



Standing Committee on Public Accounts

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**STANDING COMMITTEE ON PUBLIC ACCOUNTS
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Lyle Stewart
Thunder Creek

Milton Wakefield
Lloydminster

The committee met at 10:00.

The Chair: — Good morning, everyone. We'll call the meeting to order. As indicated yesterday we will attempt to get through two pieces of business this morning. Beginning first of all with the Environment and Resource Management, and we'll be dealing with chapter 14 of the 2002 Fall Report. And then immediately after that section is finished we'll move back to Liquor and Gaming and SIGA (Saskatchewan Indian Gaming Authority) and continue on with our deliberations that we did not finish yesterday.

Again I'd like to welcome everyone here, but we'll begin with the auditor's office and I'd ask Mr. Wendel to introduce the people from his office please.

Mr. Wendel: — Thank you, Mr. Chair. I have a number of officials here this morning. I have Bashar Ahmad, who will be presenting to you again when you consider Liquor and Gaming. Rodd Jersak, who attends all of our meetings, on that side. Rod Grabarczyk, next to me, who leads our work at Environment and he'll be doing the presentation on Environment. Shana Lacey, over there, who also does the work on Environment and is here as an observer. And Brian Atkinson, the assistant provincial auditor.

The Chair: — Good morning to all of you from the auditor's office. And representing the comptroller's office, Mr. Bayda.

Mr. Bayda: — Thank you, Mr. Chairman. With me this morning I have Jane Borland, who is a manager from the comptroller's office. And also behind me to my right is Erich Finkeldey, who is an analyst within our shop.

The Chair: — Great. Good morning to you, Chris, and to your officials as well. And representing the Department of the Environment, good morning, Ms. Stonehouse. I'd ask you to introduce your officials as well.

Ms. Stonehouse: — Good morning. To my left is Dave Phillips, the assistant deputy minister of operations; to my right, Lynn Tulloch, the executive director of corporate services division; and Bob Ruggles, assistant deputy minister, programs. And behind me to my left, David Tulloch, senior manager of strategic financial and performance management with the fire management and protection branch — there's a handle — and Michele Arscott, the senior financial consultant with the corporate development unit.

The Chair: — Great, and good morning to all of you. As is our normal plan we'll begin with the presentation from the auditor's office followed by a presentation from the department.

Public Hearing: Environment and Resource Management

Mr. Grabarczyk: — Good morning, Chair, members of the committee. I will provide an overview of chapter 14 of the Department of the Environment and Resource Management in our 2002 Fall Report Volume 2. The chapter can be found on pages 337 to 364 of our report. The chapter includes the results of our audit of the department, its special purpose funds, and Crown agencies.

We concluded for the year ended March 31, 2002, the financial statements of the department's special purpose funds and Crown agencies were reliable except for the Forest Fire Contingency Fund, which we found the financial statements to be not reliable. And the Operator Certification Board, their financial statements may not be reliable and we will explain that . . . or I will explain that shortly.

We also found that the department's special purpose funds and Crown agencies complied with the governing authorities and that it had adequate rules to safeguard and control its assets, except for where we report otherwise in the chapter.

We also include an assessment of the department's 2002 annual report, and pro forma financial statements for the department which show the total assets, liabilities, revenue, and expenses that the department controls.

On pages 341 to 347 we report four matters. These matters relate to the department's improving the department's internal controls or internal reporting; compliance with the department's rules and procedures to record, safeguard, and control its capital assets, and report the use of its capital assets publicly; preparing a complete written and tested contingency plan for all its information systems; and improving the department's annual report.

We reported the matters on improving internal reporting and improving the department's annual report in our previous reports. This committee has considered these matters in the past and concurred with our recommendations on these two matters.

The department has established rules and procedures for maintaining complete records of its capital assets. These include identifying and recording capital assets acquired or disposed of during the year, and regular reconciliation of its capital asset records to its financial records. These procedures will help to reduce the risk that capital assets being lost or stolen without timely detection. We found staff were not always complying with the department's established procedures. For example, the staff did not identify and record all capital assets acquired or disposed of.

We recommend the department ensure the staff follow the department's rules and procedures to control its capital assets.

The department manages capital assets with a net book value of approximately \$37 million. To provide the public with adequate information about how well the department is managing its capital assets, we recommend the department provide information about the capacity of each major category of capital assets, the extent to which the capital assets attained the planned results, and the strategies used to manage risks — major risks of key capital assets — in its annual report.

The department needs a complete contingency plan for its information systems. A contingency plan sets out the procedures needed to ensure continuity of operations and the availability of data the department depends upon. The department has documented some procedures. However it needs a complete written and tested contingency plan covering all its information systems to ensure the continuity of operations.

There is a difference in opinion between our office and the department on a proper accounting treatment followed in the financial statements for the Forest Fire Contingency Fund. We think that the revenue received from the General Revenue Fund should be shown as a liability in the fund until the department incurs fire costs relating to escaped fires. The department disagrees.

We have reported this matter on other funds such as the Saskatchewan Agricultural Stabilization Fund and the Ag Food Innovation Fund.

When the committee met to consider these funds, it was informed that this was an issue that was being studied by the Canadian Institute of Chartered Accountants as there were disagreements on how to account for these transactions. The committee decided to defer its decisions on these recommendations because this issue was still under study by the CICA (Canadian Institute of Chartered Accountants).

The CICA has issued a statement of principles on these recommendations for comment in November 2002 and comments were to be received by February 2003. The CICA indicates this project is expected to continue into 2004. We would recommend the committee wait for guidance from the CICA before dealing with this issue.

Now in the Operator Certification Board, our office worked with Mintz & Wallace, chartered accountants, the appointed auditor of the Operator Certification Board, to form our opinions. We used the framework recommended by the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors*.

In our opinion, the board's financial statements may not be reliable because the board does not have adequate rules and procedures to ensure it records all revenue that it receives. As a result, we cannot determine whether the board had recorded all of the revenue in its financial statements. The committee considered this matter in February, 2002 and concurred with our recommendation that the board establish adequate rules and procedures to ensure that it receives all application fees.

We encourage the department to include financial statements in its annual report that shows all the assets, liabilities, revenue, and expenses that the department controls. These financial statements are necessary to ensure that the department is properly accountable for its management of public resources.

To encourage the department to prepare complete financial statements and to help the Legislative Assembly hold the department accountable for managing the overall financial position and results of operations of public resources made available to protect the environment, we have prepared pro forma consolidated financial statements for the department which appear in exhibit 1, pages 353 to 363.

That concludes my overview.

The Chair: — Great. Thank you very much, Mr. Grabarczyk.

Before I move to a presentation from the department, I omitted introducing new members at the table that are not committee

members and are standing in for other regular members. I welcome Mr. Yates again, who's sitting in for Ms. Junor; and Mr. Iwanchuk, who's sitting in for Mr. McCall on the government side. And on the opposition side, Mr. Weekes is in for Mr. Stewart. And as a result of a resolution passed yesterday in the House, Ms. Bakken now is a member of the committee. So welcome to the ... (inaudible interjection) ... Mr. Wakefield expresses his pleasure at having Ms. ... Okay.

With that, I'll turn the floor over to you, Ms. Stonehouse, for a presentation or comments from the department, please.

Ms. Stonehouse: — Thank you, Mr. Chair. I'll keep my comments very brief as I think we'd be best to handle some of these with question and answer.

The department continues to work with the Provincial Auditor to resolve the ongoing outstanding issues that were identified in the report. And we are committed to making advances in this current fiscal year to fully address the recommendations the auditor has made with respect to the internal reporting issues, the annual report disclosure issues, and the Operator Certification Board's financial statement qualification.

The Chair: — Great. Thank you very much. As indicated, we are dealing with chapter no. 14, beginning with recommendation no. 1 on page 344 and following through to the end of that chapter. Are there general questions or comments about the chapter in its entirety, or any specific questions directed to auditor or Ms. Stonehouse?

Mr. Weekes: — Yes. Good morning. The Forest Fire Contingency Fund is ... I would like a clarification on what is really going on there. As we see in April 23 in *Hansard*, 2001, the minister had said that there was going to be legislation brought in to look after the concerns about letting the fund lapse.

And as we see in this year's estimates ... Well, estimates 2001-2002, \$40 million and estimates in 2002-2003, there's no money. And of course in this year's estimates there's no money for the Forest Fire Contingency Fund. Could you just elaborate on what is happening with that and is there legislation going to be brought in to deal with that?

Ms. Stonehouse: — We're not intending to bring legislation forward at this time. The contingency fund was expended last year fully in order to meet a pretty heavy firefighting season. But we're still reviewing the approach here that we want to take, so it'll take some time.

Mr. Weekes: — If I may, I have a supplemental. In this year's 2003-2004 budget estimates, the forecast for 2002-2003, the budget for the Environment department was 179 million. And it's approximately up 40 million from the previous year and to the estimate for 2003-2004. Is that difference of roughly 40 million, does that have some connection to the Forest Fire Contingency Fund?

Ms. Tulloch: — Do you refer to, now, '03-04 estimate of 179 or ...

Mr. Weekes: — Yes. The forecast of 2002-2003 ...

Ms. Tulloch: — Oh for '02-03.

Mr. Weekes: — . . . of 179 million. And the estimate for 2002-2003 was 130 million — 130.8. And then estimates for 2003-2004 again dropped roughly by 40 million to 139 million. Could you explain the drop in the budget? Is that related to the Forest Fire Contingency Fund?

Ms. Stonehouse: — Yes. Well it's related to forest fires.

Mr. Weekes: — Yes.

Ms. Stonehouse: — What you're looking at is the actual expenditures in '02-03, comparing them to budget. And in '02-03 we had one of the record years in terms of forest fighting in the province and so we had a high level of expenditure there. So that's why you're seeing the increased expenditure. The budget is more continued status quo level.

Mr. Weekes: — It may be more of a question to the auditor, is your concerns about how the fund is being kept track of. Do you feel that's related to the \$40 million difference in the budget as well or how does that all tie together as far as the Forest Fire Contingency Fund in estimates and expenditures?

Mr. Wendel: — Our concern, Mr. Chair, is the financial statements show that the money that was transferred over into the Forest Fire Contingency Fund when it was set up, they record all of that as revenue in the year they received it in the Forest Fire Contingency Fund.

Our concern is we're saying it shouldn't be revenue in that fund. It should only be shown as owing back to the Consolidated Fund or General Revenue Fund until such time as they actually incur forest fire costs. In other words, you shouldn't take it into revenue until you actually incur the costs. Now that's our concern but it doesn't relate to the estimates.

Mr. Weekes: — I guess to the deputy minister, you're saying you're reviewing it. Hopefully we won't have a bad year of forest fire fighting problems but we're into the season of forest fires. How are you going to handle that as far as expenditures when in previous years there's money set aside and basically this year there is no money set aside?

Ms. Stonehouse: — The department will manage as best we can and to the extent that we are unable to manage it within the department's budget, we'll need to go back for a special warrant. So far in the year it's been raining lots and so far we're within budget.

The Chair: — Any further questions?

Mr. Wakefield: — Thank you, Mr. Chair, and good morning. I guess just for clarification, if I could. On page 355 of chapter 14, on the consolidated statement of operations it shows transfers from the General Revenue Fund, 2002, 147.8 million, or so. Is that a lump sum payment? Does that come over directly and then it's administered by your department? Because in that statement I also see where the expense for fire management and forest protection has a figure of nearly \$51 million.

And maybe following that you may want to . . . On page 360 where they talk about due from the General Revenue Fund, and the explanatory notes, something called the consolidated offset bank concentration arrangement — could you explain that just for clarification?

Ms. Stonehouse: — These were prepared by the Provincial Auditor and we are not fully aware of what was used to develop them so you might want to direct your question to the auditor.

Mr. Wakefield: — But the first question of \$147 million, does that come as a lump sum? You administer it and then from what I see some is returned back to the General Revenue Fund?

Ms. Stonehouse: — We believe that first line is the department's budget as approved in estimates. And we would get it over the course of the year.

Mr. Wakefield: — I see.

Ms. Stonehouse: — But again, we did not prepare this and so I'm not sure that we're in a position to really speak to it.

Mr. Wakefield: — Okay. Could I ask that of the auditor?

Mr. Wendel: — Sure and I'll have Mr. Grabarczyk speak to it.

Mr. Grabarczyk: — On the transfers from the General Revenue Fund, and that includes the department's appropriation. But there's also the Crown agencies that the department . . . are under the administration of the department, that would include any money that they received as well in an operating grant in essence from the General Revenue Fund.

As to note 4, the consolidated bank concentration arrangement there, that is in the Crown agencies. They have bank accounts and they're consolidated together for the purposes of better interest rates. So the province consolidates those together for interest rate purposes.

Mr. Wakefield: — Okay, thanks. Open and accountable business practice right?

The Chair: — Seeing no further questions, could I turn the members' attention to resolution no. 1 which is on page 344. Any further comments from the auditor's officials, auditor's office officials, or from the department?

Is anyone prepared to move a resolution regarding recommendation no. 1?

Mr. Harper: — Mr. Chair, I move concurrence.

The Chair: — Moving concurrence with recommendation no. 1. Are there any questions or discussion? Seeing none, all those in favour? Opposed? Carried.

On page 345, recommendation no. 2 regarding the IT (information technology) sector and a contingency plan. Any comments or questions?

Mr. Weekes: — I have a question. As you had mentioned, I just sat in on this meeting. But last year I sat on a Public

Accounts meeting and it seemed that the issues of that day was concerning the contingency technology, contingency plan, risk analysis.

Just a question to the auditor. It seems to be a common thread last year when I sat here on various departments and it continues to be a same concern. Has there been any improvements in risk management and the safety of the files?

Mr. Wendel: — I think some agencies do have good contingency plans now. And others are working towards getting there.

In this particular case in this department, we're saying the need to do more work on this, to get a written and tested contingency plan based on the risks that they have. But I think in some cases, yes, there's improvements being made.

It's been a thrust for our office for some time — security and contingency plans. And we'll again be doing a government-wide survey and be producing results on that again. I think it's scheduled for next year.

The Chair: — Ms. Stonehouse, is there progress being made in this area, I guess is my question.

Ms. Stonehouse: — We are making progress. We've been working on the highest risk systems to ensure we've got the appropriate contingency plans in place. And we're working our way through that before we come to a comprehensive plan. It's certainly an important area for us to make progress on and we are working on it diligently.

The Chair: — Any further questions regarding recommendation no. 2?

Mr. Iwanchuk: — I'd move concurrence and note progress.

The Chair: — Thank you. Resolution that we concur and note progress. Any discussion on that resolution? Seeing none, all those in favour? Carried.

Recommendation no. 3, dealing with the special purpose funds. It's found on page 347. Any questions or comments connected to this recommendation? Seeing none, is resolution imminent?

Ms. Atkinson: — I would concur.

The Chair: — Moved by Ms. Atkinson that the committee concur with recommendation no. 3. Any questions or discussion on that resolution? Seeing none, all those in favour? Carried.

Recommendation no. 4. As we've heard from the auditor's office, CICA continues to study the differences of opinion across Canada, and the accountants' association will be coming forward with a plan, and it's recommended that the committee defer making a decision about recommendation no. 4.

If that is the wishes of the committee, could I have someone move that we defer — Mr. Gantfoer. Any further discussion? Question — that this recommendation be deferred. All those in favour? Carried.

And the fifth one is not a new recommendation and as indicated by Ms. Stonehouse, I think you're moving forward on the procedures, appropriate procedures to control application fees and the like. So that's not a new recommendation.

I want to thank the officials from the department for assisting us this morning. And to you as well, Mr. Grabarczyk for making your presentation. Thank you.

Public Hearing: Saskatchewan Liquor and Gaming Authority

The Chair: — Good morning, members and officials. Welcome back to all of the officials from Saskatchewan Liquor and Gaming Authority. I'm not sure whether there are any new people from your department, Ms. Morgan? No. Okay, indication that there are the same people that were here yesterday, and of course Mr. Wendel has already introduced the officials. And again same people as were here yesterday.

Yesterday we concluded with recommendation no. 4 on page 131, and we're now looking at the balance of chapter 6A and of course then chapter 6B. In those two chapters I want to remind members that we have 28 recommendations, and we have dealt with four of those recommendations. So the time frame is at least an hour and a half, maybe as much as two hours. We'll see how it works, but hopefully we'll be able to move through the agenda this morning and see where it takes us by 12 or shortly after 12.

I would ask members to turn their attention to recommendation no. 5. And we've had comments about that and if I could ask Ms. Morgan if you could alert members to recommendation number . . .

Ms. Morgan: — No. 1, right on the front page.

The Chair: — No. 1. On the package of information that was supplied by the officials from Saskatchewan Liquor and Gaming Authority, you will see this recommendation found on page no. 1, with its . . . with the comments regarding how it is being completed or not completed.

Are there questions and comments from members regarding recommendation no. 5?

Ms. Bakken: — Thank you, Mr. Chair. The last time, other than yesterday, when I had opportunity to question officials was at a Crown Corporations meeting in March, and at that time I had some questions around the whole training for employees. And there was some information that was to be forwarded to myself, which I don't believe I have received. And if it's been forwarded to someone else and not through to me, then I have . . .

Ms. Morgan: — I believe we sent everything to the Clerk's office, but we'll check that out.

Ms. Bakken: — Okay because there were several issues that were supposed to be replied to.

Ms. Morgan: — Okay.

Ms. Bakken: — But further to that on the whole aspect of the training for leadership, I'm just wondering was this actually tendered? I believe that was one of my questions that day and I was not . . . You were not able to give me an answer, I believe at that time.

I'm wondering if it was tendered, if you have been able to ascertain whether it has?

Ms. Morgan: — Yes, it was tendered.

Ms. Bakken: — And what kind of a tendering system do you use?

Ms. Morgan: — We use the same tendering system that is put in place by the Saskatchewan Property Management Corporation for all of our tendering. We use the Government of Saskatchewan tendering policies, the standard policies.

Ms. Bakken: — So you do not use something called an electronic tendering system?

Ms. Morgan: — No. I mean some of what is tendered is done electronically on . . . What's the system called at SPMC (Saskatchewan Property Management Corporation)?

A Member: — MERX.

Ms. Morgan: — MERX. The MERX system at SPMC. But we also tender in newspapers with an open tender. So we use both electronic plus the traditional types of tendering.

Ms. Bakken: — So is this particular . . . The training, is that . . . how is that tendered? What process is used to tender for the training of employees? For the leadership training in specific.

Ms. Morgan: — I'll just ask Lisa Ann to answer these questions, our director of human services.

Ms. Wood: — It would have been initially tendered through a newspaper process and then we would have also done a tendering through the MERX system.

Ms. Bakken: — It's my understanding that the tender that was originally accepted for the leadership training was some \$80,000. Could you tell me how much it ended up costing Liquor and Gaming for the leadership training?

Ms. Wood: — It's been an ongoing program so there's been contract renewals that have occurred so there's annual sums that have been provided and we'll undertake to give you . . .

Ms. Morgan: — Absolutely.

Ms. Wood: — I thought we had passed the information back through our answers to the Clerk to the committee.

Ms. Morgan: — Yes. Here, I have in front of me one from . . .

Ms. Wood: — Now that's a total for all training. So, sorry, I correct myself.

Ms. Morgan: — It's not just leads, yes. But we can separate

this out for you and give you the leads training figures.

Ms. Bakken: — Thank you. I believe one of the other questions at that time was the cost for travel that was directly related to the leadership training and how much that would be.

Ms. Wood: — The response that we actually . . . Again I don't know if we provided it back in these responses or not, but the answer to that is that we actually don't track training-related travel specifically because our staff travel for meetings, they travel for committee work, they travel for a number of business reasons. Training would just be one of those reasons. So we don't segregate out the cost that they might undertake for training alone, for travel for training alone.

Ms. Bakken: — So how do you ascertain how much it costs per employee to actually put them through the leadership training and make an evaluation of whether it's worthwhile for the company to spend . . . or for Liquor and Gaming to spend that money?

Ms. Wood: — Well we evaluate the cost of the facilitation and the facilities and any program materials related to the training. But we consider travel that's related to training just a cost of doing business when you have multiple work sites.

Ms. Bakken: — And, Ms. Wood, how many . . . How do you qualify for leadership training? Are all employees in leadership training no matter how many hours they're employed or what is it?

Ms. Wood: — No. You have to meet a standard. You have to, at minimum, have qualified as a part-time employee and that's for our introductory program of leadership. But it's something that employees have the option of engaging in, is the introductory program.

The more advanced training, you have to have completed the introductory program. And, generally speaking, the more advanced leadership training, it's pretty much full-time staff. There is very few part-time staff. But having said that, our part-time staff are a critical component of our workforce.

Ms. Bakken: — So what would be the minimum number of hours that an employee could have in order to access the leadership training?

Ms. Wood: — I'd have to get that information for you specifically.

Ms. Bakken: — Okay. Are heads of departments, such as yourselves that are here today, are you involved in the leadership training program as well or . . .

Ms. Wood: — Yes. Yes.

Ms. Bakken: — And why would that be, that you would train for positions of leadership and management when you are in that position already? What is the criteria behind . . .

Ms. Wood: — Well there's a number of components. Leadership skills, I think, can be developed at all levels of an organization. Our program is very much founded on that theory,

that leadership skills can be enhanced at all levels of an organization.

But something else we're also engaging in is a train the trainer program for our leadership program. So we're actually building the capacity to deliver elements of it internally. So there have been a number of people that have been involved in actually co-facilitating some of the most recent leadership training that has gone on.

Ms. Bakken: — Thank you. Yes. I have further questions. Last . . . And in Crown Corporations, we also discussed the whole issue around internal training for regional managers. And I believe that you indicated at that time that you had an ongoing program of people moving through that system.

And I guess again my question is around how do you determine who should receive this and is it a permanent . . . is it an ongoing . . . Like, is this going to continue indefinitely? Is there funding for it to continue on into the future indefinitely or how is this program being . . .

Ms. Morgan: — Well this is a program that we use in order to provide opportunities for all of our staff to be trained at a higher level. There's really no . . . The cost associated with this will be the ones to backfill but these positions are all advertised. Anybody in the organization can apply to become an assistant regional manager. And they are in these positions for 18 months, then they go back to their original position and we put in another four regional managers. It's four isn't it . . . (inaudible interjection) . . . It's a total of four positions.

And we're just coming up to the end of an 18-month period. We'll be advertising the positions again for people within the organization. Thereby as people begin to retire in our organization, having people trained to move into some of these senior management positions becomes, in our view, very good for our organization having given these people opportunities to be in management positions for a short period.

Sorry, to answer the last part of your question, I do believe that it will be ongoing for a while yet as the boomers move out of the workforce.

Ms. Bakken: — So is there any criteria around how many years of service you have left before retirement in order to go into this program?

Ms. Morgan: — No.

Ms. Bakken: — So even if someone was two years from retirement, you would still train them as an assistant regional manager?

Ms. Morgan: — Well I don't know if that would be the criteria because when we advertise the position, we outline what the requirements are for the job. And it's the best applicant and someone two years from retirement . . . I mean, I don't anticipate we get a lot of applications from people that close to retiring. I could stand to be corrected but it's a lot of our young, younger employees who are applying for these positions.

But I think we would have to . . . I mean, if he's two years or

she's two years from retirement that would be just one of the factors in whether or not they would be the candidate that was successful in the competition.

Ms. Bakken: — Well as these people are going through this training, their previous job, whatever it was they were fulfilling before, has to be backfilled.

Ms. Morgan: — Yes.

Ms. Bakken: — So there's an 18-month cost for each, for four of these employees at a time to be doing training. I would hope that there would be some consideration taken as to whether they would ever be in a position to have this job.

Ms. Morgan: — I think, yes. I think one of the criteria we look at when we receive the applications, you know, the experience of the individual, how many years they've been with the organization, how close they are to leaving themselves. It's part of a succession planning module that we've been using. And to my knowledge we've not used these positions for people who are close to retiring.

Ms. Atkinson: — Do you have a mandatory retirement age?

Ms. Morgan: — It's age 65.

Ms. Atkinson: — Age 65. So I guess I . . . just because people in the workplace assume that you might be close to retirement if you're 53 or 54 years of age doesn't necessarily mean you are close to retirement.

Ms. Morgan: — That's correct.

Ms. Atkinson: — Because people can work until they're 65. So I would like to put that point on the record. And I understand you can't discriminate against people on the basis of age.

Ms. Morgan: — No, you can't.

The Chair: — Any further questions on this resolution? Ms. Bakken.

Ms. Bakken: — Yes, I would like to ask a few more questions, Mr. Chair, please.

I believe that there is a new part to your contract about clerks who work on statutory holidays. And I wonder if you might tell us what their rate of pay would be? Whether it's double time, double time and a half . . .

Ms. Morgan: — This was part of the negotiations in the last contract. Do you know? We'll have to give them to you. I'm sorry, I don't have a copy of our collective agreement with me.

Ms. Bakken: — Okay. Then if you could get that information for me that would be appreciated.

Ms. Morgan: — You're talking about the people who work in the stores? The clerks in the stores?

Ms. Bakken: — Yes. The clerks at the store level, what the time that . . . Is it double time, double time and a half, and so

on, on statutory holidays? And I guess in regards to that what the implications are on the bottom line and is it worthwhile to be expending this?

Ms. Morgan: — As a matter of fact we just recently . . . As you know, last July we moved to Sunday openings and stat holidays. And we finished the assessment of how this was working in relationship to the cost to do business. And as a consequence of this, the Sunday opening has been successful in that we're more than . . . I think it's costing us \$5,000 in total for staff across the province on Sundays and we're making in excess of, on an average Sunday, about 200,000, \$250,000. The stat holidays however were another issue.

So with the exception of a couple of . . . one store here in Regina and I believe one in Saskatoon, we are not open any more on stat holidays. We closed . . . (inaudible interjection) . . . Yes. The Waskesiu store is open but that's in a unique spot. But it was not beneficial to us to be open on statutory holidays so we just decided to close our doors.

Ms. Bakken: — Okay. I'm wondering, Ms. Morgan, how is the union reacting now to Sunday openings? I believe we discussed this at the last meeting. You indicated that they were favourable to the decision and is that still their position?

Ms. Morgan: — That's still the case. It's been very positive. We haven't had any complaints that I'm aware of from any employees about Sunday opening.

Ms. Bakken: — And I believe you indicated at that time that they were part of the decision making and that they were agreeable so it's worked out well.

Ms. Morgan: — Yes, that's correct. They were at the table when these decisions were made, yes.

Ms. Bakken: — Further to this, we had also . . . Before I go on to that, another part of the contract I was wondering about is, are part-time people now receiving benefits and to what extent would they receive them. And how is this impacting . . .

Ms. Morgan: — I believe part-time employees have always received pro-rated benefits.

A Member: — Yes, pro-rated.

Ms. Morgan: — Yes, they're pro-rated based on the amount of time you work. It's just as it is for the SGEU (Saskatchewan Government and General Employees' Union), for the executive government.

Ms. Bakken: — Thank you. May I continue?

The Chair: — Sure.

Ms. Bakken: — Last time we spoke, I asked some questions around the whole issue of assistant managers and people at the management level, in scope and out of scope, and how that was impacting at the store level and throughout the organization. And I just would like to ask some further questions about that issue.

First of all, what would the salary range for an assistant manager level 5 be . . . or level 2 be?

Ms. Morgan: — Yes. I'm sorry I don't know that. We'll have to provide that information to you. Assistant manager?

Ms. Bakken: — Assistant manager. And I know you're aware of the incident that I'm referring to. And then also the salary range for a manager level 5.

Ms. Morgan: — I'm sorry, I don't . . .

The Chair: — . . . Ms. Morgan, and Ms. Bakken. You have a lot of technical questions, Ms. Bakken, regarding the contract and salaries and the like. And I'm wondering if it wouldn't be advisable if Ms. Morgan, or someone from your department, if you would have put on the record that you would have a briefing session with Ms. Bakken to provide her with answers relative to the information.

Ms. Morgan: — Absolutely.

The Chair: — Because we can spend a lot of time here and you don't have the contract and you don't have those numbers here with you today.

Ms. Morgan: — No, I'm sorry.

The Chair: — And I believe Ms. Bakken has a number of relevant questions to the contracts, through benefits, to all those things. And if you would indicate for the record here that you would have that briefing session with her, to set that up and supply, you know, in a meeting situation, I think that might resolve some of your questions, Ms. Bakken?

Ms. Bakken: — That would be acceptable.

Ms. Morgan: — Absolutely, we'd be happy to do that.

The Chair: — Okay. Are there things outside of that parameter, Ms. Bakken?

Ms. Bakken: — No, I think we can move on if that information will be provided.

The Chair: — Excellent. I would then recommend that you make contact with one another and set that briefing session up and that way we can move forward with the recommendations that we have before us.

Are there any further questions or comments?

Mr. Wakefield: — I would move concurrence and note progress.

The Chair: — Resolution by Mr. Wakefield to note concurrence of recommendation no. 5 and progress as reported on sheet no. 1.

Any further questions or comments on that resolution? All those in favour? Opposed? Carried.

Ms. Morgan: — Page 2, no. 3.

The Chair: — Thank you very much, Ms. Morgan. Page 2, no. 3, ongoing processes in place is indicated as expected completions. Are there any questions regarding the resolution . . . or the recommendation, I'm sorry, or the comments from the department?

Mr. Gantfoer: — Thank you, Mr. Chair. I wonder to facilitate this a bit, this is the department's assessment of the progress that is being made and the current state of these recommendations.

To facilitate us would it be possible to ask the auditor's office, if you are concurrence with the what's been stated here, fine. But if you are not, if you would flag any concern that you have that perhaps deviates from the department's assessment? That would help us to sort of look at this and say okay, the auditor's office is in agreement with this, and it would help us make our recommendations.

Mr. Wendel: — Thank you, Mr. Chair. I've had Mr. Ahmad go through this report yesterday because we received it yesterday. And he advises me that he has just the one area he wants to talk when we get to marketing. And at that point he'll have his comments on that.

Mr. Gantfoer: — Yes, thank you.

Mr. Wendel: — And the rest of it, if they're able to deliver what they've said here, that will be good.

The Chair: — That old expression, the proof is in the pudding. Okay. Is that sufficient, Mr. Gantfoer, then?

Mr. Gantfoer: — Yes.

The Chair: — Okay. And therefore if I look at the recommendation no. 6 and numbered no. 3, there are no concerns expressed by the auditor's office regarding the action plan so therefore — Ms. Atkinson.

Ms. Atkinson: — I would concur and note progress.

The Chair: — Thank you. Concurrence and noting progress. Any discussion? All those in favour? Opposed? Carried.

Recommendation no. 7.

Ms. Morgan: — No. 4.

The Chair: — Which is on the same page, no 4, yes.

Ms. Morgan: — Same page.

The Chair: — Are there any questions or concerns from the auditor's office? I don't believe this is of any significance as far as marketing, so therefore no comment.

Ms. Atkinson: — Concur and note progress.

The Chair: — Thank you. Concurrence and noting progress. Any discussion of that? All those in favour? Opposed? Carried.

Recommendation no. 8.

Ms. Morgan: — It's on page 3, no. 5.

The Chair: — Is listed as no. 5 on page 3. And there are some comments from the auditor's office. And I'd ask Mr. Ahmad to make those comments.

Mr. Ahmad: — Mr. Chairman, on this area there's a lack of policies for marketing and staff pay and benefit for SIGA. And I think there is some urgency about those things and SLGA (Saskatchewan Liquor and Gaming Authority) should make sure that those policies are in place in a timely manner.

The Chair: — Policies regarding marketing.

Ms. Atkinson: — We would concur with the recommendation, note progress, and add that we expect that marketing policies be put in place . . . (inaudible interjection) . . . And staff, yes.

Ms. Morgan: — I'm sorry, staff what? I'm sorry.

A Member: — Staff pay and benefits.

Ms. Morgan: — Okay, thank you.

Ms. Atkinson: — Pay and benefits.

The Chair: — Are there any comments from the department officials regarding that proposed resolution?

Ms. Morgan: — No, absolutely we would agree. In fact I just signed a letter yesterday to SIGL (Saskatchewan Indian Gaming Licensing) on this issue of marketing and sponsorships.

The Chair: — Thank you very much. Thank you, Mr. Ahmad. Question on it, Ms. Bakken?

Ms. Bakken: — I just have one question. Have you given them an indication of what percentage of revenue that should be towards . . . would be allowable towards marketing expenses that would reflect what is common in the industry? And what would that be?

Ms. Hanson: — We haven't targeted an exact percentage. But what we have done is in the budget process, they submit their request, we review each line in detail according to industry standard and on a business case basis. So that's the way we approach it.

Ms. Morgan: — I mean they . . . We aren't to the point yet where they have got this just right. Firstly because they haven't finalized their policy. And we're not happy with what they've given to us thus far.

They have made significant changes because their sponsorship budget has greatly reduced. But we're still ironing out what are industry standards and what's appropriate and what isn't.

But we have not assigned a percentage of their annual budget should be for this amount. Because the industry itself, it's so different from organization to organization, what they are using sponsorships for. But there are some basic standards that we'd

like SIGA to establish.

Ms. Bakken: — So when you review line by line and as indicated in the auditor's report, there were several incidents that he related where it was not . . . money was improperly spent through the marketing and I believe it was charged to marketing. So what happens then? Is that something that SIGA . . . or not SIGA but FSIN (Federation of Saskatchewan Indian Nations) then . . . Or who is responsible for paying those costs if they're not allowable under the agreement?

Ms. Morgan: — Well I believe the auditor cited some membership fees at a golf course in particular in his Fall 2000 Report and we agreed that they were inappropriate. And this is why it's so necessary for the board to establish a policy that is clear with respect to benefits of employees and sponsorships, etc., so this all has to be worked out. And it'll be a decision of the SIGA board as to whether or not they would ask for those monies to be paid back. That's the board's purview.

Ms. Hanson: — And I think part of the problem that we've encountered is that they're not recording things appropriately. Some things have shown up under sponsorship when they should have been under staff benefits, or they've shown up under staff benefits when it should have been promotional activities.

In the casino industry you often have, as part of the business practice, staff dealing with your patrons of the casino, taking them out for dinner, taking them on different . . . to different events. And I think you see that right across the industry. And that's part of the problem SIGA has had in identifying where to allocate these costs. We're working with them to develop a process that would bring some clarity to where things should be allocated and costed to.

Ms. Morgan: — And what is appropriate.

Ms. Hanson: — Yes.

Ms. Bakken: — Well and I guess that brings it right back to the discussion that we had yesterday about what is actually an operating cost for slot machines, which is the only expenditure that SIGA is supposed to be charging back against their revenues. And as long as these costs are allowed to continue, there is less revenue or less profit at the end of the day to go back to general revenue, to First Nations, and to community development corporation. Because every time you take an added expense off, you reduce your bottom line.

Ms. Morgan: — The agreement is not restricted to just slots. I mean it is the cost to operate four First Nations gaming . . . four First Nations casinos. And that's all-inclusive costs of the casinos. And so this is what we try to establish — what is of . . . cost to run the casino? And that is what we're working our way through. It's not just the slots; it's the cost of running a casino.

Ms. Bakken: — So you're indicating then that Liquor and Gaming is responsible for the expenditure, the total expenditure, not just for the cost to operate the slot machines?

Ms. Hanson: — We provide the budget, yes.

Ms. Morgan: — SIGA is required to provide to us their entire budget to operate all four casinos in the province of Saskatchewan and seek our approval.

Ms. Bakken: — If I might ask the Provincial Auditor, is this something new or has it always been the case that Liquor and Gaming is responsible for all expenditures or just that they had allowed SIGA to expense the cost for operating slot machines in their casinos?

Mr. Wendel: — The agreements that were signed with the First Nations to operate the casinos were, it would cover all costs. And that's where we say in our reports that all the costs of operating the casinos are Liquor and Gaming's costs because they cannot have . . . they don't have any . . . SIGA has no money of its own. All the money belongs to the Crown, other than any profits they might make on table games. And table games generally are not profit making.

So all of the costs are paid through Liquor and Gaming and our comments from the beginning were it's important that Liquor and Gaming set the policies for the expenses that can be incurred and then they have some guidance they can give to their staff when they go out and look at the expenses SIGA actually incurs, they will know whether those expenses are reasonable or not; if they comply with the policy that senior management at Liquor and Gaming has approved.

And that's why our concern to make sure we get the marketing one cleaned up — that's a big expense — staff benefits and pay, and they've done some work in sponsorships. When they're done that, I'd like to see them work on ancillary operations. Now that's a smaller part.

But they need to go through all of that and agree on what are reasonable expenses, and Liquor and Gaming has to approve those. And by doing it this way, they've left the Legislative Assembly in control. And that's good. Like I mean everything is there for everybody to see, and that's the good thing. You know you get to see what the money is being spent on. It's not just some percentage; you get to see it all. And I think that's a reasonable approach that they've taken on that.

Ms. Bakken: — I might ask a further question to that just for clarification then. If actually the expenses were down to run the table games and the restaurants and so on, and there was a profit, would that be under the sole jurisdiction of SIGA or would that go to Liquor and Gaming and be dispensed with the rest of the funds?

Mr. Wendel: — I'll ask Mr. Ahmad to correct me if I'm wrong, but I think that if they make some money on the table games, that belongs to SIGA but it can only be used to give to charities. So it's not their money. Is that right? And how about the ancillary?

Mr. Ahmad: — I think ancillary, they're saying that that is a part of SIGA because that's part of operating casinos and slot machines. That's the major part of the casino operations.

But when it comes to the table games, yes, Fred is right. The money has to go to the, they call it, charitable or religious organizations on the First Nations bands, reserves.

Ms. Bakken: — So then really what is happening here then is that the expenses are being charged back against the profit from the slot machines because there isn't any profit anywhere else. And there isn't any money that directly belongs to SIGA because they do not make a profit from anything, which is the table games that they are allowed to run.

So all the profit belongs to Liquor and Gaming and it is public money, which is what you established before, and any loss of or overexpenditure is a direct loss of dollars to be spent either for general revenue for First Nations or community development. Am I correct?

Mr. Wendel: — That would be a good summation. I think what happens though, if there are unreasonable expenses, what the government and FSIN have agreed to is when those expenses are determined to be unreasonable, they can be deducted from money that goes to the First Nations Fund.

And that's the remedy and that's the rigour then that's applied to SIGA — that they have to go back to their communities and explain why they spent money that was unreasonable. So it has that bit of accountability to it. And I think that's a good thing.

Ms. Bakken: — Further to that, I realize that the \$1.3 million that was found to be misspent because of the Dutch Lerat issue was . . . I believe it has been paid back. Has there been other incidents where money has been paid back and therefore deducted from the First Nations Fund, as last year, the \$550,000 and the other cases that you've indicated where it was not properly, the money was not properly spent but was . . . Has this money been paid back or what is the plan?

Mr. Wendel: — I'm not aware of any, Mr. Chair, that was paid back.

Ms. Morgan: — I can say that the money that the province . . . The only amount of money that the province has ever received back is the money owing from Dutch Lerat.

Any other expenditures identified by the Provincial Auditor to this point in time, I believe have been decisions for the board. There was money that Mr. Lerat owed to SIGA itself, not just the province, and those monies would have to be recovered by the SIGA board.

Now usually they consult with us with respect to whether or not . . . like talk to us about whether or not they're going to pursue remedies.

The Chair: — Ms. Atkinson, you have a question?

Ms. Atkinson: — Yes. Just further clarification to . . . And maybe I'm not sure if I can ask this question. But I think I heard the member from Weyburn say that there was other money identified yesterday as having been misspent in terms of the allocation of monies to negotiate the gaming agreement and to set up the licensing . . . inspection licensing agency for the FSIN.

As I understand that, just as a point of clarification, I don't think that we can say the money was misspent. What we have is a difference of opinion as to whether or not the agreement

allowed that money to be expended, between the Provincial Auditor and Sask Liquor and Gaming. Am I correct, Mr. Auditor?

Mr. Wendel: — There is a difference of opinion on the two things that are in here. We identify other cases in here, though, we don't think they followed policy and they spent money. Now what we're recommending and what you've been approving as you go along is not only is it necessary to audit what's going on . . .

Ms. Atkinson: — I'm talking about the discussion yesterday. I don't think you've got to that.

Mr. Wendel: — The discussion yesterday?

Ms. Atkinson: — Yes, they were just talking about . . .

Mr. Wendel: — That's a difference of opinion.

Ms. Atkinson: — Yes, that's a difference of opinion.

Ms. Morgan: — And we agreed that we'd provide our legal opinion to both the members of the committee and the Provincial Auditor.

Ms. Atkinson: — Thank you. And the other point that I wanted to make is that if there is money that is not spent properly, and that the point has been made, it can be deducted from the First Nations Fund.

Ms. Morgan: — Right, right.

Ms. Atkinson: — And that has been done when it came to the issues that arose a few years ago.

Ms. Morgan: — That's correct.

Ms. Bakken: — Thank you, Mr. Chair. Well further to that, who is going to then . . . We have a Provincial Auditor that audits the books for the reason that there's accountability to the people of Saskatchewan.

The auditor has indicated that there was improper use of public money — the \$400,000 to the FSIN to negotiate the agreement; 150,000 to Saskatchewan Indian Gaming Licensing. There's also further concerns around some of the sponsorship and marketing dollars that were, according to the Provincial Auditor, misspent.

Who is going to make the determination or who has the authority to make the determination — I should ask this of the Provincial Auditor, I guess first, and then Liquor and Gaming — to decide if in fact this is improper use of public money and needs to be paid back from the First Nations trust?

Mr. Wendel: — Mr. Chair, that responsibility would rest with Liquor and Gaming and they're the ones that have to determine what is reasonable and not reasonable. And it goes back to they have to have clear policies. They then have to make sure that SIGA has followed those policies. When they haven't, we expect them to recover that money from the First Nations Fund.

Now what we're talking about here is they don't have those processes in place yet. That's our concern and that's why I, you know, I'm pushing very hard that they establish these policies. It's important you get them. It's important they get a good audit crew, make sure they get out there and audit these . . . frequently audit SIGA, and then bring it forward to senior management to make the decision to recover or not recover.

And when those, you know, if those practices are working, you know, public money will be spent well, should be spent well. And if that isn't happening, my job is to make sure you're aware of it. Their job is to make the assessment at the end.

Ms. Morgan: — Yes, I mean the auditor's absolutely right, obviously. And to this point in time, in the absence of the policies, we have not felt it appropriate to go after or to try and retrieve \$3,000 here and \$1,500 there. What we've keyed on more than the money at this point is establishing the policies such that SIGA understands the rules by which this should all occur. And once that's all in place, then we will make a determination with respect to recovering monies.

Ms. Bakken: — Well it's my understanding from what the Provincial Auditor just indicated is that it's Liquor and Gaming's responsibility to have a policy. This incident happened well over . . . it's almost three years ago. Why is there not a policy in place that SIGA has to abide by and that you make your decision on whether it's appropriate or not? This is Liquor and Gaming's responsibility, not SIGA's.

Ms. Morgan: — Well it's our responsibility, yes, and it's one of the directives that we issued in the fall of 2000. And quite frankly I guess we prioritized what we needed to do first. And we are trying to get these policies in place but with some of these, SIGA itself needed people in place. They needed their chief financial officer and they needed somebody in charge of corporate affairs to help develop the policies.

We don't have a relationship whereby we write the policies of the board of SIGA. I mean, they're seven people who are . . . they're competent and able to develop policies. We can give broad direction and tell them what we want in it, but the actual policy that's developed has to be developed in co-operation with them. And quite frankly we are working on that. The board has been there for two years and this is part of the issues the auditor has raised that, you know, progress has not been as fast as we would all like. But they are working as best they can.

And this policy is something . . . As I say, we have a draft of it. We're not happy with it. Cheryl is going to a meeting of the SIGA board tomorrow, I believe. So I mean we discuss these things with them on an ongoing basis and there's to and fro paper on the policies all the time. But I understand the frustration.

Ms. Bakken: — Ms. Morgan, just for clarification. This is Liquor and Gaming's responsibility, not SIGA's. The profits generated from SIGA casinos, other than if they had a profit from the table games, is public money, belongs to the people of Saskatchewan, and is to be accounted for. It is a responsibility of Liquor and Gaming.

I don't understand why SIGA has been given the responsibility

to do this and not Liquor and Gaming. I don't understand why you've allowed them to do it when it is you . . . or Saskatchewan Liquor and Gaming that are the regulatory body and responsible for accounting of these dollars.

Ms. Morgan: — But SIGA is responsible for the day-to-day management of all four of its casinos. And it is responsible for developing policies, in conjunction with us, that affect the ongoing operation of the casinos. And that includes the policies around marketing, sponsorship, human resources, pay, and rations to staff. We work on that together.

It's not a relationship where SLGA writes all of the manuals and policies that are going to apply to this independently managed organization. We do it co-operatively. I mean that's the way you . . . That's the best kind of relationship you can possibly have.

I mean this is a non-profit organization with a board of directors and they have some ability to do this as well. And this has been the nature of the relationship and it has . . . I mean this has been the relationship for the last many years, and we're finally getting to the point where these policies are coming to fruition.

But obviously we develop policies based on experience in both organizations.

Ms. Atkinson: — I'd just like— to add — it's not unlike the health boards. It takes a while.

Ms. Bakken: — If I could ask the Provincial Auditor, my understanding is that it is a responsibility of Liquor and Gaming to have a policy in place in order to be able to determine whether dollars are being spent appropriately and the expenses are appropriate. Or am I incorrect and it is SIGA's responsibility? I'd like a clarification.

Mr. Wendel: — Mr. Chair, it is my view that Liquor and Gaming is responsible. You can't delegate your responsibility.

Now what they've done is delegate some authority to someone to come up with some policy that they're going to review. Now that's a management style. They've decided to operate that way, as Ms. Morgan said, in a co-operative way with SIGA.

The other way you could do it is to say here's the policy, you know — that has some problems too. So I think what . . . But they still remain responsible. If it doesn't happen, the responsibility stops there. Now you can delegate authority but you can't delegate responsibility; you remain responsible.

Ms. Bakken: — Thank you.

The Chair: — Okay, thank you.

Ms. Atkinson: — Well I'd just like to make this observation that there are many, many instances where government partners with various organizations and devolves, in a sense devolves function, but ultimately government is responsible.

But we do that with school divisions. We do it with regional health authorities. We do it with . . . There's some funding that goes to municipalities. But I'd like to use the example of

regional health authorities where most of the money comes from the taxpayer. And you have to work in collaboration.

And my experience is that if you sort of shout from on high what the policy should be, if you have people who aren't prepared to implement the policy — you have problems. So you need to work in collaboration as the auditor says. You get a lot more done that way than sort of being authoritarian and just pushing it on people. And I've learned that in the last 10 years in government.

The Chair: — Thank you for that. And with the summation from the auditor in there. One further comment, Ms. Bakken?

Ms. Bakken: — I'd like to make a further comment in reference to what Ms. Atkinson has just indicated, is that we are in a very different situation in what we are talking about here today because of the events of the past and the ongoing problems with the misuse of public money as indicated by the Provincial Auditor.

And if there was a problem at a school board level or a municipal level, there would need to be swift action taken and accounting for the dollars that were misspent and appropriate measures taken. And if they did not have an adequate policy, those that are responsible for administering the dollars and giving them to them as a third party would take action to make sure that the dollars were being spent appropriately.

And that's what we're talking about here is a policy to ensure that what happened in the past does not happen again. And so it's a very different situation.

The Chair: — And the resolution that we have before you indicates that there is concurrence and that there is some progress being made. And as I believe the mover was Ms. Atkinson who indicated that the outline of attempting to place these policies in place is being worked on according to the guidelines given to us.

Any further discussion? All those in favour? Opposed? Carried.

Recommendation no. 9.

Ms. Morgan: — No. 8 on page . . .

The Chair: — Is on page no. 4, numbered 8.

Ms. Atkinson: — I move concurrence and note progress.

The Chair: — A resolution to this recommendation is concurrence and noting progress. Are there any questions? Seeing none, all those in favour? Opposed? Carried.

Moving to the top of page 133, recommendation no. 10.

Ms. Morgan: — It is on page 7, no. 17.

The Chair: — And the framework agreement is the follow-up there indicating that this has been completed.

Are there any comments from the auditor's office, Mr. Ahmad or Mr. Wendel? I think it's . . . Mr. Ahmad.

Mr. Ahmad: — Mr. Chair, as we said, there was disagreement on this issue, payment of money. And we have a legal opinion. We are waiting for their legal opinion. When we see it, we'll go forward from then on.

The Chair: — Is there . . . If I might ask the question. In light of the new framework agreement, because the reference yesterday was to the '95 casino operating agreement, whether there's a difference of opinion, is there a legal opinion from both sides on the new framework agreement?

Mr. Ahmad: — Mr. Chair, the new framework agreement, as we see it, is still the same. It talks about the operating expenses of casinos. So we'll have to see where their legal opinion goes.

Mr. Harper: — Mr. Chair, in light of the difference of opinion, I suggest that the committee perhaps wants to defer on this until there is a clarification of legal opinions.

The Chair: — Okay. Thank you. And that will come up again in another report, I'm sure. Motion to defer a decision on recommendation no. 10. Any discussion? All those in favour? Opposed? Carried.

Recommendation no. 11.

Ms. Morgan: — Is no. 18 . . .

The Chair: — Same page, yes. No concerns from the auditor's office?

Mr. Gantefoer: — Concur and note the progress.

The Chair: — Concur and noting progress on recommendation no. 11. Any questions or discussion? All those in favour? Opposed? Carried.

Recommendation no. 12 on page 134.

Ms. Hanson: — It's no. 17. We've looked at it already. It appeared twice because once was under SLGA's chapter and once under SIGA's chapter. And we have in our work plan addressed it only once.

The Chair: — No but it's no. 19 is it not?

Ms. Hanson: — No it's . . . Am I on the wrong one? Oh, sorry.

The Chair: — I believe it's no. 19.

Ms. Hanson: — Yes, sorry.

The Chair: — Okay. No problem, we've got numbers all over the place here.

Okay, recommendation no. 12 noting the explanations on page no. 7 as numbered no. 19. Are there any comments from the auditor's office? Question, Ms. Atkinson?

Ms. Atkinson: — Yes. Can the officials report whether or not there has been any evidence lately, given that there's now a compliance branch, that the casinos aren't using registered gaming suppliers?

Ms. Rafter: — No, there isn't any evidence that they are. I would say that over the last couple of years we've got much better systems in place both at SIGA and SLGA and that they're monitored pretty closely so they are using registered gaming suppliers.

Ms. Atkinson: — So has this problem been basically put to bed?

Ms. Rafter: — It has.

Ms. Morgan: — Yes.

Ms. Atkinson: — Thank you.

The Chair: — Question, Ms. Bakken?

Ms. Bakken: — Is there any problem with a consultant group consulting for both Liquor and Gaming and SIGA? Do you find that to be a conflict of interest or does this happen?

Ms. Rafter: — I'm not aware of what you might be referring to.

Ms. Morgan: — This is a person who's registered to do . . .

Ms. Bakken: — There's a consultant that previously had been hired by Liquor and Gaming and through his own indication of his material that he also is a consultant for SIGA.

Ms. Morgan: — Is he currently a consultant for us?

Ms. Bakken: — He was I believe last year. I don't believe he is now. I'm not aware that he's consulting for you at the moment but would that be considered a conflict of interest?

Ms. Morgan: — Well I think we would look at that very closely. There's nothing I suppose to prevent him from doing it but I don't know why we would do that unless he was doing consulting work on some joint project that we might have. I don't know.

The Chair: — Thank you. Concurrence resolution and noting progress. Any discussion on that? All those in favour? Opposed? Carried.

Recommendation no. 13 on page 135. And that is appearing as no. 20 on page no. 8. Some expectations of a time frame, Mr. Gantefoer?

Mr. Gantefoer: — Concur and note progress.

The Chair: — Concurrence and noting progress. All those in favour? Opposed? Carried.

Recommendation no. 14 is on page 136.

Ms. Morgan: — This is no. 21?

The Chair: — Number 21. A plan, and of course the auditor will be monitoring this to see whether or not the anticipated completion occurs. Any questions?

Ms. Bakken: — Just a question. I believe the annual report shows that Liquor and Gaming's travel budget is \$500,000 more in the . . . last year than it was in the previous year. And I believe you indicated that that was largely due to inspectors. Are they part of this, you know, trying to establish more accountability at the casino level and ensuring that the house rules or advantage are followed, or who would actually do that?

Ms. Morgan: — Yes, our travel costs have increased because of the increased number of inspectors and auditors. And they inspect five . . . six casinos I guess now; there's one in Moose Jaw too. So there's just been an increase in travel because they are inspecting more frequently and there are more of them.

Ms. Bakken: — So how many inspectors would you have employed . . .

Ms. Morgan: — How many do we have?

A Member: — There's 10 investigators . . .

Ms. Morgan: — Ten investigators for gaming and seven inspectors for liquor. So it's a total of 17.

Ms. Bakken: — So are they also responsible for . . . Do they inspect like VLTs (video lottery terminal), charities? Are they more broader based than just inspecting casinos, or . . .

Ms. Morgan: — Oh, they inspect everything. Faye, did you want to answer?

Ms. Bakken: — The whole gamut.

Ms. Morgan: — Yes. Whatever we regulate, they inspect.

Ms. Bakken: — They inspect, okay.

Ms. Morgan: — Yes. And they check everybody's books.

Ms. Atkinson: — I . . . (inaudible) . . . and note progress.

The Chair: — Ms. Atkinson, concurrence noting . . . and progress noted? Any discussion? All those in favour? Carried.

Recommendation no. 15 is the last recommendation in this chapter. It appears on page 138.

Ms. Hanson: — No. 33, is it the annual report one? No. 33, page 12.

Ms. Morgan: — We don't have a progress on that with respect to our own annual report. This one is, with respect to . . .

The Chair: — That's what it seems to be, yes.

Ms. Morgan: — Yes. And I can report, Mr. Chair, that this is continuing to be done. As a matter of fact, this July we will be issuing our annual report based on the accountability of project that the government has underway whereby we indicate our strategic plan, identify measures, outcomes, etc.

So we are gradually moving towards the kind of annual report the auditor has been looking for.

The Chair: — And after the auditor reviews that July report, we'll note improvements to it, right?

Ms. Morgan: — Hopefully.

Mr. Gantfoer: — Concur and note progress.

The Chair: — Concurrence and noting progress. Any discussion? Question, Ms. Bakken?

Ms. Bakken: — Yes I have some questions around this because of the annual report. And it goes back to the whole issue around the link bingo where there was a one line in the annual report which did not indicate any amount of dollars that had been spent or lost or any indication of what happened to the equipment, to the software, to the hardware; there was a one-liner indicating that it had been discontinued.

And, you know, had not some people in the industry been concerned about this issue and the loss of dollars that they had incurred because of the link bingo, the taxpayers of Saskatchewan would never even had known that this happened. And originally through Crown Corporations it was indicated that it was 6.2 million and now it's up to 8 million. And so you know there are a lot of questions around this whole issue.

And I guess my first question is, why would it not have been reported in the annual report in some detail as to what happened here and the cost implications?

Ms. Morgan: — I'll just speak broadly and then Barry can speak specifically about where in the annual report you will find the numbers.

The amount of 6.2 that we indicated at Crown Corporations Committee, which we said was approximately, was the capitalized number in our financial statements. All the other costs associated with mega bingo however — that is, the cash and paper system, looking at a second interlinked bingo game — these numbers are all in the annual report and Barry can give you the exact pages. In fact, I think we answered one of the questions that you submitted to the House outlining this. But the numbers are included in the expenditures identified in the annual report. It doesn't necessarily say mega bingo, but the cost associated with this game are in the annual report.

Ms. Bakken: — Thank you. Could you then indicate to the committee what did happen to the equipment — where it is, did you recover it, in whose possession is the equipment that was purchased in order to operate mega bingo?

Mr. Lacey: — There are a few halls where the equipment is currently in place and being used by the halls. The majority of the equipment is currently being stored by WCLC (Western Canada Lottery Corporation).

There are ongoing discussions with the industry with respect to . . . the industry has a strategic planning committee that's looking at various options for their industry going into the future. And depending on the outcome of those discussions, that equipment might be used for other initiatives that might benefit that industry.

But the equipment, I guess the simple answer is most of the equipment is currently sitting in storage. It's still usable equipment. That would be your computers and your monitors and your screens and printers.

Ms. Bakken: — And that brings me to a further question then. The taxpayers of Saskatchewan paid for this game in its entirety — the software, the hardware, every component of it. From a written question that I submitted to Liquor and Gaming, the answer was that Wascana Gaming owns the software.

Why would Wascana Gaming own the software when they did not pay for it? It was paid for by the people of Saskatchewan.

Mr. Lacey: — That's correct. Wascana does own the copyright to the software. As part of the development agreement with Wascana Gaming, in recognition that the province was paying for the development of that linked bingo game, there were two items that . . . And provisions that were written into the agreement, in recognition of that, the first item was that the use of that software in Saskatchewan, the licence for the use of that software in Saskatchewan would be provided at no cost in perpetuity to the province.

And the second piece was in recognition of that development cost and development funds being provided to Wascana to develop that linked bingo game, should Wascana Gaming ever market that province outside of this province, there are royalty provisions that Wascana Gaming is required to pay should they benefit from the sale of that software outside the province.

Ms. Bakken: — Thank you. Further to that, it still . . . The question is why would Wascana Gaming own the software? They did not pay for the software. They were hired to develop the software and were paid for with taxpayers' dollars. So why would they end up owning the software?

Mr. Lacey: — Not having been at the table when the agreement was negotiated, from my perspective with respect to the payment for acquisition of that software, the interest was . . . is to have the ability to have that software in the province of Saskatchewan and to use that software in the province of Saskatchewan for no additional cost.

The development agreement allowed for that. The province wasn't interested in going out and marketing this nationally or internationally, this software product. However there was recognition that Wascana might benefit from the development of that software product outside the province.

And there was also recognition that the province had provided funding for the development of that product. And it would be my view that the royalty provisions written into the agreement were to reflect that, such that should Wascana benefit from the sale of this equipment elsewhere, the province would recoup its investment — or partially recoup depending on the amount of royalty being paid and the amount of sales occurring outside the province — would recoup its investment through those royalties. And recognize that in fact, yes, the province did invest into this product and should benefit from the sale of that product elsewhere.

Ms. Bakken: — According to the information that was

provided by Saskatchewan Liquor and Gaming, Wascana Gaming is required to pay royalties to Western Canada Lottery, not back to the province of Saskatchewan. Why would Western Canada Lottery be the recipient of the royalties, if there were any, on the sale of this software?

Mr. Lacey: — WCLC was acting as SLGA's agent in this regard. Any revenues and any expenditures that were incurred by WCLC in managing and developing this game on behalf of SLGA flow through SLGA's financial statements.

So while we've talked about the expense side of the linked bingo game, should there be any revenues as well, as WCLC's our agent, those revenues would flow through . . . those royalty revenues would flow through SLGA's statements, should there be any in the future.

It's my understanding that game is not marketed . . .

Ms. Bakken: — . . . would just flow straight through to Liquor and Gaming and they would not recover any . . . or they would not be paid a percentage of those . . .

Ms. Morgan: — No, they pay us all of the royalty — 100 per cent.

Ms. Bakken: — Further to that, you indicated that Wascana Gaming now owns the software. Was this part of the RFP (request for proposal) that was put out, that whoever developed the software would then retain ownership of the software?

Mr. Lacey: — No. With respect to the award of the RFP to Wascana, once the award would have occurred there would have been negotiations then with respect to framing of the agreement between WCLC and Wascana Gaming. And it's my understanding that as part of those negotiations that was the provisions that were negotiated with respect to that software package.

Ms. Bakken: — But would this not be a key factor in other companies that bid on it in the amount of dollars that they would charge if, at the end of the day, they would retain ownership of the software and have the opportunity to market it elsewhere as opposed to just providing the service and then the software becomes the property of Liquor and Gaming?

Mr. Lacey: — Once again, it's difficult for me . . . difficult to speak to that without specifically being there at the table. At the end of the . . . The interest was in getting a linked game into Saskatchewan. That was achieved.

And the second piece was that in recognition that, yes, this game could be marketed elsewhere. It would be appropriate that the province retain and receive a percentage of whatever revenues might be incurred marketing that product outside Saskatchewan, given that the province did fund the initial development for that linked game to be played in the province of Saskatchewan.

The Chair: — I'm going to ask Ms. Atkinson for a question, okay?

Ms. Atkinson: — Yes, just a question. And I know, Mr. Lacey,

that you at one stage worked in the Department of Health. And as I recall it, if there is a . . . Let's use the hemodialysis and there's a piece of software used in our dialysis units across the province. And as I recall it, that someone pays a licensing fee each year for that software. And as I understand it, when it comes to Microsoft or other pieces of software, many of our budgets . . . And maybe even the Provincial Auditor has to pay a licensing fee for software. That happens all over the place in terms of paying a licensing fee.

The other thing as I understand it and I'll just use this example. The University of Saskatchewan is full of people who design various technologies. And while they do it on the university time at taxpayers' expense in a sense, they get to keep their intellectual property and they can market it. It's in engineering colleges, agriculture colleges. They sometimes spin off their intellectual property into companies. And they own the intellectual property even though it's been designed at taxpayers' expense. And the university, for example, gets a royalty. And I recall in Education a piece of . . . a CD-ROM was developed with a private entrepreneur. The private entrepreneur owned the copyright but if he made any money, then the royalties would go to the province. So I don't think this is . . . My point is I don't think this is unusual. You may not like it, but I'm not sure it's unusual.

The Chair: — Rather than having Mr. Lacey up, Mr. Wendel, is that a practice that is in place? In the summation by Ms. Atkinson, is that accurate?

Mr. Wendel: — I think, Mr. Chair, that it would be a matter of negotiation. When you're talking to whoever you're going to have develop software for you, you would decide who would keep the copyright or who would not, and whether you'd get royalties or whether you'd keep the intellectual property. And it would just be negotiated. It's a contractual thing.

Ms. Bakken: — I would just ask the auditor, in light of the fact that this was done, this software contract was awarded through a request for proposal, would it be fair to say that this should have been indicated and made aware to all those that were bidding on this request for proposal, that this was an item that would be part of the . . . could either be negotiated or that it was a given that this would happen; that whoever developed it would be allowed to keep the rights to it and market it?

Mr. Wendel: — I don't know if I know enough about this particular request for proposal but your request for proposal should be as complete as possible and I don't know whether you would limit it. In any particular request for proposal you would open it up to see well, what other options are open to us. If somebody came back with some innovative way to do this that said, we'll keep the intellectual property, pay us a royalty; or if you went the other way, I think, again that's a negotiable thing.

Request for proposals aren't like a fixed tender for a supply of goods. Those are usually fairly fixed and very specific. Requests for proposals, you're open to other ideas. That's why you put it out that way.

Ms. Bakken: — Just a couple more questions on this. Why was the paper cash management tied to the RFP with the linked

bingo?

Mr. Lacey: — I understand at the time that, as we've talked about previously, the linked bingo game was anticipated to generate incremental revenues to the bingo industry. And it was felt as those incremental revenues would be generated, it would be also beneficial at the same time to introduce into the bingo industry an enhanced cash and paper management system.

Ms. Morgan: — It would pay for the linked bingo game.

Mr. Lacey: — And the linked bingo would pay for that.

Ms. Morgan: — Yes. It would pay for the costs associated with the linked bingo game.

Ms. Bakken: — What do you mean it would pay for the linked bingo game?

Mr. Lacey: — Well the return on . . . The incremental revenues related to the increased revenues from a linked bingo game would be sufficient to pay for the development costs of the linked game and the operating costs of the linked game, as well as the development and operating costs of a enhanced paper management system for the bingo halls.

If you were to proceed on just a enhanced cash and paper route system by itself, there would have been I guess an incremental cost there.

And the projections at the time, the thinking at the time were that the increased revenues from the bingo, linked bingo game would not only pay for the development of the linked bingo game and the operation of the linked bingo game but also the cash and paper system.

Ms. Bakken: — But they really have no relationship to each other.

Ms. Morgan: — Well they do . . .

Ms. Bakken: — I mean, you could do one without the other, is what I'm saying.

Mr. Lacey: — To the extent that you want to obtain efficiencies with respect to the type of hardware and systems that those two systems are going to run off, there is a connection because there are efficiencies in running two separate systems on the same hardware as opposed to running two separate systems on two different sets of hardware. That would be the linkage.

Ms. Bakken: — And so is the cash and paper management system still being used today in an operation?

Ms. Morgan: — No. Or is it? Not that version.

Mr. Lacey: — No. I guess the initiative was set up such that SLGA wished to get the linked bingo game up and running first to generate these additional revenues, then in turn to pay for an enhanced cash and paper management system.

With the lack of success of the linked bingo game, there was no

longer that — I guess for a lack of a better word — business case with respect to incremental revenues to ongoing fund a cash and paper management system and to complete the development and implementation of the cash and paper management system.

So with the suspension of the linked bingo game, the cash and paper initiative was suspended as well.

Ms. Bakken: — Was it not part of the original? In fact, I know it was. I don't have to ask that question. It was a part of the original request for proposal. It was in conjunction, the two. So how is it that the linked bingo happened? The contract was awarded on the understanding that the winner of the award, which was Wascana Gaming, would provide both of these services. How is it that this did not happen, that only the linked bingo game was fulfilled and not the . . .

Ms. Morgan: — Well, you know, when the linked game was cancelled, in essence the entire project was cancelled. And the committee that was struck after this has spent time talking about, you know, the issue of cash and paper and the issue of a province-wide game. And they're still discussing what options we can look at.

But in essence when the project was cancelled, the whole project was cancelled.

Ms. Bakken: — What were the dollars that were budgeted for the cash and paper management portion of this? My understanding was that the 1.2 million was for the entire RFP.

The Chair: — These are specifics, Ms. Bakken, that are not contained in the auditor's questions.

Ms. Bakken: — Mr. Chair, I think they're relevant, then, that this information was not given in the annual report where this should have been reported. And that is the issue that we are discussing.

The Chair: — Right.

Ms. Bakken: — The details of it.

The Chair: — There's no question about that regarding improving the annual report and I believe that's the motion that we have before us. The annual report is lacking and you have pointed out that your understanding is that a one sentence summary of mega bingo is not sufficient.

I think that there needs to be a further explanation from the officials to you directly if you have further questions regarding that. But it's not in the information that the auditor has reviewed because this is new information. And I'd ask Mr. Wendel's opinion on that, if that is correct.

Your report did not contain anything regarding comments on the mega bingo.

Mr. Wendel: — Yes, that's right, Mr. Chair, we haven't commented on mega bingo.

The Chair: — So I'd ask that you would . . . Again, further

discussions need to take place. And you have agreed to those discussions with Ms. Bakken. And I'd appreciate that the questions that she has regarding specific numbers and specific details of contracts would be provided to her at your meeting.

Ms. Morgan: — Yes, absolutely.

The Chair: — Thank you. We have the recommendation 15 before us, and I want to move forward because we still have a large number of recommendations. It is not contained in the document summary and as indicated, there is a desire to have a report that would reflect an improvement come July.

And did we have a resolution for . . . Yes, Mr. Gantfoer, I'm sorry, moved concurrence. Any further discussion? All in favour? Carried.

Now our next set of recommendations come out of chapter 6B, and there are 13 recommendations in this chapter. And we'll rely on Mr. Wendel as well as Ms. Morgan because the pages identified as 165 to 167 contain a summary of not only recommendations of now but of the past, as well as the recommendations that we'll find in this chapter.

Some have been dealt with because they're repeated twice because they were both SLGA recommendations and SIGA recommendations. So we need to do a balancing of what we've already stated regarding our position on the SIGA recommendations because they will be very nearly the same.

And I believe if we start with recommendation no. 1, which is the difference of opinion resolution, we have agreed to defer that recommendation. And I'd ask then for a resolution that we defer.

Moved by Atkinson. Any questions? Seeing no questions, all those in favour? Carried. This will be deferred to the CICA opinion.

Recommendation no. 2 on page 146.

Ms. Morgan: — Number 27 on page 9 of our document.

The Chair: — Page numbers? I mean . . .

Ms. Morgan: — Page 9, no. 27.

The Chair: — Thank you very much. Page 9, no. 27. Are there any comments from the auditor's office regarding this? No? Okay.

Ms. Atkinson: — Concurrence.

The Chair: — Move concurrence. Any questions? All those in favour? Carried.

Recommendation no. 3, business plan.

Ms. Morgan: — It's no. 30 on the same page, page 10.

The Chair: — That's a new page. We were on page 9.

Ms. Morgan: — Oh, I'm sorry. I'd already turned mine.

The Chair: — Thank you. Number 30 on page 10. There is some indication by SLGA about SIGA's business plans for the future, 2004-'05, consideration by January 2004. So there seems to be . . . have some goal in mind. Any questions or comments from the auditor's office? None? Ms. Atkinson, questions?

Ms. Atkinson: — I have a question. Can you explain what you mean by, you've received a copy of SIGA's business plan on April 11, 2003 and the budget wasn't fully prepared in conjunction of the business plan. Can you tell us where that's at?

Ms. Hanson: — Budget approval, budget request commences in January and by the end of March of each fiscal year we have to give approval to SIGA so they have a budget in place commencing April 1. Their strategic plan wasn't completed, fully completed at the time, although they did spend some time in developing their budget along the same lines as they were developing their strat plan. It wasn't fully integrated. So we expect that the next budget it will be fully integrated with the strategic plan.

Ms. Morgan: — And as a consequence of that we put some conditions on the budget that was approved of by the end of March, based on the strategic plan that we knew they were working on.

Mr. Wakefield: — Just a question for clarification and my understanding. Will this business plan and financial plan be public?

Ms. Morgan: — I think probably, eventually. I'm not completely sure. The government's business plans are all going to be publicly released eventually. I don't think any decisions have been made yet with respect to non-governmental agencies and the release of their plans, third party.

But I can't answer that question today with any certainty just simply because the non-governmental agencies haven't been brought into the process for public release yet. But I think the overall plan of the government is eventually that it was executive governments, then to Treasury Board, Crowns, to Crown corporations, to third parties. And I just don't know when for sure SIGA's report might be public.

Mr. Wakefield: — Well I guess it's part of the accountability process. I'll certainly be asking that again.

Ms. Morgan: — Okay.

The Chair: — Any further discussion? Could we have a resolution of this recommendation? Moved by Ms. Atkinson. Concurrence and noting progress. Any discussion? All those in favour? Opposed? Carried.

Recommendation no. 4 on the bottom of page 147 and 148 . . .

Ms. Morgan: — And these are included in two numbers in our report, nos. 22 and 31; 22 is on page 8 and 31 is on page 11.

The Chair: — These are the same recommendations for . . . right?

Ms. Morgan: — That's right, yes.

The Chair: — So is there any differences in your comments? If I, you know, look at 22 or recommendation 31?

Ms. Morgan: — Yes, they're identical.

The Chair: — They're identical. Okay, thank you for that. So if we . . . If you want to concentrate on just one, and you'll note that it's ongoing, expected completion. And there's a large amount of information that is being submitted to members to indicate how SIGA's board should achieve these goals.

Are there any questions?

Mr. Harper: — I move we note concurrence . . . I mean, I move concurrence and we note progress.

The Chair: — Thank you. Concurrence and noting progress. Any discussion? All those in favour? Carried.

Recommendation no. 5 on page 149.

Ms. Morgan: — And it's no. 36 on page 13.

The Chair: — Thank you, Ms. Morgan — 36 on page 13, top of the page.

Mr. Wendel, any comment there, noting that it is partially implemented in our report? Mr. Gantefoer, a question?

Mr. Gantefoer: — Concur and note progress.

The Chair: — Concurring and noting progress. Any questions? All those in favour? Opposed? Carried.

Recommendation no. 6 on page 150. And now, again, this is marketing and promotion, and I believe that Mr. Ahmad would have a comment.

Ms. Morgan: — Yes, it's no. 40 on page 15 of our document.

Mr. Ahmad: — I think, Mr. Chairman, SIGA has already stated that they're going to deal with that shortly and you supported a resolution saying that.

The Chair: — Okay, similar to our resolution when we dealt with the SIGA recommendations, they have indicated that there will be compliance as we move forward into the summer months.

Resolution?

Mr. Harper: — Move concurrence and note progress.

The Chair: — Thank you. Moving concurrence and noting progress. Any questions? Discussions? Seeing none, all those in favour? Carried.

Recommendation no. 7 on page 152.

Ms. Morgan: — It's no. 42 on page 15.

The Chair: — Recommendation is no. 42 on the other document.

No concerns from the auditor's office. Mr. Wakefield, a question?

Mr. Wakefield: — I'll move concurrence and note progress.

The Chair: — Noting concurrence and noting progress. Any questions?

Ms. Bakken: — I have a question. If there's a Bill before the House that gives further authority or is looking to give further authority to Saskatchewan Indian Gaming Licensing, will, once they have reached that authority . . . Or I guess, I'll back up first of all. Can that authority be awarded by Liquor and Gaming or is that something that is directly related to the Criminal Code of Canada?

Ms. Morgan: — The Bill before the House is a Bill to give the Liquor and Gaming Licensing Commission authority to hear appeals from SIGL.

Ms. Bakken: — Authority to hear . . . from them, from SIGL.

Ms. Morgan: — Yes. And the authority with respect to SIGL is in the First Nations gaming agreement. It establishes SIGL, outlines the manner by which it should operate. And yes, we'll have to authorize SIGL according to the laws of the Criminal Code of Canada.

I mean whenever we eventually devolve the authority, the agreement lays out how that authority is arrived at. They have to prove capacity. There's any number of criteria here with respect to SIGL. But they haven't been given any authority yet to do anything, but there would be an agreement between us and SIGL.

The Chair: — Resolution to this?

Mr. Harper: — Mr. Chair, I move concurrence and note progress.

The Chair: — Concurrence and noting progress on this resolution. Any questions? All those in favour? Carried.

No. 8 on the top of page 153.

Ms. Morgan: — And that's no. 35 on page 12.

The Chair: — The bottom of page 12, you'll see no. 35. Partially implemented. SLGA is intending on performing ongoing monitoring of those policies. Any questions?

Mr. Gantefoer: — Concur and note progress.

The Chair: — Concurring and noting progress. Any questions? All in favour? Carried.

Recommendation no. 9 on page 154.

Ms. Morgan: — And it's no. 38 on page 13. I think these are issues that are going, obviously, to be resolved.

Fred Ballantyne who is the VP (vice-president) of Finance, he has implemented a number of procedures with respect to proper recording. In essence, standard accounting procedures. And at the time of the Provincial Auditor's report, which was to the end of March 2002, Mr. Ballantyne had only been on board for three months. But since that time, we've been making good progress with respect to the accountability on accounting procedures.

The Chair: — Excellent.

Mr. Harper: — I move we note concurrence . . . I mean, we move concurrence and note progress.

The Chair: — Thank you. Moving concurrence, noting progress. Any discussion? All those in favour? Carried.

Recommendation no. 10 at the bottom of page 154.

Ms. Morgan: — It's no. 24 on our document, which is on page 9.

The Chair: — Noting there that segregation of duties were completed in February 2003. Correct? Yes, okay.

Ms. Atkinson moving concurrence and noting progress. Any discussion? All those in favour? Carried.

Recommendation no. 11 on page 156.

Ms. Morgan: — That's no. 43 on page 15.

The Chair: — Agreement under the SIGA chapter as well already with this, so we need a resolution.

Mr. Harper: — Move concurrence and note progress.

The Chair: — Concurrence and noting progress. Any discussion? All in favour? Carried.

Recommendation no. 12.

Ms. Morgan: — That's no. 44 on page 16.

The Chair: — Your last page, no. 44. And it indicated that it has already been completed. Any questions?

Ms. Bakken: — Just for clarification. Oh, okay . . . No, no.

The Chair: — Not that one?

Ms. Bakken: — Sorry, it's the next one.

Mr. Gantfoer: — Concur and note compliance.

The Chair: — Okay. Concurring and noting compliance. Any discussion? All those in favour? Carried.

Recommendation no. 13, your final recommendation is on page 158, on annual reports now.

Ms. Morgan: — No. 45 on the final page.

The Chair: — Yes, the last page, thank you. In anticipation that as a result of work being done this June and July, we will see an improved report. Ms. Bakken, you have a question.

Ms. Bakken: — My question is around the list of persons, employees, and suppliers who have received money from SIGA, and the amount each person received. It's my understanding that in the past this has not been available because of the ongoing investigation. Will this now be provided?

Ms. Morgan: — It was released the day the Department of Justice made their announcement.

Ms. Bakken: — For going back, or just the one year.

Ms. Morgan: — Yes, yes, all of them.

Ms. Bakken: — Thank you.

Ms. Morgan: — Starting in '99-2000.

Ms. Bakken: — Okay.

Ms. Morgan: — The years that they hadn't been released for.

The Chair: — Okay, there's clarification that those reports were released and that the new report will contain the information.

Ms. Morgan: — We have copies with us if Ms. Bakken would like. Okay.

The Chair: — Yes. Any further questions on recommendation no. 13? Okay. Could we have a resolution please?

Mr. Harper: — Concurrence.

The Chair: — Concurrence and noting progress. Any questions? All those in favour? Carried.

Any further questions or discussion on chapters 6A or 6B? Seeing none, I want to thank on behalf of all the members of the Public Accounts Committee you, Ms. Morgan, and all of your officials for coming back a second day and assisting us in making sure that we were able to get through these chapters while it was still fresh in our minds from our discussion yesterday. And we appreciate that and helping us through.

To you, Mr. Wendel, and your officials, thank you very much. And with that, we will allow the officials to leave.

We have one other piece of business that we need to take care of as members. And while they're leaving, I passed around this morning a copy of the national conference of Public Accounts Committees that will be taking place this summer and the host for this year's conference is Winnipeg. It is the 24th annual conference. You've had a chance to look at that.

We've had various representation from the Saskatchewan Public Accounts Committee to the conference. Normally it's been about a group of five, where we have four members and a representative of the Clerk's office. So we require a resolution

that would allow the Chair and Vice-Chair and one member from each of the government and the opposition to attend, along with the Clerk representative.

Is there any discussion on the conference? It's on September 14 to 16 in Winnipeg. You think we'll all be busy. We require a resolution today that would . . .

Ms. Atkinson: — I move that the Chair, the Vice-Chair, and one from each caucus attend.

The Chair: — Thank you.

Ms. Atkinson: — Plus the Clerk.

The Chair: — And the Clerk's office. In other words a group of five. Any discussion on that recommendation or resolution?

Mr. Yates: — Are there substitutes if somebody can't go?

The Chair: — Yes, that's intended. Yes. I probably suspect that Crown Corporations might even have some people at the meeting as well.

Okay. Resolution moved by Ms. Atkinson that the authorization be given to the Chair and the Vice-Chair and one government member and one opposition member along with a representative from the Clerk's office. All those in favour? Opposed? Carried.

Any further comments?

Ms. Atkinson: — We should send the auditor too.

The Chair: — He'll be there. Yes, because it's joint, it's joint.

Members, and I know it's Mr. Harper's and my responsibility to determine the next date. We are having difficulty establishing time because as some of you already know, I will be away for the week of the 9th to the 13th, so we just have next week and next week is extremely full. So we may not be able to meet until the Tuesday of . . . (inaudible interjection) . . . No, the Tuesday of the last week of June.

Anyways it will be discussion between Mr. Harper and myself as to when we will meet again. We had attempted to meet next Tuesday, but Mr. Wendel will be releasing a report next Tuesday. So that's another report that will give us more work.

So with that, the meeting stands adjourned.

The committee adjourned at 12:02.

