

# Standing Committee on Public Accounts

# 25

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## **Main points**

The Standing Committee on Public Accounts (Committee) is a key agent of change for improving the Government's management of public resources. The Committee reviews the activities, performance, and reports of all government departments, agencies, and Crown corporations. During its review, the Committee may inquire about past performance, current concerns, and future objectives. Increasingly, the Committee's discussions relate to broader issues including strategic plans, key risks to achieving goals and objectives, and performance measurement.

Through its work and recommendations, the Committee helps the Legislative Assembly hold the Government accountable for its spending of public money and for its stewardship over public resources. The Government has fully implemented 65% of the Committee's recommendations. Of the recommendations that are not yet fully implemented, 67% are partially implemented.

## Introduction

This chapter provides an overview of the role and responsibilities of the Standing Committee on Public Accounts (Committee or PAC). It briefly describes what the Committee does, how it is structured, and how it works.

This chapter discusses the importance of the Committee's deliberations and recommendations and highlights some of its recent accomplishments. Also, in the exhibit, the chapter sets out the status of the Committee's outstanding recommendations for agencies not discussed elsewhere in the report. The remaining outstanding recommendations are included in the relevant chapters throughout our report. Reviewing these outstanding recommendations provides the Committee with an opportunity to ask Government officials how they are progressing toward meeting the Committee's expectations.

## Overview of Committee's role and responsibilities

At the beginning of each Legislature, the Legislative Assembly (Assembly) appoints members to the Committee. The Committee helps the Assembly hold the Government accountable for its management of public resources. We view this Committee as the audit committee for the Assembly and thus, for the public.

The management of public resources begins and ends in the Assembly. The Government manages Saskatchewan's public resources through a complex structure of over 270 agencies including departments, boards, and Crown corporations (see Appendix 2 to this Report for a list of these agencies). It seeks approval for the use of these resources through laws and the Legislative Assembly's approval of the Estimates.

Each year, the Government prepares the Public Accounts. The Public Accounts consist of two reports. The first report contains the Summary Financial Statements of the Government, the financial statements of the General Revenue Fund (GRF), and some other financial information. The second report contains details on revenues and expenditures (including a listing of salaries and wages) of agencies who receive money from the GRF, details on capital asset acquisitions of those agencies, key financial information of some pension plans and trust funds administered by the

Government, and a listing of taxes and fees. The reports are available at [www.gov.sk.ca/finance/](http://www.gov.sk.ca/finance/).

The Assembly refers the Public Accounts and the reports of our Office to the Committee. The Committee uses these reports to review the Government's management of public resources.

The Committee's main objective is to discuss and recommend actions on issues that Committee members and our Office raise. To meet its responsibilities, the Committee examines and evaluates the activities of all government agencies (e.g., departments, Crown corporations) included in the Public Accounts. It also reviews the issues raised in our reports on the results of our work at these agencies.

The Committee is not fundamentally concerned with matters of policy. Rather, it questions the economy and effectiveness of the administration of government programs.

Government officials attend the Committee meetings and answer questions about the administration of their agencies. Our Office attends the meetings to help the Committee in its reviews. The Committee formally reports its findings and recommendations to the Assembly in written reports.

The Committee's discussions and recommendations to the Assembly result in a more open and accountable government and better management of government operations. By questioning, requesting information, and making recommendations in its reports to the Assembly, the Committee also acts as an agent of change in the management practices of government. The Committee's work is crucial in a well-managed parliamentary system of government. It provides a vital link in the chain of accountability over public resources and contributes to the public's confidence in our system of government.

The Committee's meetings are open to the public. Information about the composition of the Committee as well as records of the Committee's meetings (i.e., Hansard verbatims, minutes, videos, and reports) is available to the public on the Committee's website [www.legassembly.sk.ca/committees/](http://www.legassembly.sk.ca/committees/).

## The members of the Standing Committee on Public Accounts

As at October 9, 2007, the members of the Committee were:

- ◆ Elwin Hermanson, Chair
- ◆ Joanne Crofford, Deputy Chair
- ◆ Lon Borgerson
- ◆ Ken Cheveldayoff
- ◆ Michael Chisholm
- ◆ Andy Iwanchuk
- ◆ Kim Trew

## Committee accomplishments

Since the fall of 2006, the Committee met 18 times. During this time, the Committee continued its review of our reports on the results of our work at government agencies. These reports include our 2005 Report (Volume 3), 2006 Report (Volumes 1, 2, and 3), and 2007 Report (Volume 1).

The Committee has not yet completed its review of the following reports of the work of our Office:

- ◆ 2006 Report – Volume 3 (three chapters outstanding)
- ◆ 2007 Report – Volume 1 (two chapters outstanding)
- ◆ 2007 Report – Volume 2

At the time of this report, the Committee's most recent report setting out recommendations is the Committee's Second Report to the 25<sup>th</sup> Legislature. The Committee presented this Report to the Assembly on May 16, 2007. The report contains over 98 recommendations. The Assembly concurred in the Report. The Government responded to the Report on September 7, 2007.

## Status of recommendations of the Committee

The Committee's reports during the previous five years contain 315 recommendations. Some of these recommendations take a number of years to implement. As of March 2007, the Government has fully

implemented 65% (March 2006 – 66%) of the Committee's recommendations. The Government has partially implemented 67% (March 2006 – 79%) of the recommendations that are not fully implemented.<sup>1</sup>

The Committee has asked us to monitor compliance with its recommendations and to report on their status. Each relevant chapter in our report provides an update on the status of the Committee's outstanding recommendations. The exhibit lists all of the Committee's recommendations that the Government has not yet fully implemented and are not already discussed in another chapter.

## **Key terms used**

Each recommendation in the exhibit here or in another chapter includes a reference to a "PAC Report Year." This refers to the year that the Committee first made the recommendation in its report to the Assembly. The "Outstanding Recommendation" column sets out those recommendations that the Government has not yet fully implemented. The Committee's reports contain two types of recommendations. They are:

1. **Committee recommendations** on which the Committee expects an official response from the Government. These recommendations are set out in bold type and are preceded by **CR** (e.g., **CR3**).
2. **Committee concurs with recommendations** of our Office. These are our Office's recommendations that the Committee supports and agrees with but on which it **does not expect a formal response** from the Government. Because these recommendations are a matter of ongoing record, the Committee expects the Government to follow up on progress in complying with the recommendations. These recommendations are identified by a non-bolded number (e.g., 10-1) preceding them. The non-bolded numbers reflect the chapter and recommendation number of our related report.

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<sup>1</sup> Calculations are based on the Committee's recommendations up to and including the Second Report to the 25<sup>th</sup> Legislature as at May 16, 2007.

For each outstanding recommendation, our Office has assessed the status of the recommendation and the progress made since our 2006 Report – Volume 3. We list the status of each recommendation as either not implemented or partially implemented. We do not list recommendations that are implemented. We indicate the date of our assessment in parentheses following the status. Generally, the date of our last assessment is based on the timing of our most recent audit work.

**Not implemented** – Based on the last assessment, the Government has not taken action on this recommendation.

**Partially implemented** – Based on the last assessment, the Government has taken some action on this recommendation.

When the Committee recommends that the Government examine, consider, study, or review an issue, the Committee needs to know what the Government decided and why the decision was taken. The Committee expects the Government's response to:

- ◆ clearly define the issue
- ◆ set out the sources of supporting information gathered by surveys, interviews, or literature searches
- ◆ outline the major factors involved—the pros and cons
- ◆ describe the action it proposes to take

## Summary

In the last few years, the Committee has discussed broader issues including strategic planning, key risks to achieving goals and objectives, and performance measurement. Through these discussions, the Committee fosters a more open and accountable government and better management of government operations.

Our Office will continue helping the Committee carry out its important responsibilities. To encourage the implementation of the Committee's recommendations, our Office will continue to monitor the status of the Committee's recommendations.

## Exhibit—Status of outstanding Committee recommendations

The exhibit lists all of the Committee’s recommendations that the Government has not yet fully implemented and are not already discussed in another chapter.

PAC REPORT YEAR	OUTSTANDING RECOMMENDATION	STATUS
<b>Cross-Government (Pensions)</b>		
1996	<p><b>CR9.</b> The Government should use consistent estimates for COLA (Cost of Living Adjustments) increases and inflation to calculate the pension liability for its defined benefit pension plans.</p> <p>On March 31, 2000, during review of Chapter 8 of our 2000 Spring Report, PAC considered and agreed that the Government should work towards using consistent estimates for inflation for all of its defined benefit plans.</p>	<p><b>Partially implemented</b> (as at March 31, 2007).</p> <p>Plans have consistent estimates of inflation except for the Pension Plan for the Employees of the Saskatchewan Workers’ Compensation Board.</p>
1999	<p>PAC concurs:</p> <p>10.67 The Government should 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. If more consistency in the type of information is not considered appropriate, the Government should explain why.</p>	<p><b>Not implemented</b> (as at March 31, 2007).</p> <p>The Government has not yet done a study to decide what type of information pension plan’s annual reports should provide. Pension plans still need to improve their annual reports.</p>
<b>Cross-Government (Managing for Results)</b>		
2007	<p>PAC concurs:</p> <p>10-1 that the Department of Corrections and Public Safety (CPS) and the Department of Highways and Transportation (Highways) should analyze and report quarterly to executive managers the departments’ progress toward planned outcomes.</p>	<p><b>Partially implemented</b> (as at March 31, 2007).</p> <p>Highways has implemented this recommendation.</p> <p>For CPS, a follow-up is planned for 2007-08.</p>