

STANDING COMMITTEE ON PUBLIC ACCOUNTS
March 28, 1984

MR. CHAIRMAN: — . . . (inaudible) . . . the session, and there are a couple of preliminary items, one of which is — and I'll be mentioning this before I leave — the *Hansard* folks are having problems with inaudibility on the tapes. I think it's merely a process of speaking one at a time. I think that's the primary problem and I will, I think, attempt to recognize members as I have in the past, and members have been really very good about it. I think it's just the process of waiting until you're recognized, and not throwing all the pearls of wisdom on the table simultaneously. So, I mention that.

I need a resolution authorizing attendance at the Prince Edward Island meeting, and I therefore take it that it is moved by the member from Rosthern, seconded by the member from Assiniboia-Gravelbourg:

That this committee authorize, under sections 54 and 67 of the Legislative Assembly and Executive Council Act, the attendance of members of the committee and the committee Clerk at the sixth annual conference of public accounts to be held at Prince Edward Island from July 11 to 18.

All in favour of that motion?

AGREED

MR. CHAIRMAN: — All right.

MR. LUTZ: — Mr. Chairman, are those dates correct? I think I'm going for two and one-half days. I just wondered what happened there.

MR. CHAIRMAN: — July 9 to 11.

A MEMBER: — Oh, okay.

Public Hearing: Report of the Provincial Auditor for the year ended March 31, 1983

MR. CHAIRMAN: — Okay. Then begin the Provincial Auditor's report.

MR. KATZMAN: — Mr. Chairman, one comment here. I think we also better tell Gwenn if we're staying a day or two longer or not on these dates . . . (inaudible) . . . hotel problems.

MR. CHAIRMAN: — Yes, we should.

MR. KATZMAN: — Some of us are arriving Monday, if not Tuesday.

MR. CHAIRMAN: — We will certainly be arriving Monday. Indeed, we may be arriving Sunday night. That's a good point. Members will have to advise our Clerk if they are going to be there on any days other than the 9th and 10th, since I assume it's the 9th and 10th for which our rooms are booked. Perhaps . . . no, it'll be the 11th as well.

MR. KATZMAN: — The 11th we have a night meeting.

MR. CHAIRMAN: — Yes, we have an evening affair. It's the 9th, 10th, and 11th that the rooms will be booked for. Okay. Those were all the preliminary items I had.

I guess we might as well then begin wheeling through the report. First section then is the general, and note your comments on the new act. Also note your comments on comprehensive auditing. That's one of the items that I want an opportunity to discuss, either at the beginning or at the end or the middle. I don't care which.

MR. KATZMAN: — Today you mean, or . . .

MR. CHAIRMAN: — No, no, I want this on the agenda sometime as an opportunity to discuss that. I know members of the government caucus will welcome this additional scrutiny that the comprehensive auditing entails.

MR. GLAUSER: — Can't put us into any more debt than we're already in.

MR. CHAIRMAN: — No, you can't make things worse. That's right. Any other comments on the section 1.1?

MR. KATZMAN: — Comprehensive audit and what else, Ned?

MR. CHAIRMAN: — Pardon me?

MR. KATZMAN: — You said you wanted comprehensive audit and what other item?

MR. CHAIRMAN: — That's all out of that area to be discussed.

Okay. Cost to discharge Legislative Assembly's audit requirements. A modest increase I see here.

MR. LUTZ: — Which is that, Mr. Chairman?

MR. CHAIRMAN: — In the total charge to consolidated fund.

A MEMBER: — Page 3?

MR. CHAIRMAN: — Yes.

MR. LUTZ: — On the '83-4, '82-3, '84-5. What are we discussing here, Mr. Chairman?

MR. CHAIRMAN: — '80 . . .

MR. LUTZ: — '3-4.

MR. CHAIRMAN: — I was just saying in '84-5. Yes, in the total charge to consolidated fund there seemed to be a fairly modest increase of under 1 per cent in that total change to the consolidated fund. Perhaps because of the decrease in staff.

MR. LUTZ: — Actually, I believe that, if you go back to the *Estimates* and tear them apart, there's a slight decrease.

MR. CHAIRMAN: — Is there?

MR. LUTZ: — That's the way we have examined it anyway, yes.

MR. CHAIRMAN: — I will want to raise the issue, as I did yesterday in the budget speech, of the staffing of the Provincial Auditor's office. I do not know how one can justify, but perhaps one can, the decrease in staff, and I want to raise that issue.

MR. KATZMAN: — Mr. Chairman, I think you and I both remember what happened in Toronto at the conference, and might I suggest . . . (inaudible) . . . But why choose to spin your wheels?

MR. CHAIRMAN: — Oh, well, I will want to raise it and, whether my comments are concurred in by the committee or not, I will want to raise it and discuss it in the House. The mere fact that

we may or may not be able to provide additional staff this year is no reason not to bring the matter to the attention of the public, if that's all that I will be accomplishing. Anything else?

MR. LUTZ: — Mr. Chairman, I think perhaps I should clarify one thing. This '84-85 column on page 3 is the amounts we have requested from the administration for operating the office. It is not the same amount that was included in the *Estimates*.

MR. CHAIRMAN: — I see. I did not understand that. I assumed that was the figure that was in the *Estimates*. Okay.

MR. KATZMAN: — How does it compare with the '83-84?

MR. CHAIRMAN: — I see that. I see that there is a considerable difference. The difference is about \$600,000. I see that. Tell me, if I might ask, in the estimates under "other expenses", that's reduced to about 50 per cent. What was that figure largely made up of?

MR. LUTZ: — Oh, this is the '84-5 now. Go the other way.

MR. CHAIRMAN: — I'm sorry. I'm going the wrong way. I'm sorry.

MR. LUTZ: — Since the new act for my office was put in place, we have acquired, through whatever means, the ability to pay our own rent, to pay our own fringe benefits or the staff benefits, and those moneys have been transferred to my vote from other votes. That's why it appears to be the big jump in here.

MR. CHAIRMAN: — I see, I see. Okay.

MR. KATZMAN: — But Mr. Lutz, if I may, that's part of the autonomy here but from your office the decision is made when the bill is.

MR. LUTZ: — Oh, absolutely, we requested this, yes. However I would have to also tell you that if the members of this committee wish to know what is in these numbers that are in the *Estimates* book, then you will have to call the analysts who worked on my estimates because we really don't know them. It came down to a point where we finally said, "Go do what you have to do because we can't fool around with this any longer." So I don't know exactly what they've done here. They've done something. But if you want to know dollars and cents, then I guess you'd have to call the people from what used to be called the budget bureau.

MR. KATZMAN: — The only question I would have left, and I don't know the answer so I may be walking into the area that says keep out, but now under the new system if an outside auditor is brought in to do work, the department pays that cost now rather than you paying it.

MR. LUTZ: — Could you clarify that, Mr. Katzman? I don't quite follow what you said there.

MR. KATZMAN: — Let's say you have some crowns that you do. Give me a name of any one of them.

MR. LUTZ: — Sask Tel.

MR. KATZMAN: — Okay, Sask Tel. Say you don't have time to do Sask Tel, so an outside auditor is brought in to do it, as you are now allowed to do. Okay. Who pays the . . . (inaudible) . . . ?

MR. LUTZ: — No, not as I am allowed to do, as cabinet Lieutenant-Governor . . . (inaudible) . . . does.

MR. KATZMAN: — Who pays it?

MR. LUTZ: — Well, the crown corporation that's being audited.

MR. KATZMAN: — Okay, and who pays it if you do it?

MR. LUTZ: — The crown corporation pays us.

MR. KATZMAN: — You bill them additional?

MR. LUTZ: — Right. Yes, yes.

MR. CHAIRMAN: — At a rate which would be commensurate with what a private chartered accountant charges?

MR. WENDEL: — At a rate to recover all these costs that appear in this.

MR. CHAIRMAN: — I see.

MR. LUTZ: — We charge a rate that would recover . . .

MR. CHAIRMAN: — Your costs.

MR. LUTZ: — . . . our appropriation on an actual cost basis.

MR. KATZMAN: — So, therefore, your appropriation may not though be totally truthful. (That's the wrong word to use.) It may not be totally correct because you may have some recovery coming back.

MR. LUTZ: — Oh, no, they don't come in to here, Mr. Katzman. Any funds we receive from audit fees go directly to consolidated fund. Mr. Kraus takes those before the cheque even cools off.

MR. KATZMAN: — So in other words, the best thing if I read correctly (and this is where I was heading to), is when an outside auditor comes in and does it, because it leaves you more flexibility in your budget.

MR. LUTZ: — No. I don't think that's quite valid.

MR. KATZMAN: — Well, then I'm confused.

MR. LUTZ: — Mr. Katzman, we also are confused. We don't even know what they've done to us. And we're supposed to know. That's why I said earlier, if you want to know what's in here, you'd have to call the analyst and ask him, because we really couldn't figure out exactly what they were doing.

MR. KATZMAN: — Let me try it one more time in a little different way before I get myself totally confused.

You have a budget for to do so much work in the upcoming year, or last year — it doesn't matter what year. Okay. You plan to do all that work. When you plan that, do you plan in that budget that you are going to recover a certain amount of money for work that will go in to general revenue, and therefore your budget will increase? Or do you realize that your budget is X amount of dollars if you farm work out or don't farm work out?

MR. WENDEL: — Our budget is X dollars and is voted by the Assembly, and that's it, whether

we farm work out or don't farm work out. Our budget is a fixed amount voted by the Assembly, whether we farm work out or don't farm work out. That's all the money . . . (inaudible) . . .

MR. KATZMAN: — So the cheapest way for the government is to let you do all the work, farm nothing out, because then they don't have the additional bill to the crown.

MR. WENDEL: — Well, we do bill the crown for these costs that are in here, — some of them.

MR. KATZMAN: — And that found money will go into general revenue.

MR. WENDEL: — And you get the vote that for other expenditures, whatever you want to use it for.

MR. KATZMAN: — Okay. But if you do everything in the government's side and nothing billed to a crown, you still have the same amount of money.

MR. LUTZ: — This is our voted funds to do our work, and if we do all the crowns, or some of the crowns, and some of the departments, or all of the departments, the amount of money we charge for audit fees has no bearing on the amount of this money voted. They vote us sufficient money to hire sufficient, we hope, people to do this volume of work.

MR. WENDEL: — Which includes the crowns?

MR. LUTZ: — Which includes the crowns.

MR. WENDEL: — Whether there is another auditor involved or not?

MR. GLAUSER: — It would seem to me then, that it's a very difficult number to . . . Well, the chairman was saying that that's one number that he wants to talk about. It's very difficult for anybody to talk about it unless you know what's in there. For instance, okay, if . . . I was noticing going through some of the material that there were quite a number of audits performed by outside auditors in the past year.

A MEMBER: — There will be 23, as you can see on page 3 of our report.

MR. GLAUSER: — Then this is work that didn't have to be done through your department.

MR. WENDEL: — We're still involved. The audit's got two pieces, one piece being the financial statements that get tabled in the House, the attest audit. Then this other piece we're supposed to tell Public Accounts Committee and the legislature about the quality of administration, how well the system is being carried out, whether it's finished without authority, and so on. In that part we're still involved. We have to be involved because they have no mechanism to report to the House.

MR. LUTZ: — There is one reporting route to the House, through my office. So when another auditor does a crown corporation, it's okay. He does the financial statements. He does his little certificate which says, "In my opinion, these present fairly." But then the other half of this ball game is the quality of administration which is covered by the various items in my hat where these things must be looked at. We're not out of that at all. We still have to plan the audit with the other auditor. We still have to review his working papers. We still have to negotiate with him and get his report on the quality of internal control and general administration. We haven't lost those, because we are the only reporting route.

What we have done on this page is try to advise the members that the cost to audit in this province is my vote plus what is paid to other auditors. That's the left-hand column for the

'82-83 year. That is what we are advising the reader here that it is costing this province approximately 4.250 million to audit. And that audit is made up of my vote plus what is paid to other auditors for 23 different entities.

MR. WENDEL: — But is directly by those entities.

MR. GLAUSER: — By those entities, yes. So this is what I was trying to get a handle on, is: how can you differentiate between what it costs to do the actual financial statement, and what it costs to do your portion of the audit, which is contained in the figures up above?

MR. WENDEL: — But our portion of the audit also includes the financial statements.

MR. LUTZ: — We do that as well. We do the financial statement audit for Sask Power, Sask Tel, SGI. We also do the quality review, if you will, the systems of internal control — we put out a report on that, and that's the gist for our report to the legislature. We do both of those things. We say to the other auditors, you also shall do both of those things.

MR. GLAUSER: — You do the financial statements, regardless of whether it was farmed out?

MR. LUTZ: — Oh, no. No, no, no.

MR. GLAUSER: — That's what I mean, though.

MR. LUTZ: — No, no. Potash is . . . the audit is done by Deloitte's in Saskatoon. They do the audit. They attest the financial statements. They also do their review of internal control. Sask Oil is done by another firm. They do the same thing. We do power. We do the same thing. Another firm does Sask Mining. They do those two things. We do Sask Tel. We do those two things. It's no different. It's just that we do this much and others do 23.

MR. GLAUSER: — I guess maybe I didn't make myself clear. The ones that are done by Deloitte, Haskins or whatever . . .

MR. LUTZ: — Yes, yes, yes.

MR. GLAUSER: — Okay. That part of the financial statement is in these figures below?

MR. LUTZ: — You mean the cost of that audit?

MR. GLAUSER: — The cost. That's right. What you do is then in the figures up above . . .

MR. LUTZ: — My vote?

MR. GLAUSER: — Your vote.

MR. LUTZ: — What it costs to run my office is what it costs the province to audit those entities that I audit.

MR. WENDEL: — Plus some work that we do with these . . . (inaudible) . . .

MR. LUTZ: — Yes, but it's still in our vote. This is the dollar cost to audit in this province the stuff I do. And the other 23, cost this 664 . . .

MR. GLAUSER: — 664,000.

MR. LUTZ: — These are costs that the consolidated fund have not paid. They're paid from the auditee.

MR. KATZMAN: — Now, you're at the point that I was trying to get to. It's finally got through to me too.

MR. LUTZ: — I think, Mr. Katzman, your question was — I think it was a question — would it cost more or less?

MR. KATZMAN: — Yes. But, also, I am now saying that by the farmout, which is the not available not available comment in your report here, we could find the number . . . there would be a sizeable amount there or a very little amount there.

MR. LUTZ: — That will come in next year. We had to finish this year.

MR. KATZMAN: — And, therefore, that will reflect on the total amounts. It could be, for all we know, 4.5 million and it could be 5 million when it ends up total numbers. So to make an assumption that you have less or more, because of the way the system works, cannot be made except with hindsight.

MR. WENDEL: — Oh, no, that would have no bearing on it.

MR. KATZMAN: — Sure it does on your farmout.

MR. WENDEL: — No, we don't farm those out.

MR. LUTZ: — We don't farm those out, Mr. Katzman. We had no say in that matter.

MR. KATZMAN: — These 15 and 8 you do all the time?

MR. WENDEL: — No, those are already farmed out. Those are gone. They've been gone for some time now.

MR. KATZMAN: — Okay. There's a star here that refers to the other star at the top. It indicates 15 community colleges and 8 corporations. Okay, that being true, the money for the community colleges was paid by them, I assume . . .

A MEMBER: — Right. Yes.

MR. KATZMAN: — . . . and the money for those corporations was paid by them, I assume.

A MEMBER: — That's right. Yes.

MR. KATZMAN: — Therefore, when you end up doing them this year, let's assume that it so happens that all 15 community colleges and those 8 corporations, for some reason, aren't done by you. You actually don't go out and do them.

MR. LUTZ: — We didn't do them. We didn't do them last year.

MR. KATZMAN: — Okay, so that. . .

MR. LUTZ: — Those are the costs that those auditees paid to their auditors last year, and they weren't . . . (inaudible) . . .

MR. WENDEL: — Those are costs the Assembly's not aware of. That's why they put them in here.

MR. LUTZ: — This committee has not seen the cost of those audits before, because the costs

are merged into the financial data of the corporations being done by outside auditors.

MR. KATZMAN: — Non-voted.

MR. LUTZ: — Right.

MR. CHAIRMAN: — Have we canvassed that area with sufficient authority?

A MEMBER: — Yes.

MR. GLAUSER: — You may not want to ask any more questions on that . . . (inaudible) . . .

A MEMBER: — I think we're done with that item.

MR. CHAIRMAN: — Page 5. I want to flag the area of virements.

MR. KATZMAN: — Mr. Chairman, there was a report on virements somewhere. Did we get something, was it last year?

MR. KRAUS: — Last year or the year before there was some work done on virements.

MR. KATZMAN: — I think there was a note given to us of an explanation where authority allows virements and doesn't allow them. I'm wondering if we could have that document reproduced.

MR. KRAUS: — Well, I think, Mr. Chairman, that the only issue I suppose that I would want to raise, or the only point that I would want to raise, is that when the new Department of Finance Act was passed, I guess it was last spring, and I believe the auditor has raised this point, but section 32 does authorize the practice of virements. . . .

A MEMBER: — That's what I thought.

MR. KRAUS: — . . . and also authorizes or requires that virements be reported, the net effect of virements be reported, to the public accounts. So, from my point of view, I guess the legislature has agreed to that policy, and there isn't very much more I could say about it.

MR. KATZMAN: — I think that's my point. There was something passed out that says that we're doing something that's changed the system. As you say, the financial act last year cured it.

MR. CHAIRMAN: — Do you concur in that comment?

MR. LUTZ: — John, do you wish to speak to this one? I think it's dear to your heart. If you don't want to speak, say so, and I'll speak.

MR. HUNT: — I think the point we're trying to make is that the legislation that was brought forth did not address all of our concerns, and in particular we had recommended that the governing legislation be amended so that increases in spending, which are authorized by the virements procedure, are accorded equivalent mechanisms for review and approval as are provided for special warrants.

The amending legislation that was brought forward . . . I guess what it did it provided in the legislation on a permanent basis, rather than through annual appropriations acts, the authority to utilize the virement procedure. We felt that the fact that cabinet did not consider the virements, there was no order in council prepared, and a legislative review procedure was not in place, that that was the essence of our comments previous. And I'm not sure that the legislation dealt with those comments.

MR. KATZMAN: — I think, John, if I may, if I read it correct, these comments were made before the new act came about, or were these comments made since the new act came about?

MR. LUTZ: — We're making the comment here since the new act came about. But what has happened is that the legislature will vote the estimates in this blue book, but by a process of virement all of those estimates, or a good part of those estimates, can be shuffled around without the members really being aware of it until after the fact.

MR. KATZMAN: — Okay, just for my own benefit. Warrant is when you move it department to department, from one area to another . . .

MR. LUTZ: — No, special warrant is additional funding.

MR. KATZMAN: — Additional funding. And a . . .

MR. LUTZ: — Virement is moving it within subvotes.

MR. KATZMAN: — Subvotes within the department.

MR. LUTZ: — Yes.

MR. KRAUS: — Mr. Katzman, one of the major differences is that a special warrant and supplementary estimate are used when they are adding money to a vote. There's actually been an addition to the spending required, to the spending to be made. But with virements, of course, there's really no increase in spending for any department. It's just transferring it from one subvote to the other. It's not an increase in moneys and that's why they've used a virement, rather than go back.

MR. KATZMAN: — I was going to say I thought there was some discussion in this room that said, okay, virements are okay because it doesn't move it out of the vote. Because you discuss one program, there was no demand for it and the other program there was a . . . (inaudible) . . . demand, and therefore a virement was . . . You know, we weren't that insulted by a virement.

MR. CHAIRMAN: — I'm not sure that I would concur in that comment. I'm not sure if I can concur on that comment. It is difficult to analyse the estimates and to know whether or not expenditures are appropriate. There has been money vired around and you don't, in fact, know what they've spent, but what, in fact, they were authorized to spend. It makes it difficult for an opposition and for the legislature to analyse expenditures and approve new expenditures, if you don't know what was spent in the last year.

MR. KATZMAN: — Mr. Chairman, you . . .

MR. CHAIRMAN: — I would readily concede that this not a new problem, but I would like an opportunity, I think, to discuss it in the committee here, the comments contained in their report.

MR. KATZMAN: — My comment, Mr. Chairman, to you, and I don't mind getting into it in the report, but my comment to you would be very simple: that he who invented the game now seems to want to change the rules.

MR. CHAIRMAN: — Oh, I don't think the NDP in any sense invented the game. It's something to do about virements. Virements are . . . (inaudible) . . .

MR. KATZMAN: — For many years we were told virements was fair game, by your former colleagues. They disagreed a little more with special warrants than they did with virements, because they said it didn't change the vote within a department.

MR. CHAIRMAN: — Well, I guess this is something . . . Yes?

MR. LUTZ: — Next, when you're ready.

MR. CHAIRMAN: — Go ahead, Mr. Lutz.

MR. LUTZ: — You will recall that last year, when my legislation came forward, this committee did a clause-by-clause study of that legislation. Section 12(1)(b) requires me to report . . . no, 12(1)(c), sorry, where "any appropriation was exceeded or was applied to a purpose or in a manner not authorized by the Legislature." So if you can take virements between subvotes and move these numbers in this blue book around, certainly the money is being applied to a purpose not voted by the legislature, if you can, by virement, move money back and forth within a total vote.

This is our point. We are trying to get around this problem.

MR. KRAUS: — I didn't want to get into this discussion because I think it is a policy question but, nevertheless, it has to be pointed out that that's a policy that's been agreed to by the legislature. After all, it says right up front in The Finance Act that that is a practice that can be followed. But . . .

MR. LUTZ: — So is this.

MR. CHAIRMAN: — With all due respect, Mr. Kraus, it's not something that was found outside of Mount Sinai. It may be that the proper role for this committee is to bring into question acts that the legislature had authorized. We may well be within our role to recommend changes in legislation where we think it inappropriate.

MR. KRAUS: — One other point, too, I would like to make, Mr. Chairman, is that one of the criticisms, or concerns, I guess would be a better way of putting it, several years ago (this will go back two or three years), was that virements weren't reported. And we have taken that step, so that the *Public Accounts* now does show the original estimate, and then any virement into or out of that particular subvote.

So it's a lot clearer to know what moneys have been vired or at least you can see what moneys have been vired now. So there is that system provided.

MR. WENDEL: — Excuse me. Do you show all the virements right there?

MR. KRAUS: — We show the net virement. That's what's required in the finance act. So it does allow you to, at least, see what changes have been made when you dig them up.

MR. HUNT: — What we're simply addressing here is the fundamental principle of parliamentary control of expenditures. Increases in any subvote which are authorized by the virement procedure constitute increases in spending, a change in the government's fiscal plan.

Now the extent to which you may have utilized under apparent, or anticipated underspending in other subvotes, simply means that, instead of that money residing in the bank account at the end of the year, you've taken that underspending over to another purpose. But the fact still remains that the increase in spending is there, and it's not voted by the legislature.

MR. GLAUSER: — I don't quite follow what you're saying there, because my understanding of the whole thing was that as long as money was not moved out of a subvote . . .

MR. KRAUS: — Out of a vote.

MR. GLAUSER: — A vote, out of a department. Then it did not constitute extra spending. And that does not tell you that money has been removed from the bank account that has not been accounted for.

MR. HUNT: — It's extra, in a sense, that if you hadn't deployed the authorized limits from another subvote, presumably that underspending, had it come to pass at the end of the year, would have resulted in additional cash being on hand.

MR. KATZMAN: — I think the way I remember it (and I'm going to stick to my memory here) is they're to be identified that they were moved, but there is nothing wrong with them. The intent was just for the auditor to note them, that that happened. They had been agreed to, that there was nothing wrong with them happening.

It was just more for knowledge to know that instead of building the rink in DNS — that particular when it all came up — they'd build a house with it. It was still part of the DNS vote, different subs. It was to identify money moving between subs, and that was the major concern of the year we did that review.

That in mind, we also were very concerned with when it wasn't just a vote that we were talking about. It was with special warrants where there was additional money put into a vote, not from the total vote. That's two issues. So the subvote being moved between subvotes was not . . . You were to report on it, the way I understand but that was it. It was not improper.

The special warrant, which put more money into a vote itself, was the one that the concern was, because that then comes back in under supplementary estimates. Have I put it in a nutshell what that problem was about three years ago when the decision was made to start, to at least show it publicly?

MR. CHAIRMAN: — I can't understand what you're saying. I think there's more involved than just the . . . (inaudible) . . . I think there's also a question involved with the legislature authorizing the expenditures. The departments are not a homogenous undertaking. If the department authorizes an expenditure on pest control, and that money is used to increase the grants to the Saskatchewan Stock Growers Association, that effectively weakens the parliamentary control of expenditures, but you can do that by virements.

And give you another example. Money which is authorized for day care might, I suppose, be spent for a grant to the . . . (inaudible) . . . a group who are, perhaps, on the opposite side on some of these issues, Pro-Life group. That's not what the legislature authorized, and we can legislate the control of spending with virements. It is, admittedly, a necessary tool, given the fact we only meet for 12 weeks a year. But that doesn't . . . The virements do weaken legislative control of the government expenditures.

MR. GLAUSER: — I still beg to differ on that because you're not circumventing the legislature if you do not spend more than was authorized through the vote in the House.

MR. MARTENS: — I was just wondering whether the restrictions within the department wasn't . . . You mentioned two different departments — somehow you were comparing the two. And from what I understood from Mr. Kraus, it was within one department serving another department.

MR. CHAIRMAN: — Yes, the pest control may now be in the Department of the Environment; the example may not have been a great one. I thought the pest control was in the Agriculture. Perhaps it isn't.

MR. KRAUS: — Whether the parallel is fair or not, there is an argument made that it's like a business that has moneys budgeted for travel and for stationery and for postage, and so on, and

still you arrive at a bottom line. If you're going to spend a little more in travel, and a little less in postage, do you have to come back and get your budget approved? You can argue that it's not a fair comparison, but it is still valid to look at it in that way.

MR. CHAIRMAN: — Without attempting to resolve the matter now, can we simply flag it, and pick this tug of war up at a later date?

MR. KATZMAN: — Mr. Chairman, you and I are going to get in a disagreement right now. I don't think it needs to be flagged. I think history has made decisions in this committee, and unless we want to change history, what are we flagging it for? If you want to change history, fair game.

MR. CHAIRMAN: — Perhaps I do. The member for Assiniboia-Gravelbourg.

MR. ENGEL: — I thought you were going to recognize individuals in turn. I'll complain a little bit about my chance of getting in to debate it. It goes three of four times around the ring before you can get at.

I think that this is a serious matter for public accounts to consider. I used to serve on a hospital board. You had a small hospital that had a line-by-line budget. That budget was approved by the Department of Health; or I would go over to Swift Current where they were on a global budget, and they got X number of dollars to spend as they saw fit.

And we're saying to the legislature now, in my review of the estimates in the Department of Agriculture, it really doesn't matter what is assigned. I can get all excited about one specific area, that I'm concerned that that area be covered off, and that my constituents get that kind of expenditure covering off that area. They can say, okay, we'll vote \$22 million for that specific item. Then they can turn around and spend it on something else because a virement allows them to spend it there. And so my authority is cancelled. So, if we're going to do estimates, we'll get done in time for seeding, because all we'll have to do is a lump sum of what a department gets, and I have no say on what an individual aspect of that department spends, because it's not going to be done.

You can say there's going to be so much money spent on each of these various aspects of a department, and all that counts is the total at the bottom, because if they can have the virements in place, we have no say on what's going to spend. And that's how I see it. I beg to have somebody explain that I'm wrong.

MR. KATZMAN: — Mr. Chairman, I think the best way to answer Mr. Engel's question would be this: "He who is without a sin should throw the stone." And the former government members invented the system, at least as far as I am concerned, because I came here and they were the government. They streamlined the system so well that in estimates, when we had our vote on the final Vote, all we were sure of is, unless we saw a special warrant, that the total amount of money being spent in Agriculture, or any other thing, was correct. But, other than that, which department got it, didn't matter because Mr. MacMurchy or Mr. Messer or Mr. Kaeding would move it around, whichever they want, within. So throw the stone if you are clean without sin, but since I've been in here, that's how the system was invented.

MR. CHAIRMAN: — History did not begin with your arrival in Regina.

MR. KATZMAN: — The Conservatives have never been the government here, Mr. Chairman, so we are clean.

MR. CHAIRMAN: — No, that's not true. The system was in effect when the Anderson government was around . . . (inaudible) . . .

MR. KATZMAN: — That was not a Progressive Conservative government, if you read your history, Mr. Chairman, and Dr. Norman Ward agrees with me.

MR. ENGEL: — Order, Mr. Chairman, let's get back to public accounts.

MR. CHAIRMAN: — I think that there is no comparison with business. If I have a subsidiary providing chemicals in Morse, all I care about is the bottom line — what profit is returned to the shareholders, which in this case would be the principal business. That's not what we're doing. This is not . . .

We have more concerns that the total amount spent. We are concerned that the total amount spent, but surely as legislators we are concerned about what it is spent on. We care whether it's spent on day care, or grants to organizations, or some other function.

You cannot compare this legislature and its functions up to a group of businesses. We have far broader responsibilities than simply the total amount spent. The public also care what it's been spent on. And it strikes me that often what you are saying is that you still control the total amount spent. I say our responsibility as legislators is broader than just the total of the total amount spent. And it does weaken parliamentary control of the expenditures.

MR. KATZMAN: — Mr. Chairman, I'm prepared to put it down and come back at it another day. But the point is this: when we were in opposition, we accepted that virements were legal and legitimate, and we still, in government, accept them as legal and legitimate.

When we were in opposition, we were more concerned about special warrants because it did change the total vote number. Today, we still should be that. The only ones that seem to be changing their mind is the NDP members, who said they were very good before, when they were government, and now they're a terrible thing.

MR. CHAIRMAN: — No, it's just that the New Democratic Party has flexibility of mind, and we are able to adopt to changing circumstance.

MR. KATZMAN: — In other words, whatever's best for you, the system doesn't matter.

MR. CHAIRMAN: — I'm arguing about what is best for the public. Let us agree to flag it and come back. This, I think, is not the appropriate time to resolve the issue.

Social Services. I don't think there's a lot of . . . My own view of Social Services is, there's not a whole lot of point in spending a lot of time on it . . . (inaudible) . . . call this department. Let's just agree to call them and go on to the next area. Agreed?

MR. KATZMAN: — I would suggest on Social Services, we at least let them know, are we talking the whole Social Services, or just the things indicated here? I mean, we've said yesterday we're going to give them an idea what we're going to ask about.

MR. CHAIRMAN: — That's a fair request. We will certainly want to be discussing the social . . . I think they should come prepared to discuss the whole department, given the nature of that department. Members, I think, will want to ask questions about expenditures here, there, and everywhere. So I think they should come prepared to discuss the whole department.

MR. KATZMAN: — Mr. Chairman, we don't have enough chairs.

MR. CHAIRMAN: — No, but the deputy minister has got to, as best he can, try to cover off the areas of his department. We will certainly want to be discussing in depth the social assistance payments . . .

MR. KATZMAN: — SAP, okay.

MR. CHAIRMAN: — . . . and the community and employment services branch. I think we want to discuss that with them, as well — the lack of accountability, apparently.

MR. KATZMAN: — Now you're narrowing it down. Let's keep going.

MR. GLAUSER: — What was the second one?

A MEMBER: — Employment services.

MR. CHAIRMAN: — I also will want to raise with them the effectiveness of the social workers and their ability to work with clients.

MR. KATZMAN: — That has no business here. That's not money.

MR. CHAIRMAN: — The effectiveness with which they expend the funds, and that is a proper function of this committee. We are not mere accountants.

MR. KATZMAN: — Mr. Chairman, you'd better explain just a little further, because I think we're going into a new area we've never been in before.

MR. CHAIRMAN: — No, I think I was in this area before; I was in it last year. I am concerned that the staffing of that department has been reduced to the point where social workers are unable to discharge their appropriate function, which is to assist the clients and get them off welfare and sort of get them out and earning and back into the mainstream of society.

At least, I am concerned that the staffing requirements of that department have been reduced to the point where they have time for little more than to shuffle paper. They have time only to see that the money gets to the people and try to attempt to put some sort of a curb on unauthorized payments. But they don't have time to do what they should be doing, which is assisting people getting back into mainstream of society.

If that suspicion is accurate, then I think we may be being penny wise and pound foolish by reducing the staff requirements in the department, and I think that is an appropriate subject for discussion. It's the effectiveness with which that department has discharged its function and expended its money.

MR. GLAUSER: — Mr. Chairman, I think that you're going upon some perhaps personal views in this matter, and perhaps we will not all agree with you.

A MEMBER: — Agreed.

MR. KATZMAN: — In fact, I'm not agreeing to pull them in for that. I'll start the argument right now. I think you've gone on a . . . That's part of the House role in the House.

MR. CHAIRMAN: — No, it isn't.

MR. KATZMAN: — You do that under estimates with the minister, not in here on spending. You're confusing issues.

MR. CHAIRMAN: — No, I'm not confusing the issues. I'm not confusing the issues. It is within the jurisdiction of this committee to discuss the effectiveness with which departments have expended their funds and discharged their responsibilities. The efficiency and the effectiveness with which departments discharged their responsibilities is an appropriate subject for discussion in this committee.

I want to ask them whether or not they have sufficient staff to work with clients and assist the clients in getting back into the mainstream of society and off of welfare. That is not a different subject than discussing whether or not the Revenue, Supply and Services have sufficient staff to do the audits necessary to determine whether or not they're getting all the tax. It's the same question: do you have sufficient staff to discharge your responsibilities? I am not sure Revenue, Supply and Services do, and I am not sure we have sufficient social workers. The question is the same. In one case you're dealing with tax; in the other case you're dealing with human beings. But the issue is the same. Do you have sufficient staff to effectively discharge your responsibilities and keep the public expenditures in this area to a minimum? I think it's the same question. You're just dealing with people rather than dollars.

MR. KATZMAN: — I would suggest that, if you are going to put that on the list, you start . . . which means that before those questions are asked we're going to have a discussion to find out the broad aspects of what this committee does and doesn't get into, because I have a feeling we are about to change the direction the committee has been going over the years. If we're changing the direction, fair game, but let's not change if . . .

MR. CHAIRMAN: — Okay. I don't mind, in any sense, you flagging the issue of jurisdiction of the committee to review that particular issue as well.

MR. KATZMAN: — I mean, because we're going into something I think is on a very . . . I think it's a House jurisdiction, not this committee's. That's what I'm having some problems with.

MR. CHAIRMAN: — Okay. Well, I don't mind you flagging a jurisdictional question. Anything else in Social Services, specifically, that we will want to raise with them? I will want to raise, in all departments . . . I will want to flag, in all departments, the question of the amount of severance pay paid by them in the year under review. The amount of severance pay is, actually, with an extraordinary amount of effort, could be gathered from the orders in council, I believe. But I will want to be asking them about the assistance rendered to the department by the transition team.

MR. GLAUSER: — That is already public.

MR. CHAIRMAN: — I know. But I want to raise that as a matter of, as a question of the appropriateness of expenditure.

MR. KATZMAN: — One more time. Announce it one more time, please. What do you want to ask?

MR. CHAIRMAN: — I want to get the figures from them of the number of people whose services were discontinued and the cost to the department of that.

MR. KATZMAN: — Who are you asking that question of?

MR. CHAIRMAN: — The Department of Social Services. Another way to do it, I may say, if members would prefer it, is to call the Department of Finance, to get the total figures from the Department of Finance, since it is my understanding, Mr. Kraus, that that would be available from the Department of Finance.

MR. KRAUS: — I'm not sure if the Department of Finance would have that, Mr. Chairman.

MR. CHAIRMAN: — Well, I guess we'll have to ask it of the departments then.

MR. KATZMAN: — Well, my concern is, I thought something was tabled on that.

MR. CHAIRMAN: — No. Neil Scott went through the . . . It was in the paper. Neil Scott went

through the *Public Accounts* and added up some figures. But I think he . . . I am of the view that he did not get the total cost of the severance.

MR. KATZMAN: — Well, I'm once again not sure if that's a House question and not this committee question.

MR. CHAIRMAN: — How on earth would you suggest that that is a House question? That is a question of expenditure made in the year under review. The issue, surely, is whether or not that was an expenditure from which the public derived much benefit.

MR. KATZMAN: — I don't disagree with you on the last part of your statement, Ned. My confusion is: should that be an order on the blues — I guess is what I should have said — rather than the House? Because . . .

MR. CHAIRMAN: — The fact that we could put a written question on the order paper surely does not, surely that isn't mutually exclusive.

MR. KATZMAN: — That doesn't exclude it from here.

MR. CHAIRMAN: — No.

MR. KATZMAN: — I'm just making . . . You know, my comment is that I'd rather have something to start with than start from nowhere, and an answer on the blues gives you a starting question because they'll list them all.

MR. CHAIRMAN: — Except we won't get it until 1985 . . . (inaudible interjection) . . . Yes. Those things are not provided in a very timely fashion. Historically, they have not been. Historically they haven't been provided next week.

MR. GLAUSER: — My question to you, Mr. Chairman, is: what purpose do you with to serve by doing this?

MR. CHAIRMAN: — I think there's a considerable amount of money wasted by the public in the activities of the transition team, and I think that that's a proper subject for discussion in public accounts. I don't expect members of the government caucus to enthusiastically support that view, but I think the wastage of money in the Conservative paranoia about the public service is very considerable. That may be introducing a partisan comment, but . . .

MR. GLAUSER: — It's getting more so as we go along here, in my estimation, because it's a matter of policy, and it's a matter of determination. And whether you spend that money this year, or whether you spend it five years in perpetuity, or 10 years in surplus staff to requirements of down-sizing government, is a whole matter of administration.

MR. CHAIRMAN: — But you didn't down-size government. The number of government employees, by your own figures, was reduced by less than 100 people. When you fired the deputy minister of government . . .

A MEMBER: — That is not . . .

MR. CHAIRMAN: — Yes, it is. You fired the deputy minister of Government Services and spend tens of thousands of dollars in doing it, and, in my view, replaced him with not one, but three, individuals of less experience. I'll put it that way. In my view, that is a wastage of public funds, and a proper subject for discussion for this committee. Now, the members of government caucus may disagree with my view as to whether or not those funds were wisely or unwisely spent. I'm surprised that you disagree that that's an appropriate subject for discussion in public accounts, because I would have thought it was precisely what we should be reviewing.

MR. GLAUSER: — Well, I beg to differ with you on the numbers. You say, by our own calculations, that we've only down-sized by 100 people — is absolutely incorrect.

MR. ENGEL: — Mr. Chairman, that is one of the reasons why we want to ask that question: to see just how many people they have on, how many they laid off, how much it cost them to make the change. Is that — in the words of the auditor — does that relate to economy, efficiency, and effectiveness? And I think that's part of the role of this committee. If you are saying now that that is not the role of this committee any more, I think we'd better start looking at our terms of reference and what we should be doing as a committee, if we're not going to look at economy and effectiveness and efficiency.

MR. KATZMAN: — Mr. Chairman, I have sat through a two-faced session, as far as I'm concerned, so far this morning. For many years, I watched Randy Nelson sit in the chair that Mr. Engel's sitting in, with his briefing book with all his instructions from your government on what to let the opposition into, and what not to let the opposition into. We have not taken that procedure as a government. We come here with open and free minds in this committee, and you're about to try and play the game. Now, if you want to get into the game, we'll start maybe getting the same little book Randy Nelson had, and blocking and voting against you every time you want to open something, like they did to us. If that's what you want to get into, Ned, let's get into it. But I think we want this committee to function as we did and suggested the first day: not to get into partisan stuff which belongs in the House.

Now, you make your decision if you want to destroy this committee by taking stuff that belongs in the House and bringing it in here, or you will make your decision, as chairman, that you want this committee to function, because you're causing it now . . . You're suggesting you want to go back to the old style when Randy Nelson sat here with his briefing book, telling us what the opposition could and couldn't get into, and every time we started to get something Randy didn't like, we got a motion from the government saying we couldn't look at it. I think you've got to go home and make your own decision if you want this committee to work — or you want us to be in a fighting mood every morning, because there's no sense . . . It worked well last year, and nobody went into areas that belonged in the House. All of a sudden, we're starting into areas that belong in the House.

MR. CHAIRMAN: — It worked well last year because you were reviewing our expenditures.

A MEMBER: — There was nothing changed from last year or the years before.

MR. CHAIRMAN: — I am surprised to hear the member from Rosthern suggest that all of the time we spent on the DNS (Department of Northern Saskatchewan), which was days and days and days — none of that related to the effectiveness or appropriateness of some of the money that was spent. Of course it did, and no one last year . . . I don't know what happened in the period before 1982. I was not a part of the committee, and I do not know what happened. I do not accept any responsibility for that period of time. That wasn't during a period of time I sat on this committee.

I speak from the time in which I have sat on the committee, which is post-April, 1982. No one, in any sense, restricted the scope of your discussion of DNS, and a good deal of it related to whether or not the expenditures which were taken were appropriate. I have the same view with respect to the firings, and I think that expenditure is an appropriate subject for discussion in this committee. You may . . . (inaudible interjection) . . . Yes, but not the question specifically (I'll recognize the member for Morse in a moment), not the question specifically of whether or not all of those terminations should have taken place. I have strong views about that, as well, but that's not the subject under discussion.

The subject under discussion is the amounts spent on severance, which I think is an appropriate

subject for discussion. I'll recognize the member from Morse.

MR. MARTENS: — I think I agree with what Ralph said, but I think we're going to assess each on the merit of whether we're going to talk about the effectiveness and the effectiveness of the program in total. We're going to deal with this at great length if we're going to discuss that kind of a philosophy or change in direction of the committee. And if we have to, we have to establish it to start with, and then go from there. If you're prepared to discuss each one on the basis of whether we should get into it or not get into it, then we're going to be here all summer, and we're not going to accomplish what we were going to be wanting to.

MR. CHAIRMAN: — Please be clear about what we're going to be discussing. We're not going to be arguing in this forum the question of whether or not all of those public servants . . . the services of all of those public servants should have been terminated. That is an appropriate subject for the House. It is an appropriate subject for this committee to determine what was actually spent on severance.

MR. MARTENS: — Well, I'm not talking about the specific of this issue. We've dealt with three or four issues, and we've always come back to the same problem, whether we discuss virements or whether we're discussing social services, or whatever. You're bringing it back to the same point, and that's the effectiveness of the audit and what the comprehensive audit would likely be, and that's, under my understanding of it, not the responsibility of the committee.

MR. CHAIRMAN: — What do you think the discussion on DNS was about? Whether or not they had all the expenditures made were authorized by the legislature? It's the efficiency of a department and, in my view, the committee served a useful role in those discussions. I'm suggesting it also has a useful role to play in the issue of what does severance actually cost. That's a figure I think the public have a right to, and I don't think the true figure will come out unless it's a subject for discussion in this committee, because you can't get it. With all due respect to Neil Scott, you can't get it from those estimates.

MR. GLAUSER: — Mr. Chairman, it seems that you would like to open up a Pandora's box to . . .

MR. CHAIRMAN: — I'd like to open up this thing. I think it's a subject . . .

MR. GLAUSER: — You're interrupting, and this is what you talked about at the beginning of this session.

MR. CHAIRMAN: — I apologize to you for interrupting.

MR. GLAUSER: — You're opening up a Pandora box to get at a particular thing such as firings. You don't seem to be zeroing in on the dollars in this at all, and this is my contention. You are talking about the firings, which is no place in this committee for that. That's the House. So if you want to talk about the dollars, okay, talk about the dollars.

Well, if you're going to bring all this other stuff into the conversation when we get into this, then the committee has lost its purpose, and that seems the direction that we're going.

MR. ENGEL: — Mr. Chairman, I would like to know how this committee can determine how much Social Services paid for severance pay if we do not discuss how many people were laid off, and how much they got for severance pay. You know, I'd like Mr. Glauser to answer that question. How can we determine the amount of severance pay that was spent, and if that was an effective amount of money, if we don't talk about how many people were fired, and how much they got? Will you tell me that? You've been dealing with money and numbers more than I have, and there's an increase on the cost. I don't know how it was spent, and how they got their money, but they spent a considerable amount of money on severance pay.

MR. GLAUSER: — That's a principle for the Chamber up there.

MR. ENGEL: — No. We're supposed to look at the auditing, and the procedure, and the effectiveness of the dollar spent to deliver a social program. Their mandate is to provide social services. And, they spent X number of dollars on severance pay, and I think this committee should be looking at those numbers and determining if that was an effective costing to the department.

MR. CHAIRMAN: — May I suggest that we do not attempt to resolve this argument at the moment. You have had fair warning that we are going to want to discuss this when Social Services is here, and Social Services will have fair warning of that. If you want, you could raise the jurisdictional issue again when Social Services is here. But I think at the moment, this is not the appropriate time to try and settle the issue.

MR. KATZMAN: — Mr. Chairman, from '75 when I got elected, when I sat through Mr. Lane being chairman, and Mr. Thatcher being chairman, when I sat through Mr. Andrew being chairman, Mr. Swan being chairman, and others (I guess I'm the only member in this committee that's been here prior to '82 by the sounds of what I'm hearing — Allen was here earlier), but the rules today are changing from what has been the precedent before in all my years.

MR. ENGEL: — That is not true. That is not true, I've been here since '71, in this committee.

MR. KATZMAN: — You weren't here from '75 to '79, you were . . . (inaudible) . . . Mr. Chairman, may I finish? My concern is: during the years that I've been on the committee, and the year that developed under Mr. Andrew, and the year that happened last year, there was a little more freedom for discussing what was in the blue books, what was in the auditor's report, and what was in the covering letters. And that's basically where the discussion followed — what was in these things. We didn't get in, other than when we got into looking at the new Auditors Act, a principle of what was being cost. And we were asked by the Assembly to preview the Auditor's Act to make sure this committee felt comfortable with it. So that was an instruction from the Chamber.

I think if we relax, go back, look at the blue books, the auditor's report, and the letters, we're back on target where we're supposed to be. If we start getting into the other thing, we're going to be in a hassle, and I suggest that Mr. Chairman, you'd like to read some of the old committee reports. It may help your problems. I know I'm going to go back and read a couple of them to make sure that I'm still on my grounds.

But I suggest that if we take that principle, we will not be in a hassle, and this committee will not break down.

MR. CHAIRMAN: — Okay. I want to respond before I give the chance to the member from Saskatoon Mayfair who also wants a chance for response, because you said something that I specifically want to disabuse you of. I do not want to get into the issue of whether or not Dennis — to pick an example — Dennis Foley should have been fired, whether or not his successor was a worthy successor. I do want to know what it cost, and I do want to know what those dollar figures are. To specifically respond to your comments, I don't want to get into the policy issue, but I want the dollars, and that's all I seek to pursue.

MR. GLAUSER: — This just leads right into that, and we're into a very fundamental issue here, as to what . . . and I'll ask you the question: how are you going to determine, when you have received these figures, that there has or has not been value for money? How are you going to put an evaluation on that? Tell me.

MR. CHAIRMAN: — I don't intend to do it in this committee, in a sense. What I want in this committee is the figures. But I know . . . (inaudible) . . .

MR. GLAUSER: — No, but there's a fundamental question there as to what good is it going to do you. What good is this going to do the public to know? They have the figures, yes. It's made public, but where does the value for money come in — your determination of the value for money?

MR. CHAIRMAN: — Well, it's a subjective judgment, whether or not 1.5 million or 3.5, or whatever the figure is, is a worthwhile expenditure of money. That's a subjective judgment. And I think it's an appropriate subject for discussion, probably in the House during estimates, rather than here, but the determination of the cost of the dollar figure is an appropriate subject for discussion in public accounts.

MR. KATZMAN: — It's like bring up: for the first time in history, Mr. Blakeney, the Leader of the Opposition, has a government car and drives it at total government expense; where, if he was leader under the old rules, he would approximately get about \$1,500 or \$1,800, whatever it is, a year, versus what he now gets — is a car and all his expenses to run everywhere, including to go to Nova Scotia or New Brunswick or wherever he went with the car. I mean, that's something that doesn't belong in this committee.

MR. CHAIRMAN: — I disagree. I disagree. If a member felt it an appropriate item for discussion — what it cost to provide ministers with cars — I think that would be an appropriate item for discussion in the appropriate department.

MR. KATZMAN: — But you have no right to look at the other side — what a member has and vice versa — because that's the way it works. I mean, let's compare apples and apples, and not always want to play with the oranges and not show the apples.

MR. CHAIRMAN: — Oh, but let me finish, if I might. If a member felt it an appropriate subject to discuss whether or not ministers should be provided with cars, or the alternative system which Ottawa uses of providing you with a dollar allowance, I think that's an appropriate item for this committee to determine what those cars cost. What does it cost the government to give the ministers the cars? That's an appropriate item for discussion, determining the cost of that item. Now, the question of whether or not ministers should have cars or be given dollar allowances may be more appropriately raised in the House under estimates of Executive Council. But determination of what is actually spent on those items, I think, is an appropriate subject for discussion in this committee.

I would say again to the member from Rosthern: I am sorry your experience with the other committee was so unpleasant. I take no responsibility for that. I was not part of that committee, nor part of anyone . . . nor in any sense part of anyone who might have orchestrated the committee from outside, as you suggest. I think the . . .

MR. KATZMAN: — I got my hand on the book one day and I saw what it said.

MR. CHAIRMAN: — I think the appropriate issue is: what is in the best interest of the public whom we serve right now? And I do not accept the notion that has been suggested, and that is that the public have little interest in knowing, and can make little use of the information in any event. I just disagree with that.

MR. MORIN: — Mr. Chairman, I have to admit to being new to the committee, that I'm pretty green to this whole discussion. But, from a purely common sense point of view, I think that Mr. Glauser raised a very good point. If you're dealing with programs and dollars spent on programs, then I think you can reasonably evaluate whether or not you've got value for your money. You delivered X amount of programs, or put so many people to work for so many dollars per head, and you can compare that to other departments and to whatever else you like.

It seems to me that, in the subject you are raising, you are only . . . Regardless, the best you are going to do is get half of the equation and, consequently, you have no way of knowing whether you got value for the thing. That, as you yourself said, is a very suggestive question. And I think with only, you know, one side of the balance being filled, I fail to see what purpose that serves, other than a political purpose.

MR. CHAIRMAN: — May I ask you a question, Mr. Morin? What do you think the function of this committee is?

MR. MORIN: — I think the function of this committee is to determine whether or not the people of the province received adequate value for the dollars spent on programs by the government.

MR. CHAIRMAN: — Well stated. Would you repeat that again for the other members of the government caucus with whom we have been arguing about that all morning?

MR. MORIN: — I understand that their hearing is excellent. In fact, having sat through this discussion very patiently, the longer I listen, the more I came to agree with Mr. Katzman and Mr. Glauser. I'll go one more. If you can convince me that there is a tangible benefit to the people of the province to looking at the dollars spent, and a one-shot deal due to a change in government, which is not a continuous program, and in which you have an opportunity to determine that, in fact, there was value for a dollar spent, I will . . . I think we could, in fact, right at this moment topple the government here.

MR. CHAIRMAN: — I think the public do have a right to know what this style of change of government costs and what they paid for this style of a change in government. How can they determine whether or not a government should introduce widespread changes in a public service unless they know what it's going to cost them? If it cost them X amount, \$100,000, to introduce widespread personnel changes, that's one thing. If it cost \$1.5 million, that may be something else. I don't know how the public are expected to intelligently determine the appropriateness of the style of change which this government introduced. If I may just make one other comment, it's not in any sense universal to pick a . . .

MR. MORIN: — I would have two questions. Firstly, what has been the history on this? The past number of years we've had changes in government periodically, and I'd wonder what the history has been . . . (inaudible) . . . information. And the second comment I guess that I would make is: suppose that a government, any government, goes out and hires a professional recruiting firm to find the best talent they can find, and pays them X amount of dollars, would you discuss that issue in this committee, and how would you determine if you got value for that fee for that recruiting, which is the other side of the coin of what we're talking about?

MR. CHAIRMAN: — In my view, a determination . . . In my view, the committee would have the right to make inquiries, and determine how much that recruiting firm cost. And that would be a proper subject for discussion in the committee: what did you spend on the recruiting firm? If you spent \$10,000 to hire a deputy minister, that's one thing. If you spent \$500,000, that's something else. You can't determine the appropriateness of the expenditure in the House, unless you know the figures.

MR. MORIN: — How do you determine if that's good value?

MR. CHAIRMAN: — Well, if it didn't cost much, I guess the question is whether or not it did a lot of harm. If it cost a good deal, you want to very sure that . . .

MR. ENGEL: — Of, if other means of procuring that kind of employment, by advertising or whatever, would have done the job the same way or better.

MR. CHAIRMAN: — Can I repeat my suggestion that what we are going today, sort of going . . . I'll recognize the member from member from Morse in a minute. What we were doing today was to sort of go through the departments, decide who we want to call, and warn them of subjects that will be raised. I don't think we're going to settle this jurisdictional question today, and I don't think anything that's said today is going to prevent the discussion from breaking out again when the department comes. My suggestion is that we've all had a good go at this, and been fully informed of each other's views. Can we proceed through the Provincial Auditor's report knowing this is going to rear its head again? I recognize the member from Morse, who had his hand up first.

MR. MARTENS: — You're talking a number of things here that I think are perhaps relevant, but it's a good exercise for me to learn a little bit about what's going on. But the first thing I want to say is: how are you going to discover value when you have nothing to compare to? You're talking about firings as a way to compare. You're talking a \$10,000 expenditure versus a \$500,000 expenditure. How do you know that you're not getting more value for your money for a 500 than a 10? How do you know that? You don't know that. You're making a subjective observation about a financial commitment. If the financial commitment is accurate, then you can determine, outside of this forum, whether you are having an adequate value for your dollar, not within the jurisdiction of this forum here. And I can make that appraisal myself, outside of this forum . . . (inaudible interjection) . . . Excuse me, when you compare nothing with nothing, how are you going to make an assessment of it? When you compare something with nothing, how are you going to make an assessment of it? It's only when you have the two side by side that you can do that. And your own experience will determine outside of this forum whether, in fact, you have an objective view of value for dollar for the dollars spent.

MR. CHAIRMAN: — To specifically answer your question, that's a subjective judgment. You will have one view. I may have another.

MR. MARTENS: — That's right. As long as we discuss it here, we won't agree.

MR. CHAIRMAN: — That's right. In the end result, the judgment which counts is the man or women in your riding and the men and women in my riding. It's their judgment that actually counts in the end result, not ours. What I am saying is that one of the functions of this committee is to determine what is spent on items such as that, so that your constituents and mine can make the determination. The member from Saskatoon Mayfair.

MR. GLAUSER: — I think I'm going to bring this all to a close in a manner somewhat different than you were proposing, in that I am going to make a motion:

That the topic of severance pay for civil servants released is a subject for consideration by the legislature.

MR. CHAIRMAN: — I'll accept your motion. Any further discussion on it?

MR. KATZMAN: — The only comment I will make is I think history proves that's the place it should be discussed, and let's not start getting this committee into problem areas which will break the committee down. Let's keep it all in the House. Those kind of things belong in the House. Let's do them in the House where they belong. That's the forum.

MR. ENGEL: — Read that motion, please.

MR. CHAIRMAN: —

The topic of severance paid for civil servants released is a subject for consideration by the legislature.

I take it what is unstated is that, in your view, it is not an appropriate subject for discussion in public accounts.

MR. GLAUSER: — Not the ways it's . . . (inaudible) . . .

MR. CHAIRMAN: — Now, I want to be . . . It's either motion's obviously on it's . . . (inaudible) . . . I gather government members are of one view. I want to complain, in the strongest possible terms, about it. I can recognize that members of government caucus are not very proud of the expenditure, but that is . . . (inaudible interjections) . . . Let me finish. Let me finish. I recognize you're not very proud of the expenditure, but that is no reason to muzzle the committee, and that's precisely what you're doing.

There is no difference between this expenditure and all of the expenditures you people freely raised, in the Department of Northern Saskatchewan. There is no difference whatsoever. You people just happen to be a little sensitive about the figure, because of what was said in the newspaper yesterday and the day before. And I want to complain in the strongest possible terms about what I view as a muzzling of the committee.

There is nothing to distinguish this expenditure from a whole lot of other expenditures which you raised in DNS, which dealt with the efficiency and effectiveness and appropriateness of the expenditures. There's no difference. You people are muzzling this committee, and I want to complain in the strongest possible terms about it. To put it mildly, I'm not happy with the motion, which I recognize it's probably going to pass.

MR. ENGEL: — Look, before we have a vote on the motion, Mr. Chairman, can I make a comment on it?

MR. CHAIRMAN: — Yes.

MR. ENGEL: — I suppose the problem comes from . . . I sat on the committee when Mr. McPherson was the chairman of the committee, and Mr. Lutz was an auditor then already, so he's had experience — been around a long time. A question that I'd like to find out is: how does a public accounts committee review expenditures, if the government members can vote and decide that you're not going to look at that expenditure, and you're not going to look at this one? And how do we review the amount that is spent, if we're going to determine that there's one number here that we're not going to look at?

If I, as a member of a public accounts committee, can get up at 7:30 in the morning to come to a committee meeting, and then get here and just look at the numbers that you guys jolly well like to look at and nothing else, you know, what's the effectiveness? And what's the role of a public accounts committee?

MR. YOUNG: — Ask the question in the House to the minister.

MR. ENGEL: — No, it isn't. That is not a question. That is in a question of an amount of money that has been spent during the year under review. And the question that should be recorded in their public accounts figures, would that be listed under a special item?

MR. KRAUS: — The severance pay?

MR. ENGEL: — Yes.

MR. KRAUS: — The severance pay is identified in . . .

MR. ENGEL: — Separately.

MR. KRAUS: — Yes.

MR. ENGEL: — So, if the severance pay is identified separately, and if it is in the blue book, and if it is, according to the words of what Mr. Katzman said in the past that all he ever talked about is numbers that are in the blue book, why is that such an impossible thing to ask a department that comes before us of how much they paid for severance pay? You know, this is my whole question, and I agree that it's a topic that should . . . I agree with the motion. It's a topic that should be discussed in the House. But I'd like to know what kind of terms of reference, or under what frame we can discuss the year under review in the House, because it wasn't in the *Estimates* when I was looking at the *Estimates*. There was no item in there that was going to say that there was going to be severance pay, the year before when we discussed those *Estimates*.

And not that it's . . . Oh, that's not under the year under review. If a department comes before us and we're doing estimates and we want to talk about last year's numbers, there is no way I can discuss it. The only way I can discuss severance pay in the House is if this committee decides to report on an irregularity in severance pay, and then it comes before us when the Public Accounts Committee is discussed in the House. So if you're moving that that be . . . and if that motion passes, and you are moving that that be discussed in the House, then we have to talk about it in this committee and report on it, according to that motion, because there's no other rule in the legislature that will allow me to discuss last year's accounts in the House. Again, unless we talk about it under the report of the *Public Accounts*, there's no other forum for me to debate that. And, I wish Mr. Glauser would tell me how I can debate severance pay in the House, coming up, if I don't discuss it under the Public Accounts Committee report, because last year's business is done and gone.

When the estimates come before us from Social Services, they'll say, "That's last year's business. That's not this year's business." And, I'd like you to tell me how I can discuss the severance pay of Social Services in the House without recommending that that was an irregularity, and I don't know if it was an irregularity or not. I'd like to ask that question to find out if it was. And you're telling me I can't ask that question when Social Services come before us? Is that what you're saying?

MR. CHAIRMAN: — Let me give you another example of the same thing.

MR. KATZMAN: — Mr. Chairman, are we going by order or are you coming in whenever you please?

MR. CHAIRMAN: — I did not see your hand up. If the member from Rosthern wishes to make a comment, we'll recognize him.

MR. KATZMAN: — Mr. Engel, Mr. Glauser's motion does not refuse you from going through the numbers in the blue book. What we're saying is that Mr. Shillington's statement, and the way he started into it, is improper. That type of thing belongs in the House. The numbers in the book belong here. Now maybe Mr. Shillington didn't phrase his question or his statement properly. That might be the reason we're into this discussion. That could be the whole reason for it. But numbers in the blue book belong in this committee. Nobody argues that one. But what Mr. Shillington said was not about the numbers in the blue book. He got onto a bunch of other things that don't belong in here.

MR. CHAIRMAN: — That is not accurate.

MR. KATZMAN: — Then he wasn't listening to what he said, but the point is, if you want to talk about blue book, that's one issue. As I said earlier, we've always talked about blue book. In fact, I can remember when Mr. Randy Nelson, with his little black book, used to say we couldn't discuss that, and the whole group of NDP members that sat along that side used to vote against us.

Now let's be straight up. Part of this discussion belongs in the House; part of it is in the blue book, it belongs here. And what we're trying to do is keep this committee away from the partisanship that Mr. Shillington seems to want to take it into, and what we're saying is, let's deal with the blue book issues here, which is what this committee has always dealt with, and the other kind of issues that are of the partisan, political stuff belong in the House, which is the partisan, political place for them.

MR. ENGEL: — Mr. Chairman, on a point of order. I think Mr. Katzman is not speaking to the motion that's before this committee at this time. The motion before the committee is whether we can talk about severance pay or not, and I asked Mr. Glauser a specific question about the severance pay and discussing in the House. I'd like him to answer that before we vote on this motion.

MR. CHAIRMAN: — The issue is whether or not this committee can determine the amount spent by the department to sever the services of public servants.

MR. ENGEL: — That's the issue. And how could I discuss that in the House?

MR. CHAIRMAN: — What earthly difference is there between making inquiries as to the amount spent by the department on severing the services of public servants and the amount spent by the Department of Tourism on the services of architects? We could certainly ask that. When W.T. McGinn & Associates are in here, I could ask what that was for. I could ask if there were any other moneys spent on architectural fees, and I would be surprised if members of the committee would view that to be something which we couldn't discuss, because you're not very sensitive about it.

And, I don't, frankly, see the difference between ferreting out those figures and ferreting out the amount spent on severance pay.

MR. GLAUSER: — You wanted an answer to that question . . . (inaudible interjection) . . . It seems that the chairman would rather answer your question than he would give me the opportunity to do.

We've had a very fundamental question here, and I'll go back to what I said originally, is that, are we looking at value for money? If we're looking at value for money, that is very subjective. It is not objective, what you're looking at here. And, as my learned friend on my right very succinctly put it, was that: what are you going to compare it to? Where is the value for money going to come out of those figures? And that is the fundamental issue in this committee.

MR. CHAIRMAN: — I'm going to make a comment, then I have to leave. With all due respect, it is not that you don't want value for money discussed in the committee. It's that you don't want the figures revealed in the committee.

A MEMBER: — Bullshit! That is the whole . . .

MR. CHAIRMAN: — That's all I've said I wanted. It's all I said I wanted.

A MEMBER: — They're right here. You lay them on the table any time.

A MEMBER: — They're in the book. They're in the book, man. We want to play it up front. Stop playing with the press.

MR. CHAIRMAN: — And it is my view that the whole cost of severing the services of public servants isn't revealed in those books, and that's what I want to ask them about — the additional cost.

As I explained yesterday, I absolutely have to leave at this juncture. I said that yesterday, and I've got to leave at this point in time. I will turn the chair over to Mr. Glauser and you may vote on the motion, but I really have to leave at this point in time.

MR. GLAUSER: — Well, I think that you may as well adjourn this meeting, then, before you go, because we're here another 15 minutes.

A MEMBER: — We might as well have the vote and then adjourn.

MR. CHAIRMAN: — All right. All in favour of the motion? Opposed? Carried.

I think, then, we will adjourn the meeting.

The meeting adjourned at 9:15 a.m.