

STANDING COMMITTEE ON PUBLIC ACCOUNTS
May 3, 1990

Mr. Chairman: — I'd like to just go through the auditor's report and get that wrapped up.

Mr. Rolfes: — Mr. Chairman, before we call the officials . . . Oh well, it doesn't make any difference. What is our agenda length for the next few minutes, or next few meetings?

Mr. Chairman: — Good point. I'd like the committee to consider cancelling the meeting that would normally be scheduled for next Tuesday, May 10.

A Member: — Thursday.

Mr. Chairman: — Thursday, May 10. I know this disturbs you all.

Mr. Rolfes: — Why is that?

Mr. Chairman: — You'd much rather be meeting, but . . .

Mr. Muller: — . . . (inaudible) . . . adjournment, can't we?

Mr. Chairman: — Yes, But I raise it now . . .

Mr. Muller: — Yes, just to think about it.

Mr. Chairman: — And it's basically to accommodate another committee that needs to meet in here. Regulations Committee.

Mr. Hopfner: — We all sit on it anyway, I think.

A Member: — Yes. I don't know.

Mr. Baker: — I got the notice and wondered how they were all going to take place in the same . . . (inaudible) . . .

Public Hearing: Saskatchewan Property Management Corporation (continued)

Mr. Chairman: — Good morning, Mr. Dedman. I'd like to . . . Do you have something that you want to table?

Mr. Dedman: — Yes, Mr. Chairman. We have 20 copies of the officials today and some information that was requested at the last meeting.

Mr. Chairman: — I wonder if I might turn to the auditor's report, Department of Supply and Services, page 72, for just a few minutes. It seems to me that whatever comments there are, there's nothing now that can be done to reconstruct what happened in terms of transfer of properties.

And I guess I'm putting that to both you, Mr. Dedman, and to Mr. Wendel. The auditor raises some concerns about rents being paid to SPMC (Saskatchewan Property Management Corporation) for some properties that were not transferred until a later date and the like.

Mr. Dedman: — I think, Mr. Chairman, from our point of view, your comment is probably correct that there is nothing that can be done to change that.

Mr. Wendel: — The point we're trying to make here is that the required documents weren't in place when we came to examine, and we're still of the view that we would like to have that documentation completed so we can finish our work. It was also commented on at the 1989 report.

Mr. Chairman: — So as far as you're concerned it's still an outstanding issue.

Mr. Wendel: — Yes, I believe there was some number of properties under SPMC's administration, that require transfer agreements that still have to be completed and the documentation put in place. That's what we're looking towards.

Mr. Chairman: — Mr. Dedman, Ms. Raab, any comment?

Ms. Raab: — Yes, that's correct. There is still a short list of properties. I think that . . . I guess I misinterpreted the first question. This was more than rental payments relating to supply and services, but your assessment is correct. There are still a short list of items that we are resolving.

Mr. Chairman: — Can the committee take from your comments that efforts will be made to satisfy the auditor? Have you got any information that he feels he needs?

Ms. Raab: — Yes.

Mr. Chairman: — We had that undertaking then from you?

Ms. Raab: — Yes.

Mr. Chairman: — We'll note that. And then if I could just take a few minutes to . . . unless there's . . . Does anyone else have any questions on that particular chapter, supply and services?

Mr. Rolfes: — Well I just want to ask the provincial auditor if all the other items have been satisfactorily taken care of — the ones that you mentioned, 16.00 to 16.12?

Mr. Britton: — Mr. Chairman, Mr. Rolfes, the concern in this chapter is in 16.12 when we talk about the need to have the documentation in matters of form put in place. And I think once that is in place we'll be able to satisfy ourselves on this matter. We look forward to that.

Mr. Chairman: — Any further questions on that chapter, supply and services?

I wonder if we just might run through the auditor's comments on Saskatchewan Property Management Corporation in the auditor's report before getting off into any other issues that may concern or interest members. Do you have any comments that you want to make, Mr. Wendel, on any of these?

Mr. Hopfner: — What page?

Mr. Chairman: — We're looking at page 96.

Mr. Wendel: — Mr. Chairman, I had given the committee

a briefing on this. Would you like me to go through that again?

Mr. Chairman: — Could you just go through it again?

Mr. Wendel: — Paragraph 29.00 to 29.09 deal with the 1987 fiscal year and that is an update from the provincial auditor's 1987 annual report. And the conclusion, I guess, would be paragraphs 29.07 and .08. And it is not possible to conduct the audit work after the year-end if the appointed auditor hasn't completed his work in an appropriate fashion.

Mr. Chairman: — Again there's very little that can be done about this one at this point except it's noted.

Mr. Wendel: — Yes, there's nothing that can be done, no.

Mr. Chairman: — Are you still continuing to have problems with subsequent fiscal years, or is that pretty much resolved?

Mr. Wendel: — The 1988 fiscal year was also the same problem.

Mr. Chairman: — Yes.

Mr. Wendel: — And as I mentioned to the committee last meeting, the 1989 fiscal year, we have now received the reports. We have not yet assessed the work to determine whether or not there still is a problem. We'll be doing that in the future.

Mr. Chairman: — You sense then that there's some improvement in this last year, that . . .

Mr. Wendel: — I think we now have the reports, and it's a matter of reviewing them with the appointed auditor and discussing them with him, and we'll make a determination in the near future.

Mr. Chairman: — Okay.

Mr. Hopfner: — Mr. Chairman, my question is to the Provincial Auditor. Do you find that because of the . . . as a professional auditor yourself, that because of the size of the department, that that could be the problem, you know, with the work-load that would be done to do a proper audit within the . . . and to give you that proper audit information? Would you say that that would be . . . If you were to do it, say . . . (inaudible) . . . would you have the same timetable, or do you have to take the same timetable as another auditor might to do a proper job? Would your practices be different?

Mr. Wendel: — Mr. Chairman, Mr. Hopfner, I don't think our procedures or approach would be very much different. I'd have to be . . .

Mr. Hopfner: — That's a fair assessment, because I was just wondering if there were shortcuts that you might take or something to get the time frame down better or something like that. I understand that some departments take longer than others. And being a department of this size, it would probably take a little bit longer, and I think you probably understand it as well.

Mr. Wendel: — There are many factors that would come into play. The size of the department, how well they'd be prepared, whether it was a new place or a place that has been going for many years — all those factors would come into play.

Mr. Hopfner: — Right. Okay, thank you.

Mr. Chairman: — The next section that we have is . . .

Mr. Wendel: — The next section deals with the 1988 fiscal year, and the first part, 29.10 to 29.13, is advising the Legislative Assembly that the Provincial Auditor was unable to rely on the work of the appointed auditor, and advises that he would be conducting his own audit procedures from 1988-89 and reporting in the next fiscal year, which he has done.

The paragraphs that follow are just an explanation of why the Provincial Auditor was unable to rely on the appointed auditor for 1988, and there were number of reasons given, and they run from paragraphs 29.14 to 29.33.

Mr. Chairman: — You said that you reported the matter, that is your concern that the SPMC's auditor did not follow the GAAP (general accepted accounting principles) and that you reported this matter to The Institute of Chartered Accountants of Saskatchewan. Are you able to report anything on their ruling?

Mr. Wendel: — Not at the present time, no.

Mr. Chairman: — Okay. And two of the issues that you note, one was the participation credit that you felt that there should be more information disclosed concerning that, and the other one is assets and not reporting assets. The participation credit is one that we started into last week, and I know Mr. Anguish may want to get back to that in a few minutes. Just based on the discussion we had last time about the credit, could you briefly sort of tell us what kinds of information should then be recorded by the government or by SPMC with respect to the participation credit?

Mr. Wendel: — Yes, Mr. Chairman, that's dealt with in the 1989 annual report.

Mr. Chairman: — You're more specific as to the information that you feel that should be recorded then?

Mr. Wendel: — Yes.

Mr. Chairman: — Okay. Well we can leave that then until the next year's report.

Mr. Wendel: — And the same would hold true for the furniture also, Mr. Chairman.

Mr. Chairman: — Okay.

Mr. Swan: — We'll have to ask you folks to speak up. We can't hear you at all. You're having a good visit, but we can't hear down here.

Mr. Chairman: — Okay. My apologies, Mr. Swan. I appreciate what you're saying.

Are there any other questions on that?

Mr. Rolfes: — Mr. Chairman, when this report was issued, there was considerable questions asked in the House on 29.23 to 29.27, and that is on the dental equipment. The Department of Health apparently sent over \$2 million worth of dental equipment to SPMC and the money apparently never showed up. There also does not appear to be any revenue recorded in the Consolidated Fund for the sale of dental equipment.

Could you tell us whether you have found the revenue since, and if you did, where was it located?

Ms. Raab: — The revenue from the disposition of government assets was in SPMC. That was the way it was budgeted and I think the contravention of The Purchasing Act — I'm getting a bit into '88-89 year — was just an oversight that we did not have that legislation changed when SPMC came into existence.

So certainly the sale of assets, the money was properly accounted for. It was not in the Consolidated Fund; it was part of SPMC's revenue base.

Mr. Rolfes: — Could I ask: the Provincial Auditor indicates that 2.2 million was turned over to SPMC. What was the actual revenue received for the sale of that equipment?

Ms. Raab: — We disposed of a large amount of the equipment and received \$707,000. The 2.2 million was the original cost of that equipment, and some of it was like 13 years old. So \$2.2 million is not necessarily the market value. That was the original cost at the time that that equipment was purchased, which much of it was old.

Mr. Rolfes: — I guess I could ask Mr. Wendel on this. I didn't read that from the statement of 29.24 that he was referring to . . . that this was the original cost. From reading it the way it's written here, I would have assumed that that's what he thought was the value of the equipment at that time.

A Member: — It says the cost . . . (inaudible) . . .

Mr. Rolfes: — It says: the Department of Health sent dental equipment costing 2.2 million — was that the original cost?

Mr. Wendel: — Yes, Mr. Chairman, that was what we intended to convey.

Mr. Rolfes: — Fine. That's fair enough then. You said you got 700,000. And about what per cent did you sell? It doesn't have to be exact — 70 per cent, 80 per cent?

A Member: — We can get that.

Mr. Rolfes: — Okay. And you say that money was put in an SPMC account?

Ms. Raab: — That's correct.

Mr. Rolfes: — What happens to that money?

Ms. Raab: — The way the corporation was established, we dispose of a lot of surplus goods. And rather than, I guess, treasury board and cabinet giving a grant, the way the budget process worked was to take the estimated revenues, deduct expenses and only grant net. And the auditor was correct in saying that that was in contravention of the legislation, a different piece of legislation which we had not appropriately changed on coming into SPMC, and we are now looking at that Act and how we budget for and account for those revenues.

Mr. Rolfes: — Okay. I guess my question should be more specific. Then what is your, if you look at your ledger at the end of each fiscal year, what would have been the positive side of your ledger at that time for the sale of equipment or whatever in SPMC at the end of the fiscal year 1987-88?

Ms. Raab: — We would have recorded this as a revenue.

Mr. Rolfes: — Could I ask you a question then, and maybe you don't have that figure: disregarding this particular item, what was your total net revenues at the end of the fiscal year 1987-88? What did you record then as your total net revenue?

Ms. Raab: — For the sales and salvage program or for this individual item?

Mr. Rolfes: — Total, for all programs, all equipment. If you are recording it, then you must have the total, I would assume, at the end of the fiscal year.

Ms. Raab: — Our total revenues were \$229 million.

Mr. Rolfes: — But is that net?

Mr. Drummond: — Net income is 24.3 million.

Mr. Rolfes: — 24 million. So at the end of the fiscal year 1987-88, SPMC had \$24 million . . .

Ms. Raab: — Profit.

Mr. Rolfes: — Profit. And that was there for the government to draw on for the Consolidated Fund. Is that correct?

Ms. Raab: — Yes.

Mr. Rolfes: — Could I ask you, did the government draw on that fund at the end of fiscal '87-88?

Ms. Raab: — Not in fiscal '87-88.

Mr. Rolfes: — So at the end of fiscal '87-88, you had a net revenue of 24 million, approximately, sitting in SPMC.

Ms. Raab: — Yes.

Mr. Rolfes: — Thank you. I will also ask that same question for '88-89 later. I can't ask it now.

Mr. Chairman: — I'd like to go to paragraph 29.31 and that's concerning four Canadair aircraft. You charged Parks and Renewable Resources \$1.4 million for the use of the planes. The auditor says that when assets managed by supply and services were transferred to SPMC, these four aircraft were specifically excluded from the transfer. And therefore I guess he's indicating that you charged \$1.4 million for something you didn't own, which is a good trick if you can get away with it. He's saying that you can't now. I wonder if we can get an explanation on that one.

Mr. Dedman: — Mr. Chairman, the 1.4 million was not to do with rental of the aircraft, but all the costs around providing the aircraft to the fire-fighting fleet in effect. So the fuel, the servicing, the pilots, maintenance and repair, but it's not a rental *per se* on the aircraft, because it's correct; we don't own the aircraft.

Mr. Chairman: — Well who does own the aircraft then? Who owned them?

Mr. Dedman: — The province owns the aircraft.

Mr. Chairman: — And you're acting on behalf of the province in terms of . . .

Mr. Dedman: — Well we manage the Northern Air Service or the fire-fighting fleet. We provide that service to Parks.

Mr. Chairman: — But you're doing it with assets that you don't own. But is there something then saying that you have use of this equipment and you're responsible? I'm just trying to follow up on the auditor's comments here. He's saying that there's nothing in writing anywhere to say that there's no ownership, that you've got no responsibility there.

Mr. Wendel, do you have any further comments on that?

Mr. Wendel: — If I could, Mr. Chairman. What the report's saying for 1988 is we couldn't tell, from the working figures, the papers of the appointed auditor, what the basis for the \$1.4 million worth of charges were. And when we went in to do the audit from 1988-89, we then included those comments in the '88-89 report, our findings on that.

Mr. Chairman: — So you're satisfied that since that time there's been some . . . you know now, the origin and the purpose of these charges?

Mr. Wendel: — I believe the '89 report contains the view that the \$1.4 million is probably not appropriately recorded in SPMC. Some portion, or all, probably belongs to the Consolidated Fund. And I think what we're saying in the '89 annual report is the documentation should be put in place to determine where these water bombers belong and whether they are SPMC's property and all the revenue should remain with SPMC, or whether they remain the Minister of Finance's property, and some of the revenue belongs to the Consolidated Fund. I think that's what where we come in, in the '89 annual report.

Mr. Hopfner: — It's a matter of getting the

documentation in place.

Mr. Wendel: — Yes.

Mr. Chairman: — That's something that's been followed up on, as to whether the Minister of Finance is going to end up owning those planes or whether you own the planes?

Ms. Raab: — Mr. Chairman, in the asset transfer agreement which transferred assets from supply and services to SPMC, there's four water bombers were specifically excluded from the transfer agreement. And I believe we have a treasury board minute confirming the exclusion and ownership remaining with the province.

In the various budget review processes that we've had, we do not have any provision in our approved structure to recover the capital cost. So I think there is somewhat of a disagreement in this instance with the auditor because they were specifically excluded from transfer. Our fees to the Department of Parks are simply cost recovery of our expenses to fly and maintain the fleet for the Department of Parks.

Mr. Chairman: — To satisfy the auditor, if the ownership is specifically excluded, has there been any attempt to get some lease agreement or some working agreement on paper so that, I guess for your purposes, these things are properly recorded? I mean, you don't have to have ownership in order to be able to charge for the use of something?

Mr. Muller: — Just to make a comment, Harry. I think what they're saying is they're not charging for the use of every plane . . .

Mr. Chairman: — Right. Yes, this is for the actual expenses.

Mr. Muller: — This is the services they supply to keep the planes in the air — the pilots, the gas, the oil, the things that property management purchases to fly the aircraft.

Mr. Chairman: — Mike was right, that it's a bookkeeping thing that . . . They don't own it and how can you charge for use of something you don't own?

Mr. Muller: — No, but they're not leasing it; they're charging for the services that the planes require to be flown. This is the way I understand it.

Mr. Chairman: — The question, I guess, that the auditor raises is that maybe the Minister of Finance then should be accounting for that as opposed to SPMC.

Mr. Hopfner: — It's no big deal; it's just a correction.

Mr. Chairman: — No.

Mr. Wendel: — Mr. Chairman, we're required to determine whether public money is being paid into the appropriate fund. As part of that we look to see whether their money is going to Consolidated Fund, or the fund is supposed to go to, and in our view, an element of this, if not all of it belongs to a Consolidated Fund until

documentation is put in place to have it done some other way. That's the view we're coming from.

Mr. Swan: — Just like to ask Mr. Wendel: when we have planes being serviced in the SPMC shop, when SPMC buys the aircraft fuel and they employ the pilots, how else could you show this? I believe that when they pay all of those expenses out, they have to have some way of recovering them. And that's simply what they're doing, is paying the expense out to buy diesel fuel, to hire pilots, and to operate the hangars where these planes are serviced. So it should come back into SPMC if they charge for their work. And I think you're wrong in your assessment of this, and it should be adjusted in your book, not in theirs.

Mr. Wendel: — Mr. Chairman, Mr. Swan, I think it's not quite clear whether the rate per hour being charged by SPMC is for all . . . just recovery of costs.

Mr. Swan: — Can you tell us, is that just for the recovery of costs?

Ms. Raab: — Yes, it is just for the recovery of costs.

Mr. Hopfner: — Well it's simply just a bookkeeping correction that needs to be taken, and we just have to decide where it should be corrected. And maybe that's one of the recommendations from this committee with the report, that the government take a look at it and decide where they'd like to have the planes.

I mean it's just simple; it's no big deal. If you don't want it in SPMC and you just want to do the cost factors, I mean that's fine. And the Minister of Finance owns those planes or has those planes and then it should show up in Finance, right? Is that what you're saying?

Mr. Wendel: — Mr. Chairman, Mr. Hopfner, I think what we're saying is the documentation should be put in place as to where this money properly belongs.

Mr. Hopfner: — The money or the planes?

Mr. Wendel: — No, I think one should take the decision on the planes and you have the proper documentation, you can put it where . . .

Mr. Hopfner: — Okay, just so I'm clear then. Say I'm Finance, okay, and I own those planes, but I have SPMC disperse and make sure that those planes are running. I don't want to look after the running of those planes and the fueling and upkeep and everything else. They look after that. Can they recover their costs without involving me?

Mr. Wendel: — I would say, Mr. Chair, Mr. Hopfner, if they had an agreement to that effect, it's spelled out what is to be paid and what they're to recover, I think that would satisfy us.

Mr. Hopfner: — Okay. So we got to decide who actually owns the plane, and I think it's a consensus in here, then, that Finance owns the planes, being SPMC does not. So we'll have to talk to Finance next time they're in here and bring up the plane issue.

Mr. Swan: — May I ask, Mr. Dedman, are you prepared to write an agreement with the Department of Finance to clarify the issue here?

Mr. Dedman: — I think we believe we have documentation, but I don't think it would be a problem for us to make another arrangement that would clear up this matter, to be honest.

Mr. Chairman: — I think that we can take Mr. Dedman's last comment as an indication that this matter will be resolved, and even if it's still reported in the '89 auditor's report, that there's some agreement that the issue should be resolved and that both parties are willing to work towards that end. I think that would satisfy the committee.

Ministerial travel. That one, I guess, steps are afoot to a year reported in '89 to do as you asked, and that is to bill the government departments for the minister's use of executive aircraft.

I'm wondering, Mr. Dedman, if it's possible for you to provide to the committee a list of the flights for the year in question, for '87-88, which would show the . . . I guess you wouldn't necessarily know the purpose of the flight, but show the passengers on each trip and the destination and your costs of the flight.

Mr. Dedman: — Yes, we can do that, Mr. Chairman.

Mr. Chairman: — Thank you.

The only other section is rental contracts with public agencies. Again you're asking for an amendment to treasury board directives, or a sense that the thing is being cleared up, but a question of payments in excess of \$10,000, can you just run through that one again?

Mr. Wendel: — I could, Mr. Chairman. It's paragraph 29.41 would be the paragraph that explains the issue. There's a difference of opinion between government officials and my office as to whether the law requires public agencies to get an order in council. And the paragraph goes on to advise that my legal counsels advise that an order in council is required with contracts with SPMC, and the advice of government departments is that it is not, and we are asking for a clarification of the law.

Mr. Kraus: — And, Mr. Chairman, I would agree, some weeks ago that the controller's office and the auditor and one other agency would look at the matter and try and resolve it, because as I think I might have said in the committee here a little while ago, a few weeks ago, that this thing could even expand a little bit; that there could be question as to whether there should be OCs (order in council) for all kinds of what we would call ordinary expenditures.

And so the way I would look at it, I don't believe there's anything being done wrong here. It's just a matter of whether you interpret you need a 10,000 . . . I'm sorry, an OC or not. We feel we don't. The auditor interprets it as though we do. So we have to straighten this out, clarify the matter.

And it may require amendments to . . . it may require some amendment to the legislation as far as that goes. I don't know what it would take to resolve it, but we have to do something to clarify it because we don't think it was intended that payments of this nature, or some others, require orders in council.

Mr. Baker: — What kind of numbers over a course of the year would you have contracts in exceeding \$10,000? Roughly.

Mr. Kraus: — It depends what you call a contract, and technically one can get to the point where you even can argue that your telephone bills, you have a contract with your telephone company and in aggregate you might pay them over \$10,000 in a department, therefore you should . . . then you could argue you need an OC. Now I realize that isn't what this is talking about but in fact that issue is raising itself because of the government organization Act.

Mr. Baker: — You'd almost have to have a continuous cabinet meeting to handle the OCs.

Mr. Rolfes: — My understanding, if I may say so, my understanding always was it had to be one particular issue had to be more than \$10,000. You couldn't have a series. For a series of ones, you didn't have to. Otherwise the Minister of Health, the Minister of Social Services, the gentleman opposite, know you could never make any decisions.

A Member: — You never did that?

Mr. Rolfes: — No, it was just for . . . If you made a contract which was more than \$10,000, one contract, then you had to go to cabinet to get an OC. But if it was a series, could amount to 100,000, you didn't have to go.

Mr. Baker: — If you got into SEDCO you'd have to go every time there was a loan. I mean it wouldn't make any sense. There has to be a better vehicle than that method.

Mr. Chairman: — The point here is that there is a dispute, and you're saying that, notwithstanding there and notwithstanding, you still have concerns and . . . But I gather from you, Mr. Kraus, that it is a matter that's being worked on and hopefully some resolution will come about and . . .

Mr. Kraus: — Yes, because I think the auditor can make this comment about virtually every department who has a contract with SPMC, and it's something that central agencies have to deal with.

Mr. Wendel: — I guess our comment would be, we'd like the law clarified as to what the intent is.

Mr. Hopfner: — When you talked about it, the comptroller had indicated that there was a kind of a tribunal sitting down discussing this. Any decision from that will be satisfactory then. Is that from both parties or is this . . . (inaudible) . . . Is this going to come back and haunt us again, like, as a committee?

Mr. Wendel: — Mr. Chairman, it's reported again in '89, and we are working with the comptroller and hopefully

we'll come to a satisfactory resolution of the matter.

Mr. Hopfner: — Well the thing is, is who is going to make the final decision? Like, I mean, is Justice working on it?

Mr. Kraus: — It would be somebody from Justice that we would be talking to, yes. And it is possible that it may require a legislative amendment to satisfy the Provincial Auditor, and if we came to some other conclusion on our side, there may continue to be a dispute, but . . .

Mr. Hopfner: — So if the legislation keeps or is there no change in the legislation, are you going to keep disputing it from year to year to year or are you requiring a change in legislation so it doesn't come back and the committee doesn't have to deal with it any longer? Would that be a quick resolve?

Mr. Wendel: — I think, Mr. Chairman, Mr. Hopfner, we brought it up to the committee. We're recommending that something be changed so the law is clear. The committee, if it wishes to recommend that you're satisfied the way it is, I think we wouldn't report it for a year or two and maybe bring it up again in the future.

Mr. Hopfner: — Okay, so it's a decision of the committee whether they want to accept it the way it is or whatever. Okay.

Mr. Baker: — Do you see a vehicle that could be simple or an easy vehicle that could take care of the problem? Do you have a recommendation to the committee that might . . .

Mr. Wendel: — Mr. Chairman, Mr. Baker, we're working with the comptroller on this and possibly there will be some results. I wouldn't want to speculate at this time.

Mr. Muller: — We should let them work it out for now.

Mr. Chairman: — Now I'm satisfied that the parties involved are looking at this, and even though it's reported again in the following auditor's report, that there is some work being done on this. And I don't think we need to concern ourselves any further with it unless in a couple of years it comes up again and it's a big issue then. Maybe the committee may want to get into in more detail.

Mr. Baker: — Even raising the limits wouldn't help.

Mr. Chairman: — Are there any other comments, just specifically on the items that are reported in the auditor's report with respect to SPMC? Okay, other matters then.

Mr. Rolfes: — Yes, Mr. Chairman, just a couple of quick questions. Mr. Dedman, can you tell me, the year under review, did you have a leasing contract with the Gemini building here in Regina? I should really phrase that, with the owners of the Gemini building here in Regina. And then if you did, who were and who are the owners?

Mr. Dedman: — Mr. Chairman, we did have an agreement and we'll just look for that information.

Mr. Rolfes: — Can you tell me the amount of the contract, and what's the lease for in terms of the lease.

Mr. Dedman: — Mr. Chairman, Gemini Warehouse is owned by Conley Holdings Ltd.

Mr. Rolfes: — Conley?

Mr. Dedman: — Conley Holdings Ltd.

Mr. Rolfes: — Okay.

Mr. Dedman: — Mr. Chairman, the amount is \$400,918.52.

Mr. Rolfes: — And what's the term of the lease?

Mr. Dedman: — It would be two years left on the lease in the year under review.

Mr. Rolfes: — Which agency or department has the lease?

Mr. Dedman: — It's Saskatchewan Property Management Corporation, ourselves are in there, as well as the Department of Parks, Recreation and Culture.

Mr. Rolfes: — Those are the only two?

Mr. Dedman: — Yes.

Mr. Rolfes: — And you have two years left on the lease?

Mr. Dedman: — In the year under review, two years, yes.

Mr. Rolfes: — Oh, so it expires this year?

Mr. Dedman: — Yes.

Mr. Rolfes: — Okay. Demo management. The year under review. Did you have any lease with Denro management: D-E-N-R-O?

Mr. Dedman: — Mr. Chairman, we have Denro Holdings Ltd.

Mr. Rolfes: — Yes, that's the . . .

Mr. Dedman: — And, in Regina, for a total of \$80,767.

Mr. Rolfes: — And that was . . . what building was that?

Mr. Dedman: — Saskatchewan Place.

Mr. Rolfes: — Saskatchewan Place. Who is renting that space? That's 80,000 per year, I assume.

Mr. Dedman: — Yes.

Mr. Rolfes: — And the term of the contract?

Mr. Dedman: — We can provide the term of the contract. We don't have that one with us.

Mr. Rolfes: — Could I get that today? I'm kind of anxious to have that for my estimates.

Mr. Dedman: — We will phone now and try to have it

before the end of . . . (inaudible) . . .

Mr. Rolfes: — Okay, if you could I would appreciate that. Who is the agency or department that are using that space?

Mr. Dedman: — The Indian and Native Affairs Secretariat; Department of the Environment; Department of Human Resources, Labour and Employment; Department of Telephones; Department of Tourism, Small Business and Co-ops; Teachers' Superannuation.

Mr. Rolfes: — Is that for the total building in Sask Place? Is that the total space in Sask Place?

Mr. Dedman: — I think there were some other tenants in that building that aren't government tenants.

Mr. Rolfes: — Do you do any leasing for SIAST (Saskatchewan Institute of Applied Science and Technology)?

Mr. Dedman: — Yes we do.

Mr. Rolfes: — Year under review, did you do any leasing for SIAST? If you did, where?

Mr. Dedman: — I'm informed in the year under review that it was still in the form of the technical institutes, and we did rent for them, or we did provide space for them in some locations. Would you like us to . . .

Mr. Rolfes: — Well no, it's the next year where the Sask Place for SIAST will come under. It's probably the latter part of '88 but not under the fiscal year of '88. I'm sure you rented space in Sask Place for SIAST in the fiscal year '88 — not the fiscal year, the end of '88, but beyond the fiscal year. That's what I'm after.

You have a contract with Denro, I believe for \$300,000 per year under Sask Place. And I just wanted to know whether that came under the year under review, and the term of that.

Mr. Dedman: — Mr. Chairman, we're just trying to get that information and it's our belief that the tenant of which you speak went in there in the following year.

Mr. Rolfes: — The following year?

Mr. Dedman: — Yes, but we will confirm that.

Mr. Rolfes: — Because the legislation was passed, I believe in '87. I assume that the corporate body got space very shortly after that. I could be wrong in my dates, but I thought we passed the legislation in June of '87, wasn't it? Maybe it was '88. I could be wrong. Okay, good enough.

Mr. Dedman: — Mr. Chairman, I think they also worked out of Wascana institute for a period of time after the legislation.

Mr. Rolfes: — Oh, maybe that was it. The other information that I require, you can't give to me anyway right now because it's not the year under review, but I will get it out of the minister later on today.

Mr. Chairman: — Maybe we'll take a break in a couple of minutes and then come back, but just a couple of quick questions.

This list of tenants that you handed out, you have one where you're renting space to J & B Concessions at the South Broad Plaza. I assume that's a sublease and that we do not own that building.

Mr. Dedman: — Yes, that's true.

Mr. Chairman: — Secondly, can you give the committee subsequently the details of any payments to Clive Rodham for the year under review; and also for Building Design II, or the Building Design Partnership, or any other organizations in which Mr. Rodham might be a principal; and also the details of any payments to Sun Electric of Regina.

Mr. Anguish, I know that you wanted to get into some area. Should we take a break first and then come back?

Mr. Anguish: — I just had one other question ... (inaudible) ...

Mr. Chairman: — Sure.

Mr. Anguish: — I'm wondering, on the list of non-government organization tenants for '87-88, the list that was passed out this morning, I'm wondering why the houses at the Saskatchewan hospital don't appear on here. I understand they're rented out to private individuals.

Mr. Rankin: — Under the year under review, those houses were handled by the Saskatchewan Housing Corporation.

Mr. Chairman: — Maybe we'll take a five-minute break and then we'll come back and finish it up.

The committee recessed for a short period of time.

Mr. Anguish: — I wonder if you could tell us how much money was spent on purchases or contracts with a company called Inner Dimension Design Associates Inc.

Mr. Dedman: — Mr. Chairman, \$11,153.

Mr. Anguish: — That would be the total amount issued from SPMC to Inner Dimension Design during the year under review?

Mr. Dedman: — Yes.

Mr. Anguish: — Can you tell us what that amount of money was for?

Mr. Dedman: — I think I'll have to get that information back for you, Mr. Chairman.

Mr. Anguish: — Do you have any conflict of interest guide-lines within SPMC for your own employees?

Mr. Dedman: — Public service.

Mr. Anguish: — You follow the standard public service agreement?

Mr. Dedman: — Yes.

Mr. Anguish: — Can you tell us who the principals are of that company?

Mr. Dedman: — We don't have that with us, but we will provide that.

Mr. Anguish: — None of your employees here today would have knowledge as to who owns the company, Inner Dimension Design Associates Inc.?

Mr. Dedman: — Mr. Chairman, the only principal that we believe we know would be Mrs. Barb Ellard.

Mr. Anguish: — Barb Ellard. On the incorporation documents of the company, since you don't have them, it indicates one other person who is the president of that particular company. Could you tell me the street address of Mr. Otto Cutts who was president of the corporation in the year under review. Where did he live? What was his residence?

Mr. Dedman: — We know it's in Wood Meadows, but we're not sure of the street address.

Mr. Anguish: — Is there any possibility it could be 2851 Helmsing Street in Regina?

Mr. Dedman: — Yes.

Mr. Anguish: — That's the address is it?

Mr. Dedman: — Yes.

Mr. Anguish: — Well the other person on incorporation documents is a Lois Cutts who lives at 2851 Helmsing Street in Regina. I'm wondering how you square this with the fact the president of the property management corporation, who has ultimate authority I would suppose with property and management corporation, would have a contract with someone who I would suppose would be a wife or relative of Mr. Otto Cutts, given the fact that they have the same last name, spelled the same way, and also live at the same street address in Regina.

Now I'm wondering how you would reconcile this with the conflict of interest guide-lines, that the president of property management corporation would have a contract with a spouse or relative. I suppose I'm asking you if you view that as a violation of conflict of interest guide-lines through the Public Service Commission?

Mr. Dedman: — Mr. Chairman, we would have to check the dates but it's our understanding that she left Inner Dimension, or that Lois Cutts left Inner Dimension when she married Mr. Cutts, but we don't have the dates here. We can provide those dates.

Mr. Anguish: — When can you also provide us what the \$11,153 was for?

Mr. Dedman: — I think we can do that quite quickly.

Mr. Anguish: — I see nothing on the incorporation documents that would show that this particular individual, Lois Cutts, was taken off of the corporation documents. The amount of money that was paid out, what was the date of that pay-out of the 11,153, is the date I'd like to know.

Mr. Dedman: — We'll provide that for you.

Mr. Anguish: — Oh yes, I retract that statement. I see that Lois Cutts was taken off as a shareholder as of . . . the document is signed on January 27, 1988, so I would hope that this payment was also made for services rendered after that particular date. Because if it was not for services rendered after that date and the payment was not after that date, I see there being a conflict of interest, if you follow the guide-lines of the Public Service Commission.

And so I would ask that you undertake to look into this and provide us with the information as to the dates not only of the payment, but the dates of the services rendered and what those services were for, because I think that we would want to remove any appearance of conflict of interest within property management corporation.

I'm not making any accusation. I just want to know those dates, so we can be very clear that there was not a conflict of interest there where a president of a corporation in fact is providing money to a company that his wife was the president of.

And I find it a little strange — I don't know, in your investigation into this, or whatever you want to call it, I would think that the date of the marriage is very key as well. But I notice that at least back in March 26 of 1986, which is prior to the year under review, the corporation's document notice of directors very clearly shows that Lois Cutts of 2851 Helmsing Street in Regina was in fact the director and in fact president of the corporation that we're speaking of here today. And the name, as I say, was not removed until January 27, 1987.

Do you have a tendering policy in the property management corporation, sir?

Mr. Dedman: — Yes, we do. The policies are different, depending on which area of the corporation that we're speaking of, for goods and services, for the supply of space.

Mr. Anguish: — Is it a public tendering process?

Mr. Dedman: — I should try and clarify that. In terms of goods and services, for example, by far the bulk of material that we would get would be tendered publicly. In certain circumstances we would have a telephone tender where we would still receive written submissions and a public opening; it can be emergency situations where we would tender and get a response on the phone from three or four suppliers. There are sole source circumstances where you're getting a piece of equipment that matches a particular original equipment item where there is only one source. So there are a variety of situations.

Mr. Anguish: — I guess what I'm asking you, when I ask whether it's public or not, is that if I wanted to know from you as a member of the Legislative Assembly, for myself to know from you a particular tender, who had bid on it, what amounts they'd bid, and who was the successful bidder — is that information accessible to me?

Mr. Dedman: — I believe that it is, and in a large number of cases those tenders are publicly opened.

Mr. Anguish: — In a large number of cases they're not. Is that correct?

Mr. Dedman: — No, I wouldn't think in a large number of cases.

Mr. Anguish: — Could you provide me then with a list of the inventory of the security service within property management corporation, and any tenders that were called for in the year under review, and who the bidders were and who was successful and the amount of the bid?

Mr. Dedman: — Okay, we will what?

Mr. Anguish: — That you can provide that information.

Do you also provide services through property management corporation, for example, say Department of Parks, Culture and Recreation wish to have a contract with someone to do trades work, would it be you that issues the tender or would it be the department itself that issues the tenders?

Mr. Dedman: — In the example that you used, Parks would probably tender their own.

Mr. Anguish: — Well, where's the line drawn as to what a department tenders and what you tender?

Mr. Dedman: — I think for goods, in general terms, we would be the people that would tender for a department. For services, it's more likely that they would tender themselves.

Mr. Anguish: — Well, what about the people who are on contract here within this very building that we're in today that do the cleaning services, janitorial services. Do you do those tenders or are those tenders done by someone else?

Mr. Dedman: — No, those tenders would be done by us as the space providers.

Mr. Anguish: — As part of the contract you would have with the department or agency?

Mr. Dedman: — That's correct.

Mr. Anguish: — But that wouldn't be a similar situation where you might need a plumber or someone in plumbing and heating or electrical . . . at a park, for example, that would be different. It's small enough that the department could do that themselves?

Mr. Dedman: — Yes, if it's associated with our space,

then it's likely we would do it.

Mr. Anguish: — Has there been a change in this policy? I know that I inquired in the past about some tendering practices, asking for information about tenders that was not forthcoming to me because basically it was confidential information. I'm wondering if you've had a change in policy within property management corporation.

Mr. Dedman: — I don't know the specific request you've made, but I don't think there's been any changes in our policies either in SPMC or supply and services.

Mr. Anguish: — I may be thinking of a different department. The situation that I'm talking of concerns The Battlefords Provincial Park whereby the golf course had issued a tender to provide golf carts to The Battlefords Provincial Park. And, there were two bidders, I believe, and the details never were released to the public as to the dollar amount, the conditions, the specific items within that tendering process. And, I am wondering whether that was your tendering process or again, that would maybe be Department of Parks, Culture and Recreation.

Mr. Dedman: — We don't think that would be ours, but we would check that and . . .

Mr. Anguish: — Why would it not be yours in this particular case?

Mr. Dedman: — I think that probably would be as a supplier of the service to parks. Just from what you've said, it wouldn't be the purchase of golf carts by government.

Mr. Anguish: — So, if it was the purchase of golf carts you would be responsible for it, but because it's a contract with a private individual or company, then the department would be responsible for that?

Mr. Dedman: — Yes. As I understand the question, the golf carts would never be owned by the Government of Saskatchewan.

Mr. Anguish: — Okay. So there's a line there as to what's your responsibility and what's the departmental responsibility.

Mr. Dedman: — Yes. The supply of golf carts is more of a service than a . . .

Mr. Anguish: — Okay. So you can assure us then that anything we want to know about a tender that's been completed, we have access to that information through property management corporation if it's your tender.

Mr. Dedman: — That's true.

Mr. Anguish: — Is this a policy of yours? I would think that a government would be consistent in their policy for tendering. When I wrote to the minister earlier this year — I understand that your minister is . . . Wolfe is the minister now? Who's your minister of . . . (inaudible interjection) . . . Or this year when Mr. Hepworth was still in charge of the department, he writes to me and he says:

In response to your inquiry about the tendering of contracts by Saskatchewan Property Management Corporation, there are no statutory provisions governing this responsibility.

And I guess that's obvious because the access to tendering information with you is much more accessible than it is through, say, the lands branch or through departments like Parks, Culture, and Recreation because we can't get that information. And I suppose it's not a question to you, but I'm surprised that the government doesn't have a standard tendering practice whereby we can get that type of information. We can get it from you, but we cannot get the information we want from other departments and agencies. And I find that a bit of a distressing situation that we can't have that information.

Could you tell in the year under review any amounts you've paid to Dome Advertising, Dome Media Buying Services, D-Mail, WESTBRIDGE Computer. Could you provide me with those amounts, please?

Mr. Dedman: — Yes.

Mr. Anguish: — And the purpose of the . . . or what the payment was made for.

Ms. Raab: — Mr. Chairman, which was the third one?

Mr. Anguish: — Dome Advertising, Dome Media Buying Services, D-Mail, and WESTBRIDGE Computer. Do you have those with you, or will you . . .

Mr. Dedman: — We'll try to just get those for you right now.

Mr. Chairman, I could provide the information that you asked for before the break while we're . . .

Mr. Anguish: — Mr. Chairman, I believe that the witnesses are speaking to you.

Mr. Chairman: — Sorry.

Mr. Dedman: — I was just going to say, while we're looking up this information, I could provide you with the information you requested before the break, on Clive Rodham. We made no payments to Clive Rodham in the year under review. We made a payment to the Building Design Partnership of \$290,689, and we made a payment to Building Design II Ltd. of \$9,040.

Mr. Chairman: — Could you tell me what the \$290,000 payment to Building Design Partnership was for?

Mr. Dedman: — It would be for architectural services. you'd like us to provide the specifics, we could . . .

Mr. Chairman: — I'd like to get that. And also the payment of \$9,040 to the BD II, what the specifics of that . . . what that was for.

Mr. Dedman: — The other company you asked for, Chairman, was Sun Electric. Payment to them was \$15,152.

Mr. Chairman: — \$15,000 . . .

Mr. Dedman: — . . . 152 dollars.

Mr. Chairman: — Can I have the details of that payment as well?

Ms. Raab: — To Dome Media we paid \$114,541, and that was really to buy and place the advertising, construction tenders, our sales and salvage tenders, disposal of properties, and that type of advertising. The Dome Advertising was 100,869. That was the cost of the partnership Saskatchewan program, diversification advertising program, and free trade conference, and ad costs.

The payments to WESTBRIDGE in that year were \$69,232, and that was basically our line charges that had run on the mainframe systems that were part of the former SaskCOMP. Our CVA (central vehicle agency) fleet system, our payroll system runs through the line, and those types of charges, operating costs of our systems used by them.

Just checking D-Mail, we appear to have made no payments to them. We don't appear to have any payments on this . . . spelling the name wrong or . . .

Mr. Anguish: — You don't have a record of any payments to what?

Ms. Raab: — D-Mail.

Mr. Anguish: — It's just D-M-a-i-l. Will you check the name Dave Tkachuk then, please.

Ms. Raab: — Could I have the spelling.

Mr. Chairman: — How soon they forget.

Mr. Anguish: — I think it's T-k-a-c-h-u-k. That's very close. You shouldn't have too many Tk's in the record of payments.

Ms. Raab: — We have none.

Mr. Anguish: — I'm sorry, T-k-a- c-h. Neither one of those?

A Member: — No.

Mr. Anguish: — Okay, well maybe D-Mail didn't exist during the year under review. How about Dome Advertising, Dome Media Buying Services?

Ms. Raab: — I just gave you those.

Mr. Anguish: — I'm sorry, I wasn't listening; I thought you were responding to him. Could I have those amounts please?

Ms. Raab: — Dome Media Buying was 114,541; Dome Advertising, 100,869.

Mr. Anguish: — Did you give the amount for

WESTBRIDGE as well?

Ms. Raab: — 69,232.

Mr. Anguish: — What was the purpose of the payments to Dome Advertising and Dome Media Buying Services?

A Member: — Read the verbatim tomorrow. It's all in there . . . (inaudible) . . .

Mr. Anguish: — I'm sorry, don't repeat that then if you've already said it. I was reading something else. I thought you were answering Mr. Van Mulligen's questions. If I would've known you're answering the questions I asked, I would've honestly listened to you.

Can you tell me if the security service of property management corporation had access to CPIC (Canadian Police Information Centre) files in the year under review?

Mr. Dedman: — I believe that to be the case, Mr. Chairman, but we will confirm that.

Mr. Anguish: — The information that you can access from CPIC is categorized under five different information types and two different information purposes. And I'm wondering if you can tell me what information types that the property management corporation had access to and whether or not it was for both the information purposes?

Mr. Dedman: — We'll provide that information, Mr. Chairman.

Mr. Anguish: — Do the security service do any criminal investigations within property management corporation?

Mr. Dedman: — I don't think so, no.

Mr. Anguish: — Well just for example, I know it's not in the year under review, why was the break-in to the Premier's office in Prince Albert taken away from the Prince Albert city police and turned over to the security service of property management?

I would think that initially this must have been viewed as a criminal activity, if there's a break and entry. And if the property management corporation's security service do not do criminal investigations, why was the investigation of the break-in of the Premier's office turned over to them? I don't understand that.

Mr. Dedman: — In terms of things that happened within the sites that we control, the security service would be involved in the initial investigation of anything that occurs. I don't think we're in any position to take anything away from a police service.

Mr. Anguish: — Well this case in Prince Albert, I would have thought that if security service looked into it initially, that when Gord Dobrowolsky reported it, he would have reported to the security service, but he in fact reported it to the city police in Prince Albert after he discovered the filing cabinet in the Central Avenue office had been broken into. And he later requested the complaint be dropped and it be handed over to the security division of the Saskatchewan Property Management Corporation.

I was wondering why that would happen. It would seem to the uninformed observer just following the news information, the media information that came out, is that in fact the criminal investigation was turned over to the security division of property management.

Mr. Dedman: — I think we would respond to requests from our tenants to look at security problems they have, but I don't think we would have any involvement in saying that this is not a police matter.

Mr. Anguish: — Well I'm just wondering why it was taken away from city police and turned over to property management.

Mr. Dedman: — I don't think we would have any knowledge of that.

Mr. Anguish: — Well tell me then, does the security division of property management corporation do surveillance on individuals?

Mr. Dedman: — If there is a security concern, then they may be involved in looking out for an employee or a property of government. So they may do some security surveillance in that regard.

Mr. Anguish: — Security surveillance for an employee of the government? Who do they conduct the surveillance on? A suspect individual who is removed from government but is a threat to government or a government employee, is that the type of surveillance that the security division of property management conducts?

Mr. Dedman: — I think if there is a threat to an employee, our security service would be involved in assessing that threat and making sure that the appropriate police forces were advised that there was a concern in that regard.

Mr. Anguish: — Is there a mandate somewhere, is there a mandate written down as to what the role of the security service of property management is?

Mr. Dedman: — I think we just have our internal objectives and policies that fit into the overall planning strategy of SPMC.

Mr. Anguish: — Is there anyone within the security division of SPMC that has authority to carry firearms?

Mr. Dedman: — No.

Mr. Anguish: — Does the security division have surveillance equipment?

Mr. Dedman: — I think we can provide a list specifically. I don't know what your definition of surveillance equipment is, but we have security equipment, the normal kind of . . . and I think we provided a list in Committee of Finance last year and we can provide a list again of the equipment that we have.

Mr. Anguish: — Of the surveillance equipment in property management?

Mr. Dedman: — Yes. All of the security equipment that we would have.

Mr. Anguish: — Can the security division request wire-taps be done?

Mr. Dedman: — I don't believe that's within our capability. I think under Canadian law that only police services can request wire-taps.

Mr. Anguish: — Well let me put it another way. Has the security division of property management corporation ever requested a wire-tap of city police or RCMP who in turn would ask SaskTel to do the wire-tap?

Mr. Dedman: — I don't believe that's the case but we can ask that specifically.

Mr. Anguish: — You don't believe that's the case.

Mr. Dedman: — Yes. I don't believe it's the case.

Mr. Anguish: — Does the security division have parabolic mikes and that type of surveillance equipment?

Mr. Dedman: — I don't believe we do.

Mr. Anguish: — Do you have a list of surveillance equipment here?

Mr. Dedman: — We will check if we have it; we don't think it's here. But we will provide that list.

Mr. Anguish: — I've got here with me, Mr. Dedman, a copy of something called a security branch occurrence report that was done on an individual. And from what I would get from this security branch occurrence report is that they had an individual under surveillance that they thought may be a threat to one of the cabinet ministers. What would happen with a report like this? What can you . . . can you describe to me why such a report would be done and who would have access to such a report?

Mr. Dedman: — These would be internal documents that we would prepare on any concern that would be raised with us. So if it's a theft, if it's any kind of harassment of employees both internally or externally, if someone raises a concern about their personal security, then we would prepare that report, having talked to the people that have the concern.

Mr. Anguish: — Well you must talk extensively with the RCMP and also any city police that would be in a particular area. In this case it appears to me that there was extensive consultation with the RCMP.

Mr. Dedman: — If we have a concern about somebody's safety, then we would certainly raise that with the other police forces.

Mr. Anguish: — But why does the RCMP not do this type of surveillance and investigation? Why is property management involved in surveillance of this type of activity? I maintain that it should not be part of your mandate to conduct security investigations of this nature.

If there is a threat, if there is criminal activity, if there's criminality, I believe that the way in the past in Canada has always been, and especially in Saskatchewan, has been to turn it over to the RCMP or a city police jurisdiction if they would be the appropriate ones to do that.

And I just wonder why this is in your mandate to have your employees and property management involved in surveillance activities of this nature.

Mr. Dedman: — I think this is in the nature of a corporate security concern. Obviously it becomes our interface with the police forces and we would probably have some . . . in SPMC we have some resources that we can use. The police forces typically are only interested in getting involved when there is a crime committed.

Mr. Anguish: — I'm not sure I'd agree with your comment. I would think that if there is a threat made on a minister of the Crown that the RCMP would become very involved in it. And you're telling me that's not the case?

Mr. Dedman: — Well I think it's . . . there's some level of degree in this.

Mr. Anguish: — Well what is the degree that you see . . . you're suspect in your security division because it's so much a matter of how you view it. There are no guide-lines that we have access to. If there's guide-lines we'd like to see them, as to what the security service can do and what they can't do.

And there's an issue of, one, of individual or collective rights of individuals within the province of Saskatchewan. And you have people that have a lot of expertise. You have some very good people that I don't know personally, but I know others that know personally people you have working in the security division of property management. And so I mean no criticism to you or to the employees in the security division of property management.

But this, sir, is open to all kinds of abuse through various administrations. The RCMP at least have some kind of monitoring systems. I know of no monitoring system that you have for the security division of the property management corporation. It's non-existent. Even with CSIS (Canadian Security Intelligence Service), when those powers were taken away from the RCMP, there's at least a parliamentary committee that's sworn to some secrecy, confidentiality. There's an all-party committee made up to oversee the activities of CSIS.

Here, with your security division, you are in fact doing surveillance. I'm not completely satisfied that you're not looking at criminality in criminal activities, yet there's no accountability back to our system for the security division of property management corporation.

So maybe you could tell me a little bit about how the people, the well-trained and very good people you have in the security division, are held accountable by some kind of a process that's broader than just your internal controls within the property management corporation.

Mr. Dedman: — I think the role that we have is that we don't have any . . . or with the role we have we don't have any powers that police have. And our role is to sort of interface the security requirements of the Government of Saskatchewan with the police forces.

So our role involves a number of things. We're involved in crime prevention training and awareness because we have an interest in the security of the assets of government, but also the employees of government as well, and we have a role in trying to look after that. We do have VIP security as well, where we have a role.

Mr. Anguish: — VIP security?

Mr. Dedman: — Members of the legislature, cabinet ministers.

Mr. Anguish: — Dignitaries who come to town. How do you provide that security? Suppose George Bush wants to come to town for some reason. Do you have a role to play in that as well?

Mr. Dedman: — Our role in that would be to review the plans for a visit and to make sure that all the police forces and whatever were aware of how that was . . . of what the plans for that visit were, and that appropriate requirements that police forces might have of the government are properly carried out.

Mr. Anguish: — So you have a co-ordinating role to play in that type of a situation?

Mr. Dedman: — Yes.

Mr. Anguish: — Well what about someone who's less important, the role you have to play? Just going back to this security branch occurrence report, it says in here John advises that he received information about an individual is a potential threat to Bob Andrew, the Justice minister, a potential threat. So anyone . . . whose view is it that this individual was a potential threat? If someone . . . if I come to you and say that some individual has made a potential threat against me, would you then have the security division of property management corporation surveillance conduct surveillance and investigate this individual who's made the threat on me, so you can determine if this potential threat has any validity to it?

And then what do you do? Do you go to the RCMP and say that this individual has made a threat on Doug Anguish, you should arrest him, or you should continue on further investigations that are beyond our mandate? How do you fit into that?

Mr. Dedman: — I think the first step if you contacted us would be to talk to you about the reason for your concern and to find as much information as we can from you and to counsel you on what might be good measures for you to take, given what may be happening to you or what the nature of the threat may be, and then for us to inform the police forces of the concern.

If you happen to know the person making the threat, that's obviously much simpler. But I think it's more common when someone — and these can be employees of the

government as well — have someone that is harassing them or threatening them and they don't know who it is, whether it's something that's coming through the mail to them or over the telephone.

Mr. Anguish: — Yes, I understand that.

Mr. Dedman: — And how do you respond to that because you don't know who the person is at the moment.

Mr. Anguish: — I want to use another example because I really want to understand better what happens with your security division, because I still think it's open to all kinds of suspect and I think there should be some kind of monitoring that's more adequate than the monitoring you can do internally. Because I think there's a very real danger of provincial governments getting involved in surveillance or these types of activities. What about our constituency offices . . . (inaudible) . . .

Mr. Chairman: — Can I just . . . I assume that we're doing this in the context of whether it's an appropriate expenditure of money.

Mr. Anguish: — Well, of course. Why else would we be doing it, Mr. Chairman?

Mr. Chairman: — Good. I just wanted to make sure on that.

Mr. Anguish: — Oh, yes, absolutely. No question in my mind that's why we're doing this.

What about our constituency offices? In my particular case, we share a constituency office with a member of parliament. We have two young women in there who are alone in the office for periods of time. And we deal with a wide range of people who have contact with the constituency office. And I know that on occasion my staff in the constituency office have mentioned they're concerned about the security because anyone off the street can walk in there and they don't know who it is; in some cases they may be transient people from other places in Canada.

If they had a situation where they were concerned for their safety by someone in the constituency office, do you provide information to them on who they're dealing with? For example, if John Doe comes to the constituency office and they view it as a potential threat to them as two young people in the office doing their job, that if they got a hold of someone in the security division of property management, you'd run that name through the CPIC file and determine whether or not there was any basis for that person being a potential threat to them?

Mr. Dedman: — Well, I don't think we look on ourselves as the space provider for your constituency.

Mr. Anguish: — They are employees, sir, of the government.

Mr. Dedman: — Well, we haven't . . . I don't think we've dealt with that.

Mr. Anguish: — Well I'm asking you how you would deal with it. I mean do they get the same service out of the Saskatchewan Property Management Corporation security service? Do they get the same service as you provide to Bob Andrew in this case where you conducted an investigation on an individual who you viewed as a potential threat to him?

Mr. Dedman: — I don't think we have any experience in constituency offices but certainly for employees of the government, and if they are employees of the government, then we would provide them with the same . . .

Mr. Anguish: — What I'm asking you is: if there was someone that she viewed as a potential threat to her in the office, and if they got a hold of you or the head person — I believe Mr. Steinwand in the security division, if he's still in that capacity — would you run that name through CPIC to determine whether or not there was evidence in the background of that person, any evidence of violence or criminality, to determine whether or not that person would be a potential threat to an employee of the government, in this case an employee who works in constituency office removed from Regina?

Mr. Dedman: — In our experience, we do that for employees of the government that are threatened. And in the same process, we talk to the employees and attempt to identify the concerns and see what an appropriate action would be, given the issues that are raised.

Mr. Anguish: — Threatened or potentially threatened?

Mr. Dedman: — I think potentially threatened. If the person feels some insecurity because of something that's happened, then we try and deal with that.

Mr. Anguish: — Does security division also follow people to gather information? Do you have employees that actually follow people around to determine their movements and their whereabouts?

Mr. Dedman: — Mr. Chairman, in response to the question, I don't think we just are in the practice of following people around. But in the course of a specific concern that is raised, we may want to watch what happens in a particular office or whatever and we may want to be, you know, try to be aware of what's happening in a particular situation.

Mr. Anguish: — I have here a copy of what's called a daily activity report which is done by one of your employees, where there was obviously a person who was viewed as some potential threat to the government or an employee of the government; must have been followed because the mileage out was one amount and the mileage back in, there's a total of — I would assume being kilometres, but it doesn't say that, it says mile-in, mile-out — that this person was followed for some 67 miles and/or . . . 67 miles or kilometres. Nevertheless, a significant amount of difference, where this person must have been watched very closely; otherwise I don't know why the mileage would be on the report concerning a certain individual.

And I just go back again as to why, if this was that serious, why the person wouldn't have been immediately turned over to the RCMP or the city police to follow them around and gather this type of information.

Mr. Dedman: — I guess I can't speak to the specific event, but I can speculate that if someone who feels threatened is in a particular area and is threatened by a particular individual, then obviously if you know where the individual is, that can provide some reassurance. But again, I only speculate.

Mr. Anguish: — I suppose in conclusion — we normally wrap up at this time — I just have a couple of questions on another topic, five or maybe 10 minutes.

Mr. Hopfner: — Okay, are you going to finish then?

Mr. Anguish: — As far as I am concerned, I just want to say in conclusion regarding the security division, I don't know if there have been any abuses of the type of activities that people you have there are capable of carrying out, but I maintain to you, sir, that now and in the future and future administrations, that it seems to me the type of system you have set up in the security division of the property management corporation is open to all kinds of abuse of individual human rights and is also open to abuse of gathering of political information on individuals who are resident in the province of Saskatchewan.

And I am not making any allegations that that happens. But I just think that there is so little attention paid to the monitoring of your security division of property management corporation, that it makes me fearful of how that power has the potential of being abused. And I would like to see at some point in the future at least some kind of a monitoring committee that's removed from property management corporation to monitor the activities. They could be sworn to secrecy if you want, but to monitor the activities of the security division of property management corporation.

I guess the final thing that I want to deal with just briefly is the Coopers & Lybrand study that was commissioned by Crown investments corporation, and I'm wondering what your involvement is or what benefit you received as property management corporation from the Coopers & Lybrand study that was commissioned by CIC.

Mr. Dedman: — The people involved in the Coopers & Lybrand study looked at some parts of our operation, discussed them with our people, and I believe the final report contains some specifics relating to SPMC. But we don't have anything by way of report to give you.

Mr. Anguish: — Have you read the report?

Mr. Dedman: — I haven't read it personally.

Mr. Anguish: — Has anyone on your staff read the report? Are you aware that this report cost \$2.7 million and we can't find anybody who has read it? When we questioned Crown investment corporation about it, the president, the CEO (chief executive officer) of Crown investments hadn't read it. A significant amount of the \$2.7 million report applied to property management corporation. I

assume things like office security, confidentiality, electronic sweeping, those types of things, high security filing cabinets, media relations, typewriter printer ribbon destruction, document inventory and logs, back-up of off-sight storage of micron disks, these types of things would have some application to property management corporation, in fact a significant amount. And I'm wondering if anyone on your staff reviewed the \$2.7 million study or at least the part of it that applied to you.

Ms. Raab: — Those particular items listed, to my knowledge we were not involved in those. They had looked at a few programs, I believe, relating to mail and a couple other specific programs that there were some consultations going on.

Mr. Anguish: — Does CIC (Crown investments corporation) bill you for your section of the study?

Ms. Raab: — I don't believe so; I'll double-check.

Mr. Anguish: — I suppose while you're checking that, I'd ask a question of Mr. Dedman. One of the reasons that was given for setting up property management corporation was so that government departments and agencies appreciated the true value of the services that were being provided to them formerly by the department of supply and service. And now I'm wondering whether you wouldn't think it prudent to pay Crown investments corporation for your share of the study that cost them \$2.7 million, and nobody looked at it. We can't find anybody that's read it.

Do you intend, if you have not already, do you intend on paying something to Crown investments corporation so that you know the true value and appreciate the true value of the study being done for 2.7 million? You see, sir, it was pointed out by the Provincial Auditor's branch that only 5 per cent of this \$2.7 million study was to do with Crown investments corporation business. The rest of it was outside for other departments and agencies. And I'm wondering if you intend on paying your share of the \$2.7 million.

Mr. Dedman: — It's our belief we were never asked to pay a portion of that.

Mr. Anguish: — Well the gist of the philosophy of your Crown corporation is to have departments appreciate what it is that they're paying for and to be prudent. And if \$2.7 million was done, I would think that you would want to, just to set an example for the departments and agencies you charge, you'd want to set the example by paying for your share of the study. And I guess my question to you is, do you know what percentage of the Coopers & Lybrand study would be applicable to the property management corporation?

Mr. Dedman: — No, I don't.

Mr. Anguish: — I'd ask the auditor if the auditor knows what portion of the Coopers & Lybrand study would be applicable to Saskatchewan Property Management.

Mr. Wendel: — Mr. Chairman, Mr. Anguish, we don't have that information.

Mr. Anguish: — I have no further questions. Thank you.

Mr. Dedman: — Mr. Chairman, can I provide some additional information that related to a question that Mr. Rolfes asked? He asked us about the amount we paid to Denro and I provided him with the information, which was \$80,767. But he also asked with respect to the space in Sask Place, who were the tenants. And the piece I should add to that is that with regard to Sask Place as opposed to Denro, we paid \$1.338 million to Sask Housing for space in Sask Place. So to make . . .

Mr. Anguish: — Were you subletting anything from Sask Housing? Sask Housing had the contract and you in turn paid Sask Housing for space in Sask Place.

Mr. Dedman: — Yes. So just to make it clear that the total cost of the tenants that we listed in Sask Place was the amount paid to Denro and the amount paid to Sask Housing Corporation.

Mr. Anguish: — So the total amount you had paid would have been 1.338 million and \$80,767 — add those two together.

Mr. Dedman: — Yes.

Mr. Chairman: — I have some motions here. Thank you very much . . . (inaudible interjection) . . . Oh, I'm sorry, Mr. Baker.

Mr. Baker: — Earlier, Mr. Anguish was questioning about the Cutts situation.

Mr. Anguish: — The what?

Mr. Baker: — The Cutts versus Cutts on the corporation. If you go back into *Hansard*, and my recollection is that this was brought up in estimates at the time in the year under review. And my recollection is that it was a portion of a contract that was paid out in the year under review. And somehow cupid struck with a mighty blow some time in between the time that the contract was issued and the final distribution of the funds took place, if my recall is right on it. And it went on for a period of an hour or so in the House and I remember the final analysis in my mind was that it was the tail-end of a contract that was being paid out before cupid got too involved.

Mr. Anguish: — Must have been a heck of a contract then.

Mr. Baker: — Could have been. That's the only comment I wanted to make then. I could be mistaken but I think that was the . . . (inaudible) . . .

Mr. Chairman: — Thanks, Mr. Baker. Thank you, Mr. Dedman. I have a motion here by Mr. Hopfner:

That the hearing of the Department of Supply and Services be concluded subject to recall, if necessary, for further questions.

Is the committee ready for the question? Is it the pleasure of the committee to adopt the motion?

Agreed

Mr. Chairman: — I have a motion by Mr. Hopfner:

That the hearing of the Saskatchewan Property Management Corporation be concluded subject to recall, if necessary, for further questions.

Are you ready for the question? Is it the pleasure of the committee to adopt the motion?

Agreed

Mr. Chairman: — I have a third motion by Mr. Hopfner. He's a very busy person. And it states:

That the public accounts meeting of Thursday, May 10 be cancelled in order to accommodate a sitting of the Special Committee on Regulations.

Is the committee ready for the question? Is it the pleasure of the committee to adopt the motion?

Agreed

Mr. Chairman: — The next meeting, May 8, I propose that we complete any outstanding items that there might be for the '87-88 year, and more particularly, any items in chapter 2 of the auditor's report. Also we will table an information we have with respect to the committee's report to the Legislative Assembly for the year '87-88 at that time. Oh, and Mr. Hopfner and I will be meeting further on that.

Any suggestions you may have or committee members may have for an agenda for consideration of the '88-89 fiscal year, I've asked the auditor to give me a list of those departments where he feels that some resolution has been made and we may not want to consider it, and we'll put some suggestions forward for an agenda.

Mr. Hopfner: — Could I get a copy of that list as well, Mr. Chairman?

Mr. Chairman: — Yes. And finally any items that I might be able to dig up that relate to the committee's involvement in the Canadian Council of Public Accounts Committees, who are anxious to obtain from us some reaction to a report they circulated a while back, copies of which I believe were circulated to the members, but if there's any further information on that I will also bring that to the committee here on May 8.

Thank you. Have a good day.

The committee adjourned at 10:40 a.m.