

**Mr. Chairman:** — Five or six matters on the agenda for this morning. We've had material distributed with respect to three of those, one being the draft report. And I might say that the draft report excludes at this point, a report on the Department of Economic Development, which was discussed on June 19 and yesterday. But the report will likely encapsulate the findings as to where the department stood vis-a-vis the concerns raised by the auditor in his report. I think there are three main issues and we had a good discussion on those on June 19.

There's also a statement by myself and a letter from Mr. Cosman, the Law Clerk, dealing with the matter of supplemental information. Finally, there's a report on the Canadian Council of Public Accounts Committee, and there are a few other items that if we have time, I wouldn't mind getting into a discussion of those. We may want to flag them for some future discussion.

One is the question of consistent fiscal years as a means of encouraging understanding of the government's accounts. Next, Mr. Anguish raised the question of the Provincial Auditor's responsibilities vis-a-vis STC (Saskatchewan Transportation Company) in a special report. Finally, yesterday the question of the accountability of SIAST (Saskatchewan Institute of Applied Science and Technology) and the relationship with the Department of Education and more importantly, the relationship with the Public Accounts Committee and the legislature.

Perhaps we might begin by dealing with the item of supplementary information. You will have had distributed to you a copy of the letter from Mr. Cosman and my statement. There's a chairman's statement dated November 30, and there's a letter to me from Mr. Cosman dated November 29.

**Mr. Hopfner:** — Okay, which one do you want to go through first? The letter?

**Mr. Chairman:** — Have you had the opportunity to look at the letter and the statement? Do you want to take the statement as read? We'll take a moment to perhaps peruse those and then take it as read.

Alternatively you may prefer to listen to my stentorian tones.

**Mr. Anguish:** — No, I'd rather not. I'd rather do the business of the committee, Mr. Chairman, if you don't mind.

**Mr. Lyons:** — Absolutely no reflection on your tone, absolutely none. Cadence maybe, temp certainly, but not tone.

**Mr. Chairman:** — The letter and the statement both.

**Mr. Lyons:** — Okay.

**Mr. Hopfner:** — Can you explain to me why this letter was written?

**Mr. Chairman:** — During a discussion of the Department

of Finance we discussed the matter of supplementary information as outlined in paragraphs 13.31, .32, .33 in the auditor's report.

**Mr. Hopfner:** — In '88?

**Mr. Chairman:** — '89.

**Mr. Hopfner:** — '89. In thirteen-what?

**Mr. Chairman:** — 13.31; .32 . . .

**Mr. Hopfner:** — What page are you on?

**Mr. Chairman:** — On page 47.

**Mr. Hopfner:** — In 13 . . .

**Mr. Chairman:** — .31.

**Mr. Hopfner:** — .31, okay.

**Mr. Chairman:** — There was a discussion on this. The question was raised, why this information was not now being provided in the *Public Accounts* inasmuch as there was a recommendation from this committee to the legislature, which is approved by the legislature, but subsequently treasury board decided to not publish this information. The question was raised therefore: does treasury board have the right to do that? And Mr. Cosman's letter deals with that.

Then Mr. Rolfes raised a question of whether we should be reaffirming the committee's previous recommendation to the Legislative Assembly, and my statement makes it clear that it certainly would be appropriate to do that.

Can we take the statement as read?

**Mr. Hopfner:** — So let's deal with the letter. You want to give me now the . . . because of the way you went with your willy-nilly and opposed and all this kind of stuff, do you want to give me a kind of a layman description of what all this means. I don't pretend that I'm a lawyer like others.

**Mr. Rolfes:** — Second last paragraph tells you exactly.

**Mr. Hopfner:** — Okay. But would you like to explain?

**Mr. Cosman:** — Okay. I was basically establishing a framework for what we would recognize as law, what we recognize as the way we govern conduct in our society, the way people adhere to it. I had to set that basic framework in order to show that an Act of the legislature is on a higher plane, if you will, than a resolution of the legislature. A resolution doesn't go through the same enacting formula as a law does.

Laws are enforced by the courts and through our judicial system, and they have greater weight in society than a resolution of the House would have. The House could pass a resolution expressing an opinion, for example, that something ought to be done, but that is not a law. A law is

an Act of the legislature which has passed three readings and been given Royal Assent. So from a purely technical legal point of view, a law would have precedence over a resolution of the House.

**Mr. Hopfner:** — Okay. What does the law say in that regard?

**Mr. Cosman:** — The Financial Administration Act, part III of The Financial Administration Act, dealing with treasury board and the powers of treasury board and the duties of treasury board, in section 13 states, powers of treasury board,

The board may:

(a) make orders and issue directives with respect to any matters set out in section 12;

(b) prescribe the form and content of the *Public Accounts* and the estimates of revenue and expenditure that are presented to the Legislative Assembly;

And it goes on:

(c) prescribe the form and manner of financial records and accounting systems of the Government of Saskatchewan; (and so on).

So clearly, in my mind, the Legislative Assembly in its totality has enacted a law that delegates to treasury board the discretionary authority the board may prescribe the form and content of the *Public Accounts*.

So this body has given something by law and now there's a resolution as well, an earlier resolution, which is a bit to the contrary. So it's a matter of trying to reconcile which one would prevail.

**Mr. Hopfner:** — What was the earlier resolution?

**Mr. Cosman:** — I don't have a copy of it but I understand the earlier resolution was to detail more items in the supplementary accounts.

**Mr. Chairman:** — The early resolution is stated in 13.31.

**Mr. Hopfner:** — This is the actual one here?

**Mr. Chairman:** — I wonder at this time whether the committee could take my statement as read.

**Mr. Rolfes:** — Mr. Chairman, I just want to ask Mr. Cosman a question. A resolution does not, cannot bind the Executive Council, can it? A resolution of the Legislative Assembly cannot bind the Executive Council. The Executive Council's mandate comes from an Act of the legislature, not by resolutions. Is that correct?

**Mr. Cosman:** — If indeed there were specific powers given by an Act, the resolution would only be sort of morally suasive, if you will.

**Mr. Rolfes:** — When was that Act enacted?

**Mr. Cosman:** — Financial administration?

**Mr. Rolfes:** — Yes

**Mr. Cosman:** — 1983.

**Mr. Lyons:** — Mr. Chairman, where do we go with this? It's nice to have a statement, but are we planning to use this as a big stick to beat treasury board and putting a supplemental volume into *Public Accounts* next year, or what?

**Mr. Kraus:** — Mr. Chairman, as you know, that paper entitled *A New Agenda For Public Accountability*, as you quote in your letter here and has been quoted earlier, did indicate that the government is going to be asking the Public Accounts Committee to look at this kind of thing.

And I'll tell you quite frankly where it stemmed from in part is that there's been a concern on my part that some of the detail in this volume 3 is getting out of hand. And yet quite frankly, to come forward and suggest that perhaps certain dollar limits be increased just perhaps is not a full enough way of dealing with the issue.

So it was thought that it might be better to not only raise that issue, but perhaps say there may be other types of information in this book that are not totally satisfactory, that perhaps some of the . . . Just to go on a bit, the object codes, as we call them, the groupings of them by professional technical services, salaries, postage, and so on, you may even find those kinds of things are not totally to your liking. This committee and the legislature are the people that use this information and perhaps have some feelings as to the kinds of information they would like.

And I had intended to send some of my preliminary thoughts on the things I talked about first on salaries and supplier payments and so on, to the auditor — and we've talked about this already — have them give their opinion on it, perhaps present that to the committee in the spring or whenever, and then I suppose it would go from there.

As I've said earlier, the way this material is presented across Canada, it varies. Some jurisdictions are getting the information you're asking for; on the other hand, in the same jurisdiction they will not have the suppliers listed by department. And I can tell you, in looking at the *Public Accounts*, it would be darned difficult to ask Health why they paid \$25,000 to a particular supplier. It's not as easy to find that information in a sense as it is the way we're presenting it. So there's pros and cons to the way the material is presented, and the various ways in which it can be presented.

And I guess this initiative was intended to give the committee a chance to give some thought to that and what they might want to do in the future.

**Mr. Baker:** — Mr. Chairman, if in fact we were to move to the lower numbers, what would it do to the book in . . .

**Mr. Kraus:** — Like say even with salaries up to 30,000 we'd like to see that . . .

**Mr. Baker:** — No, no, if you were moving it the other

direction and had it wide open.

**Mr. Kraus:** — Oh, oh well, it just . . . I don't know how much thicker it would make it, but obviously it would get a lot thicker. That's our concern. I was able to introduce the notion in about 1981 or '82 — it was '81, I believe — that these limits should be increased, and it was with great difficulty that it was accepted. But at that time we were striving to at least get secretaries and clerical people removed from this book. Now as you know, salaries have gone up a lot in the last nine years so there are a lot of junior people's salaries who are reported in here. And the committee may wish to see that type of information, but . . .

**Mr. Baker:** — Well if we could reach a level where everybody was satisfied and then tie it to the inflation rate, that would in all probability solve the problem in the future. But I would think that to establish that figure would be probably the difficult criteria.

**Mr. Kraus:** — For example, in Ontario, I believe, they have the Freedom of Information Act. I don't know absolutely for sure that this is true, but I believe in part that has created a situation where they felt they should take all the salaries out of the *Public Accounts*. They may aggregate them and say that the Department of Finance officials receive \$25 million in salaries, but I don't think they list them anymore. Something to do with the charter of rights or something. And that's just something else you might want to keep in mind.

**Mr. Chairman:** — I think from the viewpoint of the Public Accounts Committee, it's probably far more interesting to have a sense of . . . or a listing of all services and programs and goods that are provided that are untendered as opposed to items that are tendered, and a list of all contractual arrangements that are entered into.

But anyway, getting back to this statement, can we take this statement as read? And reason I make the statement is Mr. Rolfes raised the question, would it be appropriate to reaffirm the committee's recommendations concerning supplementary information of 1975. Can we take the statement as read?

Agreed

**Mr. Chairman:** — Take the statement as read. Basically what it's saying that yes, it's appropriate to reaffirm that. And whether the committee wants to reaffirm that today, whether the committee wants to wait until next spring to examine all of these questions as to what kinds of information should be provided in the *Public Accounts* and how that information should be laid out, I can't help you with that. I just . . . you know, Mr. Kraus makes some good points.

**A Member:** — No he doesn't.

**Mr. Chairman:** — Well he does.

**A Member:** — I don't think so.

**Mr. Chairman:** — Well then what direction would you give the committee?

**Mr. Anguish:** — Well what direction do you want? Where is this discussion going? Are we talking about needing a supplementary book again? Are we talking about completely revamping the *Public Accounts*? I really don't understand where this conversation is going.

**Mr. Chairman:** — The question was raised as to whether or not we should be providing this supplementary information again. The question was raised, would it be appropriate to reaffirm the recommendation that we made in 1975, and the question was raised whether or not the resolution in 1975 had ascendancy over anything the government might have done.

**Mr. Lyons:** — I understand that.

**Mr. Chairman:** — We've provided those answers. Where the committee wants to go at this point is entirely up to the committee.

**Mr. Swan:** — I appreciate the explanation that you've provided to us. I think that we're at a kind of a crossroads where we're seeing the Premier and the Minister of Finance make an announcement that we're going to have a freedom of information Act coming forward, and that the Public Accounts Committee is going to be asked to make recommendations of how they would like the *Public Accounts* information changed.

I wonder if our committee might be well served if we leave things as is at this point, and then when we see the new Act and what it is going to provide, then make a decision as a committee. If we do need more information, we would ask for it, but I think to make that move at this time with those changes coming down the pipe, that we might be rushing it a bit. I'd prefer that we wouldn't.

**Mr. Rolfes:** — Yes, Mr. Chairman, I agree with Mr. Swan on this one because this is the . . . probably, well not probably, this will be the last time that this committee as such will be examining the books. We could be sitting in the spring but that's it. There is no other chance for this committee to sit again because an election must be called by next fall, so we have no chance of sitting again.

And I think there will be new people here. We can certainly make some recommendations. And if the government is serious about bringing forward the freedom of information — and I don't say this in any cynical sense, but governments have said that in this province for a long time and we still haven't seen anything. This must be the fourth or fifth time it's been announced.

**A Member:** — This time it's Devine's government.

**Mr. Rolfes:** — No, I'm not being cynical; we announced it too. So I'm not being cynical. All I'm saying is that I don't . . . I'll believe it when I see it.

But if there is freedom of information, I think it does change the Public Accounts Committee as to what information possibly may be in the *Public Accounts*. I mean if there was a freedom of information where one could access the information . . . (inaudible interjection) . . . Whether it's in the *Public Accounts* doesn't make any

difference; you have access to it. It would certainly change my views on things. I'd have a lot more information maybe than I presently have in *Public Accounts*, and I could bring that to public accounts.

So I think there's got to be a whole review of it, but I'm not certain that we can specifically say now and recommend that yes, we do this and that and something else. It may be a waste of time. I'd like to reconfirm supplementary estimates. I think those, regardless of whether we have freedom of information, supplementary estimates I think were a very useful function, served a useful function, and I'd like to see them again. But otherwise I agree with Mr. Swan on this.

**Mr. Hopfner:** — I tend to agree with Mr. Rolfes not too often in a lot of cases, but on this as the freedom of information . . .

**Mr. Rolfes:** — Mr. Chairman, could I reconsider my words?

**Mr. Hopfner:** — And considering the fact that there should be more and more freedom of information and access for the public into the running of government these days is what I believe a necessity. But I don't think we should get too hyped on the fact that we have to do something rationally. I think we should take our time to actually . . . As Mr. Rolfes had indicated, there may be a lot of new faces in this committee.

But I think we should start, and I think there's a great chance of being able to, from this day, sit down and both sides of the committee should make references to what they might like to see. I think this administration, this government is committed to continued opening of . . . being open as far as freedom of information is concerned. It's definitely had that practice ever since 1982 and I think that commitment will be ongoing.

And I don't think we should be concerned, because from what I've heard from members opposite, I don't believe I should have to be concerned, as a member on this side of the committee. Say that if an election is called and say that through some miraculous event that they may happen to form the next government here in the province, that I'm sure that they would tend to want to continue on on that focus as well. Because if nothing else, it would be just a complete switch around and we would be saying, well you are now not giving the public and the people of Saskatchewan access to information, I mean.

So I think the argument is two-fold, and I think we all agree that something has to be done, and let's do it so that when we do something that it's going to be meaningful to any newcomers to this committee.

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

**Mr. Anguish:** — Well if by some miraculous means this side does form the government, I think that I would try — I don't speak for my party or my colleagues — but I would try and give Mr. Hopfner and his colleagues the same access to information as they have given us for the past four years.

**Mr. Rolfes:** — That means they wouldn't get very much.

**Mr. Hopfner:** — Oh, come on now.

**Mr. Anguish:** — I disagree with condensing and taking more information out of those documents, Mr. Chairman. I don't know the problems that it causes for Mr. Kraus when the book gets thicker, but I mean make two books if you have to make two books.

The total expenditure of government in the year under review was \$4.019 billion, okay. Do you want to compare it to the property management corporation? More revenue than that every year flows through the Saskatchewan Property Management Corporation. And because we don't have a guide to follow, it's difficult to determine. It would take months and months literally of questioning of Saskatchewan Property Management Corporation to glean out information that you would want out of that particular agency because of the large volume of cash, I suppose you might say, that they handle during the course of the year. And without those documents for members of the legislature, it would make it an overwhelming task for us unless we had staff that were assigned to gleaning out all this information.

I mean it would take a full-time researcher to tell us what we need to do because we all have more of a role than to sit and work on the Public Accounts Committee. I mean we have our constituencies. Sometimes the legislature sits. Sometimes it doesn't sit, but sometimes it does sit. We are really people who have to concentrate on many different topics.

I mean, when somebody comes into my constituency office with a problem, you don't know whether it's going to be social services or whether it's going to be a complaint they might have with the Department of Justice or the Provincial Auditor or the Law Clerk or who it is. You don't have a concentration where you're on that topic day after day, which doesn't afford you the luxury to take time to do extensive research in something like public accounts.

So I think even though there's freedom to information or access to information Acts that are going through, I think it is one big mistake to start condensing that information even more than it is right now. I think if anything we should be expanding that information as much as possible. And I'm sorry Gerry, if it takes 50 more pages in the *Public Accounts* and 50 more hours or 500 hours of your staff time, I think we need that information because it lets the process break down and — excuse me again — but it lets the bureaucrats run the total bloody system. And then we're at your mercy.

And I hope you appreciate our role as politicians, regardless of our political stripe, that we need that kind of information to function in our role. We have our role; you have your role in the system, and I don't want our role to be overburdened with trying to gather information that has in the past been quite accessible and easy to get because it's there in the *Public Accounts*. So, sorry to disagree.

**Mr. Baker:** — By the way, if I might make a

recommendation, Mr. Chairman. Why don't we make a recommendation for either this committee or some committee in the future to sit down and have a look at some recommendations that may fit in the 1990s and beyond, whether it's this committee or whether it's another one. I don't believe we're going to get it resolved today, but I think that we're going to have to look at it seriously and make some recommendations whether it's us or someone in the future. So whether, if the chairman wants to tackle it after the first of the year, fine by me.

**Mr. Lyons:** — Yes, I'd like to support what Mr. Baker just said. I think that why I disagree with Mr. Kraus was not the question of whether to increase salaries or decrease salaries or whatever. I think that that's irrelevant.

I think basically what the undercurrent here at the committee level, and in fact the overcurrent, if you like, out in the public is a need for an open and accessible . . . accessibility to information that they want to get to. How the format in which that is derived, I believe is important. What is even more important is their ability to derive that information.

I think what's happening, in my own mind, is that there is a feeling that the institutions of government — institutions of government at all its levels and that includes this committee — are no longer serving the functions for which they were primarily designed, part of which is just the change in the world. If you look at the development of public accounts committees and that and we start going back to the events immediately after the restoration in England, and I tend to think the world has changed somewhat since the 1600s.

Also we've been overtaken by just the question of technology and the ability to access information. We've got to look at that. But thirdly, the question of public accountability goes beyond historical changes and technological changes. It goes into the heart of what is the mandate of the committee. What is a mandate of elected legislatures in terms of accountability for public spending? I think that's the real issue.

And if you take that as the question that has to be answered — leaving aside for a minute this committee as something that is cast in stone, as an immutable object, if you leave that notion aside and try to answer the question, what is the best way in which accountability for tax dollars is undertaken — I think that you will see that there may be a different committee, a different structure of committee, a different mandate for a different committee, a different operational mode for that committee, if indeed, a committee is the correct structure at all. I tend to think that it probably is, but who knows?

And so when Mr. Kraus makes the tinkering suggestions, and I'm not saying Mr. Kraus in any negative term or cast any aspersions, I think that there's a feeling that we want to go beyond tinkering and want to go to a restructuring so that the function of the accountability process is served. And that may or may not involve big, thick books or little, tiny, thin books or whatever. It may involve totally different formats for accountability. And that's what I,

personally, would want the new committee to look at. And if the government intends to have its death-bed repentance on access for information and accountability, so be it. We may want to take that opportunity to begin the process, but I tend to think that given the political dynamics that that process would be put in place after the next election.

**Mr. Chairman:** — I might, before we get to Mr. Rolfes . . . Whether it's this government or any new government, if governments want to follow up on the suggestions that are being made by Mr. Hepworth, we may well be seeing a not inconsiderable change in the kinds of things that the committee will want to consider in addition to anything else that we might have done in the past.

Just for example, the whole question of value for money auditing. The government is proposing that it examine options for value for money auditing with the Provincial Auditor. If the Provincial Auditor were to get into value for money auditing, I think the kinds of issues and items that the committee will become involved in will be drastically different than some of the things that we've done in the past. We're far more likely to get involved in the runnings of specific government operations and whether they're being done economically, efficiently, even effectively.

**Mr. Rolfes:** — Mr. Chairman, I just want to comment first of all on your statement, Mr. Hepworth. Mr. Hepworth and the Premier's statements are really irrelevant; they don't mean anything. They won't affect at all the next year's annual report. I mean that process is finished. Whether those two gentlemen are around after that, couldn't be . . . well, they may well be gone. So I don't place any credence in those statements at all. They may be well placed, but should have no bearing on what we decide really at this committee. They may not be . . . if that was their first year in office, yes, I'd say yes, they would have some relevancy. Because then we could go back and say okay, next year and the year after and the year after, if they're sincere, then this committee could really change. But they may not be here, so I mean I think we should ignore those.

I have some concern about this committee and that our job is, I think, to make sure that we scrutinize government expenditure and make absolutely certain that those expenditures are carried out with the mandate that has been given to the Executive Council by the legislature, and that's really what our function is.

We need — I have to disagree with Mr. Kraus on this — we need more information, but we need information that's meaningful; not information that it takes a chartered accountant to try and figure out what it means. We need information that when you first glance you can look at it and you can understand it . . . (inaudible interjection) . . . Yes, I mean, some of us are advantaged because we were in government, we were on treasury board, we understand it a little bit better; and even for those of us who had gone through it over the years, it takes a long time to try and figure it out.

I can well imagine a new person coming in here and trying to figure out these *Public Accounts*. It must be just an enormous task. Even now, some of you know, I phone

up and say: what does this mean? I mean I don't know, and I've been through it. And I'm sure Mr. Swan will agree with me; he's been through it too. Try and read this thing, it's just horrendous.

So I would like to see the *Public Accounts* give us the information so that it's more understandable. And maybe what we need to do before this Public Accounts Committee ever sits again, that we take a day or two with officials who will conduct a seminar and say this is how you read the *Public Accounts*, this is how you read a ledger, this is what it means; so that we can become really productive people and you sit down and you look at it and say yes, okay, that's what it means, these are what the terms mean.

**Mr. Swan:** — They should explain how to read the auditor's report.

**Mr. Rolfes:** — Exactly, yes, I agree.

**A Member:** — There's a lot of holes in it.

**Mr. Rolfes:** — Yes, spend some time with the auditor. I mean I don't care what we do, but I think we need in order for the committee to function, we've got to be able to become informed and understand what we are reading.

I spend a lot of time on this stuff, and I'm sure all members do. I spend hours reading through the auditor's report; I spend hours in going through those *Public Accounts*, and it is just too much time. And then we have . . . but when I read that for example contract services, \$18 million for contract services, that's all it says; what does that mean? How can I legitimately say that that money is well spent when you have a statement saying \$18 million contract services? And that's not just one occasion, that's a number of occasions where you have contract services for \$18 million.

I'd like any member of this committee to tell me how SPMC (Saskatchewan Property Management Corporation) really works, how SPMC, after all the time that we have spent on trying to figure out how SPMC is related to the government and various departments and hundreds of millions of dollars that SPMC spent, I'd really like it explained to me how SPMC really works. I don't know. I don't know how it functions, and I've had other members ask me the same question. I just don't know how it functions.

The other question that I have a real concern about is that agencies or government . . . for example — and I don't say that I agree or disagree — when they established SIAST it became an independent body, arm's length from government. Here are simply hundreds of millions of dollars involved and we can't really question it. There's no way that the Public Accounts Committee can get at the expenditures of some of those moneys. That I think has to be looked at.

But the thing that really concerns me the most is I think the tabling of documents. I think that we've got to let future governments know that the tabling of documents is essential and that those documents must be made available to us, not at the sitting of the legislature, because

the legislature may not sit until spring. They'd have to be made available to us so that we as members of that committee can study those documents. And then when we get to the committee, we can ask some intelligent questions on those documents. And I think we've got to recommend to government that six months after the fiscal year ends documents must be made available. I think that that is sufficient time for documents to be completed. And they can either table them with the Speaker or they can table them some other way and then they would be made available to members of the Legislative Assembly. But somehow we must get access to those documents so that the information is timely and that the committee members can study it. Thank you, Mr. Chairman.

**Mr. Chairman:** — I wonder if it would be appropriate in the report then to say that the committee is of the opinion that the kind of information and the level of detail in the *Public Accounts* be reviewed by the committee at an appropriate time.

Is Mr. Muller here?

**Mr. Britton:** — He just left. I can get him if you need him.

**Mr. Chairman:** — Yes maybe if you could ask him to come in for a second.

The next item we'll be dealing with is the report on the 12th annual conference of the Canadian Council of Public Accounts Committees. Mr. Muller has a motion before us but he's not in the room and . . . (inaudible interjection) . . . Yes, and we don't have a quorum in any event until he gets here. So it's difficult to . . .

**Mr. Swan:** — We had a quorum until John Britton left. Let's start through our annual report to the legislature and then deal with that when he comes.

**Mr. Chairman:** — Are there any questions on the report while we wait for Mr. Muller?

**Mr. Sauder:** — Page 2, the bottom two lines. Either I don't have an understanding of what that means or there's . . .

**A Member:** — Bottom two lines?

**Mr. Sauder:** — Yes. Something doesn't make sense in that sentence there somehow. Or if it does, can somebody explain it to me.

**Mr. Chairman:** — On page 2, the bottom two lines?

**Mr. Sauder:** — Yes.

**Mr. Rolfes:** — Yes. It should read I believe the Department of Finance according to their interpretation does not feel that the government is in derogation of subsection 17(2) of the Act. I believe there must be an "of" in there. Okay? I think that's what it has to be.

**Mr. Swan:** — It doesn't read right.

**Mr. Rolfes:** — No.

**Mr. Chairman:** — We're talking about two different

reports here.

**Mr. Rolfes:** — No we're not.

**A Member:** — Oh I'm sorry.

**Mr. Chairman:** — I'm talking about the report of the 12th annual conference of the Canadian Council of Public Accounts Committees.

**Mr. Rolfes:** — Let's just receive that and be done with that thing.

**Mr. Swan:** — That's all we need to do with that.

**Mr. Rolfes:** — Just receive it and be done with it.

**Mr. Chairman:** — I have a motion by Mr. Britton that the . . .

**Mr. Swan:** — Yes. We don't need to spend a lot of time on that.

**Mr. Anguish:** — You want Lloyd here to say if you guys had a good time or what was the purpose?

**Mr. Chairman:** — No, we got a motion that the thing be received and I have a motion by Mr. Britton:

That the report of the July 8 to 11, 1990 conference of the Canadian Council of Public Accounts Committees be received and added to the verbatim of the committee.

**A Member:** — Excellent.

Agreed

**Mr. Rolfes:** — Well taken care of.

**Mr. Chairman:** — Then we get to the report of the committee itself.

**Mr. Rolfes:** — Mr. Chairman, could I just ask a question? On page two, the recommendation: "Your Committee therefore recommends that the government address this issue through necessary amendments to the Act". Now, we gave really no specific instructions as to how we want them to address it, did we?

**Mr. Anguish:** — What are we talking about here?

**Mr. Rolfes:** — Page two of our annual report.

**Mr. Anguish:** — Where on page two?

**Mr. Rolfes:** — The first recommendation.

**Mr. Anguish:** — The first recommendation?

**Mr. Rolfes:** — Yes. It says: "Your committee therefore recommends that the government address this issue through necessary amendments to the Act".

**Mr. Chairman:** — Yes. We didn't set forward specific suggestions but . . .

**Mr. Rolfes:** — But what do we want them to do?

**Mr. Chairman:** — Clear up this matter so that we quit having these problems.

**Mr. Rolfes:** — What direction do we want them to go? Do we want them to restrict it more?

**Mr. Swan:** — Well they're going to table them that they're the 15 sitting days or 15 calendar days.

**Mr. Rolfes:** — If I was the minister, I'd say yes, okay, I shall change those 15 to 30. You've asked me to take a new direction, I will do that.

**Mr. Chairman:** — No. The question here is whether 15 calendar or 15 sitting days and it's not clear. And we're saying to the government get it cleared up. Is it calendar days or is it sitting days? You come back with . . . let us know. Just so that we don't have, or the auditor doesn't continue to have this concern about — well, you're not doing things on time because we are doing them on time. Let's have a clear interpretation of that. We can add on our recommendation that the government make it clear whether it's calendar or sitting days.

**Mr. Rolfes:** — Okay good enough.

**Mr. Chairman:** — Now at the bottom of page two there is . . .

**Mr. Swan:** — Just a word. The word "of" has to be put in there.

**Mr. Chairman:** — Whereabouts?

**Mr. Rolfes:** — Derogation of subsection 17(2).

**Mr. Chairman:** — Okay I see we didn't put anything in here on agricultural credit about them answering questions for the wrong year or anything like that.

**Mr. Anguish:** — Well, let's put in a couple more paragraphs.

**Mr. Chairman:** — Maybe we should just move through this one at a time. Any further questions on The Government Organization Act?

**A Member:** — No.

**Mr. Chairman:** — Agriculture Credit Corporation?

**A Member:** — No.

**Mr. Chairman:** — Department of Agriculture?

**Mr. Sauder:** — No, go ahead. Sorry.

**Mr. Chairman:** — Okay. The Horned Cattle Fund advances.

**Mr. Sauder:** — Yes. In section 8.35 to 8.38, there's something missing there again, it seems to me. About inadequate system. I guess it's just a "systems".

**Mr. Chairman:** — Yes. It should be plural. Okay. Department of Finance?

**Mr. Kraus:** — On page 6. Yes, I did want to comment on that item that the *Public Accounts* be made available.

**A Member:** — We didn't agree to that.

**Mr. Anguish:** — What item are you talking about, Gerry?

**Mr. Kraus:** — It's 13.34 to 13.37, timeliness of information.

**Mr. Chairman:** — That wasn't a recommendation of the committee. I think that was one suggestion by one member.

**Mr. Swan:** — That certainly wasn't a recommendation of the committee and I think it should be struck.

**Mr. Chairman:** — Okay.

**Mr. Anguish:** — It should be what?

**Mr. Swan:** — Struck from the report.

**Mr. Rolfes:** — But how do you deal then, with the timeliness of information?

**Mr. Swan:** — I think we dealt with it on page 2 where it was either 15 calendar days or 15 sitting days. I think it's been dealt with.

**Mr. Kraus:** — Mr. Chairman, I believe that if the amendments that are being contemplated are introduced and passed, that requires the *Public Accounts* be completed by November and tabled if the House is sitting in the fall or again in the spring, that that would easily put Saskatchewan in the top third across the country. It would certainly be a tremendous step forward in terms of timeliness.

And the only other thing that I would raise to your attention . . . I'm not an expert on this, but people from the Legislative Assembly Office have talked to us about several documents being released outside the House and talk in terms of, I suppose, providing information to a legislative forum where appropriate debate can take place. And that is one of our concerns about providing it outside of the legislative forum.

**Mr. Chairman:** — We could say that we note potential amendments to require that *Public Accounts* be completed by November and provided to the legislature as soon as the House is in session.

**Mr. Swan:** — But on page 2 of our same report, we've indicated that the report should be made within the first 15 . . .

**Mr. Chairman:** — No, those are other reports. What they're talking about here is *Public Accounts*.

**Mr. Kraus:** — Yes, and it has its own tabling provision.

**Mr. Strelieff:** — Mr. Chairman, I think 13.34 to 13.37 relates to that. Accountability would be strengthened if a forecast of actual results for the prior year was made available to members prior to the consideration of the upcoming year's spending estimates. I think what the point was is that you need a forecast of the results of the prior year's before you approve next year's spending estimates to have a good understanding of what's going on.

**Mr. Kraus:** — That was not addressed when John Wright was here. He could have brought forward two additional points. One, that although we cannot include it for this year's financial statements because they are audited and there's an intention to follow it through with what was promised — an early release of the financial statements — certainly for the financial statements ended '90-91, there will be an additional column in the financial statements that shows the budget for '90-91, so you can compare the budget of '90-91 to the actual of '90-91. That's an improvement.

Secondly, also in the statement of agenda for public accountability, it was agreed that with each new budget you will now have the best estimate of the government as to what the expenditure will be and revenue will be for the year just ended. So there will be, without confusion, there will be four columns instead of three, and it will improve the comparability of what's happened over the last few years.

**Mr. Strelieff:** — Mr. Chairman, that last point was the one that was addressed by this paragraph in our report, that you need the forecast of actual results prior to debating the estimates. And that's the issue.

**Mr. Kraus:** — But we feel that all of those items that we have put forward deal with the issue you have raised.

**Mr. Strelieff:** — Yes.

**Mr. Chairman:** — Where are we at on . . . The recommendation is not a recommendation, so we can strike that. Is there anything else that members want to say?

Public Employees Benefits Agency.

**Mr. Rolfes:** — What page are we on?

**Mr. Chairman:** — Bottom of page 6. Page 7, special warrant.

**Mr. Kraus:** — I'd like to clarify something. I believe the auditor wasn't suggesting that the special warrants are not provided. And I'm sure you've seen this document in Supplementary Estimates for 1989 that would have been presented with last year's budget or with the budget for 1990 and certainly the special warrants are all outlined and detailed. Maybe the auditor could clarify here, but you weren't suggesting that we don't provide information, were you? Weren't you suggesting something else?

**Mr. Strelieff:** — I think in our report we're required to report where a special warrant is required, and that's



what we reported. And it just happened that the special warrant relates to \$1.2 billion. In addition in our report we did confirm that all required authorities were received.

**Mr. Swan:** — The recommendation does not read right, and I don't think . . .

**Mr. Chairman:** — Yes, I don't remember that recommendation having been voted on here.

Crown investments corporation.

**Mr. Sauder:** — On page 8, difference of opinion, is there something in that that's not worded correctly? Section 7.18-7.20.

**Mr. Chairman:** — Delete the word "with."

**Mr. Lyons:** — The Meadow Lake Sawmill is it, Mr. Chairman, that we're referring to?

**Mr. Chairman:** — Yes.

**Mr. Swan:** — On page 8, 7.16-7.17 I have some trouble with that statement.

**Mr. Anguish:** — On page 8?

**Mr. Swan:** — Yes, that's the second paragraph.

**Mr. Chairman:** — I think you could say the committee learned that CIC (Crown Investments Corporation of Saskatchewan) is undertaking discussion with the Department of Finance.

**Mr. Swan:** — We could say it something like that, but I don't think that our committee ever made this statement.

**Mr. Chairman:** — Yes, I think to say that "we are pleased to learn" is some value implied there. But we did learn that Gibson reported to us or talked to Finance about a proper accounting for this thing. So we could maybe strike out the words "was pleased to" and just say the committee learned.

Agreed

**Mr. Chairman:** — The year ended December 31, 1988, Department of Health, Saskatchewan Housing Corporation, Saskatchewan Property Management Corporation.

**Mr. Sauder:** — You've got the words reversed there in your first paragraph of that.

**Mr. Chairman:** — How do you do this?

**Mr. Sauder:** — You just read through it.

**Mr. Chairman:** — You need speed readers.

**Mr. Kraus:** — Are we at 32.15 in revenue and property retainings?

**Mr. Chairman:** — We're on page 11.

**Mr. Sauder:** — Page 11, year ended March 31. We have Saskatchewan management property.

**Mr. Kraus:** — On page 12, when you're there, I wanted to point out under revenue improperly retained that it may be a bit strong to say that they, "SPMC assents that an agreement has been reached." And I think that the president said that he was working towards an agreement.

**Mr. Chairman:** — So I can say SPMC reported that it is working towards an agreement.

**Mr. Kraus:** — Yes, with the Department of Finance.

**Mr. Swan:** — On page 11, we kind of got by it before I was finished, but are we right on 32.06-32.14, environment controls? Is that right? Like, the rest of it doesn't seem to add up to that. Is that in order?

**Mr. Strelieff:** — Just the numbering.

**Mr. Swan:** — Well just the title of environment controls. We're talking about SPMC.

**Mr. Chairman:** — It's environmental controls, I believe it is.

**Mr. Anguish:** — It's consistent with the wording that was used also, Herb, in the auditor's report.

**Mr. Chairman:** — Actually it's environmental controls:

Essential to a system of internal control are environmental controls which create an environment where errors or fraud are either less likely to occur, or if they occur, are more likely to be detected.

**Mr. Anguish:** — Right. I agree with Mr. Swan. I don't like this wording but it's consistent with the report.

**Mr. Chairman:** — Is this the greening of accounting?

So we're still on page 12; page 13; page 14, Saskatchewan Transportation Company; Department of Education.

**Mr. Anguish:** — 17.

**Mr. Chairman:** — There's a . . . I might point out on page 15, from page 14 on, that there's some items that the Clerk needs to review the transcript to get a clear indication as to exactly what was stated at the meeting. Any problem if we give him the authority to do that? There's no recommendations or anything but just simply an explanation of what it is the departments had to say.

**Mr. Sauder:** — I take it that's basically where you run into a bunch of dots.

**Mr. Chairman:** — Yes. I'll review those for you and I'll make sure that any contentious items, there would be no sort of additional recommendations thrown in.

**Mr. Swan:** — Well can we have the chairman and the vice-chairman review it before . . .

**Mr. Chairman:** — Yes. Justice. I believe we have Economic Development . . . maybe we can ask the Clerk to read the comments that he has so far, and those will also be incorporated.

**Mr. Vaive:** — Mr. Chairman, Economic Development for three issues: one on postage, one on cash receipts, and one respecting payment without proper authority. The first item, paragraphs 10.01 to 10.05, the department advises that postage invoices will be more detailed and more broken down in order to have a better management control.

With respect to cash receipts, paragraphs 10.06 to 10.09, the issue of lack of proper mail room procedures resulting in inadequate control on incoming mail containing cash, cheques, or other negotiable instruments; that was the issue. New procedures have been established to tighten up control and allow the accounting section of the department to be involved at the mail room level.

Paragraphs 10.10 to 10.19, payments without proper authority. The department advises that a non-authorized payment was made in the belief that it was made under proper legislative authority. The department in the future advised that . . . the department advised in the future that there will be no further transactions of this type. Those are the . . .

**Mr. Chairman:** — Is it agreed to include that in the report as well? Could we have a motion on sending this report? Will someone make a motion then that the committee report this report as its fifth report to the Legislative Assembly, subject to a final check by the chairman and vice-chairman.

**Mr. Sauder:** — I may not get another chance; I'll do that.

**Mr. Chairman:** — Moved by Mr. Sauder. Maybe if you can draft that motion for him to sign. Is there any . . . is the committee ready for the question?

Is it the pleasure of the committee to adopt the motion?

Agreed

**Mr. Chairman:** — We have a communication from the Crown Corporations Committee — thanks for thinking of us, sending up the doughnuts. I think this points out the proper method of accounting in government, that things should get sent to the *Public Accounts* and then referred to the Crown Corporations Committee, as in this area as one.

Now we have a couple of other items. There was a question of SIAST that was raised yesterday and whether or not SIAST . . .

**Mr. Rolfes:** — Yes, I brought that up and if nobody else is concerned about it, I will withdraw the issue.

**Mr. Chairman:** — I might point out that, again, that the present government feels that this business of accounting by government organizations needs to be improved. And

who knows? There may be further directions from governments on this to improve this matter of reporting. It raises a whole issue of accountability of — I suppose you might even say — local government or non-governmental organizations to the Legislative Assembly when a great portion of their funds are derived from the taxpayers, third parties. It's an issue that the auditor may well look at at some point. I don't know.

**Mr. Baker:** — If you take a look at our spending of government including the debt, there's still 70 cents of every dollar that we spend that is spent by third party, whether it's health care or education or nursing homes or urban municipalities or rural. That's a large portion of the budget. Where we have virtually, at this moment, no vehicle to make sure that the taxpayer has his best bang for the buck. Some communities are doing one extremely good job, and maybe others are not quite as good. But there's a big zone out there where 70 cents out of every dollar that's administered out of this particular building is spent by third-party people. So if you take the provincial debt or even if we only have a total of 20 per cent of the budget that we actually spent by government *per se*.

**Mr. Anguish:** — Well it's right in the book.

**Mr. Baker:** — It's within a point, 69.9 or something like that.

**Mr. Anguish:** — When you say that we can't do anything about it, I think this is the place, the only place where something can be done about it.

**Mr. Baker:** — I agree that there should be a process. And for simple terms to put it in, probably something along the line of zero-based budgeting from all these folks where they approve the need. Maybe this year they need a million dollars where next year they only need 600,000, but they have to approve that need. And not only that, the tendering process should be in place out there in the system to make sure that those dollars are widely spent. And it's a whole area where 70 cents of every dollar that we spend is spent.

**Mr. Chairman:** — I think a lot of local governments would say we're doing a heck of a lot better job than the senior governments are. And thank you very much, we don't need to be spending any more time reporting to you than we already are because you're getting the best bang for the buck. And if you really wanted to increase expenditures, why don't you take it over and run it? But the question still remains in organizations such as . . . the question still remains in areas such as SIAST where traditionally a part of government operations, although it has an independent board, the board is appointed by the government. Almost all of its revenues are derived from the government. What reporting should there be? But perhaps this is something we might leave to another day.

**Mr. Anguish:** — I'd like to make a suggestion. I don't know whether we had agreed that at some point the public accounts commission would have a meeting to discuss what it is we do and what information we need and third parties' expenditure of money. In Ottawa, in the Public Accounts Committee something they did that was quite effective when they wanted to make changes to

Public Accounts Committee, somebody from Ken Dye's operation and somebody from the controller's office talked to each of the members of the Public Accounts Committee individually because they've got lots of ideas.

Like I mean we could make suggestions here for I'm sure right throughout the weekend and some . . . No, I don't want to make suggestions right throughout the weekend either, Mr. Chairman. But the point I'm trying to make is that there are lots of good ideas that members have because of their experience as serving as MLAs and also their experience in serving this committee.

And I suggest if we're ever going to resolve the better working or the improvement, the evolving of the committee into a more effective and meaningful process, we should have somebody from the auditor's office and somebody from the controller's office sit down with each of the members at some point before we come back in and discuss ways that we can make the committee more meaningful. And then present that to us, not necessarily with names attached to it, but what the individuals, whoever it is that go around, what they found in talking to the members of the committee.

But one of the things that really hampers the committee is that the committee never can work unless the members here believe it can work, that it plays a meaningful process in the accountability system. And unless members at some point really believe that it is a meaningful process, we shouldn't be here. And I think it would be helpful that members be interviewed by someone who's knowledgeable about the committee and hopefully somebody who believes that the committee does have a meaningful role in accountability.

**Mr. Chairman:** — That's a good suggestion. Mr. Kraus? Mr. Strelieff? Any comments before you start travelling the province?

**Mr. Kraus:** — If the committee members would like us to undertake something like that, I'd certainly be pleased to participate.

**Mr. Strelieff:** — Mr. Chairman, so would I. I've seen a lot of different mechanisms put in place across Canada over the last 10 years to strengthen the accountability of public organizations to the Legislative Assembly and through the Public Accounts Committee. And a lot of those specific mechanisms aren't here in Saskatchewan. So therefore there's a lot of improvements that can be made, and certainly our office will be looking at ways of improving accountability.

**Mr. Baker:** — Why wouldn't we have the auditors' recommendations in their office and along with the finance and controllers, why don't we have them put together a format that they think would be more appropriate and a better instrument, and then do the . . . where the members could have a global view of what they're thinking and then whether we agree or whether we don't.

**Mr. Anguish:** — Yes. Get that maybe in advance before you sit down and talk with them.

**Mr. Baker:** — I would think so.

**Mr. Anguish:** — Yes, that's right because it gives us some focus on it. If you just arrive on our doorstep some day and say, well we're here to get your good ideas . . .

**Mr. Chairman:** — Is there some agreement then that perhaps the controller and auditor might undertake to meet with committee members about improved and enhanced reporting methods and any other ideas they might have to improve reporting and accountability?

**Mr. Sauder:** — Yes, I would suggest the same thing. I think Mr. Strelieff, one of the big things when we talked about his background is he's working with organizations putting together some of those new things in other places — or not necessarily new, but as they've adapted to change — and has a lot more understanding, I would say, than any member, you know, at large of some of the procedure and what should be included. And then I think we likely, as Doug says, we all have some ideas in our mind of what we might add to it. And I think it would be a worthwhile exercise to do.

**Mr. Chairman:** — Well I agree that you gentlemen certainly would be encouraged to follow up on that.

I have no further items at this point.

**Mr. Anguish:** — I have one that I would just like to register briefly and it goes back to the auditor's Act and what we discussed as section 13 as opposed to 11 and 12. I do really disagree with you.

I'd like to know what the auditor's views are in terms of what your powers are. I'm not talking about this government or the next government. But at some point a government or a department or an agency that just blatantly disregards the accountability process, I believe . . . Maybe you don't think the Act gives you authority but I've always believed that you could take some special action to go in there and demand the books and do the accountability process that your office is there to serve.

And I don't know if we get sometimes partisan in the committee, like in the case of STC. I don't know whether that's serious enough at this point. You'll likely get the information. But there could be worse examples of that at some time.

And I want to know what you feel your powers are to intervene in a situation and not wait for the legislature or for the Public Accounts Committee or for Executive Council or somebody to tell you, go in and do this. Do you feel you have the power to do that without getting direction? Do you feel you have the power to do that from your Act?

**Mr. Strelieff:** — Mr. Chairman, this is a very difficult issue for me, and I am looking at it very carefully. The starting point in our Act is in paragraph 11 which sets out what we're required to do. But it also then leads us in a relationship with appointed auditors. And when we find out there is an appointed auditor, for example, the STC example, we first write them advising them our requirements and our responsibility to the Legislative

Assembly. We then ask them for the reports to us within about three to six months after the end of the year.

And then after the end of the year, that's the time when we have the opportunity to examine what they've done, not until three to six months after the end of the year. And if we determine that we can't rely on what they do for some reason, we have the opportunity to step in. And that's the time when we would be able to identify, in the usual sense, serious concerns that may lead to a special examination.

Now if we can't rely on the appointed auditors, we can usually . . . we're able to form an opinion on the financial statements and on compliance with legislative authorities.

But on the internal control aspect of it, those kind of examinations have to take place right during the year of activity. Otherwise we can't go back. We can do a little bit, but we can't thoroughly examine it. And there seems to be a basic conflict between what the law requires and what can be done specifically as it relates to the internal control aspects. By the time we get the information and assess whether we can rely on it, it's too late for us to get in.

**Mr. Anguish:** — Do you have communication with the private sector auditors? I think Mr. Lyons made a good point the other day in that traditionally at least, private sector auditors are there to give you a true financial reflection, a financial picture, and that responsible to the client. They're not responsible to the legislature. You're responsible to the legislature and the people of Saskatchewan.

The private sector auditors that are there now, does your office give them instruction to go beyond what they would regularly do in the private sector, to go beyond to make sure that the checks and balances are there, that they're following your legislative authority, whatever it is you do?

**Mr. Strelieff:** — Well we ask them to do three types of examinations. One is the true financial picture or the financial statements — are they a reasonable portrayal? We also ask them to examine in compliance with legislative authorities — have they complied with the significant authorities? And we also ask them to give us an opinion on internal control. The standard for that kind of work is referred to in our profession as generally accepted auditing standards.

So that's the type of work, sort of this level of performance, that they have to perform when carrying out those examinations. And I think that's even prescribed right in legislation, the reference to generally accepted auditing standards. And then they are to determine what that means in their own context. And then we come in and see if what they've determined makes sense.

So it's kind of a difficult relationship between the two auditors. And I can see from just my first 30 days now, it's causing all sorts of problems, concerns, delays. I mean some of the stuff we've been reporting on is a couple of

years old. There's got to be a way of working this out. And apparently we have recommended in the past a mechanism for joint auditors, which means you're doing it in tandem, so you can therefore report at the same time. You don't have to sort of wait and wait and wait.

Another point is that we can't compel them to do something. We just have to wait and if they don't report according to our guide-lines from our Act, our only mechanism is to report to the Legislative Assembly.

**Mr. Anguish:** — That's the point. Why can you not compel them to do something? I would have thought you had the legislative authority to do that.

**Mr. Strelieff:** — I've been advised that in the past we did have that kind of authority to actually direct them to do specific types of work and procedures in a profession context — what constitutes generally accepted auditing standards to our office; here's what we think you need to do. But we no longer have that ability; don't have the legislative authority.

**Mr. Anguish:** — Well that bothers me. I think that the situation with the Auditor General is much, much different. My experiences working with Macdonell and then after him, Ken Dye, in terms of the auditor's office, they had immense powers to go in and make things happen. And I think that we should be looking at some point of making sure that the legislation is there to allow the auditor to do that. But I thought that you still had the power to do that. I don't know what it is about the Act that . . .

**Mr. Strelieff:** — We do have significant powers to step in. But it has to . . . it takes place after all the different steps take place, after we've finally determined that there's a need to step in. And that's where we are now, is we're trying to determine whether there's a need to step in. But in terms of timeliness, there's a question of whether it's too late or not.

**Mr. Baker:** — I think it requires . . . maybe the recommendations that you folks are going to work on. And while I have the mike, I'd like to take this opportunity to wish everybody a Merry Christmas and the best in 1991.

**Mr. Chairman:** — Does that mean there is no further items for consideration?

The committee adjourned at 10:43 a.m.

## Appendix to Verbatim

### Report on

## TWELFTH ANNUAL CONFERENCE OF THE CANADIAN COUNCIL OF PUBLIC ACCOUNTS COMMITTEES

**Saint John's, Newfoundland, July 8 to 11, 1990**

The Twelfth Annual Conference of the Canadian Council of Public Accounts Committees (CCPAC) met in Saint John's, Newfoundland, between July 8 and July 11, 1990, hosted by Loyola Hearn, MHA, Chairman of the Newfoundland Standing Committee on PAC (Public Accounts Committee) and President of the Council for 1989-90.

The delegates included Parliamentarians and associates from the House of Commons and the provincial and territorial governments, as well as two delegates from New South Wales who had attended the 1989 CCPAC conference. Twenty-two auditors general representing both federal and provincial jurisdictions, including two delegates from Bermuda, and Mr. Willard Lutz, Saskatchewan's former provincial auditor, met concurrently with the Parliamentarians.

Saskatchewan was represented at the conference by Mr. Harry Van Mulligen, MLA and Chairman of the Public Accounts Committee, and Mr. Lloyd Muller, MLA. The delegation was accompanied by Mr. Robert Vaive, Deputy Clerk of the Legislature and Clerk of the Public Accounts Committee.

The conferences enable the participants to exchange information related to their respective committees and discuss with the provincial auditors who hold concurrent and separate meetings on issues of common interest.

The opening day's session was dedicated to the document *Guidelines for Public Accounts Committees in Canada*. Delegates presented observations and opinions on the *Guidelines* and their implementation in the respective legislatures.

The *Guidelines* document is the culmination of work performed by a sub-committee of the Council over the past few years, involving all Public Accounts Committees.

All delegates endorsed the Council's efforts in the development of the *Guidelines* for a model public accounts committee. It was felt that such a process reflects and builds upon common experiences of legislators across Canada and serves as an important reference for the interpretation of Public Accounts Committee mandates.

The Saskatchewan position vis-a-vis the *Guidelines* was positive. It was felt the document would be helpful in streamlining procedures. With continuing efficiency of operation under these *Guidelines*, Public Accounts Committees will generate a wider and more positive

impact on the political system, thereby fostering a better understanding of their work and a further enhancement of their public image.

A panel composed of delegates from Ontario and British Columbia summarized the *Guidelines* discussion. The Council agreed that the many hours of work in the past few years on the *Guidelines* had produced excellent results which had been adequately debated. The *Guidelines* were adopted as a "working document."

The delegates from New South Wales, John Murray, MP, and Allan Walsh, MP, explained existing legislation for Public Accounts Committees in Australia.

Public Accounts Committees in New South Wales were successful in holding government accountable due to legislation passed in the early 1980's, establishing clear parameters for their work.

There exists, in New South Wales, The Public Finance and Auditing Act, 1983, No. 152, which clearly states the constitution of the Public Accounts Committee, its procedure and functions and the type of evidence to be taken.

Witnesses in New South Wales are not protected by the doctrine of parliamentary privilege but rather by The Parliamentary Evidence Act. The delegates deplored the lack of government funds for PAC research staff.

Public Accounts Committees in Australia undertake major studies in such areas as the cost of arson and harbour redevelopment.

The Council debated the issue of how a public accounts committee should examine politically controversial matters. To assist Members on how to focus on this sensitive issue, the Member from the Yukon outlined a situation which illustrated the problem and cited the Hyland Forest Products issue. Saskatchewan referred to the issue of mixed corporations and the problems of accountability involved. A Member from British Columbia expressed a strong feeling that it was virtually impossible for the PAC to be non-partisan vis-a-vis politically controversial issues and that it was, nevertheless, the responsibility of the PAC to act on its mandate.

Various suggestions were made in the context of the debate:

- applying principles of crisis management
- inviting affected parties before the committee
- examining shared objectives
- bringing out all the facts and not only the controversial ones
- referring the matter to the legislative auditor
- referring the matter to another committee of the House.

Some Members sought a clear distinction between a political issue and an administrative issue — the former being, of course, fraught with political sensitivity and controversy.

The joint session of PAC Members and of legislative auditors was on the subject of "The Single Audit Concept". The discussion dealt with the duplication and overlapping of effort in auditing federally assisted programs.

With respect to the conference to be held next year in Winnipeg, the Council discussed a number of possible agenda topics such as: auditing transfer payments, accounting in a one-party House (New Brunswick), elementary briefings on the concepts of comprehensive and value-for-money auditing and continued invitations to speakers from other jurisdictions.

The conference was concluded with some business items. All agreed that a press release be issued after next year's conference. The Council debated the costs involved in hosting a conference, considered annual membership fees or registration fees and agreed that the hosting legislature should set the parameters in this area. The Council also considered the establishment of a planning sub-committee to set up the conference agenda.

Finally, the Council elected its new Executive as follows:

President — Herold Driedger, MLA, Manitoba  
First Vice-President — Camille Theriault, MLA, New Brunswick  
Second Vice-President — Ed Philip, MPP, Ontario

A mention of thanks is extended to our Newfoundland hosts for their warm hospitality.

Respectfully submitted

Harry Van Mulligen, M.L.A.  
Chairman, Standing Committee on Public Accounts