

**Mr. Vice-Chairman:** — Good morning everybody. I guess we better get started. We have to end it at 11 o'clock, so I guess the first item on the agenda is the *Report of the Provincial Auditor*.

### Report of the Provincial Auditor (continued)

**Mr. Rolfes:** — Mr. Chairman, last day we were examining the auditor's report in regards to the question of non-compliance of statutory tabling, a requirement. And at the end of my comments I was ready to move a recommendation which I had hoped that would be acceptable to the committee, and at this particular time I would like to move that recommendation and see if we can accept it in the committee. And the motion is the following:

That this committee indicate to the Legislative Assembly its concern about the numerous instances where financial statements have not been tabled in the Legislative Assembly as required by statute, and listing these statements.

Mr. Chairman, I move that motion now. And if it's acceptable, I'd like to say a few more words on it.

**Mr. Vice-Chairman:** — In case you didn't all hear it, I'll read it back:

That this committee indicate to the Legislative Assembly its concern about the numerous instances where financial statements have not been tabled in the Legislative Assembly as required by statute, and listing these statements.

Did the member want to speak to this?

**Mr. Rolfes:** — Yes, I did. Mr. Chairman, in fairness to the committee, I spoke at some length last time on the auditor's report. Since that time, some other information has come to every member's attention on the tabling of documents, and I think it was verified . . . or my arguments, I think, were justified again by some of the ministers last week in the House when some more documents were tabled.

And I ask members to . . . I didn't bring them all, but I've brought about a half a dozen, I think, of documents that . . . I've looked at them and when they were available to the government and when they were tabled in the House, and I think if you look at the date that they went to the Provincial Auditor and the day that they were tabled, it is, I think, frightening as to what's happening in our province in regards to the executive branch being responsible to the legislative branch of government.

I'll run through these very quickly. The judges of the provincial court superannuation fund, which ended March 31, 1986 . . . The Provincial Auditor, Mr. Lutz, signed the document on May 21, 1986 — May 21, 1986. It was tabled in June '88.

Now I'm not . . . I didn't know the exact date because I wasn't in the House, but I think it was the 8th, 9th, or 10th of June that it was tabled by the minister. In other words, it

was in the minister's hands for 13 months before the minister tabled it in the House; that's one of them.

We go to Saskatchewan Cancer Foundation and it's the report ending March 31, 1987, and this one was . . . Mr. Lutz handed it in to the minister on August 14, or it was signed by Mr. Lutz on August 14, '87, and it wasn't tabled till June 10, '88.

And what bothers me about these reports is that the legislature was sitting at the time when these should have been available to us to examine, and they were kept in the minister's possession for approximately 10 months without tabling them in the House.

Take the Saskatchewan Grain Car Corporation; the auditor signed it on December 4, '87, and it wasn't tabled till June '88. Again, it could have been tabled on March 23 or 24 when we first started sitting. It was simply kept by someone — I assumed it was the minister.

We have Saskatchewan Health Research Board for the year ending 1986. Again, Mr. Lutz signed it June 11 . . . pardon me, this is a report for '87. Mr. Lutz signed it on June 11, '88, and almost a year to the day, June 10, '88, it was tabled in the House. So someone again sat on the report and didn't make it available.

Mr. Chairman, as you well know, we spent all of the summer last year in large length debating health issues, and all of these reports were available to the members, or should have been available to the members, but they simply weren't tabled. We have the Saskatchewan Health Prescription Drug Plan, and how important that report would have been last summer when major changes were made to the drug plan. And members could have used this report in making their case before the people of Saskatchewan, and this was again . . . Mr. Lutz signed it on June 26, '87. We started sitting on June 17 of '87, and it was tabled June 9, '88, just a few moments before the estimates of the Minister of Health came up.

Saskatchewan Medical Care Insurance (Commission), another one handed in by the Provincial Auditor on August 18, '87; tabled on June 9, '88 — fully 10 months later. Now there are other reports; I just took a half a dozen.

The point that I want to make is this: that if we are going to be doing our job as members of the Legislative Assembly, and especially as members of the Public Accounts Committee, then I think the executive branch must comply with the statutes of the province and make available to the members the annual reports when they have been audited and as soon as it is practicable.

Now I don't think anybody would argue that as soon as practicable is a year later; I don't think anybody would argue that — a month, maybe yes — but not a year later. I don't know what excuse some of the other ministers had, but I just don't . . . well let me put it this way. I find it difficult to believe that a minister had them locked in a vault and forgot about them. I just don't think that that is a reasonable explanation.

And therefore. Mr. Chairman, I move that motion, and hope that all members can endorse it for, I think, the good of the Public Accounts Committee and for the welfare of the authority of the legislative branch of government, and so I move that resolution, Mr. Chairman.

**Mr. Vice-Chairman:** — I've got my name on the list. What is the requirement of the tabling of documents? There never has been any requirement for the tabling of documents or . . .

**Mr. Rolfes:** — I don't think so. I would have to ask somebody else. I don't think there is a requirement.

**Mr. Vice-Chairman:** — Is there anyone here that knows?

**Mr. Neudorf:** — I would think we would have to get the Clerk to answer that question.

**Ms. Ronyk:** — Mr. Chairman, I can practically answer that. The Clerk of the Assembly is required to report to departments, and so on, each year to prepare a list of things that are required to be tabled, which we do; therefore, we're somewhat involved in this matter.

There is a Tabling of Documents Act which applies to most documents that are required to be tabled in the Legislative Assembly, and that Act provides that a department or agency has 90 days after their year end, whenever it is, in which to prepare their report, and then that report is to be submitted to the Legislative Assembly within the next 15 sitting days of whenever the House is then sitting.

The practice of the House when this Tabling of Documents Act comes into play, in say the late fall, which it sometimes can do for March 31 reports if we're still sitting up to 15 days in the fall, technically that Act should come into play and documents should be tabled in the fall. The practice of the House for many years has been that if that situation occurs, the House will normally pass a postponement of The Tabling of Documents Act so that those documents aren't required to be tabled until the following spring sitting.

Most documents are subject to that Act. I think the *Public Accounts* are one that are not, the *Public Accounts* themselves and the Provincial Auditor's report as well. But almost all other annual reports are subject to that Act. The Act does not provide any penalties for failure to table.

**Mr. Vice-Chairman:** — Well it seems to me then that there's very little that the Public Accounts Committee can do about it. It's something that is dealt with through the House in The Tabling of Documents Act. So I don't really see any requirement for this motion.

**Mr. Rolfes:** — Mr. Chairman, I just want to, even though legally we can't do anything as a public accounts, I don't think there's a heck of a lot the public accounts can do legally in most cases. What the public accounts can do is draw to the attention of the executive arm of government, the cabinet, that there is a Tabling of Documents Act and, you know, and to draw to the attention of the Executive Council that even if they don't have a legal obligation, they certainly have a moral obligation to the members to

try and table those documents as quickly as possible so that the information will be made available to the members.

If we don't draw this to the attention of the Executive Council, what we are really saying is that we're not concerned as to whether they table them within a reasonable time, or if they ever table them. I mean, if we take that attitude, Mr. Chairman, then we're simply saying, well, it doesn't make any difference to us as to whether you table them or ever table them. I think that's unacceptable. I mean, as members, even if we're not members of the public accounts, but if we want to do our job as members of the Legislative Assembly, we need to have that information.

And I just simply want to reiterate: those health documents, had we had those last summer when the whole debate went on the prescription drug program, it would have been valuable information. It may have been embarrassing to the government. I'm not saying that, that it wouldn't have been embarrassing to the government, but that's their problem. That's not the problem of the Legislative Assembly or of public accounts.

And you know, that's to protect the interests of the people of the province, and I think we have to really be cognizant of the fact that we have a duty to perform as members of the Legislative Assembly, and particularly as members of the Public Accounts Committee, to have a debate in the Legislative Assembly on this tabling of documents and draw it to the attention of the Executive Council.

I can go back into *Hansard*, Mr. Chairman, when we were late a few days when we were the government, and there was a debate in the legislature on the tabling of documents.

I really think that the motion is relevant and most important for the work of this committee.

**Mr. Prebble:** — Well I think Mr. Rolfes has put it very well, Mr. Chairman. Even though there are no penalties involved for the late tabling of documents, it's obvious that there's a requirement to have those documents tabled. And I think it's the role of this committee to draw to the attention of the legislature that, first of all, The Tabling of Documents Act is being violated; and secondly, that that is resulting in a lack of timely information to allow this committee to discharge its work. And I think both of those points are very important.

In addition to that, I think that it's very, very important for this committee to prod the executive members of government with respect to the fact that, in general, the legislature is not receiving the information relative to some aspects of public accounts in a timely manner and that, in fact, the whole report was not received in a timely manner for the last two years.

But in addition to that, we had a lengthy discussion yesterday in which — or the last time this committee sat, rather — in which we reviewed in some detail the fact that the Provincial Auditor had not been supplied with financial reports from a variety of commissions and

departments. And that is obviously unsatisfactory, I presume, to all members of the committee.

Government simply can't function when these sort of delays are taking place, and it's presumably then, I think . . . From a non-partisan point of view, it's surely of importance to all members of the Assembly that this information be provided in a timely manner. Therefore I hope this is one issue where we can all agree and give the Legislative Assembly and the executive branch of government a friendly prod, I suppose you could call it.

**Mr. Neudorf:** — Thank you, Mr. Chairman. I'm pleased to get into the debate as put forward by the motion of the member from Saskatoon South. I think what this boils down to in the final analysis is something perhaps that we should have been doing in the last few meetings, and that is pursuing further exactly what the mandate of this committee is. I think that's the crux of the debate this morning — the mandate, whether this is within the mandate of this committee or not.

And as I perceive the mandate of the committee, as established by the legislature, it is very precise and it's very focused in its direction, and that is that it is up to this committee to pursue the *Public Accounts* and to ascertain whether or not all of the funds spent by the executive branch of government were done so under a legal auspice. And if that is the case, that's the extent to which we pursue it.

Now, noting some of the comments of the members that have spoken to this motion, I question whether or not we have to ask ministers: what excuse do you have in tabling your documents "late"?

The comment was made whether it was even moral . . . we have a moral obligation. No sir, I suggest to you, this committee does not have a moral obligation, we have a legal obligation, and that is the parameters under which we must continue to operate.

So as the member opposite said and admitted, they also were late in . . .

**A Member:** — Very seldom.

**Mr. Neudorf:** — Very seldom, he says. So again he admits that when they were in government they were also late in tabling these documents. And I would suggest to the members of this committee right now that I don't think we're here to argue sins of degree, or the degree of sin.

So that I think Mr. Rolfes hit the nail right on the head when he said that when they were late in tabling their documents, it resulted in a debate in the legislature. And I suggest to you, sir, that that is exactly where this debate then should be focused. And if you want to bring it up to the legislature as a member, as an individual member who has that particular concern, you have every right to do that, and I would commend you to take that action.

But for us, as a committee, to go beyond what I perceive to be the mandate of this committee, I cannot go along with. And on that basis I don't think that your motion is valid at all.

**Mr. Prebble:** — Well, Mr. Chairman, I want to make some comments on what Mr. Neudorf has said. First of all, Mr. Chairman, I'm at a loss to understand how this committee can discharge its duties in determining whether moneys have been legally spent if it's not provided with the information from departments and commissions of government in order to make that determination. How are we to determine whether moneys have been properly or improperly spent in many of the departments and commissions that have yet to file their financial information with the Provincial Auditor, when that information has not been filed? It is impossible for this committee to discharge its duties, Mr. Neudorf, without having information presented in a timely manner.

And I think that we, therefore, are obligated, because we cannot discharge our duties, since this information has not been provided, we are obligated to report that to the legislature and bring it to its attention.

So we have a situation where, first of all, The Tabling of Documents Act is being blatantly violated. In our case, Mr. Neudorf, when we were in government there were delays of a few days or a couple of weeks with respect to the tabling of documents. Here we're talking about many instances where there's a delay of up to a year or even more in the tabling of documents. And we've had instances where it's clearly been shown that in fact the documents were prepared for the minister months ahead of time and he failed to table them.

**Mr. Neudorf:** — That becomes a policy decision.

**Mr. Prebble:** — Well it becomes a gross violation of The Tabling of Documents Act, and it obviously affects the ability of this committee to review the financial information because the information is not being provided to this committee . . . (inaudible interjection) . . . Well we have, in addition to the failure to table documents, we spent a great deal of time last day reviewing in depth at least a dozen examples in which various commissions and agencies of government had failed to prepare their financial reports in a timely manner and they could not be included in the Provincial Auditor's report. And therefore, because they're not included in the report, this committee is unable to discharge its responsibilities in determining whether that money has been legally spent or not.

And therefore, Mr. Chairman, I think that the motion, which is a modest one indeed, namely that this committee indicate to the Legislative Assembly its concern about the numerous instances where financial statements have not been tabled in the Legislative Assembly as required by statute and listing these statements, I think, is the minimal obligation that this committee has in terms of discharging its responsibilities to the legislature and to the public.

**Mr. Rolfes:** — Mr. Chairman, just a few words. I just want to make one correction for the member from Rosthern. I did not say that this committee had a moral obligation, I said the ministers had a moral obligation even though they may not have a legal obligation.

But I want to also ask a further question of the Clerk as to whether or not there is statutory obligation. I think there is. To just remind the member from Rosthern, the only reason the former government may have been a few days late was because of the fall session. If the fall session had not been called statutorily, the government would never have been late in tabling its . . . (inaudible interjection) . . . No, well that's fine. Therefore, and even then the legislature passed a resolution, passed a resolution saying that the documents need not be tabled until the spring session.

I would ask members opposite to check the records as to whether or not the former government was delinquent in its attempt to abide by The Tabling of Documents Act. It simply is not true. And, gentlemen, if you go through this document that was put before us a few days ago, there are still some documents of 1986 which haven't even been submitted to the auditor. How can we possibly perform our function. We're doing the public accounts of '86-87. We can't even do them because they haven't even been submitted yet.

Surely we have an obligation as a Public Accounts Committee to draw that to the attention of the executive branch of government. And that isn't a partisan resolution. I wrote it in such a way that I thought it wasn't partisan, that everybody could accept it. I'm not being critical of the members opposite. I'm simply saying the Executive Council is not abiding by the statute, and we ought to draw that to their attention. It's much more powerful if it comes from this committee than it does from an ordinary member of the Legislative Assembly, and you know that. I mean, if I move a resolution, it's not nearly as powerful as if we unanimously would pass a resolution stating to the Executive Council that we are concerned. I'm not even saying criticizing; I'm saying we're showing a concern. Surely we could do that much in our obligations as members of this committee.

And I would like to ask the Clerk if there is a statutory obligation, if I may, Mr. Chairman, of the ministers to table those documents. I didn't get that. Okay, if I may?

**Ms. Ronyk:** — Mr. Chairman, you might do better to ask Mr. Lutz. But I think if you'd look at the sections that he's quoted in his report, in most cases he has actually quoted the Act that requires the document to be tabled, and they do refer to The Tabling of Documents Act which would establish the time frame in which they must be tabled as I earlier outlined, the 90 days plus 15 days for tabling.

**Mr. Rolfes:** — So what you're . . . what I gather then, that they are . . . there is a statutory obligation on the part of the ministers to table them within a certain limited time.

**Ms. Ronyk:** — Yes. I haven't looked at every one of them but . . .

**Mr. Rolfes:** — No, that's fair enough.

**Ms. Ronyk:** — So that they would be. I'm sure Mr. Lutz might be able to confirm that.

**Mr. Vice-Chairman:** — Do you want to respond to that,

Mr. Lutz?

**Mr. Lutz:** — I don't think so, Mr. Chairman. There's nothing that I can say to . . . (inaudible) . . .

**Mr. Muirhead:** — Certainly I can say, Mr. Chairman, that when the members opposite . . . the committee opposite state that they have to be . . . the minister has to table the document, of course they have to table the document, but I can see this has been normal practice. I think records will prove that 12 out of 15 years they've always been tabled in the spring. They've been tabled in the spring. I don't know why we sit here, time after time, hour after hour, debating what . . . all the little details instead of getting at the *Public Accounts*. They don't seem to want to do it.

I was in this House too, Mr. Chairman, from 1978 to 1982, and I would like to also have the records searched and looked at from those years and just see exactly, because they can . . . the members opposite can make some great accusations, but whether they're factual or not, as the other day Mr. Rolfes made a long statement here condemning the Executive Council and condemning the government for . . . and then he ended up after the issue of wide accusations, then made up . . . made a resolution.

But I stated that day, Mr. Chairman, that I would examine the *Hansard* very carefully, in detail, and come back and make a statement, which I'm going to do at this time because it's pertaining right to the resolution that he has passed.

Mr. Rolfes made some terrific accusations against this government and talking about non-compliance and accusations about the Executive Council, so I'm just going to reply to some of them.

He specifically included the Provincial Auditor as the sole auditor. Number two, the timing of the tabling of the *Public Accounts*. These are things he talked about. The resources available to the Provincial Auditor. And Mr. Rolfes, his serious accusation regarding incidents of non-compliance. This is where these serious accusations he made . . . And I'm going to address these, Mr. Chairman. It's going to take me a little while, but I'm going to address them now.

These non-compliance accusations were . . . specifically they were the various financial statements not tabled, the amount of information available on SPMC (Saskatchewan Property Management Corporation), the minutes of CIC (Crown investments corporation).

Firstly . . . the one I'll address firstly: Mr. Rolfes raised a number of administrative concerns. He indicated that the Provincial Auditor is the sole auditor of each entity and that it doesn't make any difference whether another auditor also audits the accounts of an entity. This statement I disagree with, Mr. Chairman. I disagree 100 per cent.

As we all know, the Provincial Auditor is not the sole auditor of each entity. He is not the sole auditor. There are a number of Crown agencies for which another auditor

has been legally appointed to examine the accounts of a Crown agency. In these situations, care has been taken with the legislation to ensure that there are uniform audit and reporting requirements for every government entity, regardless of who audits the accounts.

Although he may not be the sole auditor, Mr. Chairman, the Provincial Auditor does have certain oversight responsibilities, and The Provincial Auditor Act provides that he may fulfil these responsibilities by relying on the report of another auditor or, failing that, by performing additional work himself. That's the way the law reads, and in fact I don't believe Mr. Lutz would even consider himself the sole auditor of each government entity.

As my colleague, Mr. Neudorf, just stated that we're . . . It's the law that we have to . . . what's legal here is what we have to stick to.

Secondly, Mr. Rolfes also reiterated some of the comments we've heard about the timing of the tabling of the *Public Accounts*. One of his comments was that there is no connection, no connection between the timing of the tabling of the *Public Accounts* and the Provincial Auditor's report. Although there is no legal requirement to table these reports together, in each of the past five years they have been tabled in the spring session within days of each other, so I believe there is some correlation between the timing of when these two documents are tabled.

In another of his comments, he said that in the past, the *Public Accounts* have always been tabled before the end of the next fiscal year. In 12 of the last 15 years, 12 of the last 15 years, Mr. Chairman, the *Public Accounts* have been tabled in the spring session, as they have been this year. Accordingly, I believe, Mr. Rolfes . . . (inaudible interjection) . . . Mr. Chairman, I had to sit and listen to his charges the other day and all his accusations, and I never even made a comment, so I ask them the same. I never even made a comment until I'm speaking now, and I have my right, as they have their right Mr. Chairman.

As I said, in 12 of the last 15 years, the *Public Accounts* have been tabled in the spring session — they can make their wild accusations, but prove otherwise — as they have been this year. Accordingly, I believe Mr. Rolfes has misrepresented the facts regarding this issue. Furthermore, as we all know, the tabling practice established for the Saskatchewan *Public Accounts* are not much different than the tabling practice established in other jurisdictions.

As I am sure you remember, our committee received a report on this matter last year, and it supported the fact that the Saskatchewan's tabling practices are similar to those of many other jurisdictions. In fact that report indicates that 70 per cent of the provincial jurisdiction tabled their *Public Accounts* in the spring.

However, if we find that the current situation is no longer acceptable, it may be in order for this committee to discuss the matter to see if we can determine exactly where some time could be saved. Mr. Rolfes thought there may be a resourcing problem that slows down the time it takes to prepare the audit and financial statements,

but I don't believe this is the case, Mr. Chairman. When I looked at the auditor's report on the financial statements, I noticed it dated October 23, 1987. I'm assuming this means he has substantially completed his audit by October 23, 1987. It also indicates that the financial statements must have been completed and available for audit long before that date.

Now if this committee is going to try to make some meaningful recommendations on this matter, we probably have to look a little deeper because resourcing is clearly not the problem. Perhaps the explanation is the same as the one given to the committee by the Provincial Auditor and the Provincial Comptroller last year, stated simply:

It is not uncommon for management and the Provincial Auditor to disagree on some issues, and this often delays finalization of the financial statements.

So before we jump to conclusions, Mr. Chairman, I suggest . . . I'll give an example. A need for more resources is not going to be the answer. Let's try first to find out exactly how the process works. Let's just think how the process works instead of jumping that we need more resources, like the members snicker and smile over there that's not the problem. The Provincial Auditor's resources, particularly in relation to his report to the Legislative Assembly . . . Mr. Rolfes seems to agree with the Provincial Auditor's statement that the reason his report to the Legislative Assembly is late is because he doesn't have enough resources.

As we well know, the Provincial Auditor has been asked to manage his resources more effectively, in a manner similar to all other government departments. As the committee will recall, a year ago I asked the Provincial Auditor to do like all other departments — take his money, clean up his act, and get the job done. Well one year later he's blaming it on to resources.

Obviously the more efficient we can operate the administrative end of things, the more money we can make available to the agriculture sector and other essential sectors that need assistance.

Perhaps the solution here is to provide — I'm going to be fair here — perhaps some solution here is to provide the Provincial Auditor with an injection of funds to get caught up.

As a committee, we already agreed to discuss this issue. We've agreed to this before. Mr. Rolfes, I am sure, will recall that the chairman and vice-chairman of this committee talked to the Minister of Finance who said he would take this matter under consideration. So nobody has said no.

In any event, I believe we should remember that the reduction in resources provided to the Provincial Auditor for '87-88 corresponded to reduction in the number of audits he is expected to perform. This is a result of awarding the audit of Crown corporation to private sector auditors. I believe it is appropriate to determine the impact private sector auditors will have on the work-load

of the Provincial Auditor before we provide him with any additional resources.

Let me turn to the more serious issues raised by Mr. Rolfes regarding non-compliance. Mr. Rolfes, at our last meeting, deemed it necessary, Mr. Rolfes deemed it necessary to read into the record, I quote, "read into the record," all of the examples where, in the Provincial Auditor's opinion, certain financial statements have not been tabled as required by statutes. I assume that the point of this exercise was to demonstrate that executive arm of legislature is withholding information on purpose. To imply that there is some dark conspiracy not to file the financial statements of some agencies on time, I don't believe this is the reason at all, Mr. Chairman. I absolutely do not believe it.

Once the situation is examined more closely, it becomes apparent that most of the examples cited by the Provincial Auditor relate to financial statements prepared by the Public Employees Benefits Agency. We heard from the Provincial Comptroller, Mr. Kraus, and he indicated the Public Employees Benefits Agency had taken a lot of extra work — for example, the early retirement program. This by itself may explain why most of the financial statements were late.

I believe that instead of jumping to conclusions, we should first ask the officials what went wrong and examine the report on the status of these financial statements that this committee has asked the Provincial Comptroller to prepare.

Also I've noticed that the financial statements of the Saskatchewan Vegetable Marketing Commission, one of the examples cited by the Provincial Auditor, were tabled in volume 2 of the 1986-87 *Public Accounts*. To me this indicates that Mr. Rolfes may be overstating the concerns raised by the Provincial Auditor.

He also indicates that the Provincial Auditor may have made an error in his report. I've got a copy of the Saskatchewan Vegetable Marketing Commission financial statement. Mr. Lutz signed off these statements on November 27, 1987. Obviously the Provincial Auditor's report is not perfect, and there are some differences of opinion that should be discussed and understood before we draw any conclusions.

Mr. Rolfes also noted that the formation of the Saskatchewan Property Management Corporation has resulted in a reduction of information provided to the Legislative Assembly. SPMC was established to finance and manage capital assets for the government. Loans to SPMC are reported as loans on the same basis as loans to any other Crown corporation. Mr. Rolfes should remember that the same level of detail is provided for SPMC as provided for other Crown corporations. In short, SPMC is being treated the same as all other Crown corporations, many of which are setup by the opposition, that were set up by the opposition, so I don't understand why it is being singled out for criticism today.

Furthermore, detailed information for Crown corporations, including SPMC, is available, and may be obtained through committees of the legislature such as

this committee and the Crown Corporations Committee or even the Committee of Finance.

Mr. Rolfes also accused officials of SPMC of telling the Provincial Auditor he has no right to question them on the expenditures of their money. Nowhere does the Provincial Auditor make such a statement. And I'd like it on the record that Mr. Rolfes has made this accusation without first talking to the officials responsible for the corporation. I sincerely doubt the officials would act in this manner, and I believe he owes them an apology.

I also noticed, while going through *Hansard*, that Mr. Rolfes accused SPMC of not providing the Provincial Auditor with minutes of meetings. I assume he intended these remarks to be directed to CIC, and perhaps he should apologize to SPMC officials for the mistake as well.

Finally I would like to deal with the most important accusation of non-compliance levelled at by Mr. Rolfes against officials of the government. Mr. Rolfes attacked the president of CIC for not providing the Provincial Auditor with minutes of the board of CIC. Once again he has assumed that the comments made by the Provincial Auditor automatically represent all of the facts or tell the whole story.

I don't believe it was the intention of CIC to withhold information from the Provincial Auditor. I do know that at the time of the Provincial Auditor's request the government was in the process of changing auditors for CIC, as well as changing The Provincial Auditor Act, and this may have affected how the corporation reacted to the request.

Also, I believe there are proper procedures that the Provincial Auditor should go through to obtain information when he is not the sole auditor. I repeat, I believe there are proper procedures the Provincial Auditor should go through to obtain information when he is not the sole auditor. Sections 11.1(1) and 11.1(2) of The Provincial Auditor Act states that:

In the fulfillment of his responsibilities as the auditor of the accounts of the Government of Saskatchewan, the provincial auditor may rely on the report of the appointed auditor of a Crown agency or Crown-controlled corporation if he is satisfied that the appointed auditor has carried out his responsibilities pursuant to section 11 with respect to that Crown agency or Crown-controlled corporation.

Where the provincial auditor determines pursuant to subsection (1) that he is unable to rely on the report of the appointed auditor with respect to a Crown agency or Crown-controlled corporation, the provincial auditor shall conduct additional audit work with respect to the accounts of that Crown agency or Crown-controlled corporation.

As these sections indicate, the Provincial Auditor has a professional and legal responsibility to route any requests for information through the appointed auditors of the corporation. If he can't rely on information provided by

the appointed auditor, and if the appointed auditor can't get the information the provincial auditor needs, then he can ask the corporation to provide it directly to him.

Having read these two sections, I can see the president might be reluctant to provide the Provincial Auditor with any information until he is sure that the Provincial Auditor has followed the proper procedure. In fact, it would be irresponsible of the president to do otherwise.

So before we jump to any conclusions and perhaps falsely accuse the officials of serious charge of non-compliance, let's get the whole story and talk to the private auditors talk to the private auditors and the CIC officials.

Mr. Chairman, I think it would be highly imprudent to make the kind of accusations Mr. Rolfes has made without first reviewing all the facts. Indeed, it would be highly irresponsible on our part to pass a resolution in this committee condemning the actions of the Executive Council and condemning the actions of civil servants based on the incomplete analysis presented last week by Mr. Rolfes.

I'd like to conclude by saying this committee has a responsibility to review all the facts before jumping to conclusions, and we should review them in a non-partisan manner.

I'd also like to say that after reviewing the *Hansard* last day, Mr. Rolfes has, as Mr. Martin put it, made sweeping generalizations about many of the issues raised by Mr. Lutz.

I'd like to repeat that a number of his comments were unfair to the Provincial Auditor, government officials, and to members of the Legislative Assembly and the Executive Council.

Thank you, Mr. Chairman.

**Mr. Prebble:** — Mr. Chairman, I'm very, very disturbed by the comments from the member for Arm River, and I want to respond to those, Mr. Chairman, because I think really his remarks are quite unprecedented in terms of a defence of what is really a flagrant violation of statute by executive members of the government with respect to failing to table documents on time, with respect to failing to provide the necessary co-operation with the Provincial Auditor. I want to respond to some of those comments in detail.

First of all, the member suggested that documents were not being intentionally withheld from the legislature with respect to the timing of their tabling. Well, Mr. Chairman, if the documents were not being intentionally withheld, then one can only conclude gross incompetence on the part of the respective ministers.

I refer for instance to the tabling of the 1985-86 annual report of the Judges of the Provincial Court Superannuation Fund, completed, as I understand it, by the Provincial Auditor on May 21, 1986, and tabled in June of 1988, two years later, Mr. Chairman; the report of the Saskatchewan Cancer Foundation, completed by the Provincial Auditor in August of '87 and tabled on June 10,

1988; the report of the Saskatchewan Grain Car Corporation, completed by the auditor on December 4, 1987, but tabled in June of 1988; the report of the Saskatchewan Health Research Board, completed by the Provincial Auditor on June 11, 1987, but tabled on June 10, 1988; the report of the Saskatchewan Health prescription drug program, completed by the Provincial Auditor on June 26, 1987, but tabled on June 9, 1988; the report of the Saskatchewan Medical Care Insurance Commission, completed on August 18, 1987, but only tabled on June 9, 1988.

Now I wonder if the member for Arm River could provide us with explanations for why the reports of the Saskatchewan Grain Car Corporation, the cancer foundation, the Health Research Board, the Judges of the Provincial Court Superannuation Fund, for involving three or four different ministers, were all tabled anywhere from 6 to 14 months late.

And if that's not intentionally withholding documents, then it's gross incompetence by the ministers involved. But it's either one or the other, Mr. Chairman, and I don't want to say which one it is. But I think that's simply indefensible, and it's unbelievable that a member would seek to defend it.

Secondly, Mr. Chairman, I want to comment on the member's suggestion that it was primarily that the delay in terms of the provision to the Provincial Auditor from a variety of government agencies and commissions largely related to work overload for the public service superannuation fund and other similar funds.

Mr. Chairman, there's a host of other late other commissions and agencies that reported to the Provincial Auditor late, or failed to file their reports at all. We were given a list of them last day. They include the Saskatchewan student aid fund, the Vegetable Marketing Commission, the Souris Valley Regional Care Centre, the Wascana Rehabilitation Centre, the (Saskatchewan) Anti-Tuberculosis League, the Saskatchewan Transportation Company, Mr. Chairman . . . the Saskatchewan Transportation Company superannuation fund.

There are a number of agencies that reported late, Mr. Chairman, whose reports had little to do with the question of the superannuation fund or the additional work-load that may have been imposed as a result of early retirements in the public sector.

The third point that I want to make, Mr. Chairman, is I want to respond to the accusations of the member from Arm River in the sense that he said that it was not the intention of the Crown Investments Corporation to withhold information. I want to say, Mr. Chairman, that all the evidence, contrary to what the member for Arm River says, points to the fact that it was the intention of the Crown Investments Corporation to withhold information.

The Provincial Auditor specifically states in his report that the board of directors of the Crown investments Corporation actually passed a resolution, Mr. Chairman, stating that they would not provide the Provincial Auditor with their minutes. Now if that's not withholding

information intentionally, I don't know what is.

And the Provincial Auditor points out that even after he went to Mr. Berntson and drew to the attention of the minister responsible for CIC that information was being held, following that, on September 17, 1987 . . . I'm sorry, first of all, in 1988 the officials and the senior management of the Crown Investments Corporation again refused the Provincial Auditor access to the minutes.

So in 1987 he'd been unable to attain access, Mr. Muirhead, and he went to the minister responsible. He actually got the minutes, finally, for 1987, and then he's been denied them again for 1988. Now I consider that to be intentionally withholding information.

In addition, Mr. Chairman, the Provincial Auditor found in the 1987 minutes on September 17, 1987, he found the quotation from the minutes that said, and I quote:

The board confirmed their decision to CMB management to not release any information to the Provincial Auditor, pending further discussions among the board members.

Now I think, Mr. Chairman, that that constitutes intentional withholding of information from the Provincial Auditor. That's a very serious matter, and it's a clear violation of The Provincial Auditor Act.

The fourth point I want to deal with is I want to respond to Mr. Muirhead's suggestion that, given the fact that private auditors can be appointed, that somehow this reduces the responsibility that's on the Provincial Auditor. And he added, Mr. Chairman, that there was no reason for singling out the Saskatchewan Property Management Corporation. And I want to suggest that there is a very real reason for singling out the Saskatchewan Property Management Corporation.

First of all, Mr. Chairman, the Saskatchewan Property Management Corporation failed to provide its report to the Provincial Auditor in a timely manner, and that's reason enough for being concerned.

But also the member from Arm River failed to point out, Mr. Chairman, that the executive branch of government did not appoint in a timely manner an auditor to review the financial activities of the Saskatchewan Property Management Corporation. A delay of some seven to eight months took place before a private auditor was even appointed, and that is just unbelievable. And there's every reason to single out the Saskatchewan Property Management Corporation for not reporting.

Mr. Chairman, I want to conclude by asking a question of the Provincial Auditor, and that is . . . And he may not wish to answer this, but I want to provide him with an opportunity to respond to some of the comments that the member for Arm River made. And I wonder if he does have any response or want to note any corrections that he might want to bring to the attention of the committee. And, Mr. Lutz, don't feel you're obliged to answer this question, but if you wish, I want to provide you with that opportunity.

**Mr. Lutz:** — Mr. Chairman, and Mr. Prebble, I think at the present time I'll probably stay out of this. I had made my statement last September in my special report to the Legislative Assembly. I see no particular gain to be accomplished by repeating what I have already put in print and tabled with the Legislative Assembly. I don't think I have anything further to say than what I have said right here in this special report.

**Mr. Vice-Chairman:** — Before we move on to the speaking order, Mr. Kraus would like to respond to some of Mr. Prebble's comments. Is that fair enough?

**Mr. Kraus:** — Just a matter of clarification, the report that I provided for the committee indicating . . . or providing a status on financial statements that weren't tabled, while it isn't evident on this particular schedule, it is a fact that nine of these 13 financial statements are the responsibility of the Public Employees Benefits Agency.

It isn't always clear because, of course, you're talking about the judges of the provincial court. You might think they're prepared by Justice or something like that, but in fact anything below Wascana Rehab's . . . the rehabilitation centre on this schedule are the responsibility of the PEBA (Public Employees Benefits Agency). And so I just wanted to clarify that in fact the majority of these are with PEBA.

**Mr. Prebble:** — Thanks for clarifying that. That wasn't fully evident.

**Mr. Kraus:** — Okay. Actually it is stated in the Provincial Auditor's report, but I guess, unless you look closely, you wouldn't necessarily see that.

The other thing on the judges of the provincial court, I cannot provide you with all the facts on this particular situation, and so I can only tell you what I know. But I do know, for example, when the auditor dates his report it indicates generally that's when he's completed the majority of his work. It doesn't necessarily mean that he has signed off on his audit report, so it does not necessarily mean that everything is completed. Although most of his work is completed, he may not have signed off on his audit report, so that can mislead you to think that the audited financial statements are completed much earlier than maybe they are.

Secondly, I do know for a fact that the . . . and that's why on this particular schedule it says the statements are ready for tabling, I guess, for the judges of the provincial court, that to the best of my knowledge the Public Employees Benefits Agency did not deliver that financial statement or two or three others here until, I believe it was last Thursday, June 9, 1988. So the minister did not have them in his office for any great length of time.

All I'm trying to point out is that there are a number of facts about these statements that you wouldn't necessarily know about from the schedule that I've provided.

**Mr. Rolfes:** — Mr. Chairman, I have a question for Mr. Kraus. Mr. Kraus, can we, with any certainty, say that if



the Provincial Auditor signs any of these annual reports that I have here and that were mentioned this morning that that has completed his work on those reports?

**Mr. Kraus:** — Well I think Mr. Lutz could speak to that better than I can, but I do know that an auditor will often date that audit report. It's to indicate, I believe, when he's completed the majority of his field work, but there may still be some issues that have to be resolved before he signs his audit opinion. And Mr. Lutz could speak to that.

**Mr. Rolfes:** — I will direct that question to Mr. Lutz then.

**Mr. Lutz:** — I think Mr. Kraus stated the position properly.

**Mr. Rolfes:** — All right. Then just so that we don't misinterpret when these were finished ... For example, am I then to conclude that we should put no — what's the word I want — weight on the fact that you've signed the Saskatchewan health prescription drug program, you have signed it, that you've completed your audit. Where is it now — June 26, '87. Would it be reasonable then that your work may have not been completed until June 9 of '88, or May of '88, or April of '88, because I think that's important.

If that's the case then I want to apologize to the members opposite because that was not my understanding, that when you've signed this that very shortly after the minister gets possession of the report. If that is not the case, then I've misinterpreted what this means.

**Mr. Wendel:** — If I could, Mr. Chairman, Mr. Rolfes. That date that appears on the auditor's report is the date that the audit is substantially complete. There may be, as Mr. Kraus says, some outstanding issues that have to be resolved, that can drag on for a period of time, a month or two or longer, depending on what the issues are, before the report is actually issued. But that's the last date that the auditor takes responsibility for subsequent events for things that may happen after that date that may affect those financial statements.

So it's a technical thing, the audit report date. And there's ... the Canadian Institute of Chartered Accountants has issued some standards on that, and we follow those standards.

**Mr. Lutz:** — Mr. Chairman, there is, I suppose, one or two other things we should discuss here. I heard this morning, clean up my act, so I'll try. It could well be that when we finish our field work and the auditee presents us with those financial statements we've done our work, we've done our field work, we've done the audit of the financial statements. Now if we think those financial statements do not present fairly, we will what is known as "qualify" in my report.

Now when that happens, we may have to sort of start a whole new go around to discuss the qualification or do whatever is necessary to the financial statements to get rid of the qualification, or maybe the qualification will end up standing the way it is. This can take months; this can take weeks; it just depends on both sides in this negotiation, if you will.

And we do, indeed, negotiate our certificates where we have qualified, and if the auditee says, well look, I think, if this is a presentation problem, let me take this back and look at it. Fine, we'll consider what they've looked at, and if they have changed the statement to a degree that we think does not present unfairly, we will indeed change our certificate. But this is the kind of thing that can take a little while. I'm not sure Mr. Kraus said this.

We essentially, in October, were ready to sign an auditor's report on the financial statements, and if after that time these things get pushed back and forth or changes are made or negotiations are taking place, this can be a slow process. But it's not necessarily anybody's fault if it takes a little longer. But I will say right now, it's not my fault if it takes a little longer. We've done our work. We're prepared to say we're finished.

Now I guess maybe I want to say one more thing here too. I wouldn't like to suggest that because the public accounts were, according to myself, pretty well finished in October, I wouldn't like to infer from that that I had a surplus of resources available. We'd tell Mr. Kraus every year: we will give priority to your public accounts of the province; we think they are important. And we may set aside a few things, and we may do those public accounts at the expense of some other series of audits. And I think that is what we should be doing.

But I wouldn't like the inference left at this table that because I had the public accounts done six months after the March year end that I had all the resources I needed. I think I have nothing more to say, Mr. Chairman, thank you.

**Mr. Rolfes:** — I have a question on the public accounts a little bit later.

So, Mr. Lutz, what you're saying is that we really can't put any weight at all on when you sign this report and when it is tabled; that in the interim, lots of negotiations can go on. And so when I read this, the Saskatchewan Health Prescription Drug Plan that you've signed the audited statement in June of 1987 and it's not tabled till June of '88, there is no way that I can find out as to whether information has been intentionally withheld or whether negotiations were going on some item that there may be some discrepancy.

I mean, for example, let's take a particular case, the prescription drug plan. When was that completed and when could it have been tabled, reasonably?

**Mr. Lutz:** — Mr. Chairman, Mr. Rolfes, this date will not give you your answer, but if it is your wish to know when this went somewhere, I will have on my file, some place, a transmittal letter when this thing went away from me. We put a transmittal letter on all of these financial statements; whether they go to Mr. Kraus or somebody else, they're gone. But you can't necessarily depend on this date.

**Mr. Rolfes:** — Okay. Would you, sir, supply us with the transmittal letters of those that we referred to this morning? They will be in the public accounts in *Hansard*. Would you do that? I would appreciate that.

**Mr. Lutz:** — When we have the *Hansard*, we will check that out. Thank you.

**Mr. Rolfes:** — Mr. Chairman, I don't want to spend too much more time on this, I just want to say . . . just a few corrections of Mr. Muirhead.

Mr. Muirhead, on page 44 of the public accounts from last day . . . I'm sure it wasn't done intentionally, but I did correct my statement in saying that there was no connection to . . . and I will read into the record. I said, for example, that

. . . nowhere in the history of Saskatchewan, as far as I can detail and as far as the auditor has indicated, was there any, any connection at all. (And then I go on to say, Mr. Muirhead) . . . Oh, pardon me. I shouldn't go quite that far. Was the Minister of Finance . . . (My question then was) Was the Minister of Finance justified in saying that the Provincial Auditor's report was always tabled with the Public Accounts Committee? There's no connection there at all.

That's what I said.

And then, Mr. Chairman, I did indicate that they were always tabled at the end of the fiscal year, and that is verified by the Provincial Auditor. By the previous government, they were always tabled before the end of the fiscal year — always. And that is on appendix II, page 1, of the Provincial Auditor's report. All the dates are there. Only since '82 have they been tabled after the fiscal year. and that is with the present government.

They've always been tabled before. In fact, the *Public Accounts* were tabled in the following dates: in 1973, February 6; 1973 again, December 19; '74, December 12, and so on. And always . . . In fact, some of them were in December and then January, and we seemed to have got a little bit later but always before the end of the fiscal year. The fiscal year ends March 31 and they were always tabled before that. So I am correct in that statement, that the previous government had always tabled them before.

I don't want to make . . . and nowhere, nowhere, Mr. Chairman, do I condemn the Executive Council in my motion. My motion doesn't condemn the Executive Council at all, and I stayed away from condemning them.

I simply say that this committee indicate to the Legislative Assembly its concern. I didn't condemn any civil servant. I didn't condemn the Executive Council in my motion at all. I stayed away from it. I was hoping that we could present a resolution that would be acceptable to the committee, and that we could then present it to the legislature.

Mr. Chairman. I have no further . . . I could go through in detail the member's response, but that would be of no benefit, so I'll just leave that and hope that we can vote on this resolution.

**Mr. Anguish:** — Well going back to Mr. Muirhead's statement, I think many of the items were covered, and I think there's a great deal of inaccuracy in whoever

prepared . . . well there's inaccuracy in the statement that you read. And whoever prepared that for you, I think that you should check them up on that. Maybe you could provide us with the name of the person that wrote that for you so we could make sure that they don't do any of those for us.

The thing that I think hasn't been covered is that you owe the Provincial Auditor an apology in the accusations you make against his office. He's an officer of the legislature, and I don't think he should come under criticism by you just because he may have said something that you and your government don't like. I think that you should remember that he is an officer of the legislature, and respect should be shown for his office and the job that he performs on behalf of the taxpayers of the province, and I don't think it's in order for you to be condemning the office of the auditor in this province.

The motion, and Mr. Rolfes pointed that out, does not condemn the government or Executive Council. It points out a very serious concern that's been reported to us by the Provincial Auditor, and it should be of concern to this committee, instead of you coming in here with lengthy, verbose statements to try and cover up something that very clearly is of concern to the auditor, and should be of concern to this committee. And I would like to go on with the motion as it reads, and would hope that members like yourself would support the motion.

**Mr. Vice-Chairman:** — Is the committee ready for the question?

**Mr. Neudorf:** — I'd like to . . . just a few comments. What I'm more and more concerned about is the length of time that we've taken this morning discussing an issue that basically should not be discussed in this committee at all. I don't think this committee has any mandate whatsoever to discuss the tabling of motion.

I don't . . . I'm not saying here, and don't get me wrong, I'm not saying that I challenge the right of any member to ask the questions and express the concerns that are being talked about this morning. All I say is, let's do it in the proper forum. The Public Accounts Committee has been established by a legislature, and the mandate that we have been given — I go back to that again — does not give us the right to question whether ministers want to table a document now or whether there they want a . . . whether there is an Act as has been referred to before or not. I think the proper forum is to bring that up in the legislature, and you have every right to do that and you have every right to pursue it to your heart's content in that forum.

And for us, as a committee now, to go beyond our mandate and support a motion like that, I don't think is something that I would be prepared to do. So as far as I'm concerned, you can bring the vote up to the floor and we'll act on it.

**Mr. Rolfes:** — No, Mr. Chairman, I can't, because I don't want it on the records that this committee is out of order in discussing the auditor's report. What we are doing is discussing accusations and statements made by the auditor. Nowhere have we brought in information which is not directly in the auditor's report. And I challenge the

members opposite to show me where we have brought in information that is not contained in the auditor's report.

The auditor is the one who says that the members of the Legislative Assembly can't do their job because of the lack of co-operation and non-compliance of statutes, the lack of co-operation by agencies and departments, and the non-compliance of statutes by the Executive Council. The auditor states that.

When the member from Arm River is condemning me, he should be, if he is honest, be condemning the Provincial Auditor, because I took all my statements out of the auditor's report. I don't care if he condemns me; that's fine. But if he would be honest, he's indirectly saying, but I don't want to say that to you, Mr. Audit. That's what he's saying — I'm condemning you.

Because every statement I made last day, I referred to the auditor's report and what the auditor is saying. And that is the . . . that's what I'm arguing here. The auditor is making these suggestions. He is saying that the members of the Legislative Assembly can't do their job.

So what I'm saying is that we need to . . . we have a right and an obligation to go through the auditor's report and bring that before the committee, and that is what I'm doing with this motion.

**Mr. Anguish:** — Well I can't let that pass either. Mr. Neudorf says that it's not the mandate of this committee, that we should be doing it as individual members. Well I want to put onto the record a letter that Mr. Neudorf wrote to a member of this committee, that he wrote . . . (inaudible interjection) . . . Yes, you had your turn. If you'd just be quiet and sit there and listen for a while, then you can have another round at it if you like, Mr. Neudorf.

Mr. Neudorf has just said very clearly that it's not in the mandate of this committee to deal with the Provincial Auditor's report. And we didn't dream up . . . the inference is there that we cannot deal with the auditor's report. He has stated that we, as individual members, should bring it up in the legislature, or we, as individual members of the legislature, can handle these items of concern in the Provincial Auditor's report. And again I state that we did not dream up the things that we've been discussing here. They're very clear in the Provincial Auditor's report, and if you'd take the time to read it, you'd know where this information comes from.

But to point out the contradiction, Mr. Chairman, in Mr. Neudorf's statement that we deal with it as individual members and not through this committee, I want to read the letter that he wrote to a member of this committee, into the record, and it'll point out the contradiction of the arguments that Mr. Neudorf makes in this committee. He writes:

Dear Mr. Van Mulligen: I write to you in my capacity as a member of the Public Accounts Committee.

I am compelled to express my profound disappointment in you, as the Chairman of this committee, which is designed to be non-partisan

to accomplish the mandate given it by the legislature, namely to examine unauthorized expenditures by the government.

You have shown an apparent disregard for the traditions, practices and mandate of the Public Accounts Committee. You have indeed left me with the impression that you were unaware of those traditions, practices and mandate. I trust that you have availed yourself of the opportunity to read the document which constitutes that mandate, in the 1964 Report which I brought to your attention at the last meeting.

And I assure you . . . that's the end of the quote, but I assure you that Mr. Van Mulligen has examined that and feels that what you're saying in the letter is totally inaccurate.

Let me find the section of the letter that particularly applies to the contradiction that you make. And I quote from the second page of the letter:

Finally, although not a matter of the rules, you have certainly demonstrated a lack of respect for the committee by introducing a private members' bill regarding the Provincial Auditor before the committee has even had a chance to discuss the issues, let alone complete its consideration of the mandate and purpose of the committee, including the office of the Auditor, which consideration the committee has agreed to undertake.

You're saying here you've "agreed to undertake," and now you don't want to undertake. You say that we can deal with it as private members, then when someone does deal with it as a private member you try and chastise them through a totally inaccurate letter that you write to the chairman of the Public Accounts Committee.

So you should be getting your act together so we can function as a committee and not try and cover up the incompetence of your government. Just because you don't like what's written in the Provincial Auditor's report doesn't mean that we can't deal with it in this committee effectively. And I don't think that you're in order at all in the accusations that you make.

**Mr. Prebble:** — Well, Mr. Chairman, I see we no longer have a quorum, and I note it's interesting when members leave just when we're about to have a vote on a motion. I was going to call the question, but since I'm not able to do that at this time, I just want to say and . . . before we leave this matter, because I'd like to go on to the matter of non-co-operation. But I just want to briefly respond to Mr. Neudorf by saying that this is very much, Mr. Neudorf, a prime concern for this committee. It's very much within its mandate.

What's really happening here is that we're seeing a flaunting of the democratic process. This committee plays a key role in terms of ensuring that the executive branch of government is accountable to the public and accountable to the legislature, and that's really what this issue is all about.

And what the Provincial Auditor is expressing concern over, and what members on this side of the committee are expressing concern over, is the inability of the committee to hold the executive branch of government accountable when the basic information that is required to make decisions about whether there have been violations of the public trust is not being provided to the committee. And if this issue is not within the mandate of the committee, then I don't know what is, Mr. Neudorf. I don't know what is.

Mr. Chairman, since we're not able to vote on this motion, I want to, if it's appropriate, I want to move to the question of non-co-operation . . . (inaudible interjection). . . Okay, go ahead then . . . (inaudible) . . . Well, Mr. Chairman, I'll let you rule on that. I would like to raise some questions about non-co-operation, but I won't . . . I'll abide by whatever rules you want to make.

**Mr. Vice-Chairman:** — Well Mr. Neudorf had his name on the list to speak after you, if you're finished.

**Mr. Prebble:** — I'm not finished, but I want to move on to the topic of non-co-operation.

**Mr. Rolfes:** — If I can just make an explanation to my colleague here . . . (inaudible) . . . The procedure has been that we will finish one topic and if there's a member who wishes to still speak on it, we let them . . . (inaudible) . . .

**Mr. Prebble:** — Right. And if Mr. Neudorf wants to speak on this topic, then I want to bow to him. If he wants to change to another topic, then I . . .

**Mr. Neudorf:** — Mr. Prebble, are you changing the topic and away from the motion?

**Mr. Prebble:** — Yes, because we can't vote on the motion . . . (inaudible) . . .

**Mr. Neudorf:** — But who says we're ready to vote for the motion yet. I think I'm going to be replying to some of the accusations that you've been throwing my way. I'm not ready to vote at this stage.

**Mr. Prebble:** — Fair enough.

**Mr. Neudorf:** — I was at one point.

**Mr. Prebble:** — You go ahead then and reply.

**Mr. Neudorf:** — All right. So we're still talking on the motion, as far as I'm concerned.

**Mr. Prebble:** — Yes. In that case, I won't ask my other questions.

**Mr. Neudorf:** — I preface my remarks, Mr. Chairman, by indicating the members seem to think that now that we no longer have a quorum that there was some kind of ulterior motive. We do have the responsibility, Mr. Chairman, of running a government, and there are certain issues that do take people away, and by prior commitment, we thought that this was going to be a fairly . . . the member has to be in Lloydminster by noon, and these kinds of things are necessary in order to run governments.

And it is not a matter of whether or not this committee is a high priority with the government or not.

**A Member:** — You've got lots of other members though.

**Mr. Neudorf:** — And all of these members are doing their duty, let me assure you.

So having perhaps put that on record, I do not think it is fair for the member from the Battlefords to bring up points in my letter to Mr. Mulligen, which was, by the way, addressed to Mr. Mulligen; it was not addressed to the members opposite as a group, but rather in his capacity as chairman.

And since Mr. Anguish chooses to bring up the letter and chooses to pick out certain aspects of that letter that seem to substantiate the fallacy of his argument, then I think it would be in order for me to, at this point, read into the record the entire letter which perhaps might get us off on a discussion that we should have had a long time ago, which is a consolidation of the mandate of this committee, which is established by the legislature, so that we no longer have these long, rambling discussions about issues that are not specifically within the mandate of this particular forum. And I repeat, I have no objection to the members raising these concerns. You're legitimate, but let's do it in a proper place.

Harry Van Mulligen, Chairman, Public Accounts Committee, 265 Legislative Building, Regina, Saskatchewan S4S 0133

Dated June 9, 1988:

Dear Mr. Van Mulligen: I write to you in my capacity as a member of the Public Accounts Committee.

I am compelled to express my profound disappointment in you, as the Chairman of this committee, which is designed to be non-partisan to accomplish the mandate given it by the legislature, namely to examine unauthorized expenditures by the government. (Mainly — and I repeat — to examine unauthorized expenditures by the government.)

You have shown an apparent disregard for the traditions, practices, and mandate of the Public Accounts Committee. You have indeed left me with the impression that you were unaware of those traditions, practices and mandate. I trust that you have availed yourself of the opportunity to read the document which constitutes that mandate, the 1964 Report which I brought to your attention at the last meeting.

But of far greater importance is the fact that you have seemed incapable of showing due regard for the authority of the committee, and have taken it upon yourself to attempt to actually transfer authority from the committee and indeed the legislature to the courts.

You have stated that you identified yourself to the

courts as the Chairman of our committee only as a further means of identification. I suggest that if this were true, you would have just as easily used, or at least included, your membership on other committees or even community organizations. It seems abundantly clear that you abused the position of Chairman to gain standing with the court, albeit the court itself rapidly discerned your action for what it was: a frivolous attempt to undermine the legislature.

Recently you have continued to demonstrate a lack of understanding of the role of Committee and its Chairperson, or a lack of respect for both. You informed the committee on May 31 that you instructed the Clerk to enter into discussions with the University to the purpose of obtaining staff through the work/co-op study program. You had no authority from the committee to do this. Unfortunately I was unable to attend that meeting, but clearly such substantive issues must be approved by the committee before you issue any such instructions to the clerk.

Finally, although not a matter of the rules, you have certainly demonstrated a lack of respect for the committee by introducing a private members bill regarding the Provincial Auditor before the committee has even had a chance to discuss the issues, let alone complete its consideration of the mandate and purpose of the committee, including the office of the auditor, which consideration the committee has agreed to undertake.

Therefore, you have dismissed the committee's input or role in even considering the matters for which it is responsible, even while you are chairman! Surely if you accept that the committee's role is an important one, you will allow us to complete our considerations of these matters without prejudging the results with your own personal or partisan biases.

If you have involved the Provincial Auditor in this matter, I would hope that you would inform the committee of that involvement. Just as the committee continually seeks out similar information about the government which it must call to account, the committee being its own master must call itself and its members to account. Therefore, I would expect you to inform the committee whether or not this action was taken on your own initiative or if someone else advised you in the drafting of this bill and in avoiding the role of the committee.

I am also very conscious of the fact that you seem to be in disagreement with the members of the committee, including Mr. Rolfes, on the role of the committee, as is illustrated by the May 31 verbatim. It is inconceivable that you can represent the committee in Halifax when you *de facto* represent only the view of an extreme minority.

I therefore ask that you provide your assurances to

the committee on the following items:

1. That you desist in making representations in your capacity as the chairman of the Standing Committee on Public Accounts without the authority of the committee;
2. That you will desist in issuing instructions to legislative staff when the committee has given you no authority for the issuance of such instructions;
3. That if you persist in demanding to be a representative at the Halifax conference, that you will put forward the views of the majority of the committee and not abuse this privilege to further your own agenda of implementing republican forms in our parliamentary system.

If this letter seems to be a harsh one, I do apologize. It is only because I strongly believe in the Public Accounts Committee work and indeed the parliamentary system under which we operate. You're perfectly entitled to your views, which are republican, in my opinion. You are entitled to hold and express those views, but, sincerely, if we are to accomplish the important work we have been given, those views cannot be superimposed on the committee.

Congressional style investigations and acrimonious partisan debates will only impede us. I invite you to take on the mantle of Chairman in the honourable fashion that is intended, and necessary. In such circumstances I can assure you of my fullest co-operation, but you must surely see that I cannot remain silent if the current trends continue.

(And) Sincerely (that is signed), Bill Neudorf, Member of the Standing Committee on Public Accounts (with a carbon copy going to the) Hon. Arnold Tusa, Speaker.

Now, Mr. Chairman, having read that complete letter into the records, instead of just the portions that the member from The Battlefords chose to highlight or pick out, I think what we're facing here is much more than just the one motion that the member from Saskatoon South has put forward, but rather the entire mandate that this committee has to look at, and the mandate that this committee at a preceding meeting decided that it would pursue and that it would consolidate and perhaps take whatever actions that the committee saw necessary.

And so, taking a look at the role of the Public Accounts Committee is something that has been done, and I believe it was in 19 — the Clerk could perhaps verify this — the matter was consolidated into a mandate in '63 and became part of the Legislative Assembly's mandate in '65, I believe, if I'm correct — is that correct? — and then there were some amendments later on in 1984 such as . . .

**Ms. Ronyk:** — 1982.

**Mr. Neudorf:** — 1982? Thank you. 1982 where there were some amendments made about the *in camera*

sessions being taken out, and that's why we can have other people present at these meetings, which makes it into a public forum, and I certainly agree that that is the way it should be.

But if our committee is to be making representations on this discussion paper — and I suggest to you, Mr. Vice-Chairman, that perhaps this is the time to pursue it further — and once having established clearly what the mandate of this committee is, members opposite will see that some of the concerns that they are expressing are concerns. And I fully give you credit for having the privilege and the right to express those concerns.

But as I have repeatedly said this morning already, let's do it where the proper forum is. So I would like your permission, Mr. Chairman, to pursue this matter further at this point.

**Mr. Vice-Chairman:** — There's one more speaker on this and that's Mr. Anguish.

**Mr. Anguish:** — I'd like to address the items that Mr. Neudorf brought up in his letter of June 9.

First off, I'd like to deal with what is referred to as "traditions, practices, and mandate." Mr. Neudorf says that Mr. Van Mulligen has shown "apparent disregard for the traditions, practices, and mandate of the Public Accounts Committee." Well this must only be apparent to Mr. Neudorf. If his viewpoint is based on the issues that he raises in his letter, then his viewpoint is wrong. If he has other reasons for saying it, let Mr. Neudorf state these very clearly on the record in this committee.

As it stands, Mr. Neudorf's statement about apparent disregard is not supported by any evidence. You're making accusations but certainly not supported by any evidence whatsoever.

If Mr. Neudorf is so concerned about the traditions and practices, he remains silent about the Progressive Conservative government's departure from these traditions. I point out a case that directly affects this committee. The government did not call the legislature back to consider the budget until June of 1987, even though it had expended public funds by way of special warrants that was clearly contrary to past practice, if not illegal.

Secondly, the Minister of Finance did not table the 1986-87 *Public Accounts* until May 19, more than one month after these were made available to him. Except in 1987 when the legislature did not sit until June, and in 1982 when an election was called, this is the latest tabling date in recorded history of this provincial legislature.

Secondly, in terms of the court proceeding, Mr. Speaker has ruled on this matter in response to a question of privilege raised by the government, and Mr. Speaker concluded that there was no question of privilege having been breached. So is Mr. Neudorf then questioning Mr. Speaker's ruling outside of this Chamber. Is that what you're doing, Mr. Neudorf?

The fact of the matter is that Mr. Van Mulligen did not

purport to claim that he was representing the Public Accounts Committee in his appearance before the courts. He did that as an individual member of the legislature who was very concerned about the lack of following traditions, practice and mandate for the people of the province of Saskatchewan.

The third point that I want to address is the concern that Mr. Neudorf makes about the University of Regina co-operative work-study programs. Mr. Neudorf makes a gross exaggeration when he states Mr. Van Mulligen had instructed the Clerk to enter into discussions with the university to the purpose of obtaining staff through a work co-op program.

It is clear from the transcript that during the course of a meeting with Gwenn Ronyk, Clerk of the committee, and Judy Brennan of the Legislative Library, in which the information and research needs of the committee members were discussed, Mr. Van Mulligen asked the Clerk of the committee to obtain information about their co-operative work-study programs and to make this available to the committee. It seemed to me like he was doing some advance work to help expedite the work of this particular committee, Mr. Chairman.

This information is now being tabled with the committee, and it is up to the committee to decide what they want to do with it. There is no suggestion anywhere, other than in your letter, Mr. Neudorf, that Mr. Van Mulligen had instructed the Clerk to obtain staff through the program.

Ms. Ronyk might be asked what her impression is of this particular meeting that you call into question in slandering the chairman of this committee. The chairman should be thanked for taking the initiative to have the information brought to the committee's attention.

Item number four in terms of the private members' Bill, the fact that Mr. Van Mulligen, as a private member, has introduced Bills is of no concern to Mr. Neudorf or any other member. He is not accountable to the committee for his actions as a private individual member. And in fact if you would suggest so, that would be a breach of privilege of an individual member of this legislature.

Mr. Neudorf concedes that it is not a matter of rules, but then goes on to make an argument that Mr. Van Mulligen should be subject to Mr. Neudorf's rules that he sets down. And I wonder who gave you authority, if you're so much on authority, who gave you the authority from this committee to write such a letter to the chairman of the Public Accounts Committee.

It is, simply put, a scandalous question that Mr. Van Mulligen should be held accountable to the committee for having introduced Bills as a private member of the Legislative Assembly. Whether or not these Bills relate to issues that the committee may be interested in, is irrelevant.

What is relevant is that Mr. Neudorf would apparently seek to use the government majority on the committee to put constraints on the rights and privileges of a private member. He should be called to account . . . Mr. Neudorf, you should be called to account for your heavy-handed

suggestions. This is so like your Progressive Conservative friends. When you don't like the message, you try and shoot the messenger. And we talked about that earlier in the committee today. I think it's disgraceful that this paranoid government would seek to silence a member of this Legislative Assembly.

On the fifth point in your letter which concerns a disagreement with members of the committee, Mr. Neudorf, you indicate that because Mr. Van Mulligen disagreed with Mr. Rolfes and government members of the committee on May 31 over the value-for-money auditing or comprehensive auditing, it is inconceivable that Mr. Van Mulligen could represent the committee in Halifax since Mr. Van Mulligen represents only the view of an extreme minority. In fact Mr. Van Mulligen stated on May 31, on page 20, and I quote, "I remain to be persuaded one way or another."

Furthermore, it is our viewpoint that we have not made a decision in this particular committee whether or not to support the concept of value-for-money auditing, or comprehensive auditing, whatever you want to call it. I think that, consider the fact that half of the legislatures and parliaments have this particular mandate for their provincial auditors.

Bob Andrew, when he was a member of the Public Accounts Committee in 1979 to 1981, spoke loudly in favour of this concept. Is it Mr. Andrew or is it an extremist that you're concerned about?

And certainly my experience in attending such forums as the chairman and the vice-chairman are going to in Halifax, is to have stimulating discussion about a wide range of topics. And certainly you don't have stimulating discussion if everyone that goes there has to be a eunuch by your description, and have to follow a very strict script when they enter into discussions at a conference that's very important. The vice-chairman has the right to speak his opinion; the chairman has the right to speak his opinion; and if you want a very concise statement made by the committee, I'm sure either the vice-chairman or the chairman would be happy to put those forward to you. So write it up, Mr. Neudorf, and we'll discuss it in this committee; and if it's approved, then they will state that as the Saskatchewan Public Accounts Committee position on comprehensive auditing, or the mandate and role of the Provincial Auditor in the Public Accounts Committee for this province. So you can either put up, or I suggest you maybe want to drop the issue.

The sixth point I want to address in your letter, Mr. Neudorf, is the item about desist in making representations. This is very vague but, I think, a potentially troublesome suggestion. It's agreed that the chairman should not purport to report to represent the committee when this is not appropriate. On the other hand, Mr. Neudorf, are you suggesting that the chairman can say or do nothing without the expressed authority of the committee? In each instance then, he is clearly suggesting that the chairman be muzzled. That's what you're suggesting, Mr. Neudorf. Are you suggesting a definitive set of guide-lines for the chairman? How about other members of the committee, like you writing a letter like that to the chairman of this committee. Should you be

governed by guide-lines as well, Mr. Neudorf.

The seventh point that I want to address is that you talk about desist in issuing instructions to legislative staff. This hasn't been the case, certainly not under the accusation that you make that he's doing something to the detriment of the committee by asking legislative staff to do things that you do not wish to have done from this committee. And I think that it's appropriate for the Clerk to also respond, so that the Clerk can tell us what instructions were issued to her by Mr. Van Mulligen that would be inappropriate and be to the detriment of this particular committee.

Again I want to go back to my eighth point and that is the Halifax conference. Repeatedly, Mr. Van Mulligen has asked for input from the committee on the major agenda item to be considered at the Halifax conference. Obviously in doing so, he is inviting the views of the majority of the committee. Mr. Neudorf, you seem to have this weird notion that any and all issues of mandate can be referred to the 1964 Report of the Special Committee on Public Accounts Procedures and the amendments that were made in 1982. Certainly that document is helpful, but does not address many of the issues that Mr. Van Mulligen and Mr. Muller will be called upon to consider at the Halifax conference.

Things have changed since 1964 whether or not you can believe that, Mr. Neudorf, and you know that in 1982 the committee met to discuss the mandate and made a number of recommendations to the Assembly. For example, value-for-money auditing was not discussed in the 1964 report.

Mr. Neudorf, in summary I'd like to say that it seems that you're intent on focusing attention away from the auditor's report, and the *Public Accounts*, onto peripheral issues that are, I think, detrimental to the functioning of this committee. Thank you, Mr. Chairman.

**Mr. Neudorf:** — Thank you, Mr. Chairman. At the outset of my next few remarks here, I would just like to say to the hon. member that, or perhaps ask the hon. member a question, and that is: who wrote that speech for you, and could you give me his name so that the members on this side could be very sure that we will not use that same speech writer?

**Mr. Anguish:** — Well I'd be very happy to provide that information, Mr. Chairman. The . . .

**Mr. Neudorf:** — You can answer that after, as you asked me . . .

**Mr. Anguish:** — The question was asked, and I would like to answer the question. The comments that I made were reviewed by Mr. Van Mulligen, Mr. Rolfes, Mr. Prebble, and myself, Mr. Anguish, to you, Mr. Neudorf, and I would say that we were very seriously concerned, very seriously concerned about the letter. This is an appropriate response which we drafted together. And I certainly appreciate Mr. Neudorf's concern about not wanting the writers of such a document to do any work for him because we don't intend to ever do any work for him.

**Mr. Neudorf:** — Mr. Chairman, I think it is unfortunate that the member from The Battlefords, it seems to me, had the insensitivity of bringing this letter forward at this time and reading it publicly into the public records. I wrote that letter to Mr. Mulligen in his capacity as chairman, true. So, I mean, that's fair game if they want to discuss that letter. But I had no intention of bringing the letter forward today if Mr. Mulligen was not present, since the letter was addressed to him.

Now I'm assuming that he told his colleagues, go ahead and bring it up, but I would have preferred if Mr. Van Mulligen would have been here in order to address this situation personally, rather than having to do it through an emissary who is trying to portray the thoughts, and so on, of Mr. Van Mulligen.

So I just want to make that clear. It was not in my intention to bring up a letter like this publicly, and certainly it was not my intention to bring this letter publicly in the absence of the individual to whom I wrote that letter. So I feel a little bit uneasy about having to discuss this entire issue without Mr. Van Mulligen's presence here today.

Just a few other comments in response to your comment about the instructions to the Clerk. I do believe that I asked Mr. Mulligen at a previous meeting, about this work study co-op program and so on, who initiated that? Was it the Clerk that initiated that? Was it another member that initiated that? Was this the committee that initiated? And I believe his, Mr. Van Mulligen's, response to my question was that, no it was not the Clerk or anyone else; it was I who initiated that.

Now I appreciate the member's eagerness to perform. I appreciate his eagerness to do a good job as chairman. And I think, in a sense, that is commendable. But I still think that it has to be done with the concurrence of the members of this committee. And I say that for a very particular reason, Mr. Vice-Chairman, and that is I don't like being a reactionary. I don't like being put into the unenviable position of reacting, perhaps negatively, to an initiative taken by a member of this committee in his role as chairman. Because what that does is it sets up a potential policy of this committee that we will have to react to, and I will be then perceived as being negative, as being someone who wants to hold back the initiatives of this committee. And I don't like being put into that position. And had this been brought up at the committee, I may have said to the chairman, I'm not quite sure because the fact that it's the co-op work study program is immaterial; that's irrelevant at this point; it's the process that I'm concerned about.

And I may well have at that time said, well sure, let's go for it. But because of those kinds of circumstances under which it was augmented, it is a process that I'm concerned about and I don't think that that is something that we want to become part of this process.

The time is running out. My further comments, and they are substantial, on this whole matter . . . If the committee wishes at this stage, we could either say, that's it, or I could get into some of my substantive arguments that I'm going to be putting forth, which would be the first few thoughts. So I leave that at the discretion of the chairman

at this time, seeing that it's three minutes to 11.

**Mr. Vice-Chairman:** — Well it's been stimulating debate. And being near 11 o'clock, I guess we'd have to adjourn this motion. It can't be dealt with until . . . the motion of Mr. Rolfes can't be dealt with until next meeting. It either has to be adjourned or go on to a new subject. It seems a little late in the day to go on to a new subject. So I think maybe we should adjourn.

**Mr. Rolfes:** — It will only be a few comments, and I'm not going to make the comments in any . . . I don't want to stimulate any more debate. I think we've discussed this sufficiently. I just want to say, Mr. Neudorf, that I had discussed this with Mr. Van Mulligen, who is ill and could not be here. He was concerned that this letter may have been wider spread than what it was here. We don't know when the Public Accounts Committee are going to meet again, and we did not want this thing to be hanging out there with no defence.

You had indicated in this committee that you had sent it to the Speaker. I don't know who else you sent it to. We didn't know. And Mr. Van Mulligen could not be here; he wished he could have been here. But he is ill and has been all week, so he asked me if we would bring forward the committee's defence on his . . . and I asked Mr. Anguish to do that. And that's what it's been.

I think it's been unfortunate. I was sure that you could have brought your concerns up in the committee here and we could have discussed them here. But as I say, I don't want to stimulate debate. I think we just have to . . . I would appreciate if we just left it the way it is. We can go on for another meeting or two or three, and I'm quite willing to do that. But I hope we can just leave it and get on with the business of discussing the auditor's report and then go on to Public Accounts and if . . . just leave the whole business the way it is.

**Mr. Neudorf:** — I appreciate those comments, Mr. Rolfes, and I thought that that's why you would have been bringing that letter up in his absence. I just want to go on record here as making this final comment about this whole procedure of the mandate and so on.

It is not my intention to stifle any member, or the committee for that matter, as long as we are working within those rules and guide-lines that we have been set out for by the legislature. And I want to co-operate. I suggest that you check the records or the verbatims of the last meeting that we had here where I thought I was bending over backwards in trying to be conciliatory and co-operative.

And with that one statement I'm just going to have to inform the committee that already I know that I will not be here on Tuesday. But I'm assuming now from the consensus that I'm hearing that we will be discussing the mandate of the committee on Tuesday, Thursday, and perhaps into the coming weeks.

**Mr. Rolfes:** — Not the mandate, I don't think.

**Mr. Neudorf:** — This was the impression . . . I was getting ready to . . . If it would not be . . .



**Mr. Vice-Chairman:** — The motion before the committee is the tabling of documents. We'll have to deal with that motion at the next meeting. It being 11 o'clock now, the committee is adjourned until next Tuesday at 9 a.m.

The committee adjourned at 11 a.m.