

STANDING COMMITTEE ON PUBLIC ACCOUNTS



THIRD REPORT OF THE TWENTY-SEVENTH LEGISLATURE

January 19, 2016

FOURTH SESSION ^{of the} TWENTY-SEVENTH LEGISLATURE
LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

Legislative Assembly of Saskatchewan
Standing Committee on Public Accounts



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January 19, 2016

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 September 17, 2015 to January 14, 2016. During this time, the committee examined chapters in three Provincial Auditor reports and considered the Provincial Auditor's *Business and Financial Plan for the Year Ended March 31, 2017* and *Annual Report for the Year Ended March 31, 2015*.

Respectfully submitted on behalf of the committee,

A handwritten signature in blue ink that reads "Danielle Chartier".

Danielle Chartier
Chair
MLA Saskatoon Riversdale

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COMPOSITION OF COMMITTEE

Ms. Danielle Chartier, Chair,
Saskatoon Riversdale

Mr. Larry Doke, Deputy Chair
Cut Knife-Turtleford

Mr. Glen Hart
Last Mountain-Touchwood

Mr. Russ Marchuk,
Regina Douglas Park

Mr. Warren Michelson
Moose Jaw North

Mr. Randy Weekes
Biggar

Mr. Trent Wotherspoon
Regina Rosemont

INTRODUCTION

Membership of the Committee

There has been one change to committee membership since the Second Report of the Standing Committee on Public Accounts was presented. Rob Norris resigned from the Legislative Assembly, effective January 1, 2016.

Acknowledgments

Your committee expresses its appreciation to the employees of the Office of the Provincial Auditor including Provincial Auditor Judy Ferguson. Your committee would also like to thank the Provincial Comptroller, Mr. Terry Paton, his staff, and 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 136(7), it is your committee's request that the Government of Saskatchewan respond to this report within 120 days.

MOTIONS

Correspondence from the Board of Internal Economy, dated December 17, 2015

Considered on: January 14, 2016

Upon discussion of correspondence from the Board of Internal Economy regarding the tabling of policies of the officers of the Legislative Assembly as required by *The Officers of the Legislative Assembly Standardization Amendment Act, 2015*, the following motion occurred:

It was moved by Mr. Doke:

That, pursuant to *The Officers of the Legislative Assembly Standardization Amendment Act, 2015*, the Office of the Provincial Auditor human resource and financial management policies tabled with the Standing Committee on Public Accounts include an explanatory note for each policy that differs from the standard human resource and financial management policy of the Government of Saskatchewan with an explanation and rationale for the differences; and further,

That June 30th, 2016 is established as the final date for tabling the said documents.

The question being put, it was agreed to.

SUMMARY OF REVIEW OF THE PROVINCIAL AUDITOR'S RECOMMENDATIONS

Your committee reviewed the following reports of the Provincial Auditor:

- 2014 Report of the Provincial Auditor (Volume 2)
- 2015 Report of the Provincial Auditor (Volume 1)
- 2015 Report of the Provincial Auditor (Volume 2)

The Provincial Auditor made 68 recommendations that required PAC's consideration. Your committee noted compliance with 46 recommendations and noted progress towards compliance on 22 recommendations. Your committee concluded consideration of 12 chapters that did not have any new recommendations.

PROVINCIAL AUDITOR'S RECOMMENDATIONS

ADVANCED EDUCATION

Chapter 1 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 14, 2016

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 7 – 2015 Report of the Provincial Auditor (Volume 1)

Considered on: Jan. 14, 2016

Advanced Education – Working with the Advanced Education Sector

Planning to Engage Institutions Needs Improvement

The committee concurred with recommendation 1 made at page 57 of Chapter 7 (Advanced Education – Working with the Advanced Education Sector) of the *2015 Report of the Provincial Auditor (Volume 1)* that the Ministry of Advanced Education analyze gaps in achieving the Ministry's strategies for the Advanced Education sector, and use the analysis to determine how to best engage post-secondary institutions to contribute to the strategies. The committee noted that the Ministry of Advanced Education is making progress towards complying with the recommendation.

Better Monitoring of Results Needed

The committee concurred with recommendation 2 made at page 59 of Chapter 7 (Advanced Education – Working with the Advanced Education Sector) of the *2015 Report of the Provincial Auditor (Volume 1)* that the Ministry of Advanced Education use specific, measurable targets and timelines to monitor progress towards achievement of its strategies. The committee noted that the Ministry of Advanced Education is making progress towards complying with the recommendation.

Chapter 1 – 2015 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 14, 2016

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 18 – 2015 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 14, 2016

Regional Colleges

Performance Evaluations Required

The committee concurred with recommendation 1 made at page 95 of Chapter 18 (Regional Colleges) of the *2015 Report of the Provincial Auditor (Volume 2)* that Northlands College follow its policy requiring regular evaluation of the performance of staff. The committee noted that the Ministry of Advanced Education has complied with the recommendation.

Independent Review and Approval of Bank Reconciliations Needed

The committee concurred with recommendation 2 made at page 96 of Chapter 18 (Regional Colleges) of the *2015 Report of the Provincial Auditor (Volume 2)* that Southeast College require the review and approval of bank reconciliations by someone other than the preparer of the reconciliations. The committee noted that the Ministry of Advanced Education has complied with the recommendation.

Policy for Recording Journal Entries Needed

The committee concurred with recommendation 3 made at page 96 of Chapter 18 (Regional Colleges) of the *2015 Report of the Provincial Auditor (Volume 2)* that Southeast College implement a policy for recording journal entries in its accounting records that includes review and approval of entries by someone other than the preparer. The committee noted that the Ministry of Advanced Education has complied with the recommendation.

Adequate Segregation of Duties Needed

The committee concurred with recommendation 4 made at page 97 of Chapter 18 (Regional Colleges) of the *2015 Report of the Provincial Auditor (Volume 2)* that Southeast College require staff that make bank deposits to leave evidence of their involvement. The committee noted that the Ministry of Advanced Education has complied with the recommendation.

Chapter 32 – 2015 Report of the Provincial Auditor (Volume 1)

Considered on: Jan. 14, 2016

University of Regina – Protecting Interests in Research

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

EDUCATION

Chapter 37 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

Saskatchewan Rivers School Division No. 119 – Processes to Maintain Facilities

Documented Processes Needed to Keep Maintenance Information Up to Date

The committee concurred with recommendation 1 made at page 278 of Chapter 37 (Saskatchewan Rivers School Division No. 119 – Processes to Maintain Facilities) of the

2014 Report of the Provincial Auditor (Volume 2) that Saskatchewan Rivers School Division No. 119 establish written processes for gathering and recording reliable information about facilities and components. The committee noted that Saskatchewan Rivers School Division No. 119 has complied with the recommendation.

Documentation of Planning Processes Needed

The committee concurred with recommendation 2 made at page 279 of Chapter 37 (Saskatchewan Rivers School Division No. 119 – Processes to Maintain Facilities) of the *2014 Report of the Provincial Auditor (Volume 2)* that Saskatchewan Rivers School Division No. 119 establish written processes for determining its facility maintenance priorities and developing its maintenance plan. The committee noted that Saskatchewan Rivers School Division No. 119 has complied with the recommendation.

Performance Measures Needed

The committee concurred with recommendation 3 made at page 280 of Chapter 37 (Saskatchewan Rivers School Division No. 119 – Processes to Maintain Facilities) of the *2014 Report of the Provincial Auditor (Volume 2)* that the Board of Education of the Saskatchewan Rivers School Division No. 119 set performance measures and targets for monitoring the effectiveness of its strategies to maintain its facilities. The committee noted that Saskatchewan Rivers School Division No. 119 has complied with the recommendation.

Need to Monitor Completion of Maintenance

The committee concurred with recommendation 4 made at page 281 of Chapter 37 (Saskatchewan Rivers School Division No. 119 – Processes to Maintain Facilities) of the *2014 Report of the Provincial Auditor (Volume 2)* that Saskatchewan Rivers School Division No. 119 establish written processes for monitoring the timely completion of maintenance of its facilities. The committee noted that Saskatchewan Rivers School Division No. 119 has complied with the recommendation.

Reporting on Maintenance Needed

The committee concurred with recommendation 5 made at page 282 of Chapter 37 (Saskatchewan Rivers School Division No. 119 – Processes to Maintain Facilities) of the *2014 Report of the Provincial Auditor (Volume 2)* that the Board of Education of the Saskatchewan Rivers School Division No. 119 require periodic reports analyzing the results of its maintenance processes. The committee noted that Saskatchewan Rivers School Division No. 119 has complied with the recommendation.

Chapter 38 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

Saskatoon School Division No. 13 – Goods and Services Procurement Processes

Clear and Complete Delegation of Authority Needed

The committee concurred with recommendation 1 made at page 291 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that the Board of Education of Saskatoon School Division No. 13 approve a written delegation of authorities policy that sets out the authority for all positions involved in the procurement of goods and services. The committee noted that Saskatoon School Division No. 13 is making progress towards complying with the recommendation.

The committee concurred with recommendation 2 made at page 292 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that the Board of Education of Saskatoon School Division No. 13 approve the division's key policies including those related to the procurement of goods and services. The committee noted that Saskatoon School Division No. 13 has complied with the recommendation.

The committee concurred with recommendation 3 made at page 292 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that Saskatoon School Division No. 13 update its purchasing policies to align with significant externally-imposed requirements. The committee noted that Saskatoon School Division No. 13 has complied with the recommendation.

Policies for Monitoring and Reporting on Compliance Needed

The committee concurred with recommendation 4 made at page 293 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that the Board of Education of Saskatoon School Division No. 13 implement policies and procedures to identify and address non-compliance with purchasing policies, including reporting requirements. The committee noted that Saskatoon School Division No. 13 is making progress towards complying with the recommendation.

Guidance for Setting Tender Response Time Needed

The committee concurred with recommendation 5 made at page 296 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that Saskatoon School Division No. 13 establish guidance for tendering times for receiving bids from potential suppliers. The committee noted that Saskatoon School Division No. 13 has complied with the recommendation.

Documented Evaluation of Supplier Proposals Needed

The committee concurred with recommendation 6 made at page 297 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that Saskatoon School Division No. 13

document its analysis and decisions for the awarding of all tenders and retain this documentation in accordance with its document retention policies. The committee noted that Saskatoon School Division No. 13 has complied with the recommendation.

Approval for Vendor Selection Not Appropriate

The committee concurred with recommendation 7 made at page 298 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that Saskatoon School Division No. 13 require appropriate written approval be obtained for the selection of suppliers before communicating purchasing decisions with suppliers. The committee noted that Saskatoon School Division No. 13 has complied with the recommendation.

Process for Contractual Agreements Needed

The committee concurred with recommendation 8 made at page 298 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that Saskatoon School Division No. 13 establish minimum contract documentation requirements for the procurement of goods and services. The committee noted that Saskatoon School Division No. 13 has complied with the recommendation.

Vendor Approval Process Needs to be Followed

The committee concurred with recommendation 9 made at page 299 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that Saskatoon School Division No. 13 follow its established procedures for assessing the validity (e.g., existence, ownership) of suppliers. The committee noted that Saskatoon School Division No. 13 has complied with the recommendation.

The committee concurred with recommendation 10 made at page 299 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that Saskatoon School Division No. 13 periodically assess the appropriateness of user access to make changes to the suppliers within the financial system (e.g., create, edit). The committee noted that Saskatoon School Division No. 13 has complied with the recommendation.

Goods and Services Received Not Appropriately Documented

The committee concurred with recommendation 11 made at page 300 of Chapter 38 (Saskatoon School Division No. 13 – Goods and Services Procurement Processes) of the *2014 Report of the Provincial Auditor (Volume 2)* that Saskatoon School Division No. 13 establish processes to appropriately document receipt of goods and services. The committee noted that Saskatoon School Division No. 13 is making progress towards complying with the recommendation.

Chapter 39 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

South East Cornerstone School Division No. 209 – Processes to Promote Positive Student Behaviour

School Expectations for Student Behaviour Not Consistent

The committee concurred with recommendation 1 made at page 308 of Chapter 39 (South East Cornerstone School Division No. 209 – Processes to Promote Positive Student Behaviour) of the *2014 Report of the Provincial Auditor (Volume 2)* that South East Cornerstone School Division No. 209 check that its schools follow established policy requiring each school to develop a charter and communicate expectations for student behaviour. The committee noted that South East Cornerstone School Division No. 209 has complied with the recommendation.

Clarification of Training Requirements Needed

The committee concurred with recommendation 2 made at page 310 of Chapter 39 (South East Cornerstone School Division No. 209 – Processes to Promote Positive Student Behaviour) of the *2014 Report of the Provincial Auditor (Volume 2)* that South East Cornerstone School Division No. 209 set training expectations for initiatives to promote and support positive student behaviour (e.g., number of staff in each school required to be trained or guidance to assist in determining the appropriate number of staff to train). The committee noted that South East Cornerstone School Division No. 209 has complied with the recommendation.

The committee concurred with recommendation 3 made at page 311 of Chapter 39 (South East Cornerstone School Division No. 209 – Processes to Promote Positive Student Behaviour) of the *2014 Report of the Provincial Auditor (Volume 2)* that South East Cornerstone School Division No. 209 maintain records listing staff trained in initiatives to promote and support positive student behaviour and make such records readily available at schools. The committee noted that South East Cornerstone School Division No. 209 is making progress towards complying with the recommendation.

Monitoring of Performance of Behaviour Initiatives Needed

The committee concurred with recommendation 4 made at page 311 of Chapter 39 (South East Cornerstone School Division No. 209 – Processes to Promote Positive Student Behaviour) of the *2014 Report of the Provincial Auditor (Volume 2)* that South East Cornerstone School Division No. 209's Director of Education follow established policy that requires development of measures for assessing the performance of initiatives used to promote and support positive student behaviour. The committee noted that South East Cornerstone School Division No. 209 is making progress towards complying with the recommendation.

The committee concurred with recommendation 5 made at page 312 of Chapter 39 (South East Cornerstone School Division No. 209 – Processes to Promote Positive Student Behaviour) of the *2014 Report of the Provincial Auditor (Volume 2)* that South East Cornerstone School Division No. 209 check that schools follow established policy requiring them to develop action plans, in cooperation with School Community Councils, to respond to issues identified in assessments of school culture and environment. The committee noted that South East Cornerstone School Division No. 209 is making progress towards complying with the recommendation.

Escalation of Student-behaviour Supports Not Documented

The committee concurred with recommendation 6 made at page 313 of Chapter 39 (South East Cornerstone School Division No. 209 – Processes to Promote Positive Student Behaviour) of the *2014 Report of the Provincial Auditor (Volume 2)* that South East Cornerstone School Division No. 209 require consistent documentation in the student file (student cumulative record) of the decisions and steps taken to support positive student behaviour. The committee noted that South East Cornerstone School Division No. 209 has complied with the recommendation.

The committee concurred with recommendation 7 made at page 313 of Chapter 39 (South East Cornerstone School Division No. 209 – Processes to Promote Positive Student Behaviour) of the *2014 Report of the Provincial Auditor (Volume 2)* that South East Cornerstone School Division No. 209 implement and communicate a consistent escalation process for addressing continuing problem behaviour. The committee noted that South East Cornerstone School Division No. 209 has complied with the recommendation.

Monitoring of Effectiveness of Actions Taken Needed

The committee concurred with recommendation 8 made at page 314 of Chapter 39 (South East Cornerstone School Division No. 209 – Processes to Promote Positive Student Behaviour) of the *2014 Report of the Provincial Auditor (Volume 2)* that South East Cornerstone School Division No. 209 follow its established policy to analyze information on student behaviour and monitor related trends. The committee noted that South East Cornerstone School Division No. 209 is making progress towards complying with the recommendation.

The committee concurred with recommendation 9 made at page 314 of Chapter 39 (South East Cornerstone School Division No. 209 – Processes to Promote Positive Student Behaviour) of the *2014 Report of the Provincial Auditor (Volume 2)* that South East Cornerstone School Division No. 209 follow its established policy to track and report to its Board of Education on the performance of its initiatives to promote positive student behaviour. The committee noted that South East Cornerstone School Division No. 209 is making progress towards complying with the recommendation.

Chapter 4 – 2015 Report of the Provincial Auditor (Volume 1)

Considered on: Jan. 13, 2016

School Divisions

Better Monitoring of Physical Assets Needed

The committee concurred with recommendation 1 made at page 25 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that Light of Christ Roman Catholic Separate School Division No. 16 periodically verify the existence of its physical assets. The committee noted that Light of Christ Roman Catholic Separate School Division No. 16 has complied with the recommendation.

Controls Over School-Generated Funds Needed

The committee concurred with recommendation 2 made at page 26 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that Light of Christ Roman Catholic Separate School Division No. 16 document procedures for collecting and disbursing school generated funds. The committee noted that Light of Christ Roman Catholic Separate School Division No. 16 has complied with the recommendation.

Performance Evaluations for Management Needed

The committee concurred with recommendation 3 made at page 26 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that Light of Christ Roman Catholic Separate School Division No. 16 prepare regular performance evaluations for management. The committee noted that Light of Christ Roman Catholic Separate School Division No. 16 has complied with the recommendation.

Estimate Clean-Up Costs for Contaminated Sites

The committee concurred with recommendation 4 made at page 27 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that the Northern Lights School Division No. 113 complete the necessary assessments to estimate the costs to remediate contaminated sites it owns. The committee noted that Northern Lights School Division No. 113 has complied with the recommendation.

Adequate IT Security Policies Needed

The committee concurred with recommendation 5 made at page 28 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that Northern Lights School Division No. 113 establish information technology security policies. The committee noted that Northern Lights School Division No. 113 has complied with the recommendation.

Independent Review and Approval of Purchase Card Transactions Needed

The committee concurred with recommendation 6 made at page 28 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that Prairie Spirit School Division No. 206 independently review and approve all purchase card transactions. The

committee noted that Prairie Spirit School Division No. 206 has complied with the recommendation.

Policy for Recording Journal Entries Needed

The committee concurred with recommendation 7 made at page 29 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that Prairie Spirit School Division No. 206 formally document and implement a policy for recording journal entries in its accounting records including independent review and approval. The committee noted that Prairie Spirit School Division No. 206 has complied with the recommendation.

Estimate Clean-Up Costs for Contaminated Sites

The committee concurred with recommendation 8 made at page 30 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that Regina School Division No. 4 establish financial reporting controls to ensure those responsible for the preparation of financial statements obtain sufficient information to estimate the costs to remediate contaminated sites it owns. The committee noted that Regina School Division No. 4 has complied with the recommendation.

Independent Review and Approval of Bank Reconciliations Needed

The committee concurred with recommendation 9 made at page 31 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that Regina School Division No. 4 independently review and approve bank reconciliations. The committee noted that Regina School Division No. 4 has complied with the recommendation.

Restriction of Access to Chart of Accounts Needed

The committee concurred with recommendation 10 made at page 31 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that Sun West School Division No. 207 appropriately restrict access to the chart of accounts in its accounting software. The committee noted that Sun West School Division No. 207 has complied with the recommendation.

Follow Existing IT Security Policies

The committee concurred with recommendation 11 made at page 31 of Chapter 4 (School Divisions) of the *2015 Report of the Provincial Auditor (Volume 1)* that Sun West School Division No. 207 follow its existing information technology security policies. The committee noted that Sun West School Division No. 207 has complied with the recommendation.

Chapter 9 – 2015 Report of the Provincial Auditor (Volume 1)

Considered on: Jan. 13, 2016

Education – Putting into Operation the Education Sector-Wide Strategic Plan

Oversight of Action Plans Throughout Sector Needed

The committee concurred with recommendation 1 made at page 86 of Chapter 9 (Education – Putting into Operation the Education Sector-Wide Strategic Plan) of the *2015 Report of the Provincial Auditor (Volume 1)* that the Ministry of Education, to coordinate plans across the sector, review school division action plans supporting achievement of the outcomes identified within the sector-wide strategic plan for the Prekindergarten through Grade 12 education sector. The committee noted that the Ministry of Education is making progress towards complying with the recommendation.

Completion of Action Plans Needed

The committee concurred with recommendation 2 made at page 87 of Chapter 9 (Education – Putting into Operation the Education Sector-Wide Strategic Plan) of the *2015 Report of the Provincial Auditor (Volume 1)* that the Ministry of Education establish a deadline for completing action plans supporting achievement of the outcomes identified within the sector-wide strategic plan for the Prekindergarten through Grade 12 education sector. The committee noted that the Ministry of Education is making progress towards complying with the recommendation.

Chapter 13 – 2015 Report of the Provincial Auditor (Volume 1)

Considered on: Jan. 13, 2016

Prairie South School Division No. 210 – Equipping the Board with Knowledge and Competencies to Govern

Knowledge and Competencies Necessary to Govern Not Specifically Identified

The committee concurred with recommendation 1 made at page 142 of Chapter 13 (Prairie South School Division No. 210 – Equipping the Board with Knowledge and Competencies to Govern) of the *2015 Report of the Provincial Auditor (Volume 1)* that the Board of Education of Prairie South School Division No. 210 set out its baseline knowledge and competencies necessary to govern the School Division. The committee noted that Prairie South School Division No. 210 has complied with the recommendation.

Formal Process Needed to Identify Knowledge and Competency Gaps

The committee concurred with recommendation 2 made at page 143 of Chapter 13 (Prairie South School Division No. 210 – Equipping the Board with Knowledge and Competencies to Govern) of the *2015 Report of the Provincial Auditor (Volume 1)* that the Board of Education of Prairie South School Division No. 210 maintain a current listing of knowledge and competencies possessed collectively and by individual Board members. The committee noted that Prairie South School Division No. 210 has complied with the recommendation.

Plan Needed to Address Gaps in Board Knowledge and Competencies

The committee concurred with recommendation 3 made at page 144 of Chapter 13 (Prairie South School Division No. 210 – Equipping the Board with Knowledge and Competencies to Govern) of the *2015 Report of the Provincial Auditor (Volume 1)* that the Board of Education

of Prairie South School Division No. 210 document a plan to address gaps in individual and collective Board knowledge and competencies. The committee noted that Prairie South School Division No. 210 has complied with the recommendation.

Strategy to Address Knowledge and Competency Gaps Not Yet Implemented

The committee concurred with recommendation 4 made at page 145 of Chapter 13 (Prairie South School Division No. 210 – Equipping the Board with Knowledge and Competencies to Govern) of the *2015 Report of the Provincial Auditor (Volume 1)* that the Board of Education of Prairie South School Division No. 210 periodically monitor whether Board professional development training addresses gaps in individual and collective Board knowledge and competencies. The committee noted that Prairie South School Division No. 210 has complied with the recommendation.

HEALTH

Chapter 7 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

eHealth Saskatchewan

Timely Removal of User Access to IT Systems and Data Needed

The committee concurred with recommendation 1 made at page 51 of Chapter 7 (eHealth Saskatchewan) of the *2014 Report of the Provincial Auditor (Volume 2)* that eHealth Saskatchewan follow its processes to remove unneeded user access to its IT systems and data promptly. The committee noted that eHealth Saskatchewan has complied with the recommendation.

Chapter 15 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

North Sask. Laundry & Support Services Ltd.

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 19 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

Regional Health Authorities

Cypress, Mamawetan Churchill River, and Keewatin Yatthé—Each Need Agreements with Healthcare Organizations

The committee concurred with recommendation 1 made at page 118 of Chapter 19 (Regional Health Authorities) of the *2014 Report of the Provincial Auditor (Volume 2)* that Cypress

Regional Health Authority comply with *The Regional Health Services Act* when providing funding to healthcare organizations in the region. The committee noted that Cypress Regional Health Authority has complied with the recommendation.

The committee concurred with recommendation 2 made at page 118 of Chapter 19 (Regional Health Authorities) of the *2014 Report of the Provincial Auditor (Volume 2)* that Mamawetan Churchill River Regional Health Authority comply with *The Regional Health Services Act* when providing funding to healthcare organizations in the region. The committee noted that Mamawetan Churchill River Regional Health Authority has complied with the recommendation.

Sun Country, Heartland, Keewatin Yatthé, Mamawetan Churchill River, and PA Parkland—
Each Need Better Protection of IT Systems and Data

The committee concurred with recommendation 3 made at page 119 of Chapter 19 (Regional Health Authorities) of the *2014 Report of the Provincial Auditor (Volume 2)* that Sun Country Regional Health Authority follow its established policy to remove unneeded user access to its information technology systems and data. The committee noted that Sun Country Regional Health Authority has complied with the recommendation.

Chapter 20 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

Saskatchewan Cancer Agency

Disaster Recovery Plan Testing Needed

The committee concurred with recommendation 1 made at page 128 of Chapter 20 (Saskatchewan Cancer Agency) of the *2014 Report of the Provincial Auditor (Volume 2)* that the Saskatchewan Cancer Agency test the effectiveness of its disaster recovery plan as its policies require. The committee noted that the Saskatchewan Cancer Agency is making progress towards complying with the recommendation.

Chapter 34 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

Health Quality Council – Coordinating the Use of Lean Across the Health Sector

Risk Management Framework for Use of Lean Needed

The committee concurred with recommendation 1 made at page 226 of Chapter 34 (Health Quality Council – Coordinating the Use of Lean Across the Health Sector) of the *2014 Report of the Provincial Auditor (Volume 2)* that the Health Quality Council implement a risk management framework for coordinating the use of Lean across the health sector. The committee noted that Health Quality Council has complied with the recommendation.

More Information Required to Improve Alignment

The committee concurred with recommendation 2 made at page 229 of Chapter 34 (Health Quality Council – Coordinating the Use of Lean Across the Health Sector) of the *2014 Report of the Provincial Auditor (Volume 2)* that Health Quality Council promote alignment of Lean activities across health sector agencies by sharing information that demonstrates how activities contribute to strategic priority areas. The committee noted that Health Quality Council is making progress towards complying with the recommendation.

Improved Monitoring of Progress Required

The committee concurred with recommendation 3 made at page 232 of Chapter 34 (Health Quality Council – Coordinating the Use of Lean Across the Health Sector) of the *2014 Report of the Provincial Auditor (Volume 2)* that Health Quality Council collect information from health sector agencies on ongoing results achieved through Lean events in the agencies. The committee noted that Health Quality Council has complied with the recommendation.

Improved Reporting on Progress Needed

The committee concurred with recommendation 4 made at page 233 of Chapter 34 (Health Quality Council – Coordinating the Use of Lean Across the Health Sector) of the *2014 Report of the Provincial Auditor (Volume 2)* that Health Quality Council give written reports to the Ministry of Health and health sector agencies on the results Lean events have achieved, and the sustainability of those results. The committee noted that Health Quality Council is making progress towards complying with the recommendation.

The committee concurred with recommendation 5 made at page 233 of Chapter 34 (Health Quality Council – Coordinating the Use of Lean Across the Health Sector) of the *2014 Report of the Provincial Auditor (Volume 2)* that Health Quality Council report to the public on outcomes achieved through the use of Lean across the health sector. The committee noted that Health Quality Council has complied with the recommendation.

Chapter 42 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

Cypress Regional Health Authority – IT Security

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 52 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

Prince Albert Parkland Regional Health Authority – IT Security

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 – 2015 Report of the Provincial Auditor (Volume 1)

Considered on: Jan. 13, 2016

eHealth Saskatchewan – Protecting Patient Information in the Saskatchewan Laboratory Results Repository

Better Monitoring of User Access Needed

The committee concurred with recommendation 1 made at page 98 of Chapter 10 (eHealth Saskatchewan – Protecting Patient Information in the Saskatchewan Laboratory Results Repository) of the *2015 Report of the Provincial Auditor (Volume 1)* that eHealth Saskatchewan assess risks of inappropriate access to lab results in the Saskatchewan Lab Results Repository and set up related alerts to enable timely detection. The committee noted that eHealth Saskatchewan is making progress towards complying with the recommendation.

The committee concurred with recommendation 2 made at page 98 of Chapter 10 (eHealth Saskatchewan – Protecting Patient Information in the Saskatchewan Laboratory Results Repository) of the *2015 Report of the Provincial Auditor (Volume 1)* that eHealth Saskatchewan properly configure and update, on a timely basis, its Saskatchewan Lab Results Repository systems for critical vulnerabilities. The committee noted that eHealth Saskatchewan is making progress towards complying with the recommendation.

Access Controls Need Strengthening

The committee concurred with recommendation 3 made at page 99 of Chapter 10 (eHealth Saskatchewan – Protecting Patient Information in the Saskatchewan Laboratory Results Repository) of the *2015 Report of the Provincial Auditor (Volume 1)* that eHealth Saskatchewan implement a policy to require prompt removal of user access to the Saskatchewan Lab Results Repository through the eHR Viewer upon request. The committee noted that eHealth Saskatchewan is making progress towards complying with the recommendation.

The committee concurred with recommendation 4 made at page 99 of Chapter 10 (eHealth Saskatchewan – Protecting Patient Information in the Saskatchewan Laboratory Results Repository) of the *2015 Report of the Provincial Auditor (Volume 1)* that eHealth Saskatchewan implement a policy to confirm periodically with healthcare organizations that existing users have appropriate access to the Saskatchewan Lab Results Repository through the eHR Viewer. The committee noted that eHealth Saskatchewan is making progress towards complying with the recommendation.

The committee concurred with recommendation 5 made at page 99 of Chapter 10 (eHealth Saskatchewan – Protecting Patient Information in the Saskatchewan Laboratory Results Repository) of the *2015 Report of the Provincial Auditor (Volume 1)* that eHealth Saskatchewan follow its password expiry policy for privileged user accounts that access the Saskatchewan Lab Results Repository. The committee noted that eHealth Saskatchewan is making progress towards complying with the recommendation.

Chapter 22 – 2015 Report of the Provincial Auditor (Volume 1)

Considered on: Jan. 13, 2016

Five Hills Regional Health Authority – Provision of Nourishing and Safe Food Services in Long-Term Care Facilities

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 6 – 2015 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

eHealth Saskatchewan

Capital Asset Verification Needed

The committee concurred with recommendation 1 made at page 38 of Chapter 6 (eHealth Saskatchewan) of the *2015 Report of the Provincial Auditor (Volume 2)* that eHealth Saskatchewan regularly verify the existence of its capital assets and reconcile to its accounting records. The committee noted that eHealth Saskatchewan is making progress towards complying with the recommendation.

Timely Bank Reconciliations Needed

The committee concurred with recommendation 2 made at page 39 of Chapter 6 (eHealth Saskatchewan) of the *2015 Report of the Provincial Auditor (Volume 2)* that eHealth Saskatchewan require staff to reconcile each of its bank accounts monthly. The committee noted that eHealth Saskatchewan has complied with the recommendation.

Segregation of Incompatible Duties Needed

The committee concurred with recommendation 3 made at page 39 of Chapter 6 (eHealth Saskatchewan) of the *2015 Report of the Provincial Auditor (Volume 2)* that eHealth Saskatchewan adequately segregate duties assigned to employees responsible for processing payments and record keeping. The committee noted that eHealth Saskatchewan has complied with the recommendation.

Chapter 19 – 2015 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

Regional Health Authorities

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 22 – 2015 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 13, 2016

Saskatchewan Cancer Agency

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

WATER SECURITY AGENCY

Chapter 28 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 14, 2016

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 40 – 2014 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 14, 2016

Water Security Agency – Coordinating Flood Mitigation

Identification of Ongoing Flood-Risk Areas Needed

The committee concurred with recommendation 1 made at page 325 of Chapter 40 (Water Security Agency – Coordinating Flood Mitigation) of the *2014 Report of the Provincial Auditor (Volume 2)* that the Water Security Agency work with others (e.g., municipalities and the Ministry of Government Relations) to determine and document municipalities with ongoing flood risks. The committee noted that the Water Security Agency is making progress towards complying with the recommendation.

Need to Evaluate Whether Flood Risks are Being Mitigated

The committee concurred with recommendation 2 made at page 326 of Chapter 40 (Water Security Agency – Coordinating Flood Mitigation) of the *2014 Report of the Provincial Auditor (Volume 2)* that the Water Security Agency work with others (e.g., municipalities and the Ministry of Government Relations) to evaluate gaps in flood mitigation initiatives in municipalities with ongoing flood risks. The committee noted that the Water Security Agency has complied with the recommendation.

Chapter 30 – 2015 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 14, 2016

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 56 – 2015 Report of the Provincial Auditor (Volume 2)

Considered on: Jan. 14, 2016

Water Security Agency – Drinking Water Regulation

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

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 2016-2017 fiscal year. The motions adopted on Jan. 14, 2016 for the 2016-2017 fiscal year were:

MOTION #1

That the 2016-2017 estimates of the Office of the Provincial Auditor, Vote 28 – Provincial Auditor (PA01) be approved, as submitted, in the amount of \$7,980,000.

MOTION #2

That the 2016-2017 estimates of the Office of the Provincial Auditor, Vote 28 – Unforeseen Expenses (PA02) be approved, as submitted, in the amount of \$545,000.

Appendix A - Provincial Auditor's Officials

Judy Ferguson, Provincial Auditor
Mobashar Ahmad, Deputy Provincial Auditor
Angèle Borys, Deputy Provincial Auditor & Chief Operating Officer
Kelly Deis, Deputy Provincial Auditor
Regan Sommerfeld, Deputy Provincial Auditor
Tara Clemett, Principal
Charlene Drotar, Principal
Linda Klassen, Principal
Kim Lowe, Principal
Mark Anderson, Executive Director
Jason Wandy, Senior Manager
Heather Tomlin, Office Manager
Mindy Calder, Communications Manager

Appendix B - Provincial Comptroller's Officials

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

Appendix C - Ministry Officials

*****The titles of the ministry officials reflect their title at the time they presented to PAC.**

Advanced Education

Louise Greenberg, Deputy Minister
David Boehm, Assistant Deputy Minister, Corporate Services and Accountability
Tammy Bloor Cavers, Assistant Deputy Minister, Sector Relations and Student Services
Scott Giroux, Executive Director, Corporate Finance
Duane Rieger, Executive Director, Business Systems and Risk Management
Christell Simeon, Intern, Johnson-Shoyama Graduate School of Public Policy
University of Regina
Vianne Timmons, President
David Malloy, Vice President, Research
Dale Eisler, Senior Advisor, Government Relations

Education

Julie MacRae, Deputy Minister
Donna Johnson, Assistant Deputy Minister
Clint Repski, Assistant Deputy Minister
Lynn Allan, Acting Assistant Deputy Minister
Dawn Court, Executive Director, Corporate Services
Angela Chobanik, Executive Director, Education Funding
Heather Balfour, Director, Planning and Reporting, Strategic Policy
Northern Lights School Division
Tom Harrington, Chief Financial Officer
Prairie South School Division
Bernie Girardin, Chief Financial Officer
Tony Baldwin, Director of Education
Regina Public School Division
Greg Enion, Director of Education
Debra Burnett, Chief Financial Officer
Saskatoon Public School Division
Garry Benning, Chief Financial Officer
South East Cornerstone School Division
Lynn Little, Director of Education

Health

Max Hendricks, Deputy Minister
Kimberley Kratzig, Assistant Deputy Minister
Pauline Rousseau, Executive Director, Strategy and Innovation
Brenda Russell, Executive Director, Financial Services
Cindy Fedak, Director, Financial Services
eHealth Saskatchewan
Susan Antosh, Chief Executive Officer

Water Security Agency

Wayne Dybvig, President

Susan Ross, Senior Vice-President and General Counsel

Sam Ferris, Executive Director, Environmental and Municipal Management Services

Dale Hjertaas, Executive Director, Policy

Irene Hrynkiw, Executive Director, Corporate Services

John Fahlman, Acting Executive Director, Engineering and Geoscience

Clinton Molde, Acting Executive Director, Integrated Water Services