

STANDING COMMITTEE ON PUBLIC ACCOUNTS
May 14, 1991

Mr. Chairman: — We'll call the meeting to order, a quorum having been ascertained and established definitively.

A Member: — You guys never call quorum in here, do you?

Mr. Chairman: — When we left off the other day we were considering the matter of the referral of an Act that is now before the Legislative Assembly, in particular Bill 53 — An Act to amend The Provincial Auditor Act, the question of referral to this committee for clause-by-clause study, and some questions were raised by . . . Mr. Muller had some questions. I think Mr. Sauder also had a question.

And I believe the questions were, one, has it been done before? Secondly, if the committee were to do clause-by-clause study, would it preclude the Legislative Assembly also from dealing with . . . or dealing with amendments and the like.

The Clerk provides me with the following: one is a copy of the whites from May 17, 1983 — and I'll get copies of this for you in due course. But anyway the whites on that day indicate:

Moved by the Hon. Mr. Andrew: that Bill No. 48 — An Act respecting the Provincial Auditor — be now read a second time and referred to the Standing Committee on Public Accounts.

A debate arising and the question being put, it was agreed to, and the said Bill was, accordingly, read a second time and referred to the Standing Committee on Public Accounts.

The next reference I have is May 18, 1983 in minutes of the Standing Committee on Public Accounts, and it states:

The Bill was considered clause by clause. On motion of Mr. Katzman, Resolved, That the Bill be reported without amendment.

The witnesses at that time were the Hon. R. Andrew, Minister of Finance; the executive assistant to the deputy minister, Ron Davis; and Willard Lutz, comptroller. Those were the witnesses on that day with respect to the clause by clause . . . (inaudible interjection) . . . Well there you go, the minutes can sort of sometimes not be accurate. And we should note that for the record.

Also it states that later that day, on the whites for the Legislative Assembly, that same day — and this was on presenting reports:

Mr. Glauser, as Vice-chairman of the Standing Committee on Public Accounts, presented the Third Report of the Committee which is as follows:

Your Committee considered the following Bill and agreed to report the same without amendment:

Bill No. 48 — An Act respecting the Provincial Auditor

(And then) By leave of the Assembly, consideration in Committee of the Whole having been waived, the following Bill was read the third time and passed:

(That's) Bill No. 48 — An Act respecting the Provincial Auditor

The Clerk tells me that the Public Accounts Committee could, if Bill 53 was referred to it, consider Bill 53 clause by clause here. Witnesses report it to the Assembly, with or without amendment, whereupon Bill 53 would be considered in Committee of the Whole and followed by the usual stages.

Mr. Muller: — Well the question I'd ask, if it came to this committee and we were agreeable on the way the Bill is written, then we could also recommend that it be waived through Committee of the Whole.

Mr. Chairman: — Yes.

Mr. Muller: — Well I'd have no problem bringing the Bill to this committee.

Mr. Swan: — I think it has to go back to the House. It doesn't take very long if . . .

Mr. Muller: — No, but in 1983 — excuse me for interrupting you — in 1983 it was waived through Committee of the Whole after it had been to this committee.

Mr. Lyons: — But it had to be . . .

Mr. Chairman: — But there were no amendments at that time.

Mr. Lyons: — And I say if it went back . . . say it went back with no amendments . . . if there was any amendments, then it has to go to Committee of the Whole for these amendments to be made. I understand that. But if there was no amendments to the Bill it could be waived through Committee of the Whole in the House.

Mr. Chairman: — By leave of the House.

Mr. Muller: — Okay.

Mr. Swan: — The House still has its opportunity.

Mr. Lyons: — Well no. I was just going to comment on the fact that it's just another way of circumventing the democratic process.

Mr. Muller: — No. We're opening the democratic process up by bringing it to this committee. And Mr. Rolfes even agrees with me there.

Mr. Chairman: — I think at that point, I think . . .

Mr. Lyons: — Talk about jumping across the floor.

Mr. Chairman: — I think it's important to note that this

was done by leave, and that there's agreement on both sides to do something in a certain way and there was no intent to . . . (inaudible) . . . the process.

Mr. Lyons: — Fair enough. I wanted you to clarify how the system worked, and you've done a very good job of that, Mr. Chairman.

Mr. Anguish: — Do we require a motion from the committee to ask the House to refer it to . . .

Mr. Chairman: — I don't know if you ask them. I guess you sort of tell them of your interest in . . . I guess you could ask them, yes.

Mr. Swan: — I think the best way to deal with that is to ask the House leaders, and they can discuss it and make an arrangement to have it done.

Mr. Chairman: — That would be one way to do it. My guess is that the committee itself could also indicate to the House that it was, you know, prepared to do that so that the House leaders could take it from there. But . . .

Mr. Swan: — I think if we tell the House leaders though, they would deal with it.

Mr. Chairman: — Yes.

Mr. Swan: — The two of them talk together, they can make that . . .

Mr. Chairman: — They do?

Mr. Swan: — Sometimes.

Mr. Chairman: — But . . .

A Member: — Maybe we'd better have a motion.

Mr. Muller: — You don't trust your House Leader either?

Mr. Lyons: — I suppose as much as you trust yours, Lloyd.

A Member: — Oh yes, we trust ours.

Mr. Chairman: — I don't know where members want to go on this one — whether they, in addition to the House leaders, want to put something before the House. Or do you want time to discuss it or . . .

Mr. Anguish: — If we have a motion, how do we get the motion before the House? Does the chairman or vice-chairman just report it before orders of the day?

Mr. Chairman: — If this is a motion to go as a special interim report, then yes, like we normally do we would just report it and say, here it is, and moved by myself and seconded by Mr. Hopfner.

Mr. Anguish: — So it would be an interim report. It wouldn't really be a motion but interim report of the committee before orders of the day. And part of that report is asking the House to refer the auditor's Bill to the Public Accounts Committee?

Mr. Hopfner: — We thought it would speed up the process if we would just take it to our respective caucuses and . . .

Mr. Muller: — I think it should be taken to the respective House leaders so that there's no surprises in the House as such. Then they have time to . . .

Mr. Anguish: — For the record of the committee though I'd rather, you know — you talk to the House leaders — but I'd rather see something like an interim report go before the House. Just for the records to that's what happened, rather than having an agreement made between the House leaders and the committee, I'd like to see something official like an interim report if that's the proper process. But certainly talk to the House leaders.

Mr. Muller: — Well wouldn't the House leaders have to agree on it and then make some motion in the House that the Bill be referred to the Standing Committee on Public Accounts?

Mr. Anguish: — I'm not sure they would have to make a motion. I'd rather see us take the initiative to have the motion and an interim report. But certainly talk to the House leaders. I just think as a matter of record it should be . . .

Mr. Muller: — I don't have any problem either with it as long as . . . you know, certainly I see your point. You want it on record in the House. Fair enough. I have no problem with that.

Mr. Anguish: — Well so that when some intelligent person 10 years down the road, and none of us are here, understand that that happened before in the past.

Mr. Muller: — It must have went to the House before because it seemed like it could be a dangerous precedent . . .

Mr. Swan: — I think when you're reading there that it did go in the form of a motion the last time.

Mr. Chairman: — It was on second reading. It was incorporated that it was moved by Hon. Mr. Andrew that Bill No. 48 be now read a second time and referred to the Standing Committee on Public Accounts. So yes, you do need a motion to refer it to committee.

Mr. Lyons: — You need the request in the committee. What would that . . . to whom is the request addressed?

Mr. Anguish: — What?

Mr. Chairman: — Well to the House.

Mr. Lyons: — So what we would say in the form of a motion would be something like the Standing Committee on Public Accounts requests that the Provincial Auditor's Bill be referred to it. What would be the . . . because I'll move that just to get this thing cleared up and then . . .

Mr. Swan: — Following second reading in the House this Bill be referred to the Standing Committee on Public Accounts.

A Member: — Following second reading?

Mr. Muller: — Yes, that's . . . (inaudible) . . . Because the amendments are made in committee anyway.

Mr. Anguish: — Can't the motion just be to give an interim report to the House?

Mr. Lyons: — We don't have one . . . (inaudible interjection) . . . No, we wouldn't have the Bill. We have to get the Bill first.

Mr. Chairman: — May I suggest that we just recess for a few minutes and you work this out and then we can reconvene the meeting.

I'll call the meeting back to order.

Mr. Lyons: — Okay. I would move:

That the Standing Committee on Public Accounts recommends that by way of interim report, the House refers Bill 53, An Act to amend The Provincial Auditor Act, to the Standing Committee on Public Accounts for clause-by-clause study.

Mr. Chairman: — We're having a slight digression here with our technical support staff. Go ahead Mr. Lyons, maybe you could give us that motion up at the front and we'll read it out in our own inimitable fashion.

Mr. Lyons: — Okay, see if you can read this. Do you want to move it?

A Member: — Actually Mr. Lyons should move it.

Mr. Chairman: — Moved by Mr. Lyons:

That the Standing Committee on Public Accounts recommends by way of interim report that the House refer Bill 53, An Act to amend The Provincial Auditor Act, to the Standing Committee on Public Accounts for clause-by-clause study.

Discussion? You've all heard the motion. Is it the pleasure of the committee to adopt the motion?

Agreed

Mr. Chairman: — I might say as an aside that I obviously agree, and I think that this is something that the Legislative Assembly would do well to do more of in the future, not just refer to the Standing Committee on Public Accounts for Acts of this . . . (inaudible) . . . to other committees as well and make better use of some of the fine talents that are resonant in the Legislative Assembly but not necessarily in the government. Anyway, that's my own *obiter dictum* for the day.

Carrying on with the auditor's report, we're on chapter 1. We don't have a speaking order as such. There's still the question of paragraph .07 that Mr. Hopfner and I will want to discuss further or you may want to keep discussing it in committee.

Mr. Hopfner: — There's just some kind of confusion here as to how we can best resolve this as a committee. I guess probably the auditing practices and standards and all these kinds of things, we get a recommendation from the auditor and it's in his opinion that there are not proper values or dollars I guess for dollars spent I guess that's the way. It's a value added cost this year is what he's indicating.

And the comptroller gives us his opinion that it's just their practice . . . or it's not their practice but it's a practice that has been picked up by the government and has been a practice that has been going on for years and years and years.

I guess probably what this whole chapter here, in my way of thinking . . . could probably be more resolved as we get into the auditor's Bill in this committee and as we go through the Bill clause by clause and get more clarification or try to clarify the particular situation. I guess maybe that maybe the only route to go other than . . .

And maybe with just that comment, maybe the auditor and comptroller both could maybe suggest what they may like to see happen in future. Do you have something maybe you could add to this?

Mr. Kraus: — Well at this point all I can say, I guess, is restate some things I said earlier. But it is the government's policy that they would like to account for the SPMC (Saskatchewan Property Management Corporation) assets, at least the new capital, in this fashion. And at this point in time, as to my knowledge, they wish to continue with that policy.

As far as resolving it, I'm not sure what I could suggest to meet the auditor's requirement which is: you don't account for it this way. It's almost we have his position and the government's position on this issue. I don't know if there's a middle ground at all.

Mr. Strelieff: — Mr. Chairman, and Mr. Hopfner, as we discussed at our last meeting, the Act, our Act, Provincial Auditor's Act requires us to audit in accordance with professional standards.

Part of those professional standards require our office to assess whether the financial reports of the government are appropriate. And they provide us . . . our professional standards provide us with a bench-mark on how to make that judgement. And when we look to that bench-mark, we find that the financial reports of the government are not appropriate. And we've identified four issues that need to be revised.

One is the loan to SPMC, which we feel does not represent a loan. The second one is the equity investment in all the Crown corporations of the government. The third one relates to the employee and teachers' pension liability. And the fourth relates to the physical assets of the government, which aren't recorded, aren't talked about in the financial reports of the province.

And those four issues are ongoing as I am required to express an opinion in accordance with our professional

standards. And those professional standards are at variance with the government's policies.

Now as we said in the last meeting, my preference would be that the government follow the recommendations of the Canadian Institute of Chartered Accountants, just like private-sector organizations have to follow the recommendations of the Canadian Institute of Chartered Accountants. That would be for me the best of all worlds, and I think for you as well. Because then these issues would not come to the table and you'd be getting better information in your financial reports.

Mr. Hopfner: — When were all these four issues first cited and brought to the attention of the Public Accounts Committee then?

Mr. Strelieff: — Mr. Chairman, and Mr. Hopfner, we did look at previous annual reports and found that back in 1984 these issues were brought to the attention of the Public Accounts Committee. I've been more specific in this report.

Mr. Hopfner: — How were they brought to the attention in 1984?

Mr. Strelieff: — Let's see. I think at that point the Canadian Institute of Chartered Accountants was just beginning to develop recommendations for how government financial statements should be put together. And at that time my predecessor's annual report addressed those recommendations in that development. And then as each report moved along, the report got a little bit more specific.

Mr. Hopfner: — But in your earlier statement you indicated that government shouldn't be different from business, or you alluded to the fact that government should be treated the same as everyone else in business or whatever.

Mr. Strelieff: — Mr. Chairman, Mr. Hopfner, what I said was — or what I meant to say was — that the Canadian Institute of Chartered Accountants establishes accounting and auditing standards for the private sector and for the public sector. They have two different vehicles for doing that.

On the private sector, the members that establish recommendations are primarily people who work in the private sector. On the public sector side, the people who recommend accounting and auditing standards for the public sector are people who primarily work in the public sector. Their standards are different but the process is the same — that the Canadian Institute of Chartered Accountants recommends accounting and auditing standards for auditors and for financial reporting.

Mr. Hopfner: — Can you give me, in your opinion, what standard would be different? I maybe don't understand this.

Mr. Strelieff: — Well let's see, Mr. Chairman, Mr. Hopfner. One example would be on the auditing side where in the public sector we have standards for auditing for compliance with legislative authorities. That's a very

common type of work in the public sector. It's not a very common type of work in the private sector; therefore there's no specific standards addressing that type of work, so there it's different.

Mr. Hopfner: — Okay. What's this compliance you're talking about?

Mr. Strelieff: — Compliance with legislative authorities. When the legislature sets down a law that — we cite all sorts of examples in our annual report — that here's how a specific type of procedure shall be handled by . . . and set it out in law. Well the auditor comes in and says, well okay, here is a transaction that is contemplated by that law. Was it carried out in accordance with the legislation? Did it comply with the legislative authorities? And that's auditing for compliance with legislative authorities.

Mr. Hopfner: — So you're more concerned then with the law aspect than you are with the other . . . with the private standards.

Mr. Strelieff: — That's one example of a difference. You asked for an example of a difference. Well that was one example of where there's more emphasis in the public sector.

Mr. Hopfner: — Okay, where are we mutually? Where do we mutually arrive to a consensus?

Mr. Strelieff: — There's quite a common area. On the auditing side, auditing for financial statements is quite common or quite similar.

The question was where are we quite similar to the . . . where is the public sector similar to the private sector? And one good example of that is auditing for financial statements. The public-sector arm of the Canadian Institute of Chartered Accountants recommends to legislative auditors, to auditors in the public sector, that they follow — when auditing financial statements of government — that they follow the auditing standards of the private sector; that where the objective of the audit is the same, which is to express an opinion on the financial statements, the standards should be the same on the auditing side.

Mr. Hopfner: — Okay, and in regards to the pension side of things, that could be a fairly traumatic shock on the province's economic portfolio I guess if you will. It's something that would show in your view a fairly significant negative shot as far as a debt is concerned to the province if we were to show it on that particular side because it's never been really in previous years matched or funds set aside for that particular program.

In your view then how would one cite as far as the bonding community is concerned or the investment community is concerned . . . how would Saskatchewan's rating resemble that if we were to throw everything over on one side of that page as you have indicated? That would be a fairly traumatic shock that has never really happened in previous years. So how would one tend to look into the future? And I guess probably I'm asking you what you visualize happening.

Mr. Streliaff: — Mr. Chairman, and Mr. Hopfner, I'm not sure exactly what the question is. Right now . . .

Mr. Hopfner: — Well you said it was reported at 2.4 billion in regards to a major unfunded pension obligation to the province, that the province has here. That's an unfunded obligation. All right. Now that doesn't show up . . . I mean, it's handled from year to year more or less as funds have to be appropriated and put into that particular fund to look after the pension obligations. That's what occurs from year to year to year.

What you're saying is, no we have to now take that 2.4 billion and slam it all into one category where now it shows that the province is actually obligated for that 2.4 billion as a total. But there are so many different ways of having to, when you look at a pension, to look at it now. Some of that fund, or a lot of that fund will probably not even be paid out maybe to a certain extent.

But you're asking the government to assume that every penny of that would be paid out. So you're not allowing them that opportunity to carry on as has been done in the past.

Now all of a sudden there's a new administration that's going to have to show a full, obligated, unfunded portion that is now going to all of a sudden say, well now the deficit in the province of Saskatchewan is no longer whatever, it's now going to be added to a 2.4 billion-plus on top of that. That's what you're saying. So I'm asking you: what's that going to do in the investment world?

Mr. Streliaff: — Well at present, Mr. Chairman, Mr. Speaker, the *Public Accounts* do report the total liability of 2.4 billion.

Mr. Hopfner: — The *Public Accounts* does that.

Mr. Streliaff: — The investment community, and perhaps Mr. Kraus could speak better to this, but the investment community certainly has access to all this information and more so. I assume they would have already factored into their assessment of the province's debt load all the obligations of the province.

What we're recommending is that instead of disclosing it in a note to the financial statements — just within the financial statements — that they actually be recorded as any other debt, and that's what it is. And in terms of how accurate is the measure, the 2.4 billion is the actuary's best estimate of what we owe right now and they do factor into their calculation the probability of people dying or leaving the province or whatever kinds of factors may be influencing the amount of the liability, and then they came up with their best estimate.

Mr. Kraus: — But our disclosure is consistent with the disclosure of quite a few other jurisdictions, and it's like everything else in this business that different governments account for things in different ways.

But I know for example, at least for the year end we're talking now, I checked on a few of them and as far as I can determine, Quebec, Ontario, New Brunswick, Alberta are some provinces that account for their pension in the

same way we do. However what Ontario has agreed to do is, I think they're going to fund their unfunded liability over 40 years, which is quite a time period. But whatever the liability is, they're going to . . . one-fortieth per year is being put into a fund.

But just to point out though what is happening in Quebec is that the auditor there has qualified the financial statements of the provincial government because they have not booked the pension liability as our Provincial Auditor is recommending. And so the question becomes, is our auditor going to start qualifying financial statements of various jurisdictions if they don't do this, or not?

And the one thing we're not talking about here, and it has a very definite effect on the budgetary deficit of the year if you do book this thing . . . Because once you book it, then those recommendations that we're talking about — the accounting principles that are being recommended by the public sector accounting and auditing committee — would also insist that you account for the increase each year in that unfunded liability. And who knows what that might be here, but based on past experience it could be 100, 150 million, 175 million a year.

I can take you back through the last 20 years . . . well I can't give you year by year, but I can sure give you examples of how it's increased. And each and every surplus or deficit for the last 20 years would've been adjusted significantly because of this.

You can say, well then maybe it should be and maybe you should be recording the different deficit or surplus. But it's interesting when you go back all the way back to 1973 for example — and I'm not trying to down-play the problem at all with the unfunded pension liabilities — but the unfunded pension liability then in 1973 dollars was \$404 million, and that represents close to two-thirds of the spending of the province. I think the spending at that time would have been in the neighbourhood of \$600 million. That sounds worse than today and yet the province has always been able to handle it.

So is there a problem with what we're doing or not? Quite frankly I'm just not quite sure what the answer is, but maybe in fact the province's economy as well as those across Canada will be able to meet the pension obligations. And maybe the accounting is satisfactory.

Mr. Hopfner: — So the confusion is that I don't know whether we're looking at one province trying to set a precedence for all other provinces and who's going to beat who where or whatever in determining what the accountability is going to be. And some of the comments the comptroller made in regards to this particular pension thing, it's almost like saying, well let's fix the car before it's broke, kind of thing, you know. And yet if there's nothing to . . . What do you fix if it isn't broke?

And that's the scenario that I've got a hard time wrestling with. I can understand probably the whole world would be a much better place to I live if we didn't have wars and all these kinds of things. I mean, we're always going to have just a little bit of disagreements here or there or wherever I guess. Maybe we're coming to a closer relationship here, Bob, I don't know.

But anyway it's just one of these things. Like I can understand that you people like to see . . . you know the provincial auditors in this country would like to see changes and would like to have this, that, and the next thing at their fingertips. And I guess probably in the private sector, I believe they have to have their certain leeways as the public sector has to have certain leeways and things like this.

But I'm just wondering . . . It's not that I have a problem with allowing provincial auditors and anybody to do the reporting. I think that's great. I guess probably it's just that for an ordinary person like myself have a hard time comprehending just how far the professional system wants to take this because it's definitely . . . When I see disagreements within professions and . . . not disagreements, but I guess agreeing to disagree because there are different procedures that one can follow and still say, well this is accountable, that's accountable, and this is accountable. I have a hard time comprehending just where we're going to go. But I think my colleague over here, Mr. Swan, had one way of being able to . . .

Mr. Chairman: — Mr. Lyons, Mr. Rolfes, and Mr. Swan . . .

Mr. Hopfner: — I recognize that, but I guess probably . . .

Mr. Chairman: — I had a question myself.

Mr. Hopfner: — Yes, I know that, but if . . .

Mr. Swan: — I would just like to put a proposal forward that I thought might resolve some of our certain problems. I don't know if it will or not.

Mr. Hopfner: — Is that all right to let him do that?

Mr. Lyons: — Sure, go ahead.

Mr. Chairman: — Yes, it's okay.

Mr. Swan: — I was going to propose that in our report we write something to this effect: That we refer the auditing principles referred to in chapter 1 . . .

Mr. Anguish: — Can we talk about this further in our final report?

Mr. Swan: — Our final report.

Mr. Anguish: — Okay.

Mr. Swan: — In our final report, we refer the auditing principles referred to by the auditor in chapter 1 to the Department of Finance, the comptroller, and the auditor, for a mutual resolution of the concerns expressed. And I think that way it puts something on your table that you're going to have to deal with and report back, and maybe you'll get a solution. But those are the three bodies that have to sit down and talk about it, and I would like to see it done.

Mr. Chairman: — We have a suggestion by Mr. Swan that the four issues referred to . . .

Mr. Swan: — Well, I thought all of the accounting principles referred to in the early part of chapter 1.

Mr. Chairman: — Right. There's a set of four specific issues that the auditor raises, be referred to the Department of Finance, the auditor and the comptroller for some mutual resolution.

Mr. Swan: — If those three sit down, maybe they'll get a solution.

Mr. Chairman: — On that, I wanted to ask you, you state that during the next year our office will strongly encourage the government to make those financial statements more relevant, and you refer to these four issues. How had you planned to do that? Do you have some strategy or game plan in mind on that?

Mr. Strelieff: — Mr. Chairman, in paragraph 6, I note that this is an important issue for our office, and that we'll be pushing hard to make the financial reports of the government more relevant, and that my standard for assessing relevance is the recommendations of our profession who speak in one voice now. They say, here are the standards for financial statement reporting that governments should follow, and I have to follow those recommendations, those standards.

And that will be my bench-mark for the formulation of our next auditor's report which, Mr. Chairman, you referred to in terms of what pressure points do we have. Our auditor's report is our main public vehicle for expressing what we think should happen. And that's the vehicle we'll be using.

Mr. Chairman: — Could I just ask Mr. Swan what happens in the event that these bodies can't sort of find some agreement on these issues. Do you see it coming back here?

Mr. Swan: — Well it would come back very definitely next season.

A Member: — To the *Public Accounts*?

Mr. Swan: — Yes, it would. But I think that they have a responsibility when *Public Accounts* assigns something, that they should give a report back to us.

Mr. Chairman: — Mr. Swan has a recommendation before us. It's not framed as a motion. Is there . . .

Mr. Lyons: — Yes. Just who was the third party involved in this?

Mr. Swan: — The Department of Finance, the comptrollers, and the auditor.

Mr. Lyons: — So that's two from the Department of Finance and one Provincial Auditor.

Mr. Swan: — Well, indirectly. But I think that the Department of Finance often could come with the deputy minister of Finance, leave the comptroller at home. And I didn't want that to happen.

Mr. Lyons: — Yes, I'm trying to think if there's some . . . The thrust of your proposal, Mr. Chairman, Mr. Swan's proposal, I take it that the thrust of your proposal deals with paragraph .06 in the auditor's report that "our Office will strongly encourage the Government to make those financial statements more relevant."

Mr. Chairman: — Six through thirteen.

Mr. Swan: — I think it would deal with chapter 1 right up to and including 14.

Mr. Lyons: — Yes, okay. See, I had no problem personally supporting that proposal. But I want it understood that some decisions involve how the accounting is done, all right? Had been political decisions and there's no getting away for it. For example, the question of the unfunded liabilities on pensions, whether or not there is . . .

Mr. Swan: — That would be in there.

Mr. Lyons: — Well, but the decision to undertake a refunding or a funding of the unfunded liabilities, or to make provision for that funding, will be a political decision that will be made which will impact on the format in which the accounting is done. For example, do pensions have a stand-alone aspect to them vis-a-vis the overall net debt of the province and accumulated deficit of the province, how they fit together?

It may well be, for example, that the next government would want to expand the Saskatchewan Pension Plan much the same way that the Quebec Pension Plan is expanded in order to develop of some investment opportunities locally. How does that fit in with the accounting of the pension provisions and vis-a-vis the unfunded liabilities? How does that work vis-a-vis the Investment Corporation of Saskatchewan incorporated and its assets?

And all these questions are questions of format . . . (inaudible interjection) . . . No. But I raise that those are the kind of questions which ultimately have political answers to them and which is why the original motion that was presented last time would have that kind of involvement.

I've got no problems in principle to this. But I think it's got to be understood that, you know, in fact it would be encouraged to have these things worked out; to come up with a recommended format but within the context of how we're going to proceed over the next while, and the understanding that it's for the greatest accountability possible for the people of the province. That's the underlying principles as outlined in .06 of your report, Mr. Auditor. And that seems to me the way that we want to proceed.

Mr. Rolfes: — Mr. Chairman, I think the suggestion by Mr. Swan does have some merit. It is very narrow in its scope. I think there are bigger problems to be dealt with but not by this group, not by the three people that have been suggested. I'd like to have some of those issues resolved and I think there's got to be some knocking of heads.

And I was listening to CBC (Canadian Broadcasting Corporation) this morning and it just occurred to me that if the three do not come to some decision we should deal with them, I think, as James V did with Sir Walter Raleigh — throw them into jail and if they still didn't come to some solution, you behead them. But that's jokingly said. I enjoy CBC at 6:30 in the morning.

No, I think there is some merit in what Mr. Swan is suggesting and I think those particular issues should be addressed.

I also would like to just agree with my colleague, Mr. Lyons. I think this committee, maybe not this committee but sometime in the very near future some committee with a much wider scope, have to address those other issues that are in here. And this is not the first report. We've had them in so many reports. I think we've got to come to grips with it.

I'm afraid that . . . and I'll tell you, personally I'm afraid. And I think each and every one of us, particularly those who are workers and depending on their future livelihood through pensions . . . the farmers and the business people don't have to worry, possibly. No, because your pension, you're not for the most part, they don't rely on their pension.

But I think that those people who are civil servants, those people who are teachers, and those people who depend on their pension, if we don't come to grips with this liability, some government in the future will say, as we're hearing from some groups already, and I don't have to name them, we can't afford it. We simply can't afford these.

And I think the longer we put our heads in the sand and we don't address them, we're going to pay the consequences of that in the future. And I hope that we can address those things so that . . . I don't care whether we put it in the debt or the unfunded liability, and the governments in the past certainly have to accept their share of responsibility for that. But I think it should be addressed, and I think it's incumbent upon these three people, if this motion passes, that they come to grips with it and make some recommendation to future governments as to how we deal at least with those four issues.

I would like to then have a committee set up, and of course we don't seem to be able to agree on this — a committee with a much broader scope to deal with the other issues. For example, the issues of tabling of documents, the issue of what should be included in *Public Accounts* and what should not be included in *Public Accounts*. I think part of that will be resolved by the value for money mandate that will be given to you under the new Act. And that we will discuss when the Act comes before us, if the government or the legislature agrees.

There are a lot of other issues that I think have been before us. All you have to do, as I did this morning, go through other provincial auditors' reports in the past and it's the same thing over and over and over. And you can go back to the '70s, and one or two of the same issues were there

at that time, that weren't addressed. And I think it's about time that we come to grips with it. And I like Mr. Swan's suggestion and I would certainly support it. Thank you, Mr. Chairman.

Mr. Chairman: — I would say that I agree as well. I understand that although these parties will be meeting to try and find some mutually acceptable solutions to the issues that the auditor raises, it will still be incumbent upon the auditor to report progress on his discussions of these matters to next year's committee.

I think that it's important that even as discussions take place and government takes actions or doesn't take actions, that somehow none of these items get swept under some government rug and aren't dealt with again in a body that's like this which is independent of government. And I think it's important to maintain that.

Can I just ask, Herb, did you want to frame this in the form of a motion or just . . .

Mr. Swan: — I didn't want to put it in a motion. I don't like a report to be full of motions. I've said that before.

Mr. Chairman: — Okay, so there's agreement with what . . . Agreed.

Can I suggest then at this point we take a break and we'll reconvene in five, ten minutes.

The committee recessed for a short period of time.

Mr. Chairman: — I don't know if we need any more discussion on chapters 1 through 13.

Mr. Rolfes: — I have just a very short question on 14. I don't quite understand this statement. I mean, it's plain enough in English, but I can't recall that that's what happened — "The statements for the year ended March 31, 1990 were released in December 1990".

Did we have copies of it by that time? I mean, we had copies of the *Public Accounts* and we had . . .

Mr. Strelieff: — Mr. Chairman, and Mr. Rolfes, the statement refers to the main financial statements of the province which are set out . . . which just shows the combined fund statements which is then reproduced in the *Public Accounts* as in pages 1 to 15.

Mr. Rolfes: — That's fair enough, that's what you're referring to.

Mr. Strelieff: — Then the main *Public Accounts*, which are the three volumes, were made available to the public in early April or something like that.

Mr. Rolfes: — See, for me when you talk about the main financial statements, that's this. I know, but I mean I don't consider that a main public statement, because it doesn't give you nearly the information that you need. But I mean that's fair enough if that's what you're referring to.

Just one small question on this. If that can be issued on December 31, 1990, could these have been issued at the

same time if in law that would have been possible?

Mr. Strelieff: — Last year or in the future?

Mr. Rolfes: — No, no, last year. What I'm saying is that I know by legislative law it couldn't have been done because we weren't in session. But were they ready? In other words, when that was issued, were these ready to be issued at the same time if there would have been nothing to prevent them to be made public?

Mr. Kraus: — I'm going to have to answer that, Mr. Chairman. I think I've said before, the dilemma is not with volume 1 and it really isn't with volume 3. It may not be printed, Mr. Chairman, at that point but it could have been printed. This current volume 3 is not a problem. The problem always has tended to be volume 2, which are the financial statements for a variety of agencies, almost all of whom we do not prepare the financial statements. And we have to wait for those financial statements to be prepared and audited and sent to us so that we can put them in this volume and provide them to the House, because you don't get them any other way but through this form.

And it's been this thing, this volume 2, that's really caused most of our difficulty. And that's why the government introduced legislation, which we hope will be passed, that will, number one, I guess the main thing is that all of those who are in this book now, all of these agencies and funds are going to be required to table their financial statements in the House directly, to impose some discipline on the system.

And because from my perspective, I was in the middle as well. I would phone the departments and say, or the agencies, where are your financial statements? Are they prepared yet? No. Yes, the auditor's got them and he's auditing them. But we sent them to him three months ago and he still hasn't done it. I phoned the auditor and the auditor's office would say, well yes, we got something but it wasn't good enough and we've sent it back. And so it's back and forth, back and forth. And it's this document that would not be . . . would not have been ready to be printed. That's the problem.

Mr. Rolfes: — Okay. A further question. What's the problem of making public volumes 1 and volumes 3? I mean they stand on their own and they don't really need volume 2 to make sense of volume 1 and volume 2 . . . or volume 3. Why can't they be issued or made public when they're ready if, you know, if this is what's holding it up?

Mr. Chairman: — If I just might, there is an Act before the legislature to do exactly that. A Bill to amend The Financial Administration Act, which stipulates that . . . or the amendment is that where in the past the *Public Accounts* was to be tabled by the Minister of Finance before the Legislative Assembly, you know, as soon as possible after receiving them from the comptroller, it now states, or the amendment is that the *Public Accounts* will be released or must be prepared by the end of November of the year.

And then there's a further provision for the minister to table them with the Legislative Assembly at the first

opportunity thereafter. So if this Bill passes, these statements, all three volumes as presently constituted will in fact be ready by the end of November.

Mr. Rolfes: — Well if that is the effect of the Act, then it answers my question. Okay, thank you.

Mr. Chairman: — But I have a further question arising out of that. Always further questions.

Although I support and agree with the initiative of the government in providing for an earlier release or earlier completion of the *Public Accounts*, there is still the question of — and I note that the government is also proposing to take one chapter of that, the main financial statements, and release them somewhat earlier and make those public — it still begs the question of release of the other two volumes.

In recent years the Legislative Assembly has not sat on November 30. I believe the last time was in 1986 that the Legislative Assembly sat on November 30.

So one might well ask, what is the utility of preparing *Public Accounts* to be ready for November 30, but then these *Public Accounts* will not be tabled with the Legislative Assembly until the Legislative Assembly next sits, which in the experience of the last four years means that the *Public Accounts*, even though they're ready at the end of November, won't be tabled until March, April of the ensuing year.

So that you have these documents that are completed but the public doesn't have access, or members of the Legislative Assembly don't have access to the information until some months down the road.

So it raises for me the question of we need to look at, and the Bill doesn't really effectively deal with this, the question of some effective tabling. Now I've suggested an amendment that I'd like to put before the House in terms of making the . . . of releasing them to the Public Accounts Committee as soon as possible after November 30 if the legislature isn't sitting.

And again I wondered if this is perhaps a question that the Public Accounts Committee, given its obvious interest in the matter, should be dealing with. And does it make sense to anyone here that if you've got a statement that the government says we're going to prepare them by November 30, but the experience is we're not going to get them until late March or into April, what is the point then? Should there be some alternative to what is suggested in the Act?

Mr. Rolfes: — Mr. Chairman, I think I pursued that same question the last day and that's my difficulties with the Act that is before the House too. But even your suggestion will not take care of every particular year.

For example, this year there may not be a Public Accounts Committee. If the election is called in October, there's no *Public Accounts* that you could table it with. That's why I think we've got to find some other mechanism.

I like the idea of having it tabled with the Public Accounts

Committee if there is a Public Accounts Committee, but in the event there isn't one, then I think we've got to find some other vehicle of tabling those *Public Accounts*. And I would suggest that they be tabled with the . . . Of course you may not have a Speaker either, so . . . because a Speaker is . . .

Mr. Muller: — The Speaker continues until after . . .

Mr. Rolfes: — Does he?

Mr. Swan: — The Speaker continues until you name a new one. He always . . .

Mr. Rolfes: — Even elected ones?

Mr. Muller: — We changed that in '82.

Mr. Rolfes: — Yes, but even with an elected one? Or is the person only elected for that session? I don't know what the Act says on that.

Mr. Swan: — They have to . . .

Mr. Muller: — We changed that, Herman, when you weren't here.

Mr. Rolfes: — Well that's good. That's good. Well okay, then we have a mechanism. Then we have a mechanism. It could be tabled with the Speaker. But what if the Speaker . . . Okay, I'll give you an example. What if Arnie isn't re-elected?

Mr. Muller: — But he's still Speaker until a new one is elected.

Mr. Chairman: — Or it could be tabled with the Clerk.

Mr. Rolfes: — Or tabled with the Clerk. But I think we've got to find some other mechanism because I do think they should be tabled and made public as soon as they are ready. I like the new suggestions in the Act but I think that we've got to find some other amendment.

Mr. Chairman: — What is the thoughts of the committee on this issue? Like I think that, you know, there's a bit of a conundrum here that we're going to have these accounts but, based on recent history, nothing is going to happen with them for some months. They are just going to sit there. Does anybody have any thoughts on that?

A Member: — Personally I think they ought to be made public.

Mr. Lyons: — We're dealing with I guess this on two levels. On the one level there's just the whole question of protocol. And there may be some way of dealing with that protocol if that's all that we're dealing with, in the sense of having . . . We could maybe make a recommendation to the House that this Bill be amended so that the *Public Accounts* would be tabled with the Speaker or, in the absence of the Speaker, the Clerk of the legislature. And they would then become public, if it was strictly a question of protocol.

On the other hand, if it's also a political question, that is,

is that the government of the day wants to be able to review the *Public Accounts* or for some reason would want to delay the exposure of the *Public Accounts* to public scrutiny, then that's entirely different. That's an entirely different question.

My personal preference would be is to have the protocol set up, take it out of the realm of partisan politics and have it tainted with the . . . (inaudible) . . . of the Speaker or the Clerk of the legislature in the absence of the Speaker.

In conjunction with a couple of other things, for example, the question of okay, you give the *Public Accounts* to the Speaker but the Public Accounts Committee is not going to sit until March or April or whenever.

That raises the question of the function of the Public Accounts Committee between sessions. And it seems to me that we have to deal with that because these are all political. I mean, they're all political decisions at some level, or have been to date.

Now the question is, it seems to me, is do we want to make in our final report recommendations to the legislature to depoliticize the Public Accounts Committee in the sense of departisanize it. But the . . .

A Member: — I would, Bob.

Mr. Lyons: — You missed the vote though, Harry. Yes, but that was okay. It was unanimous. That way we all could end up voting together on it.

But back to the matter at hand. I mean, I'd like to hear the feelings of members of the committee. Personally I would like to see that procedure put in place or at least on the record, that there is some kind of bipartisan agreement that the Public Accounts Committee: (a) would be empowered to deal with the *Public Accounts* outside the regular sitting of the legislature; and (b) that the *Public Accounts* be tabled with the Speaker or the Clerk of the House in order that the November 30 or the December 1, I guess . . . actual things can get rolling sometimes after December 1 and prior to the sitting of the House. That may not be — if the government changes — it may not be in our advantage to do that because it gives the opposition that much more ammunition if you like.

Well let's be open about this, okay . . . (inaudible interjection) . . . What? I'm sitting on that. Now easy here. I'm not arguing this point. I'm not arguing on that side of it.

Mr. Chairman: — You're speaking hypothetically.

Mr. Lyons: — I'm speaking hypothetically, very hypothetically, very hypothetically. But it seems to me that there is a . . . hopefully there will be a willingness to be able to look at some of those modifications by all members of this Public Accounts Committee to ensure that . . . or at least to recommend to the incoming government that this is the procedure that we follow, that there be those amended procedures so that we get . . . we take the *Public Accounts* a little bit out of the realm of partisan politics and a little more out of the realm of partisan politics and just get at it.

What do you guys think?

Mr. Kraus: — I'd just like to point out the concern that was pointed out in '84-85 when they were released in between, is that one issue seemed to be, should they be released in a fashion so that . . . well when they're released, should it be assured that they're going to a forum for public debate or is it satisfactory that they just be distributed to the 65 or 66, whatever, members? But it seemed that without a forum for debate . . .

Mr. Muller: — Well I have a problem with them not being tabled in the House, and it doesn't matter regardless who's in government. But if they're tabled in Regina, the Regina members certainly have better access to the media and dealing with the *Public Accounts* rather than members that are far-flung in the province that don't really have an opportunity to rebut anything that's put into the media in Regina.

And I think if they're tabled in the House, we're all here and it's all fair and then we can reconvene the Public Accounts Committee and deal with them here as they should be. I don't like to see them distributed intersessionally.

Mr. Rolfes: — Mr. Chairman, I really have to disagree with Mr. Muller on this one. I think, you know in this day and age, if it's tabled with the Clerk, he can immediately send out a copy to each one of the members. There's no problem with that. And it's not so much that the members have the access to it but public has access to it.

The one that has to defend it is the Minister of Finance. And I would like to see those . . . Yes, if the House is sitting in the fall, then table it in the legislature. But if it isn't sitting, then I think if it's ready, the public has a right to it immediately and it should be made available. Send a copy to each one of the elected members and let the public have access to it, and let the Minister of Finance defend it. It's not up to you as a member to have to defend it. It's the Minister of Finance and the cabinet have to defend the expenditures.

And to me, I don't care who the government is; let them worry about . . . If they can't defend their expenditures then darn it anyway, they have a right to be criticized by the public.

And I'd just like to . . . I want those things available to the public at the first opportunity so that they can have a look at it and see how the government has dealt with their money, with their taxes. Let's make it available to the public, and we can set some mechanism in legislation that the members have access to it immediately. The Clerk has a responsibility to send it out to each one of the members, and that no one in Regina or anywhere else has an advantage.

A Member: — You've got a good argument there.

Mr. Rolfes: — Thank you.

Mr. Muller: — Well listen, I don't mind the criticism of the Minister of Finance for the money he's spent. But I

think it should be fair criticism — and everybody should have the opportunity, members and the public — but it should be tabled during the session when all members . . .

Mr. Hopfner: — There'd have to be a change to the Act anyway because he's got to report to the House, to the Speaker.

Mr. Strelieff: — So you're talking the *Public Accounts*.

Mr. Hopfner: — Yes.

Mr. Strelieff: — Well then, my annual report, my annual report's another issue.

Mr. Muller: — Thanks for interrupting me anyway, Mike.

Mr. Hopfner: — I'm sorry.

Mr. Chairman: — I'm just wondering though again, like what is the point of then preparing *Public Accounts* in November 30 if the House doesn't sit and having them literally sort of hibernate for some months? I guess it also raises the question of should . . .

A Member: — What about fall sessions?

Mr. Chairman: — Well recent history doesn't suggest that we have fall sessions. I don't know what the future holds, but I can go on recent history and there's no fall sessions.

The question is also raised then, inasmuch as there haven't been fall sessions, should the Legislative Assembly be expecting more from the *Public Accounts* in terms of meeting interessionally to deal with questions such as *Public Accounts*, now that they're supposedly going to be prepared much earlier. I don't know.

Mr. Swan: — I wonder if we aren't approaching this from the wrong direction. You know in Ottawa they've finally arrived at the point where the timing of the sessions is set down in law. And everybody knows then when they're going to start working, when they're going to end. Maybe we're approaching that time in our province when we have to take a look at a standard process where the House comes in at a certain time and the work has to be accomplished by a certain time.

And I think that places an onus on both sides of the House to come in and get to work and get the job done and . . .

A Member: — A legislative calendar.

Mr. Swan: — Yes. And I don't know how we do it, through the Board of Internal Economy or Rules Committee or through the House, but it needs to be looked at.

Mr. Rolfes: — Then there's no problem to reform. Then there's no problem. I'm sorry. If we set a calendar that the House sits in the fall, then there's no problem because then they have to be tabled.

Mr. Swan: — Well then if it sits in January, at least you know.

Mr. Rolfes: — Yes, that bothers me. That bothers me a bit.

Mr. Chairman: — Herman goes to Hawaii in January.

Mr. Rolfes: — Yes, I wish.

Mr. Anguish: — Are we *in camera* now?

Mr. Muller: — I don't mind sitting in January because I haven't got enough money to go anywhere.

Mr. Chairman: — Perhaps our report can show that the members discussed the question of intersessional tabling of the *Public Accounts*.

There's one other issue that's raised here and that's the question of what's contained in the *Public Accounts*. Now the government said last November, that in addition to preparing the *Public Accounts* by November, it wanted to ask the Public Accounts Committee to examine information that should be provided. We have not yet had any requests from the government.

Mr. Kraus: — I have some material, Mr. Chairman, that I would like to discuss with the committee but I think we agreed that rather than meet with you as a whole committee, we would meet with you as individuals or even as groups of individuals. I would propose to do that almost immediately. I have some things I'd like to discuss with the individual members.

I guess we had talked in terms of the auditor accompanying me but I may bring one or two of my own staff. We would certainly be prepared to talk to you about different options as to how the information could be provided in this volume. Different information — some cases may be less; in other cases, more. That's what I would like to do anyway.

Mr. Swan: — Why would you not want to do it here for the committee? I don't ever see you getting time to do it when the House is in session. And when the House isn't in session, try and catch us.

Mr. Kraus: — Well I suppose I would like to talk about it as informally as I could with you, and I thought that I could perhaps be a little more frank in my thoughts about what should be in a *Public Accounts* or shouldn't be. And it's just a little different setting than when we're in a formal setting of the committee.

Mr. Hopfner: — Kind of in an *in camera* basis.

Mr. Kraus: — Yes. Not that there's anything to hide. It's just that I'd certainly like to just be free to say whatever comes to my mind, I suppose, about the information.

Mr. Hopfner: — I don't blame you.

Mr. Kraus: — Unless you feel I couldn't get together with you now, between now and the time the House adjourns, I would certainly like to try and do that.

Mr. Baker: — Is there any vehicle here that we could go into a non-recorded situation?

Mr. Chairman: — There's a number of options. You've identified a couple. One is to discuss it with the committee; one is individual interviews with members.

Mr. Kraus: — Yes, or even groups.

Mr. Chairman: — Or groups of members.

Mr. Kraus: — Yes.

Mr. Chairman: — I guess the committee could also meet *in camera* to discuss this with you.

Also I have some further questions. What about asking the media in terms of their interest? I mean they're very much a part of this process. They're the ones that are expected to report the information that's in there to the people of the province. They're, you know, ultimately the consumers of this information. What are their requirements in this case and what ideas do they have about information which should be provided? Do you have some plans to also interview them?

Mr. Kraus: — I didn't, no. I think the commitment by the government has been, is, that this would be reviewed with members to the Public Accounts Committee. It didn't extend to the media. I suppose I might be looking for maybe your impression of what the media might want. But no, I hadn't planned on talking directly to them.

Mr. Chairman: — Well, I just throw it out. I have no... What's the committee's wish on this? Let the comptroller move ahead as he sees fit, or do want us to schedule some time to discuss this matter or...

Mr. Kraus: — Could I make one more comment? My thought had been that this isn't necessarily going to be changed overnight either. We are making changes and asking the Provincial Auditor to agree to some format changes, but some of these things might take a little bit of thought.

And I had really thought one idea was to get your opinions individually or in groups and then maybe bring it back to the whole committee and say, here is what our findings were, and then discuss it as a whole. But again...

Mr. Chairman: — Is that agreeable to members? Is that how they want to... okay? At this point then our report would show the members heard a proposal from the comptroller as to soliciting opinions about changing the format of reporting the *Public Accounts*.

Mr. Lyons: — I tell you, I would feel more comfortable in doing this, at least having a preliminary round in an informal setting within the committee where people can ask some questions and you get sort of everybody's input, and so that you're not reinventing the wheel and reinventing the wheel. I mean I think that most everybody has some notion of what they may want to see changed or what they like about the present *Public Accounts* or whatever.

And I'd like to, you know, sort of have that kind of participation going on where we could sort of hash it over first. And whether we do it on a... When would you be

prepared to do that, Mr. Kraus?

Mr. Kraus: — What I would like to do is to clean up some information that I have here, although we have, quite frankly, just copied some pages, in some cases from other jurisdictions, to give you an example of what we're thinking of. But try to get this material here as clean as we can and maybe I could distribute it to you between now and the next meeting and maybe give you a few days — maybe you'd like to talk about it next week, for example — but give you a little while just to look at what we're proposing or some of the ideas. And so we could then discuss it with you informally at any point you'd like.

Mr. Chairman: — Is that agreeable to the members sitting here?

Let's just leave it then that you get us the information as soon as we can and we'll discuss it at that point in committee. But you should perhaps, in addition to asking us, also touch base with the media because they have a very big role to play in this.

Mr. Swan: — If we're going *in camera* though, the media is not included at that time.

Mr. Chairman: — Right, but we would still like to know and I think you would like to know and everyone would like to know if they identify some special interest in how the information is laid out. We should know that.

Mr. Lyons: — Mr. Chairman, just on that point, is there some way of holding an informal meeting that isn't *in camera*; that the press want to talk about things like that. And maybe we could have the media sort of around and maybe one or two of themselves ask a question or two about, you know, gee, why do you do things this way or why are things done that way.

It seems to me that if we're going to get into that kind of informal atmosphere on the thing, then let's just do it and schedule a week from Thursday as a couple of hours where we sit aside and sort of set aside as members and deal with it. I think we can set our own agenda and the format.

Mr. Swan: — When the media get to the point where they win an election, they can get involved in the posing of questions to the committee.

A Member: — They do, but they don't put their name on a ballot.

Mr. Baker: — If we were to have an *in camera* session where we come up with some thoughts, I wouldn't see a lot of problem then bringing the media in with us for just sort of a coffee and a discussion as to where they see it and how they could better inform the public. I don't see a problem with that, Herb.

But I think that we should first of all bat it around and throw out some ideas and see whether in fact it would assist them in dealing with the transfer of the information to the public. I know that from watching it over the last eight or nine years, I have read stories more than once that I knew very well that the media did not understand what

they were talking about and I thought that we were at two different meetings.

And it's quite difficult . . . (inaudible interjection) . . . Pardon? Well it would if they had a better understanding, and we all had a better concept of the way it was laid out. And I'm not blaming media for that. It's just you don't expect them to be chartered accountants and understand. And I think that that wouldn't be a bad idea, because in the final analysis, they are the ones that deliver the message to the folks whether it's good, bad, or indifferent.

And I don't mind anybody at all delivering a message providing it is done fairly and it's the right message. And if I'm wrong, I'll take the blame for it. But if I'm right, and it's delivered wrong, that's a difficult spot to put anybody in, no matter which side of the House it is, or in any measure of our walk of life.

And I think that we're all big folks, and if we are wrong, then we should be brought to task. But if we're not, and we're brought to task unfairly, I can tell you, it puts you in an awful difficult position. And I think it's a good idea to kick it around, throw some ideas on the table, and then invite them in and have a good chin-wag with them and full debate with them to try and bring them into the type of thinking that's going on. I can see it as something reasonable because in the final analysis, I know they're not elected, but they're not going to make the final decision either.

Mr. Swan: — Well if we're going to have an informal session and we're not going to record it, then I don't think you have the media come and sit in, because that will change the freedom of the meeting to express . . . If you want to at some future time have the media in, then I think you have to come back to the point of recording. I see those as two different kinds of meetings entirely.

But this committee has been open to the media for a long time. But if we want one informal session where we're not recording and where we don't have the media, I agree with that. But if we want the media in, then you better turn the sound system back on as well.

Mr. Lyons: — I can share some of your concerns, Mr. Swan, on that. And I guess this is the problem just in terms of the informality of it, whether it's informal to the media. Right? You know. And it never is.

But I want to also express support for what Mr. Baker was saying in terms of the media understanding. And I know from my personal experiences as a journalist where you're expected to know everything about everything. That is the expectation and of course that's impossible. But without having . . . you know, a lot of it's just sort of flying by the seat of your pants in terms of trying to figure out what the heck is going on over such and such an issue. And in a great many cases it does, it gets distorted not necessarily deliberately — and in fact in most cases not deliberately — but the fact is is that the real story doesn't come out, if you like. And perhaps this is one way of ensuring that the real story, whether good or bad, does come out.

I mean it's Mr. Hopfner who has raised lots of questions

concerning where did the \$555 million go. Did somebody take it, you know, off to Hawaii. Well I don't think that anybody's ever said that. It may have been reported in the media that way, and I think that that's where his concerns have been, you know, that kind of report.

Perhaps just . . . maybe Mr. Van Mulligen and Mr. Hopfner can sort of sit down together and they can figure out a way of on the one hand making sure that the meeting is informal. We can throw all the ideas on the table. And at the second hand, or the second, that there is some form of media involvement in it or as adjunct to it or as a post-meeting meeting or whatever. But I would recommend that that's what happen now in terms that Mike and Harry set it up.

Mr. Rolfes: — Mr. Chairman, I'm not specifically on this topic. I really don't care one way or the other. I don't think it's our responsibility to worry about . . . educate the media, but let someone else do that.

I do want, however, from the person who says that the *Public Accounts* are confusing. I had written here a long time ago, and I read this as what suggestions do you have. I'd really like to have from you a listing of your suggestions as to how you think that the *Public Accounts* can be more intelligible to the people who read it.

I agree with you. I've been around here a long time and I think I've probably read most of the *Public Accounts* that have been issued over those years, but I find them also very confusing. And I must admit, I thought the guy that really understood *Public Accounts*, the former premier, Allan Blakeney, said to me one day, he said gee, you know, these things are hard to understand. And you know if he found them difficult to understand, I can understand most other people probably would find them even more difficult.

But I'd like some suggestions from you as to how you think they can be put together so they will be more intelligent — or intelligible I guess is the word — to the public that reads them out there. And also to us.

So maybe for when we do have our meeting on the committee, I'd like you to have an input personally. Maybe you can give us a list of suggestions as to how you think they can be improved.

Mr. Strelieff: — Mr. Chairman, Mr. Rolfes, one of the recommendations that we will be making when we talk about how to make the *Public Accounts* more user friendly is to start off with a summary accounting of everything that government does and then getting in more detailed, more detailed, more detailed.

Right now we don't have a summary. We have a portion here, a portion there, a portion there. So you can't figure out how it fits together. And it's tough. I find it really tough to figure out how all the different financial transactions work.

And I've looked at them across the country. And it usually starts off — in the private sector it's the same way — it starts off with a need for a summary of everything you're

responsible for in one tight format. And then you get into more detailed financial statements of each of the components and then you get into more detail after that. It's a fairly logical process but it starts off with the top.

And on making reports more user friendly, we've been trying to make our annual report more user friendly. We've made quite a few changes this year, and they were the result of sending two of our staff people to a meeting of legislative auditors hosted by the Auditor General of Canada to discuss how to make legislative auditors' reports more user friendly. And we're continuing to work on that.

Mr. Rolfes: — Yes, I would think that you are probably familiar with what most of the other provinces are doing. And by picking out the good things in each, one should be able to come up with something and say, okay this is what we think is pretty well ideal. And that will be, as you term it, user friendly.

You know, therefore that's why I suggested it because I think you've got that experience. And you could look at other provinces and say, well this is what they're doing and this part, what they're doing, I think is very good and we'll take this part from here and we'll put together *Public Accounts* and provincial auditor reports that are more user friendly.

Mr. Chairman: — Just on this then, I'll consult with Mr. Hopfner and we'll try and work out something in terms of discussing this issue . . . (inaudible) . . . question of the *Public Accounts*.

Mr. Rolfes: — Is it next Thursday did you say, or a week from Thursday?

Mr. Muller: — A week from this coming Thursday.

Mr. Chairman: — We'll try and work it out the best we can with Mr. Kraus.

Mr. Hopfner: — More like we'll sit Tuesday.

Mr. Muller: — We can't.

A Member: — Why?

Mr. Muller: — Because I can't get here .

Mr. Rolfes: — Well no, I know, but we haven't made that decision. I assume we're not.

Mr. Hopfner: — Could we pass for sitting next Tuesday and use that as a travel day?

Mr. Chairman: — It's agreed that we won't sit next Tuesday? It's agreed we won't sit next week Tuesday? Anyone sort of have a strong need to sit that morning? We won't sit then next Tuesday, by agreement.

Before we get into any other items, perhaps let's just adjourn for the day. We'll see you on Thursday.

The committee adjourned at 10:55 a.m.