

I. INTRODUCTION

Mr. Gantefoer, Chair of the Standing Committee on Public Accounts, presents the Committee's third report of the Twenty-Third Legislature.

Business Conducted

This report reflects the work of the Committee through 24 meetings held during the Second and Third Sessions of the Twenty-Third Legislature. The observations, conclusions and recommendations contained in this report are based on the Committee's examination of testimony heard to the end of its meeting on January 6th, 1999. The recommendations follow in sequential order from matters reported by the Committee in its Second Report, which was tabled in the Legislative Assembly on April 24th, 1997 (Sessional Paper No. 156).

During these meetings your Committee concluded examination of the following reports of the Provincial Auditor:

- *Fall 1996 Report of the Provincial Auditor*
- *Spring 1997 Report of the Provincial Auditor*
- *Fall 1997 Report of the Provincial Auditor (Volume 1)*
- *Fall 1997 Report of the Provincial Auditor (Volume 2)*
- *Spring 1998 Report of the Provincial Auditor*
- *Fall 1998 Report of the Provincial Auditor (Volume 1)*
- *Fall 1998 Report of the Provincial Auditor (Volume 2)*

When your Committee last reported, work had not been concluded on the *Spring 1996 Report of the Provincial Auditor*. Your Committee notes that outstanding issues from the *Spring 1996 Report* were brought forward by the Provincial Auditor and included as part of the *Spring 1997 Report*. Your Committee is pleased to report that it has concluded all outstanding business.

It is your Committee's request that the Government of Saskatchewan respond to this report within 120 days.

Acknowledgments

Your Committee elected Mr. Gantefoer to preside as Chair on January 6th, 1999. Mr. Shillington was elected as Vice-Chair on October 5th, 1998. Both Mr. Gantefoer and Mr. Shillington have served previously as Chair of Standing Committee on Public Accounts.

The Committee expresses its gratitude to Ms. Draude, who served in the position of Chair from February 16th, 1998 to January 6th, 1999; and as well to Mr. Aldridge, who served in the position of Chair from January 6th, 1997 until December 19th, 1997. Your Committee also expresses its appreciation to Mr. Tchorzewski, who served as Vice-Chair from February 16th, 1998 until stepping down from the Committee on June 10th, 1998; as well to Mr. Sonntag, who served in the position of Vice-Chair from March 19th, 1996 until December 19th, 1997.

The Committee also appreciates the service of Ms. Haverstock, Mr. Pringle and Mr. Toth, who, with Mr. Aldridge and Mr. Sonntag, stepped down from the Committee on December 19th, 1997. On that date Mr. Gantefer, Mr. Goohsen, Mr. Hillson, Mr. Tchorzewski and Mr. Whitmore were appointed to the Committee.

On May 7th, 1998, Mr. Hillson stepped down from the Committee and was replaced by Mr. Osika who served until October 20th, 1998, when Mr. Hillson rejoined the Committee in his place. On June 10th, 1998, Mr. Tchorzewski stepped down from the Committee and his place was taken by Mr. Shillington.

The Committee expresses its appreciation to the Office of the Clerk for administrative support and procedural advice, to the Provincial Auditor and staff, to the Provincial Comptroller and staff, to Hansard, and to the many witnesses who appeared before the Committee. A list of witnesses is attached to this report as *Appendix A*.

Government's Response to the Second Report

Your Committee thanks the Government of Saskatchewan for its reply to the Second Report.

II. THE YEAR 2000 and the MILLENIUM "BUG"

Of continuing interest to your Committee is the Year 2000 "Millennium Bug" issue. Your Committee examined this issue through consideration of Chapter 3 of the *1997 Fall Report (Volume 2) of the Provincial Auditor*, and Chapter 3 of the *Fall 1998 Report of the Provincial Auditor (Volume 2)*. Your Committee held special hearings to receive an overview from the Department of Finance, the Department of Economic Development, the Department of Health and the Crown Investments Corporation of Saskatchewan about how each have approached the Year 2000 issue, their general state of preparedness, and measures taken to prepare mission critical systems for the year 2000. Other departments, agencies and Crown corporations were questioned in the course of the Committee's regular examination of the various years under review.

CHAPTER 3 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Budgeting Planning for the Year 2000 Millennium Bug

Your committee concurs with the recommendation made at paragraph 3.16, concerning the completion, approval and budget of plans associated with the Year 2000 issue by government agencies, and notes that the government has made progress towards its preparedness.

CHAPTER 2 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Government Year 2000 Co-ordination Office

Your committee concurs with recommendation 2-1, that the government's new Year 2000 Project Co-ordination Office help set priorities, resource needs and contingency plans for

government. Your Committee notes that the Office has made progress towards compliance with this recommendation.

Reporting of Year 2000 Issues to PAC

Your committee concurs with recommendation 2-2, that the Year 2000 Project Co-ordination Office report regularly to the Standing Committee on Public Accounts on the government's progress on the Year 2000 issue. Your Committee notes that the Office has already reported to your committee and will be invited to make further reports.

Approval of Year 2000 Plans by Senior Management

Your committee concurs with recommendation 2-3, that senior management approve their Year 2000 plans including detailed budgets and Year 2000 assessments and periodically report on progress to the Year 2000 Project Co-ordination Office. Your Committee notes that the government has made progress towards compliance with this recommendation.

Ensuring Third Party Year 2000 Compliance

Your committee concurs with recommendation 2-4, that the government establish rules and procedures for ensuring third parties and business partners know their responsibilities to become Year 2000 compliant. Your Committee notes that the government has made progress towards compliance with this recommendation.

Year 2000 Contingency Plan

Your committee concurs with recommendation 2-5, that all government agencies have a formal, approved and tested Year 2000 contingency plan. Your Committee notes that the government has made progress towards compliance with this recommendation.

III. ACCOUNTABILITY INFORMATION

Content and Use of Public Accounts, Summary Financial Statements, Financial Plan and Performance Reports of the Government of Saskatchewan

Your Committee noted the recommendations of the Provincial Auditor made in the *Fall 1996 Report* concerning the use of the summary financial statements, the content of the Public Accounts documents, and a budget based on the summary financial statements but reaffirmed its position of December 12, 1996, as follows:

"It is premature for the government to consider moving towards multi-year government planning information until such time as there have been standards and consistency developed for reporting of this information."

Your Committee's position on this matter was previously reported to the Assembly on page I of Appendix C of the Second Report of the Standing Committee on Public Accounts.

In consideration of the recommendations made at paragraphs 2.61 and 2.62 of the *Fall 1997 Report of the Provincial Auditor (Volume 1)*, and recommendations 1 and 2 of the *Fall 1998 Report of the Provincial Auditor (Volume 1)*, your committee noted that the Minister of Finance had stated in media reports of October 1, 1998, that the government would examine different ways of budgeting, including the use of performance targets. Your committee agreed to await the conclusion of this examination by the Minister before further addressing the issue.

Government of Saskatchewan Annual Report and its Content

Your Committee noted the recommendations of the Provincial Auditor made in *Fall 1996 Report*, concerning the publication and content of a Government of Saskatchewan annual report but reaffirmed its position of December 19th, 1996, that "the Committee rejects the Auditor's recommendation that the government publish a government wide annual report." Your Committee's position on this matter was previously reported to the Assembly on page II of Appendix C of the Second Report.

Tabling of Annual Reports of Departments and Crown Agencies

Having considered Chapter 17 of the *Spring 1998 Report of the Provincial Auditor*, your committee reiterates **Recommendation 3**, of its First Report, as follows: "*The government amend The Tabling of Documents Act to enable the tabling of reports through the Office of the Clerk when the Assembly is not sitting.*"

Accountability Information Required

In consideration of the Provincial Auditor's recommendation made in the *Fall 1996 Report* at paragraphs 6.08, 6.16, and 6.21, which concern the general provision of financial statements, lists of payees and content of annual reports, your Committee came to a number of conclusions.

Your Committee agrees that the spirit of accountability is an important fundamental principle of government, however, it has come to realize that circumstances for every government agency may be unique and may vary, and that broad sweeping recommendations that blanket all government agencies as stated in recommendations 6.08, 6.16 and 6.21, are not appropriate. Therefore, it is your Committee's decision that it will deal with the issue of accountability with respect to financial statements, listing of persons who have received public money, and the inclusion of comparisons of planned and actual results in annual reports on an agency or department by department basis, as the Auditor raises these issues in his future reports.

Your Committee also considered these issues of accountability in relation to Crown corporations and in particular the Crown Investments Corporation of Saskatchewan. It is your Committee's opinion that in reference to Crown corporations such matters are better dealt with by the Standing Committee on Crown Corporations. Therefore, your Committee makes the following recommendation:

RECOMMENDATION 41

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendations made in Chapter 6 of the Fall 1996 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration, as it they relate to the Crown Investments Corporation of Saskatchewan, its subsidiaries, and agencies.

IV. DEPARTMENT OF FINANCE

CHAPTER 12 -- Fall 1996 Report of the Provincial Auditor

Recording of Pension Liabilities

In consideration of the recommendation made at paragraph 12.11, concerning the recording of pension liabilities by Treasury Board in the General Revenue Fund (GRF), your Committee notes that the government fully discloses its unfunded pension liability in the notes to GRF financial statements; and further that the unfunded pension liability is recorded in summary financial statements in accordance with the Public Sector Accounting and Auditing Board (PSAAB) recommendations and that the government budgets and fully records its annual pension cash requirements in the GRF.

Financial Statements for Pension and Benefit Plans

Your Committee concurs with the recommendation made at paragraph 12.14, that the government should give timely financial statements to the Legislative Assembly for pension and benefit plans, and reports that the Department intends to comply with the recommendation.

Financial Statements of Greystone Capital Management Inc., SaskPen Properties Ltd., and SP Two Properties Ltd.

In consideration of the recommendation made at paragraph 12.20, concerning the tabling of financial statements by Greystone Capital Management Inc., SaskPen Properties Ltd., and SP Two Properties Ltd., your Committee reiterated its previous conclusion that the cited entities are not subject to audit under the *Provincial Auditor Act*. This position was reported to the Legislative Assembly in the Committee's Second Report, dated April 22nd, 1997.

Determination of Public Employees Disability Income Plan Liability

Your Committee concurs with the recommendation made at paragraph 12.30, concerning the establishment of rules and procedures to accurately determine the amount of the Public Employees Disability Income Plan liability. Your Committee reports that the Department has complied with the recommendation.

Determination of Public Employees Group Life Insurance Plan Liability

Your Committee concurs with the recommendation made at paragraph 12.39, concerning the establishment of rules and procedures to accurately determine the amount of the Public Employees Group Life Insurance Plan liability. Your Committee reports that the Department has complied with the recommendation.

CHAPTER 20 -- Fall 1997 Report of the Provincial Auditor (Volume 1)

Recording of Pension Liabilities

In consideration of the recommendation made at paragraph 20.12, concerning the recording of pension liabilities, your Committee reiterated its comments made in response to the Provincial Auditor's *Fall 1996 Report*, wherein it was noted that the information is readily available and reported in the summary financial statements (see above).

Tabling of Annual Reports in the Assembly

In consideration of the recommendation made at paragraph 20.15, your Committee concurs and makes the following recommendation to the Assembly:

RECOMMENDATION 42

The Department of Finance should ensure its agencies provide their annual reports and financial statements to the Assembly by the date required by law.

Payment of Allowances to Surviving Spouses under MLA Superannuation Act

Your committee concurs with the recommendation made at paragraph 20.24 and recommends to the Assembly the following:

RECOMMENDATION 43

The Department of Finance should pay allowances to surviving spouses as required by The Members of the Legislative Assembly Superannuation Act, 1979, or seek changes to the Act to allow these payments.

Profits and Losses from Annuity Underwriting under MLA Superannuation Act.

Your committee concurs with the recommendation made at paragraph 20.30, and recommends to the Assembly:

RECOMMENDATION 44

The Department of Finance should seek changes to The Members of the Legislative Assembly Superannuation Act, 1979, to provide

direction for the handling of profits or losses from annuity underwriting.

Claims Associated with the Public Employees Dental Fund

Your committee concurs with the recommendation made at paragraph 20.40, and recommends to the Assembly:

RECOMMENDATION 45

The Department of Finance should follow its established rules and procedures for paying claims associated with the Public Employees Dental Fund.

Public Employees Dental Fund Budget

Your committee concurs with the recommendation made at paragraph 20.45, and recommends to the Assembly:

RECOMMENDATION 46

The Department of Finance should prepare and approve a budget for the Public Employees Dental Fund before the fiscal year begins.

Public Employees Dental Fund Budget Annual Statements

Your committee concurs with the recommendation made at paragraph 20.46, that the Public Employees Dental Fund annual statements contain a comparison of actual results with planned results. Your committee notes that the Department is making progress towards compliance with the recommendation.

Chapter 13 -- Spring 1998 Report of the Provincial Auditor

Department of Finance Annual Report

In consideration of the recommendation made at paragraph 13.38, your Committee does not concur with the Provincial Auditor that the department should prepare an annual report on its activities.

Chapter 10 -- Spring 1998 Report of the Provincial Auditor

Statements of Investment Objectives for Pension Plans

Your committee concurs with the recommendation made at paragraph 10.29, that the statements of investment objectives for pension plans include a clear assessment of the risk level acceptable to plan members and the government, and secondly, that pension plan investment objectives

should be based on the risk level acceptable to plan members and the government. Your committee notes that the Department of Finance intends to comply so far as it is possible in a world which is increasingly difficult to assess investment risk.

Tabling of Pension Plan Annual Reports in the Assembly

Your committee concurs with the recommendation made at paragraph 10.40, that the government should table all of its pension plan annual reports in the Legislative Assembly. Your committee noted that all but four are presently tabled. The following recommendation is made to the Assembly:

RECOMMENDATION 47

The Department of Finance look at what measures could be taken to ensure complete compliance with the Provincial Auditor's recommendation that all the government's pension plan annual reports be tabled in the Legislative Assembly.

Improvement of Content of Pension Plan Annual Reports

Your committee concurs with the recommendation made at paragraph 10.63, that the government should continue to improve the content of pension plan annual reports. Your committee notes that progress is being made to comply with the Auditor's recommendations.

Consistency in Content of Pension Plan Annual Reports

Your committee concurs with the recommendation made at paragraph 10.67, that the government study the legislation for its pension plans to decide what type of information should be provided in annual reports and whether it is appropriate for that information to be more consistent; and if more consistency in the type of information is not considered appropriate, then the government should explain why. Your committee notes that the government is working towards compliance with this recommendation.

Saskatchewan Pension Plan Investment Earnings Allocation Policy

Your committee disagrees with the recommendation made at paragraph 10.78, that the Saskatchewan Pension Plan investment earnings allocation policy should be consistent with other defined contribution pensions plans. Your committee notes that the Saskatchewan Pension Plan contributions aren't compulsory and are not based on an employee-employer relationship. For this reason your committee found no reason for it to be consistent with other plans.

Saskatchewan Telecommunications Superannuation Plan COLA Estimates

Your committee concurs with the recommendation made at paragraph 10.86, that the government should ensure that the Saskatchewan Telecommunications Superannuation Plan use an estimate for COLA (cost of living adjustment) increases which is consistent with the other defined benefit

pension plans. Your committee notes that SaskTel will be establishing COLA increases so this has made the recommendation redundant.

Showing of Future Cash Flow in Financial Statements of Defined Pension Plans

Your committee concurs with the recommendation made at paragraph 10.92, that the government's defined benefit pension plans with unfunded liabilities should show future cash flow information in their financial statements. Your committee notes that the government is working towards compliance with this recommendation.

Task Force to Study Pension Plan Issues

Your Committee does not concur with the recommendation made at paragraph 10.99, that the government should establish a task force to study the many issues related to pension plans. However, your Committee does make the following recommendation to the Assembly:

RECOMMENDATION 48

The Department of Finance return to the Standing Committee on Public Accounts during the 1st Session of the Twenty-fourth Legislature with a report as to how the government plans to address its pension obligations.

Your committee reports that this position effectively supersedes Recommendation 11 of its First Report, made during the first session of the present Legislature.

Chapter 18 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Inclusion of Total Pension Costs in Annual Estimates

Your Committee does not concur with recommendation 18-1, that the Department include the General Revenue Fund's total pension costs for the year in the Estimates. Furthermore, it is your Committees point of view that the information referred to in the first recommendation of Chapter 18 is available in the government's summary financial statements.

Accounting of Pension Costs in the GRF

In consideration of recommendation 18-2, that the Department properly account for pension costs in the General Revenue Fund (GRF) financial statements, your committee reiterates its previous response to this issue, which is contained in this report (see above) as part of the response to *Chapter 12 of the Fall 1996 Report of the Provincial Auditor*. Your Committee notes that it deliberated on this issue at its meetings of February 17th, 1998 (*PAC Minute No. 30*), October 5th, 1998 (*PAC Minute No. 35*), and January 6th, 1999 (*PAC Minute No. 45*).

Reporting of Important Accountability Information

Your committee concurs with recommendation 18-3, that the Department of Finance report important accountability information about its performance. It was noted that the Department has made progress towards compliance with this recommendation.

Municipal Employees' Pension Plan Accounting Policies and Procedures Manual

Your committee concurs with recommendations 18-4 and 18-5, that the Municipal Employees' Pension Plan Commission prepare a complete accounting policies and procedures manual for the Municipal Employees' Pension Plan and approve the policies and procedures as they are completed. Your committee notes progress towards compliance with this recommendation.

Calculation of Pensions by Municipal Employees' Pension Plan Commission

Your committee concurs with recommendation 18-6, and recommends to the Assembly that:

RECOMMENDATION 49

The Employees' Pension Plan Commission calculate pensions in accordance with The Municipal Employees' Pension Plan.

Members of the Legislative Assembly Superannuation Act

In consideration of recommendations 18-7 and 18-8, your Committee notes that it responded to these issues through its review of the *Fall 1996 Report of the Provincial Auditor*, which form the basis for this Committee's Recommendations 44 and 45 (see above).

V. CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

CHAPTER 4 -- Fall 1996 Report of the Provincial Auditor

Crown Corporation Reporting

Your Committee noted the Provincial Auditor's recommendation made at paragraphs 4.14, concerning the inclusion of comparisons of planned performance to actual results in the annual reports of Crown Investments Corporation of Saskatchewan (CIC) and its subsidiaries. With respect to this matter, your Committee makes the following recommendation:

RECOMMENDATION 50

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 4.14 of the Fall 1996 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration.

List of Payees who receive Public Money from CIC and its Crowns

Your Committee noted the Provincial Auditor's recommendation made at paragraphs 4.18, concerning the tabling in the Legislative Assembly a list of persons who receive public money from CIC and its subsidiaries. With respect to the advisability of this matter, your Committee makes the following recommendation:

RECOMMENDATION 51

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 4.18 of the Fall 1996 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration.

Disclosure of CIC Investments, Policy Objectives and Pension Liabilities

Your Committee noted the recommendations made at paragraphs 4.23, 4.31, 4.38, 4.53, 4.104 and 4.109, concerning investments in commercial enterprises; the disclosure of public policy and business objectives; and standard assumptions for pension liabilities. The Committee is of the opinion that the issue of disclosure generally in a competitive environment is a subject better reviewed by the Standing Committee on Crown Corporations. Therefore, your Committee makes the following recommendation:

RECOMMENDATION 52

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraphs 4.23, 4.31, 4.38, 4.53, 4.104 and 4.109 of the Fall 1996 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration.

Lieutenant Governor in Council approval for participation in a joint venture

Your Committee concurs with the Provincial Auditor's recommendation made at paragraph 4.45, that CIC should obtain Lieutenant Governor in Council approval for increasing its participation in a joint venture, for providing financial assistance, and for acquiring shares in a corporation. Your Committee reports that CIC has complied with this recommendation.

Chapter 4 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Tabling of Biostar Inc. Share Purchase Agreement

Your committee concurs with the recommendation made at paragraph 4.35, that CIC should give the Assembly a copy of the share purchase agreement related to Biostar Inc. Your committee notes that CIC has complied with this recommendation.

Chapter 8 -- Spring 1998 Report of the Provincial Auditor

Crown Corporations Policies and Procedures Manual

Your committee concurs with the recommendation made at paragraph 8.11, 8.12 and 8.13, that CIC should prepare a manual of policies related to its Crown corporations, which contains CIC's expectations on all significant issues relating to CIC's responsibility for co-ordinating the strategic direction of its Crown corporations; and monitoring and evaluating their performances. Your committee notes that CIC is now in compliance with the recommendation.

Approval and Public Disclosure of Subsidiaries' Transactions

Your committee concurs with the recommendation made at paragraph 8.20, that CIC should ensure subsidiaries of Crown corporations get the same approvals and provide the same level of public disclosure of their transactions that is required of Crown corporations. Your committee notes that CIC is making progress towards compliance with this recommendation.

Comparison of Planned Results and Actual Results in Annual Reports

In consideration of the recommendation made at paragraph 8.30, that CIC should continue to improve its annual report and the annual reports of its subsidiaries by including full comparisons of planned results to actual results, your committee notes that it had dealt with this issue in the context of its review of the *Fall 1996 Report of the Provincial Auditor* on February 18th, 1998. Your committee reiterated its position that the Assembly should refer this matter to the Standing Committee on Crown Corporations (*see Recommendation 51 of this report*).

Listing of Payees who receive Public Money

In consideration of the recommendation made at paragraph 8.37, that CIC and its subsidiaries should provide a list of payees who receive public money, your committee notes that it had dealt with this issue in the context of its review of the *Fall 1996 Report of the Provincial Auditor* on February 18th, 1998. Your committee reiterated its position that the Assembly should refer this matter to the Standing Committee on Crown Corporations (*see Recommendation 52 of this report*).

VI. DEPARTMENT OF HEALTH & DISTRICT HEALTH BOARDS

CHAPTER 13 -- Fall 1996 Report of the Provincial Auditor

District Health Boards -- Rural Health Coalition Agreement Dispute Resolution

In consideration of the recommendation made at paragraph 13.46, concerning the funding of laboratory services and a dispute resolution process as required by the Rural Health Coalition Agreement, your Committee acknowledges the spirit and interest of the Rural Health Agreement, with regards to dispute resolution and review of funding for laboratory and X-ray services, and reports that this has been met and complied with by District Health Boards and their affiliates.

CHAPTER 24 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

District Health Boards -- Service Agreements

Your committee concurs with the recommendation made at paragraph 24.35, that the Department should improve its service agreements with District Health Boards. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Receipt and Approval of Plans

Your committee concurs with the recommendation made at paragraph 24.43, that the Department should work with District Health Boards to ensure the timely receipt and approval of all plans. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Submission of Performance Reports

Your committee concurs with the recommendation made at paragraph 24.52, that the Department should work with District Health Boards to ensure they submit complete and timely performance reports. Your committee notes that there has been progress towards compliance with this recommendation.

Internal Financial Reports

Your committee concurs with the recommendation made at paragraph 24.59, that the Department should improve its internal financial reports to senior management. Your committee notes that the Department has complied with this recommendation.

Charging of Appropriation

Your committee concurs with the recommendation made at paragraph 24.65, that the Department should ensure it properly charges its appropriation. Your committee notes that there has been progress towards compliance with this recommendation.

Annual Report

Your committee concurs with the recommendations made at paragraphs 24.72 and 24.73, that the Department should describe in its annual report to the Assembly how key issues are managed, as well as the performance targets and actual results compared to its plans. Your committee notes that there has been progress towards compliance with this recommendation.

La Ronge Hospital – Improvement of Internal Financial Reports

Your committee concurs with the recommendation made at paragraph 24.82, that the La Ronge Hospital should improve its internal financial reports by taking the steps suggested by the

Provincial Auditor. Your committee notes that there has been progress towards compliance with this recommendation.

La Ronge Hospital – Approval for Purchase of Equipment

Your committee concurs with the recommendation made at paragraph 24.86, that the La Ronge Hospital should obtain the Minister's approval before buying equipment costing more than \$1,000. Your committee notes that there has been progress towards compliance with this recommendation.

Uranium City Hospital – Periodic Financial Information

Your committee concurs with the recommendations made at paragraphs 24.92, 24.93, 24.94 and 24.95, that the directors of the Uranium City Hospital need to define required periodic financial information by taking the steps suggested by the Provincial Auditor. Your committee notes that there has been progress towards compliance with this recommendation.

Uranium City Hospital – Retention of Invoices for all Expenditures

Your committee concurs with the recommendation made at paragraph 24.99, that the Uranium City Hospital should retain supporting invoices for all expenditures made during the year. Your committee notes that there has been progress towards compliance with this recommendation.

Uranium City Hospital – Board Members' Remuneration

Your committee concurs with the recommendation made at paragraph 24.104, that the Uranium City Hospital should pay Board members using rates authorized by Order in Council. Your committee notes that there has been progress towards compliance with this recommendation.

Uranium City Hospital – Monthly Reports to the Minister

Your committee concurs with the recommendation made at paragraph 24.107, that the Uranium City Hospital should submit to the Minister the monthly information required by *The Hospital Standards Act*. Your committee notes that there has been progress towards compliance with this recommendation.

CHAPTER 23 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

District Health Boards – Setting of Priorities

Your committee concurs with the recommendation made at paragraph 23.16 of Part B, that District Health Boards should set clear direction based on priority health needs in the context of other pressures on the district. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Responsibility for Monitoring Performance

Your committee concurs with the recommendation made at paragraph 23.23 and 23.24 of Part C, concerning the responsibility of district boards of directors to set the direction and monitor the performance of District Health Boards. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Rules to Safeguard and Control Assets

Your committee concurs with the recommendation made at paragraph 23.30 of Part C, that the management of District Health Boards should establish, and boards should approve, written rules and procedures to safeguard and control health districts' assets. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Written Policies and Controls for Information Systems

Your committee concurs with the recommendation made at paragraph 23.35 of Part C, that Health Districts should establish written policies and controls for developing information systems. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Operating Agreements with Affiliates

Your committee concurs with the recommendation made at paragraph 23.43 of Part C, that Health Districts should have sound written operating agreements with affiliated organizations that provide services for the districts. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Minister's Approval to Borrow Money

Your committee concurs with the recommendation made at paragraph 23.47 of Part C, that Health Districts (three districts) should obtain the Minister's prior approval to borrow money, sell real property or renovate facilities as required by *The Health Districts Act*. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Minister's Approval Before Purchasing Equipment

Your committee concurs with the recommendation made at paragraph 23.48 of Part C, that Health Districts (seven districts) should obtain the Minister's prior approval before purchasing hospital equipment costing more than the prescribed limit. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Keeping Residents' Money in Separate Bank Account

Your committee concurs with the recommendation made at paragraph 23.49 of Part C, that Health Districts (one district) should keep residents' money in a separate bank account. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Information Available to the Minister and Public

Your committee concurs with the recommendation made at paragraph 23.58 of Part C, that Health Districts should continue to work with the Department to ensure they can provide the Minister and the public the full range of required information. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Submission of Budgets on Time

Your committee concurs with the recommendation made at paragraph 23.64 of Part C, that Health Districts should submit their budgets to the Minister on time. Your committee notes that there has been progress towards compliance with this recommendation.

District Health Boards – Listing of Payees

Your committee concurs with the recommendation made at paragraph 23.69 of Part C, that Health Districts should publicly report a list of persons who received money from them and the amount. Your committee notes that there has been progress towards compliance with this recommendation.

CHAPTER 5 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Reiteration of Committee's Response to Previous Recommendations

In consideration of recommendations 5-1, 5-2, 5-3, 5-4, 5-5, 5-6, 5-8, 5-9, 5-10, 5-12 and 5-13 your Committee notes that these recommendations repeat those presented in Chapter 24 of the *Fall 1997 Report of the Provincial Auditor (Volume 2)*. Observations about Chapter 24 are contained elsewhere in this report.

La Ronge Hospital – Plan to Address the Year 2000 Computer Issue

Your committee concurs with recommendation 5-7 of Part A, and recommends to the Legislative Assembly the following:

RECOMMENDATION 53

The La Ronge Hospital prepare a plan to address the Year 2000 issue and carry out corrective action on critical systems before December 31, 1999.

Uranium City Hospital – Plan to Address the Year 2000 Computer Issue

Your committee concurs with recommendation 5-11 of Part A, and recommends to the Assembly the following:

RECOMMENDATION 54

The Uranium City Hospital prepare a plan to address the Year 2000 issue and carry out corrective action on critical systems before December 31, 1999.

SHIN – Preparation of a Development Plan

Your committee concurs with recommendation 5-1 of Part B, and recommends to the Assembly the following:

RECOMMENDATION 55

The Saskatchewan Health Information Network corporation should do the following: prepare a development plan for each phase of the new health information systems (SHIN) that shows the benefits that will be achieved for the money spent; clearly set out when its development partner is to meet its expected performance level; obtain an independent assessment of its development partner's performance, and ensure differences, if any, between how the expected and actual performance levels are remedied; obtain an independent assessment of the project's risks; and obtain progress reports from its development partner that provide more measures on the status of the project.

CHAPTER 6 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

District Health Boards – Expected Health Outcomes

In consideration of recommendation 6-1, your committee notes that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13th, 1996.

Your committee reiterates its support of this recommendation, which states as follows:

"District Health Boards board of directors formally define and document what health outcomes the boards expect and the measures and targets needed to monitor progress in achieving outcomes, and further that districts' internal reports compare actual performance costs for services delivered to planned performance and costs"

Your committee also notes that the Department has made progress towards compliance.

District Health Boards – Safeguarding Assets

In consideration of recommendation 6-2, your committee notes that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13th, 1996. Your committee reiterates its support of this recommendation, which states as follows:

"For the districts indicated, management establish, and boards approve written rules and procedures to safeguard and control health districts' assets, to govern the proper recording of transactions and preparation of monthly financial reports (Living Sky and Pipestone); control of bank accounts (Battlefords, East Central and Living Sky); authorized changes to computer records used to pay suppliers (Battlefords); preparation of written and tested contingency plans (East Central, Living Sky and South Country); control of patient billings (Battlefords); control of payroll records to ensure they are accurate and authorized (Battlefords and Living Sky); control of client trust accounts (Battlefords); control of inventory (East Central); compliance with restricted funds contracts (Living Sky); hiring of staff and designating of training plans (Living Sky); and control of capital assets (Swift Current)."

Your committee also notes that the Department has made progress towards compliance.

District Health Boards – Policies and Controls for Developing Information Systems

In consideration of recommendation 6-3, your committee notes that it concurs with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13th, 1996.

Your committee reiterates its support of this recommendation, which states as follows:

"For the districts indicated, management establish, and boards approve written policies and controls for developing information systems (Battlefords, East Central, Living Sky and South Country)."

Your committee also notes that the Department has made progress towards compliance.

District Health Boards – Plans to Address the Year 2000 Computer Issue

Your committee concurs with recommendation 6-4, that East Central, Living Sky and South Country health districts prepare plans to address the Year 2000 issue and carry out any corrective action on critical systems before December 31, 1999. Your committee also notes that the Department has made progress towards compliance.

District Health Boards – Agreements with Affiliated Organizations

In consideration of recommendation 6-5, your committee notes that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13th, 1996.

Your committee reiterates its support of this recommendation, which states as follows:

"For the district indicated, health districts agreements with affiliated organizations require the affiliates to establish and report on their systems to achieve the district's financial, operational and compliance objectives (Regina)."

Your committee also notes that the Department has made progress towards compliance.

District Health Boards – Minister's Prior Approval to Borrow Money

In consideration of recommendation 6-6, your committee notes that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13th, 1996.

Your committee reiterates its support of this recommendation, which states as follows:

"For the district indicated, health districts obtain the Minister's prior approval to borrow money as required by The Health Districts Act (East Central)."

Your committee also notes that the Department has made progress towards compliance.

District Health Boards – Minister's Prior Approval Before Purchasing Equipment

In consideration of recommendation 6-7, your committee notes that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13th, 1996.

Your committee reiterates its support of this recommendation, which states as follows:

"For the district indicated, health districts obtain the Minister's prior approval before purchasing hospital equipment costing more than the limits set out in the Hospital Standards regulations (East Central and Living Sky)."

Your committee also notes that the Department has made progress towards compliance.

District Health Boards – Provision of Information to Minister and Public

In consideration of recommendation 6-8, your committee notes that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13th, 1996.

Your committee reiterates its support of this recommendation, which states as follows:

"Health districts continue to work with the Department to ensure they can provide the Minister and the public with the full range of information required by The Health Districts Act."

Your committee also notes that the Department has made progress towards compliance.

District Health Boards – Timely Submission of Budgets and Approval for Planned Deficits

In consideration of the first part of recommendation 6-9, your committee notes that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13th, 1996. Your committee reiterates its support of part one of this recommendation, which states as follows:

"For the district indicated, health districts submit their budgets to the Minister on time (East Central and Swift Current)."

Your committee concurs with the second part of the recommendation, that the East Central Health District obtain approval for planned operation deficits. Your committee also notes that the Department has made progress towards compliance.

District Health Boards – List of Payees

In consideration of recommendation 6-10, your committee notes that it concurred with a similar recommendation at its meeting of May 28, 1996, which was reported to the Legislative Assembly in the *First Report of the Standing Committee on Public Accounts* on June 13th, 1996.

Your committee reiterates its support of this recommendation, which states as follows:

"For the district indicated, the health districts publicly report a list of persons who receive money from them and the amounts (South Country)."

Your committee also notes that the Department has made progress towards compliance.

VII. DEPARTMENT OF AGRICULTURE AND FOOD

CHAPTER 10 -- Fall 1996 Report of the Provincial Auditor

Conservation and Development Revolving Fund -- Written Policies and Procedures

Your Committee concurs with the recommendation made at paragraph 10.15, concerning the completion and updating of written policies and procedures of the Conservation and Development Revolving Fund, and reports that progress is being made by the Department to comply.

Community Pasture Program -- Internal Financial Reports

Your Committee concurs with the recommendation made at paragraph 10.20, concerning the improvement of Community Pasture Program internal financial reports, and noted that progress is being made by the Department to comply.

Conservation and Development Revolving Fund -- Use of Accrual Accounting Principles

Your Committee concurs with the recommendation made at paragraph 10.24, concerning the preparation of accurate financial statements for the Conservation and Development Revolving Fund using accrual accounting principles. Your Committee reports that the Department has complied with the recommendation.

Conservation and Development Revolving Fund -- Adherence to Inventory Policies

Your Committee concurs with the recommendation made at paragraph 10.28, concerning the need for staff to adhere to policies established to safeguard the inventory of the Conservation and Development Revolving Fund. Your Committee reports that the Department has complied with the recommendation.

Conservation and Development Revolving Fund – Inventory Control System

Your Committee concurs with the recommendation made at paragraph 10.32, concerning the need for a control system for the inventory of the Conservation and Development Revolving Fund. Your Committee reports that the Department has complied with the recommendation.

Conservation and Development Revolving Fund – Control of Funds Collected

Your Committee concurs with the recommendation made at paragraph 10.36, concerning the need for the Department to control and safeguard the money it collects for the Conservation and Development Revolving Fund. Your Committee reports that the Department has complied with the recommendation.

Saskatchewan Canola Development Commission – Written Agreements for Grants

Your Committee concurs with the recommendation made at paragraph 10.47, concerning the need for the Saskatchewan Canola Development Commission to have written agreements for all grants. Your Committee reports that the Department believes the Commission has complied.

Saskatchewan Canola Development Commission – Compliance to Terms of Grants

Your Committee concurs with the recommendation made at paragraph 10.52, concerning the need for the Saskatchewan Canola Development Commission to ensure all grant recipients meet the terms and conditions of grants. Your Committee reports that the Commission is making progress towards compliance with this recommendation.

Saskatchewan Canola Development Commission – Documentation of Board Decisions

Your Committee concurs with the recommendation made at paragraph 10.57, that the Saskatchewan Canola Development Commission should clearly document their decisions in the board minutes. Your Committee reports that the Commission is making progress towards compliance with this recommendation.

Saskatchewan Canola Development Commission – Updating Policy Manuals

Your Committee concurs with the recommendation made at paragraph 10.62, that the Saskatchewan Canola Development Commission should update its accounting policies and procedures manual. Your Committee reports that the Commission has complied with this recommendation.

Saskatchewan Canola Development Commission – Computer Systems Contingency Plan

Your Committee concurs with the recommendation made at paragraph 10.65, that the Saskatchewan Canola Development Commission should evaluate its computer systems, prepare a written contingency plan, and test the plan. Your Committee reports that the Commission has complied with this recommendation.

Saskatchewan Canola Development Commission – Approval for Creation of Subsidiaries

Your Committee considered the Provincial Auditor's recommendation made at paragraph 10.69, concerning the question of whether it is necessary for the Saskatchewan Canola Development Commission to obtain Lieutenant Governor in Council approval before creating subsidiaries. It was your Committee's conclusion that it did not agree, at that time, with the Auditor's recommendation.

Your Committee learned that the Saskatchewan Canola Development Commission had sought clarification of its authority. The Committee has asked that once the matter is clarified, it be apprised and that it be provided any legal opinions obtained by the Commission. Your Committee notes that this matter was subsequently reviewed again, in consideration of Chapter 12 of the *Spring 1998 Report of the Provincial Auditor (see below)*.

Saskatchewan Canola Development Commission – Timely Submission of Reports

Your Committee concurs with the recommendation made at paragraph 10.73, that the Saskatchewan Canola Development Commission should submit its annual reports to the Agricultural and Food Products Development and Marketing Council by the dates required by law. Your Committee reports that the Commission has complied with this recommendation.

Saskatchewan Canola Development Commission – Tabling of Financial Statements

In consideration of the recommendation made at paragraph 10.79, concerning the tabling of the Saskatchewan Canola Development Commission financial statements in the Legislative Assembly, your Committee came to different conclusions.

It is your Committee's point of view that *The Agri-Food Act* is the relevant legislation for supervising the activities and operations of boards and commissions such as the Saskatchewan Canola Development Commission; and further, that the Act has a supervisory structure in place that ensures financial reports are scrutinized not only by the producers who fund all activities but also by the Agri-Food Council which is charged with the responsibility of reporting to the Minister of Agriculture and Food. Your Committee finds that the Act has no requirement for tabling Financial Statements of boards and commissions in the Legislative Assembly.

Saskatchewan Canola Development Commission – Listing of Payees

In consideration of the recommendation made at paragraph 10.83, concerning the necessity of public reporting a list of persons who received money from the Saskatchewan Canola Development Commission, your Committee came to the conclusion that no public funds are administered by the commission, but only refundable levies that are collected from producers when canola is marketed. Therefore, your Committee makes the following recommendation:

RECOMMENDATION 56

The Saskatchewan Canola Development Commission continue to report all information regarding funding recipients and the report be made available to the producers who provide the funds.

SPI Marketing Group – Accountability Practices

Your Committee concurs with the recommendations made at paragraphs 10.102, 10.110, 10.111, and 10.116, concerning the accountability practices of SPI Marketing Group. Your Committee reports that SPI Marketing Group is in the process of being wound up.

SPI Marketing Group – List of Payees and Financial Statements

In consideration of the recommendation made at paragraphs 10.119 and 10.124, and in view of SPI Marketing Group being wound up, your Committee makes the following recommendation:

RECOMMENDATION 57

The Department of Agriculture and Provincial Auditor work together to determine reporting requirements when the new SPI Marketing Group structure is determined.

Milk Control Board – Timely Budget Approval

Your Committee concurs with the recommendation made at paragraph 10.135, that the Milk Control Board should approve a budget before the year begins. Your Committee reports that the Board has complied with this recommendation.

Milk Control Board – Quota Transfers

Your Committee concurs with the recommendation made at paragraph 10.140, that the Milk Control Board should ensure all quota transfers comply with the law. Your Committee reports that the Board has complied with this recommendation.

Milk Control Board – List of Payees

In consideration of the recommendation made at paragraph 10.143, concerning the provision of a complete list of persons who receive money from the Milk Control Board, your Committee takes the position that the individual producers' payment list should not be revealed. Therefore, your Committee makes the following recommendation:

RECOMMENDATION 58

The Milk Control Board continue to publish a list of its administrative costs but not a producers list.

CHAPTER 14 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Internal Reporting Requirements

Your committee concurs with the recommendation made at paragraph 14.14, that the Department should formally define and document its internal reporting needs. Your committee notes that the Department has complied with this recommendation.

Review of Surface Lease Rates

Your committee concurs with the recommendation made at paragraphs 14.19 and 14.20, that the Department should establish rules and procedures to review surface lease rates every three years and ensure the loss of acreage component of lease rates is correct. Your committee notes that the Department has complied with these recommendations.

Estimating Bad Debts

Your committee concurs with the recommendation made at paragraph 14.25, that the Department should have adequate rules and procedures to estimate its bad debts. Your committee notes progress towards compliance with this recommendation.

Credit Worthiness Checks of Lease Applicants/Collecting Amounts Owed by Lessees

Your committee concurs with the recommendation made at paragraph 14.32, that the Department should improve its rules and procedures for checking the credit worthiness of lease applicants and collecting the amounts owed by lessees. Your committee notes that the Department has complied with this recommendation.

Financial Reports to Monitor Agri-Food Innovation Fund and Beef Development Board

Your committee concurs with the recommendations made at paragraphs 14.40 and 14.41, concerning the need for the Agri-food Innovation Fund and the Beef Development Board to identify what financial reports are needed to monitor their respective activities and secondly, procedures for preparing accurate and timely reports for each of the boards of directors. Your committee notes that the Beef Development Board has complied with the recommendation and that the Agri-food Innovation Fund has made progress towards compliance.

Timely Preparation and Approval of Budgets by Boards of Directors

Your committee concurs with the recommendation made at paragraph 14.45, that the Department should work with boards of directors to ensure complete budgets are prepared and approved before the fiscal year begins. Your committee notes that the Department has complied with this recommendation.

Accounting Policies and Manuals for Organizations Administered

Your committee concurs with the recommendation made at paragraphs 14.50 and 14.51, that the Department should prepare complete accounting policies and procedures manuals for all the organizations it administers and also that the Department and boards of directors should approve the policies and procedures as they are completed. Your committee notes progress towards compliance with these recommendations.

Preparation of Accurate Financial Statements of Organizations

Your committee concurs with the recommendation made at paragraph 14.57, that the Department should establish rules and procedures for preparing accurate financial statements for all organizations it administers. Your committee notes that the Department has made progress towards compliance with this recommendation.

Timely Submission of Annual Reports to the Assembly

Your committee concurs with the recommendation made at paragraph 14.60, that the Department should require its agencies to provide their annual reports to the Assembly by the date required by law. Your committee notes that the Department has complied with this recommendation.

SPI Marketing Group – Approval of Budget and Business Plan

Your committee concurs with the recommendations made at paragraphs 14.92 and 14.93, that the directors of SPI Marketing Group (SPI) should approve a budget and business plan for SPI as a

whole and a budget and business plan for its subsidiaries and Trust Fund, and finally, monitor performance against targets and indicators set out in the consolidated budget and business plan. Your committee notes that SPI has complied with these recommendations.

SPI Marketing Group – Documentation of Governance Policies

Your committee concurs with the recommendation made at paragraph 14.101, that the directors of SPI should document their governance policies. Your committee notes that steps have been taken to comply with this recommendation.

Prairie Agricultural Machinery Institute – Approval of Internal Financial Reports

Your committee concurs with the recommendation made at paragraph 14.109, that the Prairie Agricultural Machinery Institute (PAMI) should improve its internal financial reports. Your committee notes that the Department has complied with this recommendation.

Prairie Agricultural Machinery Institute – Computer Contingency Plan

Your committee concurs with the recommendation made at paragraph 14.113, that PAMI should complete its written contingency plan for its computer systems and test the plan. Your committee notes that PAMI has taken steps to comply with this recommendation.

Chapter 12 -- Spring 1998 Report of the Provincial Auditor

Monitoring of Cattle Marketing Deductions Fund and the Horned Cattle Fund

Your committee concurs with the recommendations made at paragraphs 12.08 and 12.09, that the Department should work with the advisory committees of the Cattle Marketing Deductions Fund and the Horned Cattle Fund, to establish what financial reports are needed to monitor the operations of these funds, and to establish procedures for preparing accurate and timely reports. Your committee notes that the Department has complied with these recommendations.

Preparation of Accounting Policies and Procedures for Organizations Administered

Your committee concurs with the recommendation made at paragraphs 12.10 and 12.11, that the Department should prepare complete accounting policies and procedures for all the organizations it administers, and that the advisory committees of the organizations should approve the policies and procedures as they are completed. Your committee notes that steps have been taken to comply with these recommendations.

Reporting Requirements of Agencies under the Agricultural and Food Products Development and Marketing Council

Your committee concurs with the recommendations made at paragraphs 12.20, 12.21, 12.22, 12.23 and 12.24, concerning the reporting requirements for agencies created under *The Agri-Food Act* and under the supervision of the Agricultural and Food Products Development and

Marketing Council. Your committee notes that progress has been made by the Council in order to comply with the recommendations.

Saskatchewan Canola Development Commission – Service Agreements with Consultants

Your committee concurs with the recommendation made at paragraph 12.33, that the Saskatchewan Canola Development Commission should strengthen its service agreements with consultants. Your committee notes that the Commission has taken steps to comply with this recommendation.

Saskatchewan Canola Development Commission – Approval to create Subsidiaries

Your committee concurs with the recommendation made at paragraph 12.38, that the Saskatchewan Canola Development Commission should obtain Lieutenant Governor in Council approval before creating subsidiaries. Your committee notes that the Commission has taken steps to comply with this recommendation.

CHAPTER 13 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

System to Estimate Bad Debt

Your committee concurs with recommendation 13-1, that the Department should continue its work on developing a system to estimate bad debt. Your committee notes that progress towards compliance has been made since it initially reviewed this matter as part of Chapter 14 of Fall 1997 Report of the Provincial Auditor, Volume 2 (*see above*).

Contingency Plan for Loss or Destruction of Computer Records

Your committee concurs with recommendation 13-2, that the Department should complete and test its written contingency plan for loss or destruction of its computer systems or records. It was noted that the Department continues to make progress towards compliance.

Accounting Policies and Procedures Manual for Entities Administered

Your committee concurs with recommendations 13-3 and 13-4, that the Department should prepare accounting policies and procedures manuals for the entities it administers and then have the boards of the entities approve the policies and procedures as they are completed. Your committee notes that progress towards compliance has been made since it initially reviewed this matter as part of Chapter 14 of Fall 1997 Report of the Provincial Auditor, Volume 2 (*see above*).

SPI Marketing Group – Documentation of Governance Policies

Your committee concurs with recommendation 13-5, that the directors of SPI Marketing Group should document their governance policies. Your committee notes that progress towards compliance has been made since it initially reviewed this matter as part of Chapter 14 of Fall 1997 Report of the Provincial Auditor, Volume 2 (*see above*).

Prairie Agricultural Machinery Institute – Computer Contingency Plan

Your committee concurs with recommendation 13-6, that the Prairie Agricultural Machinery Institute (PAMI) should complete and test its written contingency plan for loss or destruction of its computer systems or records. Your committee notes that progress towards compliance has been made since it initially reviewed this matter as part of Chapter 14 of Fall 1997 Report of the Provincial Auditor, Volume 2 (*see above*).

Milk Control Board – Preparation of Complete Financial Reports

Your committee concurs with recommendation 13-7, that the directors of the Milk Control Board receive complete interim financial reports on the Board's activities. Your committee notes that the Board intends to comply with this recommendation.

Milk Control Board – Policy and Procedures for Preparing Financial Information

Your committee concurs with recommendation 13-8, that the directors of the Milk Control Board develop written policies and procedures for preparing accurate financial information. Your committee notes that the Board intends to comply with this recommendation.

Milk Control Board – Computer Contingency Plan

Your committee concurs with recommendation 13-9, that the directors of the Milk Control Board should prepare and test a written contingency plan for loss or destruction of its computer systems or records. Your committee notes that the Board has made progress towards compliance with this recommendation.

VIII. DEPARTMENT OF ECONOMIC DEVELOPMENT

Chapter 9 -- Fall 1997 Report of the Provincial Auditor (Volume 2) and

Chapter 11 -- Spring 1998 Report of the Provincial Auditor

Written Agreements for Services Provided and Received

Your committee concurs with the recommendations made at paragraphs 9.36 and 11.13, concerning the need for the Department of Economic Development to have written agreements with others for the services they receive or provide. Your committee notes that the department intends to comply with the recommendation.

Approval of Loans Necessary

Your committee concurs with the recommendation made at paragraph 11.17, concerning the necessity for the Minister responsible for the Department of Economic Development to request and obtain recommendations before approving loans exceeding \$25,000. Your committee notes that the department has complied with this recommendation.

IX. DEPARTMENT OF EDUCATION, TRAINING AND EMPLOYMENT

CHAPTER 11 -- Fall 1996 Report of the Provincial Auditor

Teachers' Superannuation Commission – Investment Contract

Your Committee concurs with the recommendation made at paragraph 11.30, that the Teachers' Superannuation Commission should improve its investment contract with Greystone Capital Management Inc. Your Committee reports that the Commission soon will be in compliance.

Teachers' Superannuation Commission – Calculation of Pensions

Your Committee concurs with the recommendation made at paragraph 11.37, that the Teachers' Superannuation Commission should calculate pensions according to *The Teachers Superannuation and Disability Act*. Your Committee reports that the Commission has complied with this recommendation.

Teachers' Superannuation Commission – Registration of Shares

Your Committee concurs with the recommendation made at paragraph 11.41, that the Teachers' Superannuation Commission should register its shares in Greystone Capital Management Inc. Your Committee reports that the Commission has complied with this recommendation.

Saskatchewan Institute of Applied Science and Technology – Human Resource Plan

Your Committee concurs with the recommendation made at paragraph 11.15, that the Saskatchewan Institute of Applied Science and Technology (SIAST) should establish a long-term human resource plan. Your Committee reports that SIAST has substantially completed such a plan.

Saskatchewan Institute of Applied Science and Technology – International Operations

Your Committee concurs with the recommendation made at paragraph 11.20, that the Saskatchewan Institute of Applied Science and Technology (SIAST) should establish rules and procedures to determine expected benefits of any international operations. Your Committee reports that SIAST has complied with this recommendation.

Regional Colleges – Financial Information for Board Members

Your Committee concurs with the recommendations made at paragraph 11.60, 11.61, 11.62 and 11.63, concerning financial information needed by the Board of Directors of the Regional Colleges to oversee senior management. Your Committee reports that progress has been made to comply with these recommendations.

Saskatchewan Indian Regional College – Governance Policies

Your Committee concurs with the recommendations made at paragraph 11.78, 11.79, 11.85 and 11.90, concerning governance policies and compliance *with The Regional Colleges Act* by the Saskatchewan Indian Regional College. Your Committee reports that this has been a long-standing issue complicated by the fact that the College is funded by the federal government and is subject to Federation of Saskatchewan Indian Nations management policy.

X. Department of Education

CHAPTER 18 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Reporting Responsibilities of School Divisions

In consideration of the recommendations made at paragraphs 18.21, 18.22, 18.23 and 18.24, concerning the reporting responsibilities and expectations the Department of Education has for school divisions under Section 282 of *The Education Act, 1995*, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 59

The Department of Education should continue working with the locally elected school boards and other stakeholders to improve public accountability of school divisions with respect to the goals of education.

Standards for School Division Financial Statements

Your committee concurs with the recommendation made at paragraph 18.33 and recommends the following to the Legislative Assembly:

RECOMMENDATION 60

The Department of Education should require school divisions to prepare their financial statements following the standards recommended by The Canadian Institute of Chartered Accountants.

Calculation of School Division Operating Grants

Your committee concurs with the recommendation made at paragraph 18.39, that the Department should ensure that operating grants to school divisions are calculated according to regulations. Your committee notes that the Department has complied with this recommendation.

Teachers' Superannuation Commission – Monitoring of Investments

Your committee concurs with the recommendation made at paragraph 18.52, that the Teachers' Superannuation Commission should improve its monitoring of investments. Your committee notes that the Commission has complied with this recommendation.

Teachers' Superannuation Commission – Tabling of Annual Report

Your committee concurs with the recommendation made at paragraph 18.57, that the Teachers' Superannuation Commission should table its annual report by the date required by law. Your committee notes progress towards compliance with this recommendation.

CHAPTER 3 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Reporting Responsibilities for School Divisions

In consideration of recommendation 3-1, concerning the reporting responsibilities and expectations the Department of Education has for school divisions, your committee notes that this recommendation repeats a similar recommendation made by the Provincial Auditor in Chapter 18 of the *Fall 1997 Report of the Provincial Auditor (Volume 2)*. Your Committee's observations on that chapter and recommendation are noted above.

Standards for School Division Financial Statements

In consideration of recommendation 3-2, that the Department should require school divisions to prepare their financial statements following the standards recommended by The Canadian Institute of Chartered Accountants, your Committee notes that this recommendation repeats a similar recommendation made by the Provincial Auditor in Chapter 18 of the *Fall 1997 Report of the Provincial Auditor (Volume 2)*. Your Committee's observations on that chapter and recommendation are noted above.

Content of Annual Report

Your committee concurs with recommendation 3-3, and recommends to the Legislative Assembly the following:

RECOMMENDATION 61

The Department of Education should continue to improve the contents of its annual report.

XI. Department of Environment and Resource Management

Chapter 14 -- Spring 1998 Report of the Provincial Auditor

Operational and Compliance Reporting

Your committee concurs with the recommendation made at paragraph 14.21, that the Department of Environment and Resource Management should define and document its operational and compliance reporting requirements. It was noted that the Department has made progress towards compliance.

Internal Financial Reports

Your committee concurs with the recommendation made at paragraph 14.22, that the Department of Environment and Resource Management should follow its established rules and procedures for preparing all of its internal financial reports. It was noted that the Department has made progress towards compliance.

Safeguard and Control of Capital Assets

Your committee concurs with the recommendation made at paragraph 14.29, which outlines steps the Department of Environment and Resource Management should take to improve its rules and procedures to safeguard and control its capital assets. It was noted that the Department has made progress towards compliance.

CHAPTER 12 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Operational and Compliance Reporting

In consideration of recommendation 12-1, that the Department should define and document its operational and compliance reporting requirements, your Committee notes that this recommendation repeats a recommendation made by the Provincial Auditor in Chapter 14 of the *Spring 1998 Report of the Provincial Auditor*. Your Committee's observations on that chapter are noted immediately above.

Internal Financial Reports

In consideration of recommendation 12-2, that the Department should follow its established rules and procedures for preparing all of its internal financial reports, your Committee notes that this recommendation repeats a recommendation made by the Provincial Auditor in Chapter 14 of the *Spring 1998 Report of the Provincial Auditor*. Your Committee's observations on that chapter are noted immediately above.

Safeguard and Control of Capital Assets

In consideration of recommendation 12-3, that the Department should keep complete records of its capital assets, your Committee notes that this recommendation repeats a recommendation made by the Provincial Auditor in Chapter 14 of the *Spring 1998 Report of the Provincial Auditor*. Your Committee's observations on that chapter are noted immediately above.

Reconciliation of Capital Assets Records to Financial Records

Your committee concurs with recommendation 12-4, that the Department should periodically reconcile its capital assets records to its financial records and include information about its capital assets in its annual report. It was noted that the Department has made progress towards compliance with this recommendation.

Fish and Wildlife Development Fund -- List of Payees

Your committee concurs with recommendation 12-5, that the Department should make public a list of persons who have received money from the Fish and Wildlife Development Fund and the amounts received. It was noted that the Department has made progress towards compliance with this recommendation.

XII. DEPARTMENT OF EXECUTIVE COUNCIL

(Including the Chief Electoral Office)

CHAPTER 5 -- Fall 1996 Report of the Provincial Auditor

Chief Electoral Office – Identification of Anonymous Political Donations

With respect to the Provincial Auditor's recommendation made at paragraph 5.23, concerning rules and procedures for the Chief Electoral Officer to identify anonymous political donations, your Committee notes that *The Elections Act, 1996* came into force effective January 1, 1997, and that new rules and procedures are now in effect to ensure that all donations are disclosed in accordance with the provisions of the Act.

Departmental Annual Report

In consideration of the recommendation made at paragraph 5.29, concerning preparation of an annual report by the Department, your Committee is not of the view that a report is necessary. Consequently your Committee does not concur with the recommendation.

CHAPTER 1 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Chief Electoral Office – Identification of Anonymous Political Donations

Your committee concurred with the recommendation made at paragraph 1.29, that the Electoral Office should improve the rules and procedures for identifying anonymous donations of more than \$100 in a fiscal year to candidates of political parties. Your committee noted that there has been progress towards compliance with this recommendation.

Chief Electoral Office – Directives for Election Expenses

Your committee concurred with the recommendation made at paragraph 1.33, that the Electoral Office should issue directives to improve rules and procedures for election expenses. Your committee noted that there has been significant progress towards compliance with this recommendation.

Departmental Annual Report

In consideration of the recommendation made at paragraph 1.40, that the Department of Executive Council should prepare an annual report on its performance, your Committee notes that it did not concur with this recommendation when first made by the Provincial Auditor in Chapter 1 of the *Fall 1996 Report of the Provincial Auditor (Volume 2)* (see immediately above).

Listing of Payees by all Government Agencies

In consideration of the recommendation made at paragraph 1.48, that all government agencies should make public a list of persons who have received money from them, your Committee makes the following recommendation to the Legislative Assembly:

RECOMMENDATION 62

The Provincial Comptroller work co-operatively with the agencies involved, the affected departments and the Provincial Auditor, to develop a process that will achieve the required degree of public disclosure and report back to the Public Accounts Committee.

CHAPTER 19 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Chief Electoral Office – Collection of Anonymous Political Donations

In consideration of recommendation 19-1, concerning the collection of anonymous donations from political parties by the Elections Office, it was moved by Mr. Shillington:

RECOMMENDATION 63

The Electoral Office consider the option posed by the Provincial Auditor, which is to request that the Board of Revenue Commissioners cancel the collection of any anonymous donations for 1996 and the six prior calendar years.

Chief Electoral Office – Submission of Audit Reports by Political Parties

Your committee concurred with recommendation 19-2, and recommends to the Legislative Assembly the following:

RECOMMENDATION 64

The Electoral Office should issue directives requiring political parties' auditors to submit audit reports to the Electoral Office that indicate whether all contributions received and all expenses incurred by the political parties are reported in their returns; and requiring candidates to use specific procedures to receive and disburse money and to submit audit reports to the Electoral Office that indicate whether candidates have complied with those procedures.

XIII. Department of Highways and Transportation

CHAPTER 4 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Preparation of Internal Financial Reports

Your committee concurs with the recommendation made at paragraph 15.24, that the Department of Highways and Transportation should clearly document systems and practices necessary to prepare sound internal financial reports. Your committee notes that the department has complied with this recommendation.

Documentation of Assessment of Risk of Loss or Damage

Your committee concurs with the recommendation made at paragraph 15.31, that the Department of Highways and Transportation should document the results of its assessment of the risk of loss or damage to its inventory and equipment. Your committee notes that the department plans to comply with this recommendation.

Highways Revolving Fund – Financial System that meets Managements Needs

Your committee concurs with the recommendation made at paragraph 15.43, that the Department of Highways and Transportation should continue to develop a financial system that meets management's information needs efficiently with respect to the Highways Revolving Fund. Your committee notes that the department has complied with this recommendation.

Highways Revolving Fund – Preparation of Interim Financial Reports

Your committee concurs with the recommendation made at paragraph 15.51, that the Department of Highways and Transportation should establish adequate rules and procedures for preparing complete and accurate interim financial reports for the Highways Revolving Fund. Your committee notes that the department is making progress towards compliance with this recommendation.

CHAPTER 11 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Documentation of Assessment of Risk of Loss or Damage

In consideration of recommendation 11-1, that the Department of Highways and Transportation should document the results of its assessment of the risk of loss or damage to its inventory and equipment, your

committee notes that since it initially considered this issue as part of its review of chapter 4 of the *Fall 1997 Report of the Provincial Auditor (Volume 2)*, the Department has continued to make progress towards compliance with this recommendation.

Highways Revolving Fund – Preparation of Interim Financial Reports

In consideration of recommendation 11-2, that the Department of Highways and Transportation should continue to develop a financial system that meets management's information needs efficiently with respect to the Highways Revolving Fund, your committee notes that since it initially considered this issue as part of its review of chapter 4 of the *Fall 1997 Report of the Provincial Auditor (Volume 2)*, the Department has continued to make progress towards compliance with this recommendation.

XIV. DEPARTMENT OF JUSTICE

CHAPTER 21 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Improvement of Internal Financial Reports

Your committee concurs with the recommendation made at paragraph 21.13, that the Department of Justice should continue to improve its internal financial reports to senior management. Your committee notes that the department has implemented new systems, which satisfies this recommendation.

Security Policies and Procedures for Information Technology Systems

Your committee concurs with the recommendations made at paragraph 21.21, 21.22 and 21.23, that the Department of Justice needs approved security policies and procedures for its Information Technology systems. Your committee noted that the department has taken steps to comply with these recommendations.

Contingency Plan for Information Technology Systems

Your committee concurs with the recommendations made at paragraph 21.28 and 21.29, that the Department of Justice needs a written, tested and approved contingency plan for its Information Technology systems. Your committee noted that the department has complied with these recommendations.

Timely Claims for Money Due from Government of Canada

Your committee concurs with the recommendation made at paragraph 21.36, that the Department of Justice should make timely claims to the Government of Canada for money due to it under the firearms financial agreement with Canada. Your committee noted that the department has complied with this recommendation.

Financial Statements for Disposition of Funding to First Nations Communities

Your committee concurs with the recommendation made at paragraph 21.41, that the Department of Justice should ensure it receives financial statements showing the disposition of program funds from all the First Nations Communities, as required by its community police service agreements. Your committee notes that the department has complied with this recommendation.

Queen's Printer – Improvement of Revolving Fund Internal Reports

Your committee concurs with the recommendation made at paragraph 21.51, that the Department of Justice should improve the Queen's Printer Revolving Fund internal reports. Your committee notes that the Queen's Printer has complied with the various recommendations for improvement.

Queen's Printer – Review of Special Order Record

Your committee concurs with the recommendation made at paragraph 21.58, that the Department of Justice should maintain and review the Queen's Printer special order record to ensure it bills all completed orders. Your committee notes that the Queen's Printer has taken steps in order to comply with this recommendation.

Queen's Printer – Follow-up and Collection of Overdue Accounts

Your committee concurs with the recommendation made at paragraph 21.61, that the Department of Justice should ensure that the Queen's Printer follow established policies and procedures to follow up and collect overdue accounts. Your committee notes that the Queen's Printer has complied with the recommendation.

Queen's Printer – Improvement of System for Checking Prices on Special Orders

Your committee concurs with the recommendation made at paragraph 21.64, that the Department of Justice should ensure that the Queen's Printer improve its system for checking prices charged for special orders. Your committee notes that the Queen's Printer has complied with this recommendation.

Chapter 11 -- Spring 1998 Report of the Provincial Auditor

Correctional Facilities Industries Revolving Fund – Quarterly Financial Reports

Your committee concurs with the recommendation made at paragraph 11.14, that the Correctional Facilities Industries Revolving Fund should include a comparison between planned and actual results in its quarterly financial reports. Your committee notes that the Department of Justice has complied with this recommendation.

Correctional Facilities Industries Revolving Fund – Monitoring Costs of Large Contracts

Your committee concurs with the recommendation made at paragraph 11.22, that the Department of Justice should follow established rules and procedures for monitoring the costs of large contracts made through the Correctional Facilities Industries Revolving Fund. Your committee notes that the department has complied with this recommendation.

Correctional Facilities Industries Revolving Fund – Rules for Customer Quotes

Your committee concurs with the recommendation made at paragraph 11.29, that the Department of Justice should document and consistently apply its rules and procedures to ensure all estimates and customer quotes for large contracts made through the Correctional Facilities Industries Revolving Fund are reviewed and approved by a second person. Your committee notes that the department has complied with this recommendation.

Public Trustee – Replacement of Computer System

Your committee concurs with the recommendation made at paragraph 11.36, that the Public Trustee replace its computer system as soon as possible. Your committee notes that the department is making progress towards compliance with this recommendation.

Public Trustee – Regular Changing of Computer Passwords by Staff

Your committee concurs with the recommendation made at paragraph 11.43, that the Public Trustee should ensure that all staff regularly change their computer passwords. Your committee notes that the Public Trustee has complied with this recommendation.

Public Trustee – Training of Staff to Properly Account for Investments

Your committee concurs with the recommendation made at paragraph 11.49, that the Public Trustee should train staff so they understand and properly account for investments. Your committee notes that the Public Trustee has complied with this recommendation.

CHAPTER 7 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Accuracy and Integrity of Court Information System

Your committee concurs with recommendation 7-1, that the Department should improve its procedures for ensuring the accuracy and integrity of its court information system. It was noted that the Department is working towards developing a system by which it will comply with the recommendation.

Procedures for Collection of Fines

In consideration of recommendation 7-2, that the Department should review its procedures for collecting fines, your Committee concurs and recommends the following to the Legislative Assembly:

RECOMMENDATION 65

That the Department of Justice should review its procedures for collecting fines and further, that procedures be developed to ensure that when repeat offenders appear in court, the sentencing Judge will be informed if previous fines are unpaid.

Recording of Bad Debt

In consideration of recommendation 7-3, your Committee concurs and recommends the following to the Legislative Assembly:

RECOMMENDATION 66

That the Department of Justice should record its bad debt expense in the year it occurs.

XV. DEPARTMENT OF LABOUR

CHAPTER 14 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Improvement of Annual Report

Your committee concurred with recommendation 14-1, that the Department of Labour should continue to improve its annual report. It notes that the Department is working towards developing a system by which it will comply with the recommendation.

XVI. DEPARTMENT OF MUNICIPAL GOVERNMENT

CHAPTER 14 – Fall 1996 Report of the Provincial Auditor

Northern Revenue Sharing Trust Account

Your Committee concurs with the recommendation made at paragraph 14.09, that the Department should publicly report its financial activities to the property owners of the District (as specified in paragraph 14.07) as required by *The Northern Municipalities Act*. Your Committee reports that the Department has complied with this recommendation.

CHAPTER 17 – Fall 1997 Report of the Provincial Auditor (Volume 2)

Written Agreements for Services Received

Your committee concurs with the recommendation made at paragraph 17.17, that the Department of Municipal Government should have written agreements with others for the services the department receives. Your committee notes that the department has complied with this recommendation.

Grants to Libraries Used for Intended Purposes

Your committee concurs with the recommendations made at paragraphs 17.31, 17.32, 17.33 and 17.34, which concern assurances needed by the Department of Municipal Government that the money granted to libraries is used for the intended purposes. Your committee notes that steps have been taken to comply with these recommendations.

Standards for Financial Statements of Local Governments

Your committee concurs with the recommendation made at paragraph 17.42, that the Department of Municipal Government should require local governments to prepare their financial statements to the standards recommended by the Canadian Institute of Chartered Accounts. Your committee notes that the department has established a task force in order to assist local governments to comply with the recommendation.

Saskatchewan Heritage Foundation – Improvements to Internal Reporting

Your committee concurs with the recommendations made at paragraphs 17.51 and 17.52, which concern improvements to the internal reporting of the Saskatchewan Heritage Foundation to its Board of Directors. Your committee notes that steps have been taken to comply with these recommendations.

Wanuskewin Heritage Park Corporation – Rules to Control Donations

Your committee concurs with the recommendation made at paragraph 17.63, that the Wanuskewin Heritage Park Corporation should strengthen its rules and procedures to control donations received by the corporation. Your committee notes that the corporation has now complied with the recommendation.

Wanuskewin Heritage Park Corporation – Comparison of Results in Financial Statements

Your committee concurs with the recommendation made at paragraph 17.68, that the Wanuskewin Heritage Park Corporation ensure its financial statements include comparisons of planned results to actual results. Your committee notes that the Department of Municipal Government is continuing its efforts to have the corporation's board comply with the recommendation.

Chapter 9 – Spring 1998 Report of the Provincial Auditor

Saskatchewan Archives Board – Written Agreements Needed

Your committee concurs with the recommendation made at paragraph 9.17, that the Saskatchewan Archives Board should have written contracts with the University of Saskatchewan and Saskatchewan Property Management Corporation for office space and other services. Your committee notes that steps have been taken to comply with this recommendation.

First Nations Fund – Inability of Provincial Auditor to Discharge Duty

Your committee concurs with the recommendation at paragraph 9.30, concerning the inability of the Auditor's office to discharge its duty with respect to the First Nations Fund, established pursuant to *The Gaming Corporation Act*. Your committee notes that the Department had attempted to have the Fund's trustees respond to the concern. In the absence of a response, your committee agreed that the trustees should be directed to allow the Office of the Provincial

Auditor to carry out its responsibilities to the Legislative Assembly, pursuant to the recommendations of the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*. (see subsequent review of this issue and recommendation 67 below)

XVII. Department of Municipal Affairs, Culture and Housing

CHAPTER 10 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Saskatchewan Heritage Foundation – Monitoring of Projects

Your committee concurs with recommendation 10-1, that the Saskatchewan Heritage Foundation should establish rules and procedures to monitor the progress of projects and to ensure that recipients of financial support comply with prescribed terms and conditions. It notes that the Authority has made considerable progress towards compliance with this recommendation.

First Nations Fund – Inability of Provincial Auditor to Discharge Duty

In consideration of recommendation 10-2, concerning the inability of the Auditor's office to discharge its duty with respect to the First Nations Fund, your committee noted that there had been no progress towards resolution of this issue since it was first raised in Chapter 9 of the *Spring 1998 Report of the Provincial Auditor (see above)*. After careful consideration of the issues surrounding this dispute, your Committee came to the conclusion that legislative changes are necessary. Therefore, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 67

That the Public Accounts Committee recommend that Legislation be amended to clarify the responsibility of trustees of the First Nations fund and to have the fund audited in accordance with the requirements of the Provincial Auditor.

XVIII. Department of Post Secondary Education and Skills Training

CHAPTER 19 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Reporting Responsibilities and Expectations of Universities

Your committee concurs with the recommendations made at paragraphs 19.16, 19.17, 19.18 and 19.19, concerning the need for the Department of Post Secondary Education and Skills training to indicate the reporting responsibilities and expectations it has for universities. Your committee notes that steps have been taken to comply with the recommendations and that the Department acknowledges that further work is needed.

Student Loan Applications

Your committee concurs with the recommendation made at paragraph 19.34, and recommends the following to the Legislative Assembly:

RECOMMENDATION 68

The Department of Post-Secondary Education and Skills Training should verify critical information on student loan applications.

Student Aid Fund – Trustees to Meet Regularly and Document Internal Reporting

Your committee concurs with the recommendations made at paragraphs 19.42 and 19.43, and recommends the following to the Legislative Assembly:

RECOMMENDATION 69

That the trustees of the Student Aid Fund should meet regularly and formally define and document their internal reporting needs and regularly review financial and operational reports from management and document their review.

New Career Corporation – Internal Financial Reports

Your committee concurs with the recommendation made at paragraph 19.71, that the New Careers Corporation should improve its internal financial reports. Your committee notes that the corporation has complied with the various recommendations for improvement.

New Career Corporation – Improvement of Service Agreements

Your committee concurs with the recommendation made at paragraph 19.78, that the New Careers Corporation should improve its service agreements with agencies delivering services, but notes that because the corporation is being wound-down the necessity of this recommendation is diminished.

Chapter 15 -- Spring 1998 Report of the Provincial Auditor

Written Contingency Plans needed for certain Regional Colleges

Your committee concurs with the recommendation made at paragraph 15.24, that the three regional colleges, referred to below, should prepare, test and approve a written contingency plan for their computer system. Your committee notes that Cypress Hills Regional College and North West Regional College have complied and progress is being made by Parkland Regional College to comply with the recommendation.

Southeast Regional College Capital Asset Records

Your committee concurs with the recommendations made at paragraphs 15.30 and 15.31, that the Southeast Regional College should ensure its capital asset records are accurate and periodically examine its capital assets to verify their existence. Your committee notes that steps have been taken to comply with this recommendation.

Saskatchewan Indian Regional College

In consideration of the recommendations related to the Saskatchewan Indian Regional College, being paragraphs 15.44, 15.52, 15.53 and 15.62, your committee reiterated its position on these issues when initially raised by the Provincial Auditor in Chapter 11 of the *Fall 1996 Report of the Provincial Auditor* (see above under Part IX, *Department of Education, Training and Employment*).

CHAPTER 4 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Reporting Responsibilities and Expectations of Universities

In consideration of recommendation 4-1, your committee reiterates its response to this recommendation, as initially raised in Chapter 19 of the *Fall 1997 Report of the Provincial Auditor (Volume 2)* and reported above.

Focus of Post-Secondary Planning Efforts

Your committee concurs with recommendation 4-2, and reports the following to the Legislative Assembly:

RECOMMENDATION 70

The Department of Post-Secondary Education and Skills Training bring its planning efforts that focus on individual components of the Post-Secondary sector together to form a plan for the entire Post-Secondary Education and Skills Training sector, then report publicly against this sector-wide plan.

Improvements to Annual Report

Your committee concurs with recommendation 4-3, and reports the following to the Legislative Assembly:

RECOMMENDATION 71

The Department of Post-Secondary Education and Skills Training should continue to improve its annual report.

New Careers Corporation – Ensuring Adequate Funds Before Making Payments

Your committee concurs with recommendation 4-4, that the New Careers Corporation should establish a system to ensure it receives adequate funds prior to making payments for provincial training allowance. Your committee notes that the Department has complied with this recommendation.

XIX. PUBLIC SERVICE COMMISSION

CHAPTER 15 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Improvements to Annual Report

Your Committee concurs with recommendation 15-1, that the Public Service Commission (PSC) should continue to improve its annual report. Your Committee notes the PSC is working towards developing a system by which it will comply with the recommendation.

XX. SASKATCHEWAN ENERGY INCORPORATED

CHAPTER 6 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Lieutenant Governor in Council's Approval for Debt

In consideration of the recommendation made at paragraph 6.11, that SaskEnergy should obtain the Minister of Finance's and the Lieutenant Governor's in Council approval for all debt, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 72

The Crown Investments Corporation of Saskatchewan and SaskEnergy Inc. review the Provincial Auditor's recommendation made at paragraph 6.11 of the Fall 1997 Report of the Provincial Auditor (Volume 2) and report back a resolution of this issue to the Standing Committee on Public Accounts.

Issuing of Guidelines to SaskEnergy Board of Directors

Your committee concurs with the recommendations made at paragraphs 6.19 and 6.20, that the Crown Investments Corporation (CIC) should issue guidelines to ensure members of the Board of Directors of SaskEnergy understand their responsibilities, roles and duties pertaining to broad policy objectives of the government, and that CIC should also issue guidelines explaining the role of Crown corporation Board chairs. Your committee notes that CIC has complied with these recommendations.

Performance Comparison in Annual Report

In consideration of the recommendation made at paragraph 6.25, that SaskEnergy should include comparisons of planned performance to actual results in its annual report, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 73

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 6.25 of the Fall 1997 Report of the Provincial Auditor (Volume 2) to the Standing Committee on Crown Corporations for its review and consideration.

List of Payees

In consideration of the recommendation made at paragraph 6.30, that SaskEnergy should provide the Assembly with a list of persons who receive public money and the amounts, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 74

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 6.30 of the Fall 1997 Report of the Provincial Auditor (Volume 2) to the Standing Committee on Crown Corporations for its review and consideration.

XXI. SASKATCHEWAN GAMING CORPORATION

CHAPTER 13 – Fall 1997 Report of the Provincial Auditor (Volume 2)

Improvement of Internal Reports

Your committee concurs with the recommendation made at paragraph 13.06, that the Saskatchewan Gaming Corporation management should continue to improve its internal reports. Your committee notes that the corporation has complied with this recommendation.

Money Due from Silver Sage Casino

Your committee concurs with the recommendation made at paragraphs 13.13, that the Saskatchewan Gaming Corporation should establish rules and procedures to ensure it receives all the money due from Silver Sage Casino. Your committee notes that the corporation has complied with this recommendation.

XXII. SASKATCHEWAN GOVERNMENT GROWTH

FUND CORPORATION

CHAPTER 15 -- Fall 1996 Report of the Provincial Auditor

Investment Rules

Your Committee adopted the Provincial Auditor's recommendation made at paragraph 15.09, as follows:

RECOMMENDATION 75

The management of Saskatchewan Government Growth Fund Management Corporation should invest money held for investors in eligible businesses as required by The Canada Immigration Regulations or seek changes to the Regulations.

Your Committee reports that it has addressed this matter in the past and pursuant to its request (*re: Second Report of the Standing Committee of Public Accounts, April 22nd, 1997, page 8*), the Provincial Auditor did contact the Auditor General of Canada to discuss means to resolve this issue. It was reported to the Committee that the federal government has imposed a moratorium on the Program and has established working groups on how it might be improved. It is your Committee's understanding that the Auditor General will raise this matter with federal officials.

CHAPTER 11 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Performance Comparison in Annual Report

In consideration of the recommendation made at paragraph 11.19, that Saskatchewan Government Growth Fund Corporation (SGGF) should include comparisons of planned to actual results in its own annual report and in the annual reports of fund companies, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 76

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 11.19 of the Fall 1997 Report of the Provincial Auditor (Volume 2) to the Standing Committee on Crown Corporations for its review and consideration.

List of Payees

In consideration of the recommendation made at paragraph 11.23, that SGGF should provide the Assembly with a list of persons who receive public money and the amounts, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 77

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 11.23 of the Fall 1997 Report of the Provincial Auditor (Volume 2) to the Standing Committee on Crown Corporations for its review and consideration.

CHAPTER 16 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Order-in-Council Required to Borrowing Money

Your committee concurs with recommendation 16-1, that SGGF should obtain an Order-in-Council before borrowing money. Your committee notes that SGGF has complied with the recommendation.

Performance Comparison and List of Payees in Annual Report

In consideration of the recommendations 16-2 and 16-3, your committee reiterated its own recommendations (*see above Recommendation 75*), that the matter of the inclusion of comparisons of planned to actual results in its own annual report and in the annual reports of funds, and list of persons who receive public money and the amounts, be referred by the Assembly to the Standing Committee on Crown Corporations for its review and consideration.

XXIII. SASKATCHEWAN GOVERNMENT INSURANCE CORPORATION

CHAPTER 8 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Improvement of Fraud Management Practices

Your committee concurs with the recommendations made at paragraphs 8.20, 8.21, 8.22, and 8.23, that SGI should improve its fraud management practices. Your committee notes that SGI has complied with these recommendations.

Chapter 7 -- Spring 1998 Report of the Provincial Auditor

Reconciliation of Recorded Bank Balances

Your committee concurs with the recommendations made at paragraphs 7.14, concerning the need for SGI to follow rules to ensure all its recorded bank balances are reconciled in a timely fashion. Your committee notes that SGI has complied with the recommendation.

Cabinet Approval of Share Purchases by Subsidiary Companies

Your committee concurs with the recommendations made at paragraphs 7.24, that SGI should obtain Cabinet approval before its subsidiary purchases shares in another corporation. Your committee notes that SGI has complied with the recommendation and this is now corporate policy.

Performance Comparison in Annual Report

With respect to the Provincial Auditor's recommendation made at paragraph 7.29, that SGI and its subsidiaries include a comparison of planned performance to actual results in their annual reports, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 78

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 7.29 of the Spring 1998 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration, to determine whether SGI, the Saskatchewan Auto Fund and SGI Canada Insurance Service Ltd. should include a comparison of planned performance to actual results in their annual reports.

List of Payees

With respect to the Provincial Auditor's recommendation made at paragraph 7.35, that SGI and its subsidiaries should in some way provide the Assembly with a list of persons who receive money, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 79

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 7.35 of the Spring 1998 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration, to examine whether SGI, Saskatchewan Auto Fund and SGI Canada Insurance Service Ltd. should publish a list of persons who received money from them and amounts the person received.

XXIV. SASKATCHEWAN LIQUOR AND GAMING AUTHORITY

CHAPTER 12 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Monitoring of SIGA Operated Casinos

Your committee concurs with the recommendations made at paragraphs 12.12, 12.13, and 12.14, concerning better monitoring of casinos operated by the Saskatchewan Indian Gaming Authority (SIGA). Your committee notes that that SIGA has complied with these recommendations.

CHAPTER 9 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Define and Document Internal Reporting Needs

Your Committee concurs with recommendation 9-1, that the Board should formally define and document its internal reporting needs, regularly review financial and operational reports from management and document its review. Your Committee notes that the Board has made progress towards compliance with this recommendation.

Computer and IT System Contingency Plans

Your Committee concurs with recommendation 9-2, that the Authority should continue to update its computer and information systems written contingency plan and test the plan. Your Committee notes that the Authority continues to make progress towards compliance with this recommendation.

Documentation of Computer Systems Operation Procedures

Your Committee concurs with recommendation 9-3, that the Authority should fully document its rules and procedures for its computer systems operations and ensure staff understand those rules and procedures. Your Committee notes that the Authority continues to make progress towards compliance with this recommendation.

XXV. SASKATCHEWAN OPPORTUNITIES CORPORATION

CHAPTER 5 – Spring 1998 Report of the Provincial Auditor

Improvements to Financial Control Systems

Your committee concurs with the recommendation made at paragraph 5.10, concerning improvements to the Saskatchewan Opportunities Corporation's (SOCO) financial control systems. Your committee notes that SOCO has complied with the recommendation.

Performance Comparison in Annual Report

In consideration of the recommendation made at paragraph 5.18, concerning the question of including a comparison of planned results to actual results in the SOCO annual report your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 80

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 5.18 of the Spring 1998 Report of the Provincial Auditor to the Standing Committee on Crown Corporations and ask should the Saskatchewan Opportunities Corporation ensure its annual report include a comparison of planned and to actual results.

List of Payees

In consideration of the recommendation made at paragraph 5.21, that SOCO should publish a list of persons who receive money from them, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 81

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 5.21 of the Spring 1998 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration, to determine whether Saskatchewan Opportunities Corporation should publish a complete list of persons who received money from them and the amounts the persons received.

With respect to paragraph 5.21 of the Provincial Auditor's report, your Committee asked its Chair to meet with the Chair of the Standing Committee on Crown Corporations to discuss the ultimate disposition of the Auditor's recommendation.

XXVI. SASKATCHEWAN POWER CORPORATION

CHAPTER 5 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Recording Reconstruction Charge as Revenue

Your committee concurs with the recommendations made at paragraph 5.25, that Cabinet should direct SaskPower to record the "reconstruction charge" as revenue; record the revenue from the "reconstruction charge" in the year customers are charged; and amend and re-issue its 1996 financial statements, accordingly. Your Committee notes that SaskPower is working towards compliance with the recommendation.

Safeguard and Control of Subsidiaries' Assets

In consideration of the recommendation made at paragraph 5.38, that SaskPower should ensure its subsidiaries have rules and procedures to safeguard and control their assets, your committee notes that this recommendation has been superseded by subsequent recommendations of the Provincial Auditor.

Cabinet Approval for Purchase of Shares by Subsidiaries

Your committee concurs with the recommendation made at paragraph 5.45, that SaskPower should obtain Cabinet approval before its subsidiaries purchase shares in any body corporate. Your committee notes that SaskPower is working to comply with this recommendation.

Chapter 1 -- Spring 1998 Report of the Provincial Auditor

Recording Reconstruction Charge as Revenue

Your concurs with recommendation 1.42, and reiterates its observations on this issue made with respect to the recommendation made at paragraph 5.25 of the *Fall 1997 Report of the Provincial Auditor* (see above).

Performance Comparison and List of Payees in Annual Report

In consideration of the recommendations made at paragraphs 1.49 and 1.52, that SaskPower ensure its annual reports, its subsidiaries and pension plans include comparisons of planned to actual results; together with lists of persons who receive public money and the amounts, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 82

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraphs 1.49 and 1.52 of the Spring 1998 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration.

CHAPTER 21 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Review of Existing Policies by Board

Your committee concurs with recommendation 21-1, and recommends the following to the Legislative Assembly:

RECOMMENDATION 83

SaskPower Board of Directors should review SaskPower's existing policies and procedures to ensure the Board's direction is fully and appropriately documented; receive periodic audit reports directly from SaskPower's internal auditor on whether management is operating in compliance with the Board's direction and policies; provide clear direction on the role and responsibilities of its Audit and Finance Committee; provide clear direction on the roles and responsibilities of the boards of its subsidiary corporations; include representation from SaskPower Board of Directors on boards of its subsidiary corporations; ensure Board members receive regular training to enhance board governance; challenge management proposals and recommendations and ask sufficient questions to fully understand the risks facing SaskPower and management's plan to deal with those risks; and embrace and promote a corporate culture for SaskPower that provides a more appropriate level of public accountability consistent with its public ownership and the public policy role of SaskPower.

Reporting of Internal Audit Group

Your committee concurs with recommendation 21-2, and recommends the following to the Legislative Assembly:

RECOMMENDATION 84

The SaskPower internal audit group should report directly to the SaskPower Board of Directors and its plans and reports should be referred to the Audit and Finance Committee.

Policy for Sale of Significant Public Assets

Your committee concurs with recommendation 21-3, and recommends the following to the Legislative Assembly:

RECOMMENDATION 85

SaskPower should adopt a policy requiring that the sale of significant public assets, such as Channel Lake or the ten-year gas supply contract, be tendered unless such tendering will not ensure the best value; and when significant assets are to be sold without public tender the Board should require management to identify the advantages and the risks involved and provide a plan to manage those risks for Board approval.

Negotiation of Key Contracts

Your committee concurs with recommendation 21-4, and recommends the following to the Legislative Assembly:

RECOMMENDATION 86

SaskPower should adopt a policy requiring at least two representatives from SaskPower be involved in the negotiation of all key contracts.

Document Examination of Significant Contracts by Management

Your committee concurs with recommendation 21-5, and recommends the following to the Legislative Assembly:

RECOMMENDATION 87

SaskPower should adopt a policy requiring that management appropriately examine all significant contracts with the results of such examination to be documented and reviewed prior to the signing of contracts.

Segregation of Duties

Your committee concurs with recommendation 21-6, and recommends the following to the Legislative Assembly:

RECOMMENDATION 88

SaskPower should ensure there is proper segregation of duties among its staff.

Strengthening of Laws Governing Purchase and Sale of Shares by Crown Corporations

Your committee concurs with recommendation 21-7, and recommends the following to the Legislative Assembly:

RECOMMENDATION 89

The Government should consider strengthening current laws governing the purchase and sale of shares to require Crown corporations to obtain an Order-in-Council when selling shares or securities of any corporation.

Tabling of Financial Statements of the Northern Enterprise Fund

Your committee concurs with recommendation 21-8, and recommends the following to the Legislative Assembly:

RECOMMENDATION 90

The Government should table the financial statements of the Northern Enterprise Fund Inc. in the Legislative Assembly.

XXVII. SASKATCHEWAN RESEARCH COUNCIL

CHAPTER 10 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Strategic Planning Process

Your committee concurs with the recommendation made at paragraph 10.13, concerning continuation of the Saskatchewan Research Council (SRC) strategic planning process. Your committee notes that SRC is making progress towards compliance with the recommendation.

Comparison of Results in Annual Reports

Your committee concurs with the recommendation made at paragraph 10.17, concerning the need for a comparison of planned results to actual results for the same time period. Your committee notes that SRC has complied with the recommendation.

Financial Reports to the Board

Your committee concurs with the recommendation made at paragraph 10.19, concerning the need for SRC financial reports to the Board to show its financial position. Your committee notes that SRC has complied with the recommendation.

Computer System Contingency Plan and Risk Analysis

Your committee concurs with the recommendation made at paragraph 10.28, that the SRC should prepare a complete written contingency plan based on risk analysis, and test the plan, for its IT systems. Your committee notes that SRC is making progress towards compliance with the recommendation, especially with respect to the Year 2000 problem.

Written Policy for Computer System Development

Your committee concurs with the recommendation made at paragraph 10.36, that the SRC should prepare and follow adequate written policies for computer system development. Your committee notes that SRC has complied with the recommendation.

CHAPTER 17 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Computer Contingency Plan for Loss or Destruction of Records

Your committee concurs with recommendation 17-1, that the Saskatchewan Research Council (SRC) should complete and test its written contingency plan for loss or destruction of its computer systems or records. It was noted that SRC has made progress towards compliance since this matter was initially considered as part of the review of paragraph 10.28 (see above) of Chapter 10 of the *Fall 1997 Report of the Provincial Auditor*.

Financial Statements of Subsidiary

In consideration of recommendation 17-2, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 91

The Provincial Auditor work with the Saskatchewan Research Council in order to come to some accommodation on the issue whether SRC should table separate financial statements for its subsidiary in the Assembly.

**XXVIII. SASKATCHEWAN
TELECOMMUNICATIONS HOLDING
CORPORATION (Holdco)**

Chapter 6 -- Spring 1998 Report of the Provincial Auditor

Need to Obtain an Order in Council to Set up, Buy Shares or Invest in Companies

In consideration of the recommendation made at paragraph 6.19, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 92

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 6.19 of the Spring 1998 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration, to examine whether Holdco should obtain an Order in Council before it or its subsidiaries, set up, buy shares of, or invest in companies.

Performance Comparison in Annual Report

In consideration of the recommendation made at paragraph 6.30, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 93

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 6.30 of the Spring 1998 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration, to examine whether Holdco should continue to improve its annual report to clearly report on the achievement of its plan.

Financial Information Provided by the Subsidiaries of Holdco to the Assembly

In consideration of the recommendation made at paragraphs 6.36 and 6.37, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 94

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendations made at paragraph 6.36 and 6.37 of the Spring 1998 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration; to examine whether Holdco should provide the Assembly with

audited financial statements of its active subsidiaries; and for its other subsidiaries, whether Holdco should provide the Assembly with either audited financial statements or with adequate financial information on the financial condition and the results of the operations of each.

List of Payees in Annual Report

In consideration of the recommendation made at paragraph 6.40, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 95

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 6.40 of the Spring 1998 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration, to examine whether Holdco and its subsidiaries should publish a list of persons who received money from them and amounts the persons received.

XXIX. SASKATCHEWAN TRANSPORTATION COMPANY

CHAPTER 17 -- Fall 1996 Report of the Provincial Auditor

Computer Systems

Your Committee concurs with the recommendations made at paragraphs 17.12, 17.13, 17.14 and 17.15, concerning improvements to the Saskatchewan Transportation Company (STC) technology systems information. Your Committee reports that progress is being made by the corporation to comply with the recommendations.

Chapter 4 -- Spring 1998 Report of the Provincial Auditor

Information Security and Confidentiality Policy

Your committee concurs with the recommendation made at paragraph 4.10, that STC should complete and approve a formal information security and confidentiality policy. Your committee notes that STC has taken steps to comply with this recommendation.

Information Systems Contingency Plan

Your committee concurs with the recommendation made at paragraph 4.11, that STC should complete the documentation and testing of its information systems contingency plan. Your committee notes that STC has complied with this recommendation.

Corporate Project Management And System Development Policies

Your committee concurs with the recommendation made at paragraph 4.22, that STC should establish corporate project management and system development policies based on an analysis of lessons learned from the express system project. Your committee notes that STC has complied with this recommendation.

System for Recording and Billing of all Revenue

Your committee concurs with the recommendation made at paragraph 4.23, that STC should establish adequate systems and practices to ensure that all revenue is recorded and billed on a timely basis. Your committee notes that STC has complied with this recommendation.

Comparison of Results In Annual Report

Your committee concurs with the recommendation made at paragraph 4.29, that STC should ensure its annual report included a comparison of planned results to actual results. Your committee notes that STC has complied with this recommendation.

List of Payees

In consideration of the recommendation made at paragraph 4.32, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 96

The Legislative Assembly refer the subject matter of the Provincial Auditor's recommendation made at paragraph 4.32 of the Spring 1998 Report of the Provincial Auditor to the Standing Committee on Crown Corporations for its review and consideration.

XXX. DEPARTMENT OF SOCIAL SERVICES

CHAPTER 22 -- Fall 1997 Report of the Provincial Auditor (Volume 2)

Reconciliation of Bank Account

Your committee concurs with the recommendation made at paragraph 22.41, that the Department of Social Services should promptly reconcile its bank account. Your committee notes that the department has complied with this recommendation.

Description of How Key Issues are Managed in Annual Report

Your committee concurs with the recommendation made at paragraph 22.48, that the Department of Social Services should include in its report to the Assembly a description of how it manages

the key issues it faces. Your committee notes that the department has made progress towards compliance with this recommendation.

Establishing Measurable Performance Targets

Your Committee concurs with the recommendation made at paragraph 22.49, that the Department of Social Services should provide a summary of its financial and operational plans, performance targets, and actual results in its annual report. However, in noting the progress of the Department to comply with this recommendation, your Committee points out the difficulty in establishing measurable performance targets for Social Services within the framework of a single year.

CHAPTER 8 -- Fall 1998 Report of the Provincial Auditor (Volume 2)

Records And Document Procedures

Your committee concurs with recommendation 8-1, that the Department should improve its records and document its procedures to ensure single parents receiving social assistance pursue child support. It notes that the Department has made progress towards compliance with this recommendation.

Northern Indian Bands Performance Reports

Your committee concurs with recommendation 8-2, that the Department should ensure the Northern Indian Bands (as specified in the Provincial Auditors report) submit performance reports required by agreements. It notes that the Department has made progress towards compliance with this recommendation.

Community Based Organizations Financial Reports

Your committee concurs with recommendation 8-3, that the Department should ensure that Community Based Organizations submit financial reports to the Department and submit them on time as required by agreements. It notes that the Department has made progress towards compliance with this recommendation.

Description of How Key Issues are Managed in Annual Report

In consideration of recommendation 8-4, your committee reiterates its comments made with respect to paragraph 22.48, Chapter 22 of the *Fall 1997 Report of the Provincial Auditor (Volume 2)* (see above).

Establishing Measurable Performance Targets

In consideration of recommendation 8-5, your committee reiterates its comments made with respect to paragraph 22.49, Chapter 22 of the *Fall 1997 Report of the Provincial Auditor (Volume 2)* (see above).

XXXI. WORKERS' COMPENSATION BOARD

CHAPTER 3 -- Fall 1996 Report of the Provincial Auditor

Jurisdiction of the Provincial Auditor and the Public Accounts Committee

to Review the Workers' Compensation Board

Your Committee heard testimony from the Chair of the Workers' Compensation Board (WCB), who questioned the authority of the Provincial Auditor to audit the WCB, and the jurisdiction of the Standing Committee on Public Accounts to call the WCB before it for questioning. Your Committee sought and received legal opinions on this question from the Legislative Counsel and Law Clerk, Department of Justice, the Provincial Auditor's office and the Workers' Compensation Board. The opinions are contained as part of the Committee record as tabled documents PAC26/23 through PAC 29/23 inclusive, as well as PAC 31/23.

Your Committee carefully reviewed the legal opinions and the question of the WCB autonomy from the Provincial Auditor and the Standing Committee on Public Accounts, and came to the following conclusion:

It is the position of the Standing Committee on Public Accounts that it has the authority to examine those aspects of the reports of the Provincial Auditor which deal with the Worker's Compensation Board and which fall within the scope of the Provincial Auditor's mandate, as stated in section 11 of the Provincial Auditor's Act. Furthermore, pursuant to the terms of reference and mandate of the Standing Committee on Public Accounts, as a consequence of the Provincial Auditor having produced and tabled a report on the Worker's Compensation Board, the committee has the jurisdiction to consider that report as tabled and examine any subject in it.

It is also the position of your Committee that the Provincial Auditor has authority in relation to the accounts of the Worker's Compensation Board; that this authority is defined by the terms of subsection 11(1) of The Provincial Auditor's Act and by concerns relating to the adjudicative independence of the Board.

Finally, the Standing Committee on Public Accounts recognizes the autonomy and independence of the Worker's Compensation Board and that the Provincial Auditor and the Standing Committee on Public Accounts, should take significant care, so that the fundamental principle of Board independence is not eroded.

Having taken this position, your Committee is pleased to report that at subsequent meetings the Workers' Compensation Board did agree to fully co-operate in the review of the various reports and recommendations of the Provincial Auditor concerning the Board. The review of those chapters follows.

Chapter 2 -- Spring 1998 Report of the Provincial Auditor

Improvements to System for Determining Compensation Costs

Your committee concurs with the recommendations of previous Provincial Auditor reports, which are repeated at paragraph 2.16 of the *Spring 1998 Report of the Provincial Auditor*. The recommendations concern the need for improvements to the WCB system for determining compensation costs. Your committee notes that the WCB is working towards compliance with the recommendations through a pilot project.

Content of Annual Report

Your committee concurs with the recommendation made at paragraph 2.22, concerning the content of the WCB annual report. Your committee notes that the WCB is making progress towards compliance, as demonstrated by the strategic planning document entitled *A Framework for Action: Creating a Workers' Compensation System for the Year 2000*.

List of Payees

In consideration of the recommendation made at paragraph 2.29, concerning the question of public disclosure of persons (other than injured workers) who receive money from the WCB, your Committee recommends the following to the Legislative Assembly:

RECOMMENDATION 97

The Worker's Compensation Board work co-operatively with the Provincial Auditor to consider alternative public disclosure requirements and report back to the Public Accounts Committee at a future meeting.

Respectfully submitted,

Rod Gantefoer, Chair

Standing Committee on Public Accounts

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Tara Clemett, Auditor

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Appointed Auditors

Tom Robinson, Managing Partner, KPMG

Jamie Wilson, Partner, KPMG

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Kathy Rintoul, Senior Analyst, Financial Management Branch

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Tamara Stocker, Analyst, Financial Management Branch

Lori Taylor, Senior Analyst, Financial Management Branch

Elaine Wood, Senior Analyst, Financial Management Branch

Witnesses

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Peter Federko, Chief Executive Officer

Jamie Wilson, KPMG

Witnesses

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Greg Haase, Director, Lands Branch

Ken Petruic, Manager of Financial Services, Administrative Services Branch

Dr. Peter Rempel, Director, Pastures Branch

Terrence Scott, Deputy Minister

Roy White, Senior Marketing Officer, Industry Development Branch Secretary –
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Jack Zepp, Director, Administrative Services Branch,

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Robert Haynes, Vice President, Human Resources

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