

Standing Committee on Public Accounts

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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 government ministries, agencies, and Crown corporations. During its review, the Committee may inquire about past performance, current concerns, and future objectives. The Committee's discussions include 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 59% of the Committee's recommendations. Of the recommendations that are not yet fully implemented, 64% 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.

We discuss the importance of the Committee's deliberations and recommendations and highlight some of its recent accomplishments. Also, in the exhibit, we set out the status of the Committee's outstanding recommendations for agencies not discussed elsewhere in this 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 towards 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 about 290 agencies including ministries, 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 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 other financial information. The second report contains details on revenues and expenditures (including a list of salaries and wages) of certain 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.finance.gov.sk.ca/.

The Assembly refers the Public Accounts and the reports of our Office to the Committee.¹ 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 government agencies (e.g., ministries, Crown corporations) included in the Public Accounts. It also reviews the issues raised in our reports based on 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 promotes 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 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 televised and 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

¹ Certain chapters within our reports are referred to the Standing Committee on Crown and Central Agencies.

reports) is available to the public on the Committee's website www.legassembly.sk.ca/committees/.

The members of the Standing Committee on Public Accounts

As of October 2009, the members of the Committee were:

- ◆ Trent Wotherspoon, Chair
- ◆ Michael Chisholm, Deputy Chair
- ◆ Dan D'Autremont
- ◆ Warren Michelson
- ◆ Lyle Stewart
- ◆ Pat Atkinson
- ◆ Laura Ross

Committee accomplishments

Since the fall of 2008, the Committee met 10 times. During this time, the Committee continued its review of our reports on the results of our work at government agencies. These reports included our 2007 Report (Volume 3), 2008 Report (Volumes 1, 2, and 3), and 2009 Report (Volume 1).

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

- ◆ 2009 Report – Volume 1 (three chapters outstanding)
- ◆ 2009 Report – Volume 2

At the time of this report, the Committee's most recent report setting out recommendations is the Committee's First Report to the 26th Legislature. The Committee presented this Report to the Assembly on March 25, 2009. The report contains over 300 recommendations. The Assembly concurred in the Report. The Government responded to the Report on June 8, 2009.²

² The Government response can be found at www.legassembly.sk.ca/committees/. (29 Oct 2009).

Status of recommendations of the Committee

The Committee's reports during the previous five years contain 583 recommendations. Some of these recommendations take a number of years to implement. As of October 2009, the Government has fully implemented 59% (October 2008–67%) of the Committee's recommendations. The Government has partially implemented 64% (October 2008–81%) of the remaining recommendations.³

The Committee has asked us to monitor compliance with its recommendations and to report on their status. This chapter along with each relevant chapter in our report provides an update on the status of the Committee's outstanding recommendations that the Government has not yet fully implemented.

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-

³ Calculations are based on the Committee's recommendations up to and including the First Report to the 26th Legislature at March 25, 2009.

bolded numbers reflect the chapter and recommendation number of our related report.

For each outstanding recommendation, our Office has assessed the status of the recommendation and the progress made since our 2008 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 fully implemented and are not already discussed in another chapter.

PAC REPORT YEAR ⁴	OUTSTANDING RECOMMENDATION	STATUS
Cross-Government (Pensions)		
1996	<p>CR9. 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 Spring 2000 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>Partially implemented (as at March 31, 2009).</p> <p>Plans have consistent estimates of inflation except for the Pension Plan for the Employees of the Saskatchewan Workers' Compensation Board.</p>
Cross-Government (Managing for Results)		
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>Partially implemented (as at December 31, 2008).</p> <p>Highways has implemented this recommendation.</p> <p>For the Ministry of Corrections, Public Safety and Policing (formerly the Department of Corrections and Public Safety), no progress has been made. We plan to follow up in 2011.</p>
Ministry of Corrections, Public Safety and Policing		
2009	<p>PAC concurs:</p> <p>3-4 that the Ministry of Corrections, Public Safety and Policing complete, approve, and test its business continuity plan.</p>	<p>Partially Implemented (as at March 31, 2008).</p> <p>We plan to report our follow-up in our 2010 Report – Volume 1.</p>

⁴ PAC Report Year refers to the year that PAC first made the recommendation in its report to the Legislative Assembly.

PAC REPORT YEAR ⁴	OUTSTANDING RECOMMENDATION	STATUS
Ministry of Corrections, Public Safety and Policing (Rehabilitate adult inmates)		
2009	PAC concurs: 2-3 that the Ministry of Corrections, Public Safety and Policing consistently comply with its policies to assess inmates' needs (primary and secondary) and plan relevant programs.	Not Implemented (as at January 31, 2008). We plan to follow up in 2010.
2009	PAC concurs: 2-4 that the Ministry of Corrections, Public Safety and Policing facilitate inmates' access to key programming related to their offence prior to their release into the community, particularly if the offence was related to assault or bodily harm.	Not Implemented (as at January 31, 2008). We plan to follow up in 2010.
2009	PAC concurs: 2-5 that the Ministry of Corrections, Public Safety and Policing monitor the proportion of inmates accessing planned rehabilitation programs before the inmates are released into the community and enhance access to rehabilitation if required.	Not Implemented (as at January 31, 2008). We plan to follow up in 2010.
2009	PAC concurs: 2-6 that the Ministry of Corrections, Public Safety and Policing monitor re-offending rates in relation to rehabilitation programs to better evaluate its rehabilitation of inmates.	Not Implemented (as at January 31, 2008). We plan to follow up in 2010.
Ministry of Energy and Resources (formerly the Department of Industry and Resources)		
2005	PAC concurs: 4-1 that the Department of Industry and Resources should prepare an overall audit plan that ensures the accurate assessment and collection of all royalties and taxes due the Department.	Partially implemented (as at March 31, 2007). We plan to follow up in 2010.

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PAC REPORT YEAR⁴	OUTSTANDING RECOMMENDATION	STATUS
2005	PAC concurs: 4-3 that the Department of Industry and Resources should improve its supervisory practices to ensure that audits are approved and carried out as planned.	Partially implemented (as at March 31, 2007). We plan to follow up in 2010.
2005	PAC concurs: 10-1 that the Department of Industry and Resources should use systematic processes to detect risks to all its objectives.	Partially implemented (as at March 31, 2007). We plan to follow up in 2010.
2005	PAC concurs: 10-2 that the Department of Industry and Resources should quantify the likelihood and impact to strategic risks to identify priorities.	Partially implemented (as at March 31, 2007). We plan to follow up in 2010.
Executive Council		
2007	PAC concurs: 18-2 that the Office of the Executive Council should complete the development of systems to measure work performed and results achieved for its key performances measures.	Not implemented (as at March 31, 2009). No progress in year.
Saskatchewan Gaming Corporation		
2009	PAC concurs: 9-2 that the Saskatchewan Gaming Corporation improve its human resource plan by prioritizing its key human resource risks, analyzing human resource gaps, and setting out plans to address human resource gaps.	Partially implemented (as at December 31, 2008). We plan to follow up in 2010.
2009	PAC concurs: 9-4 that the Saskatchewan Gaming Corporation provide complete and accurate reports on the project's progress to senior management and the Board of Directors.	Not implemented (as at December 31, 2008). We plan to follow up in 2010.

PAC REPORT YEAR ⁴	OUTSTANDING RECOMMENDATION	STATUS
2009	PAC concurs: 9-5 that the Saskatchewan Gaming Corporation establish a process to monitor and track how well it achieved the benefits it set out for the project.	Not implemented (as at December 31, 2008). We plan to follow up in 2010.
2009	PAC concurs: 9-6 that the Saskatchewan Gaming Corporation establish a process to document the results of testing of new systems and to track and document the follow up of all risks before systems become operational.	Not implemented (as at December 31, 2008). We plan to follow up in 2010.
Saskatchewan Research Council		
2009	PAC concurs: 11-1 that the Saskatchewan Research Council complete its central recording of all significant intellectual property.	Not implemented (as at November 30, 2007). We plan to follow up in 2010.
2009	PAC concurs: 11-2 that the Saskatchewan Research Council make an agreement with its wholly-owned company (subsidiary) for ownership and management of intellectual property.	Not implemented (as at November 30, 2007). We plan to follow up in 2010.
2009	PAC concurs: 11-3 that the Saskatchewan Research Council follow its policy to regularly verify that it complies with software licences.	Not implemented (as at November 30, 2007). We plan to follow up in 2010.
2009	PAC concurs: 11-4 that the Saskatchewan Research Council follow its policy to ensure employees obtain written approval before publicly releasing information that relates to intellectual property.	Not implemented (as at November 30, 2007). We plan to follow up in 2010.
2009	PAC concurs: 11-5 that the Saskatchewan Research Council implement performance measures to help it manage intellectual property.	Not implemented (as at November 30, 2007). We plan to follow up in 2010.

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PAC REPORT YEAR ⁴	OUTSTANDING RECOMMENDATION	STATUS
Workers' Compensation Board		
2009	PAC concurs: 19-1 that the Workers' Compensation Board formally communicate its information needs for the industrial safety program to the Ministry of Advanced Education, Employment and Labour.	Not implemented (as at December 31, 2008). We plan to follow up in 2010.
2009	PAC concurs: 19-2 that the Workers' Compensation Board establish processes for assessing the costs and impact of the industrial safety program on the Workers' Compensation Board's injury prevention and safety programs.	Not implemented (as at December 31, 2008). We plan to follow up in 2010.
2009	PAC concurs: 19-3 that the Workers' Compensation Board management report its assessment of the impact of the industrial safety program on the injury prevention and safety to the members of the Board.	Not implemented (as at December 31, 2008). We plan to follow up in 2010.
2009	PAC concurs: 19-4 that the Workers' Compensation Board ensure there is Order in Council approval for payment of the industrial safety program costs before paying those costs.	Not implemented (as at December 31, 2008). We plan to follow up in 2010.
2009	PAC concurs: 19-5 that the Workers' Compensation Board document its analysis of the effectiveness of its injury prevention and safety programs and document any changes required.	Not implemented (as at December 31, 2008). We plan to follow up in 2010.

PAC REPORT YEAR ⁴	OUTSTANDING RECOMMENDATION	STATUS
Understanding the Finances of the Government		
2009	PAC concurs: 1. that the Government publish financial statement discussion and analysis along with its audited Summary Financial Statements.	Partially implemented (as at September 10, 2009). The Public Accounts 2008-09 Volume 1 provides useful financial statement discussion and analysis information but does not yet include some key information (see page 22 of our 2009 Report – Volume 2 for an update).
2009	CR1. That the Ministry of Finance be directed to review the implications of reporting actual results with the projected results for the General Revenue Fund on a quarterly basis.	Not implemented (as at September 10, 2009). Ministry of Finance officials noted, at the November 26, 2008 PAC meeting, its plans to include actual results for the General Revenue Fund in the 2009-10 Mid-Year Report.

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