



Standing Committee on Public Accounts

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**STANDING COMMITTEE ON PUBLIC ACCOUNTS
2002**

Ken Krawetz, Chair
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Ron Harper, Vice-Chair
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Carolyn Jones
Saskatoon Meewasin

Judy Junor
Saskatoon Eastview

Carl Kwiatkowski
Carrot River Valley

Lyle Stewart
Thunder Creek

Milton Wakefield
Lloydminster

Mark Wartman
Regina Qu'Appelle Valley

The committee met at 08:30.

**Review of the Provincial Auditor's
Business and Financial Plan**

The Chair: — Okay. Good morning, everybody. We'll begin this morning's meeting. We have most members present with representation of David Forbes and Kevin Yates for Pat Atkinson and Warren McCall. And otherwise, everyone else is here.

The purpose of this morning's meeting is to deal with the business and financial plan as indicated in the auditor's Act. That is the responsibility of the Public Accounts Committee and must be done before year-end, so that is the reason for this morning's meeting.

There are a couple of items at the end of that portion of business that we need to take care of, and we'll look at that at that time.

We have this morning a number of people from the auditor's office and I'd ask Fred . . . Good morning, Fred, and introduce the people that are with you.

Mr. Wendel: — Good morning. I have three people with me today. I have Brian Atkinson, the assistant provincial auditor, and behind me is Angèle Borys, principal of support services section of our office. She does our hiring and training. And Heather Tomlin, who is our assistant to the manager of administration, looks after our records. And I'm missing one person who couldn't make it this morning, the manager of administration, Sandy Walker. She is usually here.

The Chair: — Okay. Good morning to everyone. The format that we'll follow is that we'll have a presentation — a summarized presentation, I believe — on the document that each member has received already a number of weeks ago from the auditor's office detailing the business plan for the year that will end on March 31, 2004. And I'd ask Fred to go ahead with your presentation.

Mr. Wendel: — Thank you, Mr. Chair, and thank you for the opportunity to present our 2004 business and financial plan.

We tabled this plan on November 29, to prepare and table a comprehensive plan to build support for our work from all members of the Legislative Assembly. This allows members the opportunity to advise you on the relevance of our planned work before you review the plan.

We also table an annual report on operations each year that shows what we actually did compared to what we said we would do for that year. We tabled our annual report on operations for the year ended March 31, 2002, in June 2002. We have copies of that annual report with us if you want a copy.

The business and financial plan sets out our operating plan which is the results we plan to achieve — that is, our goals and objectives — and our strategies to achieve those results. The plan also sets out our financial plan to achieve the results.

Our business and financial plan is four parts. The first part begins on page 5 and it explains what we do and why, as well as our financial proposal for this year, next year, and the previous three years. We discuss the forces and trends that affect our work and our risks to achieving our objectives and how we manage those risks.

In this part we also talk about our employees. The knowledge and skills and abilities of our employees determine how well we can serve the Assembly. At any time we have about 55 to 60 people organized into five groups. About 30 of our employees are professional accountants and about 15 to 20 of our employees are training to become professional accountants.

Each year about five professional accountants will leave the office. Many will go to government organizations. Each year we hire about five graduates from two Saskatchewan universities. Our employees on average are about 36 years old and nearly 60 per cent of our employees are female.

The second part of the plan begins on page 31. In this part we provide detailed financial information and detailed work plans for several years. That section also contains our new strategic plan for the next four years.

The third part of our plan begins on page 79 and is in appendix 2. In this part we will provide answers to questions previously posed by the Board of Internal Economy and members of the Standing Committee on Estimates. These are good questions and they should be asked of every agency to help you assess what agencies are doing, what they are trying to achieve, and how they are managing their operations.

And the fourth part of our plan begins on page 101 and is in appendix 3. In this part we provide the recommended estimates for our office. Under The Provincial Auditor Act we are to present our estimates in the format that this committee recommends. This provision is intended to ensure that the estimates format for the entire legislative branch of government is consistent.

For this year we used the same format as in the past. Under the Act this committee can approve the estimates that we present, or change them. After the committee decides our resources, the committee is then to send the estimates to the Speaker and then on the Board of Internal Economy.

Before I discuss our actual request for resources, I want to make the following remarks.

We have said in the past that legislators need certain information about our operating plan and our financial plan to assess our requests for resources. We say that they need the same information when they assess the resource requests for government departments.

First legislators need to know if we are delivering the products and services they need. Our operating plan sets out what we are trying to achieve in the way of products and services, and our measures and targets to monitor and report on what we actually achieve.

We encourage legislators to review the operating plan and provide us advice on how we might improve in what we are doing. This committee's mandate states that it works closely with the Provincial Auditor to achieve the maximum accountability of the government to the Legislative Assembly.

Second, legislators need to know whether our request for resources is reasonable to carry out our operating plan. On page 33 of our business and financial plan is an auditor's report from the auditor who audits our office. The auditor reports that our request for resources is reasonable to carry out our operating plan.

Now I will talk about our request for resources. Pages 5, 6, and 7 are a summary of the request. Our request is two parts. We are requesting two appropriations. The first appropriation is for auditing government agencies during the next fiscal year, based on what we know about the number of government agencies and the state of their records at October 31 of this year.

For our first appropriation we are requesting \$5,405,000 for the year ended March 31, 2004. This request is \$26,000 more than last year or about one-half of 1 per cent. We face cost pressures for 2004 totalling \$206,000 or about 3.8 per cent. We plan to absorb \$180,000 or 3.3 per cent of the cost related to those pressures.

We explain on pages 5 and 6 the pressures that increase our costs for 2004. Forty-nine thousand dollars, our increased costs relates to new agencies the government created in 2002. One hundred fifty-seven thousand dollars were increased costs related to providing our employees the same economic salary adjustments and benefits that the government gave to other employees in the public sector.

We continue to try to find better ways to carry out our work. For 2004 we plan to reduce our work force from 59 to 57 positions. For the last six years, we have gradually reduced our work force from a high of 63 to 57 positions.

This trend may not be sustainable because of a number of recent events such as Enron. Those events have prompted changes to generally accepted auditing standards. Those improvements relate to improved communication with management and audit committees and clarifying the auditor's responsibility for consideration of error and fraud.

At this time we are not requesting any increase in our resources for the increased work caused by these changes. We are still assessing the changes and will include any increase in a future financial plan. Appointed auditors at this time expect that the new audit standards will increase their work and costs. They are requesting fee increases of about 7 to 10 per cent from government agencies.

I was reading something in the *National Post* yesterday about this. They interviewed a Pricewaterhouse senior partner and he was saying that for their Canadian clients their costs are up about 15 per cent. That's what they're charging extra because of these new standards and the new fallout from the problems in the financial industry.

So that's what's happening. And it's happening worldwide, not

just here in Canada. It's also happening in the States and internationally elsewhere.

Our second appropriation is a contingency appropriation. The purpose of this appropriation is to provide our office resources to respond to unplanned work, pressure to improve the timeliness of our work, and unplanned salary and benefit increases. In the past we kept net financial assets or received a contingency appropriation equal to about one month's salary and benefit expenses to respond to these matters.

We are requesting a contingency appropriation of \$350,000 for 2004. For 2003 our contingency appropriation was \$348,000. These amounts are about one month's salary and benefit expenses. If we use the contingency appropriation during 2004, we will make a full report as to why we used the appropriation and the amount that we used, in our 2004 annual report.

We forecast that we will use our entire 2003 regular appropriation and \$8,000 of our 2003 contingency appropriation. We incurred unforeseen expenses such as work we did for the Crown Corporations Committee on the costs, financing, and benefits of the new computer system being developed by the Information Services Corporation. This work was not included in our regular appropriation.

We will make a full explanation for any use of the 2003 contingency appropriation in our 2003 annual report on operations that will be tabled in June 2003.

In closing I want to say that for the last seven years the Board of Internal Economy, the Standing Committee on Public Accounts, and the Standing Committee on Estimates has supported our office's request for resources and recommended the amount that we requested to carry out our work plan. The board's and the committees' support has allowed us to discharge our duties to the Assembly.

That ends my presentation. I'd be happy to entertain any questions you have.

The Chair: — Good. Thank you very much for the information, Fred. As indicated, the document has been before you for a while and, as Mr. Wendel has indicated, the funding request explanations are primarily contained on pages 5, 6, and 7. And the full statement of revenue and expenditures for a number of years, including the forecast for 2003-2004, is found on page 37. So if you use those documents, that might aid you in asking questions or clarifying.

Are there any general questions or comments?

Ms. Junor: — I don't see any place — and maybe I've missed it — I'm looking at page 37. What is the general percentage, year over year of increase? I know it's . . . we have it here in real dollars, but what's the percentage?

Mr. Wendel: — This year, 2003 and 2004?

Ms. Junor: — Right.

Mr. Wendel: — We're forecasting a half of 1 per cent increase.

Ms. Junor: — Okay, and what's . . . say what's for 2002 from 2001? Do you have that?

Mr. Wendel: — The forecast increase? We had originally forecast to spend \$5.136 million for that particular year and we came in at less than that.

Ms. Junor: — Okay for 2004 over 2003, it was what percentage? Point what?

Mr. Wendel: — 2000 and . . .

Ms. Junor: — Three to 2004.

Mr. Wendel: — 2003 to 2004 was a half of 1 per cent. Last year was a fairly large increase and a lot of that increase had to do with the new government agencies received and we're . . .

Ms. Junor: — And you've detailed that further on.

Mr. Wendel: — Yes. Full explanation.

Ms. Junor: — Then I have one more specific question which I should wait for. No? Yes.

On page 48, I was just looking at the new agencies created under Health and wondering why Regina Qu'Appelle Health Authority is 64.9 to audit and Saskatoon is 15.3.

Mr. Wendel: — Yes, and the way we audit the regional health authorities or are planning to do that for this year is, Saskatoon Health Authority has an appointed auditor and they're just going through hiring. I'm not sure who will be the appointed auditor, but in the past it was KPMG for the Saskatoon District Health Board. And then we worked with them following the protocols for when we rely on other auditors.

The Regina District Health Board we audit directly.

Ms. Junor: — Oh, okay. Thank you.

Mr. Forbes: — I have a question and it's about page 6. And it's about Enron. This is a general question. Who are the auditors in that issue around Enron?

Mr. Wendel: — Who are the auditors? It was Arthur Andersen.

Mr. Forbes: — And now the errors that, you know, the auditors now look at in how to improve, do they look at what happened to Enron, what Enron did wrong, or Arthur Andersen and what they did wrong?

Mr. Wendel: — They'll be looking at what they need to do to improve it, if you're talking about the need to do extra work. They'll be looking at how, how they end up with the audit failure.

Mr. Forbes: — Okay. So it's Arthur Andersen who . . . I mean, Enron did a lot of things wrong too but . . .

Mr. Wendel: — Right. But there was a . . . it would seem that they have to do more — auditors. And it's not just Arthur Andersen. I think all firms have recognized that there's an

expectations gap there, that the public's expecting something and it's not being delivered.

Mr. Yates: — My question has to do as follow-up to Ms. Junor's question. If we audit the Regina Health District or the Regina Qu'Appelle health district directly and the others are audited as a protocol to your audit, would some of the 64,900 not be a cost to the health district, not to the office of the auditor?

Mr. Wendel: — If we were to send them a bill, it would just go back and forth. They get their money from the General Revenue Fund. We get our money from the General Revenue Fund. And generally, we don't bill government agencies.

We could . . . Like all the work we do for government agencies is not billed. We get our money from you.

Mr. Yates: — Right but when . . . I guess what I'm trying to do is square this in the way that budgeting's done for health districts. The health district would receive a budget — Saskatoon Health District, Regina Health District. Saskatoon would be paying it out of their budget. Regina wouldn't have to. I'm just questioning whether or not we're doing things appropriately.

Mr. Wendel: — I guess that would be an issue for the Department of Health as to whether to give them the money for an audit at Regina, you know, at the Regina Health Board or at the Saskatoon Health Board. I mean, I'm sure they're aware of this.

Mr. Wakefield: — Also on page 48, Mr. Wendel. I'm looking at the Department of Industry and Resources, Department of Learning and at the top you indicate that more work is going to be done. Is that work to kind of reconcile the new structure of those departments? Or why is that an increase?

Mr. Wendel: — There was a reorganization of government departments and you'll find on pages 50 and 51 where some departments have disappeared. But many of the agencies that they supervise — say the Department of Learning, they have a book bureau revolving fund. They have a few other things like that. Those funds continue and they just get transferred to the Department of Learning from the Department of Education.

So you'll find Department of Learning here with an increase, okay. And you'll find reduction in the Department of Education over on the next page.

So we've taken out what, you know, where organizations have wound up, okay, and we've put in where they're increased here.

The biggest one, the one that affected the most things, was the Department of Municipal Government. It went down like a number of other government departments. The programs continue. We still have to audit them. They're just in a different government department now. And all of the funds that they had underneath them, like Western Development Museum and all those kind of things, they've gone to other government departments.

Mr. Wakefield: — So maybe to follow that a little bit, was

there extra work involved in kind of winding them down? Those and the departments . . . These different health boards, there was audits involved there too, wasn't there, a kind of a wind-down audit before the new one started? Were you involved in that?

Mr. Wendel: — The wind-down audits we will be involved, but I'm not sure how they're going to cut them off; whether they're going to be exactly at year-end. I'd have to talk to the fellow I have in charge of that and I don't have him with me today. But he has looked at this and this is what he thinks he'll be having to take out of our plan from last year to get a comparable plan for the district health boards that have wound up, and what he expects . . . work he expects to do because of the new health boards. And there'll be extra work as they get reorganized to make sure all the systems come together and those kinds of things.

I don't know if that answers your question or . . .

Mr. Wakefield: — Yes.

The Chair: — A question, Mr. Wendel. On page 48 you indicate that you are going to — your agency — that you will be spending additional time through the Department of Finance in the Education Infrastructure Financing Corporation. Based on answers regarding that corporation and how it's going to work in its relationship to school boards, what will your office be doing to audit that agency to the tune of \$11,100?

Mr. Wendel: — Well it being the first year for that corporation, we'll be looking at the practices that it's established to safeguard and control the public money it's responsible for — that it's got proper agreements, it's got proper processes to . . . essentially to manage that money that is under its control, proper financial statements, that is, complies with the law. And the . . . our first report on that would likely be probably next spring. Part, you know, right, and then there'd be ongoing work after that.

The Chair: — Right. Okay, thank you.

Mr. Yates: — Yes, just on the issue of the Education Infrastructure Financing Corporation, there's been some — and this is a point of clarification — money borrowed under the Education Infrastructure Financing Corporation incurs to the debt of the province, correct? Not to the individual school boards? Because in fact we are . . .

Mr. Wendel: — I haven't taken the time to really study how this is going to be managed. I'm generally familiar with it. I think if the government borrows money to give to the school boards, or school divisions, whatever they're called, that will be a debt of the Government of Saskatchewan. If they borrowed the money, that would be their debt.

Now they advance it to the school boards. I think the argument is, is that a debt of the school boards also? Is that what you're discussing or . . .

Mr. Yates: — Precisely. The debt is . . . the debt can't be held twice. It can only be held by one entity in the end. Somebody is responsible and accountable for it.

Mr. Wendel: — But the debt that's borrowed, if you like, in the financial markets — the government borrows; that's the government's debts. That has to appear in a summary statement. That will have to be the debt of the government.

Mr. Yates: — Thank you.

Mr. Wakefield: — Mr. Wendel, back on page 6 you indicated that your workforce is to have a planned reduction from 59 to 57. With extra . . . with the things that we've been talking about, that's going to require some extra work. That's maybe going to have to go up. Will that be continued . . . will that be included under the contingency part, if that goes up?

Mr. Wendel: — If it does go up, I would probably take it out of the contingency fund and make a full report and, again, ask for the resources the following year to let you know what impact these new standards have had on us.

The reduction for this year is . . . I've been operating with one less senior person for the last several months and I'm planning to do that for one more year if I can and that. But with those new standards I'm not sure how that's going to play out and I may not be able to sustain that. But that's how I was planning to . . . I don't know if I can sustain that yet and we'll just have to see.

And it's also based on . . . that we would have a lot less work to do at SIGA (Saskatchewan Indian Gaming Authority) next year, that some of these controls would be fixed up. There would be one less person in there. So those are the two big reductions that I've got in here that I can go from 59 to 57.

Ms. Junor: — . . . part of my next question on page 45 on no. 7, when you talk about Liquor and Gaming and your expectation that there will be adequate practices to manage public money, I'm was just wondering what you're basing those expectations on . . . (inaudible interjection) . . . Just thought I'd ask.

Mr. Wendel: — They have a chief financial officer there, an experienced man, and my hope is that he can put out the practices he expects his employees to follow, that he's going to be responsible for dispersing money out of the bank account, that he'll get those controls in place, and he'll monitor them to make sure they're doing that job.

Once that's cleaned up, we'll have a lot less work to do. My hope is that he'll have that done in 2004. I don't know.

Ms. Junor: — Okay, good. Thank you.

The Chair: — One more comment, Mr. Wendel. On page 41, and I know you explained it a bit, but being that last year was the first year of the contingency appropriation . . . I'm looking at the actual reports by the auditor of 2002. It shows that there was a return of unused appropriation for 2002 of \$509,000 and for that year there was no contingency appropriation. So is that the balance of the funds that were left, that were being retained from year to year?

Mr. Wendel: — It represented the money that we had set aside over the year to year, around \$350,000, and then as it was said

to Ms. Junor, we had underspent our appropriation that year. We didn't spend all the money. We had a lot of turnover in our staff and we didn't spend it all. So we also returned that. So there's \$509,000 returned.

The Chair: — Okay and then for the year that we're in right now, your estimate was . . . I heard you say that the appropriation was 348, as is recorded, and then you're showing 340 so \$8,000 is money that you have used . . .

Mr. Wendel: — Well we plan to use. Now I haven't used it yet. My expectation is we will. I'm trying to contract help over the next two or three months to finish our work by the end of March, and it's really hard to find staff out in the appointed . . . with the appointed auditors.

The Chair: — Okay. Thank you very much. Mr. Kwiatkowski followed by Mr. Yates.

Mr. Kwiatkowski: — Thank you, Mr. Chair. On page 100, the section entitled billings. In 1992-93 there were a large number of departments or agencies billed for a substantial amount of money; by 2002-03, down to two agencies. Can you explain over the years what has caused the drop in the number of agencies being billed? What are the two agencies that are currently being billed and what are they being billed for?

Mr. Wendel: — Where to start? There's a lot of history to this and there was a lot of acrimony over this.

In the early '90s we didn't have enough money to do our job. We didn't get the appropriation we asked for and so we said we wouldn't do certain work. And we said we wouldn't do certain revolving funds and certain special purpose funds, which is the way we've always explained. If we don't get enough money, those are the things we won't do because they're the least priority to the Assembly in our view, okay.

Well the departments wanted that work done so they said, please do it; we'll pay you for it. So we billed them. They paid us for it. Okay? And there was a lot of unhappiness at the Department of Finance and at the Board of Internal Economy where we went for our money. And they said, you've got to get all of your money from the Assembly, okay; that's where we want you to get it from.

So around '95-96, we got the appropriations we asked for and this continued to make sense. And you'll find the billings falling off after that date.

The larger amounts than say the current year, a lot had to do with secondments. Like we used to . . . People would go to work for our government agencies and, because we're not part of the public service, we would pay them. And if we sent a bill to the agency, we'd show that as revenue. Okay?

With the new changes to our Act, we won't be doing that any more. Like, we're not allowed to do that, to keep that revenue. So the way government agencies handle that, they set it off against their salary expenses. So that's how it will show in the future. So you'll see it dropping some more.

And the bulk of the billings then are just . . . Like for

2002-2003, \$9,000 appears there; \$7,000 of that is money we charged to the rest of the legislative auditing community. We're the host. We keep the computer for it, but we share all the information among the legislative auditors — like reports and methodology and that. And we charge them for that and we charged them about \$7,000. That's what appears in the billing here.

For next year, we won't have that business. They've decided that's moving to Alberta. So that won't be there in the future.

Mr. Yates: — Thank you. Going back to page 45, again in the decreased cost greater than \$40,000, in the Fall Provincial Auditor's Report, I believe that report goes till the end of March. There's some time in between when the report . . . the end of the report when it's written.

Would some of this decrease perhaps reflect changes made after the end period of your current auditor's report, improvements that are made . . . Page 45, again no. 7 talks about increased . . . explanation would be increased adequate practice to manage public money. Have there been changes made from the end of your report till today that would reflect part of that?

Mr. Wendel: — I'm not aware of their changes they have made. We haven't been back there actually working in the field till essentially from July when we prepared that report. So July of 2002 would have been the . . . would have been the work that caused the . . . what's in the Fall Report for SIGA.

Now we're beginning work at SIGA. I've had people going out to the various casinos to watch cash counts and those kind of things. But I don't think we've been back into head office yet to begin the 2003 . . . the year ended March 31, 2003 audit.

So as to whether they've improved practice . . . But I was going to say earlier that those practices that I'm talking about shouldn't be that hard to change. I think if they can just focus on getting that part fixed up it will make a big difference for everybody. I mean, that's the important stuff.

And there's all the other stuff will take a lot longer. There's a lot of issues that'll take a few years to clean up. You won't get it right the first time. But some of the basic things, I think if they'd get on them right away, they can have those done. I think that's doable. And I sincerely hope they do get those done.

Mr. Wakefield: — Mr. Wendel, I would assume that — on page 43-44 is a listing of the schedule of actual and planned costs — again, this is a work plan of all the different departments that you'll be responsible for auditing one way or another. What would trigger, in a situation where there may be a contingency need to draw into, what would trigger an extra focus that you aren't predicting? Just as an example, what would it be? Would it be an assignment from this committee or would it be something that you have found? What would do this?

Mr. Wendel: — It could be any of those. It could be work that this committee thinks they want us to look into. That happened last year. It could be a new agency the government creates that isn't in the plan and we have to do some work on it. It could be we're out auditing at a particular agency and we encounter

something that is not right or their practices have deteriorated substantially from what happened. If that happens, then we have to delve much deeper into them and there is a great deal of cost associated with that. So it could be any one of three or more things.

Mr. Kwiatkowski: — Thank you, Mr. Chair. Could you provide us with a few more specifics around your response to my last question? Exactly what kinds of services were you providing to the other legislative auditors? What caused the decision to move that to Alberta, I think you indicated? And who would have made that decision?

Mr. Wendel: — Yes, we have . . . let's say auditors have got several working groups to deal with certain matters and we try and share whatever we can to save money. So we like to share methodology when we can — how to do audits, the best way to do them. We share how to . . . training where we can. So in this case we also share information because really, we're all in kind of the same business. So what we want to know is has anybody audited something like this, a particular program or a particular agency, and where can we find information on that. And we put our reports on a common computer — like our hardware — and that's searchable and we use that for research. And we can, you know . . . Everybody shares that cost. We share the cost of that.

There's a committee set up that looks at this and how best to do this and we're just one member of the committee. And the committee looked at it and said well, we've decided we want to outsource the hardware and things like that, and software, and give it to an external provider. That's in Alberta at the moment and that's where the database or whatever you like will reside and we'll all pay towards that.

Mr. Harper: — Thank you, Mr. Chair. Mr. Wendel, your funding request is for a \$26,000 increase or an increase of point five per cent. What would happen within your operation if you did not receive that increase?

Mr. Wendel: — Well we'd look to see if we could still carry out a work plan. If we weren't able to carry out the work plan that's here, as we say in this report, we would then not do certain work because if we couldn't finance what we're doing, we may have to reduce our staff by one person or whatever it takes, or two. And then we wouldn't . . . at page 29 we list the things we wouldn't do in the priority we wouldn't do them, be revolving and other special purpose funds, agriculture marketing boards and commissions, and then certain CIC (Crown Investments Corporation of Saskatchewan) related Crown corporations. In that order.

Mr. Harper: — So in your opinion, would all the issues that you have listed here at the bottom of page 28 and page 29 be eliminated, or would they just be impacted upon?

Mr. Wendel: — I guess depending what resources that were approved for us, we would look and say well what work can we get done now and then we would start and look at the revolving funds. We'd reduce whatever we could there. And if there still wasn't enough money to do everything, we would then move to agriculture boards and marketing commissions, and then if we still didn't have enough money, then we would look then at certain CIC Crown corporations to see what we wouldn't do in

those.

But it would be on a risk basis. We'd have to say, well where's the biggest risk to you, you know, and then assess it on that basis.

Mr. Harper: — So you would go the route of reducing the amount of services that you could provide versus reducing your resource fund by the same amount?

Mr. Wendel: — Our contingency fund?

Mr. Harper: — Contingency fund, I mean.

Mr. Wendel: — Well that . . . I guess we could go there but that would be kind of self-defeating. It really . . . it is . . . we had a plan for it and I don't know; it would seem then that the members wouldn't support that plan. We'd have to look to reducing that. So I think that would have to be my thinking on that. The contingency fund would really be for unforeseen things that we hadn't anticipated or those kind of things.

Mr. Harper: — Thank you.

Mr. Goulet: — Yes, just a comment generally on the expenditure side. I looked at the overall expenditures, you know, on page 41, and I noted that from 2001 it's gone from 4.81 million to, you know, the projection of 5.789 million. That's about 20 per cent over that period of time.

And I looked at the general changes in government that I noted — of course, you know, the Department of Learning and also the Government Relations and Aboriginal Affairs. Now when you look at the, one of the largest perceived changes by the public, you know, the creation of the health districts from being over 30 health districts down to 12, and the public is saying well it's 156,700 with over 30 — that's on page 50 — you know, agencies being wound down for 2002 and 2003, it's 156,700.

And we have 12 new health authorities including the Quality Council, including the Health Research Foundation, and that totals 255,900. Now it may be an argument that, you know, when something is started up, that increases your cost. But should it not go down the following year? And what would your reply be?

Mr. Wendel: — I think after we work through the first year, we'll assess the resources we need, and if there's less work for us to do, we won't be asking for resources for that. That's been our practice for many years. It's something new. There's a lot of things we're going to have to look at this first year as they reorganize the health authorities. And we want to be closely involved to make sure that as they bring these districts together, everything's handled well.

Once we're satisfied that happens, we will certainly be looking at our resources. And if we can reduce them, we would certainly reduce them.

The Chair: — Seeing no further questions, can I turn your attention to pages 103 and 104. There are two votes that we have to deal with. The first one is on page 103, vote 28 (PA01).

The request there is for the sum of \$5,405,000 . . .

Right, we don't vote the statutory. Right. Thank you, Mr. Gantefer. It's actually on 104 because they're both broken down to (PA01) and (PA02) and it will be . . . We do not include the statutory amounts, so the amount to be voted is 5,277,000 as you see in the italics there. That's the request because the other is statutory.

Are there any further questions or comments about that?

If there are no questions, is anyone prepared to move by way of a written motion because we have to have that documented? Mr. Gantefer, would you please fill that out:

That the 2003-2004 estimates of the Office of the Provincial Auditor, vote 28, subvote (PA01), Provincial Auditor, be approved as submitted in the amount of 5,277,000.

Moved by Mr. Gantefer.

Any questions of that motion. Seeing none, all those in favour? Opposed? Carried.

On that same page, we have subvote (PA02), and that's for unforeseen expenditures, the appropriation of \$350,000.

Moved by Mr. Harper that:

The 2003-2004 estimates of the Office of the Provincial Auditor, vote 28, subvote (PA02), unforeseen expenses, be approved as submitted in the amount of \$350,000.

Any questions? All those in favour? Opposed?

Carried.

And we require a third motion that would read:

That estimates as approved be forwarded to the Speaker as Chair of the Board of Internal Economy pursuant to section 10.1(4).

Ms. Junor, that needs to be signed; that needs to be signed as well. Mr. Harper, could you pass that down to her? Okay, everyone has heard that motion. Any discussion of it?

All those in favour? Opposed?

Carried.

Okay, there are a couple of things to discuss regarding some agenda items which we're going to distribute to you. But before we do that I want to thank you, Fred, and Brian and others, for being present this morning and assisting us with our work. Merry Christmas to you and to all your staff.

Mr. Wendel: — Thank you. Thank you, Mr. Chair, and thank you, committee, for your continued support. I appreciate that very much and we'll work hard to continue to earn that support. Thank you. And you all have a Merry Christmas.

Do you need me here for the future agenda or . . .

The Chair: — I don't think so.

I've just passed around . . . Margaret's office has prepared, as of December 16 from the previous in . . . work that we had not completed which is basically the first section. That was, or is still . . . the recommendation to us is that we do not pursue that until we are directed to do so by the Justice department.

But all of the other volumes that we have looked at, including the latest, Volume 2 2002 Fall Report, bring in a series of new chapters that we have to work on in 2003. So there will be discussion between Mr. Harper and myself regarding some meeting times that we can book as we get into the new year. So be aware of . . . this is for your information that that is our workload as of now.

One of the requests . . . If I might turn to another topic, one of the information items received by myself dated November 4 was in regards to a international conference on emerging issues for public accounts committees and similar type committees.

It's a long letter and a lot of information is being provided here. The 7th Biennial Conference of the Australasian Council of Public Accounts Committees is taking place in Melbourne, Australia, February 2 to 5. And as you are aware, we have had Australian visitors here. I believe the gentleman who signed this letter, who is Peter Loney, MP (Member of Parliament) for Australia has been in Saskatchewan, and they are inviting a Saskatchewan delegation to this conference on February 2 to 5.

I had some discussion with Mr. Harper about this and we were expanding to see whether or not similar type committees would involve our Crown Corps Committee or the like. As a Public Accounts Committee, of course, we do not have money set aside to send members to an expense like this.

We have sent members, back in the summer, to the Canadian Public Accounts Committee and members from both sides were there but this would be an additional request. And as I understand it, additional requests like this would have to go through the Board of Internal Economy, whether or not we would be prepared to pursue that and send a representative or two from this committee.

Discussion? Questions?

Mr. Harper: — Thank you, Mr. Chair. I think that it's something that we as a committee want to give some serious consideration to. I believe that there are certainly a tradition of having Australian, particularly Australian elected individuals, visit with us at our public accounts gatherings. And I think that we should give some serious thought to approaching the Board of Internal Economy to provide special dispensation for, say two members of the Public Accounts Committee to attend.

Mr. Wakefield: — Do we know what the agenda is? Do we know what they're trying to accomplish with this before we go off . . . roaring off on to Australia in the middle of winter . . . summer?

The Chair: — Sure. I can just give you a rough idea of the

headline sort of things.

On February 3 the morning session is called “The relationship between public accountability and governance.” In the afternoon there is a session called “Are there gaps in public sector accountability?”

In the afternoon a number of different workshops, this one is entitled: “Developing an ethics culture in the public sector — is there a role for Public Accounts Committees?” Another one is “The changing relationship between Public Accounts Committees and the Officers of Parliament, including Auditors General.” I guess we could change that to Saskatchewan wordings. Last one of that day is “Protecting the public interest in the 21st Century.”

On the 4th of February the first one is entitled “Budget sector transparency in accrual output based budgeting — has it matched the expectations of Public Accounts Committees?” The second one is “Major risk management challenges in the public sector.” The last one of the day on that day is “Reshaping the old — charting the new — the changing nature of the public sector and what it means for Public Accounts Committees.”

So each day there are various sections dealing with issues facing Public Accounts Committees.

Any further questions or comment? The proposal that Mr. Harper has indicated that we approach, you know, give it serious thought and approach . . . I think we have to act on this quite quickly. Obviously the secretariat of the ACPAC (Australasian Council of Public Accounts Committees) has asked for contact by the 19th of December so that’s already passed. We would have to ensure available space and the like. I’m sure that if we’re going to send two representatives we would have to act on this within . . . by January 15, I’m sure at the latest, to allow that flexibility.

A Member: — It’s the 17th today.

Mr. Krawetz: — Thanks. You’re right. But I know Board of Internal Economy is not going to meet in the next few days, so it’s going to be past that date no matter what. And I think it will be January.

Is there anyone . . . and Margaret has sort of put together a motion that if we believe this might be in order, this would be something that could be moved:

That the Standing Committee on Public Accounts authorize the attendance of the Chair and Vice-Chair at the International Conference on Emerging issues for Public Accounts Committees and similar type Committees, to be held in Melbourne, Australia, February 2-5, 2003.

And further, that if the Chair or Vice-Chair cannot attend, they be authorized to designate another committee member to attend in their place.

And that would be the request that would go to the Board of Internal Economy. Move? Mr. Harper, are you prepared to move that? I mean, we’ll need a signature. Are you prepared to move this motion, that this be pursued?

Mr. Harper: — Definitely.

The Chair: — Any further discussion? All those in favour? Opposed? Carried. Okay, we’ll have the necessary contact made.

Any further questions or anything that anyone needs to bring to the attention of the Public Accounts Committee? I think we’ve covered everything that we need to cover. We thought we’d go for an hour and it is now 9:30 so meeting’s adjourned.

Merry Christmas and all the best in the holiday season to you.

The committee adjourned at 9:30.

