council as required by law. The committee noted that the Ministry of Agriculture has complied with the recommendation.

The committee concurred with recommendation 2-4 made at page 30 of Chapter 2 (Agriculture) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Milk Control Board develop procedures so that employment contracts are filed as required by law.

Chapter 3 – 2009 Report of the Provincial Auditor (Volume 3)

Accounting estimates need strengthening

The committee concurred with recommendation 3-1 made at page 42 of Chapter 3 (Agriculture) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Agriculture consistently document key assumptions used when making significant accounting estimates.

Saskatchewan Agricultural Stabilization Fund

Employees need to follow established processes

The committee concurred with recommendation 3-2 made at page 48 of Chapter 3 (Agriculture) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Agriculture follow its established processes for preparing accurate internal financial reports and year-end financial statements for the Saskatchewan Agricultural Stabilization Fund. The committee noted that the Ministry of Agriculture has complied with the recommendation.

Chapter 3 – 2010 Report of the Provincial Auditor (Volume 1)

Milk Control Board

Adequate policies for bank reconciliations and journal entries needed

The committee concurred with recommendation 3-1 made at page 13 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Milk Control Board set adequate

policies for the timely preparation and approval of bank reconciliations and journal entries. The committee noted that the Ministry of Agriculture has complied with the recommendation.

Saskatchewan Crop Insurance Corporation – security awareness processes

Security policies incorporate security awareness program

The committee concurred with recommendation 3-2 made at page 19 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Crop Insurance Corporation include in its privacy and security policies a requirement for a formal security awareness program. The committee noted that the Ministry of Agriculture has complied with the recommendation.

The committee concurred with recommendation 3-3 made at page 19 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Crop Insurance Corporation document who is responsible to ensure that security awareness activities are regularly carried out. The committee noted that the Ministry of Agriculture has complied with the recommendation.

Inform users of their information security responsibilities through the formal security awareness program

The committee concurred with recommendation 3-4 made at page 20 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Crop Insurance Corporation document its plan for delivery of its security awareness program and carry out the plan. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.

Periodically review the effectiveness of the security awareness program

The committee concurred with recommendation 3-5 made at page 20 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Crop Insurance Corporation monitor the effectiveness of its security awareness program. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.

Chapter 3 – 2010 Report of the Provincial Auditor (Volume 2)

Need to charge for all uses in surface leases

The committee concurred with recommendation 3-1 made at page 26 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Agriculture develop processes to collect sufficient information on petroleum and natural gas leased lands to enable it to charge the correct surface lease rates as set out in *The Provincial Land Regulations*. The committee noted that the Ministry of Agriculture has complied with the recommendation.

Need to strengthen information technology processes

The committee concurred with recommendation 3-2 made at page 27 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Agriculture prepare a written information technology plan. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.

The committee concurred with recommendation 3-3 made at page 28 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Agriculture have tested

disaster recovery plans for its critical computer systems. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.

The committee concurred with recommendation 3-4 made at page 28 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Agriculture obtain assurance from the Information Technology Office on the operating effectiveness of Information Technology Office's controls over its client systems and data and assess the impact of deficient controls on Agriculture's operations. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.

The committee concurred with recommendation 3-5 made at page 28 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Agriculture follow its procedures for making timely changes to computer user access. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.

Financial records need reconciling

The committee concurred with recommendation 3-6 made at page 30 of Chapter 3 (Agriculture) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Agriculture follow its procedures for reconciling its detailed records to its financial records. The committee noted that the Ministry of Agriculture is making progress towards complying with the recommendation.

CORRECTIONS, PUBLIC SAFETY AND POLICING

Chapter 3 – 2009 Report of the Provincial Auditor (Volume 1)

Fines not in accordance with legislation

The committee concurred with recommendation 3-1 made at page 35 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing work with law enforcement agencies to ensure the voluntary payment option on issued tickets is consistent with the law. The committee noted that the Ministry of Corrections, Public Safety and Policing is making progress towards complying with the recommendation.

Segregation of duties needed

The committee concurred with recommendation 3-2 made at page 36 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing properly segregate duties of employees to ensure the same employee cannot initiate payments and approve the same payments. The committee noted that the Ministry of Corrections, Public Safety and Policing has complied with the recommendation.

Internal audit needs strengthening

The committee concurred with recommendation 3-3 made at page 37 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing follow its policy for its internal audit function to focus on the activities where the Ministry is at greatest risk.

Better information technology processes needed

The committee concurred with recommendation 3-4 made at page 37 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry

of Corrections, Public Safety and Policing sign an adequate agreement on disaster recovery and security with the Information Technology Office.

The committee concurred with recommendation 3-5 made at page 38 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing prepare strategic and operational information technology plans that link to its strategic business objectives. The committee noted that the Ministry of Corrections, Public Safety and Policing has complied with the recommendation.

The committee concurred with recommendation 3-6 made at page 38 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing adequately monitor the security of its information technology systems and data. The committee noted that the Ministry of Corrections, Public Safety and Policing is making progress towards complying with the recommendation.

Service agreement required

The committee concurred with recommendation 3-7 made at page 40 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing make an agreement with the Public Service Commission for providing payroll services. The committee noted that the Ministry of Corrections, Public Safety and Policing has complied with the recommendation.

Monitoring provincial policing services delivered by the RCMP

Establish an appropriate service agreement

The committee concurred with recommendation 3-8 made at page 44 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing establish an adequate provincial policing services agreement with the Royal Canadian Mounted Police that:

- includes performance targets to measure progress towards planned objectives
- allows for verification that costs charged by the Royal Canadian Mounted Police for provincial policing are accurate
- requires adequate written explanations of differences between planned and actual results
- describes processes for resolving disputes

Monitor service performance

The committee concurred with recommendation 3-9 made at page 45 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing ensure it communicates to the Royal Canadian Mounted Police in writing its provincial policing service level objectives and priorities each year.

The committee concurred with recommendation 3-10 made at page 46 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing obtain regular reports from the Royal Canadian Mounted Police on progress towards service level objectives and priorities, including explanations of differences between actual and planned results.

The committee concurred with recommendation 3-11 made at page 46 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry

of Corrections, Public Safety and Policing verify that costs charged by the Royal Canadian Mounted Police for provincial policing are accurate.

Manage ongoing service delivery

The committee concurred with recommendation 3-12 made at page 47 of Chapter 3 (Corrections, Public Safety and Policing) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing identify and treat all significant risks to police service delivery by the Royal Canadian Mounted Police.

Chapter 4 – 2010 Report of the Provincial Auditor (Volume 1)

Timely bank reconciliations needed

The committee concurred with recommendation 4-1 made at page 29 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing follow its rules and procedures to reconcile its recorded trust bank balances to the bank's records on a timely basis. The committee noted that the Ministry of Corrections, Public Safety and Policing has complied with the recommendation.

Shared services agreement needs to be followed

The committee concurred with recommendation 4-2 made at page 30 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing comply with the terms of the shared services agreement with the Ministry of Justice and Attorney General. The committee noted that the Ministry of Corrections, Public Safety and Policing is making progress towards complying with the recommendation.

Need to follow payroll guidance

The committee concurred with recommendation 4-3 made at page 31 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing supervise its employees to ensure they follow the Ministry's policies and procedures for paying amounts owed to employees. The committee noted that the Ministry of Corrections, Public Safety and Policing is making progress towards complying with the recommendation.

Processes to manage labour costs related to absenteeism

Expectations not clear

The committee concurred with recommendation 4-4 made at page 41 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing communicate to employees guiding principles such as personal accountability and fiscal responsibility. The committee noted that the Ministry of Corrections, Public Safety and Policing is making progress towards complying with the recommendation.

The committee concurred with recommendation 4-5 made at page 42 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing set formal thresholds to monitor sick leave and excessive hours worked and communicate these thresholds to corrections workers. The committee noted that the Ministry of Corrections, Public Safety and Policing has complied with the recommendation.

Employees do not work as scheduled

The committee concurred with recommendation 4-6 made at page 44 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing monitor and control changes to work schedules to minimize labour costs in correctional centres (e.g. approval of shift trades, pay out of overtime). The committee noted that the Ministry of Corrections, Public Safety and Policing is making progress towards complying with the recommendation.

Risks influencing labour costs not identified

The committee concurred with recommendation 4-7 made at page 45 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing pay corrections workers for actual hours worked. The committee noted that the Ministry of Corrections, Public Safety and Policing is making progress towards complying with the recommendation.

The committee concurred with recommendation 4-8 made at page 45 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing establish processes to verify accurate data-entry of hours worked into the payroll system before paying employees. The committee noted that the Ministry of Corrections, Public Safety and Policing is making progress towards complying with the recommendation.

The committee concurred with recommendation 4-9 made at page 46 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing periodically analyze absenteeism patterns and regularly report to senior management the risk factors that influence labour costs in correctional centres. The analysis should include all types of absenteeism (e.g. use of sick leave, shift trades) and related overtime costs. The committee noted that the Ministry of Corrections, Public Safety and Policing has complied with the recommendation.

Factors driving excess labour costs not minimized

The committee concurred with recommendation 4-10 made at page 48 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing establish adequate supervisory roles and responsibilities so that supervisors take prompt action on excessive absenteeism and overtime in correctional centres. The committee noted that the Ministry of Corrections, Public Safety and Policing is making progress towards complying with the recommendation.

The committee concurred with recommendation 4-11 made at page 48 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Corrections, Public Safety and Policing implement an attendance management policy. The committee noted that the Ministry of Corrections, Public Safety and Policing has complied with the recommendation.

Chapter 4 – 2010 Report of the Provincial Auditor (Volume 2)

Accurate and timely financial records and reports needed

The committee concurred with recommendation 4-1 made at page 41 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Corrections, Public Safety and Policing implement adequate processes to prepare accurate and

timely financial records and statements for the Correctional Facilities Industries Revolving Fund. The committee noted that the Ministry of Corrections, Public Safety and Policing has complied with the recommendation.

Comply with terms of policing agreements

The committee concurred with recommendation 4-2 made at page 42 of Chapter 4 (Corrections, Public Safety and Policing) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Corrections, Public Safety and Policing establish adequate written policies and procedures for making payments to First Nations for policing services. The committee noted that the Ministry of Corrections, Public Safety and Policing is making progress towards complying with the recommendation.

EDUCATION

Chapter 4 – 2009 Report of the Provincial Auditor (Volume 1)

Teachers' Superannuation Commission

Segregation of duties needed

The committee concurred with recommendation 4-1 made at page 55 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Teachers' Superannuation Commission segregate the duties of employees responsible for the receipt and payment of public money to reduce the risk of errors or fraud. The committee noted that the Ministry of Education is making progress towards complying with the recommendation.

Payments without support

The committee concurred with recommendation 4-2 made at page 57 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Teachers' Superannuation Commission have adequate support for all payments.

The committee concurred with recommendation 4-3 made at page 57 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Teachers' Superannuation Commission comply with *The Teachers Superannuation and Disability Benefits Act* when paying pension benefits.

Contributions into and payments out of the Teachers' Superannuation Fund lack authority

The committee concurred with recommendation 4-4 made at page 58 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Teachers' Superannuation Commission comply with *The Teachers Superannuation and Disability Benefits Act* by not putting disability contributions into and making disability payments out of the Teachers' Superannuation Fund.

Need to reconcile bank accounts

The committee concurred with recommendation 4-5 made at page 59 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Teachers' Superannuation Commission follow its rules and procedures for reconciling its bank accounts to its financial records. The committee noted that the Ministry of Education is making progress towards complying with the recommendation.

Commission needs to monitor cash flow

The committee concurred with recommendation 4-6 made at page 60 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Teachers' Superannuation Commission establish adequate processes for managing its cash flow needs.

Monitoring of investments needed

The committee concurred with recommendation 4-7 made at page 61 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Teachers' Superannuation Commission establish adequate processes to verify investments exist, are properly valued, and recorded in its financial records.

Processes to oversee actuarial valuations needed

The committee concurred with recommendation 4-8 made at page 62 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Teachers' Superannuation Commission follow its written guidance for preparing valuations of accrued pension and disability benefits and related plan assets.

Chapter 4 – 2009 Report of the Provincial Auditor (Volume 3)

Library financial statements

The committee concurred with recommendation 4-1 made at page 55 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Education require all public libraries to prepare their financial statements following the standards as recommended by The Canadian Institute of Chartered Accountants. The committee noted that the Ministry of Education is making progress towards complying with the recommendation.

Information technology strategic plan needed

The committee concurred with recommendation 4-2 made at page 55 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Education prepare an information technology strategic plan. The committee noted that the Ministry of Education is making progress towards complying with the recommendation.

Achieving compliance in delivery of instruction time

Communicate requirements

The committee concurred with recommendation 4-3 made at page 61 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Education define "instruction time" to set clear expectations for delivery of the core curriculum.

The committee concurred with recommendation 4-4 made at page 62 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Education require school divisions to publicly report on their performance in meeting the Ministry's instruction time requirements.

Monitor achievement of requirements

The committee concurred with recommendation 4-5 made at page 63 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Education monitor for all core curriculum areas of study the extent to which school divisions meet the Ministry's requirements for instruction time.

Take corrective action

The committee concurred with recommendation 4-6 made at page 64 of Chapter 4 (Education) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Education take corrective action where necessary to improve school division compliance with the Ministry's requirements for instruction time.

Chapter 5 – 2010 Report of the Provincial Auditor (Volume 1)

Teachers' Superannuation Commission

Adequate insurance agreements

The committee concurred with recommendation 5-1 made at page 60 of Chapter 5 (Education) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Teachers' Superannuation Commission implement adequate processes to establish and monitor agreements with the insurance company. The committee noted that the Teachers' Superannuation Commission is making progress towards complying with the recommendation.

Regulating child care facilities

Monitor child care facilities to enforce standards

The committee concurred with recommendation 5-2 made at page 67 of Chapter 5 (Education) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Education monitor key health, safety, and programming requirements of *The Child Care Regulations* during unscheduled visits to child care facilities and document its findings. The committee noted that the Ministry of Education has complied with the recommendation.

The committee concurred with recommendation 5-3 made at page 68 of Chapter 5 (Education) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Education report trends in child care facilities' compliance with *The Child Care Regulations* to senior management quarterly and to the public annually. The committee noted that the Ministry of Education is making progress towards complying with the recommendation.

Chapter 5 – 2010 Report of the Provincial Auditor (Volume 2)

Better controls over grants needed

The committee concurred with recommendation 5-1 made at page 55 of Chapter 5 (Education) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Education approve major capital grants in accordance with its signing authority delegation. The committee noted that the Ministry of Education has complied with the recommendation.

ENERGY AND RESOURCES

Chapter 6 – 2010 Report of the Provincial Auditor (Volume 2)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

ENTERPRISE AND INNOVATION PROGRAMS

Chapter 5 – 2009 Report of the Provincial Auditor (Volume 3)

Verifying compliance with LSVCC's investments

The committee concurred with recommendation 5-1 made at page 74 of Chapter 5 (Enterprise and Innovation programs) of the *2009 Report of the Provincial Auditor (Volume 3)* that Enterprise Saskatchewan develop and carry out a risk-based audit program to verify labour-sponsored venture capital corporations' compliance with *The Labour Sponsored Venture Capital Corporations Act*. The committee noted that Enterprise Saskatchewan has complied with the recommendation.

ENVIRONMENT

Chapter 6 – 2009 Report of the Provincial Auditor (Volume 3)

Better human resource plan

The committee concurred with recommendation 6-1 made at page 81 of Chapter 6 (Environment) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment complete the identification of its human resource needs and develop strategies to address any competency gaps. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.

Controls to count and value inventory

The committee concurred with recommendation 6-2 made at page 89 of Chapter 6 (Environment) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment establish adequate processes to determine its inventory. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.

Internal audit needs strengthening

The committee concurred with recommendation 6-3 made at page 95 of Chapter 6 (Environment) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment:

- approve an adequate internal auditor work plan
- receive regular reports from the internal auditor and take action.

The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.

Regulating reforestation

Setting out reforestation requirements

The committee concurred with recommendation 6-4 made at page 101 of Chapter 6 (Environment) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment establish processes for setting reforestation terms and conditions and for approving forest product permits. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.

The committee concurred with recommendation 6-5 made at page 101 of Chapter 6 (Environment) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment establish processes to set reforestation fees at a level to cover reforestation costs. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.

Monitoring forest operators' reforestation activities

The committee concurred with recommendation 6-6 made at page 103 of Chapter 6 (Environment) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment set a formal plan to ensure proper reforestation of the forest. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.

The committee concurred with recommendation 6-7 made at page 104 of Chapter 6 (Environment) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment establish processes to monitor operators' compliance with reforestation requirements. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.

The committee concurred with recommendation 6-8 made at page 104 of Chapter 6 (Environment) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment establish processes to verify that:

- the operators paid the correct fees to the relevant forest management fund or forest trust fund
- the managers of these funds use the money collected for the purposes intended including reforestation.

Report on reforestation activities

The committee concurred with recommendation 6-9 made at page 105 of Chapter 6 (Environment) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment receive regular reports with adequate information to properly oversee and regulate reforestation. The committee noted that the Ministry of Environment is making progress towards complying with the recommendation.

The committee concurred with recommendation 6-10 made at page 105 of Chapter 6 (Environment) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Environment develop a communication strategy to inform stakeholders about the effectiveness of reforestation activities in the Province.

Chapter 7 – 2010 Report of the Provincial Auditor (Volume 2)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

FINANCE

Chapter 5 – 2009 Report of the Provincial Auditor (Volume 1)

Employee benefit plans

Need adequate policies for bank reconciliations and journal entries

The committee concurred with recommendation 5-1 made at page 70 of Chapter 5 (Finance) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Public Employees Benefits Agency implement adequate policies governing the preparation and approval of bank reconciliations and journal entries. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

Treasury management

Setting investment expectations and measuring performance

The committee concurred with recommendation 5-2 made at page 74 of Chapter 5 (Finance) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Finance set out its investment expectations in sufficient detail to make possible the measurement and evaluation of its investment performance.

The committee concurred with recommendation 5-3 made at page 74 of Chapter 5 (Finance) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Finance report to its senior management (e.g. Deputy Minister) and Treasury Board, at least quarterly, on its compliance with its investment guidelines and expectations. The committee noted that the Ministry of Finance has complied with the recommendation.

The committee concurred with recommendation 5-4 made at page 74 of Chapter 5 (Finance) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Finance periodically carry out an internal audit to assess and report to senior management on compliance with its investment guidelines and expectations. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

The committee concurred with recommendation 5-5 made at page 76 of Chapter 5 (Finance) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Finance monitor and report publicly on the performance of the investments in its sinking funds.

Agreements for investment services needed

The committee concurred with recommendation 5-6 made at page 78 of Chapter 5 (Finance) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Finance agree on respective roles and responsibilities, in writing, with agencies that receive its investment services. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

Documenting procedures

The committee concurred with recommendation 5-7 made at page 79 of Chapter 5 (Finance) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Finance document its key treasury management procedures in sufficient detail so it can continue to operate effectively after staff turnover. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

2009 Report of the Provincial Auditor (Volume 2)

Your committee reports that this volume was received and reviewed for informational purposes and that there were no new recommendations on which to report.

Chapter 7 – 2009 Report of the Provincial Auditor (Volume 3)

Better control over bank accounts needed

The committee concurred with recommendation 7-1 made at page 126 of Chapter 7 (Finance) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance follow its established

rules and procedures and reconcile recorded bank balances to the bank's records promptly. The committee noted that the Ministry of Finance has complied with the recommendation.

Public Service Superannuation Plan

Legislative requirements for annual reports are inconsistent

The committee concurred with recommendation 7-2 made at page 136 of Chapter 7 (Finance) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Public Service Superannuation Board seek changes to its legislation to remove personal information disclosures required in its annual report by Section 69(1) of *The Public Service Superannuation Act*.

Oversight of the Ministry's information technology

Implement an IT governance framework

The committee concurred with recommendation 7-3 made at page 139 of Chapter 7 (Finance) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance develop an information technology risk management plan based on an analysis of information technology risks. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

The committee concurred with recommendation 7-4 made at page 139 of Chapter 7 (Finance) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Finance implement a strategic information technology plan that aligns with its strategic business objectives. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

Chapter 8 – 2010 Report of the Provincial Auditor (Volume 2)

Payroll service agreement needed

The committee concurred with recommendation 8-1 made at page 91 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Finance maintain a current service level agreement with the Public Service Commission for the provision of payroll services. The committee noted that the Ministry of Finance has complied with the recommendation.

Better information technology processes needed

The committee concurred with recommendation 8-2 made at page 92 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Finance require the Information Technology Office (ITO) to give it, each year, information on the adequacy of ITO's controls for keeping Finance's computer systems and data secure and available. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

The committee concurred with recommendation 8-3 made at page 93 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Finance follow its processes for removing unneeded user access to its information technology systems and data promptly. The committee noted that the Ministry of Finance has complied with the recommendation.

Public Employees Benefit Agency and pension plans it administers

Need to follow policies for bank reconciliations and journal entries

The committee concurred with recommendation 8-4 made at page 99 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency follow

its policies for the timely review and approval of bank reconciliations and journal entries for the Public Service Superannuation Plan. The committee noted that the Ministry of Finance has complied with the recommendation.

Show management commitment to security

The committee concurred with recommendation 8-5 made at page 105 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency periodically review the completeness of its information technology policies. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

The committee concurred with recommendation 8-6 made at page 105 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency periodically test the effectiveness of its information technology security. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

Protect systems and data from unauthorized access

The committee concurred with recommendation 8-7 made at page 106 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency comply with its security policy of monitoring software developers' access to its information systems and data. The committee noted that the Ministry of Finance has complied with the recommendation.

Keep systems and data available for operation

The committee concurred with recommendation 8-8 made at page 107 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency implement and test its disaster recovery plan. The committee noted that the Ministry of Finance is making progress towards complying with the recommendation.

Maintain the integrity of systems and data

The committee concurred with recommendation 8-9 made at page 108 of Chapter 8 (Finance) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Employees Benefits Agency implement its approved policies and procedures for making changes to its information technology infrastructure. The committee noted that the Ministry of Finance has complied with the recommendation.

FIRST NATIONS AND MÉTIS RELATIONS

Chapter 8 – 2009 Report of the Provincial Auditor (Volume 3)

Better monitoring of user access needed

The committee concurred with recommendation 8-1 made at page 150 of Chapter 8 (First Nations and Métis Relations) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of First Nations and Métis Relations follow its established procedures for removing user access to its computer systems and data. The committee noted that the Ministry of First Nations and Métis Relations has complied with the recommendation.

Chapter 9 – 2010 Report of the Provincial Auditor (Volume 2)

Employees need to follow established processes

The committee concurred with recommendation 9-1 made at page 118 of Chapter 9 (First Nations and Métis Relations) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of First

Nations and Métis Relations follow its established policies and procedures for its loan programs. The committee noted that the Ministry of First Nations and Métis Relations is making progress towards complying with the recommendation.

GOVERNMENT ACCOUNTABILITY

Chapter 19 – 2009 Report of the Provincial Auditor (Volume 3)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

GOVERNMENT'S SUMMARY-LEVEL FINANCIAL REPORTING PRACTICES

Chapter 23 – 2010 Report of the Provincial Auditor (Volume 2)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

GOVERNMENT SERVICES

Chapter 6 – 2009 Report of the Provincial Auditor (Volume 1)

Maintaining buildings

Obtain reliable information on assets

The committee concurred with recommendation 6-1 made at page 86 of Chapter 6 (Government Services) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Government Services establish and implement processes to ensure the information on its buildings is accurate, complete and available.

Develop a maintenance plan

The committee concurred with recommendation 6-2 made at page 88 of Chapter 6 (Government Services) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Government Services approve adequate maintenance plans for all the buildings the Ministry owns.

The committee concurred with recommendation 6-3 made at page 88 of Chapter 6 (Government Services) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Government Services sign adequate agreements with its clients that describe each of the parties' responsibilities.

Carry out maintenance effectively

The committee concurred with recommendation 6-4 made at page 89 of Chapter 6 (Government Services) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Government Services have processes so that maintenance is effectively carried out on all of its buildings.

Monitor performance

The committee concurred with recommendation 6-5 made at page 89 of Chapter 6 (Government Services) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Government Services provide senior management adequate reports to monitor the process to maintain its buildings.

Chapter 9 – 2009 Report of the Provincial Auditor (Volume 3)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

Chapter 10 – 2010 Report of the Provincial Auditor (Volume 2)

Follow delegation of authority for construction contracts and payments

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.

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.

Better information technology processes needed

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.

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.

HEALTH

Chapter 10 – 2009 Report of the Provincial Auditor (Volume 3)

Chapter 10A - Health

In addition to the Provincial Auditor's recommendations, it was moved by Mr. Stewart:

That the committee adhere to the \$50,000 threshold, in regard to payee disclosure reporting, that was set under the previous administration.

Saskatchewan Cancer Agency

Better compliance with established processes needed

The committee concurred with recommendation 10A-1 made at page 172 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Saskatchewan Cancer Agency follow its processes to control its bank account when making payments to employees. The committee noted that the Saskatchewan Cancer Agency is making progress towards complying with the recommendation.

Chapter 10B - Regional Health Authorities

Controlling bank accounts

The committee concurred with recommendation 10B-1 made at page 188 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Prairie North Regional Health Authority follow its established processes to control its bank account when paying its suppliers. The committee noted that the Prairie North Regional Health Authority has complied with the recommendation.

The committee concurred with recommendation 10B-2 made at page 188 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Kelsey Trail Regional Health Authority follow its established processes to control its bank account when paying its suppliers. The committee noted that the Kelsey Trail Regional Health Authority has complied with the recommendation.

Information technology (IT) policies and procedures

The committee concurred with recommendation 10B-3 made at page 189 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Kelsey Trail Regional Health Authority adequately protect its information technology systems and data. The committee noted that the Kelsey Trail Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 10B-4 made at page 190 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Heartland Regional Health Authority adequately protect its information technology systems and data. The committee noted that the Heartland Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 10B-5 made at page 190 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Regina Qu'Appelle Regional Health Authority adequately protect its information technology systems and data. The committee noted that the Regina Qu'Appelle Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 10B-6 made at page 190 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Keewatin Yatthé Health Authority establish an adequate agreement with its information technology service provider. The committee noted that the Keewatin Yatthé Health Authority is making progress towards complying with the recommendation.

Internal audit function

The committee concurred with recommendation 10B-7 made at page 192 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Prairie North Regional Health Authority assess the need for an internal audit function. The committee noted that the Prairie North Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 10B-8 made at page 192 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Prince Albert Parkland Regional Health Authority assess the need for an internal audit function. The committee noted that the Prince Albert Parkland Regional Health Authority is making progress towards complying with the recommendation.

Controlling capital assets

The committee concurred with recommendation 10B-9 made at page 193 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Heartland Regional Health Authority maintain a current list of its capital assets. The committee noted that the Heartland Regional Health Authority is making progress towards complying with the recommendation.

Improving oversight of affiliates

The committee concurred with recommendation 10B-10 made at page 193 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Regina Qu'Appelle Regional Health Authority obtain all the required reports from its affiliates in a timely manner and review those reports to monitor affiliates' spending. The committee noted that the Regina Qu'Appelle Regional Health Authority has complied with the recommendation.

Adequacy of human resource planning

Analyze gaps in human resources

The committee concurred with recommendation 10B-11 made at page 195 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Regina Qu'Appelle Regional Health Authority analyze the extent of its workforce gaps and estimate their future impact on service delivery. The committee noted that the Regina Qu'Appelle Regional Health Authority is making progress towards complying with the recommendation.

Outline how to implement major strategies

The committee concurred with recommendation 10B-12 made at page 196 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Regina Qu'Appelle Regional Health Authority clarify the resources it needs to implement its human resources plan. The committee noted that the Regina Qu'Appelle Regional Health Authority has complied with the recommendation.

The committee concurred with recommendation 10B-13 made at page 197 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Regina Qu'Appelle Regional Health Authority identify human resources risks and monitor them at least quarterly using key performance measures. The committee noted that the Regina Qu'Appelle Regional Health Authority has complied with the recommendation.

The committee concurred with recommendation 10B-14 made at page 197 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Saskatoon Regional Health Authority clarify the resources it needs to implement its human resources plan. The committee noted that the Saskatoon Regional Health Authority has complied with the recommendation.

Adequacy of disaster recovery plans

The committee concurred with recommendation 10B-15 made at page 199 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that all regional health authorities establish

adequate disaster recovery plans and test those plans to ensure their effectiveness. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

Chapter 10C – Electronic health records

Plans guide and direct the implementation of a Canada-wide compatible EHR system

The committee concurred with recommendation 10C-1 made at page 220 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Health's strategic plan include its strategy for the electronic health record system. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

The committee concurred with recommendation 10C-2 made at page 221 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Health develop an operational plan to guide the development and implementation of the electronic health record system. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

Manage projects based on recognized project management methodology to achieve expected results including a compatible EHR system

The committee concurred with recommendation 10C-3 made at page 222 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Health monitor its overall costs and timelines, compared to its plans, for development and implementation of the electronic health record system. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

Report progress in achieving its goal(s) identified in its EHR strategy

The committee concurred with recommendation 10C-4 made at page 223 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Health develop performance measures to allow it to assess and report its progress in achieving the electronic health record benefits. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

Chapter 10D – Equipment disposal

Set policies and procedures

The committee concurred with recommendation 10D-1 made at page 230 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Heartland Regional Health Authority document its procedures to remove confidential information during disposal of information technology and communications equipment. The committee noted that the Heartland Regional Health Authority is making progress towards complying with the recommendation.

Ensure sensitive data is removed or securely overwritten prior to disposal

The committee concurred with recommendation 10D-2 made at page 231 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Heartland Regional Health Authority document that it follows its approved policy and procedures when disposing of information

technology and communications equipment. The committee noted that the Heartland Regional Health Authority has complied with the recommendation.

The committee concurred with recommendation 10D-3 made at page 232 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that Heartland Regional Health Authority regularly verify that its procedures to remove sensitive information from information technology and communications equipment are effective.

Chapter 10E – Patient safety

Use of patient safety processes

The committee concurred with recommendation 10E-1 made at page 239 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Regina Qu'Appelle Regional Health Authority communicate to its staff and physicians the highest risks to patient safety, the factors contributing to them, and recommended action. The committee noted that the Regina Qu'Appelle Regional Health Authority is making progress towards complying with the recommendation.

Monitoring patient safety needs strengthening

The committee concurred with recommendation 10E-2 made at page 242 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Regina Qu'Appelle Regional Health Authority analyze the factors contributing to reported events causing harm to patients and use that analysis to guide region-wide action. The committee noted that the Regina Qu'Appelle Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 10E-3 made at page 242 of Chapter 10 (Health) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Regina Qu'Appelle Regional Health Authority receive, at least annually, a report of patient safety results including targets, outstanding patient safety concerns, and feasible options to resolve them. The committee noted that the Regina Qu'Appelle Regional Health Authority has complied with the recommendation.

Chapter 6 – 2010 Report of the Provincial Auditor (Volume 1)

Obtain proposals fairly

The committee concurred with recommendation 6-1 made at page 77 of Chapter 6 (Health) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health establish a process to debrief unsuccessful vendors on their information technology proposals. The committee noted that the Ministry of Health has complied with the recommendation.

The committee concurred with recommendation 6-2 made at page 77 of Chapter 6 (Health) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health establish an appeal mechanism to deal with vendors' complaints/disagreements. The committee noted that the Ministry of Health has complied with the recommendation.

The committee concurred with recommendation 6-3 made at page 77 of Chapter 6 (Health) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health establish processes to ensure all requests for proposals for specific information technology expertise or services include complete criteria for evaluating those proposals. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

Select suppliers fairly for required services

The committee concurred with recommendation 6-4 made at page 78 of Chapter 6 (Health) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health use consistent evaluation documentation for selecting vendors for specific information technology expertise or services. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

The committee concurred with recommendation 6-5 made at page 78 of Chapter 6 (Health) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health use its employees to hire employees of information technology vendors. The committee noted that the Ministry of Health has complied with the recommendation.

The committee concurred with recommendation 6-6 made at page 78 of Chapter 6 (Health) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health obtain periodic independent updates of projects that are managed and staffed with vendor employees. The committee noted that the Ministry of Health has complied with the recommendation.

Monitor performance of the process to buy

The committee concurred with recommendation 6-7 made at page 79 of Chapter 6 (Health) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health establish adequate processes for assessing information technology vendors' performance. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

The committee concurred with recommendation 6-8 made at page 79 of Chapter 6 (Health) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Health keep records of vendors' performance to help decide future information technology services contracts. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

Chapter 11 – 2010 Report of the Provincial Auditor (Volume 2)

Chapter 11A - Health

Preparation of accurate financial information

The committee concurred with recommendation 11A-1 made at page 140 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health follow its established accounting processes including the *Financial Administration Manual* to prepare periodic and annual financial information. The committee noted that the Ministry of Health has complied with the recommendation.

Reporting of losses of money and property

The committee concurred with recommendation 11A-2 made at page 141 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health require regional health authorities and the Saskatchewan Cancer Agency to report to the Ministry all losses of money and property over \$500 that are due to fraud or similar illegal acts. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

The committee concurred with recommendation 11A-3 made at page 141 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Health report quarterly to the Standing Committee on Public Accounts all instances of losses of money and property over \$500 at the regional health authorities and the Saskatchewan Cancer Agency. The committee noted that the Ministry of Health is making progress towards complying with the recommendation.

Chapter 11B – Regional Health Authorities

Changing accounting records

The committee concurred with recommendation 11B-1 made at page 167 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Mamawetan Churchill River Regional Health Authority approve all journal entries before adjusting its accounting records. The committee noted that the Mamawetan Churchill River Regional Health Authority has complied with the recommendation.

Improving hiring practices

The committee concurred with recommendation 11B-2 made at page 167 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Sun Country Regional Health Authority follow its policies and procedures when hiring management personnel. The committee noted that the Sun Country Regional Health Authority is making progress towards complying with the recommendation.

Relocation incentive policies

The committee concurred with recommendation 11B-3 made at page 168 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Sun Country Regional Health Authority establish policies and procedures for relocation incentives for new hires. The committee noted that the Sun Country Regional Health Authority is making progress towards complying with the recommendation.

Chapter 11C – Maintenance of medical equipment

The committee concurred with recommendation 11C-1 made at page 183 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Kelsey Trail Regional Health Authority clearly define roles and responsibilities for maintaining all of its medical equipment in accordance with recommended standards. The committee noted that the Kelsey Trail Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 11C-2 made at page 183 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Kelsey Trail Regional Health Authority maintain all equipment in accordance with the required standards. The committee noted that the Kelsey Trail Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 11C-3 made at page 183 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Kelsey Trail Regional Health Authority establish written policies and procedures for maintaining medical equipment at all of its healthcare facilities. The committee noted that the Kelsey Trail Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 11C-4 made at page 183 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Kelsey Trail Regional Health Authority make an agreement with its service provider for the maintenance of medical equipment.

The committee concurred with recommendation 11C-5 made at page 183 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Kelsey Trail Regional Health Authority

monitor the medical equipment maintenance work performed by manufacturers and its service provider. The committee noted that the Kelsey Trail Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 11C-6 made at page 184 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Kelsey Trail Regional Health Authority maintain a complete and current list of all medical equipment, its location, and its maintenance record. The committee noted that the Kelsey Trail Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 11C-7 made at page 184 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Kelsey Trail Regional Health Authority provide reports to the Board of Directors and senior management on the state of medical equipment at all of its healthcare facilities.

In addition to the Provincial Auditor's recommendations, it was moved by Mr. D'Autremont:

That Kelsey Trail Health Authority and the Ministry of Health report to PAC on September 30, 2011 the progress achieved on the Auditor's recommendations in the 2010 Report Volume 2 Chapter 11C.

Chapter 11D – Information technology security

The committee concurred with recommendation 11D-1 made at page 190 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatoon Regional Health Authority implement adequate information technology policies. The committee noted that the Saskatoon Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 11D-2 made at page 190 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatoon Regional Health Authority adequately restrict access to information technology equipment, systems, and data. The committee noted that the Saskatoon Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 11D-3 made at page 191 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatoon Regional Health Authority configure and update its computers and network equipment to protect them from security threats. The committee noted that the Saskatoon Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 11D-4 made at page 191 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatoon Regional Health Authority prepare and test an information technology disaster recovery plan. The committee noted that the Saskatoon Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 11D-5 made at page 191 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatoon Regional Health Authority monitor the security of its information technology infrastructure. The committee noted that the Saskatoon Regional Health Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 11D-6 made at page 191 of Chapter 11 (Health) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Saskatoon Regional Health Authority provide timely reports to the Board of Directors and senior management on the state of its information technology infrastructure. The committee noted that the Saskatoon Regional Health Authority is making progress towards complying with the recommendation.

HIGHWAYS AND INFRASTRUCTURE

Chapter 11 – 2009 Report of the Provincial Auditor (Volume 3)

User access

The committee concurred with recommendation 11-1 made at page 251 of Chapter 11 (Highways and Infrastructure) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Highways and Infrastructure follow its established procedures for removing user access to its computer systems and data. The committee noted that the Ministry of Highways and Infrastructure has complied with the recommendation.

Adequate service level agreement needed

The committee concurred with recommendation 11-2 made at page 252 of Chapter 11 (Highways and Infrastructure) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Highways and Infrastructure sign an adequate agreement with the Information Technology Office that addresses the Ministry's disaster recovery and security needs over its computer systems. The committee noted that the Ministry of Highways and Infrastructure is making progress towards complying with this recommendation.

Chapter 7 – 2010 Report of the Provincial Auditor (Volume 1)

Develop a maintenance plan

The committee concurred with recommendation 7-1 made at page 89 of Chapter 7 (Highways and Infrastructure) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Highways and Infrastructure set long-term service-level objectives (such as long-term surface-condition factors). The committee noted that the Ministry of Highways and Infrastructure is making progress towards complying with the recommendation.

The committee concurred with recommendation 7-2 made at page 90 of Chapter 7 (Highways and Infrastructure) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Highways and Infrastructure use service-level objectives to determine its annual and longer-term maintenance priorities. The committee noted that the Ministry of Highways and Infrastructure is making progress towards complying with the recommendation.

The committee concurred with recommendation 7-3 made at page 91 of Chapter 7 (Highways and Infrastructure) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Highways and Infrastructure assess the reasonableness of maintenance costs used to develop its maintenance

plan. The committee noted that the Ministry of Highways and Infrastructure has complied with the recommendation.

Monitor performance

The committee concurred with recommendation 7-4 made at page 94 of Chapter 7 (Highways and Infrastructure) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Highways and Infrastructure receive a report on the results of the maintenance activities at the end of the maintenance season, as required. The committee noted that the Ministry of Highways and Infrastructure is making progress towards complying with the recommendation.

Chapter 12 – 2010 Report of the Provincial Auditor (Volume 2)

Adequate service level agreement for the Highway Hotline needed

The committee concurred with recommendation 12-1 made at page 201 of Chapter 12 (Highways and Infrastructure) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Highways and Infrastructure have an adequate service level agreement with the Highway Hotline service provider that addresses the Ministry's disaster recovery and security needs. The committee noted that the Ministry of Highways and Infrastructure has complied with the recommendation.

INFORMATION TECHNOLOGY OFFICE

Chapter 7 – 2009 Report of the Provincial Auditor (Volume 1)

Client satisfaction

The committee concurred with recommendation 7-1 made at page 99 of Chapter 7 (Information Technology Office) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Information Technology Office resume regularly measuring ministry satisfaction as agreed upon with ministries. The committee noted that the Information Technology Office is making progress towards complying with the recommendation.

The committee concurred with recommendation 7-2 made at page 99 of Chapter 7 (Information Technology Office) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Information Technology Office work with ministries to prepare joint action plans to address issues identified in satisfaction surveys, as required by its service level agreements.

The committee concurred with recommendation 7-3 made at page 99 of Chapter 7 (Information Technology Office) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Information Technology Office assist ministries to build capacity to analyze their information technology requirements. The committee noted that the Information Technology Office is making progress towards complying with the recommendation.

Applications and application support

The committee concurred with recommendation 7-4 made at page 101 of Chapter 7 (Information Technology Office) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Government evaluate whether the Information Technology Office should provide ministries with application support for complex and custom applications.

Responding to service requests

The committee considered recommendation 7-5 made at page 101 of Chapter 7 (Information Technology Office) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Information Technology Office agree with ministries on relevant service delivery measures and targets. The committee agreed with the intent of the recommendation but did not agree with the wording of the recommendation. It was moved by Mr. D'Autremont:

That the Information Technology Office seek mutual agreement with ministries on relevant service delivery measures and targets.

Chapter 12 – 2009 Report of the Provincial Auditor (Volume 3)

ITO security audit

Show management commitment to security

The committee concurred with recommendation 12-1 made at page 260 of Chapter 12 (Information Technology Office) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Information Technology Office provide relevant and timely security reports to its clients. The committee noted that the Information Technology Office is making progress towards complying with the recommendation.

Protect client systems and data from unauthorized access

The committee concurred with recommendation 12-2 made at page 261 of Chapter 12 (Information Technology Office) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Information Technology Office supervise its employees to ensure they follow established security policies and procedures. The committee noted that the Information Technology Office has complied with the recommendation.

Chapter 13 – 2010 Report of the Provincial Auditor (Volume 2)

Prepare accurate and complete financial reports

The committee concurred with recommendation 13-1 made at page 208 of Chapter 13 (Information Technology Office) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Information Technology Office prepare accurate and complete year-end financial reports as required by the *Financial Administration Manual*. The committee noted that the Information Technology Office has complied with the recommendation.

In addition to the Provincial Auditor's recommendations, it was moved by Ms. Atkinson:

That when the Provincial Auditor next reports that they take a look at all of the necessary protections that ITO has in place to ensure the citizens of Saskatchewan that their third party contractor cannot share information with the parent company where the parent company is subject to the Patriot Act.

JUSTICE AND ATTORNEY GENERAL

Chapter 13 – 2009 Report of the Provincial Auditor (Volume 3)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

Chapter 8 – 2010 Report of the Provincial Auditor (Volume 1)

Security policies incorporate security awareness program

The committee concurred with recommendation 8-1 made at page 102 of Chapter 8 (Justice and Attorney General) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Justice and Attorney General assess its security awareness needs and ensure its security awareness program addresses those needs. The committee noted that the Ministry of Justice and Attorney General is making progress towards complying with the recommendation.

Inform users of their information security responsibilities through the formal security awareness program

The committee concurred with recommendation 8-2 made at page 103 of Chapter 8 (Justice and Attorney General) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Justice and Attorney General update its formal plan for its security awareness program and carry out the plan. The committee noted that the Ministry of Justice and Attorney General is making progress towards complying with the recommendation.

Periodically review the effectiveness of the security awareness program

The committee concurred with recommendation 8-3 made at page 104 of Chapter 8 (Justice and Attorney General) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Ministry of Justice and Attorney General monitor the effectiveness of its security awareness program. The committee noted that the Ministry of Justice and Attorney General is making progress towards complying with the recommendation.

Chapter 14 – 2010 Report of the Provincial Auditor (Volume 2)

Approvals of cost-share agreements

The committee concurred with recommendation 14-1 made at page 225 of Chapter 14 (Justice and Attorney General) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Justice and Attorney General establish a process to obtain approval for all federal-provincial cost-share agreements in accordance with *The Federal-Provincial Agreements Act*. The committee noted that the Ministry of Justice and Attorney General has complied with the recommendation.

Timely submission of cost-share claims

The committee concurred with recommendation 14-2 made at page 225 of Chapter 14 (Justice and Attorney General) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Ministry of Justice and Attorney General submit timely claims for all of its cost-share programs. The committee noted that the Ministry of Justice and Attorney General has complied with the recommendation.

LIQUOR AND GAMING AUTHORITY

Chapter 8 – 2009 Report of the Provincial Auditor (Volume 1)

SIGA's project management processes

The committee concurred with recommendation 8-1 made at page 110 of Chapter 8 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Board of Directors of the Saskatchewan Indian Gaming Authority Inc. approve policies for managing major construction projects. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 8-2 made at page 110 of Chapter 8 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Indian Gaming Authority Inc. develop and approve risk plans before starting major construction projects. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Chapter 14 – 2009 Report of the Provincial Auditor (Volume 3)

Chapter 14A – Liquor and Gaming Authority

Monitoring compliance with operating policies needed

The committee concurred with recommendation 14A-1 made at page 287 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Liquor and Gaming Authority establish a risk based process to assess Saskatchewan Indian Gaming Authority Inc.'s compliance with approved operating policies. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

The committee concurred with recommendation 14A-2 made at page 287 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Liquor and Gaming Authority take steps to recover losses of public money from automated teller machines at Saskatchewan Indian Gaming Authority Inc.'s casinos. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Controls over slot revenues needed

The committee concurred with recommendation 14A-3 made at page 288 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Liquor and Gaming Authority promptly verify Saskatchewan Indian Gaming Authority Inc.'s remittances of slot machine revenues. The committee noted that the Liquor and Gaming Authority has complied with the recommendation.

Better monitoring of VLT's needed

The committee concurred with recommendation 14A-4 made at page 288 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Liquor and Gaming Authority establish adequate rules and procedures to verify that video lottery terminals (VLTs) hold percentages are in accordance with gaming integrity standards. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Better monitoring of table games needed

The committee concurred with recommendation 14A-5 made at page 289 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Liquor and Gaming Authority establish policies and procedures to document the reasons for differences between table game hold percentages and the expected limits. The committee noted that the Liquor and Gaming Authority has complied with the recommendation.

Registration of ATM suppliers needed

The committee concurred with recommendation 14A-6 made at page 290 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Liquor and Gaming Authority register the casino automated teller machine (ATM) service providers. The committee noted that the Liquor and Gaming Authority is making progress towards complying with the recommendation.

Chapter 14B – Saskatchewan Indian Gaming Authority Inc.

Investigation of loss of public money

Effective direction to employees

The committee concurred with recommendation 14B-1 made at page 306 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that Saskatchewan Indian Gaming Authority Inc. (SIGA) supervises its employees' compliance with SIGA's policies and procedures for bank reconciliations. The committee noted that Saskatchewan Indian Gaming Authority Inc. is making progress towards complying with the recommendation.

The committee concurred with recommendation 14B-2 made at page 306 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that Saskatchewan Indian Gaming Authority Inc. train its employees to help establish a culture of fraud awareness.

Hiring and retaining employees

The committee concurred with recommendation 14B-3 made at page 307 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that Saskatchewan Indian Gaming Authority Inc. prepare a written assessment of the required numbers, qualifications, and experience of professional accountants and supporting staff. The committee noted that Saskatchewan Indian Gaming Authority Inc. has complied with the recommendation.

The committee concurred with recommendation 14B-4 made at page 307 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that Saskatchewan Indian Gaming Authority Inc. employ sufficient numbers of accountants with appropriate qualifications and experience. The committee noted that Saskatchewan Indian Gaming Authority Inc. has complied with the recommendation.

Mitigating the risk of loss of public resources

The committee concurred with recommendation 14B-5 made at page 308 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that Saskatchewan Indian Gaming Authority Inc. make agreements with suppliers and service providers (switch providers) of all automated teller machines at its casinos. The committee noted that Saskatchewan Indian Gaming Authority Inc. is making progress towards complying with the recommendation.

The committee concurred with recommendation 14B-6 made at page 308 of Chapter 14 (Liquor and Gaming Authority) of the *2009 Report of the Provincial Auditor (Volume 3)* that Saskatchewan Indian Gaming Authority Inc. formally assess the risk of loss from automated teller machines and prepare corresponding risk management plan to mitigate the risk to an acceptable level. The committee noted that Saskatchewan Indian Gaming Authority Inc. has complied with the recommendation.

Chapter 15 – 2010 Report of the Provincial Auditor (Volume 2)

Chapter 15A – Liquor and Gaming Authority

Employee performance evaluations

The committee concurred with recommendation 15A-1 made at page 243 of Chapter 15 (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.

Management of contractual costs needed

The committee concurred with recommendation 15A-2 made at page 244 of Chapter 15 (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.

Regulating charitable gaming on reserves

Evaluating compliance but key risks not identified

The committee concurred with recommendation 15A-3 made at page 249 of Chapter 15 (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.

The committee concurred with recommendation 15A-4 made at page 249 of Chapter 15 (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.

Taking action to promote compliance

The committee concurred with recommendation 15A-5 made at page 251 of Chapter 15 (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.

Chapter 15B – Saskatchewan Indian Gaming Authority Inc.

Controls to safeguard public resources

Need to manage changes to systems and data

The committee concurred with recommendation 15B-1 made at page 260 of Chapter 15 (Liquor and Gaming Authority) 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.

Review of user access needed

The committee concurred with recommendation 15B-2 made at page 260 of Chapter 15 (Liquor and Gaming Authority) 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.

Control over assets needed

The committee concurred with recommendation 15B-3 made at page 261 of Chapter 15 (Liquor and Gaming Authority) 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.

Need to follow password settings and requirements

The committee concurred with recommendation 15B-4 made at page 262 of Chapter 15 (Liquor and Gaming Authority) 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.

Review and approval of journal entries needed

The committee concurred with recommendation 15B-5 made at page 262 of Chapter 15 (Liquor and Gaming Authority) 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.

Non-compliance with the law

The committee concurred with recommendation 15B-6 made at page 264 of Chapter 15 (Liquor and Gaming Authority) 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.

MUNICIPAL AFFAIRS

Chapter 15 – 2009 Report of the Provincial Auditor (Volume 3)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

Chapter 16 – 2010 Report of the Provincial Auditor (Volume 2)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

PUBLIC SERVICE COMMISSION

Chapter 9 – 2009 Report of the Provincial Auditor (Volume 1)

Developing leaders

Align opportunities with needs across ministries

The committee concurred with recommendation 9-1 made at page 130 of Chapter 9 (Public Service Commission) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Public Service Commission use mentorship programs to help develop potential leaders in government ministries. The committee noted that the Public Service Commission is making progress towards complying with the recommendation.

The committee concurred with recommendation 9-2 made at page 131 of Chapter 9 (Public Service Commission) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Public Service Commission coordinate programs that provide potential leaders in government ministries with suitable developmental work experiences. The committee noted that the Public Service Commission is making progress towards complying with the recommendation.

Evaluate readiness to meet future leadership needs across ministries

The committee concurred with recommendation 9-3 made at page 132 of Chapter 9 (Public Service Commission) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Public Service Commission monitor and report regularly to deputy ministers on the readiness of government ministries to meet their future leadership needs. The committee noted that the Public Service Commission is making progress towards complying with the recommendation.

Chapter 16 – 2009 Report of the Provincial Auditor (Volume 3)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

Chapter 9 – 2010 Report of the Provincial Auditor (Volume 1)

Clarifying PSC's responsibilities for key payroll activities

The committee concurred with recommendation 9-1 made at page 112 of Chapter 9 (Public Service Commission) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Public Service Commission amend its service level agreements with ministries to clearly assign responsibilities for key payroll activities (i.e., managing payroll overpayments, approving payroll payments, and

investigating payroll differences). The committee noted that the Public Service Commission is making progress towards complying with the recommendation.

Recording and collecting payroll overpayments

The committee concurred with recommendation 9-2 made at page 113 of Chapter 9 (Public Service Commission) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Public Service Commission implement processes over the recording and collection of payroll overpayments. The committee noted that the Public Service Commission has complied with the recommendation.

Maintaining sufficient documentation

The committee concurred with recommendation 9-3 made at page 114 of Chapter 9 (Public Service Commission) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Public Service Commission consistently document its review of payroll reports and resolution of matters resulting from its review. The committee noted that the Public Service Commission is making progress towards complying with the recommendation.

Chapter 18 – 2010 Report of the Provincial Auditor (Volume 2)

Controlling user access to computer systems and data

The committee concurred with recommendation 18-1 made at page 286 of Chapter 18 (Public Service Commission) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Public Service Commission follow its established procedures for removing user access to its computer systems and data. The committee noted that the Public Service Commission has complied with the recommendation.

SASKATCHEWAN RESEARCH COUNCIL

Chapter 12 – 2009 Report of the Provincial Auditor (Volume 1)

Risk management processes

Identifying risks

The committee concurred with recommendation 12-1 made at page 155 of Chapter 12 (Saskatchewan Research Council) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Research Council Board require management to record identified causes of risks to aid in effective and economical risk management. The committee noted that the Saskatchewan Research Council has complied with the recommendation.

Monitoring risk

The committee concurred with recommendation 12-2 made at page 159 of Chapter 12 (Saskatchewan Research Council) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Saskatchewan Research Council Board monitor outcomes related to priority risks to enable timely response. The committee noted that the Saskatchewan Research Council is making progress towards complying with this recommendation.

Chapter 10 – 2010 Report of the Provincial Auditor (Volume 1)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

SASKATCHEWAN WATERSHED AUTHORITY

Chapter 19 – 2010 Report of the Provincial Auditor (Volume 2)

Business continuity plan needed

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.

Signed service agreement required

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.

Processes to identify risks to the water supply

Establish a risk identification framework

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.

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.

Gather information on risks to the water supply

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.

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.

Document risks to the water supply

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.

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.

SOCIAL SERVICES

Chapter 17 – 2009 Report of the Provincial Auditor (Volume 3)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

Chapter 11 – 2010 Report of the Provincial Auditor (Volume 1)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no new recommendations on which to report.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chapter 20 – 2009 Report of the Provincial Auditor (Volume 3)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no recommendations on which to report.

Chapter 24 – 2010 Report of the Provincial Auditor (Volume 2)

Your committee reports that this chapter was received and reviewed for informational purposes and that there were no recommendations on which to report.

SUNRISE REGIONAL HEALTH AUTHORITY

Chapter 12 – 2010 Report of the Provincial Auditor (Volume 1)

Analyze labour costs to identify risks

The committee concurred with recommendation 12-1 made at page 136 of Chapter 12 (Sunrise Regional Health Authority) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Sunrise Regional Health Authority ensure its nursing managers or other authorized staff follow established policies to review and approve nursing staff timesheets. The committee noted that the Sunrise Regional Health Authority has complied with the recommendation.

The committee concurred with recommendation 12-2 made at page 136 of Chapter 12 (Sunrise Regional Health Authority) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Sunrise Regional Health Authority identify and regularly report to the Board the causes of nursing staff

overtime costs. The committee noted that the Sunrise Regional Health Authority is making progress towards complying with the recommendation.

Minimize excessive labour costs

The committee concurred with recommendation 12-3 made at page 137 of Chapter 12 (Sunrise Regional Health Authority) of the *2010 Report of the Provincial Auditor (Volume 1)* that the Sunrise Regional Health Authority implement established strategies for addressing causes of nursing staff overtime costs and provide regular progress reports to the Board. The committee noted that the Sunrise Regional Health Authority is making progress towards complying with the recommendation.

TOURISM, PARKS, CULTURE AND SPORT

Chapter 16 – 2009 Report of the Provincial Auditor (Volume 1)

Lottery agreement

Establish processes to monitor compliance

The committee concurred with recommendation 16-1 made at page 199 of Chapter 16 (Tourism, Parks, Culture and Sport) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Tourism, Parks, Culture and Sport establish and implement written procedures for monitoring compliance with the lottery agreement by the Western Canada Lottery Corporation, Western Canada Lottery – Saskatchewan Division Inc., and Sask Sport Distributors Inc. The committee noted that the Ministry of Tourism, Parks, Culture and Sport is making progress towards complying with the recommendation.

The committee concurred with recommendation 16-2 made at page 199 of Chapter 16 (Tourism, Parks, Culture and Sport) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Tourism, Parks, Culture and Sport establish written guidelines for its representatives on the board of directors of the Western Canada Lottery Corporation to help achieve the Ministry's lottery scheme objectives. The committee noted that the Ministry of Tourism, Parks, Culture and Sport is making progress towards complying with the recommendation.

The committee concurred with recommendation 16-3 made at page 200 of Chapter 16 (Tourism, Parks, Culture and Sport) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Tourism, Parks, Culture and Sport make agreements with the Western Canada Lottery – Saskatchewan Division Inc. and Sask Sport Distributors Inc. to help achieve the Ministry's lottery scheme objectives. The committee noted that the Ministry of Tourism, Parks, Culture and Sport is making progress towards complying with the recommendation.

Report to senior management on compliance

The committee concurred with recommendation 16-4 made at page 202 of Chapter 16 (Tourism, Parks, Culture and Sport) of the *2009 Report of the Provincial Auditor (Volume 1)* that the staff of the Ministry of Tourism, Parks, Culture and Sport provide its senior management with regular reports on compliance with the lottery agreement by the Western Canada Lottery Corporation, Western Canada Lottery – Saskatchewan Division Inc., and Sask Sport Distributors Inc. The committee noted that the Ministry of Tourism, Parks, Culture and Sport is making progress towards complying with the recommendation.

The committee concurred with recommendation 16-5 made at page 202 of Chapter 16 (Tourism, Parks, Culture and Sport) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry

of Tourism, Parks, Culture and Sport report publicly on compliance with the lottery agreement by the Western Canada Lottery Corporation, Western Canada Lottery – Saskatchewan Division Inc., and Sask Sport Distributors Inc. The committee noted that the Ministry of Tourism, Parks, Culture and Sport is making progress towards complying with the recommendation.

The committee concurred with recommendation 16-6 made at page 202 of Chapter 16 (Tourism, Parks, Culture and Sport) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Tourism, Parks, Culture and Sport make public a list of persons (i.e. employees, suppliers) who received public money from Western Canada Lottery – Saskatchewan Division Inc. and Sask Sport Distributors Inc.

The committee concurred with recommendation 16-7 made at page 203 of Chapter 16 (Tourism, Parks, Culture and Sport) of the *2009 Report of the Provincial Auditor (Volume 1)* that the Ministry of Tourism, Parks, Culture and Sport give the Legislative Assembly the annual audited financial statements of Western Canada Lottery – Saskatchewan Division Inc. and Sask Sport Distributors Inc.

Chapter 18 – 2009 Report of the Provincial Auditor (Volume 3)

Provincial park system capital asset plan

Gap between required and existing capital assets

The committee concurred with recommendation 18-1 made at page 357 of Chapter 18 (Tourism, Parks, Culture and Sport) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Tourism, Parks, Culture and Sport include in its capital asset plan for the provincial park system the projected future use levels for key capital assets (including assumptions and factors influencing trends) and a summary of capital asset risks for the projected use levels. The committee noted that the Ministry of Tourism, Parks, Culture and Sport is making progress towards complying with the recommendation.

Strategies to manage capital assets

The committee concurred with recommendation 18-2 made at page 358 of Chapter 18 (Tourism, Parks, Culture and Sport) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Tourism, Parks, Culture and Sport set out principles in its capital asset plan to guide how it operates and maintains key capital assets in the provincial park system. The committee noted that the Ministry of Tourism, Parks, Culture and Sport is making progress towards complying with the recommendation.

Financial implications of capital asset strategies

The committee concurred with recommendation 18-3 made at page 359 of Chapter 18 (Tourism, Parks, Culture and Sport) of the *2009 Report of the Provincial Auditor (Volume 3)* that the Ministry of Tourism, Parks, Culture and Sport include estimated life-cycle costs in its long-term capital asset plan for the provincial park system. The committee noted that the Ministry of Tourism, Parks, Culture and Sport is making progress towards complying with the recommendation.

WORKERS' COMPENSATION BOARD

Chapter 22 – 2010 Report of the Provincial Auditor (Volume 2)

Criterion 3 – Project management practices and reports

The committee concurred with recommendation 22-1 made at page 352 of Chapter 22 (Workers' Compensation Board) of the *2010 Report of the Provincial Auditor (Volume 2)* that the Workers' Compensation Board provide senior management and the Board reports that include the forecasted costs to complete the Eclipse Claims Replacement Project as well as the estimated completion date of the project. The committee noted that the Workers' Compensation Board has complied with the recommendation.

Other Work of the Committee

REVIEW OF THE BUSINESS AND FINANCIAL PLAN OF THE OFFICE OF THE PROVINCIAL AUDITOR

The Standing Committee on Public Accounts is responsible for reviewing and approving the business and financial plan of the Office of the Provincial Auditor. Your committee considered and adopted resolutions for the Estimates requested by the Provincial Auditor for the 2010-2011 and 2011-2012 fiscal years. In both instances, your committee received an overview of the business and financial plan by the Provincial Auditor.

The resolutions adopted for the 2010-2011 fiscal year were:

RESOLUTION #1

That the 2010-2011 Estimates of the Office of the Provincial Auditor (Vote 28, subvote PA01 – Provincial Auditor) be approved, as submitted, in the amount of \$7,310,000.

RESOLUTION #2

That the 2010-2011 Estimates of the Office of the Provincial Auditor (Vote 28, subvote PA02 – Unforeseen Expenses) be approved, as submitted, in the amount of \$503,000.

The resolutions adopted for the 2011-2012 fiscal year were:

RESOLUTION #1

That the 2011-2012 Estimates of the Office of the Provincial Auditor (Vote 28, subvote PA01 – Provincial Auditor) be approved, as submitted, in the amount of \$7,418,000

RESOLUTION #2

That the 2011-2012 Estimates of the Office of the Provincial Auditor (Vote 28, subvote PA02 – Unforeseen Expenses) be approved, as submitted, in the amount of \$514,000

These resolutions were forwarded to the Speaker of the Assembly, in his capacity as Chair of the Board of Internal Economy, for inclusion in the Estimates of the Legislative Branch of Government.

AUDIT COMMITTEE

Since 2001, the Standing Committee on Public Accounts is required by *The Provincial Auditor Act* to recommend to the Speaker the names of individuals to serve on an independent Audit Committee. The Audit Committee may provide independent advice on auditing and accounting issues or on any other matters that may be requested. The entities that may seek the assistance of the Audit Committee include:

- The Standing Committees on Public Accounts
- The Standing Committees on Crown and Central Agencies
- Provincial Auditor
- Ministers responsible for Finance and for *The Crown Corporations Act, 1993*.

On March 27, 2009, the Audit Committee gathered for an orientation session. The Audit Committee was given an overview of issues including the Audit Committee mandate, terms of reference and services provided by the Legislative Assembly Service. The Audit Committee was introduced to the Chairs and Deputy Chairs of the Standing Committee on Crown and Central Agencies and PAC, they received

presentations from officials from the Ministry of Finance and Provincial Auditor's Office and reviewed a letter sent by CIC.

Two members of Audit Committee, Dr. Nola Buhr and Ms. Joyce Stubbins, participated in various phases of the Provincial Auditor Competition. Please see pages__ for further details of the competition.

PROVINCIAL COMPTROLLER REPORTS

In March 2006, the government requested that the Provincial Comptroller begin providing quarterly reports to the committee on incidents of losses reported by ministries and Treasury Board Crown corporations. The following reports were tabled with the committee:

- | | |
|-----------|--|
| PAC 12/26 | Ministry of Finance: Reporting of public losses for the period from January 1, 2009, to March 31, 2009, dated May 1, 2009. |
| PAC 18/26 | Ministry of Finance: Reporting of public losses for the period from April 1, 2009, to June 30, 2009, dated July 30, 2009. |
| PAC 19/26 | Ministry of Finance: Reporting of public losses for the period from July 1, 2009, to September 30, 2009, dated October 30, 2009. |
| PAC 20/26 | Ministry of Finance: Reporting of public losses for the period from October 1, 2009, to December 31, 2009, dated January 29, 2010. |
| PAC 21/26 | Ministry of Finance: Reporting of public losses for the period from January 1, 2010, to March 31, 2010, dated April 30, 2010. |
| PAC 23/26 | Ministry of Finance: Reporting of public losses for the period from April 1, 2010, to June 30, 2010, dated July 30, 2010. |
| PAC 25/26 | Ministry of Finance: Reporting of public losses for the period from July 1, 2010, to September 30, 2010, dated October 29, 2010. |
| PAC 29/26 | Ministry of Finance: Reporting of public losses for the period from October 1, 2010, to December 31, 2010, dated February 4, 2011. |
| PAC 32/26 | Ministry of Finance: Reporting of public losses for the period from January 1, 2011, to March 31, 2011, dated April 29, 2011. |

PROVINCIAL AUDITOR COMPETITION

Upon notice of the resignation of Mr. Fred Wendel as Provincial Auditor, your Standing Committee on Public Accounts (PAC) embarked on a national competition to find the next Provincial Auditor of Saskatchewan.

Your Committee moved a motion for the Committee Clerk, Ms. Kathy Burianyk, to report to the Public Accounts Committee Steering Committee, comprised of Mr. Trent Wotherspoon, Chair and Mr. Glen Hart, Deputy Chair, on a recommended selection process for the position of Provincial Auditor that included a review of past procedures and best practices.

Upon completion of the Committee Clerk's report and the subsequent adoption by the Steering Committee, PAC met to discuss the recommendations. *The Second Report of the PAC Steering Committee*, tabled September 29, 2010, outlined past procedures and best practices for the selection process as well as recommendations for PAC's consideration. Your Committee agreed to ten recommendations, which guided the Provincial Auditor competition process.

On March 7, 2011, pursuant to s. 3.1(1) of *The Provincial Auditor Act*, your Committee unanimously recommended to the Legislative Assembly the name of Ms. Bonnie Lysyk for appointment to the position of Provincial Auditor for the Province of Saskatchewan.

Details of the process and completion are documented in the Standing Committee on Public Accounts Second Report. For a copy of the report, please visit:

http://www.legassembly.sk.ca/committees/Public%20Accounts/Reports/PAC_2nd_Report_26th_leg.pdf

ATTENDANCE AT CCPAC

PAC authorized the attendance of the Chair and Deputy Chair to attend the Canadian Council of Public Accounts Committees (CCPAC) and Canadian Council of Legislative Auditors (CCOLA) Annual Conferences held in Edmonton in 2009, Quebec City in 2010 and Halifax in 2011.

REQUEST FROM THE SASKATCHEWAN SAFETY COUNCIL

On February 7, 2011, PAC received a letter from the Saskatchewan Safety Council regarding funding for continuation of auditing services. On February 9, 2011, PAC considered the request and made the following motion:

COMMITTEE RECOMMENDATION

That the Public Accounts Committee ask the Provincial Auditor to consider providing auditing services to the Saskatchewan Safety Council for 2011 to enable the Council to plan and obtain another auditor for 2012 and future years.

Appendix A - Provincial Auditor's Officials

Bonnie Lysyk, Provincial Auditor
Fred Wendel, Provincial Auditor*
Brian Atkinson, Acting Provincial Auditor**

Deputy Provincial Auditors

Mobashar Ahmad
Judy Ferguson
Mike Heffernan
Ed Montgomery

Principals

Mark Anderson
Angèle Borys
Tara Clemett
Kelly Deis
Rod Grabarczyk
Bill Harasymchuk
Angie Hungle
Jane Knox
Jeff Kress
Kim Lowe
Glen Nyhus
Carolyn O'Quinn
Corrine Rybchuk
Victor Schwab
Regan Sommerfeld
Trevor St. John
Rosemarie Volk

Managers

Michelle Lindenbach
Jason Shaw

Administration

Heather Tomlin, Office Manager

*Mr. Fred Wendel retired March 31, 2010

**Mr. Brian Atkinson retired March 31, 2011

Appendix B - Provincial Comptroller's Officials

Terry Paton, Provincial Comptroller

Chris Bayda, Executive Director, Financial Management Branch

Jane Borland, Manager, Financial Management Branch

Lori Taylor, Manager, Financial Management Branch

Jon Altwasser, Analyst, Financial Management

Appendix C - Ministry Officials

*****The titles of the Ministry Officials reflect their title at the time they presented to PAC.**

Advanced Education, Employment and Immigration

Clare Isman, Deputy Minister
Karen Allen, Executive Director, Corporate Services
Dion McGarth, Executive Director, Public Institutions and Infrastructure

Advanced Education, Employment and Labour

Clare Isman, Deputy Minister
Reg Urbanowski, Assistant Deputy Minister, Advanced Education and Student Services
Karen Allen, Executive Director, Corporate Services

Agriculture

Alanna Koch, Deputy Minister
Nithi Govindasamy, Associate Deputy Minister
Raymond Arscott, Executive Director, Corporate Services Branch
Laurier Donais, Executive Director, Corporate Services Branch
Doug Billett, Director, Crops Branch
Wally Hoehn, Acting Director, Lands Branch
Dean Cursons, Senior Manager Financial Systems, Corporate Services Branch
James Kettel, Manager, Trade Competitiveness and Agri-Food Development, Policy Branch
Ray McVicar, Manager, Plant Production Technology, Crops Branch
Shawn Jaques, Acting General Manager, Saskatchewan Crop Insurance Corporation
Cam Swan, General Manager, Saskatchewan Crop Insurance Corporation

Corrections, Public Safety and Policing

Al Hinton, Deputy Minister
Mae Boa, Assistant Deputy Minister
Murray Sawatsky, Executive Director, Policing Services Division
Margaret Anderson, Executive Director, Corporate Services
Marlys Tafelmeyer, Executive Director, HR Services
Jeff Markewich, Director, Financial Planning Services, Corporate Services

Education

Audrey Roadhouse, Deputy Minister
Helen Horsman, Assistant Deputy Minister
Darren McKee, Assistant Deputy Minister
Cheryl Senecal, Assistant Deputy Minister
Darryl Hunter, Executive Director, Accountability, Assessment and Records
Doug Volk, Executive Director, Teachers' Superannuation Commission
Dawn Court, Director of Finance, Financial Planning and Management
Shirley Robertson, Director, Teachers' Superannuation Commission
David Tulloch, Director, Financial Planning and Management
Sue Amundrud, Associate Executive Director, Curriculum and E-Learning
Sharlene Arklie, Senior Manager, Financial Operations, Teachers' Superannuation Commission
Sonya Leib, Senior Financial Manager, Financial Planning and Management

Energy and Resources

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

Enterprise and Innovation programs

Chris Dekker, Interim Chief Executive Officer, Enterprise Saskatchewan
Denise Haas, Chief Financial Officer, Enterprise Saskatchewan

Environment

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
Wes Kotyk, Executive Director, Industrial Branch
Bob Wynes, Executive Director, Forest Service Branch
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
Kevin McCullum, Chief Engineer, Technical Resource Branch

Finance

Karen Layng, Deputy Minister
Doug Matthies, Deputy Minister
Terry Paton, Provincial Comptroller, Provincial Comptroller's Office
Rae Haverstock, Assistant Deputy Minister, Treasury and Debt Management Division
Denis Polowyk, Assistant Deputy Minister, Treasury and Debt Management Division
Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency
Joanne Brockman, Executive Director, Economic & Fiscal Policy Branch
Chris Bayda, Executive Director, Financial Management Branch
Jim Fallows, Executive Director, Treasury and Debt Management Division
Ann Mackrill, Executive Director, Public Employees Benefits Agency
Raelynn Douglas, Director, Performance Management Branch
Brent Hebert, Director, Audit, Revenue Division
Louise Usick, Director, Financial Services Branch
Katherine Strutt, General Manager, Saskatchewan Pension Plan
Nancy Perras, Manager, Business Systems Planning, Financial Services Branch

First Nations and Métis Relations

Ron Crowe, Deputy Minister
James Froh, Assistant Deputy Minister
Kerry Gray, Director, Finance, Accountability and Corporate Services

Government Services

Ron Dedman, Deputy Minister
Debbie Koshman, Assistant Deputy Minister, Corporate Support Services
Al Mullen, Executive Director, Asset Management
Helen Huber, Executive Director, Facility Management
Greg Lusk, Executive Director, Commercial Services
Shelley Reddekopp, Director, Financial Services
Todd Godfrey, Director, Project Management Services

Health

Dan Florizone, Deputy Minister
Dr. Louise Greenberg, Associate Deputy Minister
Lauren Donnelly, Assistant Deputy Minister
Max Hendricks, Assistant Deputy Minister
Brenda Jameson, Chief Operating Officer, Health Information Solutions Centre
Glen Kozak, Chief Operating Officer, Kelsey Trail Health Region
Pam McKay, Vice-President, Institutional and Emergency Care, Kelsey Trail Health Region
Shane Merriman, Vice-President, Finance and Information Services, Kelsey Trail Health Region
Ron Knaus, Executive Director, Workforce Planning Branch
Ted Warawa, Executive Director, Financial Services Branch
Roseann Anderson, Director, Finance, Health Information Solutions Centre
Garth Herbert, Director, Financial Compliance and Internal Audit, Financial Services Branch
Cara Smith, Senior Financial Analyst, Financial Services Branch
Trent Szabo, Director, Payroll and Benefits, Sunrise Regional Health Authority
Lynn Digney Davis, Chief Nursing Officer, Nursing Secretariat, Workforce Planning Branch
Suann Laurent, Interim Chief Executive Officer, Sunrise Regional Health Authority
Christina Denysek, Vice-President, Human Resources, Sunrise Regional Health Authority
Duncan Fisher, Special Advisor to the Deputy Minister

Highways and Infrastructure

Rob Penny, Deputy Minister
George Stamatinos, Assistant Deputy Minister, Policy and Programs Division
Ted Stobbs, Assistant Deputy Minister, Operations Division
Ron Gerbrandt, Executive Director, Engineering Standards
Gary Diebel, Director, Financial and Administration Branch
Bryan Peacock, Director, Information Management Office

Information Technology Office

Gerald Fiske, Deputy Minister and Chief Information and Services Officer
Robert Guillaume, Assistant Deputy Minister and Chief Technology Officer
Phil Lambert, Assistant Deputy Minister, Operations
Richard Murray, Executive Director, Corporate and Strategic Services
Rebecca Sengmany, Director of Finance

Justice and Attorney General

Gerald Tegart, Deputy Minister and Deputy Attorney General
Ken Acton, Assistant Deputy Minister, Courts and Civil Justice
Rod Crook, Assistant Deputy Minister, Regulatory Services
Dave Tulloch, Executive Director, Corporate Services Branch
Jan Turner, Executive Director, Community Justice Division
Cathy Drader, Director, Information Management Branch
Brad Gurash, Director, Assurance and Financial Reporting
Jeff Markewich, Director, Assurance and Financial Reporting, Corporate Services
Allan Snell, Chief Executive Officer, Saskatchewan Legal Aid Commission
Jerome Boyko, Director – Finance, Saskatchewan Legal Aid Commission
Dave Wild, Chairperson and Superintendent of Pensions, Saskatchewan Financial Services Commission
Barbara Shourounis, Director – Securities Division, Saskatchewan Financial Services Commission

Liquor and Gaming Authority

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

Municipal Affairs

Van Isman, Deputy Minister
Russ Krywulak, Executive Director, Grants Administration and Financial Management
Wanda Lamberti, Executive Director, Central Management Services
Kathy Rintoul, Acting Executive Director, Grants Administration and Financial Management
Karlene McMillan, Acting Director of Financial Services, Central Management Services
Kyle Toffan, Director, Grants Administration

Public Service Commission

Don Wincherauk, Chair of the Public Service Commission
Karen Aulie, Assistant Chair, Human Resource Client Service and Support Division
Don Zerr, Assistant Chair, Corporate Human Resource Management and Employee Relations
Raman Visvanathan, Executive Director, Employee Service Centre
Mike Pestill, Director of Corporate Services
Giselle Fontaine, Director, Staffing Systems and Support
Ken Ludwig, Director, Organizational Effectiveness and Strategic Initiatives
Lorraine Von Hagen, Manager, Corporate Services, Finance and It Services
Shelley Whitehead, Special Advisor to the Chair

Saskatchewan Research Council

Laurier Schramm, President and Chief Executive Officer
Crystal Smudy, Chief Financial Officer and Vice President, Finance, Safety and Risk

Saskatchewan Watershed Authority

Wayne Dybvig, Acting President
Bob Charles, Vice-President
Bill Duncan, Director, Infrastructure Management

Social Services

Marian Zerr, Deputy Minister
Cheryl Senecal, Assistant Deputy Minister, Child & Family Services
Alan Syhlonyk, Assistant Deputy Minister, Corporate Services
Bob Wihlidal, Assistant Deputy Minister, Income Assistance & Disability Services
Don Allen, Acting Assistant Deputy Minister, Housing
Lynn Allan, Executive Director, Child and Family Services, Program and Service Design
Lorne Brown, Executive Director, Enterprise Projects & Risk Management
Miriam Myers, Executive Director, Finance and Administration, Corporate Services
Jeff Redekop, Executive Director, IADS, Program & Service Design
Gord Tweed, Director, Program Design, Operational Policy & Standards

Tourism, Parks, Culture and Sport

Wynne Young, Deputy Minister, Tourism, Parks, Culture and Sport
Lin Gallagher, Associate Deputy Minister
Scott Langen, Assistant Deputy Minister, Tourism, Parks, Culture and Sport
Melinda Leibel, Director, Corporate Services Branch
Bob Lalonde, Manager, Facilities Management Unit
Grant Godwin, Special Projects, Parks Services Branch
Ryan Seal, University of Regina Co-op Student

Workers' Compensation Board

Peter Federko, Chief Executive Officer
Gail Kruger, Vice President Prevention, Finance and Information Technology

