

STANDING COMMITTEE ON PUBLIC ACCOUNTS

April 14, 1988

Ms. Ronyk: — The first order of business is the election of a new chairman, which, according to parliamentary precedent, the vice-chairman does not have a role in, and I expect that is because in many committees it might be the vice-chairman that may be being elected as chairman. But in any case it is usual for the Clerk to preside, and the floor is open for nominations for the position of chairman.

Mr. Prebble: — I'll nominate Harry Van Mulligen.

Ms. Ronyk: — Are there any other nominations? If not, then Mr. Van Mulligen takes the chair.

Mr. Chairman: — I thank you for your show of support.

We have two other items on the agenda. One is the consideration of the committee's second report, or a draft of that second report. The other item was the discussion on times of meetings. I recognize we don't have the *Public Accounts*, we don't have the auditor's report, but it might be useful to get some sense now as to when people think might be a good time to meet — days of the week, times of the week, and so on.

And I wonder, with your indulgence, if we might add another item that's also alluded to in the draft of the second report, and that's the Canadian Council of Public Accounts Committees, their 10th annual conference in Halifax on July 10, and consideration of that. Would you agree to add that to the agenda, the bottom of the agenda?

A Member: — Okay.

Mr. Chairman: — You have no objection. Let's move to the draft of the committee's second report, which is prepared by the Clerk, and I wonder if at this point a motion is in order that we adopt the report and send it on to the Assembly.

Mr. Muller: — Well I'll certainly move the report.

Mr. Chairman: — It's been moved by Mr. Muller. Do we need seconds in this committee?

A Member: — No, we don't.

Mr. Chairman: — Is there any discussion on the report, any discussion whatsoever?

Mr. Rolfes: — Mr. Chairman, I read through the report rather quickly yesterday, and I got the feeling that the report did not really express some of the concerns that were recognized and made during the committee's perusal of *Public Accounts*.

It seems to me a very, sort of a bland report — maybe that's what the public reports always are; I don't know — but there were some very grave concerns that some of us had in lack of internal control of government expenditures. And although some of these have been addressed, others certainly have not been addressed yet, and I would assume that when the auditor submits his report for 1987-88 — is it? — that we will experience some of the same concerns.

I would not want it to go unnoticed that there are some concerns and were concerns expressed for the years 1984 and '85, and particularly '85-86, of the lack of internal control of expenditures of public funds. And I just did not feel that the report really expressed that. Maybe it did in more language that would be acceptable by all members, but it certainly, I think, did not, from my personal standpoint, reflect the tone or the concern that some of us had in that particular area, but to try and rewrite the report and inscribe in it what I'm attempting to describe may be somewhat difficult, so with that, Mr. Chairman, I will have no further comments.

Mr. Chairman: — I think that . . . (inaudible) . . . ensure the televised transcript would lose some of the drama of this committee.

Mr. Rolfes: — Well I was hoping there would be a little more inflection of my anger from time to time, and the frustration with it, but I guess that's pretty difficult to put in.

Mr. Muller: — Well I kind of thought that the report was a bit harsh, but most of the concerns have been addressed, and I'm sure that that will be reflected in the next year's auditor's report. And from time to time there's also new concerns that do come up, but I'm quite comfortable with the report as it is. That's why I moved it.

Mr. Chairman: — Mr. Rolfes says it doesn't contain enough drama; you say it's a bit harsh. I wonder if we might compromise on the report that's before us.

Mr. Neudorf: — Well, Mr. Chairman, I'm certainly willing to compromise and to . . . like, I usually do a very moderate, considerate role, and I would like to compliment the office in the report that they did draw up, which, like Mr. Rolfes says, is devoid of emotion, and I think rightfully so it should be. If a seconder is . . . well, Mr. Muller has moved the adoption of that report and to be . . . the draft report to be brought into a finalized report, and I would certainly also support him on that.

Mr. Chairman: — is there any further discussion on the motion of Mr. Muller that we adopt the report? All those agreed? Opposed?

Agreed

Ms. Ronyk: — When would you like to table the report, Mr. Chairman?

Mr. Chairman: — There's a question as to when we might table the report. In my sense this could be tabled at any time that it's finalized. I don't know if there's any rules around regarding that, but . . .

Ms. Ronyk: — Mr. Chairman, if I might add to the committee, what you had there was the draft, the guts of the report, if you like. When we prepare it for tabling, we'll put a . . .

A Member: — A motion?

Ms. Ronyk: — No motion, no . . . a covering, you know, title page, list of the committee membership, and attached to the report as appendices will be two of the documents that were distributed today — the list of requests for information and the list of documents tabled, That would be the report as it goes into the House.

Perhaps what I should do, then, is prepare the final document, distribute it to members in the House or wherever, and then if perhaps the vice-chairman and chairman feel that it's approved, then the chairman could go ahead and table it at the next convenient day.

Mr. Chairman: — Agreement on that point?

Agreed

Mr. Rolfes: — Question, Mr. Chairman. Can I just ask: is this report, when it's tabled in the House, is it discussed in the House at all, debated in the House?

Ms. Ronyk: — Yes.

Mr. Rolfes: — Okay.

Ms. Ronyk: — It can be, and it normally is.

Mr. Rolfes: — Okay, good enough.

Mr. Chairman: — Any further discussions on the report?

Can we move to times of meetings. Again, we don't have the *Public Accounts*; we, of course, do not know when those will be tabled. We do not have the *Report of the Provincial Auditor*. We do not yet know when that might be tabled. Let me throw this out: assuming that we were to meet during the course of the months of May or June, if those reports are provided, what's your sense in terms of a good time of day to . . . What day of the week should we be meeting?

Mr. Rolfes: — Mr. Chairman, I would recommend that we meet Tuesdays and Thursdays, unless you have changed your caucus meetings. I would recommend that we meet Tuesdays and Thursdays and that we meet from 9 or 9:30 till 11:30.

Mr. Chairman: — 9 till 11:30?

Mr. Rolfes: — Well, 9 to 11:30 or 9:30 to 11:30. I would prefer 9 to 11:30, two and one-half hours; that gives us five hours a week, on Tuesdays and Thursdays.

Mr. Chairman: — Okay. Any other suggestions?

Mr. Muller: — I have no problem with Tuesday or Thursday, and I'd certainly like to meet from 9 until 11:30, which would give us the five hours . . .

Mr. Neudorf: — Did we agree on five hours?

Mr. Muller: — You know, my preference would be for the two and a half hours. But I would like to get out at 11:30 . . .

Mr. Rolfes: — Yes, so would I, so that you could get some . . .

Mr. Muller: — . . . some other work done prior to lunch.

Mr. Chairman: — Any other thoughts from committee members?

Mr. Neudorf: — Well the only concern I would have with that is that . . . and I know Mr. Rolfes would probably indicate that priorities have to be established, but there are other meetings and so on that I do attend, and I know I just came running from a transportation caucus meeting, and these kind of things, and Tuesdays and Thursdays are the hours for meetings. And I know I'm going to have difficulty attending here all the time, but I will certainly try to be here as much as possible. And maybe other members will have the same conflict.

Mr. Chairman: — But you'd have the problem on other days too, then.

Mr. Neudorf: — Probably, yes.

Mr. Muller: — I think with Public Accounts, if I may interject, and I will take Mr. Rolfes' side this time, we have to set this aside; it's a priority meeting. And I'm not the Government Whip on the Public Accounts Committee, but we have to make an effort certainly to attend the Public Accounts because it is important to scrutinize the distribution of the moneys and go over the auditor's report. We have time constraints and we should put in . . . I think we should put in the five hours a week.

Mr. Martens: — Mr. Chairman, just if I might add, why don't you and the vice-chairman get together when we have the filing of the auditor's report and the *Public Accounts* and just kind of confirm what we've discussed, and I think that probably would be close enough to . . .

Mr. Chairman: — I think that it's useful for Lloyd and myself to hear what you have to say in this point here and get some consensus.

Mr. Martens: — Well I think that there needs to be what I would call firm flexibility here, and that would be in your opportunity to discuss with Lloyd the aspects of it, because there are certain things that come up that we have to be flexible with, and we want to give that same opportunity to you.

Mr. Chairman: — Is there a general agreement then, like for Mr. Muller and I, that in terms of our discussion that would prefer Tuesdays, 9 till 11:30? And at the point that, I suppose, that the *Public Accounts* and the *Report of the Provincial Auditor* are tabled, or there is some other business before the committee, he and I will get together to confirm those times and arrange with the Clerk, then, for the meetings.

Mr. Rolfes: — Mr. Chairman, just an observation. I really appreciated last year that we started on time and we finished on time. And I would hope that this committee this year again would do it exactly the same.

If we agree at 9 o'clock, we start at 9 o'clock; we finish at 11:30, and that's it. You know, two or three minutes here

or there, I think, is fine. But I think that we really should try and start the meetings on time and finish on time, and I appreciated that last year. Generally speaking, that was done. It's no reflection . . . I hope people . . .

Mr. Muller: — No reflection on today's punctuality.

Mr. Rolfes: — No, not at all.

Mr. Anguish: — Of course not.

Mr. Rolfes: — We'll forgive Mr. Anguish and Mr. Neudorf for today, but don't let it happen again.

Mr. Neudorf: — You were late too, Doug? That makes me feel better.

Mr. Anguish: — It's like being chastised by the schoolteacher.

Mr. Neudorf: — How do you think I feel, as if I was a schoolteacher, being chastised?

Mr. Chairman: — The only other item that I have at this point is in the conference in Halifax. And the draft of the second report indicates that a delegation from the committee will be attending the 10th annual conference of Canadian Council of Public Accounts Committees to be held in Halifax in July. And I wonder if there's any direction on that point. Is there any tradition in terms of who goes as a delegation?

Ms. Ronyk: — Mr. Chairman, this item has not always been handled in the same way. In fact in some years there's been a fair bit of dispute about it. But I think the usual is that the budget allows for two members to attend, and that likely the first choices on behalf of the committee would be the chairman and vice-chairman, especially when they're new. And it has often happened that other members have gone if the chairman or vice-chairman haven't been able to go or . . .

Mr. Neudorf: — So we don't have to stay with tradition?

Ms. Ronyk: — No, we don't have to stay with tradition.

Mr. Muller: — In some cases I believe a lot in tradition.

Mr. Chairman: — Well, now that you mention it . . . What's the committee's wish on this?

A Member: — What are the dates?

Mr. Chairman: — July 10 through the 13th.

Mr. Martin: — I was just going to say I make a motion:

That we stick to tradition and let the chairman and the vice-chairman have first shot at going if they so wish.

And I presume you will second that then I guess, wouldn't you?

Mr. Chairman: — Moved by Mr. Martin that the chairman and vice-chairman go, and I assume that when

you say first shot that, if in the event that they cannot go, that they delegate someone else to attend in their place.

Mr. Muller, you want to speak to the motion? Any discussion on the motion?

Agreed

Mr. Martin: — Can we discuss limited expenses in some respect?

Mr. Anguish: — Is there any other business on your agenda, Mr. Chairman?

Mr. Chairman: — I don't have any other business. Is there any other business that members wish to raise?

Mr. Anguish: — I have a couple of points, mainly because I'm new to this committee, at least in terms of the provincial legislature, and I don't know any of the other gentlemen who around the table here. I'd like to know who they are and what their role is in regard to the Public Accounts Committee.

Mr. Chairman: — I think the best thing would be to perhaps . . . I think the members all know each other, and I assume that those who are not members know the members. But I'm wondering if all those who are not members might introduce themselves.

Mr. Kraus: — Well I'm Gerry Kraus; I'm the provincial comptroller. I guess I can introduce Terry Paton, is the acting director of the financial management branch, part of my operation. And Chris Bayda is an analyst who works for Terry.

Mr. Anguish: — Do you all attend all of the Public Accounts meetings?

Mr. Kraus: — I attend all these meetings, and I provide answers, to the best of my ability, to questions that are asked of me by the committee on information that might be displayed in the *Public Accounts* or on issues that are raised by the Provincial Auditor about which I should perhaps have some opinion or know what's taken place to fix the problem up or something of that nature.

Mr. Anguish: — Are you and your staff also resource people to committee members outside of the committee? If you were doing some research for a meeting that's coming up, would we contact you, and you and your staff would be at our disposal to some extent?

Mr. Kraus: — No. I'm not sure that there is staff to the committee as such. I suppose the Clerk might speak to that. I mean, we will provide information when the committee as a whole asks for it and it's agreed to that we do get that information, but we don't act as staff *per se* to the committee. You would agree with that, would you not?

Mr. Chairman: — My sense is, from the little that I know, and my experience here, is that you're here as a resource to the committee but not necessarily staff to the committee.

Mr. Kraus: — We will provide information. If you direct that we do a report or get some information on some particular topic, we will, but we're not research staff to the committee. I guess that's the point I'm trying to make.

Mr. Prebble: — However, if we ask you, as individual members, specific questions here in the committee meeting, you respond to those?

Mr. Kraus: — Oh yes, I do.

Mr. Prebble: — Regardless of what the committee's wish is as a whole?

Mr. Kraus: — That's right. But if committee members were to phone me up outside of the committee, it depends on the issue. I may or may not say, sure, this is the answer, or what have you. But I'm not staff to the committee.

Mr. Lutz: — Mr. Chairman, Mr. Anguish, my name is Willard Lutz. I am the Provincial Auditor. With me is Mr. Fred Wendel, the Assistant Provincial Auditor. Unless something unforeseen occurs, I attend all meetings.

I act as staff to the committee on occasion, when requested. I will, indeed, occasionally input. I try not to because I don't think it's my function to have to feed the members the questions they should ask, so I try not to say anything, if I can.

I don't know what else there is to say. I am available to all members, whether individually or collectively, in which capacity I'm slightly different than Mr. Kraus, since he is a servant of the executive government, and I am a servant of the legislature. I think that is the difference between Gerry and myself.

Mr. Anguish: — Thank you. The other question I have is: in order for us to set our priorities on the committee, I would assume that we have to have the *Public Accounts*, and to my knowledge the *Public Accounts* have not been tabled yet. Is there an expected date? Is there any tradition? How do we set our course of meetings if you say we don't have the *Public Accounts* for another four months, or do we know when we're getting the *Public Accounts*?

Mr. Chairman: — We don't know. In talking about times and so on, I mentioned the months of May and June. If we have no *Public Accounts* and the committee has no business, we will not be meeting, and we'll have to see where we're at. We may not be sitting until the next . . . If the legislature should adjourn, recess, or whatever at the end of June and we do not have the *Public Accounts*, some arrangement may have to be made to meet intersessionally or to sit in the fall or . . .

Mr. Anguish: — Two questions that come from your statements, Mr. Chairman. One would be that: is there other orders of business that we need to conduct through this committee prior to the tabling of the *Public Accounts*? And secondly, if the *Public Accounts* were not prepared until such time as we were not in the session, would we meet intersessionally?

Mr. Chairman: — It depends on the . . . The work of the committee is basically whatever work is referred to it by the Legislative Assembly. We've exhausted our consideration of the previous *Public Accounts* in the last . . . or the last *Public Accounts* in the last report of the Provincial Auditor, so at this point the committee has no other work then, other than the work we have before us today, until the Legislative Assembly's put something before us. If that's done and, you know, the Legislative Assembly refers it, and the committee members at that time decide to sit intersessionally, we can do that.

Mr. Anguish: — It's a decision of the committee to sit intersessionally?

Mr. Chairman: — Yes.

Mr. Martens: — One of the things that we considered in the last dealings with the *Public Accounts* was that some of the public accounts weren't dealt with from the prior year, so we dealt with last year's and the year before on some instances, and that was — I don't know why that happened, but that's what we dealt with. Now we've kind of concluded today, with the draft of the . . . with the report, and so then we'll be going on from, as Mr. Van Mulligen has said, from there on. And so it's kind of up to when the auditor's report and the *Public Accounts* will be released.

Mr. Rolfes: — Just a slight correction. I'm sure Mr. Martens did not mean to say that we looked at last year's. We looked at '84-85 and '85-86.

Yes, we will be looking at last year's this year, so it gets a little complicated, but I . . . What do we do? I mean, I don't know. Is it a fair question to ask the Provincial Auditor? I don't know when his report will be tabled, because we can't really do public accounts without the Provincial Auditor's report. I mean, if the minister tables *Public Accounts* tomorrow, we don't have the auditor's report; there's no way that we can do any work. So I'm not sure if it's a fair question, Mr. Chairman. If it isn't, forget it. But can the Provincial Auditor tell us when his report will be tabled?

Mr. Lutz: — Mr. Chairman, Mr. Rolfes, we are trying to not fall further behind. I'm hopeful that we can table it approximately the same date this year as we tabled it last year.

Mr. Rolfes: — My memory doesn't serve me well. When did you table it last year?

Mr. Lutz: — June; it was the first half of June, perhaps the 12th, in there. And I can't get any closer; as I explained to the committee last year, once you get behind you don't just catch up without some extraordinary events occurring.

Mr. Rolfes: — Well, Mr. Chairman, just to comment then. That means that virtually we will not be doing any *Public Accounts*.

I think this committee really has to discuss that then because that's a real problem. That creates a real problem for us as a committee. And I'm not being critical of

anyone here, but that means that we have pretty well decided now that this committee is going to be sitting intersessionally, or we're going to delay the reports another year and do them next session.

In an ordinary session we should be finished by the end of June, and unless something unforeseen happens, then we'll be sitting in July and August. But I'm getting . . . I get a little concerned when, you know, that's what I'm here for, as a member of the committee, is to do the work during the session, and it has been done that way. We find now that we can't do it. I had some other plans for intersessionally and, for July and August, basically to swing that golf course a bit, that club — priorities.

But intersessionally, but if I . . . you want me to read a motion that I made last year and opposed by the members opposite? No, I'm just kidding. But really, I think it's something that . . . that is something that we . . . maybe we can't do anything about it, but it means virtually we're not doing any work this session as a committee.

Mr. Anguish: — I would hope it would go without saying, if we're going to be sitting in Public Accounts but not have the legislature in session, for example in the months of July and August, I absolutely disagree with meeting on Tuesdays and Thursdays from 9 till 11. I hope that goes without saying.

Mr. Chairman: — I think that's understood.

Mr. Anguish: — The second question, I guess I would have, would be: is there any way that we as a committee can do anything to assist in having the report on public accounts done earlier than the projected date of mid-June? For example, does the committee . . .

A Member: — The auditor's report.

Mr. Anguish: — The auditor's report, yes.

A Member: — You said public accounts. You meant the auditor's report.

Mr. Anguish: — I meant the auditor's report. Is there ways that the committee can assist in doing that? Like can we ask for . . . If it's a staffing problem, can we ask for staff to be assigned at least on a temporary basis to the office of the auditor so that the work can be tabled in the legislature prior to the projected date of mid-June?

Mr. Chairman: — I don't know. The committee can pass whatever motions it feels it wants to pass. It can also report to the House that it has these concerns.

Mr. Prebble: — Mr. Chairman, can I ask the Provincial Auditor what the reason is for the delay until mid-June? Is this related, Mr. Lutz, to a shortage of staff? Is it related to some other problem that we may not be aware of? Can you tell us what the specific problems are that will result in your report not being tabled until mid-June?

Mr. Lutz: — My report is tabled when all of the audits have been completed and the work has been summarized and compiled into the report. Now we started this year, two and a half or three months or four months behind,

and we will finish the year roughly the same distance behind, because over a period of years there was an erosion of my resources when the work either stayed the same or increased, and stayed the same or increased. And each year, if you take a little of my resources and give me a little more work, I will be a little later getting done. And if next year I have to start late and you take a couple more people and give me a little more work, I'll be a little later; later getting done.

Now I'll start the third year a little later later, and the same thing occurs. It's a progression, and you can't correct it in one year without a very substantial infusion of resources to pick it up. We did this back in about the late '70s where we were far behind. And in one year we did indeed get funds from the administration to go out and employ a pile of resources, and we picked it up and I think we improved our status by about five months in one year. But that's the only way you can correct once you get behind.

Mr. Prebble: — I can appreciate that problem.

Mr. Lutz: — There is a motion on the books from this committee from several years ago where the committee members said, no, we want you to do every audit every year. So it isn't a case of cyclical auditing: we do every audit every year, because that was the wish of this committee, and that hasn't changed.

As far as I know, that motion is still on the books. As far as I know, I will still do all the audits before I submit my report. And that's where we're at today. We're trying not to get any further behind this year and, I believe, we won't be. At least it will be close enough that I can say we're in the same ballpark as we were in the previous year.

Mr. Prebble: — Thanks a lot for that explanation.

Mr. Rolfes: — No, I have no further comment. I don't know how the committee can attack this, because it makes virtually the committee ineffective during the session. I don't know how to come to grips with it. I guess I have one question. Is it in order to voice that concern when we submit our final report? I'm asking for some guidance here. It doesn't deal with last year's in effect, but it's just the committee . . .

Mr. Muller: — The report deals with the years under review.

Mr. Rolfes: — Yes. But, I mean, is it out of order to voice our concern? How do we get to the bottom of this; how do we deal with this thing? We have been virtually made immobile and ineffective, and I think it should be a concern of all of us here without making it a public issue, if at all possible. If we can say, look how do we deal with it, so that this committee can do its work?

Mr. Chairman: — I'm advised by the Clerk that the committee can submit a report at any time, I suppose, on any topic that it feels appropriate, to the Legislative Assembly. So that you could submit a report in that manner if that was the committee's wish.

Mr. Anguish: — I have another question, and I have a suggestion that's not the same as Herman's. The timing of

the auditor's report is projected to be mid-June. I'd like to ask what the projected timing is — because I understand they don't necessarily have to be tabled at the same time — what the projected date is for the *Public Accounts* to be tabled?

Mr. Kraus: — Well, the tabling of the *Public Accounts* is a decision that will be made by the government, so I really couldn't answer that question.

Mr. Anguish: — Well is the work that you're responsible for prepared now?

Mr. Kraus: — Yes, it is completed.

Mr. Anguish: — Who is in charge . . . Are you in charge of getting the printing done as well?

Mr. Kraus: — Yes. Yes, the printing is completed.

Mr. Anguish: — So the documents are there and it's up to the government when they table the report.

Mr. Kraus: — That's correct.

Mr. Anguish: — Well my suggestion then, which differs from Herman's somewhat, but I think would look at the same problem. I'd rather not reflect it in the report to the legislature, because it would tend to get political. And if we are concerned about the work of the committee and take it with any degree of seriousness, I would like to suggest that the vice-chairman and the chairman approach the powers that be and ask for some, at least temporary interim funding to be allocated to the auditor's office so that they can complete the work ahead of the projected date of June, and so that we don't deal with it in the political way as it would get into if we were in the House — that Mr. Vice-Chairman and Mr. Chairman approach whoever, and I don't know who that is, to ask for an increase in funding, temporary funding, to the auditor's office at least to have a catch-up period so that this report can be done with great haste. That's my suggestion.

Mr. Muller: — I was just going to ask the question, and maybe Mr. Anguish has already dealt with — a supplementary report from the Public Accounts Committee, that wouldn't be attached to this one, it would have to be another report prepared. It wouldn't be an attachment of last year's report.

Ms. Ronyk: — Mr. Chairman, I don't think procedurally it would matter. But I think it might be wiser or clearer for the committee to do it as a separate report, separate from the old business.

Mr. Muller: — And just to give you my answer to your question, I would have no problem with talking to the powers to be with the chairman to see if something could be worked out. But I can't give any commitment other than to try and I'd be willing to give you that now. I believe that would be the Minister of Finance.

Mr. Prebble: — Just a small clarifying question, Mr. Chairman, to the Provincial Auditor. I'm sorry, Mr. Lutz, I don't want to interrupt if you've got something key there

you need to check with.

I'm assuming that the timing of the tabling of the *Public Accounts* has no bearing on your work. Is that correct? I just wanted to be certain about that.

In other words, the failure to table the *Public Accounts* doesn't in any way influence when you complete your report?

Mr. Lutz: — Except that I don't think I would be prepared to compile my report unless the public accounts audit had been completed. But we do indeed prioritize our resources for Mr. Kraus's representations on the financials, and we make sure that that is always done before we worry about some of the other audits we have to do. We think public accounts should take priority, and it does indeed with my staff. We do that first.

Mr. Prebble: — Right. So have the audits on public accounts itself been completed?

Mr. Lutz: — Oh yes, oh yes. I'm through with it. Oh yes. Now it's a case of write up my report which is the long form. On the public accounts, I have a report which I sign, on that representation. After that we do the long form report on everything.

Mr. Prebble: — So what I'm hearing you say, if I'm not incorrect, is that the public accounts have been completed and they have been printed, and your audit on those public accounts has been completed?

Mr. Lutz: — Oh yes.

Mr. Prebble: — Yes. So in effect all that work would be ready to consider now if we could just get the material before the committee?

Mr. Chairman: — The public accounts would be . . . we could deal with them in isolation of the auditor's report, I suppose.

Mr. Prebble: — Well what I'm hearing though is that part of the auditor's report is done, mainly the portion that deals with the public accounts.

Mr. Lutz: — Mr. Chairman, Mr. Prebble, let's review the bidding if we may. Annually Mr. Kraus, the comptroller, prepares a set of financial statements which represents his statement of how the executive government administered the finances of the province out of the Consolidated Fund. Stop me, Mr. Kraus, if I make a little mistake here, I'm trying to get this in context.

When Mr. Kraus is finished preparing his financial statements, he presents them to me for audit; I audit them; I give him a report which I will sign when we're all done. He has his financial statements completed. He's had them audited. Now I presume Mr. Kraus gets them printed and they go somewhere, and I think at this point you can't govern when they're tabled; I can't govern when they're tabled. He's done his; I've done mine — done, finished.

Did I answer your question?

Mr. Prebble: — Yes, you did. Thanks.

Mr. Martens: — Just one observation and a question. It's difficult to do the public accounts without the auditor's report, and I think that you have to have them together. That's an observation that I'll make.

The second is a question. You've made an observation, Mr. Lutz, that Mr. Kraus's public accounts have been done, and what impact does a change of staff at this point have for this year's? Does it have any impact whatever, or does it only impact on next year's?

Mr. Lutz: — A change of staff — could you clarify that please? in my shop, you mean?

Mr. Martens: — Yes.

Mr. Lutz: — It would impact nothing for the year that's past. It's a case of start now to pick up for next year, if that's what were to happen. We can't do much about the past.

Mr. Martens: — Okay.

Mr. Wendel: — If I could explain a little more of the process, Mr. Martens, the work's done, but before anything can go in here, we feel it's necessary to go out and talk to the departments to make sure that there's nothing out of context in here. So we have to go out, have those meetings with departmental officials, and make sure that we're not taking anything out of context, and reporting what we shouldn't be, and that takes some time.

Mr. Lutz: — No surprises, we don't want surprises; the deputy ministers and departmental people don't want surprises. This is a long, prolonged process. If you start late, you're going to stay late.

Mr. Martens: — That's the point I was going to make. We can't make the adjustment for this year. If we make an observation to the Minister of Finance, it will only be in referring to next year and the opportunity for next year.

Mr. Lutz: — Now there is one other aspect of this process which we should maybe review. There is a committee of persons appointed by cabinet, which is known as an audit committee, and this committee also reviews my report. And we endeavour to give them some lead time, and then they need some lead time to get their committee members together to convene a meeting at which we attend, Mr. Kraus attends, I think Mr. Gibson from Crown Management Board likely attends. And this also takes time, and it's one of those things you cannot accelerate. You can't speed it up; it takes time. And I think one member of that committee resides in Vancouver; another one is in Saskatoon. By the time you convene that committee and convene the public servants and do that thing and then table it, it ... (inaudible) ... time. No, I don't think we could affect last year's now. It wouldn't matter how additional you loaded on; it wouldn't affect last year.

Mr. Anguish: — I was basically going to ask the same question as Mr. Martens had asked, and I'm glad you clarified that because I thought that maybe some infusion

of funds or staffing could assist in speeding up the report for the '86-87 fiscal year.

I would still, however, like, and I suppose it wouldn't have as much urgency for the vice-chairman and the chairman to approach the Minister of Finance to see if there can't be some funding put in place for a catch-up, at least so that next year will be more timely than what it is this year.

Mr. Lutz: — Well, Mr. Chairman, and Mr. Anguish, we had this experience, as I said earlier, probably in the late '70s, where through a combination of circumstances we got behind, and farther behind and farther behind. We did a one-year cosmetic overload and got the thing up to, I think, about a January, which wasn't that bad — 10 or 11 months — and hopefully once you do that overload thing, and it's a one-shot deal, you can stay there. But we did encounter some other problems here and we're back where we were. But we can't affect last year now. You can't. It's ...

Mr. Anguish: — As I say, I'm very happy you clarified that. I think it would be important for the vice-chairman and the chairman to sit down with Mr. Lutz and determine what we're talking about in terms of a dollar figure before you go and see the Minister of Finance.

Mr. Rolfes: — Mr. Chairman, just a very short question to Mr. Kraus. Mr. Kraus, can you tell me on what date your *Public Accounts* was completed — printed and all?

Mr. Kraus: — The final ... There's three volumes, and the middle volume, volume 2, was the last set that was completed, and it was Easter Monday. Is that April 4? I believe April 4 was the ... Yes, April 4.

Mr. Rolfes: — When did you submit it to your minister?

Mr. Kraus: — Shortly thereafter.

Mr. Rolfes: — Do you know the exact day?

Mr. Kraus: — I can't give you the exact date, but it would be within a few days of that.

Mr. Rolfes: — Two or three days?

Mr. Kraus: — Yes, perhaps a week. Perhaps a week. But it would be within a week or so of that.

Mr. Rolfes: — Okay. Thank you.

Mr. Neudorf: — I would just like to make an observation here from following up with what Mr. Lutz was just commenting about, the fact that in the '70s, I believe, or ... sir, you may have said, mid-70s ...

Mr. Lutz: — I think it was late '70s.

Mr. Neudorf: — ... that *Public Accounts* submittals were "falling further behind, behind, behind," I think your words were. And I find it encouraging, however, that now in 1988, that after an exceptional year in 1987 when certainly the deployment of this report was very delayed, that now in 1988 it looks as if you're going to be right on

stream and that we are actually in the same position as last year, so that we are not falling further behind, but rather we . . . So I find that encouraging.

Mr. Lutz: — Mr. Chairman, Mr. Neudorf, I would like to say that I am not completely unhappy with the present scheduling if this committee is not unhappy to do your bidding. That's what I'm here for. I will be resource to the committee if you request it. If I can't pick up the pace on my report and get it out a month earlier — and I told you last year I couldn't, I think, several times. If I can't, I can't.

If you people are happy with that scheduling, I don't have a problem. I'm prepared to go this, and I think I can hold my present timing. With the resources I have, with the work I have, I expect that next year I can come in for '88 by June of '89. I'm not unhappy with this, if you people are happy with this.

I want to make this point. I'm not complaining about the fact that my resources are way light of what I need, that's not so. I'm merely saying that once you get behind, you can't catch up unless you infuse a big chunk of resources and put on a concerted drive.

Mr. Neudorf: — Well, Mr. Chairman, I'm certainly pleased to hear that the auditor is not concerned, that he is reasonably satisfied with the way things are operating. And so I think that's another encouragement for this committee.

Mr. Prebble: — Well, Mr. Chairman, I want to say that I'm not satisfied. And as a member of the opposition, I think that it's imperative that the public accounts be considered in a timely fashion. And that ideally should mean that they are considered, at the very latest, within a year of the, you know, the fiscal year that's under consideration coming to an end. And when you get delays beyond that, I think that that's no longer a consideration in a fashion that's timely from the point of view of the public interest. And I'm certainly not casting any blame at all at the feet of the Provincial Auditor, who's working under resources that have been cut back and are very limited. It's not his fault that the public accounts are to be considered at a late date and that his report is to be considered at a late date.

But this doesn't mean in any way that that is in the public interest; on the contrary, it's clearly not. And I think it's highly inappropriate that we're now being faced with a situation where the *Public Accounts* and the Provincial Auditor's report will likely not be considered at the earliest until the summer. That's highly inappropriate and definitely not in the public interest, of a 15-month delay.

And therefore I think it is imperative that we correct this process by strongly urging the Minister of Finance to ensure that the resources are put in place in the coming months to ensure that at least next year we're able to consider the Provincial Auditor's report and the *Public Accounts*, at the very latest, by the month of April 1989. And we should do whatever is necessary to ensure that the resources are given to the Provincial Auditor to allow that to happen.

So I want to be very clear, Mr. Chairman, about my dissatisfaction with the timing of the documents that

we've not yet received.

Mr. Rolfes: — Mr. Chairman, I thought the committee was really confronting the issue and showed its concern, and I must take exception to the member from . . . Neudorf's remarks because I think they were totally out of context and totally out line, did not reflect . . .

A Member: — From Rosthern.

Mr. Rolfes: — From Rosthern, I guess.

The auditor is a servant of the legislature and a servant of this committee, and whatever our concerns are will be his concerns. It's not his job to say that he is overly concerned about this. If we are satisfied, he has to be satisfied; he's a servant of us. And to put words in his mouth and a totally different meaning, I think, is a disservice to the Provincial Auditor.

I want to say, Mr. Speaker, that sure, maybe the previous government in the '70s had a problem, and it had a problem corrected. We've got a problem now; let's see if we can't correct it.

That was the motion made by the member from The Battlefords and accepted by members opposite, and I think it's a good motion. Let's see if we can't confront it and see if we can't get the Provincial Auditor's report in earlier so that this committee can be effective and do its role.

And that means that the Provincial Auditor's report must be in at least, as the member from University says, before the fiscal year is up, the previous fiscal year, so that we can have a look at it.

I hope that the concerns of the committee will be relayed by the chairman and the vice-chairman to the Finance minister when they speak to him, that if we are going to be effective at all, that report must be in to us considerably earlier than what it's going to be this year, otherwise we become ineffectual.

Mr. Anguish: — A couple of points. I also am concerned with the backlog. I don't think it's good that we are required to sit interessionally to deal with the public accounts.

The other point that I want to make is that although I've had no experience here on Public Accounts Committee, I was on Public Accounts in Ottawa, through the House of Commons Public Accounts Committee, for four and one-half years, and I found that, in particular, Public Accounts is one committee where if we play politics you don't ever get much constructive work done. And I would hope that we try and temper ourselves. It may be strange for politicians not to play politics, but if we played politics in the Public Accounts Committee, I don't think it's very healthy for the process. So I would hope that we wouldn't do that and we can acquire some understanding to be able to work together in a constructive way, especially on a committee like this.

The other point I want to make is that — I guess it's more a question — is that how do we sit interessionally? Does

the Public Accounts Committee have a budget, and if that budget is not adequate to sit for three or four weeks or whatever it would take during the summer, how do we access funds to this committee to have a budget whereby we would sit intersessionally?

Mr. Chairman: — We sat intersessionally this last time. There was a per diem of what? \$109 a day for any meeting that you attended.

Mr. Anguish: — What I'm asking is: do we have budget? And if we don't have a budget, how do we access a budget for this committee?

Ms. Ronyk: — Mr. Chairman, Mr. Anguish, the committee does have a budget that was approved by the Board of Internal Economy and was incorporated in the estimates in the blue book. And that budget currently provides for two intersessional meetings, but it is understood by the board that, you know, the committee a year ahead can't predict how many meetings it might have at any particular time of the year. And if the committee over-expend, then the shortfall would be provided by a special warrant towards the end of the fiscal year. The lack of funding is not any deterrent to the committee to sit intersessionally and do its work.

Mr. Chairman: — I wonder if we might wrap this up. I don't have a motion from Mr. Anguish, I do have a suggestion that Mr. Muller and I meet with . . . and I would think it would be the Minister of Finance, to generally raise the committee's concerns about the fact that Mr. Lutz is some months behind, and that perhaps he may want to consider devoting further resources to Mr. Lutz's office so that we can have a more timely tabling of the *Public Accounts*. That's, as I understand it, is the suggestion that you have.

Mr. Anguish: — I made it as a suggestion, I would hope that it would be something that could be agreed by consensus rather than having a motion and having to vote on it.

Mr. Martens: — I would say that we're inclined to agree with you, and then go with it from there.

Mr. Chairman: — So I sense then that there's consensus on that point that Mr. Muller and I find time to do that, and recognizing that this doesn't impinge on the next set of accounts . . . or the reports of the Provincial Auditor, but we're looking at the future in this.

I just might add one other thing in terms of a question that you raised about research. I received a letter from the Legislative Librarian pointing out that the library may be able to offer the committee and its members information services which may prove valuable for its deliberations, also pointing out that Judy Brennan, assistant Legislative Librarian, will be assigned to work with the committee to act as an ongoing library contact for published information needs. She may not necessarily be here but she will monitor.

So again, if you have questions about the work of the committee and, well, I suppose anything that might be in published form, the library and, in particular, Judy

Brennan, would be able to assist members on an individual basis, and I suppose the committee as a group as well.

Is there any further discussion, business?

A Member: — I move that we adjourn.

Mr. Chairman: — It's been moved that we adjourn. Agreed?

The Committee adjourned at 12:10 p.m.