

STANDING COMMITTEE ON PUBLIC ACCOUNTS
February 7, 1989

Mr. Chairman: — I believe, Mr. Neudorf, you have the chair, or the floor, or it's your nickel.

Mr. Neudorf: — I'm glad that you reconsidered that offer.

Mr. Chairman: — I misspoke myself. I have a question here, Mr. Neudorf, on procedure.

Mr. Prebble: — I won't interrupt, Mr. Neudorf, except to ask whether Mr. Lutz has copies of his presentation from yesterday, that if he has them that he could distribute them. He may not have them duplicated yet, but if he does I just thought it would be helpful to have copies.

Mr. Lutz: — Yes, I have and I am prepared to give them . . . maybe I should keep one of these.

Mr. Prebble: — Thank you very much. Sorry, Mr. Neudorf.

Mr. Neudorf: — That's all right. We'll just wait until they've been distributed.

Mr. Chairman: — Do you want us to take a bit of time to read through this before you carry on?

Mr. Neudorf: — Mr. Chairman, would it be appropriate, as the Clerk is still initialling those documents, for us to take a 10-minute recess or so while those documents are being handed out and give us an opportunity to go through it?

Mr. Chairman: — Sure, yes.

Mr. Lutz: — Mr. Chairman, yesterday Mr. Neudorf reminded me that I had been remiss in not getting a response to a question that he had asked, I think on June 9 it was. And I had said I would like to consult with my solicitor first to make sure that we'd covered the bases. I'm prepared to present a response to that question and it was indeed an oversight. I guess the only plea I have is that there was only one more meeting, and in that week sometime something slipped through the cracks in the floor. If Ms. Ronyk is prepared, I'll hand these out as well.

Mr. Neudorf: — All right.

Mr. Lutz: — This was on the down-sizing in my office.

Mr. Chairman: — So we'll take a 10-minute break. That's all agreed?

Mr. Neudorf: — Perhaps 15, now that we have two documents.

Mr. Hopfner: — Mr. Chairman, before my colleague carries on with his questions, I was wondering if we could discuss this matter that was before us at the end of the day yesterday, before we carry on.

Mr. Chairman: — I think that's what Mr. Neudorf wanted to carry on with and so I'd have to give him the floor.

Mr. Hopfner: — I wanted to carry on with the subject we were talking about towards the end of the day before you

carried on with yours.

Mr. Neudorf: — That's all right with me, Mr. Chairman.

Mr. Hopfner: — Thank you, Mr. Chairman. Mr. Lutz, in the prepared statement you had given the committee yesterday afternoon regarding the comments that you had apparently made and were quoted to in the *Leader-Post* on Monday, January 23, you had read us a statement here which you felt might have clarified the situation. You also indicated that this statement was not your statement. Who prepared the statement for you?

Mr. Lutz: — Oh no, what I said was much of the work on this statement had been prepared by my staff, which is what they do, and we finalized it on the weekend. I anticipated that I would have to answer some questions, so I prepared it.

Mr. Hopfner: — So this statement was prepared by yourself?

Mr. Lutz: — It's my statement. Most of the work . . .

Mr. Hopfner: — So what you said yesterday that you had just gotten back from a holiday and gotten off a plane and your good people from your department had prepared this statement for you, that's . . .

Mr. Lutz: — I think in essence that's what happens, but it's my statement. I have to finish it off. We were in the office very early yesterday morning. I was in the office on Sunday, and it's my statement. I think no matter who does the prep work on it, it's my statement.

Mr. Hopfner: — So you're wanting to stay with this statement?

Mr. Lutz: — Oh I think so, yes.

Mr. Hopfner: — Then can you clarify one thing for me, and I quote:

Governments are hiding information from taxpayers and hamstringing auditors by setting up Crown-controlled companies, says Willard Lutz.

And here you were saying that, "I was talking about recent administrations in Saskatchewan." Where do you get off in stating, making that statement here in your statement you made yesterday by saying, "I was talking about recent administrations in Saskatchewan," when you pluralized your comment of governments — governments are hiding information from taxpayers and hamstringing auditors. Where is the consistency there? In the report it says governments, and here you're saying, the Conservative administrations in Saskatchewan.

Mr. Lutz: — This is the second Conservative government in Saskatchewan in the last two governments, and those are the ones I'm talking about. There was a Conservative government in '82; there was a Conservative government in '86.

Mr. Hopfner: — Well then why would you not have said,

the Saskatchewan government, here?

Mr. Lutz: — I don't know what item you're looking at.

Mr. Hopfner: — I'm looking at the *Leader-Post*, Regina, Monday, January 23, where it says:

Governments are hiding information from taxpayers and hamstringing auditors . . .

And then you go into your statement where it says, I was talking about the recent — not recent, but “the” recent administration in Saskatchewan. There's no consistency between both articles.

Mr. Lutz: — If I may, I don't have that article in front of me, but I believe that is not a quote. I believe that is an editorial comment.

Mr. Hopfner: — Well it says here, it says, “says Willard Lutz, Saskatchewan's Provincial Auditor.”

Are you saying you didn't say that?

Mr. Lutz: — I'm addressing the matters which are attributed to me. I can't possibly address editorial comment that is put in by the writer.

Mr. Hopfner: — No, but it says, “says Willard Lutz, Saskatchewan Provincial Auditor.” You've been quoted.

Mr. Lutz: — No, that's not a quote. The quotes are in quotes, and that's what's been attributed to me. What the writer of the article . . .

Mr. Hopfner: — So you're saying you didn't say that? Are you saying . . . What I'm trying to clarify is that when I'm asking you a question from this side of the table in this committee, I want to have it clarified in my own mind that there isn't a partisan view from yourself as to what kind of answers we get at this committee.

Mr. Lutz: — I can only comment, as I have done in this statement here that I will comment on the quotes attributed to me. I can't comment on other matters which show up in the press.

Mr. Hopfner: — So you're denying then that you had said that?

Mr. Lutz: — I'm not either admitting or denying because I can't remember everything I might have said. I didn't have a prepared press release. I don't have a copy of it. I have to stick with what I know I said or what they said I said, quoted me on what I said, and I have to stay there because I can't go elsewhere.

Mr. Hopfner: — Well are you sure you said everything that you said here? Like, you're talking about accountability. Are you sure you remembered everything that is in here that you have stated?

Are you talking about personal accountability? Are you talking about professional accountability? What are you talking about when you're talking about accountability?

Mr. Lutz: — I'm talking about the accountability of the executive government to a legislative assembly or parliament, if you will, and it's what I have talked about in my report for several years now.

Now I can't talk with you about what the writer of the article might have . . . (inaudible) . . .

Mr. Hopfner: — You are talking about what the writer had referred to because you prepared a statement.

Mr. Lutz: — Only the quotes from the article that are attributed to me was taken from *The Edmonton Journal*. I think . . .

Mr. Hopfner: — So you are not denying or agreeing with that statement that governments are hiding information? You're not saying you said it or you're not saying you did not say it? You don't remember if you said it or not, that's what you're telling me?

Mr. Lutz: — I guess that's right.

Mr. Hopfner: — Okay. When you talk about the accountability then, are you talking about . . . you said you were talking about professional accountability?

Mr. Lutz: — No, I said I was talking about the accountability of the executive government to parliament.

Mr. Hopfner: — And . . . but you said the reports are about accountability.

Mr. Lutz: — Right.

Mr. Hopfner: — Yes. So . . .

Mr. Lutz: — As is my report to the Legislative Assembly annually.

Mr. Hopfner: — Right.

Mr. Lutz: — Okay.

Mr. Hopfner: — You have still refused to answer and clarify the question as to the partisan view that you have of the namely Conservative administrations. You're saying that's Saskatchewan Conservative administrations, you're not saying that's Canadian Conservative administrations?

Mr. Lutz: — No, no, no, no, no, no. I don't know what happens in other jurisdictions. I wouldn't get into that.

Mr. Hopfner: — Okay.

Mr. Lutz: — Of course not. Now what I am talking about here is . . . what has happened here, departments have become Crown corporations. Crown corporations which used to have to file annual reports and annual financial statements are becoming different kinds of Crown corporations, and some of these have no requirement to file financial statements. And I say that accountability is diminished when this occurs, and it has occurred. And I say that in my report numerous times and I have said it for

numerous years. There's nothing here, I maintain, that has not been said before.

Mr. Hopfner: — All right. So when you're talking about the accountability, you're saying basically that you are the only person that is . . . judges whether there is accountability or there isn't accountability. You're the prime source of judgement on the accountability.

Mr. Lutz: — The auditor is appointed to examine and report, which I do, and it is up to the members of the Legislative Assembly and, if you will, the members of this committee to judge whether or not there is accountability, and I don't judge, I merely report in my opinion where I think accountability is lacking or has been diminished and I am required to issue an opinion. It's in the Act. That's what I must do, so I do that.

But I say to you, if the accountability in my view has been reduced, I'm required to say so.

Mr. Hopfner: — But with your way of thinking, Mr. Lutz, and your judgement with a non-partisan view, would it not have been appropriate, in your judgement, to say government administration's instead of Conservative administrations. Now that leads me . . .

Mr. Lutz: — By hindsight, I would have to concede you're probably right, and maybe by hindsight I would have been better advised to state it in that fashion, but I was precisely referring to two consecutive administrations in this province where these things are happening. And I believe, in my view, I believe that accountability is being reduced, and it's the departments becoming Crowns, Crowns becoming different kind of Crowns, the requirement to file annual financial statements and reports is disappearing. I think accountability suffers when that happens.

Mr. Hopfner: — Mr. Chairman, I'll pass now. I've got some questions I'll come back in on.

Mr. Neudorf: — Thank you, Mr. Chairman. I'm sitting here becoming more and more intrigued as to the topics that we are discussing, and I want to just draw your attention briefly for a moment also to the prepared and read the statement that the auditor gave us yesterday in the closing moments of our session.

And I must reiterate my concerns expressed yesterday on the statement attributed as to having been made by Mr. Lutz, and a direct quotation in the *Star-Phoenix* of Monday, January 23, pardon me, the *Leader-Post*, addressed by Mr. Lutz in his prepared statement: "It is a common thing that is happening in Conservative administrations."

Now the auditor's contention is that he was talking about the recent administrations in Saskatchewan and that they coincidentally happen to be Conservative, and I expressed my concern yesterday about the fact that as a servant of the legislature you certainly have to be — and I think you would appreciate the fact — totally non-partisan, non-political. And yet to me this would appear to be a blatant political statement.

I would like to think it was an inadvertent statement. The truth is that you are correct, that the last two governments in Saskatchewan have been Conservative governments, but for a public servant that is non-political it should not, in my opinion and I suggest to you, even cross your mind whether it would be an NDP, a Liberal or a Conservative government. That's why I just cannot follow your reasoning as to why you would have to bring out the fact that it was a Conservative government. What is the relationship? What is the correlation? Why would you have chosen to make that kind of statement? Why not just say the Saskatchewan government?

Mr. Lutz: — I think I already responded and said it was probably an unwise choice of words and, by hindsight, I probably would have said it different. I think I said that already to Mr. Hopfner.

Mr. Neudorf: — I'm trying to determine what inferences I could draw from that statement, and I'm not quite sure how to interpret that. I did ask for an apology on a previous occasion. You have moderated your stand somewhat today in terms of what you just said, but if we're going to be able to work in a trustworthy atmosphere where we both can rely on each other implicitly, I think we're going to have a lot of trouble in this Chamber here from here on in. And that is a deep concern that I have.

I'm not questioning your integrity. I've said that all the time. I'm not questioning your professionalism at all. I just think that this was an unfortunate choice of words on your part that I would like to think that you're sorry for.

Mr. Lutz: — Mr. Chairman, and Mr. Neudorf, I think I will say this. I concur with you, and if I had my druthers, if one could by hindsight go back and repeat the process, I wouldn't do it at all, if that's what you're looking for me to say.

If I had not talked to *The Edmonton Journal*, my life would have been a lot easier this week; it would have been a lot easier tomorrow; it would have been a lot easier yesterday. However, I did talk to them, and whether the words were unwisely used or whether I lack expertise in the speaking field, this was what I meant no matter what I said. And yes, if I had my chance I probably wouldn't do it again.

Mr. Neudorf: — Well it's unfortunate that I hear you say that you meant that it was a Conservative government, because that still does not mollify me.

I'm going to change gears here with the proviso that I will be able to raise this in some future moment. But to whom are you accountable?

Mr. Lutz: — The Legislative Assembly.

Mr. Neudorf: — By extension, can we then draw the conclusion that you are accountable to this committee, this committee being an extension of the legislature?

Mr. Lutz: — Oh yes. I think that's accurate, yes.

Mr. Neudorf: — I believe it was on June 9 when we had

that meeting where I raised some questions concerning your concerns about, I believe you referred to it as a reduction of resources for your shop to conduct its business thoroughly and appropriately.

And I asked you some questions on certain individuals whose services were terminated because you had to make a decision as to how many people to keep on staff and so on. And I asked you the question: on what basis and what criteria were used by you in order to terminate some of their positions? And you have included that, and I appreciate your response at this time. I can't say that it's a timely report, being eight months after the fact. But we do have your answer here, in part at least, to some of the questions that I was asking.

But what I would like to pursue just a little bit further is this business of accountability. When I asked you that question eight months ago I was not given the answer at that time. You made a statement to the effect that you didn't really know why you were not going to give me that answer, but something intuitively, I imagine, told you not to answer until you had checked with your solicitor. And I assume now that you have checked with your solicitor, we got this response from you.

But having said that, flags are flashing in my mind here all over. If we're doing that and if we're allowing witnesses — and you are a witness to this committee, is that correct?

Mr. Lutz: — I can't answer that one, Mr. Chairman. I'm certainly a servant of this committee. I don't know if I'm a witness. I may be classified as staff to this committee. I don't know. It doesn't say in our Act.

Mr. Neudorf: — Well, Mr. Lutz, for where I'm heading to, I don't think it would make that much difference. I'll ask the question and then you can respond to it accordingly.

Mr. Lutz: — Can I say to you I feel like a witness today. So let's try the question, yes, please.

Mr. Neudorf: — Perhaps maybe we should get that clarified. Maybe Gwenn would want to just react to your legal entity on this committee. Ms. Ronyk, would you?

Ms. Ronyk: — Mr. Chairman and members of the committee, the auditor and the comptroller are here on invitation of the committee, standing invitation to attend to assist the committee in all of their deliberations. The chairman and the comptroller could, on the other hand, fulfil the role of a witness if the committee wished to examine something that was of particular relevance to their responsibilities.

And I think probably Mr. Lutz is correct, but at the moment he's answering questions to do with his fulfilling of his role and therefore probably as a witness. Mr. Kraus sometimes may do the same if the questions are about the Department of Finance and the role of the comptroller.

But generally throughout the rest of the committee's work those two officials are here to assist the committee, and I don't think they've ever been really given a title.

Mr. Neudorf: — All right. Well over the last few moments

a keen interest has been raised in my mind about the exact role, as you mentioned it, that the auditor has, and I want to pursue that.

But the concern I have is the precedent that has been established in this committee by a servant of the committee or a witness of this committee saying that, gentlemen of the committee, I do not want to answer that question today. I will first of all consult with my lawyer and then if he can't make it on Tuesday, then maybe he will be able to make it on Thursday. I believe that's what Mr. Lutz answered to me on June 9.

I'm worried about a precedent being established where witnesses will come before this committee and where they will be simply saying, no, we're not going to answer because we are not quite sure what we are worried about, what we're afraid of, but that we'll consult with our lawyers and then we may come back to you when it's convenient to our lawyer. And I have a concern that that kind of a precedent is something that we do not want to establish in this committee.

Mr. Lutz: — Well, Mr. Neudorf, I think when . . . that was on June 9, and my concern at the time was that when you do terminate people you do not want to have, say, a wrongful dismissal thing on your hands, you don't want this kind of thing to occur. It's not good publicity, it's not good form, it's not good anything, so I did indeed talk to my solicitor about these things.

And in the interim there was one more meeting and then the committee adjourned. And as I said earlier, I was remiss. I find it regrettable that I did not get that paper on the table at the next meeting. There was . . . had I known that it was going to terminate in one more week, I maybe would have got to it a little quicker.

There was no particular reason why, according to my solicitor, that you couldn't have had the answer then, but I thought it prudent to just check with my solicitor to make sure that whatever we say in here would not result in some sort of a wrongful dismissal thing, which I didn't need, certainly. And I regret that we slipped up on that one and didn't get it to you sooner.

There's nothing deliberate in trying to withhold. I think in this committee there's been many, many cases where witnesses, if you will, have asked to leave to come back with the answers later. I believe I did request the indulgence of the committee in your case simply because I wanted to make sure that I did not jeopardize my position. I wanted to make sure we didn't give you wrong information. I wanted to make sure that what we were going to say could not be construed incorrectly by somebody else as a third party. That's the best I can tell you.

Mr. Neudorf: — Mr. Lutz, I would like to go on to another line of questioning. I'm going to ask you a series of questions because ever since yesterday I was very intrigued at the relationship of the auditor to this committee, and both of us to the Legislative Assembly, and so on. And I find that when I think about your shop there's . . . I have to admit a sense of doubt as to how you operate. I'm not quite sure about all the systems, the

parameters under which you are operating, how many.

I know nothing about your shop other than what you write in your auditor's report. And I think what I'll do is I'll ask you questions that will answer those for me, and I think you'll find that the questions are quite reasonable. I don't think I'll be infringing on anybody's rights or whatever, but I'd like you to respond to these questions. Not now, you know; take a few days or whatever time is necessary in order to answer them. But I do want to get a clearer picture in my mind of exactly how the auditor works, so . . .

Mr. Chairman: — Mr. Neudorf, before we get into that, is this the wish of the committee that we further depart from our consideration of the auditor's report to what I gather is a line of questioning about the role of the auditor and what the auditor does and so on? Is that the wish of the committee that we should do that? Like I'm, you know, if the committee wants to do that, it's the committee . . .

Mr. Prebble: — I'd really appreciate it if Mr. Neudorf might put some of those questions in writing and see if he could get a written response. And if he's not satisfied with it, by all means we could pursue it. I mean, I don't have any objections to it, but I do think we should talk about the report of the auditor itself rather than the role of the auditor.

Mr. Neudorf: — I'm kind of amazed to hear that because here we are, the intricate relationship that exists between the auditor and his committee, and that we're not prepared to take some time out to find out exactly . . .

Mr. Prebble: — Oh no, no, no. I'm not suggesting it's an inappropriate topic for discussion; only that on the agenda right now is the Report of the Provincial Auditor.

Mr. Neudorf: — My comments were an extension of the role of the auditor that we were talking about the other day. I specifically started off by pursuing the answers that Mr. Lutz has just provided for me. But in a co-operative spirit, I will continue to operate on that and I will be prepared to hand in a written set of questions to Mr. Lutz and wait for his appropriate response some time, hopefully this week, so we can still address the issue at a later time.

Mr. Prebble: — I agree with that.

Mr. Chairman: — I just want to have it clarified. Like, my job is to assist the committee to make sure that we stay on the agenda that we set for ourselves as a group. Now if the group wants to depart from that, the group can do that. But if an individual wants to raise a question, I feel, well, you know, maybe we're getting off the topic or we're getting into another area, then I need to remind the group of that, and for them to say yes, that's the way we want to go; or no, we want to get back to the topic at hand.

Mr. Neudorf: — Yours is a difficult job, Mr. Chairman. I can appreciate your attempt at directing this committee very effectively, and we'll co-operate.

Mr. Chairman: — It's a tough one, it's a tough one.

Mr. Martin: — Am I up now?

Mr. Chairman: — Yes, you are.

Mr. Martin: — Mr. Lutz, I suggest, regarding *The Edmonton Journal* paper, that had you not used the word "Conservative" and had just used the word "governments," it would have appeared somewhere in section D, page 18, rather than section A, page 7. It's a front-page story just because of the choice of the words, and I think that's your understanding of that now.

Mr. Lutz: — I think I've already admitted that if I had a little hindsight to work with, I would not have probably used the term . . .

Mr. Martin: — It's incredible how careful you have to be with your choice of words with the media today.

Mr. Lutz: — Yes.

Mr. Martin: — Bear in mind they're always looking for that one story. I'd like to talk about . . . getting to page 8 of the auditor's report . . .

Mr. Chairman: — Can I just ask, Mr. Martin, before we get back into the auditor's report . . .

Mr. Martin: — I thought that's what we were discussing.

Mr. Chairman: — Yeah, we sure have, but we did get off on a topic dealing with his statement, and I'm wondering if it might be appropriate to see if there's any other comment at this point on that statement from any other members, on that statement itself . . .

Mr. Muller: — Which statement are you talking about now . . . (inaudible) . . .

Mr. Chairman: — No, the one that Mr. Lutz provided us on with respect to the newspaper article. I just wondered if there's . . . I'd like to get that one finished up before we get back to the . . .

Mr. Martin: — I only have one comment to make on that, and that is that I think Mr. Lutz might have been wise to go home and think about that, rather than take the word of his officials who prepared it for him, handed it to him when he got off the airplane from Jamaica. We had asked for your comments on it. We got them today. But the comments that your officials handed you when you got off the airplane, or had prepared for you when you came back from Jamaica, were really not the comments that I was expecting. I just expected something off the top of your head, from your heart, concerning your statements in Edmonton. And we got those today, so I'm satisfied with that.

Mr. Lutz: — In hindsight, if I had my druthers, I would never have talked to them.

Mr. Martin: — Well there's an old expression, Mr. Lutz, that if ifs and buts were candy and nuts, every day would be Christmas. So it isn't easy always, okay?

Now, can I get on with this other thing, because I think

that . . .

Mr. Chairman: — I wonder if there's any other comments on the article, Mr. Martin — and I've got you first in line, and I thank you for wanting to get back to the auditor's report, but in the meantime I want to check with Mr. Prebble and Mr. Hopfner and then Mr. Muller to see if either of those gentlemen have anything . . . and then Mr. Anguish, to see if either of them have any comments to make on this article. Let's get it out of the way and then go back to the auditor's report itself. Is that agreeable?

Mr. Prebble: — Mr. Chairman, I have a motion that I would like to move with respect to specifically the so-called Edmonton report, and it comes out of concerns that were expressed in that report by the Provincial Auditor,

I want to say, Mr. Chairman, with respect to the discussion that's occurred on this already, I'm really quite amazed that government members are . . . I hear government members, I guess, not so much questioning the message but questioning the messenger. I mean, the message, it seems to me, is there's little . . . these are primarily statements of fact that surely can't be argued with. And I think it's highly inappropriate that the Provincial Auditor has come under the kind of attack that he has this morning on this committee.

But I want to raise a matter from this report, Mr. Chairman, that I'm particularly concerned about and . . .

Mr. Martin: — Are we back on the auditor's report?

Mr. Prebble: — No, we are back on the . . . we were talking about the so-called Edmonton report, okay? Sorry, Mr. Martin. I'll move the motion and then it'll be clear.

This committee shares the concern of the Provincial Auditor that recently established companies to carry out public policy objectives, such as Saskatchewan Property Management Corporation, are not providing full public accountability, and urges the Assembly to require that these companies be made accountable and be required to provide the Assembly with a list of persons who receive money in the same manner required of the government departments where these services used to be delivered.

And further, that newly created companies like WESTBRIDGE, where large amounts of public money are being placed and which do not report to the Assembly, be required to provide an annual report to the Assembly.

Mr. Chairman, I think that one of the major things that the auditor has been trying to raise over the last two years and that again he raised in the Edmonton report was that what we're seeing is a large number of newly created companies that are either exclusively publicly owned or that are, in the case of the Saskatchewan Property Management Corporation, or where there are large amounts of public money such as in the case of WESTBRIDGE — where there is in effect either greatly reduced accountability to the Legislative Assembly or no

accountability to the Legislative Assembly that occurs as a result of these corporations being created.

In fact, I would go so far to say that we worry on this side of the Assembly that one of the purposes in creating these companies is quite simply to ensure that there will be less public accountability, less scrutiny. And I make specific reference to the creation of the Saskatchewan Property Management Corporation in this regard.

And I think, Mr. Chairman, that all members of this committee and all members of the Assembly should be very concerned about this reduced accountability. The Provincial Auditor has now drawn this to our attention for two years in a row. No action has been taken, and I think it's quite appropriate for a corporation like Saskatchewan Property Management Corporation to have to list its spending in an itemized way in the way that the department of supply and services had to.

But with the creation of SPMC that's no longer required. And I think it is quite appropriate that when the government places large amounts of public money in a corporate entity like WESTBRIDGE and phases out SaskCOMP, that it be required to report to the Assembly, to provide a financial report of its activities to the Assembly. I think that's quite appropriate, and that's what this motion is designed to advocate, Mr. Chairman. I believe that this committee should recommend to the Assembly that these practices be put in place, and I believe that is right on topic in terms of the Edmonton report.

Mr. Chairman: — We have a motion before us and a discussion on the motion.

Mr. Hopfner: — Thank you, Mr. Chairman. I wasn't really going to get into the motions. I guess being there's a motion here, we have to get into the motion first now. Is that right?

Mr. Chairman: — The rules are if there's a motion you got to discuss the motion.

Mr. Hopfner: — Well, I guess probably I'll try and come into it in a kind of a roundabout way.

Mr. Chairman: — But I've also still got you on the speaking list if you want to go back to the Edmonton issue in general, and Mr. Muller too.

Mr. Hopfner: — This is part of your motion, is it not?

Mr. Prebble: — Yes, my motion very simply . . .

Mr. Hopfner: — Regarding the Edmonton.

Mr. Prebble: — Yes, this is directly related to the Edmonton issue.

Mr. Hopfner: — So it's a very broad motion.

Mr. Prebble: — Well, it's reasonably broad. Basically, it deals with the question of ensuring that newly created public corporations like SaskCOMP be required to provide an itemized list of their spending in the same way

that they had to when those services were being delivered by government departments, and that other newly created companies like WESTBRIDGE, which basically is taking over a lot of the functions that SaskCOMP used to deliver, be required to provide some kind of a financial report to the Assembly. Right now there's no requirement for a financial report of any kind. That's the intent of the motion.

Mr. Hopfner: — Thanks for your clarification. When the member that the passed the motion . . . moved the motion, I should say; it's not quite passed. When the member moved the motion, he had opened his remarks by indicating that he was somewhat surprised about government members of this committee questioning the message and the messenger in regards to the debate . . . or the article that had appeared in *The Edmonton Journal* or *Leader-Post*.

When I as a member have to sit here — and I just want to clarify this to the member opposite — that when I as a member is expected to sit here and ask questions, and questions that are relevant to this committee, I must be probably in my own mind convinced that I am getting an answer that is non-partisan.

But when I hear answers come back — it's I lack expertise in the speaking field, or it's through remiss and regret to various things that I have said or stated — then it begins to make me wonder whether anything in this report, if anything is stated in this report that is remiss and regretted for statements made.

What I'm trying to accomplish here before we continue on is a credibility of a non-partisan view, a total professional view. And then when it comes back to the point of trying to accommodate that clarification of a professional view, then in the arguments and the statements that have been made here yesterday and today, then it comes to a point where it goes back to almost the beginning of the discussion of accountability and auditors, public versus private auditors. This to me is basically all in the realm of what we're discussing here today. What we need is clarification. And I have not had a direct answer to anything. All I get is regret, remiss, lack of expertise, admitting. It's not that I want to crucify anybody here, but I want to be able to know in my own mind that I am working with a committee that is basically set up to what the committee is supposedly supposed to be doing, and that the information flowing from the auditor, the primary auditor, is that of a non-partisan view.

That answer has not been made yet. The question has been forthright. I think that when the member opposite, in his motion, brings forth this broad aspect that this committee should go to the legislature and ask that all this be brought forward, then the question goes back to why is it that the primary auditor, as Mr. Lutz refers to himself as, why is he questioning the auditors that are hired by these various different companies when the same auditors, like the Clarkson and Gordon, have been around under the NDP administration and their Crowns, and we're using the same auditors today. And that's just an example, only we've expanded.

The question in my mind is — it has not duly been answered either — does the primary auditor feel that there is a two-tier system in the auditing system in this province? When he reads from his legal documents, or from the legal stand that he has to be accountable to the legislature and read off the various different reasons why he has to oversee . . . be the overseer on these other private auditors, I mean that's agreed. And we asked that question. He has the right, he has the right to go in and audit at any given time any department that he feels might not have been audited correctly.

Where he says then he does not have the resources to do those things, well what he's telling me is he wants more resources, do away with private auditors, and audit all departments. So what that tells me is that he will never be willing to accept anybody's audited report except his own. He is telling me there is a two-tier auditing system in this province. When it goes to us recommending to the legislature that these are various different changes that should be made because there's a lack of information, the answer has not been given in this committee as to why the primary auditor should be the only one sitting in judgement to give highly competitive information away at his discretion. That's why you do have private auditors, so companies can operate under their own discretion. But the auditors in this province are all governed by law. They all have to be accountable.

Mr. Chairman: — Mr. Hopfner, I appreciate the comments that you're making, but I just point out the motion talks about companies providing information to the Legislative Assembly, not about the kind of auditors or how they do their auditing or anything.

Mr. Hopfner: — Exactly, but who sits, who sits in judgement of these recommendations that this information should be just supplied to the Legislative Assembly? Because once highly competitive documentation that should not be made public for the fact of competitive reasons, the legislature no longer has that empowerment, or the departments do not have that empower to keep or to suspend the actions of the auditor, primary auditor, from publicizing this, making this information very general to any competitor within this province. And it gives these companies a less competitive edge . . .

Mr. Chairman: — I just wanted to say that . . .

Mr. Hopfner: — . . . and that's the information that is in that motion.

Mr. Chairman: — No, the motion if you read it,

This committee shares the concern of the Provincial Auditor that recently established companies to carry out public policy objectives, such as Saskatchewan Property Management Corporation, are not providing full public accountability and urges the Assembly to require that these companies be made accountable and be required to provide the Assembly with a list of persons who received money, in the same manner required of the government departments where these services used to be delivered.

Further, that newly created companies like WESTBRIDGE, where large amounts of public money are being placed, and which do not report to the Assembly, be required to provide an annual report to the Assembly.

So there's no sort of discussion here or intent, I think, on the part of the motion to talk about the kinds of auditing arrangements. And I just might say, as an aside, I don't know where SPMC is in a competitive position.

Mr. Hopfner: — I'll try and clarify my statement.

My statement would be then is basically — to summarize and get into the summary of the statements — is that basically the motion is reading, with the fact of the information that the member opposite spoke about in that motion, is basically that we concede to the auditor and agree with him that all this information that he feels he's not getting should be given to him without question, which we were getting back into the minutes, the information, and basically that is what the member opposite was alluding to.

Mr. Chairman: — Not information the auditor's getting — that we're getting, the Assembly.

Mr. Hopfner: — The auditor can have any part of that information he so desires. He just has to go in and audit that department and begin to do his, and follow up through his professional accountability and ask the questions and he'll get that information. It's required by law.

So what I'm saying is, basically, is that when the motion is speaking on such a broad line from an article that appeared in the paper to basically what was discussed here through questions to the auditor in the last day-and-a-half, we're rehashing the old scenario and the old questions that we had been doing yesterday and today, and what I'm saying to you is that there is that openness. The auditor does have the right, and the thing is — here is what we're discussing today — is whether it should be all public audited or versing the private auditing.

And I believe that the question should be answered here as to whether there's room in this province for both. And then also in that motion there was a tie-in with the fact of questioning the message and the messenger. There wouldn't be any question of the message or the messenger if it hadn't appeared in words that the auditor himself was regretting and remiss and indicating he had a lack of public speaking ability and everything else.

So these are things that should be clarified.

Mr. Chairman: — Thank you, Mr. Hopfner.

Mr. Anguish: — Point of order.

Mr. Chairman: — Point of order, Mr. Anguish.

Mr. Anguish: — If these things should be clarified, as Mr. Hopfner indicates, I've sat here now for about an hour

and listened to accusations of the auditor being partisan and questioning the ethics of the auditor. And I would think that rather than by the innuendo and accusations being made here, if they want to get to the bottom of it, why don't they bring it up in the legislature as a motion.

And I don't think it's proper that an officer of the legislature is accused of being partisan. It almost arises as a question of privilege because that may hamper him in the function of his duties. If you want to deal with it in a serious way, deal with it before the legislature. Bring in a motion and deal with the man. Don't sit here and smear him around in the committee.

I think that it's out of order for us to be dealing with that in this committee. And that's the basis of my point of order.

Mr. Chairman: — Thank you, Mr. Anguish.

If I might, just before we get into this. I've tried to take a very broad view of this whole question of privilege and what might reasonably be allowed to be said in the committee and what perhaps should be said in the context of a substantive motion. There's nothing, I think, to prevent the committee to say that we wish to call into question the job that one or other members of the Assembly is doing, or officers of the Assembly is doing, and take that motion to the Legislative Assembly. We have no power to do anything with it. We can simply bring this motion to the Legislative Assembly.

So I've listened very carefully. I just might say that some members are skating on very thin ice, very thin ice, and we haven't quite broken through, but I'd just point out you're on very thin ice, and that there comes a point where that if you really want to say some things, then there should be a substantive way of dealing with that, as opposed to inferring or letting people sort of draw their own conclusions and let their imagination run.

So all I can say is that we're on very thin ice. We haven't broken through. I hope that we don't. If we do, then the committee needs to deal with that whole question in a substantive way and frame it in the context of some motion that perhaps then should go to the Legislative Assembly.

And I have, if Mr. Hopfner's finished, I have Mr. Muller next on the list.

Mr. Hopfner: — There was a point of order, and I'm going to speak to that point of order.

Mr. Chairman: — I don't think that there is a point of order.

Mr. Hopfner: — You ruled against it and why did you leave them . . . You spoke on the point of order.

Mr. Chairman: — Mr. Anguish is voicing some frustration. I don't think it's quite an appropriate point of order, so there's no point of order at this point.

Mr. Hopfner: — I'm glad you said that because the innuendoes and everything else are not meant in his context because there are no innuendoes coming from

this side. This side is wanting to know that they're working in this committee in a non-partisan fashion. And when we have people, as you had indicated, Mr. Chairman, as to whether their imaginations are running away with themselves, that's up to those individuals. And that is exactly the kind of context that I took this article. Imagination can play a little bit of a part there as to whether there is a partisan view in this committee. Now the committee can only operate as a committee and do the job of the legislature in this committee if this view can be in the workings of a non-partisan committee. Do you agree or not?

Mr. Chairman: — I certainly agree that a non-partisan committee is always better than a partisan committee, Mr. Hopfner, and will get a lot more done. Thank you for your comment on this motion.

Mr. Muller: — Well, I'll speak directly to the motion as I remember it. It talks about accountability of the property management corporation, and I feel that the property management corporation certainly is accountable to the legislature, as the Provincial Auditor has the right to go in and do the audits on it.

And the point I want to make is that certainly accountability is important to the Legislative Assembly and the people of Saskatchewan. The accountability and I have to go back into what the former government did with PAPCO — when they bought the pulp mill in Prince Albert they never made a payment on the principal or the interest the whole time they owned it, yet they showed a \$24 million profit. And actually there was a \$36 million cost, so it would have been a \$12 million loss. So that's the kind of accountability that they're talking about is you fudge the figures and I don't . . . I wasn't here at that time in the Legislative Assembly, so I don't know what the comments of the Provincial Auditor were, or if there was any, on the accountability of PAPCO at that time, but I know that the whole time that they owned the pulp mill that they never made a payment on the principal or the interest. And you talk about accountability and the information going to the public; it certainly wasn't public until after we became government.

So the comments of the Provincial Auditor, saying that Conservative governments are moving away from accountability and information, I find that that's not quite the way it is. Everything isn't as simple as it seems on the surface.

So with that I will make my comments about the Provincial Auditor's statement to *The Edmonton Journal*, if I'm still on the speaking list, later.

Mr. Chairman: — Yes, you sure are. Ready for the question? All those in favour of the motion? Opposed?

Negatived

Mr. Chairman: — Now we're back to the discussion on, for want of a better term, is the Edmonton issue.

Mr. Muller: — I have a very short comment to make to Mr. Lutz, the Provincial Auditor. I find some contradiction in what he said when he said he was

making comments about Conservative administrations in Saskatchewan only, and no comments about other administrations or provincial governments, when in *The Edmonton Journal*, as it's written here in the paper, or the *Leader-Post*, talks about outside governments and other Crown corporations, federal governments, Manitoba government, British Columbia, Alberta.

So there's a contradiction in what the Provincial Auditor is saying when he says that he's only making comments about Conservative administrations in Saskatchewan when it specifically listed in the article that there was comments made about Alberta Conservative Party, Softco, and different Crown corporations in other jurisdictions. So I find that he's making contradictory statements in the Public Accounts Committee. I would ask him if he would clarify that.

Mr. Lutz: — Mr. Chairman, Mr. Muller, I am not aware of what is happening in other jurisdictions. I am aware of what is happening in Saskatchewan. I wouldn't presume to discuss with anybody else what happens in another jurisdiction, and I can't be responsible for what the journalist wrote, I think, except in those cases where it's attributed to me. I don't know what happens in B.C. I don't know what happens in Manitoba. I'm not there. I think it's reasonable to assume that I wouldn't make comments about a jurisdiction about which I know nothing. So whatever the person wrote I will just say I'm not responsible for that.

I have conceded the things that were attributed to me and I have spoken to those things and I have responded to those. But I can't tell you what is happening in Alberta. I don't know, so I wouldn't talk about Alberta. When I say I'm talking about administrations in Saskatchewan, that's the only one about which I know things. I don't know anything about Alberta; I don't know anything about Manitoba.

Mr. Muller: — So you never made any comments about how many Crown corporations were private sector audited in Alberta, British Columbia, Manitoba or federally?

Mr. Lutz: — Heavens, no.

Mr. Muller: — You just made the comment about Conservative administrations in Saskatchewan?

Mr. Lutz: — The two Conservative administrations I have existed under in Saskatchewan.

Mr. Muller: — That's the clarification that I wanted.

Mr. Lutz: — Well that's what I'm telling you here because I can't possibly discuss what Alberta is doing; I don't know what they're doing, nor Manitoba.

Mr. Muller: — I guess one cannot always go directly with what one sees in the press.

Mr. Lutz: — That doesn't require a response does it?

Mr. Chairman: — Thank you, Mr. Muller. I have Mr. Anguish, you're next at this point.

Mr. Anguish: — The main issue being the Edmonton speech?

Mr. Chairman: — That you're the last speaker I have on my list who wants to make a contribution to recent newspaper reports emanating from Edmonton, and when you're done I hope that we can move back to active consideration of matters in the auditor's report.

Mr. Anguish: — Well, Mr. Chairman, I think that I have made my comments — and I don't want to prolong this any further — during my point of order about the auditor being an officer of the legislature. So if we can move directly into the task at hand I would like to move:

That this committee instruct the Provincial Auditor to seek a legal solution, with the intent of obtaining a court order instructing Crown investments corporations, through Crown Management Board, to make available meeting minutes so that the auditor may properly undertake his audits.

Mr. Chairman: — I just want to put that in abeyance because I said that when we moved back to the report Mr. Martin was first on the list, and I want to stand by that and let Mr. Martin make his comments then about the auditor's report, and then you're next on the list.

Mr. Martens: — I want to just preface some of my comments by saying a couple of things. The items that have been raised have caused me a considerable amount of concern and I want to approach it from this perspective.

The House and the Legislative Assembly is an institution that has special privileges and rights, and in those privileges and rights are some things that are put there and have grown from custom and precedent that establish that the people who work for the Assembly must be non-partisan in their view. Whether they have a particular political position is really not the business of the Assembly.

The context of what we've been talking about, if it were to have happened to the Clerk or to any of the Clerk's staff, it would have been a serious implication on the quality and the value of the House in relationship to the members of the Assembly, and I really feel that the problem is larger than that. And I want to point out to the committee that on an occasion . . . and I have sat in the Assembly a lot listening to the items that have been presented and the matters that have been raised.

And I want to bring to the attention of the committee a matter that was raised by the opposition, and justifiably so, about a report that the Hon. Bob Andrew had made some disparaging remarks about the Legislative Counsel and it was reported in the *Kindersley* paper. And I think that his comments were this: that the counsel was less than competent and had a political bias. I haven't been able to identify precisely where that is in *Hansard* . . . oh, June 24, 1987, page 696. And after the Speaker ruled on it the minister was asked to apologize to the Assembly and he did.

And I don't believe that we are in any of a less position in dealing with this issue than we are dealing with that issue. The establishment of that as a precedent was established to protect the Assembly for the rights and privileges that are there.

The comments that are attributed to Mr. Lutz are in exactly the same context, in my opinion, and I really firmly believe that an apology ought to be forthcoming. And it has to be dealt with in that fashion. And I'm going to move a motion that says this. I move:

That the Provincial Auditor apologize to the Public Accounts Committee and to the Legislative Assembly for the partisan political comments he made, as quoted in the newspaper, particularly the *Leader-Post* of Monday, January 23, 1989.

Mr. Chairman: — I want to rule the motion out of order, Mr. Martens, on the grounds that, as I heard the motion, the motion would have the committee direct certain things.

I just want to point out that according to the rules the committee has no power to censure. We can certainly entertain a motion that our report to the Legislative Assembly make note of a certain issue and asking the Legislative Assembly to deal with that. But we cannot direct in this committee that the auditor, for example, should apologize or anything of that nature, or in any way censure the auditor.

But again, it would be appropriate, I think, for this committee to, say, recommend to the Legislative Assembly that we have dealt with a certain issue and ask the Legislative Assembly to take note of it and deal with it appropriately.

Mr. Martens: — Mr. Chairman, I thought that if we could get the apology here then the matter would not have to be addressed by the Assembly. I was prepared if the matter was not addressed that that would be my recommendation to be made. However, I was going to allow the opportunity to exist and, failing that, then I would make the matter available to the Assembly on the basis that you suggested.

Mr. Chairman: — I think the former . . . Like apology is a form of censure, and the committee has no power to censure, and so therefore the committee should find a different way to deal with this matter.

Mr. Martens: — Then, Mr. Chairman, may I do this? I haven't got a formal motion written out for that; however, I'm prepared to do that. If I have a little bit of time, I will do that.

Mr. Chairman: — It's 10:30. Why don't we take a 5 minute break here and come back at 10:35?

I call the meeting back to order. Mr. Martens, Morse, has the floor.

Mr. Martens: — Just one observation that I will make and then I'll move a motion here.

The comments made on page 697 of *Hansard* point out to the fact of a point of privilege as ruled on by Mr. Speaker and he says:

I do feel that remarks made by the member may have harmed the credibility of the Legislative Counsel and Law Clerk and may have drawn into question her capacity to serve the Legislative Assembly. While the member may disagree with a particular legal opinion, in this case the Minister's remarks may have gone beyond the bounds of fair comment. Because the officer's capacity to carry out her function may be inhibited, I find that this matter is of sufficient concern to merit consideration by this Assembly. I find that a *prima facie*, case of privilege has been established and I leave the matter in the hands of the Assembly.

And at that point, Mr. Chairman, the member for Kindersley apologized and the Leader of the Opposition accepted that apology. And I therefore move:

That the committee report to the Legislative Assembly that the remarks made by the Provincial Auditor to the press, *Leader-Post*, January 23, 1989, be addressed to determine whether the Provincial Auditor in his remarks made comments of a partisan political nature.

Mr. Prebble: — Well, Mr. Chairman, I am very disturbed by the motion that's just been made by the member. I think what's happening here very clearly is that the government members on this committee, the PC government members, are trying to divert attention away from some of the very questionable financial dealings that are going on within this government.

And they're trying to make a scapegoat of the Provincial Auditor and undermine his credibility in an attempt to divert public attention from what's really happening here, which is that an auditor that has served this province for many, many years under many different government administrations is saying to this committee and to the Legislative Assembly, and through them to the people of Saskatchewan, that public accountability in this government, in terms of its financial dealings, is seriously in decline. To put it in my own words, I would say that there are some very questionable financial dealings taking place here.

What we're seeing, Mr. Martin, what we are seeing, Mr. Martin, is a situation in which . . . Mr. Martin, what we are seeing under your government is a situation in which a lot of the dealings that were public three or four years ago are no longer public.

You create new corporations like Saskatchewan Property Management Corporation in such a way that you know that SPMC (Saskatchewan Property Management Corporation) will not be required to file an itemized statement of its expenditures before the people of Saskatchewan. And you create corporations intentionally in that way so that we can never . . .

Mr. Neudorf: — Point of order, Mr. Chairman, point of order.

Mr. Prebble: — Never find out how the spending really occurs.

Mr. Chairman: — Point of order. I have a point of order from Mr. Neudorf.

Mr. Neudorf: — While I welcome debate, Mr. Prebble, I do not think that this is a forum for partisan debate.

Mr. Prebble: — Well you just laid a partisan motion.

Mr. Chairman: — Order. Order. Order. Mr. Neudorf, is that your point of order?

Mr. Neudorf: — My point of order, Mr. Chairman, is that we had just previously concluded the fact that we were going to not get into political debates, and this is what Mr. Prebble is deteriorating to, and I suggest to you that we address the motion . . .

Mr. Chairman: — Your point of order is not well taken, but Mr. Prebble, you still have the floor . . . (inaudible) . . .

Mr. Prebble: — Yes, thank you, Mr. Chairman. Mr. Chairman, I guess what . . .

Mr. Chairman: — On a point of order, Mr. Martens.

Mr. Martens: — The discussion that Mr. Prebble was having with the committee was not relating to the contents of the motion, and I therefore think that you ought to rule it out of order.

Mr. Chairman: — Well I've ruled that Mr. Prebble's comments were in order. He still has the floor and the next speaker I have is Mr. Hopfner.

Mr. Prebble: — Thank you, Mr. Chairman, I'll keep the floor if I could, and I'll continue on with my remarks.

As I said, what we're seeing here this morning is a clear attempt, and a partisan attempt, I might add, by the members on the government side of the House to discredit the auditor when there's absolutely no basis for doing that. And I believe that the purpose of your attempt to do this is to divert public attention away from the real issue, which is the issues that the auditor has raised in the first place, the major issue being that we no longer have full public accountability to the people of Saskatchewan in terms of the financial dealings of this government, because new corporations are being created which, by their very nature, do not provide an itemized outline of expenditures for the people of Saskatchewan so they can see how their public money is being spent, and Saskatchewan Property Management Corporation being an example of that.

And you were trying clearly by way of this motion to divert attention from the fact that other corporations are being created, corporations that don't have to account for their expenditure of money at all. They don't even have to file a financial report with the legislature, companies like WESTBRIDGE.

You're trying to divert attention away from the fact that —

by introducing this motion — that the public accounts of this province are consistently being filed as much as a year late, in a manner that once the information is before the public it's no longer being provided in timely fashion. It borders on, I wouldn't say being irrelevant, but certainly its value as information value greatly declines, and you're well aware of that.

And now that the auditor is bringing those matters to public attention through the news media, you have decided that the best way to deal with that problem is to attack the credibility of the auditor. And that's what this exercise is all about. And the auditor has, as I have said before, this auditor has operated, I can remember on many occasions when he made critical comments about our government when it was in office.

I don't think that there is a shred of evidence that the auditor has behaved in a partisan manner. He has simply filed his reports. He hasn't said anything to *The Edmonton Journal* that he hasn't already said to this committee. The difference now is that these issues are now in the public arena in a way that they weren't before, and what you are now trying to do is divert attention away from that reality, and you're trying to discredit the auditor in an attempt to discredit the message. And that is a very, very partisan thing to be doing. It's highly inappropriate and I ask you to withdraw your motion.

Mr. Chairman: — Mr. Hopfner.

Mr. Hopfner: — Mr. Chairman, the member opposite, he's kind of a little bit of nervousness this morning, but I'd just like to remark to some of the statements made.

What we're trying to do by this motion is to have full clarification as to whether there is a non-partisan view in this committee by the auditor's remarks. I mean, it wasn't our remarks, it wasn't the committee's remarks, it was the auditor's remarks.

When the member opposite says we're trying to divert public attention — the public deserves, in my mind, an answer — and when the member says that we're diverting public attention from questionable expenditures, I want to remind the member opposite that it was this government that has brought the government's business to the public and has opened the doors to the public. The public can take part in all sittings of this Assembly — Crown, Public Accounts, and the Assembly. And if the member is questioning whether the information and the questions cannot be asked of the government, that's not correct. Those questions can be answered in different formats, in different meetings.

I think that we tried to determine whether the auditor himself had a partisan view. He avoided to directly answer the question, and I believe that the clarification has to be made. And if that's through this motion that the Assembly deal with it, we appropriately have done this through this committee. And there is basically no reason to get into the debate here as to whether or not it's . . . We're not, as you had indicated earlier, here to debate the fact of whether there is guilt or no guilt. There is a question on the floor and the question should be duly dealt with. And basically that's it.

If the motion passes, fine. If it fails, fine. Then this committee has to accept it. But there is a motion that has duly been put on this floor. We are not here to debate whether there is a guilt or not a guilt; whether there is partisanism or not. That is exactly what your ruling was. So I would suggest to you that basically that's where it should lie; it should go to the vote, and I call question.

Mr. Chairman: — The question has been called.

Mr. Lingenfelter: — Mr. Chairman, I don't want to prolong the debate, and if members will . . . I've got a bit of a frozen mouth, but if you can understand what I'm saying I'd appreciate just making a few comments.

First of all, I think this should not go to the Assembly because I think it's, as other members have commented, a cover-up by members of the government in terms of not giving answers to the public and to the members of the opposition and the press. And we've seen it in oral questions and written questions and motions for return that we just haven't been getting answers. And as I go around the province, this is what many people are saying is, how can we tolerate a government that doesn't give us answers?

So while I will be voting against the motion, I guess I'm not upset that this will be going to the Assembly where it can have a full airing and a full debate by all members of the Assembly. We can guarantee you that, and I guess I will hope that you've already cleared this with Eric Berntson so we don't have to come back tomorrow and vote it down the way you did yesterday, a motion that you didn't get cleared with Eric. But I look forward to a full debate if it is passed — I hope it isn't — but if it passed, to a full debate in the House.

And I can guarantee you it's going to take a day or two because we're going to go through the deficit of this province, how it relates to the auditor's report, warnings that he's given about accounting processes in this government, and we'll have the full debate. And the cover-up that you're trying to perpetuate here isn't going to work. But I just hope you've cleared it already with your House Leader and Deputy Premier, Eric Berntson, so that we don't have the foolish process we had yesterday where you came back and voted against the motion that you had moved a few months before.

So I agree, we should call the question and get on with the working of the committee.

Mr. Neudorf: — I would just like to add a few of my own comments to this motion. I'm not sure whether the members opposite can get their act together or not. Once you're saying it shouldn't go to the Assembly, and then you follow up by saying you're looking forward to it going toward the Assembly. And the member from Battleford was asking just a few moments ago for exactly this to happen and we accommodated him. And so that opportunity will be there for full debate on this issue, and certainly I'm looking forward to that.

Some of the other comments that I would like to make is the fact that we certainly were subjected to some political

rhetoric, partisan rhetoric, a few moments ago by the member from Saskatoon University. I don't think that by doing something like this that we are attacking the credibility of the auditor at all but, rather, let's have a complete airing so we know exactly what he did mean. I'm not convinced that I've heard from him the words that I would like to hear. He's come close, but certainly not all the way. My vision of this committee is that it is an extension of the legislature.

Mr. Chairman: — Order, order.

Mr. Neudorf: — Thank you, Mr. Chairman. My impression is that this committee is an extension of the legislature. And to quote the words that Mr. Lutz is . . . feel quite comfortable in using that his position is that of the servant of the legislature, well by the very extension of that term we must assume that where there is a servant it implies that there is a master.

And my question I guess is, that I want resolved is, has the servant risen up and bitten the master, I suppose. And that is why I would look forward to this being brought to debate in the full Assembly. Because it just seems to me that if we're going to have this kind of cloud hanging over the legislature and hanging over this committee, it's not conducive to the well operation of this committee.

I cannot see, for example, Gordon Barnhart getting up and saying something similar. What kind of an uproar would there be if Ms. Ronyk or Gordon Barnhart would say that it was the Conservative governments that are doing this? It's just something that is not acceptable. And for another servant of the legislature as the government auditor, I don't think that it augurs well either for him to come up and to say, a Conservative government.

So I go back to that basic, basic premise. And we need a full airing, and if this is the route that has to be taken by this committee to go through the legislature, then I fully support the motion as made by Mr. Martens and seconded by myself.

Mr. Chairman: — Ready for the question? All those in favour? Opposed?

Agreed

Mr. Chairman: — Can I just take one very brief minute before we get back to Mr. Martin, Regina Wascana, and then to Mr. Anguish. I just want to emphasize again that I, as a chairman, certainly would never deny any member the right to speak and to get on the speaking order as many times as possible, or I don't think the committee would want to deny anyone the right to speak.

Therefore I would just encourage you to that if you have a comment to make, to raise your hand. I'll recognize you and put you on the speaking order. And that any comments from your seat, so to speak, really aren't necessary because I'll certainly give you the opportunity to get on the speaking order. Thank you.

Mr. Muller: — Mr. Chairman, being 11 o'clock and according to the agenda we're supposed to break for lunch, and I have some other commitments. I have made

commitments because I thought we were going to break for lunch at 11. Being it's past 11 now, I was wondering if we could break for lunch.

Mr. Chairman: — No, we normally go to 11:30.

Mr. Muller: — Oh, okay. I'll have to step out for a few minutes.

Mr. Chairman: — Seeing we're running a little bit behind the schedule, I don't think that we should treat ourselves to any . . .

Mr. Muller: — No, that's fine. I've made commitments, but I'll be back.

Mr. Martin: — Yes, I'll get to my point here in a moment. I wanted to ask you, Mr. Chairman, is Mr. Prebble responsible for the publicity of this department? I noticed he's been handing out press releases all morning and we haven't been getting any. I want to make sure that we get some to the commentators (*The Commonwealth*) so they could have some too. Is he representing, doing the PR here for us this morning?

Mr. Chairman: — You got to write your own.

Mr. Martin: — Mr. Chairman, I would like to get back to the issue of the minutes of the meetings from Crown management or Crown investment corporation. And I guess we should go back to page 7 in *Report of the Provincial Auditor* for year ending March 31, '87. And if we turn to page 7, it's the September 2 — this is 2.30:

. . . my representatives were refused access to these minutes.

And you turn the page over and we go 2.37:

On September 17, 1987 the minutes of the Board contained the following:

"The Board confirmed their direction to CMB Management to not release any information to the Provincial Auditor pending further discussions among the Board Members."

And on and on and on.

On April 12, 1988, officials of C.I.C. again refused my representatives access to the minutes.

So as I understand it, Mr. Lutz . . . Mr. Lutz, sorry, that you have been denied access to these minutes and to this day you have still been denied access to the minutes. We've had the NDP suggesting that you go to court, that you hire a lawyer and go to court, take the government to court to sue for the minutes for the Crown investment corporation that you say you have been refused.

So let me . . . Is this what we're talking about here, because I notice over on . . . back to page 7: "The Minister subsequently forwarded these minutes on January 25 . . ."

And a letter that you received from the Deputy Premier, the minister responsible for Crown Management Board:

Thank you for your letter of January 11, 1988 regarding the Board Minutes of Crown Investments Corporation of Saskatchewan (CIC). In your letter, you have indicated, quite properly, that decisions taken by CIC's Board of Directors "can and do impact upon the financial condition of the Government of Saskatchewan". In this regard, I appreciate your concerns that you wish to have access to CIC's Minutes in your capacity as the auditor for the Government of Saskatchewan.

In addition to the Minutes of CIC, there are also numerous other documents in the possession of CIC (i.e. contracts, guarantees, loan agreements, etc.) which would likely also provide you with critical information on various affairs of CIC which impact the financial condition of the Province. I understand, however, that you have only requested access to the Minutes.

I have been informed by CIC that it is a common practice for a primary auditor (i.e. the Provincial Auditor) to obtain requisite audit evidence, including Minutes, through the secondary auditor (i.e. Clarkson Gordon) by reviewing the secondary auditor's working paper files.

Let me be very clear that it is not the Executive Government's intention, either expressed or implied, to withhold any information from the Provincial Auditor.

I refer by the way this is January 25, 1988, which is over a year ago.

It is merely our contention that CIC already has a duly qualified and appointed auditor who I am sure, if requested, would be more than willing to provide you with access to their working paper files where all significant matters contained in OC's Director's Minutes would be duly noted. As this conforms completely to the same method by which you have normally access all other direct access to the minutes, but it is . . . (I'm sorry, it's a little hazy here, so it's difficult to get all the words.) As this conforms completely in the same method to which you would normally access all other audit evidence related to CIC, it is unclear as to why you require direct access to the Minutes but not to those other critical documents. There is, of course, nothing in the Minutes which we wish to conceal and to make that clear, we are enclosing copies of the ratified Minutes that you do not already have.

That's January 25, 1988. Here it is February 7, I believe, in '89 and we've been spending the last four and a half or five hours arguing about these minutes that you apparently have been denied access to. And if we go back to page 7 in the auditor's report at the very bottom, it says: "The Minister subsequently forwarded these minutes on January 25, 1988."

Now are we talking about the same minutes here, Mr. Lutz, or have I somehow or other gone wrong in my

interpretation of the minutes that you requested concerning CIC? Was that not the issue we were talking about yesterday, and did you not say at that time that you were denied access to those minutes?

And so what I am asking you is: do you have those minutes from CIC which I understood you were asking for, and did you receive those minutes? And if that's the case, why in the world are we wasting so much time talking about something that went on a year ago? Do you have the minutes? Did you receive the minutes, and is that what we're talking about?

Mr. Chairman: — Just before Mr. Lutz answers, Mr. Martin, you quoted from documents . . .

Mr. Martin: — A letter.

Mr. Chairman: — Correspondence, and I wonder if that might be shared with all the members of the committee and copies be made available to them.

Mr. Martin: — I'm sure there's no problem with that. It should be a public document. It's already in the hands of the auditor, and he can make anything public that he wants. He can do anything he wants to do. Like requesting . . .

Mr. Chairman: — Well, you quoted from it.

Mr. Martin: — His copy might be better than mine because I had to do a bunch of filling in the blanks . . . not filling the blanks, but just highlighting. You might want to get the copy from . . . the letter was written to Mr. Lutz so perhaps you should request . . . ask him if he wants to give it up. I just quoted from a letter that he received. That may be the proper way to do it. But I have no problem with it. It's just that this letter is a little difficult to read.

Mr. Lutz: — Mr. Chairman, we got the minutes up to a certain date. Now there are subsequent minutes for other dates for subsequent meetings which we have not got. The meetings we got to a certain date contained the reference in 2.37 which said: "The Board confirmed their direction to CMB Management to not release any information to the Provincial Auditor pending further discussions among the Board Members."

Now to get the minutes of board meetings to a date is fine, but what about next year? We still have the same problem here. As far as the letter being a sessional document, or however it should be referred to, I spoke to that yesterday and I said I was at the behest of the committee. I'm prepared to make copies of this and put it on the table, but I take direction from the committee.

Mr. Martin: — Well as I understand . . .

Mr. Lingenfelter: — Point of order, Mr. Chairman.

Mr. Chairman: — Mr. Lingenfelter, point of order.

Mr. Lingenfelter: — I would just say that it seems to me that some members of the committee are getting documents from cabinet ministers that other members don't have access to, and I'm just wondering how we're

supposed to function here if some members have access to documents from cabinet ministers and others don't, and I just would very much like if the member who quoted from a letter from Mr. Berntson would table that letter at this time.

Mr. Martin: — We suggest that you probably should have . . . It was triggered here on 2.37: "The Minister subsequently forwarded these minutes on January 25 . . ." That should have triggered something that he'd at least received some partial minutes. That's what got me turned on the thing.

Mr. Lutz, are we talking about . . . oh, sorry, do I have to wait till you finish with this point of order or what?

I have no problem with giving this document. I suppose I should ask the gentleman who wrote it but . . .

Mr. Chairman: — I just might point out the rules state, and these are the rules with respect to the Assembly, and these are the rules that we are following here, that a private member has neither the right nor the obligation to table an official or any other document, whereas a government minister may have that, a private member does not. But when quoting a letter in the House, a member must be willing either to give the name of the author or to take full responsibilities for the contents himself.

Mr. Martin: — Well I already named the author.

Mr. Chairman: — So you're not obliged to table it, but you can table it if you like.

Mr. Martin: — Well I don't think I'll table it. I gave you the . . . It's all in the . . . I read from it. It's in the official records now anyway.

Mr. Lutz, are we talking . . . we're talking about 1987 here, so I guess what I'm asking you is: it's my understanding that you had not received all the information you had requested from 1987, that being the minutes from the meetings of Crown investments corporation for 1987, and yet the information I have in this letter from the minister responsible for the Crown investments corporation, Crown Management Board, whatever they want to call it, is that they included all the minutes, because this was written on January 25, 1988, so presumably it would have included all the minutes for 1987, which is what we're talking about here today.

So I guess what I want to know is, and I'm really annoyed if we've been spending the last four and a half, five hours arguing over something that you already have, and if that's the case, really I think you should explain it, so I guess the question to you is: do you have all the minutes from 1987 which is the year under the review that we're talking about here, '86-'87?

Mr. Lutz: — At the top of page 8, Mr. Martin, item 2.35:

As a result, I am able to report that I have received from C.I.C. all of the information necessary to discharge my responsibilities with respect to my 1987 audit of all public money. However, the

information was not provided in a timely manner.

Mr. Martin: — Yes, but you said yesterday at the prodding of the NDP over here that you were quite prepared to go to court to go this information, if I'm not mistaken. Did you not say that you would . . . yes, if I had to do it, I would go to court to get the information. And we were talking about the CIC and minutes of 1987 at that time. I mean, that's what I understood that this whole thing was about, and maybe somebody can clarify it if that's not true. But that is my understanding that it was the minutes of 1987 that we were talking about. And did you not at the prodding of the NDP, who are trying to get as much publicity out of this as they can at your expense, I might add, to go to court to get the minutes of 1987? You said you'd go to court, and here you're saying it's right in the report as you just read that you get everything you wanted for 1987. I mean, we're not even talking about '88 here, '86-'87. So what's going on here?

Mr. Lutz: — Mr. Chairman, Mr. Martin, I'm talking about 1987 minutes in 2.35, and I am now talking about the next year's minutes in 2.39. And these minutes continue to come out on a month-to-month basis, and I am still having . . .

Mr. Martin: — You're talking about minutes from 1988.

Mr. Lutz: — But I become very concerned about the 1987 minutes when I read item 2.37 here which says, and on a continuing basis, etc., don't give them anything. I have a continuing problem.

Mr. Martin: — Mr. Lutz, at issue here is 1986-1987 audit report. That's what we're talking about. Now you had made it very clear, at least to my understanding and certainly to the media's understanding, because I was questioned on this at great length yesterday, that you somehow or other were refused and did not have the minutes. The implication was that you did not receive the minutes for 1986-1987 from CIC that . . . (inaudible interjection) . . . just a minute, would you let me finish?

Mr. Chairman: — Mr. Anguish, you're next on the speaking list.

Mr. Martin: — The implication has been very clearly to me that you did not receive the minutes for 1986-1987 Crown investments corporation as you say in here, okay? That's been the big issue.

Now these fellows across the floor here were prodding you to go to court to get minutes from the meetings for 1986-1987. That was the implication; that was at stake here. That was the publicity they were trying to get, all right? So what I want to make clear here today is: do you have all of the minutes as you say in the report? I just want to hear you say it. Do you have all the minutes from 1986-1987 that you requested from the Crown investments corporation — yes or no?

Mr. Lutz: — Yes, section 2.35.

Mr. Martin: — Right, okay. Well why did we go on for four and a half hours yesterday talking about this issue when it review is 1986-1987, not 1988? If you want to

bring this up next year and say you didn't get the minutes from '88, fine, I'll go along with that. But we went on and on and on and on here yesterday you were threatening to go to court. The media loves it because they're going to get a story out of the thing. These guys can hardly wait to get up with the next press release.

And we're wasting the people's time, my time, your time, great public expense, to go through this issue of minutes that you've had for since well over a year now. I mean, I'm really annoyed about that because, quite frankly, you're wasting my time and everybody else's time. All you had to do was make that very clear, and you didn't make it clear. That's my point.

Mr. Lutz: — I thought, Mr. Martin, that my comment in 2.35 on page 8 was clear. However, I think I should also maybe advise my employers that in those minutes I did get was a minute which said, don't give them any information pending further discussion of the board members. Now if I'm aware of that when I'm writing this report, why wouldn't I advise you people? Why wouldn't I advise my employer?

Mr. Martin: — Mr. Lutz, you're entitled to anything you want. I mean, I honestly believe that you should have all the minutes of every meeting. I mean, I have no problem with that. You're entitled to anything you want as the watch-dog of, you know, the financial industry of this province. I totally and utterly agree with that. I don't think you should necessarily be a bloodhound, but a watch-dog I agree with. And so you're entitled to the minutes; anything you want you can have. I agree with that; I always will.

A Member: — Why did you change your mind? You voted against it yesterday.

Mr. Martin: No, no, no, no. We're talking about a different thing here. Mr. Lutz has extreme powers, has extreme power. He's entitled to those minutes as he was as . . . In this letter yesterday. It was very clear by Mr. Berntson over a year ago that you were entitled to anything you wanted — over a year ago. And then he says that right in here that you were entitled to anything you want, minutes or anything else. That was over a year ago. And here we are today still arguing about whether or not you're happy that you can get anything you want. I think we're wasting an awful lot of time on this, Mr. Lutz.

Mr. Lutz: — Mr. Martin, I'm not prompting questions from here if that's what you're inferring. I don't decide the questions from either side. I merely tell you that after having received the information for '87 we promptly got into the next year, which I have to continue doing. These things just don't quit-start, quit-start. And on April 8 I was again refused access to the minutes, and I have advised the Legislative Assembly. And that's it.

Mr. Martin: — We're talking 1986-1987, and we shouldn't even be talking about 1988 here. That's something . . . that's not the year under review.

I'm not suggesting that you're putting words in their mouth, Mr. Lutz. I'm suggesting to you — and I don't mean this as an insult to you because I have a great deal of

respect for you — that they're using you for their political purposes. And that's why we've been going on here for the last four and a half hours, and that's why the media is sitting here, waiting for these guys to come up with some kind of a zinger so they can get the headlines tonight. And I find that damned annoying. And I would think that you should too, because they're using you. And I say that with all respect to your professionalism as an auditor. But let's get on with this thing.

Mr. Lutz: — Mr. Chairman, Mr. Martin, what would you have me do if they're using me, if you're using me? What would you have me do? I can't prevent questions. I'm your servant.

Mr. Martin: — I just think you should have clarified . . . I think you should never have mentioned 1988 because the clarification . . . we're dealing with 1987. And gentlemen from the NDP, yes I have all the information I requested from 1987. I'm not totally happy with the way I got it because I had to push a bit for it. But I got it. I got all the minutes for 1987. And that wasn't going to happen because they've been going on here for the last — well almost seven hours now. The same thing, saying that you're being denied information, because you got all the information you wanted for 1987, which is what we're talking about guys, what we're talking about — not 1988. Don't even look at '88; that doesn't exist. It doesn't exist; '88 doesn't exist. We're talking about 1987 and you know that. Forget '88. A year from today we'll go at that . . .

Mr. Chairman: — I just might say that we are dealing with the 1986-87 auditor's report and hopefully the public accounts at some point. Having said that, as your chairman, I've allowed some leeway. We have just finished dealing with an issue that arose in 1989, and if the auditor feels moved as a result of things that happened in the year under review, that certain actions resulted and wants to comment on it, I think that's entirely appropriate. Having said that, Mr. Anguish, you're next on the list.

Mr. Martin: — Well I'm just not quite finished. I just want to ask your permission and leave because I have to make a public appearance, Mr. Chairman.

Mr. Chairman: — I certainly understand that. I just thought you had made one, but . . .

Mr. Anguish: — Well I think Mr. Martin speaks equally illiterate out of both sides of his mouth. Yesterday there was a motion that they oppose and defeat, which would have allowed the auditor the information that he requires to perform his audits, and now today they seem like they want to rescind another motion. If that's their intent, maybe they should rescind the motion yesterday to allow the auditor to have access to the information, because today he's saying he can have access to all this information. But yet it doesn't count.

In terms of the report, I think the auditor's very clear in 2.35 that he did receive the information necessary to discharge his duties for the '86-87 fiscal year. And I think this just shows the problem with the timeliness of reporting by the government, because by the time he got that information to fulfil his duties there was the board minute which is printed in quotations at 2.37, saying:

The Board confirmed their direction to CMB Management to not release any information to the Provincial Auditor pending further discussions among the Board Members.

I thought that the reference of this committee was that we can discuss anything that is listed in the report of the auditor in the year ending March 31, 1987. So more smoke and mirrors from the government members on the committee. You try and confuse the issue. You lay blame on members on this side of the table for your lack of co-operation, not wanting to have the departments come in here and deal with the real business of examining the expenditures of the government.

You attack the auditor. If you don't like what the auditor says, you try and get rid of him. If you disagree with people, you try and punish them.

Mr. Hopfner: — Point of order, Mr. Chairman.

Mr. Chairman: — Point of order, Mr. Hopfner.

Mr. Hopfner: — Mr. Chairman, there has been no innuendo or anything that has been stated in this committee to get rid of any auditor, and I'd like a withdrawal from the member from North Battleford on that.

Mr. Chairman: — Well that's not a point of order.

Mr. Hopfner: — That is. It's a point of order, Mr. Chairman.

Mr. Chairman: — It might be a point of debate but it's not a point of order. And if you think that he's saying something you don't agree with, then I'll put you on the speaking list. But it's not a point of order.

Mr. Anguish: — In light of Mr. Martin's comments that the auditor can have anything that the auditor wishes, I put forward the following motion. And if the government really wishes to provide the information to the auditor that the auditor requests, then the motion would not be necessary, at some point, and hopefully that information will come quite soon in giving the auditor access to the minutes of CIC. The motion is:

That this committee instruct the Provincial Auditor to seek a legal solution with the intent of obtaining a court order instructing Crown investments corporation and Crown Management Board to make available meeting minutes so that the auditor may properly undertake his audits.

Mr. Hopfner: — Is that motion in order, Mr. Chairman?

Mr. Chairman: — It's in order.

Mr. Anguish: — I would think that with the motion, Mr. Chairman, that if CIC would provide those minutes, we would be instructing the auditor as well that it's not necessary to take legal action. We've just had it indicated by the committee today, by Mr. Martin from the government side, that the auditor is welcome to that

information. But if the information does not come from CIC, then the intent of the motion is to instruct the auditor to take legal action.

Mr. Muller: — Well I find the motion redundant because the Provincial Auditor has already received the minutes for 1986-87, the year under review, and so therefore I will certainly vote against the motion. The information has been forthcoming and I find the motion redundant.

Mr. Prebble: — Thanks, Mr. Chairman. Mr. Chairman, yesterday, as I understood it, we had a report from the Provincial Auditor that nothing has transpired since April 12, 1988. That would lead him to believe that he was going to have access to the Crown investments corporation's minutes. I want to get a clarification of this just to be absolutely certain on it.

Mr. Lutz, if you don't mind, I'd like to ask you again if you could clarify for us whether you have had any indication since April 12, 1988 that the minutes from the Crown investments corporation would be forthcoming to you and that you would have access to them?

Mr. Neudorf: — Mr. Chairman, is that question in order if it was 1988?

Mr. Chairman: — It's dealing with items in the auditor's report, so I would have to say it was appropriate.

Mr. Neudorf: — I might question your judgement on that one.

Mr. Lutz: — Thank you, Mr. Chairman. On April 8, or April 12 of '88 we asked again for the minutes and they said, no. So we thought we would endeavour to follow a proper procedure which we did subsequent to that date, now I'm not sure, I think June or July. But we have not received any minutes since by either method. I think that's the answer . . .

Mr. Prebble: — The other method being approaching the other auditors.

Mr. Lutz: — Other auditors, right, yes.

Mr. Prebble: — So in effect you haven't been able to receive the minutes of the Crown investments corporation either by approaching the primary auditors or by approaching the Crown investments corporation directly?

Mr. Lutz: — I'm talking here only CIC. And in neither event have we received any minutes after the 1987 minutes.

Mr. Prebble: — Thank you. So, Mr. Chairman, I guess the point that I'd like to make is it is very, very clear that for a period of time now, in excess of a year, the Provincial Auditor has been unable to obtain, as a result of a variety of attempts that he has made, access to the minutes of the Crown investments corporation.

And there's a very important principle here. Access to the minutes of such a corporation is, as I mentioned yesterday, one of the basic rights of the Provincial Auditor

under The Provincial Auditor Act. For the Provincial Auditor to be denied access to the minutes of the Crown investments corporation or to any other Crown corporation is a clear violation of The Provincial Auditor Act.

And it seems to me that access to such information is a basic part of the democratic workings of the Assembly. If the auditor is not able to do his job, if he's not able to ensure that he has access to the information that's required to do his job, then a basic part of the accountability mechanism for this Assembly and for the democratic workings of government in this province is at stake. That's the issue.

And therefore I want to speak in support of the motion. I think that if the auditor has tried every route at his disposal, and if members of this committee yesterday voted against a motion urging the minister responsible for CIC to provide access to those minutes, and that was the motion that we debated yesterday, and despite the comments made by Mr. Martin this morning, yesterday, I want to remind you that all government members voted against the motion asking the minister responsible for the Crown investments corporation to provide access to those CIC minutes.

And in light of that, I think there's only one other route that the Provincial Auditor has, since this committee won't afford him any co-operation, and that's to go to the courts. And that's why we're putting forward the motion we are.

Mr. Neudorf: — Mr. Chairman, I would suggest that being past the appointed hour we take a break and conclude this issue after lunch.

Mr. Chairman: — Yes, I call it 11:30.

The committee recessed.

Mr. Muller: — Mr. Chairman, I have one short item I think we could deal with while we're waiting for some other members to come back from lunch. I wonder if we could change our agenda to sit from 9 in the morning on Friday until 1 in the afternoon and then it would facilitate some of the people that live quite a ways away in getting home. I've already talked to one of the members from the opposition and they seem quite agreeable to this.

Mr. Chairman: — We had a motion before us. Is it agreed that we just deal with Mr. Muller's procedural point here? Is that agreed? Mr. Muller has moved that on Friday that we sit from 9 till 1.

Mr. Lingenfelter: — I guess . . . (inaudible) . . . Mr. Chairman, the only caveat I would put on it is that the staff, whoever we're dealing with, that that isn't a problem for them, they haven't already made commitments of the noon hour. But it's never been a problem with House business doing estimates and that sort of thing. So given that little problem we may run into, I would be in agreement with it.

Mr. Muller: — Fair enough.

Mr. Chairman: — Mr. Muller has moved that we meet from 9 to 1. Is that agreed? Agreed.

Now we're back to the motion of Mr. Anguish and the next speaker; the last speaker I have on the list is Mr. Hopfner.

Mr. Hopfner: — Thank you, Mr. Chairman. In speaking to the motion, Mr. Chairman, it's a very clear motion that this committee is asked to agree with additional expenditures and steps for the primary auditor to take in obtaining any information that he is now in a position to obtain.

Let me start by saying that first of all, that by . . . with the primary auditor's . . . within the primary auditor's department right now as it sits today, he has access to legal advice. It's very evident because of the fact of the information that he had passed to the member from Rosthern earlier after discussing with his legal adviser whether he could give that information to this committee, which he tabled in here today.

Now I also want to revert back to the letter that was read out from the member from Wascana earlier, and I'll just quote some of that again. It was a letter written to Mr. Lutz by the Deputy Premier, the Hon. Eric Berntson:

Let me be very clear that it is not the Executive Government's intention, either expressed or implied, to withhold any information from the Provincial Auditor. It is merely our contention that CIC already has a duly qualified and appointed auditor who I am sure, if requested, would be more than willing to provide you with copies (or whatever it is; I can't particularly read this particular word) access to their working paper files where all significant matters contained in CIC directors' minutes would be duly noted. As this conforms completely in the same method which you would normally access all other audit evidence related to CIC . . .

And then it goes on to say . . . or I should just summarize that point, that the willingness there to supply that information to the primary auditor is there, and it's positioned in writing.

Now the question which leads me back to believe where the primary auditor feels that he is the only auditor in the province is because of the fact that he is unwilling to accept private auditors' reports or to go and speak to private auditors' reports. Because in that same letter it has definitely stated that if you are unwilling to rely upon Clarkson Gordon to provide you with the required audit evidence, then you must have determined that they cannot rely upon Clarkson Gordon. According, it is imperative for you to indicate this. I'm asking the primary auditor: does he not have any faith in private auditors or in auditors that are appointed to these firms? And that if the information he's seeking has been . . . any information that he has been seeking through these private auditors has never come forward.

In order to speak further to the motion, I need those answers.

Mr. Lutz: — Mr. Chairman, I think possibly in response perhaps the best way to respond is to read into the record my reply to Mr. Berntson relative to this matter. And under the date of February 2, 1988 I wrote:

Dear Mr. Berntson: This letter is in reply to your letter of January 25, 1988, regarding my reliance on Clarkson Gordon and is intended to clarify why I have sought audit evidence directly from Crown Investments Corporation of Saskatchewan (C.I.C.). The issue is not whether I will rely on Clarkson Gordon but rather what I am required to do professionally to justify reliance on any secondary auditor.

There appears to be a difference of opinion as to how I should seek audit evidence. You have been informed by C.I.C. that I should seek all of my audit evidence by reviewing the secondary auditor's working paper files. In my professional judgement, while I will seek substantially all of my audit evidence in this manner, there are circumstances where I must seek first hand audit evidence.

In order to clarify how a primary auditor would seek audit evidence in the discharge of his responsibility it is necessary to review the authoritative guidance given to auditors in this regard.

Section 6930 of the C.I.C.A. Handbook provides guidance in this situation. Paragraph 24 of that section reads as follows:

Under the heading, Consideration of position as primary auditor, it states:

When the essence of the financial statements upon which the primary auditor will be reporting will be examined by other auditors, the primary auditor, before accepting or continuing the engagement, will have to consider whether the extent of his involvement and knowledge is sufficient for him to discharge his responsibilities. Such situations may occur, for example, when activities are conducted through joint ventures or in a corporate group when there are secondary auditors who examine the majority of total assets, revenues or net income. If the primary auditor examines the majority of total assets, revenues or net income, it will normally be appropriate for him to function in that capacity. He can also function as primary auditor when he does not examine the majority of the assets, revenues or net income, provided that he has sufficient knowledge of the components and is able to extend his procedures as necessary; this will usually require him to have access to management making the major policy and financial decisions affecting the group. If the primary auditor concludes that he does not have the necessary level of audit assurance and cannot obtain it by becoming sufficiently involved in the audit of the components, he will need to reconsider his position as primary auditor. (emphasis added)

R.J. Anderson, in his textbook, "The External Audit" on pages 991 and 993, describes when a primary auditor would conduct direct audit procedures, defined as override procedures, even though the primary auditor has carried out other procedures to support reliance on another auditor such as reviewing the working papers of secondary auditors, such procedures he has defined as basic and review procedures:

Override procedures should be considered when the assets and revenues subject to reliance exceed a significant proportion of total assets, gross revenues, or net income (say, 20 per cent in the case of little-known auditors and high-risk companies or 40 per cent in the case of well-known auditors and low-risk companies). Moreover, in cases of lesser reliance, if the basic or review procedures raise serious doubts or problems, override procedures may be required to resolve them before a clear opinion can be given.

The CICA Handbook Recommendations suggest:

When the essence of the financial statements upon which the primary auditor will be reporting will be examined by other auditors, the primary auditor, before accepting or continuing the engagement, will have to consider whether the extent of his involvement and knowledge is sufficient for him to discharge his responsibilities.

The recommendations go on to suggest that provided the primary auditor examines the majority of total assets, revenues, or net income, it will normally be appropriate to express an opinion on the financial statements. If more than a majority of total assets, revenues, or net income are audited by others, it is suggested that the primary auditor consider whether he or she has sufficient knowledge of the components and is able to extend the audit procedures as necessary. Under the guidelines suggested above, such situations would involve override procedures.

Where it is decided that override procedures are required, basic and review procedures as previously described would be performed and, in addition, some direct audit procedures of the investee records. Such procedures would normally be directed to key areas where misstatements might exist which are material to the investor. For example, the investor auditor might decide to confirm certain large accounts receivable, attend inventory, or become directly involved in confirming accounts payable.

Override procedures would normally also include discussions with investee management and possibly obtaining letters of representation directly from them. Override procedures necessarily involve some duplication of audit effort and audit costs. However, the investor and investee companies may each have good reasons for using different auditors — satisfaction with

service, long-standing relationships, etc. In such cases the additional costs must be accepted as necessary.”

Therefore, contrary to what C.I.C. may have informed you . . .

I should say after “necessary,” end of quote.

Therefore, contrary to what C.I.C. may have informed you, where there are secondary auditors involved, the manner in which an auditor seeks audit evidence under generally accepted auditing standards to discharge his responsibilities may well require the primary auditor to seek audit evidence first hand and is a matter of professional judgement in the particular circumstances.

Further, with regard to your comment that I am ignoring the intent of recent amendments to The Provincial Auditor Act regarding appointed auditors, I communicated my understanding of the intent of the amendments . . . to the . . . Assembly on September 30, 1987 and, given my interpretation, said that accountability to the Legislative Assembly would not be diminished. I also stated in clause 1.08 of that report that if my interpretation was not in accordance with the intent of the amendments that accountability to the Legislative Assembly would be diminished.

It is with the above understanding that I wrote to Mr. Gibson on November 24, 1987, as follows:

“In order to comply with generally accepted auditing standards, I require access to the minutes of crown corporations and from time to time other necessary information from crown corporation managers and the corporation’s auditors for the proper performance of my duties.”

In my opinion, this request for first hand audit evidence was consistent with the intent of The Provincial Auditor Act and consistent with generally accepted auditing standards. I consider the information requested necessary for the proper performance of my duties as the auditor of all public money.

In summary, I wish to inform you that I intend to rely on Clarkson Gordon and also to rely on all other Chartered Accountancy firms auditing the various crown corporations whenever and wherever such reliance is justified in accordance with generally accepted auditing standards. It is also my intent to keep the duplication of audit effort to a minimum and, therefore, I have made a point of advising all other auditors of my needs in advance and have fully co-operated with them in order to avoid duplication of audit effort.

It is clear, however, that even with this intention, I must have a sufficient knowledge of all matters concerning public money to comply with generally accepted auditing standards and, therefore, I must be able to extend my procedures

as necessary and have direct access to management making major financial decisions. In order to satisfy this requirement, I require minutes of the Boards of crown corporations and also, from time to time I will require other information from crown corporation managers. At this time I expect my need for additional information will be minimal. The information when requested could be as simple as a meeting or phone call to obtain an explanation regarding a financial transaction or in some cases would require a copy of an agreement or document in complex transactions in order to have sufficient knowledge of all matters concerning public money.

I would respectfully request that after consideration of this letter and . . . further discussion by the Board of C.I.C. that Minute 124 of the September 17, 1987 C.I.C. Board meeting be rescinded so that the co-operation of management with me in the performance of my duties will be assured.

I trust this letter will serve to clarify my position regarding reliance on other auditors in order that further disagreements can be avoided. If not, please contact me at your convenience. Yours truly, W.G. Lutz, Provincial Auditor.

Now just as a one more sideline to that letter, Mr. Chairman, we are complying with the professional standards in everything we are doing. And if we do not comply with those standards, I think any firm of chartered accountants has recourse to The Chartered Accountants Act and the by-laws and the code of ethics and all of those things, and we don’t see that we have contravened anything. We are just one more practitioner trying to discharge my obligations to the House.

Mr. Hopfner: — Further in speaking to the motion, I wouldn’t mind having a copy of that if I could, Mr. Chairman. The article that was just read, if we could get a copy of that.

Mr. Lutz: — Mr. Chairman, is it the wish of the committee — and I was trying to find this out this morning — do you wish this correspondence, the item that Mr. Beattie read, and this thing that I read, put into the record as documents. I’m not sure where this stands right now, I’m sorry.

Mr. Chairman: — I see a note of agreement from both sides and so I would say, yes, that this correspondence . . .

Mr. Hopfner: — Well it’s all read into the public record anyway.

Mr. Lutz: — I can provide you copies for tomorrow. Would that be adequate?

Mr. Hopfner: — But what I am suggesting here is that when we’re looking on this motion and asking us to direct the primary auditor to go ahead and seek legal counsel and all this humbug-type of method, that it’s not necessary, Mr. Chairman, because we’re not questioning from what the auditor had stated earlier, that he had

received the minutes in not a timely fashion, but he had received the minutes; he's received the information; he's done an audit; he's presented an audit. Unless there is some sort of incompetence that he can definitely finger on the other private auditor firms in this province, that all this information is duly accessible to him.

Therefore, like when it's stated in this letter that if there's anything that he is questioning he can go to such a firm as Clarkson Gordon or whoever and ask these particular questions and get the information, I surely don't see any reason for a motion to be on this floor to ask him to spend his resources in his department to seek legal advice and fight something in the courts that he's already obtained. I mean, it's just, it's ludicrous. And I'll leave it go at that for a minute.

I just will further add that there's either got to be some form in which the primary auditor has got to convince me that the secondary auditors are incompetent and are acting outside of their chartered accountant laws governing them, and the laws of the legislature — I think he's got to come forward and clarify to this committee whether he feels there is an incompetence. And I'll pass it on and let some of the others speak to this question.

Mr. Chairman: — I might, just from the chair, make a couple of comments. Yesterday we dealt with a four-part motion particularly about CIC. The motion would have had this committee express its concern to the Legislative Assembly about lack of co-operation on the part of CIC, urging the minister and the CIC board to rescind their minute which would deny the auditor access to further minutes. The motion generally expressed a concern as well about what was perceived to be a lack of co-operation in the report.

That motion, or those four motions if you like, were defeated. We have a motion before us today that seeks a different tack instructing the provincial auditor to seek a legal solution. I don't claim to have any great amount of prescience, but I sense that that one is not going to be particularly successful either, unless I miss my guess.

I guess the comment I would like to make is that there is a motion on the books of the Crown investments corporation board in which the board confirmed their direction to the CMB management to not release any information to the Provincial Auditor — to not release any information to the Provincial Auditor. As far as I know, that situation stands today.

And it suggested in the board minute that this is going to be the subject of further discussions among the board members. And I guess however this committee chooses to do it, the fact remains is that that minute is there and that this committee, I feel, through the Legislative Assembly should find some ways of encouraging the CIC board to look at that particular minute in that particular direction. Because surely that is not acceptable to us. It cannot be acceptable to us if our objective is to ensure that the auditor has access to whatever information is required.

Having said that, are you ready for the question?

Mr. Neudorf: — I would just like to add a few comments

here on this motion seeking a legal solution.

I find that there seems to be a kind of a double standard in terms of the members opposite in what they want one day and what they want the next day. We are supposed to give Mr. Lutz his proper freedom of movement to do as he sees fit to perform his duties, and then by the same token we have a motion on hand here that's going to tell him precisely what to do.

Now it just seems to me that Mr. Lutz, with his professionalism and his professional staff to guide him, had they thought that this was the proper course of action to take they would have proceeded along this line without having to take any particular nudging from this committee to take that course of action.

So instead of hamstringing Mr. Lutz and ordering him what to do, it would be consistent with the members opposite to let Mr. Lutz have free rein as he feels most comfortable in handling obviously what to him is a very distressful situation. And so from that perspective I would suggest that instead of telling him what to do we let him use his own good judgement, his own good resources, and if that's the route that he wants to follow he will do that. I don't think that it's up to us to necessarily tell him what to do in that respect. So I would certainly not be able to support that motion.

Mr. Lingenfelter: — I just wanted to make the argument that we, of course, should be supporting the motion. It doesn't direct to Mr. Lutz to do anything. It suggests that if he hasn't . . . or has trouble getting access or having the minutes from CIC sent to him that he then use the courts, and when he has trouble getting minutes of board meetings that he use the courts as an alternative to this committee because he's not getting support from this committee by motions passed by the members of the government.

And I think it's fair to say that whether this motion is passed or defeated, from it the auditor will get at least the mood, at least of the people who are here, of where the population or the people in Saskatchewan want him to be going. Because I think it may be that the members of the government think the opposition have no role to play in this. But I think in looking at who is voting for this motion, you'll realize that the opposition is in favour of it. If the last election is any indication, more people voted for the opposition than did for the government. The auditor will then know that he has the backing, the backing of that group of people.

Mr. Neudorf: — Assiniboia-Gravelbourg.

Mr. Lingenfelter: — That's right, there were more people voted against the government in Assiniboia-Gravelbourg than there were in favour of it. That's true. I was referring to the general election, but you bring up Assiniboia-Gravelbourg, the member from Rosthern; it's true, more people voted against the government than in favour.

What I'm saying, that regardless of where this motion goes the auditor will then know if he decides to go to the courts he at least has the backing of the opposition and

therefore the people who oppose this government in the secretiveness in trying to get documents and information that the law of the land says that he should have access to.

It's not a debate about whether he should or shouldn't have the minutes of the meetings. It's clear in the legislation that affects the auditor that he has clear right to ask for and to get.

We presently have on the books of the corporation a minute that says that they will not release any information to the Provincial Auditor pending further discussion among board members. You people apparently agree with that minute. That's why we're saying that if it won't work through the normal channels, we're encouraging the auditor to use the courts. It seems a perfectly legitimate way to go.

And therefore, obviously, the members of the opposition once again will be voting for access to information, and I assume the government members will be voting to close the doors to information that the public would want and that the auditor would want.

Mr. Chairman: — Ready for the question? All those in favour? Opposed?

Negatived

Mr. Chairman: — Could I just ask at this point whether the committee members would take the position that the auditor should continue to enjoy full and complete access to files, documents, and other records relating to accounts as indicated in section 24(1) of The Provincial Auditor Act? Section 24(1) states:

The provincial auditor or the appointed auditor, as the case may be, is entitled:

(a) to free access, at all convenient times, to:

(i) all electronic data processing equipment and programs and documentation related to the electronic data processing equipment; and

(ii) all files, documents and other records relating to the accounts;

of every department of the Government of Saskatchewan, Crown agency . . . (etc.) that he is required to examine or audit or, in the case of the provincial auditor, with respect to which he is examining pursuant to a special assignment;

Would it be the position of the committee that the auditor should continue to enjoy those powers?

Mr. Martin: — Well, Mr. Chairman, he clearly has that authority and we've said that over and over again. He has the authority to go to court, anything he wants to do, to get results that he feels he hasn't had access to. And as I read earlier today, a year ago, January 25, 1988, Mr. Berntson, the Deputy Premier, stated at that time that: "Let me be

very clear that it is not the Executive Government's intention, either expressed or implied, to withhold any information from the Provincial Auditor." And that's the government's position. We said it over a year ago. I mean, why do we have to keep going around in circles on this.

Mr. Chairman: — No, I think what's happened . . .

Mr. Martin: — You know our position on it, Mr. Chairman.

Mr. Chairman: — What we have here . . . I just want to get some things clear because what we've got here is a report which says for the first time in the history of . . . since these reports have been coming down, talks about a lack of co-operation. And I'm not saying that we necessarily have to say anything about that to the Legislative Assembly, but surely such a notation might expect, I would think reasonably, some response from the committee, and I'm wondering whether it's reasonable to say that the committee takes the position that the auditor should continue to enjoy full access, etc., etc., as outlined in the Act.

Mr. Martin: — The CIC board did not say that they would refuse to give him the information; they said that until the board had an opportunity to discuss it further. Well the board obviously discussed it further and decided that, yes, Mr. Lutz should be given the information that he requested, and subsequently he received all the information he requested over a year ago.

Mr. Chairman: — There's some other documented instances here . . .

Mr. Martin: — We're talking 1987, okay, which is what we're talking . . .

Mr. Hopfner: — Well, Mr. Chairman, when you read it out, the answer was duly there if you would have listened to what you were reading into the record: "The provincial auditor or the appointed auditor, as the case may be . . ." and that is basically the case that the member from Wascana was trying to make. There is, in this letter indicated by the Deputy Premier, that this information is accessible to the auditors, and if the primary auditor wants some information he can go to the secondary information. We're beating this thing around the horn because the fact is that the question has to be answered whether or not this committee or the auditor himself is willing . . .

Mr. Chairman: — May I ask members to make their comments to the chair? Go ahead, Mr. Hopfner.

Mr. Hopfner: — . . . whether the primary auditor is willing to accept the fact that private auditors are as competent as he is. And that's where it all comes down to because it's very clear, the Provincial Auditor or an appointed auditor, and the information is there for them and they have to act under law.

Mr. Chairman: — I read you.

Mr. Martens: — Yes, I have absolutely no quarrel with what you read in allowing the auditor to do that; I just

want to say some of the parameters that this committee has been working under in the past, and those are identified by the fact that you have to deal with the year under review, and what has caused us the most problem in dealing with this issue are those instances that deal with items outside of the year of review.

And so what we continually have brought to our attention is the fact that the auditor puts these things in, when we are not allowed to discuss them, as items that would be normally considered as the CIC dealing with a financial statement that is half audited. And those are the kinds of things that we have to deal with. We cannot continue to operate with a standard that is there for the Provincial Auditor and there's another standard available to us. We can't operate under those kinds of conditions. That is the reason why we have a problem in dealing with this issue.

And if you will take and do an underlying current on what we have here, that is the basis for what we've been talking about. If you go back to last year's *Public Accounts*, you will see that exactly the same problem existed last year because there was an overview of the total prospectus of the audit. We can't go in and challenge these people on the things that they say and do because we have to deal with the year under review. And therefore I think that those kinds of things need to be dealt with in the context that they're there. Next year, if that statement comes there, then we will deal with it then. We can't deal with it now because that's not the year under review.

You're going to tell me that this is the auditor's report, but that's a double standard. That's a standard for him, and that's a standard that is excluding me as a committee member dealing with the same prospectus because I can't go to this CIC, for example, Mr. Chairman, and ask them what their board is dealing with in relation to the 1987-88 context. And that's what the auditor is dealing with, and I don't think that that is fair. I don't think that is fair for me as a committee member when there is a double standard. And that bothers me a whole lot.

Mr. Chairman: — Right. Let me just make a couple of points here, Mr. Martens, and thank you for your comments. First of all, it's the job of this committee to consider the auditor's report. Is there any disagreement on that?

Mr. Martens: — Mr. Chairman, that is precisely the point. If it's continually brought to our attention about other years and other periods under review, we could go . . . If the auditor would want to single out an instance, I can recall a department of northern Saskatchewan that was called a department run amok. I could bring that into this discussion, and we could talk about all of that in relation . . . No, you're nodding your head in disagreement.

Now that is the same context that this deals with because I cannot provide or get information to verify the decisions that have been made in reviewing this matter in any way, shape, or form. Therefore my argument is this. The auditor is allowed the freedom to do what he is doing here in the context of doing his job; I, as a member of this committee, am restricted to the framework of the year under review.

Mr. Chairman: — Well again, it's the job of this committee to consider the auditor's report. The auditor, in his annual report, may — and I quote from his Act:

(a) report on the work of his office and on whether, in carrying out the work of his office, he received all the information, reports and explanations he required from departments of the Government of Saskatchewan, Crown agencies or Crown-controlled corporations or their auditors;

It doesn't say that he has to restrict anything in his report to the year under the discussion.

Mr. Neudorf: — Mr. Chairman, what you just read was totally in past tense, and the auditor's report is using present tense when he deals with '87-88. So by inference, right there is your answer, that he is perhaps exceeding the mandate that he has in bringing in current issues, rather than dealing with the year under review.

Mr. Chairman: — Let me just approach this a slightly different way then. Again, we're dealing with a question called lack of co-operation. And I want to read again for the record that the auditor says:

I find it regrettable that, for the first time since my appointment, I must include in my annual report comments concerning a lack of co-operation in obtaining information that I consider necessary.

The auditor makes reference to three instances, one with respect to the Crown investments corporation; secondly with respect to the Department of Supply and Services; and thirdly with respect to the Saskatchewan Property Management Corporation where, in his opinion, he has not received co-operation, or if he received it, it was not done in a timely way.

And I guess the question I have, given the auditor has said this, is there anything that you wish to put in your report to the Legislative Assembly on this issue? If not, then let's move on. Is there anything that you wish to have put in the report to the Legislative Assembly on this matter?

Mr. Martens: — I would like to put it this way. If the auditor is going to make comments in relation to his audited statement of the year under review, it ought to reflect precisely the year under review. If it is in excess of that, then it has to relate to that particular year under review. I don't think it is right for him to do that. If CIC and Crown Management Board are directing him, then that is a process of negotiation between his audit department and the CIC, Crown Management Board, and that is where we have to leave it.

Mr. Chairman: — Okay. Then I want to ask, Mr. Martens, in light of your comments, and in light of what's in The Provincial Auditor Act, are you suggesting that the committee pass a motion or make a recommendation to the Legislative Assembly in connection with this, that the auditor Act be amended so that he cannot comment on anything else but his specific year under review?

Mr. Martens: — The context of this document, Mr. Chairman, is related to the year under review.

Mr. Chairman: — No, don't give me context; give me the Act and what it says and what the auditor can do.

Mr. Martens: — Mr. Chairman, are we going to call, as a Public Accounts Committee, CIC into this chamber to ask them for 1988 observations about their audit? And if we are, then we're going to deal with it under the year under review, and then we will find out whether in fact all the requirements have been met as it relates to the audit. And if that occasion presents itself, fine, if that's what our mandate is. But we're not mandated to do that. We're mandated to review the year under review, which is '87.

Mr. Chairman: — I guess I would raise the question that if we remain silent on this whole issue, I question what our mandate is, if we have any at all.

Mr. Hopfner: — Well I think basically the question is going beyond the realm of the auditor's right as an employee of the legislature. And what the primary auditor has been doing is basically pointing out policy. And by that has just again in a remark, and it is in quotation:

"Privatization is part of the political smoke-screen process," Lutz said.

And that's in quotation. Now he's not involved in the policy making within the realm of the legislature. He is to outline whether the policies have been duly processed under law. But when he is saying that it's of a political nature in a smoke-screen process, I would suggest that that is going beyond his duty. And when it's . . .

Mr. Chairman: — Now, Mr. Hopfner, Mr. Hopfner, just a second here. Again I talked this morning about people skating on thin ice. If the committee wants to discuss a motion about the auditor's job and so on, it can do that and it did do that.

Mr. Hopfner: — That's what you brought forward. You brought forward what the auditor's thing is and we're discussing it generally.

Mr. Chairman: — Again I just want to caution you.

Mr. Hopfner: — If you think I'm treading on thin ice, that's my problem.

Mr. Chairman: — Well it just maybe. Anyway, go ahead.

Mr. Hopfner: — What I'm suggesting to you is that all information is duly processed according to the Act. It's not for him to question the fact of any political party's intention of movement to the right or movement to the left or in between, or whatever it is. He's not there to dictate what's a smoke-screen or not; he's there to indicate whether the exercise of all the various departments have been handled duly to law.

And this is what the debate's about. You opened it up. You asked whether we agreed. I agree that he has a job to do, but I do not agree that he has the right to criticize, in a partisan nature, the process of the legislature.

Mr. Chairman: — Can I ask you what this committee's

job is, Mr. Hopfner? Do you have any understanding or insight into that you might be willing to share with us?

Mr. Hopfner: — Well I'm sure if you don't know what this committee's job is, then what are any of us doing here?

Mr. Hopfner: — Well I'm becoming increasingly puzzled as to what this committee's mandate is.

Mr. Hopfner: — We're here to deal with the auditor's reports, Mr. Chairman.

Mr. Chairman: — Right. Now who are we dealing . . .

Mr. Hopfner: — You're the one that opened up the topic.

Mr. Chairman: — Who are we doing this for? On whose behalf are we doing this for?

Mr. Hopfner: — We're doing this on behalf of the legislature, I hope.

Mr. Chairman: — And how do we let the Legislative Assembly know what, if anything, we might have concluded from all this?

Mr. Hopfner: — That's our thing to come to grips with here.

Mr. Chairman: — Exactly, Mr. Hopfner.

Mr. Hopfner: — And we might as well get it discussed out.

Mr. Chairman: — Now is there anything that you wish to have said with respect to the area of lack of co-operation, which again the auditor feels that he's saying it for the first time in history, and pertains to issues that's simply more of the Crown investments corporation, but also deals with supply and services and property management corporation? Is there anything that this committee might wish to say to the Legislative Assembly in connection with this matter? I ask that to all members of the committee?

Mr. Martens: — I wonder, in light of that, whether if we would do that at the conclusion and leave ourselves some room for some suggestions at the end and we'll bring them forward for discussion at the conclusion of our meetings, and then we can deal with it at that time.

Mr. Chairman: — At the conclusion of consideration of the auditor's report or when we finish all of the meetings, and so on?

Mr. Martens: — That's right, because that gives some flexibility, Mr. Chairman, to deal with it in some reasonable kind of way.

Mr. Chairman: — Okay, I'm open. In terms of dealing with the report, I had a speaking order, and the people I had next on the list were Mr. Prebble and then Mr. Lingenfelter.

Mr. Prebble: — Thanks, Mr. Chairman. Mr. Chairman, I'm of the view that, frankly, there's no point in expressing

any message to the legislature. We have tried on this side of the table to begin by urging the committee to adopt a motion that would have ensured that the minister responsible for the Crown investments corporation would arrange to have forwarded the minutes of the meeting, and all subsequent meetings of the Crown investments corporation, and that was defeated.

And then we proposed a motion that if there was no other way for the Provincial Auditor to get access to the minutes of the CIC board meeting he should feel free to use the courts in doing that, and that motion was defeated.

And then we had motions relating to the need for publicly owned companies to file detailed financial statements before this committee and the House so that we would have the same kind of itemized statements from them that we do from the government departments, and that was defeated.

And then we proposed that some of the new publicly created companies like WESTBRIDGE that don't file reports at all be asked to file reports, and that was defeated.

And then we proposed a general motion on encouraging government agencies and departments to co-operate with the Provincial Auditor, and that was defeated.

So frankly, I don't know where else there is to go, but I think that under the guise of trying to restrict the discussion of the Provincial Auditor's report itself to the year 1986-87 — and there's no requirement, I might add, to do that. There's a requirement when we get to talking about these public accounts to restrict our questions to 1986-87, but not when it comes to the Provincial Auditor's report. There's no requirement to do that at all.

But under the guise of suggesting that there is, we're now saying that there is no problem in the year under review even though it's obvious that there's a problem in the work that the Provincial Auditor has done since. And I might add, by the government members ensuring that *Public Accounts* would be tabled late enough to have us sitting now here virtually reviewing something that happened two years ago, you've turned the whole thing into a farce.

So I see no point, Mr. Chairman, in trying to come up with a compromise motion to the Assembly, because I think that every motion that might have made sense has been defeated by the members opposite. And I suggest on that account that we move on. And I'd like to therefore leave the question of co-operation and move to another issue, namely timeliness.

Mr. Chairman: — Just before you do that. Mr. Martens, is it your position that anything that doesn't deal specifically with the year under review should be dealt . . . as chairman I should rule that out of order? I need to get this clear here before we go much further.

Mr. Martens: — We run the risk, Mr. Chairman, of dealing with a wide-ranging set of topics like we have done for the last two days in dealing with items that are not directly related to the year under review. We run an

extreme risk of doing exactly again what we did in the last two days. Not all of it has been about this, but a good deal of it has.

And when we deal with it out of that context we have a whole lot of time that is wasted on perceptions of peoples from both sides of this table. And I think that we're going to have all kinds of trouble if we deal outside of those parameters. And again I just say that the year under review, when we ask questions as to the *Public Accounts* — and that that's what this committee is there to review — then that's what we should do. The year under review is the year that the auditor should be making his comments on, and I feel strongly about that because we have no way of checking out whether in fact 1988-89 has proved anything. We haven't. We haven't the authority to ask either because those things haven't been tabled.

Mr. Chairman: — The reason I'm asking is because I'm getting some very mixed messages from this committee about what it is that we can do and we can't do. Yesterday, on numerous occasions I raised the point that to discuss items that were reported in *The Edmonton Journal* or whatever, and dealing with comments made this year, might be outside of the scope of what we were talking about, which was the auditor's report.

Yet I didn't see the government members or any of the members of this committee for that matter say, you're right, Mr. Chairman, we shouldn't be dealing with that. In fact, you acted like consenting adults and decided you wanted to deal with that, and you did deal with that. Having dealt with that, you now take the position that even though things are in the auditor's report as opposed to being in a newspaper, if they get outside of the year in question we shouldn't deal with it. And I guess what I'm saying is that I'm getting some very mixed messages from the government side about what it is that you want this committee to do and what it is that you want this committee to discuss. And I suggest that we take a recess and we get it sorted out just what it is you want this committee to do, because there's no point in going any further and I say we take a recess.

Before we recessed, I displayed considerable frustration in trying to grapple with the mandate of this committee and just what it should be doing. I pointed out that notwithstanding my own reservations, and I expressed them a number of occasions yesterday, the committee chose to depart from the auditor's report and deal with items that — I think I used the words, were only tangentially related to the auditor's report, and cautioned the committee members on a number of times. Notwithstanding that, the committee decided to pursue the matter of public statements that the auditor made this year, 1989, and decided in doing so, I suppose, that this was fair ground for the committee to cover and part of the committee's mandate.

This afternoon, in proceeding back to the auditor's report, I'm informed by government members — and I have no doubt that represents probably the majority opinion of government members — I am apprised that even though the auditor has comments in his report . . . makes comments in his report, that these should not be considered because they do not strictly deal with the year

ended March 31, 1987.

I want to make the following comments. The Provincial Auditor's Act, section 12, provides that at the end of each fiscal year, the auditor shall prepare a report to the Legislative Assembly identifying any cases that are deemed to be of a nature that should be brought to the attention of the Legislative Assembly. The auditor may report on the work of his office and on whether he received all the information, reports, and explanations he required from government agencies. The auditor may comment on the financial statements of any department or agency of the government.

The Legislative Assembly has assigned to the Public Accounts Committee the responsibility to review the public accounts of the province and the provincial auditor's report in order that the legislature may hold the executive government accountable for its administration and financial management.

The Legislative Assembly has referred to this committee the *Public Accounts* and the auditor's report. The executive government manages and spends public money. It must be, and is, accountable to the legislature for its financial administration. The Provincial Auditor is the servant of the legislature to assist it in holding the executive government accountable for financial management.

It is therefore clear that this committee can and must be free to question the auditor about matters which he has included in his report. In this particular report, even if his references are to something other than the year under review, the fact of the matter remains that the committee must be free to pursue matters which are stated and which are included in this report. And that is my ruling.

Mr. Neudorf: — Mr. Chairman, I must open my remarks by indicating to you the deep disappointment I have in you as a chairman. I felt that after yesterday and today you were doing a reasonably good job, and I'm glad to see that you're under control of yourself once more. I abhor the blatant — clearly blatant — exhibitionism that you portrayed a few moments ago. I abhor you and your colleagues' blatant attempt at media attention, which is the purpose of much of this.

I could not help but notice, sir, that at the time that you lost control of yourself, there was not one media person present. Now I have to congratulate you on your successful attempt to rectify that. Because after your display we meet again 20 minutes or half an hour afterwards, and what do we find in this room? That you have been eminently successful in the ploy of politicizing this entire process, because we have every media person that is in this building sitting here, wondering what kind of ploy you are going to come up with once more. And I'm disgusted, I'm frustrated, I'm disgusted at your display of exhibitionism to try to turn this committee into a circus. And to you, sir, I say that has to stop.

There was absolutely no reason whatsoever for you to adopt the tactics that you did, and I call you on that. And I think, as long as we're going to follow under conditions such as this, this committee cannot work. There must be

enough mutual trust even though there is disagreement, because that is obvious; that's inherent within what our philosophy is and what we believe. And I grant you that. That's the way it should be. But, by golly, until we start changing the mandate of this committee, we're going to have to continue to work under the parameters of what this was supposed to be, which is as non-political as possible.

And I resent being used — that's what I feel like. I could be home right now. I could be home with my constituents doing work for them, but I chose to honour my obligation to this committee because I believe in it. I believe what this committee can stand for, and I do not appreciate driving hundreds of miles to come to this committee to listen, to be abused, to be insulted by the auditor, by you. You're insulting my intelligence by the act that you just displayed, and I resent that. I resent being used.

Mr. Chairman: — All I can say, Mr. Neudorf . . .

Mr. Neudorf: — And I'm not finished, Mr. Chairman. Having concluded my introductory remarks, I think what we're going to have to do at this point is get a hold of this committee. We're going nowhere. And what I propose is not necessarily a restructuring of the committee, but maybe, perhaps we are at a stage right now, I think, where we are ripe for a reassessment of the committee, and then perhaps we may be able to avoid future displays and demonstrations as we have just witnessed . . . (inaudible interjection) . . .

Mr. Chairman: — You should address your remarks through the Chair.

Mr. Neudorf: — I'm glad you picked that up, and I'm certainly glad that the chairman is calling you back to order. You will have your opportunity . . .

Mr. Chairman: — Do it through the Chair, Mr. Anguish.

Mr. Neudorf: — Mr. Anguish is not used to operating under those kinds of conditions and has been a good example, I think, so far that certainly a little knowledge is a dangerous thing.

To get back to my point before I was so rudely interrupted, Mr. Chairman, I propose from what has happened so far — and I make this a motion — I move that the Clerk of the committee:

1. Prepare a chronology of events relating to the evolution and development of the Public Accounts Committee with particular emphasis on changes in rules and principles of procedure, including a brief explanation of such changes and the dates they became effective.
2. Obtain copies and/or summaries of the rules under which other public accounts committees operate in Canada, both recorded rules and unwritten rules with (I believe) particular emphasis on the role of the auditor.
3. Report on the presence or absence of a duty on

the part of the members of the committee to seek to abide by the rules of the committee in their own right as members of that committee and irrespective of any other consideration.

4. Report on all identifiable references by members of the committee, past and present, regarding an intent to circumvent the rules.

And I believe, Mr. Chairman, if you look at some of the points that I'm raising here, it is an attempt to put all of our differences on the table, as it were, to examine the role of this committee, to examine the evolution of this committee.

I have a document here that is dated February of 1964. I made reference to this last year. I recall last year at the public accounts meetings that we had, that we started to delve into this whole matter. That was the time when you were using, you will recall, you were using your position as chairman of the Public Accounts Committee to influence the judge on that court hearing — another unfortunate happening.

But that initiated further discussion on this entire issue of the role of this committee, the role of the auditor, and so on. And we did not really pursue it at the time because I think that all of us felt that if we put our heads together, and if we had the common good in mind, that we would be able to continue to operate.

But obviously this committee is in jeopardy of breaking down. It's in jeopardy of breaking down simply because of the blatant political gamesmanship that are being played. And so I will give a copy of my motion to the Clerk so that she will be able to do with it so that everybody will have a copy of that, and I invite further discussion on it.

Mr. Chairman: — I would have to rule the motion is out of order because it has nothing to do with the auditor's report which is the item under consideration. Having said that, if the committee wishes that we deal with this item then it should say that, but otherwise it's out of order.

Mr. Neudorf: — Mr. Chairman, in response to that, that addresses exactly the problems and the concerns that you just raised. You were saying to me and to the committee members that we had been off the topic. I do not believe that any of my comments and my concerns about what the auditor expressed about Conservative governments were out of order simply because you allowed your member, your member from North Battleford who quoted extensively from that newspaper article, and you made no attempt whatever to rein him in. And any pursuant conversation was in direct response to his allegations.

So I don't see how we were out of order, Mr. Chairman, yesterday. Although I think, having been prudent, you would have called your member to order immediately, and then we would not have transgressed into this grey area. And so what I'm trying to do there is reflect directly the concerns of this auditor's report and that will address those concerns, and we will be able to operate in the future. I think you are in error in your judgement, Mr. Chairman, and I ask you to seriously reconsider your

decision.

Mr. Chairman: — Well anyway, that's my ruling, and it has nothing to do with the auditor's report. If you want to deal with this issue, I think the committee can deal with the issue, but the committee has rules, and the committee says we're dealing with the auditor's report and so we're dealing with the auditor's report. This doesn't relate to the auditor's report. If you . . .

Mr. Neudorf: — You will have noticed that the auditor is mentioned in there. I make specific reference to him.

Mr. Chairman: — If you wish the committee to deal with this, then you should get agreement from the committee that we set aside consideration of the auditor's report for the few minutes it takes, or whatever, to deal with this item. Now let's get on to it.

Mr. Neudorf: — Would the committee give me that consideration?

Mr. Hopfner: — I will so move.

Mr. Chairman: — It has been moved by Mr. Hopfner that we set aside consideration of the auditor's report to move to an item that Mr. Neudorf wishes to raise. It's been moved by Mr. Hopfner.

Agreed

Mr. Chairman: — Now committee will deal with the item that we have before us which you read before. I have some question whether or not it's within the mandate of the committee to consider its role and whether or not this matter should be put into our annual report as advice or as a suggestion or as a concern to the Legislative Assembly. And I wonder if I just might ask to consult with the Clerk on that.

The motion is in order, and as much as it wishes to obtain information about our processes, there's no suggestion of any changes here to the rules; therefore, I would say the motion is in order. If, subsequent to this, the committee wishes to make suggestions to the Legislative Assembly about changes to the committee's mandate, it can do that, but this motion is in order. And therefore the motion is before you and I ask if there's any discussion.

Mr. Neudorf: — Yes, I don't have too much to add to it except that I'm kind of amazed at the reaction when I noticed who voted in favour and who voted against it. I don't see why the NDP members here would oppose this. What I'm trying to do is open it up and give you guys a chance to look at the whole thing. I thought that it would be a . . . that's something that you would grab of, but because, I guess, this side made that motion you're automatically opposed. This defies any credibility on my part. I don't follow. I'd be interested in listening to your reasons why.

Mr. Lingenfelter: — We came here to deal with the auditor's report; that's why.

Mr. Neudorf: — No, Mr. Lingenfelter, I'm not suggesting that we spend a lot of time on this. I think the motion is straightforward and it's got some good points on it.

Agreed

Mr. Neudorf: — I can't figure you guys out.

Mr. Chairman: — And we're back to the auditor's report, and I just want to say, Mr. Neudorf, in response to your outburst of a few moments ago, I just want to say that I was concerned about what I perceived to be the blatant hypocrisy of some members of this committee about what it is that we can deal with and what we can't deal with, and I hope that's behind us. I've made a ruling, as far as I'm concerned, anything and everything that the auditor has to say in his report is fair game for discussion by this committee.

And I had Mr. Prebble on the speaking order, and then Mr. Lingenfelter.

Mr. Prebble: — Thank you very much, Mr. Chairman. Mr. Chairman, I'd like to ask the auditor some questions with respect to the issue of timeliness first. I'm looking at page 9 of the auditor's report, and I have several questions I'd like to ask with respect to both timeliness and independence on page 11.

Just one question with respect to timeliness. Mr. Lutz, I'm looking at section 2.46 of the report on page 9 where you say:

The financial statements for the Consolidated Fund and Saskatchewan Heritage Fund for the year ended March 31, 1987 were not completed and provided to me for audit until March 7, 1988, almost a full year after the year end. When the Members of the Legislative Assembly receive the information for 1986/87 it will be so dated that its value is diminished. It is difficult to understand why the necessary infrastructure is not in place to have these audited financial statements for the Consolidated Fund and the Saskatchewan Heritage Fund available to the Members of the Legislative Assembly within six months after the end of a fiscal year.

I'd like to ask you what you think is needed to speed up ensuring receipt of these statements by the members of the Legislative Assembly, if you have any steps or procedures that you would recommend that would rectify the problem as you see it.

Mr. Lutz: — Mr. Chairman, I think possibly the question might be going in the wrong direction. I do not prepare the public accounts statements. I audit them. Mr. Kraus prepares them, and there becomes a process of preparing and auditing and maybe negotiating some changes, and at some point they have got to go to treasury board for approval — now stop me if I'm wrong, Mr. Kraus; I think that's how it works — and they may come back with some proposed changes.

Mr. Kraus: — As I indicated to the committee yesterday — Mr. Prebble, I think you had left at that point — and I wanted to make it clear that as far as the financial statement, the preparation of them goes, it goes through a number of procedures.

But when Mr. Lutz is saying that he didn't get financial statements until March 7, what he's saying there is that they weren't absolutely completed to his satisfaction. It doesn't mean that we hadn't given him financial statements because we provide normally, and we did that year, in the summer, July 23, 1987, which is two or three months after our year end, we had provided him with draft financial statements so that he could do whatever audit work he had to.

As well, we had treasury board approve those financial statements subject to audit adjustment. Now they probably did that some time in late September, early October, and we forwarded a copy of those statements to the auditor on October 16, 1987.

So I wouldn't want you to have the impression that we don't have financial statements. As a matter of interest, at lunch time today I signed financial statements that were up to date to February 3, 1989 for distribution inside Finance. So as far as preparing financial statements goes, in a timely manner, there isn't a problem in that sense.

The thing though is that the auditor conducts his audit and there are matters or issues that he may not be completely satisfied with. It may be any number of things that we don't completely agree on, and I would say that that date that you see of March 7 is probably the point at which we agreed on the financial statements as presented. I doubt there would have been . . . Now perhaps I shouldn't say this, but I doubt that there would have been a lot of change from the initial statements that we provided him with, but there still would have been some changes to them.

Mr. Prebble: — Well, Mr. Kraus, the auditor says in his report that it's . . .

Mr. Kraus: — I would just say that of course we provided him draft statements in July for audit, and I don't believe that this statement is saying that we didn't give him statements. Although that's what it seems to say, it can't mean that. It's got to mean that that was the date at which they were absolutely in accordance with what he wanted and what the administration in government was prepared to agree to, if you can follow that.

Mr. Lutz: — I think I would speak to this maybe briefly. Last year in June we sent to the members a paper setting out to the best of our ability the chronology of how these things occurred in the preparation of the consolidated financial statements. And when I say to the members "until March 7", that means that on March 7 I was prepared to sign my auditor's report on those financial statements as being finally finished, complete, reviewed and submitted to me for my auditor's report.

Now as Mr. Kraus says, there's a lot of movement in the interim as to where this should go. But the only date that matters to me is when can I receive from the comptroller the completed financial statements that I can audit and put my report on.

Mr. Kraus: — Perhaps, Mr. Chairman, if you could . . . I think I wouldn't mind a little clarification either, because

although I should know all of these things being an accountant, a CA (chartered accountant), I haven't audited for some time. And you'll notice . . . you may not have it with you, but if you looked at the financial statements and the auditor's report in the page where he's got his opinion, you'll see that he has dates on his audit report. For example:

October 23, 1987 except as to a note 2(i) which is as of January 22, 1988.

So you can see that, I believe, Mr. Lutz, you're saying that you've done the majority of your work up by that point in time.

Mr. Lutz: — That's right, but until they are finalized we have to make provision in my report for events that happen after our last day of field work and other similar things that will hold up the final signing, which is really what matters. And in the interim, the thing is in some process of steps through the system and I don't necessarily know where these things are. Once I've looked at them and said I'm ready to sign this if everybody else will approve the format and get on with it, I don't know where they go necessarily.

Mr. Chairman: — Can I just ask — excuse me, Mr. Prebble — why, for that particular year of the public accounts, why it should have been different than say, four years before that or five years before that, or the normal trend, which is to get them in much sooner than that?

I'm getting a lot of explanation here about what happened that particular year, but I guess it would be even more relevant to get some understanding why in many previous years we were able to get this stuff in in February or March, or even December sometimes. But here in this case the final — Mr. Lutz said he didn't sign it till March 7, and we didn't get it till June — why it's different that year than many of the other previous years.

Mr. Kraus: — I could make a number of comments, I suppose, in general. Spring is a very broad term. It can be obviously . . . a spring session I suppose could start in February or it could start in May or June or whatever. But generally speaking, if you look back through the history of the tabling of the *Public Accounts*, you would find that other than the three years the tabling wasn't until the spring, whether the spring was February, March or April.

I think there were three years consecutive that it was tabled in December, in the fall sitting, but that was an exception rather than the rule. As far as when it would be tabled, though, after it's prepared, tabling of the *Public Accounts* of course is a decision of the minister and the government, so that is an issue that I cannot speak to.

Mr. Chairman: — Thank you, Mr. Kraus.

Mr. Prebble: — Thank you very much, Mr. Chairman. I'd like to come back to asking Mr. Lutz whether he has any recommendations on how we can move to achieve a situation in which the MLAs of this province could in fact review the public accounts within six months of the end of fiscal year. It seems to me that would be a very desirable objective to shoot for. And, Mr. Kraus, please

feel free to come in here as well. But I'm wondering what we can do to achieve this objective, whether you have any recommendations in this regard, either of you.

Mr. Lutz: — Mr. Chairman, Mr. Prebble, since the preparation of the . . . (inaudible) . . . Is in fact Mr. Kraus's responsibility, I would not presume to say, yes, they should be prepared earlier or else. The best I can tell you is that if they are in fact prepared earlier and presented to me earlier for audit earlier, we will get them done from my office. Now when we say we will get them done, after that they have to go maybe to treasury board for some sort of approval. And I can understand that and I can't quarrel with that. But once I say I've got them done, and that might be June or July, it's out of my hands as to when they come back, and if they get changed, as they may, you know, for a variety of reasons, or if some other matters are presented for a variety of reasons, then we sort of have to take another look at the new items that are presented and that's going to set it back a little more. But if they are presented to us in finished form, we will do the audit on them and get them done.

Mr. Prebble: — Mr. Lutz, I'd like to ask you another question. I think perhaps when Mr. Kraus is before us we can have more of a discussion on how we achieve this, but I'd like to go back to the question of funding for your office. I'm looking here at item 2.61 in your report, it's on page 11, where you say:

In my 1986 annual report I recommended that the funding for my office be determined by the Standing Committee on Public Accounts so that those I serve have input into my funding level . . .

I very much support that idea, and I would propose that the time has come for this committee to again recommend to the Legislative Assembly that funding for your office be determined by this committee.

So, Mr. Chairman, I would like to move:

That this committee recommend to the Legislative Assembly that the funding for the office of the Provincial Auditor be determined by the Standing Committee on Public Accounts.

Mr. Hopfner: — Thank you, Mr. Chairman. Mr. Chairman, when we are talking about the funding for the office, I do believe that the policy of various departments have moved to private auditors and appointed auditors to their various departments. Then it brings back the question of whether by us needing to increase the size of the primary auditor's office is complementing the fact that we are not agreeing in this committee that the appointed auditors are in fact doing the job that they are paid to do.

And again, when it relates back to the completion of financial statements with the interim information flowing back and forth from various departments to Mr. Lutz, there is to me probably in a kind of a . . . from the private sector side, it would seem to me that the work . . . there could be a make-work situation in regarding the auditor's report; and that is that I can see situations arise where the auditor could keep going back to the various departments saying, well no, I'm not satisfied with this, I'd like this,

sends back the work and says, I want more information on this, this, and this, which he is entitled to do.

But again it brings me back to the question of whether he is not questioning the competence of the appointed auditors. And by putting it into the private sector and allowing the appointment of private auditors for various different corporations, it opens up a competitive type world, whereas the nature of the work is going to be done on a competitive nature and also probably the pricing and everything else will stay at a competitive nature instead of us going back to the trough all the time and just increasing some public department and virtually getting no more of a satisfactory report than what the auditor is already putting out, because I'm sure the auditor would not put out the report or even sign a final audit report and present it to the legislature without being convinced that it was actually done in a professional mannerism.

So therefore I would not be in favour of this motion. I don't believe that the committee should be in that position. I believe, if anything, that that motion could be brought to the floor of the legislature.

Mr. Chairman: — Thank you Mr. Hopfner.

Mr. Martens: — I am going to raise a concern, Mr. Chairman, about this, and that really has to do with maybe the funding needs to come from a different area than the Consolidated Fund or a part of that. I, however, don't agree with the aspect of taking it out of public accounts.

I think that maybe there is room for this discussion in the Board of Internal Economy that that be the part that would deal with the budget of this. They deal with other legislative items. I think maybe that's . . . or legislative payments made on behalf of members, and all of the things related to that, and perhaps that is the area to go.

I'm not sure that this shouldn't probably be amended to include other options that would give the committee some flexibility in determining what we perhaps could do, and investigate some of those possibilities. I'm not sure that I would like to have the Public Accounts Committee handle that, because I think then you begin to establish some other precedents that are there, and I don't think that I would have the background to deal with it.

Mr. Prebble isn't here at this point, and I was wondering whether he would be encouraged to maybe expand that to have other agencies consider that audit practice, that funding for audit.

Mr. Chairman: — Can I just ask that — he says that it be determined by the Standing Committee on Public Accounts — if the motion were to say that “by a body other than the executive government,” would that be . . .

Mr. Martens: — Well, no, Mr. Chairman, then you would exclude members on the . . . Let's say you used the Board of Internal Economy. You would exclude members of executive government from being a part of that group that would determine that. And I . . .

Mr. Chairman: — No, that wouldn't be the intent, but . . .

Mr. Martens: — No, that wouldn't be the intent, but I think what you're saying is it would do that, and I would have some problem with that. But I wouldn't mind seeing it looked into at least.

Mr. Chairman: — I'm wondering if Mr. Prebble is agreeable that he might take a few minutes with you.

Mr. Martens: — Well should I go over that again and then see what he has to say?

Mr. Chairman: — Or whether we just want to move on to some other items on the agenda and the two of you get together.

Mr. Prebble: — Why don't we do that? I'm quite willing to just . . . I'll do it. Sure.

Mr. Chairman: — So we have the motion before us but we'll just carry on other items. Or maybe if we want to take a break for five minutes again. No? Maybe we'll move on to Mr. Lingenfelter if it's a different issue, Mr. Lingenfelter.

Mr. Lingenfelter: — Well mine has to do with something of the same issue, namely timeliness, and I guess wondering out loud what we could do to set in place some sort of time lines for tabling of reports that may influence whoever would be responsible for the delay.

And I don't here want to make any judgement on that because, in terms of the tracking of paper that goes on in terms of presenting reports, it's very difficult for us today at this precise time to make that decision. Obviously as an opposition member I think it's the responsibility of the government, and I would take it right to the Premier's office. The members of the government would obviously have some other reason for the delay last year.

But I think it's fair to say that if you look at the tabling of documents, appendix 11, in this report, you'll see very clearly that *Public Accounts*, the latest that it has been tabled prior to this report, which was tabled on June 29, 1987, the latest date that I can see on here is April 12 in 1985, and that was late, both of these late tablings presented by the present government.

Here again, I don't want to lay blame because I would like to set in place a mechanism where some resolution from this committee that would deal with the timely tabling of reports, and I tried to do that in a non-partisan way, because obviously we believe that at some point in the future we're going to be in government, and this would act on our government as well as it would on the present one. But I think in terms of . . . well, the members opposite may think they're going to be in government for ever, but if it is, it will be the first time in the history of democracy that that would happen.

But I'm just saying that for the good of the public of Saskatchewan, it seems to me an early tabling of the documents is in the best interest of the taxpayers, and that has been the tradition in the province. If you look at the dates here, it varied between December 12 and mid-March, if you exclude the two late tablings, 1985

and 1987. And what I've done is just drafted up a resolution that would give some direction to the committee, and if I could share that with the committee now . . . but it would basically be:

Be it resolved that the committee indicate to the Legislative Assembly that it shares the concern of the Provincial Auditor that the *Public Accounts* and the *Report of the Provincial Auditor* are not being received in a timely way, and that this committee recommend to the Legislative Assembly appropriate amendments to The Department of Finance (Act), 1983, and The Provincial Auditor Act to ensure future tabling of *Public Accounts* and the Provincial Auditor's report be in a timely way.

In here I wouldn't set any dates by which we would be guided. I would take a lead from the committee; if we want to put in dates that's fine, or some deadlines. But it just seems to me that if it's left at the whim of anyone along the stages — I mean, we could have tabling of these documents three, four years after if it were the wish of the government to delay any discussion of the spending of the government. And that's the intent of the motion, and as soon as the other one is dealt with here, I just wanted to have that on the book. I guess you'll have to wait for the moving of that until we deal with the other one.

Mr. Chairman: — Thank you, Mr. Lingenfelter.

Mr. Hopfner: — Okay. Are we going to speak in regard . . .

Mr. Chairman: — No, if those two are finished then, we can go back to Mr. Prebble and Mr. Martens. My span of competency doesn't allow for two motions at a time.

Mr. Lingenfelter: — I'm finished.

Mr. Chairman: — May I just pause while I make a couple of announcements: one is that — and you might get this information to any member that's not just here at this moment — one is that at the point that you think that this is going to be your last day here, please see the Clerk about filling in a payment form, a per diem form, for attendance at the committee meeting. She has those.

Also the auditor advises me that he has a prior appointment tomorrow morning, first thing in the morning. He won't be able to be here till about 10:30. If that creates any concerns for the committee . . . hopefully we'll be dealing with departments and his staff will be able to handle the questions. Does that create any concerns for committee members that if he's not right here at 9 but his staff are? Now that's not to say his staff are secondary auditors or anything like that, Mr. Hopfner, they're . . .

Mr. Prebble: — Mr. Chairman, can I propose a two-minute break so that we could show this draft to each, sort of, side of the House.

Mr. Chairman: — Okay, are we ready to resume, and do we have a motion?

Mr. Prebble: — Mr. Chairman, I thought we did but I guess the agreement has fallen through. I'll read what I thought we had and we'll just . . . we can maybe quickly dispense with it if there is an agreement.

That this committee recommend to members of the Legislative Assembly that the funding for the office of the Provincial Auditor be reviewed by a special committee of the legislature, the membership of which shall include the chairman and vice-chairman of Public Accounts, with representation on the special committee reflecting the distribution of seats in the Assembly.

I'll move that just to put it on the Table. It was an attempt, I guess, at a compromised mechanism for establishing a review that might lead to some improved funding for the Provincial Auditor's office. I don't think we have agreement on it but I will put it forward.

Mr. Chairman: — It's been moved by Mr. Prebble. Any discussion? All those in favour? Opposed? The motion is lost.

Negated

Now I have a motion of Mr. Lingenfelter's.

Ms. Ronyk: — Excuse me, Mr. Chairman. First, could I clarify for the minutes whether the original motion has been withdrawn?

Mr. Prebble: — I guess I'd better withdraw it.

Ms. Ronyk: — And I'd like copies of this.

Mr. Prebble: — Yes, of course.

Mr. Chairman: — Now we have the motion of Mr. Lingenfelter, just to refresh your memories:

Be it resolved that this committee indicate to the Legislative Assembly that it shares the concern of the Provincial Auditor that the *Public Accounts* and the *Report of the Provincial Auditor* are not being received in a timely way; and that this committee recommends to the Legislative Assembly appropriate amendments to The Department of Finance Act and The Provincial Auditor Act to ensure future tabling of the *Public Accounts* and the *Report of the Provincial Auditor* in a timely way.

Moved by Mr. Lingenfelter. Any discussion on that motion?

Mr. Lingenfelter: — Only by way of background, I just point out again appendix 2 that has been attached to the Provincial Auditor's report which outlines the dates and the history of the tabling of the two main documents that we're referring to here, the Provincial Auditor's annual report and *Public Accounts*; and to say that with only two exceptions they are usually tabled in the House by mid-March. The only two years where it was later than that were April of 1985 and then, of course, June of 1987.

And I say again that regardless of who is in government, whether it's Liberal or Conservative or New Democrat, I think there's good reason why the tabling of these documents should be by a set date. And you don't have to have it rigidly that February 10th or March 10th, but some guide-lines set in the legislation, a certain date after someone receives them. I mean, we could leave that flexible, but just in order that it can't be abused.

Here again I don't want to blame the Premier or whoever for manipulating the tabling last year, but that accusation will be made if this year, this coming year, it's late again, and not necessarily by the members of the opposition but by the public. And I think it's a good motion for the government or for the members of the opposition to have a serious look at.

Mr. Hopfner: — Thank you, Mr. Chairman. Well, Mr. Chairman, we heard basically from both Mr. Lutz and Mr. Kraus in regards to how the information flows back and forth from various accounting practices. And until the primary auditor is satisfied with the various reports tabled on his desk, the final audit, basically it is duly incumbent upon him whether he's going to be satisfied at an early date or a later date and get the process finally finished.

So therefore it really doesn't make a lot of sense to be passing such a motion based on the fact that it's a professional ethics call as to whether the work was duly done. And I don't believe that it's up to this committee to rush that process because there's maybe a dates set or verbal timely remarks made, because what might be timely for one person might not be exactly timely for the next. And in order to get that information it might have to be dug up and back and forth. And therefore I'll be opposing the motion.

Mr. Chairman: — Any further discussion?

Mr. Martens: — I've got a question for the Clerk, that there's a rule that says that the tabling of documents in relation to reports, isn't there? There's a set date somewhere in December, or a certain time after the Assembly begins?

Ms. Ronyk: — Mr. Chairman, if I might respond to that. There's an Act that requires most documents that are required to be tabled in the House to be tabled according to that Act, and it sets out a formula by which they must be tabled, which is: 90 days after their year end, the report must be prepared and handed to the minister, and then he must table within the next 15 sitting days. So it varies on what year ends are for departments or corporations.

But with respect to the *Public Accounts* and The Provincial Auditors Act, there are specific requirements in their own Act that stipulate when those documents are to be tabled that are not subject to The Tabling of Documents Act. And perhaps those gentlemen could . . .

Mr. Martens: — The Act for each one of the departments have a separate tabling time frame?

Ms. Ronyk: — Oh, I'm sorry, no. Just the Provincial Auditor's report and the *Public Accounts* have their own separate requirements in their own Acts, in the Finance

Act and in the auditor's Act. But the annual reports of departments of government, most Crown corporations and agencies that are required to file an annual report, I'm sure all of those are subject to The Tabling of Documents Act.

Mr. Martens: — Okay. Another question just to expand on it a little bit more. The requirement by The Department of Finance Act and the . . . what other Act did you say give the time lines on that?

Ms. Ronyk: — The Provincial Auditors Act.

Mr. Martens: — Right. And they have a defined time line.

Ms. Ronyk: — Not a defined time line, but perhaps if you asked those two gentlemen they could tell you specifically what it says.

Mr. Kraus: — The Department of Finance Act says that . . .

Notwithstanding *The Tabling of Documents Act*, the minister shall, as soon as practicable after the public accounts are prepared, lay the public accounts before the Legislative Assembly.

So it's just as soon as is practicable, yes.

Mr. Lingenfelter: — I guess that's the intent of the motion, Mr. Martens, is in the Act that we're referring to, at least in the one part, in appendix 1, basically notwithstanding the tabling of documents, it refers to the same thing and uses the same words as "as soon as practicable," and the reports of any special assignment prepared pursuant to subsection (1) and also the report. But it leaves it basically unlimited.

I mean, that's left totally to definition, but then also accusation if it comes in in June, that somebody somewhere has been dragging their feet, especially when you have the long litany in February and March tablings, and then all of a sudden you go till June. And everyone in the province says, what has happened here? Is the deficit that bad? Is the management of the province that bad? What's happening that there's that kind of a delay?

I think, even in the interest of the government they would be better served by having that kind of a date or time lines included. If you're saying it's the auditor's problem and not a political problem, then why not set the time lines for your own bureaucrats to have them in to you by. That therefore would then force this problem, if in fact it was your auditors who weren't doing their job.

But if you fail to accept this motion, then one would have to assume that last year it was a political reason why it was delayed, and that you want to have that open to do it again if it becomes politically necessary to delay until near the end of the session again.

Mr. Hopfner: — Mr. Chairman, in regards to the member's remarks, again I'd just like to reiterate the fact that the flow of information . . .

Mr. Chairman: — I think we've got Mr. Martens. I think he was asking some questions and he's still got the floor.

Mr. Martens: — I have just an observation to make, Mr. Chairman, and that's this. What you will have in my estimation by saying that you're going to have a date and a conclusion by that date is this item no. 1 on volume no. 1 on *Public Accounts*, that portion of observations made by the auditor will be three to four times as large. And that's what they do in dealing with defining what they perceive to be their mandate — and we went through this yesterday on opinion — and the Department of Finance or some other. It might be where certain funds are located; it might be some other thing, but those things would then . . . It would only extend the notes that had to be made on the basis of that financial statement.

Mr. Lingenfelter: — That's never been a problem in the past. What is different about last year? I mean, we keep going back to it. Why was it different last year? I don't think it was the accounting procedure was changed. I don't think that anything has changed except the minister responsible for tabling didn't want them tabled until the end of the session. Now that's my opinion; I don't ask you to agree with it. That's the public's perception.

Mr. Hopfner: — Again it goes back to the flow of information, and where the member opposite said that the accounting doesn't have anything to do with it or is totally inadequate because in order to have a proper audit by the primary auditor, he's got to get all this information from the various departments, put it together, and then go back to these people if he's not satisfied with something for a further explanation. So with that, it's going to take time. And how can we rush these people to that fact.

I mean, like if they want a proper audit, you don't want to rush anybody. You don't want to have to put anything on a time schedule. So in order to do an adequate job . . . It's only happened, like you had indicated, twice where it had lingered on a little longer than normal. I mean, from the history of the tabling of the document and it only happening twice, I don't think it should be any great concern to the committee, and I don't believe it's a practice that will be carried forward — and give it the opportunity to work and prove itself. If at a later date we are concerned as a committee that it's an ongoing practice for one reason or another, then I'm sure that the auditor can report back to this committee with those concerns.

Mr. Prebble: — I'll be brief, Mr. Chairman. It just seems to me that it's in the interest of the public and all members of the Assembly to have the *Public Accounts* and the financial statements of the provincial government tabled in a timely manner. And since the traditions of the Assembly seem to have broken down in this regard, it seems to me that we ought not to leave it to tradition, but we ought to establish in legislation a mechanism for ensuring that this happens. Once you put something in legislation, there's a tendency for all public officials who work with the government to adhere to that legislation. There is also a willingness, I think, for the responsible ministers of the Crown that are to follow the Acts to in fact adhere to them.

And one of the things we ought to bear in mind when we're discussing this is that we're proposing rules that will

have to be followed by all governments of Saskatchewan, because just as sure as we're sitting here, you know, a decade from now there'll be a different government in office, and then another decade later it will be a different government again. I mean, that's the whole history of Saskatchewan politics, as such, that no political party can count on being in office that long.

So it just makes sense to set in place a series of rules that everyone will have to follow, and while it may not be to the immediate advantage of members on the government side of the House today, I can assure you, it will be to your advantage at some point in the future.

So I think, in the larger domain, what we have to consider is whether or not it's in the public interest, and clearly it's in the public interest to receive the financial statements of the province and the audited statements of the province in a timely manner, and the best way of ensuring that is to be specific about the dates the documents are to be tabled. And therefore, I support the motion.

Mr. Martens: — I just raised the question before about the timing of the reports to the Assembly, and I've been here a little while already, and on a number of occasions the House Leader has to go there with a request to have an extension, not necessarily because they aren't by the majority there, but then you always have to deal with that in reviewing it, and I think that the same thing would happen here on occasion, and I think you just make yourself more work.

Mr. Neudorf: — Thank you. I think we all have the same concern in this room and that is the timeliness of the documents. But I guess what I'm hearing from the comptroller, what he was reading, is that there is a general date available right now which is to table them as soon as is practically possible.

And if we're going to insist on a specific date, what happens if that specific date cannot be met because of whatever physical impediments there may happen to be, then we're going to be facing a dilemma in that case. If we leave it the way it is, the minister is obligated to table them as soon as is practically possible. And if he doesn't, then it seems to me, in response to Mr. Lingenfelter, is that he's going to have to be. Unless there's a very good justification for it, he's going to have to be prepared to take the political heat that comes along with that kind of decision.

So I think there are built-in mechanisms. If, as you say, that there is going to be a political uproar and so on, then obviously the minister is going to have to take that into consideration and act accordingly. So I think the built-in mechanisms are there already, and it's quite workable.

I like to think of that incident that we're talking about now as kind of being a blip in the evolution of our province.

Mr. Lingenfelter: — I'd like to think of the Tories being here as a blip as well, but . . .

Mr. Neudorf: — Come on, Dwain, be nice.

Mr. Prebble: — Well, Mr. Chairman, to try to return this

to a non-partisan . . . and it's hard to do. I think, Bill, that the problem is that it's very difficult to determine what is meant by "as soon as practicable." It's very difficult for the opposition to know whether your Finance minister is, under the guise of the term, "as soon as practicable," sitting on the public accounts, as we've believed was the case a couple of years ago, or whether he in fact has very legitimate reasons for not tabling the documents that we may not fully understand.

And I think, therefore, that what happens is that inevitably the issue ends up in the political arena with a political debate on why the documents haven't been tabled when they're not tabled in a timely manner. And what this resolution attempts to do is take this out of the realm of politics, though there are some things about the operation of the Assembly and the operation of democratic institutions that should be beyond the political realm, and the question of the tabling of financial statements is one of them.

And the best way to take it out of the political realm is to set a date when they've got to be tabled by. And if six months is too soon because that just creates too many problems for a minister of Finance in terms of getting all the work done, then let's make it nine months. You know, I mean it doesn't have to be . . . the time pressures don't have to be such that it is impossible for the public service to meet the day. And that's why the resolution is not specific with respect to time.

Let's see if we can agree on a time when everyone says that this job can get done. It seems to me that nine months is a reasonable time, but maybe it even has to be longer than that. But it seems to me that, for instance, December might be set as a date when all the work has to be completed. That would be nine months after the end of the fiscal year. And surely it's possible to have the work done by then. And if such a date was set, it's difficult for me to understand why there would be anything but political reasons for the documents not having been tabled by then.

Mr. Chairman: — Thank you, Mr. Prebble. This is a subject that's near and dear to my own heart, but I think on this occasion I'm going to resist the opportunity to get into debate, having listened to a lot of good interventions here, and put the question. All those in favour of the motion? Opposed? The motion is negatived.

Negatived

Mr. Chairman: — Going back to the speaking order we had before we dealt with these motions, I have Mr. Anguish.

Mr. Anguish: — Thank you, Mr. Chairman. I'm wondering, since the hour of the day . . . I have a couple of questions that regard the auditor's report. I also have a motion that I'd like to deal with, and I was wondering if I could just ask those questions. The questions aren't related to the motion. I'm asking if I could ask those questions and then deal with the motion.

Mr. Chairman: — It's your nickel . . . (inaudible) . . .

Mr. Anguish: — Mr. Lutz, you point out on page 4 of your report that there's been a problem with the Saskatchewan Property Management Corporation. You say on page 5, 2.08:

Finally, SPMC did not provide the Members of the (Legislative) Assembly with full details of the money spent.

Has that information been provided to you at this point in time?

Mr. Lutz: — The problem here is that the information that used to be provided to the members through the department is now not being provided to the members through the Crown. It's not me that has to get the information, it's the members. And the detail is not there any more on the reporting end of it because it's now a Crown corporation.

Mr. Anguish: — Are you thinking of things like rental fees that would be charged to various government departments?

Mr. Lutz: — Whatever we used to get out of the department of supply and services, yes.

Mr. Anguish: — Do you not get anything? Is that what you're saying — you don't get anything out of Property Management?

Mr. Lutz: — Oh, we'll get a financial statement, I believe, but it might contain a minimal number of items not comparable to what used to be in the *Public Accounts*, which could be pages.

Mr. Anguish: — Well can you give me a couple of examples of information that members no longer receive from Sask Property Management Corporation that they in fact used to receive from supply and service?

Mr. Kraus: — Mr. Anguish, if you looked in your volume 3, he's referring to the information that you would get on a department-by-department basis in volume 3. Perhaps you're not, but that's what I suspect you're talking about.

Mr. Lutz: — That's precisely what, but I didn't have my copy with me, so I appreciate that. In volume 3, says Mr. Kraus, on . . .

Mr. Kraus: — If you looked in the . . . towards the back you would see in the pages 433 under Supply and Services, which of course at that time was a department, which shows expenditures by various . . . (inaudible) . . . groupings, and it also shows who got salaries paid to people, salaries paid to employees, and payments made to companies, and so on, in excess of \$10,000. That's what he's talking about.

Perhaps I should just continue then that the policy's been for as long as I've been here, that Crown corporations don't report in that fashion. So when SPMC was created, then it's accounted for in the same fashion as Sask Housing Corporation.

It has financial statements prepared and audited similarly,

you could say, to the way a private sector corporation's financial statements are audited and are then in turn tabled in the House. But you don't get this type of detail of expenditure and so on that you see when you're in a department forum. It's only when you're in department forum that you have this kind of material, this type of detail provided. When you're in corporation forum you just have financial statements audited and tabled.

Mr. Anguish: — So, Mr. Kraus, the only way we could get anywhere close to the amount of information that used to be provided on supply and services would, for example, be to have the property management corporation appear before this committee and ask them a series of specific questions. Is that correct?

Mr. Kraus: — That would be your . . . there I take it, in the House during estimates.

Mr. Anguish: — Does the auditor have any role to play in terms of a Crown corporation? One of the frustrations that we sometimes have is determining what Saskatchewan Property Management Corporation in fact pay for rents when they rent from the private sector. They won't answer that in the House. They don't answer it in estimates. They don't answer it anywhere, as far as I know. How are members supposed to obtain that type of information, or are we allowed to have such vital information?

Mr. Lutz: — That, I think, is the concern to which I am addressing my concerns. We don't know. It's not comparable. And that is my concern, that what you used to get in the way of information is no longer there.

Mr. Kraus: — Mr. Chairman, I think specifically to that last item though, I don't believe that type of information has ever been provided in the *Public Accounts*. I think those questions might have been asked in the House, and I'm not sure what kind of response you'd get, but we certainly didn't provide that information in volume 2 of the *Public Accounts*. You're talking about lease, rentals?

Mr. Anguish: — Yes.

Mr. Kraus: — Yes, well that is information you have to ask directly of the corporation, either in public accounts or, I take it, of the minister responsible, in the House.

Mr. Anguish: — How do you determine whether the authority is there for the spending? It seems to me that property management corporation sets some type of rent for a department to pay. Department of Health, for example, went up, I think, several million dollars last year in what they have to pay for accommodation to property management corporation.

Now how do you determine whether or not that department has the authority to spend the money they do. Like, it seems they have no input. They're not looking for good value for their money. They're just paying some figure that's been set by property management corporation. Do you have a role to play in determining whether or not that money is appropriately spent?

Mr. Neudorf: — While he's looking that up, could I ask

for clarification of the question. Were you asking him whether he had any recourse to find out whether or not there was value for money spent, or whether there was the right to spend the money?

Mr. Anguish: — . . . (inaudible) . . . that they have the right to spend that money. There seems to me to be some sort of a glitch in the system, because the Department of Health doesn't go out and look for places that they can rent at good market value, and that property management corporation sets a figure and says that's what you're paying.

Mr. Neudorf: — Well I have no problem with your question then. I thought for a moment you were asking him whether there was value for money spent.

Mr. Anguish: — No, because it's not within his mandate to do that.

Mr. Neudorf: — That's right. Thank you.

Mr. Lutz: — Mr. Chairman, and Mr. Anguish, if I may, we got into a clear bit of discussion with the people over at the property management regarding some of these matters. We did not get it resolved when this report came out, but it has been now resolved and will show up . . . It has not been resolved yet? It will be for the '88 report, we think. And we could not get it resolved in this time span for this report, so we will be reporting this matter in our next annual report.

Mr. Anguish: — I missed something. What is being resolved?

Mr. Lutz: — On page 112 there is a considerable discourse on matters which we were having a little trouble with. It was basically what authority did they have for rental payments. That's where we were coming from on this whole discussion, and we could not get this thing resolved in time for this report, but it will be in the next report.

Mr. Anguish: — I can understand that. This is the first year that property management corporation came into existence, isn't it?

Mr. Lutz: — Yes, I think that's right. We were into the department and Crown sort of thing at one time, I believe, in the transition period.

Mr. Anguish: — I'd like now, Mr. Chairman, if I could, move to the topic of the motion I'd like to put forward, and that is a reflection of section 2.11 and 2.12 of the auditor's report. And the auditor questions why the government no longer tables in the legislature, supplementary information to the *Public Accounts*. And the supplemental information is a report which lists the aggregate moneys paid to individuals and businesses.

As it stands now, if a member of this committee, or a member of the legislature, or a member of public wanted to know how much was paid to Dome Advertising, for example, they would have to go through all of the departments and agencies and Crown corporations, if they could get that information, to determine the amount

actually paid. With the supplemental information, that used to be provided so that if you wanted to know the total aggregate amount that was paid, all you'd have to do is look at the supplemental information.

And I therefore would move:

That the committee recommend to the Legislative Assembly that the *Public Accounts* documents continue to include supplemental information which provides a report by payee on an aggregate basis, as opposed to the payee information presently included in volume 3 of the *Public Accounts*, which is on a department-by-department basis.

Mr. Chairman: — Moved by Mr. Anguish. Discussion on the motion?

Mr. Hopfner: — Would he like to clarify the motion again.

Mr. Chairman: — Do you want me to read it?

Mr. Hopfner: — No, I'd like the member to clarify the motion.

Mr. Anguish: — It used to be with supplemental information. If you wanted to know how much in total an individual or business was receiving from the government, you would only have to look at the supplemental information by name of the person or business and you could gather the total amount paid to them. Right now a person needs to go through all of the *Public Accounts* documents and compile that information.

I think that one of the important things is that members of this committee be provided with as much information as possible to fulfil our duties as members of the Public Accounts Committee.

Mr. Hopfner: — Thank you, Mr. Chairman. I think it's basically the move of our administration to move a lot of what had been governmental — owned, public businesses, to move out of that competitive nature into the private sector and allow the private sector to compete in the real world. And basically with making access, giving public access to the full amounts without them having to really . . . which it is public anyway through various different departments, but by compiling it, it's very readily there for anybody to be able to undercut or undermine various different businesses.

So it'll only make sense that if there is some specific concern that comes to members, suggestively members of the opposition, if they have concerns that there was unduly spent dollars, there is that other format in which they can ask and get that information from the various ministers. So I would definitely not want to give anybody any privilege of having to compete for the particular department's business. So I therefore couldn't support that motion.

Mr. Chairman: — I just make a couple of comments. First, the motion that Mr. Anguish put before me. On second

glance he amended it slightly, and I just want to read that motion which he puts before us and is the motion. And that is:

That the committee recommend to the Legislative Assembly that the *Public Accounts* documents continue to include supplemental information which provides a report by payee on an aggregate basis, in addition to the payee information presently included in volume 3 of the *Public Accounts*, which is on a department-by-department basis.

He had previously said, "as opposed to." What he meant to say was, "in addition to." And that's the motion, and that's how it's being interpreted, but I wanted to make that clear.

Mr. Hopfner: — Right, I agree. He did clarify the situation, but there is a different format in which any member of the public or yourselves as opposition members can obtain that information by duly asking those questions of the ministers in the House.

Mr. Chairman: — I'd just like to make a brief comment on this, and that is that this method of displaying pay information on an aggregate basis in addition to pay information on a departmental basis was something that was recommended to the Legislative Assembly by the Public Accounts Committee in 1975. I recollect, I think the present Minister of Finance, Gary Lane, was a member of that Public Accounts Committee and probably one of the better motions that he's made in a long time. And I congratulate him on that.

And we find that this pay information was then provided on an aggregate basis for the years 1976 through '84, and then inexplicably is not now being provided. And whereas I guess at one point when a lot of this work was being done manually, one might say, well it's a lot of extra work to display this information; given our computerized data retention, it would seem to be a simple matter to output this information now.

But I guess my concern is that this is just another way that the government can utilize to hide information. And God knows we wouldn't want the government to do that, no matter whether we're government members or opposition members. But it seems to me to be a powerful attraction for the government to hide expenditures that it wouldn't want the members to ask about when it doesn't have to provide information on an aggregate basis.

As an example, a government could in an election year decide that it wanted to enter into contracts that we would know nothing about as members of the Assembly, but it could enter into contracts through 10 different departments with an individual for amounts of \$7,000 each. So an individual could be getting paid \$70,000. That name wouldn't show up anywhere in volume 3, but it would have to show up if that information were being provided on an aggregate basis. And therefore, as members of the Assembly we could ask the government, oh, what's that payment for?

But we don't know now what the government might be

doing in this way. And I'm not suggesting that the government of the day is any way misusing this thing, but I think as members of the Legislative Assembly we'd want to make sure that there wasn't a temptation there for them to misuse that, and therefore, that we want information on an aggregate basis.

So anyway, I just want to reiterate that this is something that the Public Accounts Committee in 1975 recommended to the Legislative Assembly, and it was concurred in, and it was acted upon until 1984 and has since been discontinued. And I think there's a real potential loss of information for the taxpayers here.

Mr. Hopfner: — Well, in regards to your . . . a rebuttal to your remarks you have made, back in 1975 there was definitely a different administration in power, and it was very public oriented. And we are now in a private oriented mode in this province, and by displaying these kinds of figures companies would have at their fingertips the availability of these competitive edges in the pricing system. And there's no reason to suggest for any one moment that it wasn't correct to have maybe a motion like that back in 1975. But now we're in where everybody can compete for government business and it would be an unfair advantage on those bases. So therefore I still am against . . .

Mr. Chairman: — So if I hear you correctly you're kind of like the United Church. The times and conditions change, and we should look at things differently as times and conditions change.

Mr. Hopfner: — I didn't say that, Mr. Chairman.

Mr. Lingenfelter: — Well I'm sure that the member from Cut Knife-Lloyd is spoofing us in his argument against having a . . . I just simply can't believe that a man who was elected could be that naive about the process of putting together accounts. This has nothing to do with competitiveness. This is two years since these payments were made.

The point that we're making is that under the old system anyone who received an aggregate of a certain amount would be listed out in the supplemental report. Now it doesn't have to be reported anywhere.

Mr. Hopfner: — You can ask.

Mr. Lingenfelter: — We don't get the answer. This is the exact point. It's got nothing to do with being competitive, or free enterprise, or anything. If you're saying you're paying out less money as a government than we were in 1975, that isn't borne out by the budget which is probably 100 per cent larger than the numbers we were dealing with in 1975. I mean, the government isn't smaller. There isn't more free enterprise in Saskatchewan now than there was in 1975. I mean, the government is now spending well in excess of \$3 billion a year. That was unheard of in 1975. So you can't really say, seriously, that there's less government involvement in the economy and less spending by the government. It's more than doubled.

What we're asking is information where the money is being spent. And there are names that would have

appeared under the other system, the supplemental report, that don't have to be reported at the present time. And there are members of your family — I use that as an example — or anyone's family, my family, who could be paid \$70,000 by this government and it wouldn't have to be reported anywhere in terms of the *Public Accounts* where, prior to that, when the report was issued here, we would have been able to look in it and say, yes, that person got the money, and what was it spent for.

It may have been legitimately. It may have been for a farming operation or something that he duly qualified for. The problem is now it's not reported, and we don't have the information. And what we're asking is why, at the 1975, if a cabinet minister's son or daughter were getting \$70,000 out of the government and it was recorded, not competitive, nothing, I'm just saying if that were the case, why is it now that it doesn't have to be reported and there's a mechanism to get by that by paying \$7,000 a year from 10 different departments to that son or daughter — and I use that only as an example, and there'd be no mechanism in *Public Accounts* to pick it up.

Now that certainly has nothing to do with free enterprise. It has to do with accountability. And this was accepted by the government members of the Public Accounts committee in 1975 of which this group were a part. We accepted it because it was in the best interest of the public. And I just think it would only be fair to the public to know those kinds of things.

Mr. Chairman: — Thank you, Mr. Lingenfelter.

I have Mr. Prebble next. But again, I just might say that of all the various items that the auditor lists in his report, this is surely the most blatant example of the government trying to hide information from the taxpayers; simply the most blatant to, in 1984, discontinue a tradition of providing information for the taxpayers and saying, well we're no longer going to provide that, and we'll give no good reason for why we're going to do that, except that we want to hide things.

Mr. Prebble: — Well thanks, Mr. Chairman. I think most of what needs to be said on this has already been said. I mean, to begin with, it's obvious that this is a gigantic book. What's required now is if we want to know how much a particular individual or corporate entity has received from the government, you have to go looking for that corporate entity in every single department, and then you got to do your own calculations in terms of figuring out what the total amount of what that corporate entity received is.

In other words, there's no . . . the financial statements have been changed in such a way as there's no way to get the big picture. A whole set of additional calculations have got to be done in order to achieve that, and I mean that's just ludicrous. It's a very inefficient way to present information, and government members know that. There can only be one motivation for changing these rules, and that is political. These rules were not changed for reasons that relate to the efficient presentation of accounting information, and all government members know that. The only reason these rules were changed was to ensure that it would be much more difficult for the opposition to

analyse where the expenditures of government were going, particularly with respect to contracts that you would prefer that we not know about or particular individuals who are being contracted with who you would prefer we don't know about. That is the only reason why these rules could have been changed.

I would like the government members to give me one sound reason why the rules were changed that doesn't relate to politics. Tell me one reason why it's good accounting practice not to compile the information on the total amount that individuals and corporate entities are receiving from the provincial government. I'd like members of the government to give me one good reason why this rule should have been changed. I'd be very interested in hearing it.

Mr. Chairman: — Ready for the question?

Mr. Prebble: — Well, Mr. Chairman, I'm asking the members of the government: give me one good reason why this rule has been changed. One good reason why the 1984 rule had to be implemented and let's hear it.

Mr. Chairman: — They're not obliged to tell you why they want to hide . . .

Mr. Prebble: — No, of course they're not. I'm just asking.

Mr. Hopfner: — Mr. Chairman, in answer to it, we could sit here all day and debate it back and forth. They're not going to agree with our position, and we've already stated that we're not agreeing with the motion, so there's no sense getting into the debate, and I just call the question.

Mr. Anguish: — Mr. Chairman? For example here in the estimates, if you just look at page 426: payees under \$20,000 — so it's not reported in here by name anywhere — payees under \$20,000: \$12,312,805.52.

Mr. Chairman: — Correct to the penny.

Mr. Anguish: — Well, you know, maybe you ought to look at another page, payees under \$20,000 aren't listed. Those people could be paid from every department on a contract of, say, \$19,999 and end up running up a tab of several hundred thousand dollars, but yet the system you want to be in place, you can't find that information anywhere.

I think it's just a sign of you having something to hide and you don't want to be accountable to the public. You're hiding information that's very relevant to the taxpayers' dollars. And I would hope that the auditor screams about it next year again in his report.

Mr. Chairman: — Ready for the question? All those in favour? Opposed? The motion is lost.

Negatived

Mr. Anguish: — Mr. Chairman, I have one more motion I'd like to deal with and it concerns, I guess, the procedure of the committee from this point on. We're now at 5 o'clock on Tuesday, but by our agenda that we adopted

yesterday, we're still at 2:29 p.m. on Monday. And I'm concerned what we do from this point is whether or not we get these other departments and agencies and Crowns before us, or whether we adapt and we find tomorrow morning we forget about all the departments and agencies and Crowns in between and start with Parks and Renewable Resources, Culture and Recreation.

I don't know where we go from there, so I suppose the motion that I'd like to put forward is:

That this committee hear the departments and Crown corporations and agencies originally agreed to on our original agenda of February 6, 1989, with the exception of Meadow Lake Sawmill and the Northern Forest Operations Ltd.

Mr. Chairman: — So you don't want to hear the Meadow lake Sawmill or the Northern Forest.

Mr. Anguish: — Well just as an explanation, I understand there would have to be people come down from the North and travel six, seven hours to get here, and at the way we're going, might not even hear them. And I think that's a great inconvenience on the people who have to travel great distances.

Mr. Chairman: — Okay. So basically though, what you're saying is that yes, you do want to hear all departments, even the ones that we had to pass by, but you do not now want to hear the Meadow Lake Sawmill or Northern Forest Operations. Is that agreed?

Mr. Muller: — The agenda would stay the same excepting for those two.

Mr. Chairman: — Well we'd have to reschedule . . . yes. It would stay the same but we'd have to . . .

Mr. Muller: — But I mean we'd work down the agenda starting from the first department on Monday, Energy and Mines; we'd just work through, except for Meadow Lake Sawmill and Northern Forest.

Mr. Anguish: — Although I wasn't thinking of it in that detail. I didn't have clear in my mind whether we'd start tomorrow morning with Energy and Mines or whether we'd go to the original agenda for 9 o'clock on Tuesday and then work those others in. I don't know how you want to do that, but my intention is to, still, that we are able to examine the departments on the agenda.

Mr. Chairman: — Somewhat it'll depend on the progress, but can we agree that we'll hear those departments? Start with tomorrow Parks and Renewable Resources and the ones that are scheduled for tomorrow, and the Clerk will try and schedule the other ones the best we can?

Mr. Neudorf: — If it doesn't matter to you, Doug, as you just suggested it didn't, why don't we just leave them in the order? Like, they've got copies of this too, and I think that they're probably mentally prepared to follow that order, and if we all of a sudden throw in Parks and Renewable Resources, I would suggest maybe, to facilitate them, it would be more appropriate just to follow the schedule that was scheduled for 3:30 on

Monday and start with that tomorrow morning. They've been on line or on hold for a day already.

Mr. Anguish: — You're proposing we start with the Department of Energy and Mines tomorrow at 9 o'clock, Bill?

Mr. Neudorf: — Well, it seems logical to me to do that.

Mr. Anguish: — It matters not to me.

Mr. Chairman: — First of all, I think we should . . . there needs to be agreement that we're going to hear all those departments with the exception of those two. Is that agreed?

A Member: — I have no objection to that.

Mr. Chairman: — Okay. Well that's agreed; we'll hear those departments. Now as to how we deal with them, maybe we could hear from Ms. Ronyk. She may have some comment on the basis of discussions she's had with departments. I don't know whether we want to just start with the agenda for tomorrow and try and reslot the other ones, because some of this agenda was made up on the basis of certain departments not being available at certain times, Bill.

Mr. Neudorf: — That's a consideration, sure.

Mr. Chairman: — So would it be agreeable that maybe we just start with the agenda that we have for tomorrow, and we'll try and resolve the other ones the best we can in the days that are available to us. Is that agreeable?

Mr. Muller: — So we'll start with Parks . . .

Mr. Chairman: — Parks, Renewable Resources, Culture and Recreation. Is that agreeable?

Mr. Muller: — I don't have any big problem with that.

Mr. Neudorf: — My only concern is that they all know that we're half a day or a full day behind. And I'm just wondering whether somebody told the minister of Parks and Renewable Resources, look, we're not going to be on tomorrow.

Mr. Chairman: — All those people are advised that they have to be here at such and such a time.

Ms. Ronyk: — Mr. Chairman, Mr. Neudorf, I haven't advised anyone who's on the schedule for tomorrow that they would not be called, so they are still assuming that they will be here as according to the schedule.

Could I propose that we take the four or five that we haven't done yesterday and today and just try to slot them at the end of each morning and afternoon, and if we get to them, we get to them.

Mr. Chairman: — Sure.

Mr. Anguish: — I don't know how we're ever going to catch up by Friday at 1 o'clock, no matter how we try and slot those departments in.

Mr. Chairman: — Whatever we're not done this week, we'll find some other time to do it.

Mr. Anguish: — Well, but the point I'm trying to make is I hate to then start slotting those in and then have to change it again because of overruns on our presentations.

Mr. Chairman: — Let us all agree to do the very best we can.

Mr. Anguish: — That sounds like a good idea.

Mr. Prebble: — To try to keep it simple and to be realistic about what we're going to accomplish, why don't we temporarily just try to go to Wednesday's agenda, which is I think what we're moving towards. Deal with Wednesday and Thursday's agenda. Frankly, I think we'll do well if we accomplish what we said we'd do on Wednesday and Thursday and Friday on those days.

And I suspect, to be practical we're looking at taking Tuesday's agenda items and moving them to some other time, just to be really realistic about what we're likely to accomplish. And I'm assuming that we're going to try to streamline our activities. But even doing that, I think we should already think in terms of some other time for at least most of Tuesday.

Mr. Chairman: — Having said that, maybe Ms. Ronyk can have some departments on telephone standby. That is to say, that if tomorrow morning by 10, if there is a sense we might be finished Justice, we're moving along at a good clip, then we can call a department and have them come over and at least get some done in that fashion.

Is that agreed? Agreed.

The committee adjourned at 5 o'clock p.m.