



STANDING COMMITTEE ON PUBLIC ACCOUNTS

Hansard Verbatim Report

No. 17 – May 13, 2009



Legislative Assembly of Saskatchewan

Twenty-sixth Legislature

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Harry Van Mulligen, Chair
Regina Douglas Park

Mr. Warren Michelson, Deputy Chair
Moose Jaw North

Mr. Fred Bradshaw
Carrot River Valley

Mr. Michael Chisholm
Cut Knife-Turtleford

Mr. Jeremy Harrison
Meadow Lake

Mr. John Nilson
Regina Lakeview

Mr. Jim Reiter
Rosetown-Elrose

[The committee met at 10:00.]

The Chair: — I'll call the meeting to order. First of all, I want to recognize that Mr. McMillan will be chitting in for Mr. Chisholm, and welcome to Mr. McMillan. I also want to point out the attendance of Mr. Yates and Mr. Furber, attending the meeting as observers.

Before we deal with the issue on the agenda, I want to draw the members' attention to documents to be tabled. One is the reporting of public losses for the period January 1 to March 31 and that was distributed to members on May 5.

Secondly we have correspondence relating to the engagement to audit the Office of the Provincial Auditor from the Virtus Group, dated April 27, and any member who wants to see those documents or get a copy, just contact the Committee Clerk and that can be made available . . . [inaudible interjection] . . . They do have that? Okay. Just by way of explanation, an outside group is always called upon to audit the Provincial Auditor's office.

Thirdly the Board of Internal Economy is just advising us that the chapter 4 of the Provincial Auditor's 2008 report volume 3 was reviewed, and so that letter is also available to members.

Finally and I guess apropos the discussion we're having today, correspondence from the Legislative Assembly of Alberta Standing Committee on Public Accounts, inviting members to attend the 2009 Canadian Council of Public Accounts Committees — CCPAC — Conference to be held in Edmonton from September 13 through 15 of this year.

And then we turn to the matter on the agenda which is consideration of representation at the aforementioned Canadian Council of Public Accounts Committees and also the Canadian Council of Legislative Auditors Annual Conference in Edmonton. And what is the committee's wish?

Mr. Michelson: — Well, Mr. Chair, if I may, I would like to propose that the chairman, the vice-chairman, and two other committee members attend the conference in Edmonton, and those would be Jim Reiter and Fred Bradshaw.

The Chair: — Who is it? Mr. Bradshaw and . . .

Mr. Michelson: — Mr. Reiter.

The Chair: — Mr. Reiter. Okay. So if you can write up that motion and provide that for us, would be helpful. Pending the receipt of that motion I certainly I think would welcome any . . . Do you want to make any further comments on that, Warren, or that it?

Mr. Michelson: — Well you know, I can. I guess, you know, the precedent has been set of representing the committee at this, and I think going forward we'd like to continue in that — educating the people that are on the committee — and go from there.

The Chair: — Okay. Mr. Nilson.

Mr. Nilson: — Now I assume the motion's still coming. Was there consideration given to including all members of the committee?

Mr. Michelson: — Well I think that's certainly within the discussions of this group. I think the precedent was set that there would be four members that would be going, and I don't think it's the wish at this time to change that.

Mr. Nilson: — But the possibility is there that we could just basically say any member who is available to go, the committee will fund the trip, and that because of the important nature of this committee, that we would do that.

Mr. Michelson: — Absolutely. I think I'd like to point out the precedent over the past number of years was that four people would go. In talking with the chairperson prior to this meeting, it indicated that the two opposition members also had allowances within their travel that they could go. There's a couple of people on the government side that also indicated that they would like to go, but they will go using their travel allowance.

And we would certainly encourage all the committee to go. Being in Edmonton, would give an excellent opportunity for all of us to partake. But I think being prudently responsible, we will not change the four members that in the past have been paid by the government.

The Chair: — Mr. Yates.

Mr. Yates: — Thank you very much, Mr. Chair. Although I'm not a member of the committee, having sat on the committee and being a member of the Crown Corporations Committee, there has been a very important historical practice, I think, in our legislature and in our committees, that the primary responsibility for oversight and accountability of the government through the Public Accounts, the responsibility rests and lies with that of the opposition. And it's very important that the members of the opposition therefore have the opportunity to be included in educational opportunities and new standards, new approaches to accounting, and to that accountability across the country.

And eliminating and not allowing individuals to participate, be it because they may not have the adequate funds in their accounts or they may not wish to spend their money that is there to represent their constituents in that manner . . . In the environment that we're in and to show true transparency and accountability, I think there is some wisdom in seeing that all educationals that we undertake, that there be at least an equal number of members from the opposition as there are from the government in those educationals, so that there isn't even the perception that the government in some way is trying to prevent or not allow members of the opposition, who by their role are there to hold the government accountable, that they aren't afforded the same opportunities to education to do that job well, as would be members of the government who don't have that primary responsibility. And I think it's something that needs to be taken into consideration.

This is not, as an example, if we were to add a single member to

those that are being funded by the committee. It simply gives the opportunity then for both of those members who are in the opposition to have the opportunity to have the same base knowledge in order to do their job to their utmost. And I think it's in everybody's best interest if that were allowed. And I think that should be taken into consideration.

The Chair: — I've got Mr. McMillan, then Mr. Nilson, then Mr. Harrison.

Mr. McMillan: — Just a couple comments. Not being a regular member of this committee, I guess my comments are somewhat as an onlooker of it. But it's my feeling and I think the feeling of the public that this committee, if nothing else, is a watchdog for the public and for the public strings. I think the perception that this committee holds themselves to a fairly high fiscal standard is important as well. The fact that all members have an allowance that they can manage to see fit to getting the appropriate education to perform their duties is something that should certainly be taken into consideration.

A further comment, the fact that Edmonton is where this conference is taking place. I guess I drive almost to Edmonton every week. Lloydminster is only a two and a half hour drive from Edmonton. So I can't imagine a major hardship to get to our neighbouring province of Alberta.

You know, this is obviously a decision for the committee to make, but, you know, I think that the legislature and the budgets that each individual MLA [Member of the Legislative Assembly] has, you know, needs to be handled responsibly. And MLAs have to take the responsibility to get the education . . . [inaudible] . . . serves them and their constituents and the province best.

And we need to be conscious of the responsibility of the fiscal prudence of this committee and the role it has of a watchdog, somewhat, on the public purse for the government, that the perception if this committee were to . . . I don't want to use inflammatory words, but I think this committee needs to hold themselves to a fairly high standard as far as, you know, what trips it awards to its members. That's my comments. Thank you, Mr. Chair.

The Chair: — Mr. Nilson.

Mr. Nilson: — Thank you. The comments that have just been made are important. But I think that this committee is one of the oldest committees of the legislature, and it's the committee that is chaired by the opposition and, effectively, is the place for the opposition to hold the government accountable.

And so the member from Lloydminster's comments are very valid, except I think the public perceives that this is the opposition's committee, the opposition's place to ask some of the hard questions. And I'm surprised by the position that the government members have taken here, which is to effectively, to exclude basically forever the member of the opposition who is not the Chair from attending at the cost of the committee.

And what's especially troubling for me personally is that last year, when the meeting was in Yellowknife, which was substantially more expensive, there was a request that I would be

able to go to that meeting. And the understanding then was, well no, we'll take two of the government members plus the Vice-Chair — so three government members and the Chair of the committee — but that we'd then look at the next year's committee meeting which was in Edmonton.

So I was personally very surprised when this perspective was now taken this spring that, well no, it doesn't look like you as an opposition member is ever going to go to this event funded by the Public Accounts Committee. This is a fundamental principle of fairness, and it's a fundamental principle around how this committee has been organized and set up.

[10:15]

Now practically, this last year, we as a committee have been looking at the books of the previous government, but as we move forward into looking at the books and how money is spent by the present government, I think that the role of the committee will change, and the role of me as the opposition member of that committee. And so I think that there's a fundamental problem here with the perception of what government members are proposing in this particular situation, and that's to exclude the training and the learning from other places of, you know, by me as a member of the opposition.

Now there are many, you know, ways that we can deal with this. We heard quite an extensive educational session here in this room with members from the national group around the importance of the audit committee and the importance of the Public Accounts Committee, especially as it relates to the opposition. And I think there was also a sense that this committee operates a little differently than many of the other committees in the legislature because of that role. The primary signal is that the Chair is a member of the opposition, but there also are many other signals that this is a place where there ends up having to be a fair bit of co-operation between government and opposition.

And so I know last year was my first year doing this. I proposed at that time that it made sense that we just say to all of the members of committee, this is an important role; we should all be funded and go ahead with that committee.

When that motion was not accepted, my understanding was that, well then it would go on a rotating basis. And so there's the Chair and the Vice-Chair would go every time, and then the other five members would go on a rotating basis. My sense was that then that would mean that this year I would go as an opposition member in this particular situation. And when that understanding was challenged or undermined earlier this year, I think I was surprised, and I guess I was surprised that the, you know, government members were taking that position.

Now I think that we have to go back to the fundamental purposes of the Public Accounts Committee. It's the place where the opposition members will get to have the final say on final questions about how government money was spent. And I think it's a fundamental flaw in how we're operating if the government members will continually thwart the members of the opposition going to this meeting. And it's a perception issue.

And you know, the member from Lloydminster makes the point, well this is Edmonton; it's a little bit closer. Next year it could be Halifax or Ottawa. We need to make sure that the fundamental principles of fairness and of the public accountability are kept, and I think that government members have forgotten that and that they are trying to mould this committee in the same way as some of the other committees. I don't think that's right. I don't think that's what the members themselves actually feel.

And there may be some other thing going on that I don't know about, but I know that the whole point of being part of these committees is to work together, learn from other jurisdictions about how these things happen. And when those opportunities arise, I think there needs to be not just the sort of practical fairness; there also needs to be the perception of fairness. I think that what government members are proposing here goes contrary to that and it reflects, frankly, a fundamental misunderstanding of what the role of the Public Accounts Committee is.

The Chair: — Mr. Harrison.

Mr. Harrison: — Yes. Thank you very much, Mr. Chair. And I think this has been a valuable and productive discussion about the importance of this committee. And I agree with the members opposite about the importance of this committee.

With regard to the particular issue we're talking about, the motion before the committee of attendance in Edmonton, I would very much encourage all members to attend that conference. I think it would be a worthwhile use of time. But I would take some issue with the comments from the member from Regina Dewdney in saying that somehow members are being stopped from going, which is completely inaccurate, Mr. Chair. Members have every opportunity to attend this conference.

Members are allocated as a part of their MLA budget, a travel budget. And I know — I'm sure people watching at home understand that — that members have the ability to travel, not just within this province, but to other provinces and out of the country as well if they so choose to do that in the pursuit of their duties as an MLA. And I would very much encourage all members of this committee to take advantage of this conference. And if that means using their travel budget, I think that would be a very worthwhile use of that travel budget.

I would take issue though with the assertion that the taxpayers should be on the hook for even more expenditure for travel, that somehow it's an entitlement of every member of this committee to be able to travel across the country — whether it be to Edmonton or Halifax or Whitehorse — at taxpayers' expense when they already have a travel budget to take part in these sorts of events. I think that taxpayers would be a little miffed by that, frankly, Mr. Chair. And to be asserted that that's somehow an entitlement, that members are entitled to their entitlements, I would just disagree with that fundamentally, Mr. Chair.

The member for Regina Dewdney made comments as well about transparency and accountability, and you know, frankly, Mr. Chair, if I were a more partisan member I might go into some other issues that I think would be related to the credibility

of that assertion.

I'm not going to do that, but I think it's important for taxpayers and for members of this committee to recognize that we have a responsibility to be fiscally prudent. And I think sending four members of this committee is a reasonable way of exercising that accountability. Sending four members I think is a very reasonable response to this conference.

So other members are perfectly entitled to go. I would very much encourage them to do that. But to make the assertion that it's the responsibility of taxpayers to send everybody, I would disagree with that.

The Chair: — Mr. Yates.

Mr. Yates: — Thank you very much, Mr. Chair. Well I'd like to start by telling the general public I'm not one of the members of the committee, but I am a member of a committee that oversees the operation of the legislature, the House Services Committee. And I would suggest that perhaps this issue should be referred to the House Services Committee — a committee that has no members who are sitting on the Public Accounts Committee — to look at how people should be allocated to go to educationals and what is the appropriate methodology to do so.

Then none of the members who would be directly affected would be making the decision. We could look at the issue in a non-biased, in a fair way as to look at what is in the best interest of the public of Saskatchewan and what's in the best interest of the legislature of the province of Saskatchewan.

Mr. Speaker, many members of the general public wouldn't know, and they should be made aware, that depending on where you live, the size of your travel allowance is considerably different, with those members who live in the city of Regina having a considerably smaller travel allowance than those members who represent ridings further away from the capital city, the city of Regina, so that the available money for an individual to undertake travel varies from riding to riding, from member to member, so that the same capacity does not exist for all members to travel and undertake educationals, particularly if they are some distance from Regina.

Mr. Chair, one of the ways — because this is a very serious, precedent-setting undertaking — one of the ways to ensure that the individuals who are involved, the members of this committee are not making a decision in their own self-interest, would be to refer the issue to the House Services Committee to determine a formula under which education allocation would be undertaken by committees of this legislature. And I would ask the members to, in order to take away any perception of bias in this issue, that they refer this issue to the House Services Committee, which will be meeting prior to this particular educational taking place.

The Chair: — Mr. Bradshaw and Mr. Michelson.

Mr. Bradshaw: — When you go back to the travel part and the travel allowance, yes it is true that the members from further away, needless to say, get a larger travel allowance. But on the other hand, we need that larger travel allowance than the people

in the cities. And basically when it breaks down in the end, it's still all status quo. We need the extra travel allowance because we are travelling a long distance back to our constituencies each week.

And as far as going back and referring it to the House Services, I think that we are the committee. I do not see why we have to send it back to the House Services. I believe that we should be able to make these decisions within this committee. That's what I believe. I don't think we have to send it off to someone else.

Mr. Michelson: — Yes, thank you, Mr. Chair. I want to go back to the public accountability. I think this committee for the most part has performed very well, probably as good or better than most committees. And it has a little bit different flavour to it, of course, because it is Public Accounts; it's talking about the way money is spent.

And when I've got ministers from our government coming and saying, after being here, that they weren't sure who was the opposition that was asking questions, it tells me we're doing our job, that we're questioning a lot of the things that are going on as far as the expenditures of the province. And I think we've done that very well. So the public accountability from this committee, from both sides, has been very, very well done, and I'm pleased with that.

As far as returning this to the House Services Committee, if the House Services Committee wants to discuss it at their meeting and come back with a recommendation, they are certainly invited to do so. That by no means says that we have to accept that, and we will not be sending it up to the House Services Committee.

I think that the ratio of what we're sending reflects the sitting in the House very well. And furthermore, I will reiterate that it was told to me by the chairman that neither Mr. Nilson or himself have used their travel money and they certainly could use it toward that. I was assured that in a private conversation, and I certainly would encourage them to go up there.

And I know there are members that won't be going on this that will be using their travel money to attend the conference as well because again we encourage everybody to go. But we're not in favour of referring this to the House Services Committee.

The Chair: — Can you take the Chair for a second? You can do it right from there if you want.

Mr. Michelson: — Sure.

Mr. Van Mulligen: — I think members are getting kind of sidetracked by saying that, well all members have a travel allowance and therefore they should be able to avail themselves of that travel allowance to attend these educational and training sessions, in this particular case being convened in Edmonton. But I don't think that's the issue here.

Yes, we all have that opportunity. And certainly I've discussed with Mr. Nilson, he and I both have funds left over in our travel allowance last year we didn't use that, you know, that we could spend on attending these kinds of conferences. But I'm not so sure that that necessarily holds true for conferences that might

be convened in other parts of Canada, that we would have that kind of ability from our travel allowances.

And furthermore, the issue is, the question is, what is the appropriate action for this committee, given its mandate, and the question of supporting only government members in addition to the Chair, to be able to attend educational and training sessions, and the question of excluding — excluding — opposition members from attending these educational and training sessions that are convened in the various capitals of Canada.

[10:30]

And I think if that's the position that the members are taking — it seems to be the position they're taking — I think that's a bit of a perversion of the intent of this committee, which is to hold the government to account and therefore that, notwithstanding members saying that, oh yes, you know, government members have an important role in that, and they do, there's an even more important role for opposition members to be able to hold the government to account.

And to therefore deny opposition members the right to participate in educational and training sessions that'll equip them to do their jobs better, I think is somewhat contrary to the spirit of this committee. I mean why do you have an opposition member chairing this committee? Why is that?

It's because there is a role for the opposition to play in holding the government to account. Now I know that members are saying that this reflects the membership in the House, and therefore that should be satisfactory for the Public Accounts Committee. But this is not just any committee of the Legislative Assembly; this committee has a long history as a committee of the Legislative Assembly and I think that we should recognize that. But having said that, I'll take the chair back. Mr. Harrison.

Mr. Harrison: — Well thank you very much, Mr. Chair. As I said earlier, I think this has been a good discussion.

I would just like to reiterate that nobody's being excluded from attending. Every member of this committee is more than able to attend any meeting of the public accounts national organizations. They have a travel allowance that's specifically set aside as an MLA to take part in these sorts of trips and to be funded.

Frankly I think taxpayers would be a little bit miffed to hear NDP members talking about being entitled to their entitlements. And I just think that that is fundamentally something that the taxpayers of this province wouldn't agree with.

So, you know, I think we've hashed this out pretty extensively here, Mr. Chair, and I would call for a vote on the motion.

The Chair: — I still have Mr. Nilson on the list. Mr. Nilson.

Mr. Nilson: — Well I guess I have not said that there's anything about entitlement to entitlements. I think it's about fundamental fairness about how this committee operates. And I think it's also about a breach of understanding from a year ago. And so at that point we didn't put anything on the record about

what the understanding was. But my understanding of a year ago was that we would end up having the Chair and the Vice-Chair go and then there'd be a rotation of the other members going to committees as that went forward. And that next year, well, Mr. Nilson, you'll go because it's two from the government plus the Vice-Chair plus the Chair. And so when that changed and we didn't have it on the record, then there wasn't anything going.

Now I think it would make sense to basically deal with the Vice-Chair and the Chair, aside from the other members. So there are five of us that are not the Chair or the Vice-Chair. And I think it would be appropriate to say that there will be a rotational basis of those five people that will be funded by the committee. And I would appreciate if the Vice-Chair would acknowledge that that would make sense and that it would be a fair way of doing it, and then we can work out the mechanics of that as this committee proceeds over the years.

The Chair: — Mr. McMillan.

Mr. McMillan: — I won't reiterate all the comments I had before. I just think the perception of our colleagues and of the public is that this committee is the watchdog, and being fiscally responsible in this committee is a bigger issue than maybe in the other committees just because it is the responsibility of this committee to watch all other facets of government.

But just looking for a compromise or a way through this — and please correct me if I'm wrong; as I say, I'm a guest here — it seems that the tradition is that the Chair and the Vice-Chair go and then proportionally representatives from each side as to the number of people in the House. Is it a long-standing tradition that the Vice-Chair and the Chair must be the representatives?

Or could the Chair and Vice-Chair, if they felt the appropriate educational opportunity were more appropriate for one of the other members on the committee to take that opportunity, and it would still allow the proportional representation of opportunities with the number of seats held in the House, which seems to be the tradition, as well as the flexibility that, if an opposition member who isn't the Chair feels — or the Chair feels — that the opportunity for the education is more appropriate? Or is it written in stone that the Chair and Vice-Chair must attend?

The Chair: — Just maybe to deal with that, Mr. McMillan, the history is not quite clear because the history too in Saskatchewan has been pretty much evenly divided Houses, so that in the past we've seen pretty much equal representation from the government and the opposition to attend Public Accounts Committee. But there is an exception to that and that is that in the years when there was a third party, the committee endeavoured to ensure that not just the Chair and the Vice-Chair but also to ensure that there was always a member of the third party regardless of how many representative they might have had. So the idea seemed to be to ensure that there was an opportunity for opposition to attend. Mr. Michelson.

Mr. Michelson: — Mr. Chair, just to reiterate on something that was said earlier. I know we discussed this last year. I will apologize if there was ever an intent, that there was a comment thrown out that we would say that we would definitely rotate in

this year. I don't recall that at all. It was part of the discussions at one point, but there was nothing ever laid out. And further to that I think, Mr. Chair, we would be in favour of bringing this to a vote.

The Chair: — Yes. I don't know if there's much more to be said at this point. Mr. Nilson, you have . . .

Mr. Nilson: — I guess the fundamental question is fairness and how we work and treat each other as we work in this committee, and so that's why I guess I've been a little stronger on this than I might normally be. But I think it's also a fundamental question about the role of this committee which is basically to be an opposition committee.

Now we're in an interesting situation because we have 38 seats to 20 seats, and we have seven members on the committee. So that ends up having a little bit of a change in representation on how this works. I mean the last few years it's always been a four government, three opposition kind of committee just because of how things work out.

But I think that if we ended up using that ratio, 38:20 times the five members of the committee who are not the Chair and the Vice-Chair, we could work out a formula that is fairer and doesn't end up having this particular problem.

And so I would request that the Vice-Chair and his members look at that particular formula and then work out how it would work out over the years, because then it would provide an opportunity for each of the members who are not the Chair or the Vice-Chair with an equal and fair opportunity at the educational opportunities that are here. And so I would, you know, formally ask the Vice-Chair to look at that. I think that that would end up living more with what I clearly understood to be the plan last year.

And I don't have anything further to say other than it's important for the public to understand that this is a much broader issue about how we work in our democratic institutions.

The Chair: — Are we ready for the question?

Some Hon. Members: — Question.

The Chair: — Is the motion agreed?

Some Hon. Members: — Agreed.

An Hon. Member: — No.

The Chair: — All those in favour, say aye.

Some Hon. Members: — Aye.

The Chair: — All those opposed, say no.

An Hon. Member: — No.

The Chair: — I just might point out that the actual motion we have before us is not exactly the motion that Mr. Michelson articulated. This motion speaks to two other members of the committee. But we certainly understand from his comment who

those members would be and that it would be two government members. So I don't see there's any inconsistency that way.

Mr. Nilson: — But I would like the record to show that it says two government members.

The Chair: — Okay.

Mr. Nilson: — Because otherwise, the whole debate is not . . .

The Chair: — Okay. That's my mistake for not doing that. If you can add that. And then are we agreed that in terms of what . . .

Mr. Nilson: — Well I'd like to hear the wording before we . . .

The Chair: — Okay. Then I'll do that. I'm just so used to complete consistency between what members say and the motions that we put forward. Right?

Mr. Michelson: — Okay. The motion reads:

That the Standing Committee on Public Accounts authorize the attendance of the Chair, the Deputy Chair and two government members of the committee at the Canadian Council of Public Accounts Committees and the Canadian Council of Legislative Auditors Annual Conference to be held in Edmonton, Alberta, on September 13 to 15, 2009; and further, that if the Chair or Deputy Chair cannot attend, they be authorized to designate another committee member to attend in their place.

The Chair: — Okay. So can we just do that again? Is that motion agreed?

Some Hon. Members: — Agreed.

An Hon. Member: — No.

The Chair: — It's passed. Carried.

Mr. Nilson: — You've got me on record as opposed.

The Chair: — Yes. It's clear that it was not a unanimous vote and that the opposition member has voted against that.

Okay. And I think that's it for business for the committee. And thank you very much.

An Hon. Member: — Thank you.

The Chair: — Or do we need a motion to adjourn? We do? Okay. Mr. Bradshaw. Thank you. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. So we are agreed on that. Okay.

[The committee adjourned at 10:41.]