

STANDING COMMITTEE ON PUBLIC ACCOUNTS
May 30, 1989

Mr. Chairman: — When we adjourned the other day, Mr. Lyons had moved a motion and he was speaking to the motion. And Mr. Martin, Regina Wascana, was second on the speaking order. So we'll go back to Mr. Lyons.

Mr. Lyons: — I think that there's sufficient time to ask that the members of the Public Accounts Committee could certainly understand the substance of the motion. I was just wondering what the response to the motion is by other members of the committee, so I'll pass at this time.

Mr. Martin: — I don't have anything to say.

Mr. Chairman: — There being no further speakers on the order paper, I'll put the question. The motion is:

That the Committee on Public Accounts do now consider the Report of the Provincial Auditor for the year ending March 31, 1988.

Mr. Hopfner: — What was that?

Mr. Chairman: —

That the Committee on Public Accounts do now consider the Report of the Provincial Auditor for the year ending March 31, 1988.

Mr. Martens: — I wonder what your view of the '87-88 . . . or '86-87 is in order to deal with that in the context of what we're supposed to be doing. What's your view of what that should be?

Mr. Lyons: — Thank you, Mr. Martens, for asking that question. The intent of the motion is to move to the auditor's report, the present auditor's report. I don't think that precludes though, when we deal with the departments and the reports on the departments, precludes asking questions that go back to '86-87. And I think that it would be quite in order, at least I would argue that it would be in order, that the report for '86-87 and '87-88 could be considered concurrently.

Mr. Martens: — What's your perception of how the handling of that would be at the conclusion of dealing with those that remain with the '86-87?

Mr. Lyons: — Well I think that we probably could, if there were any loose ends, probably go back and tie them up. I don't think . . . The motion doesn't preclude the committee from doing that, at least that's my understanding of the ruling of the chair and the procedures, is that we can set our own agenda.

Mr. Martens: — I think, Mr. Chairman, if I might make an observation, I think that we can probably discuss this. But on first hand, I wonder if it wouldn't be in order to maybe consider formulating a motion that would be in addition to that to how to handle the additional part of '86-87 and how to report it and those kinds of things to the Assembly. Now I'm not putting words in your mouth, but I wonder if maybe we shouldn't be looking at something like that.

Mr. Lyons: — Yes, I think the motion would be open to an amendment that would incorporate that; at least, I would

be quite open as the mover of the motion to have that.

Mr. Chairman: — I might just say from the chair that, you know, if you want to proceed, Mr. Hopfner and I could always sit down and discuss how we might deal with those things and come back to the committee on that.

Mr. Hopfner: — Thank you, Mr. Chairman. I have some problems with the motion. And basically I have the problems with the way the tradition of this committee operates and would operate, or the way traditionally would carry on in this committee, and I'd have to be convinced otherwise, I guess, that it would not be run amok from '86-87 to '87-88 and then back and forth, and the confusion of years become apparent with the public.

Probably you and I, or anyone that sits on this committee, could keep things fairly straight, but anybody that is basically referring to the verbatim and the debates that go on in this committee could become rather confused. And that's one reservation I have when I'm speaking to this motion.

I don't think the member that made the motion really has clarified anything other than the fact that it's a wide open ball game, I guess, sort of thing. And the way he's made his announcement that Mr. Martin . . . Martens, how he expects this to work, is a total new scheme of things and an introduction of a new type of workings of this committee, and I don't particularly agree with wide open working of two or more years in this committee without some rules and guide-lines. And I'd like to hear him state what he feels these rules and guide-lines would be so that, you know, I could be convinced that this might end up to be a ruling kind of committee instead of a committee that's just running it at will.

Mr. Rolfes: — Mr. Chairman, in speaking to the motion, I support the motion, but I also recognize the concerns some other members have. I don't think it's that difficult to work out, certainly, a compromise on this so that we can handle both issues.

As far as I am concerned, the '87-88 *Public Accounts* and Provincial Auditor's report certainly take precedence over the other. The other is two and a half to three years old.

As far as I am concerned as a member of the committee, I have satisfied myself on the questions that we have asked. I am not opposed to, and I don't see why . . . as someone has indicated, the committee can set its own rules. I don't see why we can't on those departments that members want to ask questions on the '86-87, why we can't concurrently ask questions on both years.

I would suggest that the chairman and vice-chairman sit down, ask their members which departments they want to consider of the '86-87 report, and then when they come up . . . or bring that report back to the committee, and we agree. And when those departments come up, then members should feel free to ask questions on both years, but only on those departments that the committee has agreed.

That doesn't mean that we ask questions on every department on '86-87, particularly those that we have already done. But if any member opposite, or any member on this side wishes to ask a question on the '86-87 *Public Accounts*, the committee agrees. Let's list those, and we'll do them simultaneously or concurrently.

I don't see any difficulties with that, and as someone says, the committee makes really its own rules. We have a general mandate from the Legislative Assembly, and then we make our rules as they apply to this committee for this current year. So I don't see any difficulties with that. I think that we . . . personally I think that the '88 report is timely, and it is outdated already. And I really do believe, gentlemen, that we've got to get to these reports as quickly as we can so that they are timely and that the information in it is current.

And that's the, I think, the mandate of this committee to make sure that we examine and analyse the accounts of the government and its expenditures as reported in some part by the Provincial Auditor. So I would hope that we could get on with the examination of the auditor's report, the '88 auditor's report, and then let the chairman and the vice-chairman work out with the members, asking the members questions as to which other ones we want to examine concurrently with the '87-88 report.

Mr. Neudorf: — Well, Mr. Chairman, I think I basically agree with what Mr. Rolfes has been saying, and I think this is going to take a spirit of compromise to resolve the situation. I think what we're going to be looking at, however, is a great deal of difficulty on behalf perhaps of the committee, and certainly of the officials, when they come in and we're going to be using . . . or dealing with the situation concurrently with two years under review at the same time.

The point has been repeatedly made that what we're looking at here is something that is not timely as far as the '86-87 *Public Accounts* are concerned, and I think the member opposite made the comment that it was no longer relevant in a different forum.

Mr. Rolfes: — I didn't use the word relevant; I said timely. I didn't say it was irrelevant.

Mr. Neudorf: — And having said that, I feel that what we should do to address the timeliness of the '87-88 is, why don't we give members an opportunity, today and tomorrow, together with the chairman and the vice-chairman, arrange for Thursday for the departments that individuals may have a particular concern about, and hopefully there will not be too many departments that we could handle them on Thursday, get the '86-87 concluded in its normal manner, and then go on and carry on forthwith with the '87-88. It would seem to me that that would be the proper order in which this could be done, and it would accommodate the concerns that we on this side may have of somewhere in the neighbourhood of \$2.9 billion not having been investigated by this committee, and at the same time, in a very timely manner I believe, let's say next week, Tuesday, begin with the investigation of the '87-88 auditor's report.

Well if that's acceptable . . .

Mr. Lyons: — We have some time. We can . . .

Mr. Hopfner: — Well I was wanting on this . . . back on the agenda because of the things Mr. Rolfes had brought forth, and I was basically looking for an agenda. If I look back on the agenda of February 16, '89, for the Standing Committee on Public Accounts, it has a full agenda as to what this committee agreed that was necessary to bring departments before this committee. And it was duly voted on and recognized that this is what should be brought forward.

Then there was an agenda that came forth just prior to — was it last week, prior to last week? — when I think it was something where all of a sudden there was departments that were . . . that you had brought forth to me, Mr. Chairman, to take to this side of the committee's . . . bring to this side of the committee's attention, that we wanted to drop Health, Highways, Sask Housing Corp., Environment, and basically very, very highly regarded departments and very serious departments for consideration.

And then I got a new schedule that brought back everything that was regarding the February 16, '89 schedule. So we're all over the map on this, and basically I don't take, and I don't think any one of the committee members took, any of these departments lightly when we first put them on the agenda.

And then I read in the paper of late that this side of the committee has been filibustering. Well, Mr. Chairman, I for one, as an individual that sits on this committee, was totally taken by surprise that I would have been accused or anyone on this side of the committee would have been accused for filibustering. Filibustering of what?

We all voted on this agenda, and because of members of the opposition wanting to bring politics back into this committee, have accused government committee members of filibustering and stonewalling the Public Accounts Committee for wanting to ask questions of departments, departments of Health, departments of Environment, and that's just to name a couple because they're very major departments in this province, of the expenditures and programs that they put forth.

And I get very upset when I hear members bringing the political accusations into this committee and making statements in the paper when they themselves voted on this agenda. They're the ones that basically set out this agenda, and we on this side of the House . . . of this committee, I should say, had agreed. And they say that there's no politics in this committee, that we're stonewalling. And we agreed that this information should be brought forth to the public. We agreed to that; the government side of this committee agreed to that.

And now they say it's of no consequence. The member from Saskatoon said it's of no consequence. And there's over two point . . . well there's about \$2.9 billion worth of expenditures left in these departments. Was this \$2.9 billion spent well? Do they not care? Well it was very apparent they wanted to drop Health, one of the largest

expenditures that the government has in their budget. They wanted to drop Environment, Department of Environment, and we all know how the public is interested in environment. But that was what I got as a note: we would drop Health, Highways, Sask Housing, Environment. That's what the members opposite said they would drop, want it dropped. They had no more concern about it.

Now they want to come in with the fact that they want to run two years concurrent and they want to go from '86 to '87, '87 to '88, and if they want to go back and forth they can do this and that and the next thing. And I just think it's becoming ludicrous the way we have to deal with this in this committee, that we just can't finish anything without somebody wanting to bring in and change the agenda from one day to the next. There's no real ruling in this.

And then I've heard statements made that this committee was not meant for government members to be asked questions, and I was disappointed to hear that being mentioned. But if you go back into the debates in the floor of the legislature here that's been taking place the last week or so, you'd have heard members on the opposition side that this committee is not for government members, that it's just for the opposition members to ask questions. Well I don't buy that. I'm a committee member; I'm an individual member that wants to know that the buck is spent well also. I want to be able to at least appreciate the fact that what we're spending as a government is being spent well and there are good tidings. But I don't believe that this committee is set up for the point of just trying to find any little thing that might be the least bit mud slinging to make a news headline.

Why can't the questions be asked that might bear some good tidings instead of somebody in this committee trying to continually look and dig up some sort of guide-line disorder, or something like that, and try and make some political headways with that kind of format in this committee?

I don't believe that we should be changing this committee just to suit certain individuals. I'm as much a part of this committee as the members opposite are. They're no longer concerned with the \$2.9 billion in expenditures in '86-87. They've stated that, and because it was not popular with us on this side of the committee, because we wanted to ask questions of these departments to bring the good news out to the public, then they get mad and they holler, filibuster.

Well they just can't have it both ways, and I think it's time that this committee begin to act like a professional type committee, ask the questions, and not just look for the mud slinging type thing. But if they themselves don't understand how the department expenditures have worked and where the dollars have gone, they can learn something from this particular committee as well by asking the officials about these kinds of expenditures.

So I'm just appalled by the remarks that Mr. Rolfes has been making in the past, and if these are the only explanations they have for the reason to be changing the criteria of this committee, I'm definitely opposed to that kind of a motion, and I just say, well let's get on with the

'86-87 and get it over with, or let's at least go by each department as listed.

And if there is one or two questions, or if there are none, then let's pass a motion, and basically a motion should be passed for each department. And if the members opposite want to move such a motion, I would suggest they move it, that they're well . . . they've agreed that they have no more concerns with that particular department, and we'll carry on.

But I don't believe we should just give the nod and just overlook almost a \$2.9 billion expenditure so easily. That's what I'll leave it at for now.

Mr. Chairman: — I wonder if I might, just for the record, clarify something. That's with respect to the agenda inasmuch as it implicates me. Mr. Hopfner is certainly correct that there was an agenda agreed to on or about February 16. It basically included all of the departments listed in the auditor's report and the Public Accounts.

In May, earlier this month, some of the members from the opposition side said to me that inasmuch as the Public Accounts for 1988 have now been tabled, inasmuch as we can shortly expect to receive the Provincial Auditor's report, or one would think, we are asking you if there is anything that can be done to speed up the agenda. And they said, contrary to what we stated before, we would like to drop the following departments. I then discussed that with you, Mr. Hopfner, and you said . . . at least I got the very distinct impression that you concurred with that.

After that, once the Provincial Auditor's report came down, you suggested to me that, further to that last change, that you would like a number of departments added again. And I took the point of view that, fine, that, you know, that members can do that, and I'm here to serve the committee. So that if the last change in the agenda we had was to add a number of departments for consideration, you know, I'm simply saying that that's not necessarily a request that might have come from those members; that is a request that came through you, and that's entirely legitimate, and it's up to the committee to discuss whatever departments they want to discuss.

Mr. Hopfner: — Mr. Chairman, I . . . (inaudible) . . . the remark you made. I concurred with you. I concurred on the fact that I would take it to the committee members and get back to you. I cannot concur and make a decision with the fact of dropping and then just going and reporting, well we dropped that. That's not my . . .

Mr. Chairman: — No, no. I just . . . I was a bit concerned . . . If that's the way you interpret that, that's fine. I was a bit concerned that you were suggesting that the members set agenda, then wanted to limit the agenda, then moved to add items to the agenda again. That wasn't the case.

Mr. Hopfner: — Mr. Chairman, you also concurred after I had concurred with taking . . .

A Member: — Is this a debate between the Chair and the vice-chair?

Mr. Chairman: — No, it's not a debate. I'm simply trying

to clarify . . .

Mr. Anguish: — As I recall the follow-up conservation, he was speaking; you spoke, and now you're into debate with each other. So if you want to have a subcommittee meeting, go and have a subcommittee meeting, but don't debate in this committee.

Mr. Chairman: — Point of order well taken. Mr. Anguish, you have the floor. You're next on the list.

A Member: — Are you upset, Doug?

Mr. Anguish: — Not at all. In terms of the timeliness of the *Public Accounts* ending for March 31, '87, I really think that they are no longer timely, and if information isn't timely, it's almost useless.

It's something like knowing that the Titanic is sinking — within a couple of hours, you might be able to save some of the survivors, but if the report on the Titanic sinking doesn't reach anyone for two years, then you're not likely to save anybody from the sinking ship.

Mr. Neudorf: — That's the opinion of those few survivors that you're talking about . . . (inaudible) . . .

Mr. Anguish: — So I think that . . . If you want to get on . . . You're next on the order paper, so if you want to speak, go ahead and speak when your turn comes, Neudorf.

I don't think that we can find any room to reach an agreement if up until now is an example of how the government members in this committee are going to act. When it was referred to in the paper as a filibuster by the government members, that's obviously what it was, and call a spade a spade.

The schedule that Mr. Hopfner complains wasn't being followed in or want to change the schedule, I think that the members should remind themselves that the questions that were being asked in the Department of Social Services were questions that were already asked by the New Democrats. You didn't even have the ability to draw up some of your own questions to ask the Department of Social Services. You had to go over questions that we had already asked to the witnesses before the Public Accounts Committee.

And when Mr. Hopfner refers to maybe for a change bringing out good news, I don't know what good news there is in the *Public Accounts* ending March 31, 1987. Is it the fact that Mr. Martineau was a member of the legislature when the Department of Highways paid several million dollars to Pounder Emulsions of what he was a director? Is that the good news you want to bring out in the *Public Accounts* for the year ending March 31, 1987, or is it just one more scandal? I don't know how you would portray that.

Or is the good news the year that was under review, the fact that you projected a deficit of 3 to \$400 million, and because it was an election year, when you finally tidied things up, you had a \$1.2 billion deficit?

A Member: — Let's deal with it then.

Mr. Anguish: — Well we have dealt with it adequately as far as I'm concerned.

A Member: — This side of the committee has nothing to hide.

Mr. Anguish: — The scandalous report that we found from the year March 31, 1987, is in a shadow of the report ending March 31, 1988. And it's even more terrible than the report from the previous year and the *Public Accounts* from the previous year.

So I think that we are obligated, by our mandate in the committee and by the desire of the public to know what happens behind the secretive closed doors where half the dollars of the government cannot be audited by the Provincial Auditor.

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

Mr. Martin: — You're getting to start to shout, Doug. We can hear you. Don't shout.

A Member: — That's no point of order.

Mr. Martin: — No, it is. Well, it is. All right, then let him . . . (inaudible) . . .

Mr. Chairman: — Carry on, Mr. Anguish. Point of order is not well taken.

Mr. Anguish: — And it's hard to tell who the members of the government side listen to. Mr. Hopfner referred to the media reports. I also see in the media reports that . . . from the Leader-Post on Friday, May 26, and I quote:

Devine told reporters late Thursday afternoon he wants to see the committee go on with 1987-88 report (which is the report we want to move to). (He says) "I'll ask my people to deal with it," said Devine. "Absolutely."

So you don't listen to your Premier, you don't listen to your constituents, you don't listen to the committee. You warp the record of the committee to suit your own needs, and I think that you're a disgrace to the elected officials in the province of Saskatchewan.

A Member: — We don't care what you think.

Mr. Anguish: — You don't care what anyone thinks.

Mr. Chairman: — I have Mr. Martens next, but I understand that Mr. Neudorf has an amendment that he's worked out with Mr. Lyons. Is it agreed that Mr. Neudorf be given the floor to deal with that? No? Okay, if Mr. Martens cedes, then I have Mr. Wolfe. Mr. Neudorf?

Mr. Neudorf: — I suppose, Mr. Chairman, that we could get into the political rhetoric, as the member from Battlefords, but I don't know if that's really going to serve a useful purpose here today. So both sides have had one member kind of getting it off their chest, and I'm quite prepared to forego the little speech that I had ready here as well.

I think what I will do is express the concern that I had last Thursday, I believe, in that I didn't like the idea of just forthwith concluding the '86-87 without giving at least members the opportunity to bring forth those issues that they thought should be at least investigated to a degree. I also do not agree with running them concurrently. And so in the spirit of compromise, I'm prepared to make a motion that, hopefully, will accommodate both sides of this committee and that we can get on with the business of concluding '86-87, and as expeditiously as possible getting into '87-88 auditor's report and the *Public Accounts*.

And so I am prepared to move an amendment to the motion brought forth by the member from Rosemont which would read that:

And that the committee instruct the chairman and vice-chairman to review the 1986-87 agenda for next Thursday, being June 1, and then ask the Clerk, together with the chairman and vice-chairman, to prepare the committee report for '86-87 following the questioning of the departments on Thursday. This report then would be circulated to committee members and concurred in by the committee and reported to the Assembly.

And it's my understanding from talking to a few of the members opposite that this is something that both sides can live with.

Mr. Chairman: — Can I just ask the phrasing of the consideration of departments on Thursday — what is meant by that?

Mr. Neudorf: — I'm assuming that what the vice-chairman and chairman together with the Clerk will do is set up an agenda for Thursday for whatever departments committee members think are essential to be called to conclude the '86-87. And I fully realize that we are limited to a two-hour session on Thursday. But having said that, because of the urgency of the '87-88, that we could expeditiously handle those departments that members feel that have to be there with . . . I know that we can delve in and we can spend an awful lot of time questioning each department, but if we get down to the nitty-gritty and ask the critical questions of the departments, I think that perhaps we could handle '86-87 to the satisfaction of most of the members.

It's not the best situation, I realize that, but it's something, I think, that we could live with.

Mr. Chairman: — Okay. I just want to point out that one of the departments that has to be called, according to very explicit direction from the committee, is the auditor. Is that still one of the departments you wish to have called for Thursday?

Mr. Neudorf: — Well this is something I feel that you could . . . that the committee, the chairman and the Clerk and yourself would be able to . . .

Mr. Chairman: — All right.

Mr. Neudorf: — I'm sure that both the chairman and the vice-chairman will be working in conjunction with their respective members to arrive at a conclusion.

Mr. Chairman: — Okay.

Mr. Wolfe: — I just wanted to clarify a few things with regards to the amendment that Mr. Neudorf has presented. I was quite concerned that '86-87 be dealt with and be dealt with properly, also quite concerned about the agenda that had been put forth earlier. Following that, concerned about the fact that opposition members weren't asking any questions at all the last day. And I think I can accommodate their concerns about moving on with '87-88 if they take the opportunity on Thursday to ask at least a few questions of concerns, so that they don't forego those concerns which they've expressed time and time again previous to this.

At the same time, I wouldn't want to have a situation where '86-87, '87-88 were being dealt with at the same time. I would see it as being extremely difficult for members and for officials, and confusing for all to do that. So if there's a way that we can come to a compromise which would give all members of the committee the opportunity to bring forth both the good news and possibly any concerns that any members might have about spending in '86-87, I'd be fully prepared to support that. Thank you.

Mr. Rolfes: — Yes, Mr. Chairman, I think that I support the amendment that has been made by the member from Rosthern. I thought I had made a reasonable suggestion this morning, trying to avoid any temptation of making a response to the member from Cut Knife-Lloydminster.

My only hope . . . only comment I'm going to make on that is I hope the media report him verbatim. That's the only hope I have on that one. But I do want to support the amendment that is made, and hope that we can get on with the business of the committee.

Mr. Wolfe: — I'd just like to add one comment, Mr. Chairman, in that I think that the efforts put forth by all members in the last two weeks to give ample time for everyone to consider '86-87, not just sort of shuffle it underneath the rug, has served us all well.

Mr. Chairman: — There's a couple of minor questions I have about the amendment, and one is that the final sentence states:

This report would then be circulated to committee members and concurred in by the committee and reported to the Assembly.

To say that it would be concurred in by the committee, it seems to me is prejudging the committee. And would it be appropriate to say then, instead of concurred by the committee, say, considered by the committee? And to say, and reported to the Assembly, would also be prejudging the committee. Can we make . . . like, it doesn't change the motion any, it just . . .

Mr. Neudorf: — The reason I included that, Mr. Chairman, is just to follow the process to its logical

conclusion, that step by step things were going to have to happen so that '86-87, I guess, is written off as a completed business of this committee. It could be construed that all those points are a given, but I just thought that I would include it in the committee to make everything crystal clear to everyone where it stands.

Mr. Lyons: — On a point on the question, you envision it coming back for the committee to vote on at some point in time after that, so it would be brought back here.

Mr. Chairman: — Okay, I just raised that, but that's fine. Everyone understand the amendment before you? Any further discussion on the amendment?

Mr. Muirhead: — Would you read it again?

Mr. Chairman: —

And that the committee instruct the chairman and vice-chairman to review the 1986-87 agenda for next Thursday, June 1, and then ask the Clerk, together with the chairman and vice-chairman to prepare the committee report for '86-87 following the questioning of the departments on Thursday. This report would then be circulated to committee members and concurred in by the committee and reported to the Assembly.

Mr. Neudorf: — I confess that as a former English teacher, and so on, it's long and rambling, but under the duress of the moment that's all I could come up with.

Mr. Chairman: — All the spelling seems to be in order.

Mr. Hopfner: — I'd like to speak on that. Basically I have no problem with co-operating at all and getting on with the workings of the committee, because through this kinds of debate we're basically getting nowhere because there are no departments in this committee.

But I want to make it clear that, you know, the statement made from the member from The Battlefords regarding the Premier making a statement in the press where he had indicated that he would have the committee members move on to the '87-88 business is basically not factual because of the . . . well it's not that he didn't maybe make the statement in the press, but the Premier has always been a person that believed in democracy and the democratic workings of government, and that he would never think about putting some pressure on government members to move off the business of this committee, as members opposite have accused in the past, regarding that the Deputy Premier and the Premier push the buttons of this side of the committee.

I want that statement made very clear that the Premier has not come to me, and I have not heard from any other member where the Premier has spoken to, to move off of the agenda of '86-87, to get on with '87-88 workings of this committee. And I would be one not to let that go unsaid from the remarks made from the member from The Battlefords.

As far as I am concerned, I have some tough, I guess, decision making to make in a very short time as to

whether I vote in favour or against this motion, or amendment to the motion. I find it very difficult, because at times questions don't come to mind until you hear questions being asked which lead into other questions. I don't like being, as a member of this committee, being intimidated by members of the opposition on this committee by going and running to the media indicating a filibuster, when all we're trying to do is present the information and get it out from the departments.

I just have a hard time co-operating on those bases that they are negotiating, or they're trying to send signals through the media to get us off the agenda that we had originally voted on and that both parties had agreed upon to keep the politics out of this committee. Like I say, I'm going to have some difficulty, and I would definitely like to have five minutes, if I could, to discuss this with the rest of my colleagues and allow them to convince me that I should vote in favour of this amendment.

Mr. Chairman: — I think that maybe we should maybe listen to Mr. Rolfes and then we'll take a five minute recess.

Mr. Rolfes: — I'm going to restrain myself, but the member from Cut Knife-Lloydminster just really forces me to say a word or two. I just have one question. Is the member from Cut Knife-Lloydminster saying that the Premier did not abide by his word when the Premier said, I'll ask my people to deal with it, said Devine, absolutely? What the member from Cut Knife-Lloydminster is saying this morning, that the Premier did not talk to the members, and therefore I'm very disappointed that the Premier did not keep his word. That's directly from the member from Cut Knife-Lloydminster — very disappointed about that, terribly disappointed.

Mr. Muirhead: — Mr. Chairman, I want to make a comment on why I think this here committee is sitting quietly here and going no place. We're just going — maybe not quietly, but we're just going no place.

If the members opposite that have the right to question the committees want us to be still and say nothing over here and not interfere with their questioning and gain much more time and many more departments getting done, then we don't need remarks that rile us up over here that comes, like, from this morning from the member from North Battleford, when he said that the members over here haven't even got the intelligence to make up our own questions and have to have to the departments make them up. Well I think the only . . . we can come back and say that, well, they're the same way, we're the same way. Well, Mr. Chairman, I view that we're reasonably intelligent on both sides.

A Member: — You have to consider where the remarks came from.

Mr. Muirhead: — Right, I understand that, Mr. Chairman. But I think if they would do the same thing as we will try and do, is to stick to business and just ask their questions and not have their insulting remarks like that to us, maybe you won't get so much stalling practices like they're calling. That's what brings it on. That's what get my temper going when somebody says I haven't got the

intelligence to make up my own questions.

Mr. Chairman: — Thank you, Mr. Muirhead. I wonder if we can take a five minute break.

Mr. Wolfe: — I'd just like to make one comment before we leave just because of Mr. Muirhead's comments, and I just want to remind the member from The Battlefords to review *Hansard* from the previous meeting and see how any of the questions that I asked during the course of that meeting were questions that were asked previously. I think that if you'll review that you'll find that you're mistaken.

Mr. Chairman: — I suggest we recess for five minutes here.

We're back to the discussion on the motion. Are you ready for the question? Question? All those agreed?

A Member: — Is this on the amendment?

Mr. Chairman: — On the amendment, sorry. On the amendment. Agreed? Opposed? No? The amendment's carried.

Agreed

Mr. Chairman: — The motion as amended. Are you ready for the question? Agreed?

Agreed

Mr. Chairman: — We have Social Services standing by. I just might say with respect to the motion that the comptroller and his officials and the auditor and his officials will thank you because it means they won't be carrying four huge document cases to the committee meetings. They'll only have to carry the normal two.

We have Social Services standing by. Is it your wish that we proceed then to Social Services for the remainder of the morning?

**Public Hearing: Department of Social Services
(continued)**

Mr. Chairman: — Good morning, Mr. Kutarna.

Mr. Kutarna: — Good morning.

Mr. Chairman: — Are we ready to go?

Mr. Martin: — ... (inaudible) ... number of questions that were listed here. There was 19, and we'll probably get through them today, but in addition to that, we've added a whole bunch of questions from the results of some of your answers.

Has this exercise in any way affected the way your department's ... have you learned anything from this exercise in terms of how to run your department? Has it had any influence whatsoever on you or on your department in ways you might change or think about ways of improving your operation?

Mr. Kutarna: — Mr. Chairman, I think that the answer is yes. When civil servants appear before a legislative committee like this, there are ways that business improves, things are brought to our attention. And so I think it's fair to say that we have found that it's been helpful to us too.

Mr. Martin: — Well the reason I asked that question is because the members of the opposition have made a big to-do about this being some kind of a filibuster when in fact I've found it a very useful exercise.

Mr. Anguish: — Point of order.

Mr. Chairman: — Point of order.

Mr. Anguish: — If you're serious about the discussion we had in here this morning, let's stay off the politics. If you've got questions to ask the witnesses, ask the witnesses. He's referring to filibusters and stuff, talking about the opposition. If Mr. Martin has questions directed at the department, let him ask those questions. Stay off the politics and deal with the *Public Accounts*.

Mr. Chairman: — Well that's not a point of order, and it's not well taken, but Mr. Martin, the officials are here to answer questions, and we should put questions to them without great lengthy, contentious or what might be contentious preambles, so I would encourage you to put the questions.

Mr. Martin: — ... (inaudible) ... appeared in the *Saskatoon Star-Phoenix* last Thursday, and ...

Mr. Anguish: — That has nothing to do with the department.

Mr. Chairman: — That had nothing to do with the departments, Mr. Martin.

Mr. Martin: — ... and as a consequence, I found it a very useful exercise, and I conclude then that you agree as well then, Mr. Kutarna, and it has been a useful exercise.

Mr. Kutarna: — Yes.

Mr. Martin: — Good. Well then let's move on then to question 15: what was the budget of the young offenders' program in the year under review? Under what budget does it appear in *Public Accounts*? How many young persons were housed under the young offenders' program in the year under review? What was the average cost of care, schooling, etc., to the Department of Social Services for each young person in the program?

Mr. Kutarna: — Mr. Chairman, the budget for the young offenders' division appears in three different sections of the *Public Accounts* book. One is subvote 50, which is the family services division. The budget there is 8.064 million, 221.9 person-years, and that's broken down by central administration, 573,000; secure custody facilities, 5.6 million; and open custody facilities, 1.8 million.

The second portion is in the child care subvote 5. The total budget there is 1.5 million, broken down by open

custody which is 1.02 million, and community which is .5 million.

The third component is found in the regional operations subvote which is 7, and this is called regional operations, and the total is 1.7 million and 53.8 person-years. So therefore the total budget for the young offenders program is 11.3 million, 275.7 person-years.

Mr. Martin: — What was the person-years again, the total?

Mr. Kutarna: — 275.7.

Mr. Martin: — Could you define and explain open custody? What does that specifically mean? What does open custody mean? It seems like a bit of a contradiction in terms, and I just . . .

Mr. Kutarna: — Open custody is a term that describes a type of sentence which a young offender receives, and the sentence would be to a facility operated by the Social Services department, but it is less secure than a closed custody facility. A closed custody facility would have complete restriction on freedom of movement. An open custody facility has some freedom of movement, such as to community projects or to school or to other activities. However, the young offender is restricted to the premises for certain hours of the day.

Mr. Martin: — Like, they come in at night sort of thing and eat their meals there and sleep there, type of deal, and go out to school during the day. Would that be open custody?

Mr. Kutarna: — That's an example, yes.

Mr. Martin: — Okay. And closed custody obviously is just the opposite — they never get off the premises unless to appear in court or something.

Mr. Kutarna: — Closed custody, the resident would never leave unless under very, very strict supervision, but that's very rare.

Mr. Martin: — But what's the Paul Dojack (Youth) Centre for instance. What would it be? I mean, in the year under review, how would you define the Paul Dojack facility?

Mr. Kutarna: — The Paul Dojack Centre is a closed custody facility in Regina.

Mr. Martin: — Okay. What other closed custody facilities would you have had in the province, like which one do you have in Saskatoon, in the year under review?

Mr. Kutarna: — In the year under review, it's Kilburn Hall in Saskatoon which has a budget of 1.8 million; North Battleford Youth Centre, 1.2 million; and the Paul Dojack Centre in Regina, 2.6 million. Total budget in secure custody is 5.6 million.

Mr. Martin: — So in the year under review then, in Kilburn what would you have had in terms of numbers of those in custody, young offenders I guess you'd call them. And then the same question for the other facilities —

Dojack as well as the youth centre in North Battleford.

Mr. Kutarna: — Mr. Chairman, the Paul Dojack Centre in Regina has 42 spaces in the year under review in closed custody. Kilburn Hall has 14 spaces for closed custody, and the North Battleford Youth Centre has 22 spaces for closed custody. And also, Mr. Chairman, for a portion of the fiscal year there were some spaces in the Prince Albert Correctional Centre, what was called the youth unit. And at that time there were 34 spaces in close custody there.

Mr. Martin: — In the Prince Albert pen, or the Prince Albert provincial jail?

Mr. Kutarna: — That would have been at the provincial centre. In addition, there were 34 spaces for a portion of the year in the Saskatoon correctional centre in what was called the youth unit.

Mr. Chairman, I also explain that the reason there were spaces in the correctional centres was that was the year of transition in the program, and so we were moving away from the correctional system to the youth model.

Mr. Martin: — What was the average cost? Did you give that figure? You were reading them off there so fast I may have missed it — the average cost of care, schooling, etc.

Mr. Kutarna: — Mr. Chairman, in that year the costs for the secure custody were not broken down by the various categories that you've asked; however, they were broken down by a per diem cost. So in '86-87, secure custody in Saskatchewan cost \$143.30 per day, and open custody cost \$94.80 per day. And that includes the teachers and the schooling component and the program component and the accommodation, etc.

Mr. Martin: — In the open program.

Mr. Kutarna: — The open portion was \$94.80 per day.

Mr. Martin: — Oh I see. The total . . . both figures include the schooling and everything.

Mr. Kutarna: — That's right.

Mr. Martin: — Right, okay. All right, okay, thank you. Does anybody else have any more questions on that one?

Let's move on to 16 then. How many appeals were made by social assistance recipients before local appeal boards in the year under review by region, and what was the cost of conducting those appeals in the year under review by region? How many provincial appeals are made by social assistance . . . well you've had these questions. You've had an opportunity to get these questions. Do you want to just take the answers one at a time then? Let's take the first one then. How many appeals were made by social assistance recipients before local appeal boards in the year under review by region? And we went into this . . . excuse me. We went into this in some detail last week about the set-up, but just the numbers

Mr. Kutarna: — Mr. Chairman, the total appeals in '86-87 were 408, and they were broken down as follows: Regina district, 98; Yorkton district, 23; Moose Jaw district, 31;

Weyburn-Estevan district, 2; Saskatoon district, 124; Melfort district, 21; North Battleford district, 60; Prince Albert, 9; northern Saskatchewan, 7; Prince Albert city unit, 18; and Moose Jaw's city unit, 15 — total, 408.

Mr. Martin: — What was the total cost of conducting those provincial appeals, broken down by region? And in his request, when Mr. Anguish was . . . he wanted to know the . . . he wanted to be factored into the cost, the travel for officials involved, staff time for officials involved, honorarium to appeal boards, etc., and I suppose anything else you could think of.

Mr. Kutarna: — Mr. Chairman, this is for the local appeal board system. The costs are broken down into three major categories: one is the honorarium to the appeal board members; secondly, there's the cost of the staff time; and thirdly, there are associated costs such as travel, mileage, etc.

So in the Regina district, the total cost of the local appeal system was 6,300; Yorkton district, 3,300; Moose Jaw district, 3,800; Weyburn-Estevan, 500; Saskatoon, 11,700; Melfort, 3,100; North Battleford, 2,600; Prince Albert, 750; northern Saskatchewan, 2,000 — that's a total of 34,135.

And then we've estimated the staff time involved, and that's 20,400, for a total of \$54,500. It's the cost of the local appeal system.

Mr. Martin: — All right, the next question is: how many local appeal cases went in favour of the recipient? I guess that's a logical follow-up, and how many went in favour of the Department of Social Services? — not that I suppose anyone should ever characterize a win/loss situation as going in favour of the Department of Social Services; however, be that as it may.

Mr. Kutarna: — Mr. Chairman, the local appeal system was 96 decisions in favour of the recipient; 321 in favour of the department — total, 408 appeals. And in the provincial appeal system, which is the next level above the local appeal system, 13 in favour of the client; 90 in favour of the department — total, 103.

Mr. Martin: — Do you have it broken down as to region as to where the success rate for the recipient was better than other areas? I guess on a percentage basis because they didn't always have the same number of appeals, depending on the size of the location.

Mr. Kutarna: — Mr. Chairman, in the year under review the information was not collected by disposition by region; however, it was collected by the number of appeals by region and the source of the appeal, whether it was appealed by the client or by the department.

Mr. Martin: — What do you find significant in the questions and the answer to the question in terms of 96 per cent, or 96 of the cases went to favour the recipient, and 100 — what would that be? — 312, presumably, quick math, went in favour of the department; 312 went to the department and 96 to the recipient; wasn't that the way it was? What did you draw?

Mr. Kutarna: — Well it tells me, Mr. Chairman, or the conclusion I draw is that, for the most part, in the opinion of the appeal board system — and I should point out, for example, the provincial appeal board chairman has been in place since 1966 — so since the beginning of the Canada assistance plan cost sharing arrangement we've had the same general membership on the provincial appeal board, so there's a consistency.

It tells me that, for the most part, the conclusions reached by workers in the department are correct in their interpretation of the regulations. So the upholding of the decision, to me, signifies that the correct decision was made in the first place in those percentage of cases.

Mr. Martin: — Okay, I won't pursue that any further. Thank you. You really answered number eighteen; I could figure that one out. Let's go on to nineteen. Could we receive a breakdown of how the revenue sources of the department are applied to departmental expenses; what revenues apply to which programs of the department?

Mr. Kutarna: — Mr. Chairman, in the '86-87, the total revenues to Social Services were 164.3 million, and that was from the following sources, or from the following program categories: in the young offenders program, 5.02 million revenue; the legal aid system, 3.64 million; in the employment training area, 4.01 million; in the income security program, 108.99 million; in the child care facilities area, 1.16 million; in the child care area, 9.9 million; day care was 5.39 million; institutions for the handicapped, 4.03 million; grants for senior citizens, 145,000; grants for the handicapped, 2.66 million; grants for community services, 2.67 million; and in the category called general administration, 16.69 million. And so the total revenue for that year was 164.35 million.

Mr. Chairman, these sources would be found also broken down in another way on page 22 of the *Public Accounts* in volume 3.

Mr. Martin: — Well that's really all the questions I have. I think Dr. Wolfe has some questions he'd like to ask. I want to thank you very much for all the information. It's been very enlightening.

Mr. Wolfe: — I just have a couple of comments then, and then questions. I want to, first of all, thank the Provincial Auditor for his timely response to my concerns and questions regarding non-governmental organizations. I was just curious if you've had a chance to look at the report. Have you . . .

Mr. Kutarna: — No, Mr. Chairman, I have not seen that.

Mr. Wolfe: — Oh, okay. I didn't know if that had been sent to their department or not.

Mr. Kutarna: — Mr. Chairman, I've had a chance to read this quickly. Was there a question or . . .

Mr. Wolfe: — I was just wondering if you had any comments to make about that, if that information might assist the department in any way or assist us in some function of this committee.

Mr. Kutarna: — It's the way that we understand the process to work, and the comment that I would add is that when we contract with a non-government organization, we insist on financial review. And that can take several forms. Depending on the size of the organization and the amount of the budget involved, it can range from accountants' comments all the way up to a full-scale audit. And that condition is built into the contract that we sign with each NCO (non-government organization) for the year under review, depending on the size of their budget.

Mr. Wolfe: — Okay. Thank you very much. I have one other question and that's in regards to overpayments again. I was just concerned. I was quite impressed from a previous questioning that the problem of overpayments has been addressed by your department, and I was wondering if you could just briefly review the progress that we've made in '86-87 with regards to overpayments and where the major responsibility with regards to overpayments lies — who commits the errors?

Mr. Kutarna: — Mr. Chairman, I'll answer the question in two parts. Part one will be the error rate pattern for that year, and secondly, I'll describe some of the steps that the department took in order to bring the error rate to that lower level.

First of all, the error rate in '86-87 was 10 percent — and remember I'm speaking about the income security program— 10 percent, and it had dropped from 13.9 per cent.

The breakdown of the cause of errors is as follows: 75 per cent of the errors are caused by client error, 25 per cent department error. And within the client-caused error, the major causes are: unreported income, 23 per cent of that figure; unreported living arrangements, 31 per cent; and incorrect marital status, 14 per cent.

The major steps that were taken that year—and there was an extensive list of steps taken because in that year and in succeeding years we've worked to reduce this error rate — the major step taken that year was the introduction of the automation of the SAP (Saskatchewan assistance plan) system.

There was a pilot project which started on September 1 of 1985, and it was systematically worked through until March of 1988 when it was fully implemented. But the key result of the automation was that tracking of information, prompting of information, so that the social worker is reminded when the proper steps are to be taken, such as checking a mandatory report or checking on the status of a particular situation, certainly mechanical errors, what I call calculation errors, are eliminated by an automated system.

Mr. Wolfe: — So there was some progress made from the previous year. The 13.9 figure referred to '85-86?

Mr. Kutarna: — That's correct.

Mr. Wolfe: — Okay, so there's real progress made in that year.

Seventy-five per cent of the errors are client-related errors. What's the government's role in, let's say, trying to get a handle on those client-related errors? What's the department's role? Is there a way that the department could cut down on the client-related errors? Is there some mechanism or some change in process which could be accommodated to further that progress that was made from '85-86 to '86-87?

Mr. Kutarna: — Mr. Chairman, the department's role, I think, is to more quickly get the correct information. That's the simplest way I can describe it.

In order to do that, however, I think it's a very complicated process that has to be entered into. For example, in that year we set up, in the department, entitlement control units whose job it was to find ways to get the information faster.

So, for example, when income is not reported, there's an overpayment, there's an error. What the department began in that year was a system of mandatory reports where, on a random basis, without warning, a request is made of a recipient to list their circumstances, and so they would list their sources of income, possible part-time employment, and so on. That was found to have contributed significantly to the reduction of the error rate. So all of those steps were essential in reducing the error rate.

Mr. Wolfe: — Is this sort of a system of prepayment and post-payment verification?

Mr. Kutarna: — It's a combination of those things. There are some, what we call pre-audits where, for example, if we were to take the case of somebody who is receiving, let's say, unemployment insurance or a student loan, with more effective linkages between those programs we can more quickly determine what the true source of income is. So we started in that year to work on automated interfaces with the unemployment insurance system, with the student aid system, in order to get information quicker on the true income picture.

Mr. Wolfe: — I was wondering if you could relate briefly to the established set of procedures as far as having people apply for assistance, and if possibly those procedures might be deficient. Is that a possibility? If they are, I wonder if you could just comment on them, and if they're not, you know, then please say so.

As I understand it, you've said that the two major reasons for error and client error are unreported income, which I believe is a responsibility basically of the applicant, and the second one was the possibility of them not clearly documenting their living status. And I'm just curious how the department might have any effect of decreasing those errors if it's really the responsibility of the applicant.

Mr. Kutarna: — Mr. Chairman, the way we look at that is that the error rate is the signal to us of where the errors are. We then implement steps to reduce that error rate. So, for example, when we find out in our error rate calculation that unreported income or unreported living arrangements are the cause of the error, we implement

steps to reduce that error. So as an example, in that year we would have begun the process of something that we call home verification, which is a home visit. But it's also designed, yes, to correct the error and to more quickly get the information, but more frequent contact with the recipient also results, and that's a positive effect.

We began, in that year also, home intakes on a pilot basis. So rather than asking the individual to come to the office, our workers would go to the home and deal with the family in their home situation, which is certainly more comfortable for the family, but also gives a true picture of the situation.

Mr. Wolfe: — So would that be an established procedure for the department to try to ensure that there's the least amount of error on behalf of the clients? Is that about the only control that we could have is something like a home verification procedure?

Mr. Kutarna: — The home verification is one of many procedures, but . . .

Mr. Wolfe: — What would be the established, let's say the established procedures that could address the major errors that are normally followed by the department?

Mr. Kutarna: — Mr. Chairman, in the year under review, we were beginning to respond to those issues in a pilot project basis. I can say that they are now standard procedures in the department. In that year, '86-87, we would have only begun the process of in-home reviews of the situation or in-home intakes.

Mr. Wolfe: — So you initiated the process to address client error?

Mr. Kutarna: — Yes, they were in direct response to those error rates.

Mr. Wolfe: — That's great. Those are all the questions that I have for the department at this time. Thank you very much.

Mr. Chairman: — Any further questions of the officials?

Mr. Martens: — On grants for community services, most of those items in the *Public Accounts* as I've gone through them, probably just about 100 per cent are agencies that are non-government agencies. Am I correct on that?

Mr. Kutarna: — Could you tell us the page number?

Mr. Martens: — Page 407.

Mr. Kutarna: — Mr. Chairman, yes, the items on that page are all non-government organizations.

Mr. Martens: — Okay, on those kinds of non-government organizations, are they required to set up budgets of their own in determining how much funding they will get from the Department of Social Services?

Mr. Kutarna: — Mr. Chairman, it's an annual process, but there are several steps to it. Step one is that they apply to deliver the service, and so they indicate who they are,

what they intend to do, what service they wish to deliver, and they state their qualifications to do that. Then they accompany that with a budget request which lists their proposed costs to deliver that particular service.

We then enter into an analysis and a negotiation with them. We analyse the need for the service; we analyse the cost of delivering that service, because we can compare across the province in a similar service to deliver the service in the most effective or efficient way. We then negotiate with that organization, and ultimately we conclude — and remember that this is part of the provincial budget process as well — we would conclude then with the agreed upon service and the agreed upon cost. We would then finally sign the contract to deliver that service.

Mr. Martens: — Do you have a standard that is different for each one of these in evaluating how much money you give them — if it's 10 per cent of their budget or 15 per cent or 25 or 30? For example, do you have a different standard for after-hour services for mobile crisis things and transition houses and safe shelters and those kinds of things?

Mr. Kutarna: — Mr. Chairman, we look at each type of service as a distinct category, and so there would be a different type of analysis and a different type of negotiation for each service. For example, if we're talking about transition houses in Saskatchewan, that is treated in a different way than friendship centres, let's say, or youth services. However, within transition houses, we will have an analysis that takes into account the total picture. So we will have province-wide ratios or province-wide cost figures which help us to determine what the true costs of delivering that service is in each community. So within that category of transition houses, we do a comparison analysis across the province.

Mr. Martens: — Okay. Rehabilitation services — can you describe what that \$23 million was spent for there, the different programs involved in that?

Mr. Kutarna: — Mr. Chairman, in that year the major expenditures there would be the Valley View Centre in Moose Jaw and the North Park Centre in Prince Albert. Those would be the two components.

Mr. Martens: — That constitutes the majority of the 23 million. When was North Park moved into the community living style?

Mr. Kutarna: — February 29, 1988 was the date . . .

Mr. Martens: — So that's not this year.

Mr. Kutarna: — No.

Mr. Martens: — How many residents do you have in Valley View, and how many did you have in North Park?

Mr. Kutarna: — Mr. Chairman, in that year there were 660 residents in Valley View Centre, 181 in North Park. Total was 841 in those types of institutions.

Mr. Martens: — What kind of . . . can you describe for me

the extent of the services provided in Valley View, for example, in the year under review? What . . . like, you're talking about rehabilitation, but you're probably talking . . . Well I know people who are residents there. What's the minimum requirement of care and the maximum requirement of care in relation to the ends of it and then put the middle in . . .

Mr. Kutarna: — Mr. Chairman, there is a wide variety of services available at the Valley View Centre, and it depends on the individual resident situation, but all residents of Valley View Centre are physically or mentally handicapped in some way. The level of care in the program depends on the type of disability. For example, someone who requires minimal physical care may be in a program that makes use of some manual dexterity; for example, in a workshop, or working in a laundry, or something like that.

It ranges all the way up to the most severely multiple-handicapped individuals who require full-time, constant attention and are not able to participate in any type of functioning.

Mr. Martens: — Is Wascana Hospital under your responsibility?

Mr. Kutarna: — No it isn't, Mr. Chairman.

Mr. Martens: — Okay. Would people move from there to your facility in Valley View, if there was no . . . If they were not able to look after themselves, would they move into Valley View, or do you move them both ways into that kind of an institute for rehabilitation?

Mr. Kutarna: — Mr. Chairman, there's very little traffic, I'll call it, between Valley View Centre and an institution like . . . or a place like the Wascana Rehab Centre. The people who are dealt with at the Wascana Rehab Centre are what we call "people in the community." So they are higher functioning individuals who may be there for a short period of time. The type of individual who lives at Valley View Centre is more likely to be there for long-term situation, and they have far more serious disabilities or handicaps.

Mr. Martens: — Okay, and what you're saying is that there are more long-term residents there?

Mr. Kutarna: — Yes. They're much more of a long-term nature at Valley View.

Mr. Martens: — How many . . . Do you have doctors employed by the Valley View hospital there, or the health care centre there?

Mr. Kutarna: — Yes, Mr. Chairman, we have medical doctors on staff at the Valley View Centre.

Mr. Martens: — Okay. On page 409 you deal with grants for handicapped and allowances for handicapped. Does that reflect some services that are provided to these residents in these . . . well not North Park any more, but Valley View?

Mr. Kutarna: — Mr. Chairman, the page number that was

referred to are community programs for the handicapped, so these would be programs for people living in the community who will participate, for example, in a sheltered workshop or an activity centre. There is a holiday relief program for approved home operators, a supportive living program, and general services to the disabled and handicapped. But the general conclusion is that these are for those living in the community.

Mr. Martens: — I notice that there were some construction grants in grants for the handicapped. Is that done just for the homes like in the sheltered workshop activity centres, or is that for residences too, where that is used?

Mr. Kutarna: — Mr. Chairman, the majority of that dollar figure would be for workshops, sheltered workshops. There is one group home — the South West Homes for the Handicapped is a construction grant to an actual group home. But the majority of these are for workshops.

Mr. Martens: — Are these NGOs, too?

Mr. Kutarna: — Yes. Yes, these two pages are all non-government organizations.

Mr. Martens: — Do they apply for the budgets on the same basis as the community service organizations?

Mr. Kutarna: — Yes, the exact process that I outlined a few minutes ago applies to these as well.

Mr. Martens: — I have one more question and that has to do with the heritage grant. Does Social Services do that, or who does it?

Mr. Kutarna: — It's not part of Social Services.

Mr. Martens: — Oh, okay. I have no further questions.

Mr. Chairman: — Any further questions of the officials? If not, thank you very much Mr. Kutarna and all your officials for being so patient and being here with us.

I might say that the committee members very much appreciate the fact that you were able to answer the questions very fully. That's not always the case with officials, and we appreciate the way that you've conducted yourself. Thank you very much.

Mr. Kutarna: — Thanks, Mr. Chairman. Some complimentary remarks were made about some of the workers in our department which we very much appreciate.

Mr. Wolfe: — I'm just trying to facilitate things on Thursday, and I was just curious if I could ask the Provincial Auditor to make some comments about the Department of Health in the year under review just to prepare us for '86-87.

Mr. Chairman: — Before we do that, can we deal with the hearing of the Department of Social Services be concluded subject to recall. Would someone move that? Moved by Mr. Martens. Any discussion on the motion? Agreed?

Agreed

Mr. Wolfe: — Again I ask the Provincial Auditor to possibly make a few comments about the year under review to facilitate Thursday's questioning, as I believe that will be one of the major items under review.

Mr. Lutz: — Mr. Chairman, thank you. I am on page 65 in the 1986-67 report. Is that correct?

Mr. Chairman: — Yes.

Mr. Lutz: — Items 13.01 and 13.02. What I'm saying here is that while they maintain a detailed capital equipment record, they should on a periodic basis physically count the assets to make sure that they do exist and do agree with the records they have maintained.

Mr. Wolfe: — So there would be some form of an inventory take?

Mr. Lutz: — Yes. Count your capital assets, check them off, make sure they do agree with your records that you're maintaining on acquisition.

Mr. Wolfe: — How detailed would that have to be or do you feel that it should be? I'm just curious. Are we getting down to counting the actual needles and scalpel blades and things like that?

Mr. Lutz: — I think we had more in mind like desks, adding machines, calculators, cars, whatever, and things like that. I would expect that the disposable small items would have been expensed in the first placed and they wouldn't be in their record of capital assets.

Mr. Wolfe: — It's just that being a veterinarian, I know that when I do inventory I have to include in inventory those kinds of little things.

Mr. Lutz: — I think the key here, Mr. Chairman, is that while they have a record of their capital assets, the rules for which they themselves establish, they haven't gone out and counted their assets to make sure that they do agree with the record they keep.

Mr. Wolfe: — When a suggestion like that comes forth from your department, is there a suggested sheet or accounting process that's passed on, let's say, as part of this process to try to improve government's accountability and departments' accountability?

Mr. Lutz: — I think probably in a system such as this, Mr. Kraus's office might perhaps be involved in the compiling of an asset count sheet. If they asked us for advice, I'm sure we would give them advice, or we might even provide them one of our own asset count sheets. I think it's not involved, but Mr. Kraus might like to respond.

Mr. Kraus: — One of the things that we do, Mr. Chairman, is ensure that the comments and concerns that Mr. Lutz raises each year are addressed by the departments. And they have to do one of two things. They either have to comply with the concern or demonstrate that they have very good reason that their course of action

is acceptable. And so in a case like this, we are expecting to hear, and we do hear, or we did hear from the Department of Health, that this Parkland Regional Care Centre would in fact comply with the concerns that were raised by Mr. Lutz. So that's how we ensure they either take action to resolve it, or sometimes there's a good case for not addressing your concern. But in many cases like this, of course, the auditor is correct and they do take corrective action.

Mr. Wolfe: — Once corrective action is taken, is there a process whereby that information gets back to the auditor so that he can be satisfied, or so that he knows . . .

Mr. Kraus: — Well there's two ways really, I suppose. First he gets a copy of the response from the Department of Health or the Parkland Regional Care Centre, so he gets a response to his concern. Number two, of course, when he goes out to audit, when he audits again, he would check to see that there's been compliance, or they've done as they said they would do.

Mr. Wolfe: — And the comments would be made in the following year's report.

Mr. Kraus: — Yes, if everything is working in a timely manner.

Mr. Wolfe: — Or if it's been done, there's just no mention of it?

Mr. Lutz: — If the matter disappears from my subsequent report, I think it's safe to assume that they have addressed the problem and it has been corrected.

Mr. Wolfe: — Okay. So that if a problem has been corrected, then there's no mention of it; if there's a problem that exists, then it's commented on.

Mr. Lutz: — Right.

Mr. Chairman: — It's 10:30. Could I just ask before we adjourn, was this matter cleared up then with respect to Parkland, the matter of inventory?

Mr. Kraus: — Well they did say they would begin counting their physical inventory, yes. Yes they did.

Mr. Chairman: — Did you concur with that? Is that your understanding too, Mr. Lutz?

Mr. Lutz: — Mr. Chairman, I believe it resurfaced for the '88, but as far as I know it has been in essence corrected for '89.

Mr. Chairman: — The meeting stands adjourned until 8:30 Thursday.

The committee adjourned at 10:30 a.m.