

STANDING COMMITTEE ON PUBLIC ACCOUNTS

January 10, 1992

Public Hearing: Saskatchewan Property Management Corporation (continued)

Mr. Chairman: — Good morning. I understand, Mr. Beatty, the president, is now with us this morning. I don't know if you have any other people than what were here the other day with Mr. Beatty, but perhaps for the sake of the committee go through your officials again.

Mr. Beatty: — Yes, Mr. Chairman, I just want to say that I regret that I was unable to attend on Tuesday. I believe it is the same line-up of SPMC (Saskatchewan Property Management Corporation) officials that were present Tuesday. On my right is Mr. Rankin, the real estate services vice-president; on my immediate left, Mr. Laidlaw, the customer services vice-president; Ms. Raab, the financial services vice-president. And Mr. Rob Isbister is part of the financial services group. Mr. Doug Porter is a member of the security agency; and Mr. Gordon Robinson is special advisor to the president.

Mr. Chairman: — Thank you, Mr. Beatty. Do you have any comments or statements you wish to make to the committee before we resume questioning?

Mr. Beatty: — No, Mr. Chairman.

Mr. Chairman: — Thank you.

Mr. Anguish: — Thank you, Mr. Chairman. I'm wondering if in the time since January 7 when you appeared last before the committee, whether or not there are any answers to provide to some of the questions that were left outstanding.

Mr. Beatty: — Yes. Ms. Raab.

Ms. Raab: — We have tabled two of the responses with the Clerk this morning.

Mr. Anguish: — I'd like those before we proceed, please. Mr. Chairman, I'm not humoured to say the least, by the activities of the Public Accounts witnesses on January 7. And without making any kind of an accusation, I think it's so close to holding the committee in contempt that it causes me a great deal of concern.

We started out in terms of questioning on page 94 of the verbatim by myself asking a question about a company, as to whether or not SPMC had a relationship or had done business with them during the year. We've determined who the company was finally; it was Ralst & Associates. And we pursued a number of questions concerning that company and the contract.

And what bothers me and why I would say it's close to contempt to the committee, is that within a period of about five minutes we go from having to try and pull questions and answers, or at least answers, out of the witnesses — it was like trying to nail jelly to the wall — and finally by the time we get to Mr. Porter, he informs me that there's, and I'll quote:

The Department of Justice has directed that the RCMP (Royal Canadian Mounted Police)

commercial crime together with the Regina Police Service conduct a review. And they have come and asked specific questions of which we've co-operated and responded to and provided information.

I don't know why the committee couldn't have been told that from the very beginning. Certainly someone knew that. And we go from the point you have to look through a computer print-out to find the name of the company to within about five minutes having someone admit that there's an RCMP review under way. And I don't like the thought that it places us in that kind of a position.

It almost reminds me of Oliver North when he was trying to protect a superior whose practices were at least questionable. And then you put the committee in the embarrassing situation of coming back after the lunch break with the deputy minister of Justice virtually telling us that we couldn't ask you questions because we would not be told about the scope of the RCMP investigation.

And I'm wondering on reflection, Mr. Beatty — and I know that you weren't here on January 7, but in discussion with the vice-presidents — whether or not that we can expect that the questions will be answered directly and provided with as much detail as possible, so that we don't have to very painstakingly try and drag information out of the vice-presidents of the Saskatchewan Property Management Corporation.

Mr. Beatty: — Well, our officials at SPMC have been asked to be as forthcoming as possible and as helpful as possible to the committee. And certainly today they've all heard what you've said and I would only reiterate that certainly it's my intention that all members present from SPMC co-operate as fully as possible with the committee. That is certainly my intent.

With respect to the one issue, I think it was a bit of a tricky issue inasmuch as it was known to the — certainly to the security people — that an investigation was under way and there was concern about prejudicing that investigation. We've had a discussion of that, and I've explained that the highest court in our land immediately is the legislature of the Government of Saskatchewan. And certainly our people are well aware. These people are now well aware that they must answer any questions with respect to that or any other issue.

But on the other hand, I'm sure the committee will want to take into account the fact that with that particular issue that there is a sensitivity.

Mr. Anguish: — Well I can certainly appreciate, Mr. Chairman, that there are some sensitivities when there's an RCMP investigation going on. And we on this committee want to do nothing to impair an investigation being conducted by the Regina city police or the Royal Canadian Mounted Police.

The point I try and make to your officials is that if this is the case, don't make us try and nail jelly to the barn door. We want to know that right away because we don't want to be asking questions that would jeopardize any possible

criminal prosecution. And if we're told that immediately, it helps us to understand.

When Dr. Barrington-Foote left the committee last time, we felt that there was some degree of concern that we were blocked from asking any questions from the Saskatchewan Property Management Corporation because we did not know the scope of the RCMP investigation. That was not revealed to us.

We're not asking at this point for the scope of the RCMP investigation to be revealed, but if we ask a question of the Saskatchewan Property Management Corporation and it is under investigation by the RCMP or the city police, we want to know that right away so that we're . . . at least have some guidance on the questions that we can ask. So I appreciate your commitment today to have those questions answered.

I don't want to take up a lot of time of the committee today with the Saskatchewan Property Management Corporation because the Saskatchewan Property Management Corporation, as I understand it, will be appearing before the Crown Corporations Committee within a couple of weeks. I don't know the exact date but I am sure that you have been apprised of the schedule, or if you haven't been, you will be very soon. The questions at that time . . . I believe that I will be on the Crown Corporations Committee to pursue a line of questioning that I had started on January 7.

There's just one question I think that I want to ask before we head and go back and get prepared for Crown Corporations a couple weeks down the road. It has to do with the advertising that was talked about on the topic of retainers received by Dome Advertising in the year under review and it seemed to me that there were payments made from the Saskatchewan Property Management Corporation for services, but those services were not received. And I'm wondering whether or not this just happened in the year under review or whether or not it happened in previous years as well.

Ms. Raab: — Mr. Chairman, with respect to the two contracts that we've discussed, and I believe they were Dome Advertising and Roberts & Poole.

Mr. Anguish: — Yes.

Ms. Raab: — The contracts were entered into on July 7, 1987 for Roberts Poole and I believe it was the same date for Dome Advertising.

Just excuse me for one moment. I'm trying to dig up the contract.

Yes, they were both July 7 of 1987. And they both continued until October 16 of '89. So the payments would have been made in that period of time.

Mr. Anguish: — It seems to me that from time to time in the Saskatchewan Property Management Corporation in the past, there have been situations where there have been verbal contracts without the proper documentation. And that, I would think, makes it very hard for an auditor or an accountant or a public accounts committee like

ourselves, to trace some of the activities within the Saskatchewan Property Management Corporation.

I'm wondering if you can tell us, was it general practice to make verbal contracts between vice-presidents and agencies to supply services, or by the president for agencies to provide services?

Ms. Raab: — Verbal contracts did occur from time to time. It was generally a practice to have a contract wherever possible.

Mr. Anguish: — The verbal contracts, as far as you know, would have all been made by vice-presidents or the president of the Saskatchewan Property Management Corporation?

Ms. Raab: — The president would have to authorize any verbal contract. On an invoice or a subsequent piece of paper that would be presented for payment, if there was not an official contract, the president's authorization would be required.

Mr. Anguish: — Oh, I see. So if someone came to you in administration and said: I've made a verbal contract; I want you to pay this, you would not have the authority to pay that. Or you might have the authority to pay it, but you would have the approval of the president before you paid the invoice.

Ms. Raab: — Yes. Our process is such that we have various purchase orders or contracts. If there is not one of those things in place to make a payment, as the payment processor I would ensure that there are goods and services received and that the president would have in fact authorized that particular payment. And then I would, as a general signer of the company then co-sign to authorize release of that payment. So that would be the typical process.

Mr. Anguish: — That would be the process.

Ms. Raab: — That would be the process in the event there was not an official contract.

Mr. Anguish: — I don't want to take any more of the committee's time today because of the unusual situations that happened on January 7. That's the reason you're back here today. But I would like you to be prepared for the Crown Corporations Committee. There'll be several questions before the Crown Corporations Committee when you appear in a couple of weeks.

And in particular I would like you to bring forward to the Crown Corporations Committee the file on what's become known as the Echo Valley deal. And I'm sure that you're all aware of the situation surrounding the Fort San buildings out at Echo Valley. That will be one of the major topics of discussion at the Crown Corporations Committee.

And with that, Mr. Chairman, I don't think I have any further questions to put to the witnesses here today. I don't want to take any more time of the committee.

Mr. Chairman: — Any other members of the committee

have questions pertaining to the Saskatchewan Property Management Corporation? If not, thank you, Mr. Beatty, to you and your officials.

Mr. Van Mulligen: — Mr. Chairman, I would move:

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

Mr. Chairman: — Motion by Mr. Van Mulligen. Is it agreed?

Agreed

Mr. Van Mulligen: — What sort of agenda do we have coming up?

Mr. Chairman: — Parks.

Mr. Muirhead: — Did I understand . . . did you say something about a recall or . . . (inaudible) . . . in two weeks?

Mr. Anguish: — No, I have no intention, Gerry, of recalling them before this committee, but they have to appear before the Crown Corporations Committee within a couple of weeks for the Crown Corporations hearings.

Mr. Muirhead: — Thanks.

Mr. Anguish: — And I think we'll deal with it there rather than take more time with this committee.

Mr. Chairman: — That's fine with me.

Mr. Van Mulligen: — Me too.

Mr. Chairman: — Do we need to go *in camera*? We have some comments by the auditor on Parks that probably should be dealt with.

Mr. Van Mulligen: — I'll move:

That we go *in camera*, Mr. Chair, to hear the comments of the auditor with respect to Parks and Renewable Resources.

Mr. Chairman: — Moved by Mr. Van Mulligen, is it agreed?

Agreed

The committee met *in camera* for a period of time.

Public Hearing: Department of Parks and Renewable Resources

Mr. Chairman: — Good morning, Mr. Cressman. Would you please introduce your officials to the committee.

Mr. Cressman: — Certainly. My name is Doug Cressman. I'm the deputy minister of Parks and Renewable Resources. And with me this morning are a variety of folks. On my right is Dick Bailey, who is assistant deputy minister of recreation and management resources division; back in the corner is Ross MacLennan, who is executive director of operations; beside him is Shelley

Vandermeij, who is director of contract services branch; beside her is Doug Mazur, director of resource lands branch. Joe Warbeck is immediately behind me. He's a manager in management services division. On my left is Bill Marr who is director of management services division.

I also wasn't sure exactly how things would proceed this morning. You may or may not recall that we were two departments in the course of the year under review. We were Parks, Recreation and Culture for roughly half of the year, up until October 3, and then we were Parks and Renewable Resources. So I've taken the liberty of asking Keith Rogers who was later with Culture, Multiculturalism and Recreation and even later with the Family Foundation to join us as well this morning in case there are any questions along those lines.

So we're certainly happy to be here this morning and look forward to trying to provide you the information. And Keith has brought along with him one individual as well, Brenda Cote who's head of administration.

Mr. Chairman: — Keith, I wonder if you could swing around to the end there, please. It makes it a little easier for all members to see you. Thank you.

A little bit of official business here, Mr. Cressman, to deal with before we begin our line of questioning.

On behalf of the Standing Committee on Public Accounts, I want to welcome the officials of the Department of Parks and Renewable Resources to the committee meeting this morning.

The officials should be aware that when appearing as a witness before a legislative committee that testimony is privileged and it cannot be used against the witness as a subject of a libel action or any criminal proceedings. Witnesses examined before a legislative committee are entitled to the protection of parliamentary privilege in respect of anything said by them in their evidence.

However all that is said is in this committee is published in the Minutes and Verbatim Report of this committee and therefore is freely available as a public document. The witness must answer all questions put by the committee.

Whenever the committee requests written information of your department, I ask that 20 copies be submitted to the committee Clerk who will distribute the document and record it as a tabled document. You are kindly reminded to please address all comments through the chair. Thank you.

I will now open the floor to questions.

Mr. Van Mulligen: — With respect to the contingency plan, that matter that the auditor addresses, have you been able to develop any such plan?

Mr. Cressman: — Yes, we've actually hired an individual within the department, a fellow named Jim Bingaman, who's been given specific responsibility to develop that plan. And although it's taken a little longer than we thought, we think that that should be in place by the end

of March of 1992. And I think that because of the action we've taken, the Provincial Auditor has actually accepted the current situation and hasn't cited the department in the present year on this matter.

Mr. Van Mulligen: — Okay. I have no further question on that part of it.

Mr. Chairman: — On this section, Mr. Johnson?

Mr. Johnson: — On the following section.

Mr. Chairman: — All right. Could we move to sections .04 through .08 please?

Mr. Johnson: — Mr. Chairman, it appears that there's leases that are late payment on them and that there is a policy to collect interest on them. Is the leases in question, are there any large items in that area?

Mr. Cressman: — To the best of my knowledge these are all leases of small cottages. This is the section on interest to be charged on resource lands.

Mr. Johnson: — Yes.

Mr. Cressman: — They're just small cottage leases to the best of my knowledge and they're located in two provincial parks, Nipawin and La Ronge provincial parks.

There wasn't any collection on them. We estimated that we were losing in the neighbourhood of \$4,000 by not collecting. And we figured it was going to cost us more than that to collect it.

Mr. Johnson: — You were losing \$4,000 in interest?

Mr. Cressman: — That's right.

Mr. Johnson: — A year?

Mr. Cressman: — That's right. To the best of our knowledge.

Mr. Johnson: — How many items would that have covered?

Mr. Cressman: — Oh, sorry, I'm just confirming. The arrears were \$4,000. So we were losing interest on the arrears of \$4,000 — not losing \$4,000.

Mr. Johnson: — Okay, that changes the perspective a bit.

Mr. Cressman: — Yes, and that has been resolved now. We've gone from a manual billing system to an automated billing system, so we're more able to collect those arrears.

Mr. Johnson: — I have no further questions on that.

Mr. Chairman: — Perhaps we could go to sections .08 through .13 then?

Mr. Johnson: — Mr. Chairman, in this particular item there is a transfer of property back and forth and leasing internally in government so that there is in essence in that

particular area not much of a loss. But the question that I have in relation to that is that the yearly rent on the buildings sold, if my calculations are reasonably correct, would be something like about \$45,000 for buildings that were sold at \$150,000, which means that the annual rent would exceed 30 per cent of the value of the buildings. Do you think that SPMC was charging the department too much rent on those buildings?

Mr. Cressman: — I guess if I could just confirm that. Is that an accurate number? Do we know what the rent was on those individual buildings?

Mr. Johnson: — That's what I'm calculating is the participation credit that would be included over the 32,000 that's there indicating a reasonable . . . a market rent for that would be 45,000. So I'm wondering . . . the question is were you being charged too much rent for those particular buildings?

Mr. Cressman: — I guess when it came to rental of buildings as a department we never really negotiated with the Property Management Corporation to any great extent. We were provided rental charges and were provided money in our budget to pay those rental charges.

Mr. Johnson: — Okay then the opposite side of that is did you sell the buildings for not enough then? Because one side or the other, like it . . .

Mr. Cressman: — Well our assessment at the time was that we got a fair price for the buildings in the context of the entire package that we were letting go. Like we figured that . . . I'm not an accountant so accountants please allow me some latitude here. My feeling is that you can look at buildings in a variety of ways, the value of the building. You can look at as a historically depreciated cost. You can look at it as a stream of income flow. And my feeling was that we probably got a fair price for those buildings.

Mr. Johnson: — When this was straightened out — because as I understand reading this, it indicates to me that things were transferred back and forth until everybody agreed that they were as they should be — did the Saskatchewan Property Management Corporation at that time question the market value of those buildings from the department, or did they end up accepting that?

Mr. Cressman: — No, they didn't question the value of the buildings.

I should point out that the transferring back and forth was an inadvertent accounting error on our part. We simply credited the revenue to an account that we shouldn't have, and so it was no . . . this was not a planned transaction; it was simply credited to the wrong account. It was drawn to our attention, so we credited it back to the proper account.

Mr. Johnson: — Okay. Then Saskatchewan Property Management Corporation would have known about the sale prior to it having taken place and agreed to it?

Mr. Cressman: — Yes. Discussions would have been

held with the Property Management Corporation ahead of time.

Mr. Johnson: — Ahead of the sale?

Mr. Cressman: — Yes.

Mr. Johnson: — And they agreed to that particular price?

Mr. Cressman: — That's right.

Mr. Johnson: — You said that this was in relationship to some other items that were being sold or rented or whatever. Where would these buildings have been then?

Mr. Cressman: — What I'm talking about is the whole idea of keeping a ski operation going on the Blackstrap hill. There were two things involved in the 150,000. One part was Blackstrap, and we were looking at a ski chalet, a terminal building, and a storage shed. The second was in Duck Mountain Provincial Park, where it was a golf clubhouse and maintenance building, a laundry, and a riding stable.

Is that . . . sorry. A golf clubhouse, a golf maintenance Quonset, and three storage sheds.

Mr. Johnson: — Property Management Corporation were charging you to operate them what would in essence have been as a fair market rental rate, 45,000 for those two areas, and they then okayed through you the sale of that for 150,000.

Mr. Cressman: — That's correct.

Mr. Johnson: — So in essence, they devalued their property, the property that they were owning, considerably. Would the operation of those facilities have been economical for the department had the rental rates reflected the value of the sale? Because there would have been . . . I suggest to you that there had been a substantial reduction in the rental rates that you would've paid had they been valued at \$150,000.

Mr. Cressman: — I'm not sure I understand exactly. Maybe you could try that again.

Mr. Johnson: — Well the sale of these buildings and that, if I remember correctly of the concept that was behind it, is that it would be cheaper for the government to privatize them and have somebody else handle the operations rather than operating them through the department. That's my concept of what was operational at the time.

These two items, it indicates to me from what the property was sold at and what the rental rate that the department was paying for that property, that there was probably 10, maybe as much as \$15,000 more that could have been available to the department had they been paying a rental rate that looked at the actual value of the buildings.

Mr. Cressman: — I guess . . . let me talk around this because I want to provide you the information and I'm not sure I'm providing this in an appropriate form.

Blackstrap ski operation had been rented to the individual

that we sold the buildings to eventually, but it had been rented. He had been operating it for a period of 10 years. We then simply sold the facilities to him. We turned it over to him to operate. And in terms of the fairness, I think if I understand it correctly, your question has to do with the fairness of the rental rate that we were paying SPMC?

Mr. Johnson: — Right.

Mr. Cressman: — All I can do is go back to the earlier point that I made that we never really negotiated rates with SPMC. As I said, it was a simple process for us, and that's for all our properties — simply a matter of us talking — there's sort of a three-way discussion went on at budget time between Finance, ourselves, and SPMC.

SPMC, we'd be provided a rate; we would be provided money in our budget to pay that rate; and there was a participation credit I believe as well. And I'm not sure how that was applied exactly, but there was a participation credit so that the actual rent that you were paying was not what was shown on the books, and I think they did that for market reasons.

Mr. Johnson: — Okay. The rent that you were collecting for the previous 10 years from the individual reflected the market price that the property was sold for?

Mr. Cressman: — In this case what our price was for the buildings was we try to price it in a way that reflects the historic depreciated cost of the building. So when we would have worked this out with SPMC. They would have understood that that's . . . we would have probably got the numbers from them in the first place but we would have understood that this is a historic depreciated price that we were asking.

Mr. Johnson: — Okay, the rent that you were collecting previously from the operator that the buildings were sold to, would it have covered the cost of the rent that you were paying to SPMC?

Mr. Cressman: — I'm not sure. I can't tell you that off the top. We have the lease fee information with us. We can tell you what the lease . . . how much this individual was paying us to lease the property from us.

But I don't have with me the number on the amount paid to SPMC as rent for this. We're dealing with your calculations and I don't know whether that's right or not.

Mr. Johnson: — Okay. In that particular respect, could you have . . . if the committee agrees, I'm prepared to accept that, if you'd give it to us in writing at a future date.

Mr. Cressman: — To give you the lease fee and the rental on that property?

Mr. Johnson: — Yes.

Mr. Cressman: — Yes, we'd be happy to do that.

Mr. Chairman: — Anyone else in this section? If not, we'll move on to . . .

Mr. Van Mulligen: — Did you get the rent money back

from SPMC?

Mr. Cressman: — Sorry?

Mr. Van Mulligen: — Did you get the rent money back from SPMC?

Mr. Cressman: — Yes we did.

Mr. Chairman: — Can we go to .14 through .18 then please.

Mr. Van Mulligen: — Do you have a list of these unpaid rentals?

Mr. Cressman: — A list of the facilities that they applied to?

Mr. Van Mulligen: — Yes.

Mr. Cressman: — Yes. There were three facilities, and they all were four-season destination resorts in the parks. One in Duck Mountain, one in Cypress Hills, and one in Kenosee, Moose Mountain Provincial Park.

Mr. Van Mulligen: — Can you tell us whether these unpaid rentals have now been paid?

Mr. Cressman: — What the status is with them now, we've collected approximately 80,000 of what was an original 149,300 outstanding. We are actively collecting 13,300, and we have 56,000 that is scheduled to be paid by September of 1993. So by September of 1993 we should have the entire collection business looked after.

Mr. Van Mulligen: — And your current year rental arrangements are not incurring any arrears?

Mr. Cressman: — In the current year, what we're doing is just . . . the rental is determined in part by their financial statements for the year. So we're just at the stage now where we're determining what the final situation will actually be. So there isn't arrears on the current year, as we understand it.

Mr. Serby: — I would just ask if you might provide which one of these unpaid rentals . . . or how they apply to each of the particular facilities that haven't paid their rents yet. These that you have listed here, you have the three listed.

Mr. Cressman: — You're interested in how much each was in arrears?

Mr. Serby: — Yes. Could you give me that in this particular year that we have identified? You said there were three resorts, I believe.

Mr. Cressman: — For the year under review then. Duck Mountain Provincial Park was in arrears 20,528.65. Cypress Hills Provincial Park was in arrears 44,735.91, and Moose Mountain Provincial Park was in arrears 26,571.07.

Mr. Serby: — Thank you.

Mr. Chairman: — Sections .19 through .23.

Mr. Johnson: — Mr. Chairman, the payments — 84,000 I believe is the total amount of them — has there been changes that are in process to have procedures followed, or are there procedures being changed, or what's covering in this particular area?

Mr. Cressman: — Mr. Chairman, if I might. This is an area that I think was looked at broadly across government, and I'm not sure whether Mr. Kraus would like to speak to that.

Mr. Kraus: — This is an issue that was dealt with, Mr. Chairman, at previous Public Accounts Committee meetings. This particular problem was identified in a number of departments. And what happened was that The Government Organization Act, well we say it was inadvertent, but it created a situation where it was unclear as to whether or not many payments that otherwise did not need an order in council would now need an order in council.

In other words there were many payments of a routine nature that because of the wording in The Government Organization Act you could argue they should be receiving orders in council, and prior to payment.

And what we did was we worked with the Justice department and the auditor was involved, the auditor's office. They reviewed some new regulations that were prepared and came into force on February 6, 1991. And as a result of that, these payments, if they were made today, would not require an order in council.

And in general we all agree that there are certain kinds of payments that should be going forward for order in council approval, but I believe these types of payments — they're not identified specifically here, but I believe they'd be of a more routine nature.

Mr. Chairman: — I understand sections .24 through .29 have been resolved. Does anyone have a comment related to those areas just in a generic way? If not, perhaps then we could move into a general discussion of the department.

Mr. Johnson: — Mr. Chairman, did the department have anything . . . was the department involved in any manner in the draining of English Lake, near Turtleford?

The project was carried out by Ducks Unlimited but it extended to . . . the English River was dry following the draining of the lake.

Mr. Cressman: — Mr. Chairman, I'm not aware that we are. I'd be more than happy to look into that, to check, if I understood what it was that the concern was or question was.

I could say that typically when Ducks Unlimited is involved in a drainage project it's something that they would work out — or in a water impoundment project — it's something that they would typically work out with the Water Corporation. If there were things that related to water-fowl management, then the department would be

interested in that. We would be either supportive of it or whatever, but usually we aren't involved in the licensing or things like that.

Mr. Johnson: — Okay. Basically the draining of Englishman Lake was for water-fowl nesting and that particular thing, as I understand it. The Wetlands Corporation, which starts in January, 1990, my understanding is that they would be involved in it now but that's . . . This occurred in the summer. The construction of that occurred in the summer of 1989. And what you've said is that you'd apply no licensing or anything of that particular nature. That would all be the Water Corporation.

Mr. Cressman: — No, typically that would be the Water Corporation that would be involved in it as a water management issue. And I could add too that the Wetlands Conservation Corporation, even though it came into being then, likely wouldn't be involved. Its job is to co-ordinate the delivery of the North American water-fowl management plan but it doesn't have any licensing authority or anything like that.

Mr. Johnson: — When a project of this nature comes along, what is the study that you do in order to either support or reject a program based on . . . for the water-fowl? How much . . .

Mr. Cressman: — What would typically happen is the Ducks Unlimited would bring forward a proposal or a suggestion of what they're going to do, if it's a major activity. And we would have our wildlife branch . . . we'd just assign a wildlife biologist to look into it and determine whether or not we thought it was a good idea.

Mr. Johnson: — Could you tell me whether the department supported this particular one or not?

Mr. Cressman: — I'm not aware of it as a project, however I'd be more than happy to go back and provide that information to you — provide it to you in a written form, if that's all right.

Mr. Johnson: — Okay. No further on that particular . . . On a different subject.

The department in recent years has been leasing out small areas that were formerly looked after by either stand-by crews for fire fighting, etc. How did they handle the buildings that were smaller than 25 square metres . . . is where the Property Management Corporation didn't own any buildings smaller than that.

My understanding is that in some locations, all the small — I believe they're called dry hole bathrooms — would be hauled into compounds in the winter. And when they were returned back out to the sites, the sites that were being privately rented received all the brand new ones, and the other ones went back to the sites the department had. And I'm wondering if that was a policy of the department or if that occurred at a local level.

Mr. Cressman: — Let me just check. Excuse me, Mr. Chairman. If I could get a word of terminology. There was a dry . . .

Mr. Johnson: — I'm not sure what the correct . . . It's mobile buildings over a hole.

Mr. Cressman: — It's a better description than we use. I think we call them pail-a-day. And let me assure you, there's more than a pail a day that we deal with there.

However, having said that, the department has no policy whatsoever that would see newer toilets going back out to older . . . or to privatized locations, or leased-out locations. We have no policy along those lines whatsoever.

So I'd be surprised if that were happening, but certainly if I knew the site in particular that you were interested in, that could be determined.

Mr. Johnson: — Okay. I'll follow it up then.

Mr. Cressman: — Yes.

Mr. Chairman: — Would you surmise, Mr. Cressman, this is why SPMC didn't want them.

Mr. Cressman: — It's quite possible. We have kind of a . . . well you know the nature of the business at times.

Mr. Johnson: — No further questions.

Mr. Chairman: — Mr. Cressman, in the year under review, did the department undertake any conversations with the federal agency known as the Freshwater Fish Marketing Board on the seemingly low return that people in that business were obtaining?

Mr. Cressman: — Do you mean in a sort of a formalized fashion, at the level of the minister?

Mr. Chairman: — Right.

Mr. Cressman: — I'd have to check our records to know for sure. I don't recall any, but there's constant discussion going on between, say, our director of fisheries and staff in the Freshwater Fish Marketing Corporation.

Mr. Chairman: — Could you explain to me why over the last 15 to 20 years the relative rate of return in that particular business has stayed fairly static and in some cases has even dropped?

Mr. Cressman: — Well I think there are . . . this is just my perspective, but what we have in the fishing industry in the province is we have a very small supply, a very limited supply of fish that are in high demand, namely walleye, jack or pike are coming back, and lake trout. We have a relatively large supply of what we call rough fish, whitefish, things of that nature.

And as a consequence, regardless of what the market is doing, we're just sending a small chunk to the market of the high-value fish that may command higher prices. So if you look at a rising market, we typically don't have a big enough volume to see us do that well.

What you do find, however, is that through the

Freshwater Fish Marketing Corporation, in my opinion we actually protect ourselves against the down . . . any downturn in markets. Unlike the situation that we had before the Freshwater Fish Market Corporation was in place, we have collectively with the Northwest Territories, Manitoba, Alberta, part of northern Ontario, and ourselves, a large enough volume that we can go looking for markets for the kind of fish that we produce. So you effectively find the Freshwater Fish Marketing Corporation providing a more stable, larger volume of product that it can put into the market. So it tends to stabilize prices for us.

Mr. Chairman: — Mr. Cressman, are people in that business — people that your department, I would presume, licensed — are they allowed to go direct to customers, say, in the southern part of the province?

Mr. Cressman: — Yes. Until about three or four years ago, I can't remember the date exactly, any fish caught in Saskatchewan had to be sold through the Freshwater Fish Marketing Corporation, and that was creating some difficulty. So what was done was a change was made to allow for the establishment of fish dealers within the province so that . . . and I'm not sure the exact nature of the licences. I believe a fisherman, a large commercial fisherman, can get a fish dealer's licence whereby he can sell directly into the market. As well there are people who are established as dealers to sell directly into the market.

So in Regina you can buy fresh fish caught in northern Saskatchewan directly from the dealer or through a retail chain that he may sell to.

Mr. Chairman: — Would your department have a list of those dealers?

Mr. Cressman: — Yes, we would.

Mr. Chairman: — They are licensed by your department?

Mr. Cressman: — Yes.

Mr. Chairman: — Would you mind providing a copy of that to the committee?

Mr. Cressman: — I would be pleased to.

Mr. Chairman: — Just an observation from dealing in the Indian Affairs, Metis department last year that there seemed to be an inordinate amount of complaints still in this regard, of the inability to go direct from say Deschambault or someplace into the major urban areas in southern Saskatchewan with fresh fish. And I thought that I understood the policy as you've outlined to the committee this morning, but there still seems to be a certain amount of frustration. And I know as a consumer who is an active fisherman and who enjoys all types of fish, including most of the rough species, it just doesn't ever seem to be fresh in the store.

Now I don't shop at Superstore so I don't know, but in my home community of Moose Jaw I would defy you to go there and find fresh northern Saskatchewan fish, either on the menu or on the shelf in any of the outlets. And I'm just

wondering why that doesn't occur given what the retail price is and what these people are being paid.

Mr. Cressman: — Just an observation. I'm not sure it's as much a problem of fishermen or fish dealers as it may be more a matter of the structure of the retail industry. I think that the wholesalers who supply the retailers tend to want to make one phone call a week to salt away their fresh vegetables, or one kind of fresh vegetable. They want to make one phone call to sort away the fish product as opposed to dealing with a bunch of people who are saying well, I've got some fish for you today, are you interested?

So it may be more a structural issue within the retail/wholesale industry than it is a matter of the special licences that we issue.

Mr. Chairman: — On another topic, in the year under review were there any discussions around water supply for the ski hill in Cypress Hills Provincial Park? I understand that one of the limiting factors on that particular operation, either from a departmental view or from a private operator view, is water.

Mr. Cressman: — Yes certainly the limiting factor at Cypress is water. We've had over the years, studies done. I'm not sure whether it happened in the year under review but I know we have had engineering studies done that have identified for us the fact that we would have a very difficult time trying to find water in sufficient quantities to put snow making into Cypress Hills.

We have another, above and beyond that, we have another concern with Cypress Hills and that is you have chinooks that sweep through there. I believe the temperature today in Maple Creek is 9 above.

So what we've learned in operating ski hills over the years is that we tend to lose money on a ski hill. And if we want to lose it faster, then we put in snow making. It's an added cost and we don't get the additional revenue that we would require to finance the operation.

Mr. Chairman: — So what you're saying, Mr. Cressman, is that even a private operator would have a difficult time making a go of it even with adequate water supplies.

Mr. Cressman: — Yes. A private operator would have a very difficult time. I could add, as well, that it was the Department of Economic Diversification and Trade I believe last year that did a study that ended up recommending . . . making a recommendation on the Cypress Hills ski hill and virtually saying that this was one that would be very difficult for anyone to make money at.

Mr. Chairman: — I guess it's unfortunate given the fact that some time ago there was significant expenditures made in that park — chalet and cabins, all that sort of thing — that were predicated on, I think, the ongoing operation of a ski facility and the fact that no study was done on supplies of water or anything else.

So your best information — and that's why I asked in the year under review because I believe that facilities been closed for two years — is that it is almost impossible to

maintain a viable ski operation either through your department or through the private sector.

Mr. Cressman: — That's our best assessment of that facility, that it would be very difficult for anyone to make money at it. However we're more than happy . . . We don't . . . Like there's new ideas all the time. There's new ways of going about things. And if someone can walk in the door and make a proposal and feel that they can make money at it, we'd be more than happy to see them operating that facility, or at least take that forward for government consideration.

Mr. Chairman: — Thank you, Mr. Cressman. Mr. Muirhead, I believe you had a question.

Mr. Muirhead: — Yes. Thank you, Mr. Chairman. Mr. Chairman, Mr. Deputy Minister, how many provincial parks existed in the year under review?

Mr. Cressman: — I believe there were 31. Thirty-one.

Mr. Muirhead: — Thirty-one? How does that number compare to 1981, or maybe years back? Have you got a comparison through the years?

Mr. Cressman: — I don't . . .

Mr. Muirhead: — Is it the same, more, or less?

Mr. Cressman: — It's more. I don't have a comparison with me. I know that in . . . it was before the year under review, several years, we actually brought into being several new parks, one of which was, for example, the Clearwater River Wilderness Park. And I believe we also changed the status of several recreation sites to provincial parks. This was between '81 and the year under review.

Mr. Muirhead: — You don't have a figure of what would be . . . how many more parks we'd have, say, over 10 years?

Mr. Cressman: — I don't have a hard number. I worry I'd mislead you.

Mr. Muirhead: — Could you get that figure?

Mr. Cressman: — The best of our recollection here, and I could stand corrected, is that we had roughly 17 in place prior to the year . . . or in '81 there were 17 provincial parks. That's our best guess.

Mr. Muirhead: — Could you supply for the committee, maybe go back, the year in question go back 10 years and give us the scenario of when each park and the names of the parks that . . .

Mr. Cressman: — I'd be more than happy to.

Mr. Muirhead: — Thank you very much. Was there ever, like the year under review, was there ever — I'll just stick to that — was there a long-term plan for parks under way or being developed during the year under review? Or is there now or was there then? Or when did that . . . I understand there was, but when did that start? Or is there one?

Mr. Cressman: — In December of '90 I believe, we announced the parks system plan. And what it is is a major study that we carried out to look at the entire province and say if we wanted to draw a picture of what we think the various areas are that should have provincial parks or could be represented by provincial parks — so that when we're finished we'd say, there, Saskatchewan now has a full representation of provincial parks — let's do that work and define what those areas would be.

So that's what this study did. The parks system plan lays out where we think areas are, candidate areas, for additional provincial parks. And we feel that if that study were . . . if the recommendations in that study were delivered, we would then have a complete park system.

Mr. Muirhead: — But this didn't start in the year under review. Was there any long-term plan under the year under review, at the beginning there?

Mr. Cressman: — It was completed in the year under review, in December '90. The study was completed in December of 1990.

Mr. Muirhead: — But it started . . .

Mr. Cressman: — It started probably . . . it may have started in February of the year before the year under review. It took us maybe 11 months.

Mr. Muirhead: — Would it be permissible, seeing it's not exactly on the year, to supply the committee with the complete plan?

Mr. Cressman: — Well the plan was delivered in the year under review. So yes, we're happy to supply that.

Mr. Muirhead: — Okay.

Mr. Cressman: — I should ask maybe, if I could, for a point of clarification. The plan is about that thick and it has kind of an executive summary that's a more manageable size.

Mr. Muirhead: — Well just the executive summary.

Mr. Cressman: — If you'd prefer that, I'll give you that.

Mr. Muirhead: — Go ahead. None of us want to read books that thick.

When you were going through this plan, was there any consultation with the public or any groups of people, or did just the department do it on their own?

Mr. Cressman: — We hired a consultant to put together a proposal for what it would look like and we then took it in for government consideration.

There's been discussions with various interest groups. I don't believe there was any broad-based public consultation. It was discussion with the interest groups. We have on our books a proposal to carry out that public consultation. What we effectively have is a consultant did some work, we liked the looks of it, the government of the

day liked the looks of it. We talked to interest groups about it but we also would like to do broad public consultation on it yet.

Mr. Muirhead: — Okay, that's enough on that then.

Go to another question then. How many trees were planted during the year under review or in . . . Were you keeping the parks up or . . . because we all know that there isn't a park in Saskatchewan that hasn't got some trees dying every year. I see some of them through the years, dead trees, and are you . . . got a plan to keep up with the planting?

Mr. Cressman: — You're asking how many trees were planted in the parks in the year under review?

Mr. Muirhead: — This has . . . I'm sorry. This has two questions. Do you keep up with the planting of the trees for the trees that do die away in the parks?

Mr. Cressman: — By and large we've been trying to. However, the last couple of years when there was serious drought problems in the province, quite frankly we started to fall behind. We started to find that the plantations in some of the southern parks in particular started to experience serious die-off. Rowan's Ravine would be a good example of that, and you may be familiar with that.

And it's just . . . Our foresters, quite frankly, started to look at it and weren't sure. We think it's just lack of water and the stress that that's placed on them. So we haven't kept up with the planting.

Mr. Muirhead: — Yes, that's what my concern was. And we understand that you couldn't be responsible, especially that year 1988, and a couple of hard years prior to that, some terribly dry years. I understand that. So my question would be then: we've had two of the wettest years almost in history, as we did two of the driest years. Is there plans on trees being planted in these wet years now in the sites where this is bad?

Mr. Cressman: — There are trees being planted in the South. We don't have numbers with us on what was done, but certainly we have been carrying out a reforestation or an afforestation program, in some cases.

Mr. Muirhead: — Okay. Would you be able to supply for the committee — because I don't want to hold us up — could you supply the figure of how many trees were planted during the year under review?

Mr. Cressman: — Yes, we'd be happy to. And judging from the nature of your questioning, would you like that by park, like where they were, or are you just interested in total number?

Mr. Muirhead: — Well, can that be done by park?

Mr. Cressman: — We can probably give you . . .

Mr. Muirhead: — It's more or less the southern ones that I'm interested in, because that's where we get our complaints from.

Mr. Cressman: — So what we'll try to provide you is the number by park in the southern portion of the province, the non-forested parks.

Mr. Muirhead: — I'd appreciate that because you don't seem to have this problem in the North. It always seems to be the southerly part of the . . . I know I have seen some parks where I see quite a bit of new trees planted, but I just wanted to . . . I've been asked the question from constituents. What about the whole scenario of the parks from those drought years.

Mr. Cressman: — Yes, we'd be happy to provide that.

Mr. Muirhead: — Is it in your judgement, the department's judgement, that the forestry resource has been managed in a sustainable way?

Mr. Cressman: — We've been going through a transition. It's been difficult to assess that. We think that it has been.

What we've gone through in the last period of time is a time where we moved from when white spruce was the only thing that had any value in the forest, or primarily was the tree of value, and aspen was considered a weed, to a time when aspen is considered a merchantable product, a valuable resource. In fact we have a whole pulp mill being established just based on aspen. So as a consequence, when you ask was the forest being managed in a sustainable way, if you were thinking in the old terms of only white spruce, we probably were not planting as many as we should have been.

Some areas were naturally regenerating to aspen. That however now is a merchantable species, so it starts to take on a different perspective. We now think that in terms of sustainable . . . and I should point out that people define that many, many different ways, but in terms of a sustainable wood supply, yes, we think that we've been managing it in a sustainable way.

Mr. Muirhead: — I guess, Mr. Chairman, one of my concerns is that I'm a person that really enjoys parks. If you go back when I was a young man and young boy in this province, nobody could even . . . there was no such thing as hardly anybody going to a park. But these latter years, that's been a lot of people's lives in this wild and crazy life we live in to go to parks on weekends to relax and what not, and try to regain some of our sanity.

And I'm really pleased what I see, and I'm getting a lot of questions, you know, what did happen in those years of amalgamation there plus the dry years, to make sure that there's plans being . . . that you're keeping plans to keep on improving these parks.

Are you satisfied that that's happening that everything . . . that you have the resources and the knowledge and doing the job of keep improving these parks? Because they're a great thing for the people in the province of Saskatchewan. One of the greatest resources we have is parks.

Mr. Cressman: — Well certainly with respect to your comment about them being very valuable places and so

on, I agree 100 per cent.

I have a feeling that if you talk to virtually any deputy minister in government now and ask him whether or not he felt he had the resources to do the job that was there, you'd probably get him popping a question into his mind, should I really tell him what I think? Like my feeling is that if you gave us \$50 million, we could solve any problem at all in the parks system. There's nothing in the parks system that we've had difficulty with that couldn't be solved with some dollars.

But we're also realistic enough to know that Saskatchewan is in a very difficult financial position, so if we wanted to do a better job in Parks — the job that I think needs to be done — we would need to have additional cash.

Mr. Muirhead: — But you're satisfied that you've done as well as . . . you've improved as well as you could with the parks.

Mr. Cressman: — Yes. My feeling is that we've seen some substantial improvements in the kinds of facilities that we have in parks over the past period of time. But that's not to say that some of the reductions we've had to see happen, we wouldn't have preferred to see go a different direction.

Mr. Muirhead: — Well I have more questions that maybe I want to ask at a later time when we get your answers back to some of those questions, so thank you, Mr. Chairman.

Mr. Serby: — I wonder, as you do your research for Mr. Muirhead in the parks area, if you might also provide what the overall costs might have been during that same period in expanding the park program.

Mr. Cressman: — Could I just clarify that? Overall cost of what?

Mr. Serby: — Well you have a bottom line cost, I would expect, in terms of operating a park facility, would you not?

Mr. Cressman: — Yes.

Mr. Serby: — Your total operating cost.

Mr. Cressman: — So you're interested in the overall operating cost in the year under review.

Mr. Serby: — Yes. You're doing some research for Mr. Muirhead that goes back from 1981 to '89 are you not?

Mr. Cressman: — Yes.

Mr. Serby: — Could you do it over the same period in terms of costs in each of those years?

Mr. Cressman: — And so you're interested simply in the total operating cost of the parks system for the years '81 through to and including the year under review.

Mr. Serby: — Yes.

Mr. Cressman: — Yes.

Mr. Serby: — I would also be interested, Mr. Chairman, in that same period then . . . First maybe, do you keep utilization information statistics of parks in the province?

Mr. Cressman: — Yes, the visitation is published in our annual report.

Mr. Serby: — Could you then, for me and for this committee as well, provide over the same period of time the utilization to the parks systems from 1980 — what? — '89?

Mr. Cressman: — Yes.

Mr. Anguish: — Does your department issue the forestry management lease agreements?

Mr. Cressman: — Yes, we do.

Mr. Anguish: — How many forestry management lease agreements are there in the province?

Mr. Cressman: — I believe there are four in place right now. We have one with Weyerhaeuser, one with NorSask, one with L & M Wood Products, and I believe we have one with MacMillan Bloedel.

Mr. Anguish: — I don't want to take the time of the committee unless you have it handy here. Can you tell us what the size of the geographic area is in each of those forestry management lease agreements?

Mr. Cressman: — I don't have that with me. You mean the acreage under an agreement?

Mr. Anguish: — The acreage under each of the forestry management lease agreements.

Mr. Cressman: — I don't have that with me, but I'd be happy to provide that. I should point out that the first three I mentioned are area-based agreements. The MacMillan Bloedel agreement is an older-generation agreement, and it's a volume-based agreement. So when I provide that information, it'll be different for MacMillan Bloedel.

Mr. Anguish: — Okay. The other three though are the same, based on acreage.

Mr. Cressman: — They're all based on area of forested land, yes.

Mr. Anguish: — How much forested land would you estimate there is left in Saskatchewan that doesn't fall under an FMLA (Forest Management Lease Agreement)?

Mr. Cressman: — Commercial forest, it's probably about a third, probably about a third.

Mr. Anguish: — A third that's covered by FMLAs . . .

Mr. Cressman: — A third that's not covered by an FMLA. If you'll recall on the east side of the province, Simpson Timber mill shut down. And that effectively dealt with an area that had been under an FMLA but isn't right now.

Mr. Anguish: — Are the four FMLAs that are in place a matter of public record?

Mr. Cressman: — Yes, they are.

Mr. Anguish: — If someone wanted to gain part of a FMLA that's already in existence so they could harvest aspen, say, out of a particular block, what would be the process for that, or is there a process for it?

Mr. Cressman: — Gain access in what sense?

Mr. Anguish: — Oh, suppose in Glaslyn where L & M Wood Products have their FMLA in that area, and someone else wanted to come in and use a different type of wood that they weren't using, say, they wanted to . . . somebody new came along and wanted to utilize the aspen in L & M Wood Products' FMLA. What would be the method by which that person would go about acquiring the aspen in the area that's covered by the FMLA for L & M Wood Products?

Mr. Cressman: — They could approach either our forestry people and outline what it was they were interested in doing, or they could approach L & M. And quite frankly, it would make best sense to approach L & M first, because L & M has the access to the entire forest resource on the area — on the area that has been contracted with them.

So if they went to L & M and put forward their proposal that they were interested in certain kinds of wood on L & M's lease, then if L & M were interested in allowing that to happen, they would negotiate a deal as business men would on another contracted area.

Mr. Anguish: — So L & M, whoever . . . I shouldn't use L & M as an example. Whoever has an FMLA can negotiate their own deals for other people coming in to harvest timber in that area.

Mr. Cressman: — Yes.

Mr. Anguish: — So really you don't have a role. Once the FMLA is issued, in terms of someone else wanting to use a resource within that FMLA, they just go directly to whoever the holder of the lease is.

Mr. Cressman: — It depends on the FMLA. Like, for example, if you were to look at the Weyerhaeuser . . . or look at the NorSask FMLA — it's one that's freshest in my mind, I believe — we've effectively said within the NorSask FMLA, although this land area has been set aside for this group, we're setting aside within that 15 per cent of the volume for northern communities. So the communities of Beauval, Ile-a-la-Cross, and I'm not sure who all else is in there, have the opportunity to access 15 per cent of the wood — it's their wood within there. So in a case like that they would go to NorSask and work out the deal.

If however, you were asking about what happened . . . you know, how does this work. If however NorSask, or say Beauval, came to us and said you know we're not getting much satisfaction in dealing with NorSask on this

issue then we would become involved, because there's a provision in the agreement that says that they have right of access to a certain volume of wood off that lease.

Mr. Anguish: — Are peatbogs covered by the FMLAs?

Mr. Cressman: — No, I think it's only the wood that's covered by the FMLAs, the forest. Like for example, we don't get into mushroom crops and stuff like that.

Mr. Anguish: — If somebody wanted to harvest a peatbog, how would they get a lease to do that? Would that be done through your department?

Mr. Cressman: — If memory serves me correctly it's Energy and Mines who licenses peatbogs. So if they wanted to harvest peat they would go to Energy and Mines and if there are any difficulties with say access through stands of forest, then we'd help solve that problem.

Mr. Chairman: — Any other questions? Now I thank you, Mr. Cressman, your officials.

Mr. Cressman: — Thank you very much.

Mr. Chairman: — The auditor would like to clarify something.

Mr. Strelieff: — Mr. Chairman, earlier in the discussion on paragraphs .21 to .23, the impression was left that the revisions to the regulations made in February '91 would allow this type of expenditure without OC (order in council), and it's our view that the revised regulation would still not allow the types of expenditures cited in \$84,000 without an OC. We still think that the OC would be necessary.

Just for clarification, the revised regulation I think was designed for more routine purchases of supplies and things like that. And these items just didn't relate to that.

Mr. Cressman: — I take that as information in an accountant's discussion.

Mr. Strelieff: — Thank you.

Mr. Van Mulligen: — I move:

That the hearing of the Department of Parks and Renewable Resources be concluded subject to recall if necessary for further questions.

Mr. Chairman: — The motion by Mr. Van Mulligen, is that agreed?

Agreed

Mr. Chairman: — Perhaps we should have a 10 minute break or so.

Mr. Anguish: — Why?

Mr. Chairman: — Because my back's getting sore. Is that agreed?

Mr. Van Mulligen: — If there is any chance that we might

get through this in the next 20 minutes, then I would . . .

Mr. Chairman: — Well I know we got one, two, three things on the agenda that we need to discuss. It may take a little longer than 20 minutes.

Mr. Van Mulligen: — Okay.

The committee recessed for a short period of time.

Mr. Chairman: — I need a motion to formally call the meeting back to order.

Mr. Johnson: — I so move.

Mr. Chairman: — Mr. Johnson. Agreed? Carried.

The first item of business will be a research staff motion moved by Mr. Muirhead.

Mr. Muirhead: — Mr. Chairman, I so move:

That the Standing Committee on Public Accounts formally requests the Board of Internal Economy to consider funding the creation of a research support service by the Saskatchewan Legislative Library, so that the committee is better able to deal effectively with the increasing volume and complexity of material it must study in order to fulfil its mandate.

There's not a seconder on here.

Mr. Chairman: — Do I have a seconder for the motion? Don't need one. Okay.

It's been moved by Mr. Muirhead. Is there any discussion on the motion.

Mr. Van Mulligen: — Mr. Chairman, I'm very supportive of the idea that research support services by the Saskatchewan Legislative Library be made available to the Public Accounts Committee for all of the reasons that have been identified in the past and which were identified again yesterday by Mr. Kelly in his presentation to the committee.

Having said that, I recognize the financial limitations that the taxpayers of Saskatchewan are currently facing, and that any formal requests on our part in light of the current fiscal situation may create some problems for the Board of Internal Economy.

I would therefore move:

That this matter be tabled until a further meeting of the committee in March, and that in the meantime a copy of this motion be made available to the Board of Internal Economy for their perusal.

Mr. Chairman: — Is there any discussion on the amended motion as proposed by Mr. Van Mulligen?

I understand that the original motion would have to be withdrawn or voted down before proceeding with the amendment.

Mr. Van Mulligen: — What I'm arguing, that the matter in a sense be tabled with instructions. Is that not possible?

Mr. Vaive: — Well we've got a motion before the committee. We can't have another motion on top of that motion unless we dispose of that first motion.

Mr. Van Mulligen: — But a motion to table it is in order?

Mr. Vaive: — We still have to dispose of that first motion because it's still before the committee. I mean it's quite proper to withdraw it and then refer the subject matter of Mr. Muirhead's motion to the Board of Internal Economy.

Mr. Van Mulligen: — But a motion to simply table without further . . . is that in order?

Mr. Vaive: — That can be done. But right now it should be withdrawn because it's formally before the committee. It could be withdrawn but it could also just be tabled after it's been withdrawn. The motion is formally before the committee.

Mr. Van Mulligen: — Right.

Mr. Vaive: — It's in the hands of the committee, and if you just table it as such, it's still before the committee. Nothing has been done with it.

Mr. Van Mulligen: — That's right. That's okay.

Mr. Vaive: — So it will have to be reconsidered when the committee goes back.

Mr. Muirhead: — What was wrong with the way it is?

Mr. Van Mulligen: — With the motion?

Mr. Muirhead: — Yes.

Mr. Serby: — Mr. Chairman, my understanding of the procedure is that Mr. Van Mulligen wants this motion to be reviewed when we come back . . . or to be addressed again when we come back in March. And the tabling of the motion simply puts it off until that date so that he can . . . and this committee can address the issue of whether or not we have sufficient finances or will receive sufficient finances to help us with the research. The motion doesn't die. It just says refer . . .

Mr. Chairman: — That other piece of verbatim was not an amendment or anything. It was just simply Harry thinking.

Mr. Van Mulligen: — I tell you what I'd like to have. Before we formally request, I think that it's important for us to understand what the cost attendant to such a motion might be, and also to get some feedback initially from the Board of Internal Economy, which looks at the broad range of expenditures for the Legislative Assembly, to get their thinking as to which way they might be proceeding in the coming year.

I don't know what other things they have in mind or what they might be planning, but I'd like to give them an

opportunity to come back to us and say, well we've discussed it with the Legislative Library. Here's, you know, a sense of cost and we might be able to accommodate something like that, you know, or we're going to contract the whole Legislative Assembly out to someone else and therefore we shouldn't consider it, or it's just not in the books or in the cards. I tell you again in principle I support the motion but I'd like to get some feedback in terms of costs.

Mr. Chairman: — As I understand it, the request is to table the original motion until a later meeting.

Mr. Van Mulligen: — Yes.

Mr. Muirhead: — Just so I understand it, you'd like to have the Board of Internal Economy discuss it before we continue with the motion. Is that what you're saying?

Mr. Van Mulligen: — I'd like them to discuss it between now and our next meeting to . . .

Mr. Muirhead: — Can we get it . . . The Board of Internal Economy, which I am a member of, has a meeting on Monday. I'm not sure I'm going to be able to attend or not, but will this get to that meeting or have to be a further one?

Mr. Van Mulligen: — If there's a further motion required that the committee take the tabled motion and bring it to the attention of the Board of Internal Economy and get their feedback on it, I'd be . . .

Mr. Muirhead: — I don't know whether you would get it on. The agenda's already out, but I mean it could certainly come up for discussion.

Mr. Vaive: — . . . early subsequent meetings of the board for consideration of the budget of the Assembly further to Monday's meeting.

Mr. Chairman: — As the mover of the motion, Mr. Muirhead, you have no problem with tabling?

Mr. Muirhead: — No.

Mr. Chairman: — The motion is tabled.

Now do we need another subsequent motion on that to take the tabled document to the board or not?

Mr. Van Mulligen: — If we do then I would move:

That the tabled motion be presented to the Board of Internal Economy and to request their feedback in this matter;

And also that all other information relative to this motion be made available to the Board of Internal Economy and to this committee.

Mr. Chairman: — Any discussion on Mr. Van Mulligen's motion?

Mr. Muirhead: — I would suggest that to try to get it into their hands to discuss on Monday, because they're going through financing there for the year right now. If we leave

it on too long, it may not even be discussed in this year's budget . . . (inaudible) . . .

At the last meeting I was at, they still brought the new items forth for a quick discussion. You could sure get a quick, you know, feedback — whatever — just as soon as possible.

Mr. Chairman: — Okay, leave that in the hands of the Clerk and I'm sure it will . . .

A Member: — At the earliest opportunity.

A Member: — Yes, earliest option.

Mr. Chairman: — Okay, that's agreed then?

Agreed

Mr. Sonntag: — Just as a point of order, did we agree, did we have a vote on table? It's just a technicality, but did we agree on that?

Mr. Muirhead: — Well I made the motion and I agreed, so . . .

Mr. Chairman: — The mover of the motion agreed to table, so it . . . That's the one that Mr. Van Mulligen . . . Okay, this is the Ernst & Young one now?

Mr. Van Mulligen: — No, I've got one other one before that. Mr. Chairman, I would move:

That the final report of the committee contain the following recommendation concerning the Department of Energy and Mines and reference chapter 15, paragraphs .08 through .14 of the auditor's report:

If the remission of natural gas royalties is to continue to be paid to NewGrade Energy Inc., the amount to be provided should be included in the *Estimates* presented to the Legislative Assembly for their consideration.

Mr. Chairman: — Is there any discussion on the motion by Mr. Van Mulligen? Is that agreed? Carried.

Agreed

Mr. Chairman: — Next, the Ernst & Young issue.

Mr. Van Mulligen: — Mr. Chairman, I would move:

That this committee authorize the Legislative Counsel and Law Clerk to seek to obtain, through lawful recourse, the Ernst & Young report referred to in the Provincial Auditor's report for the year ended March 31, 1990 at chapter 34, paragraphs .04, .05, .06, and .07 for the immediate use of this committee.

Mr. Chairman: — Is there any discussion on the motion by Mr. Van Mulligen?

Mr. Van Mulligen: — Mr. Chairman, I'm not quite sure how the Legislative Counsel will seek to accomplish this,

and he may have some thoughts on that and others may have some thoughts on that.

Perhaps it's something that will need the agreement of many of the parties that are now involved in proceedings; I'm not sure. Perhaps it's something that will need the agreement of the auditor with recourse again to the Queen's Bench. Again I'm not sure. But I do think that it's important that a work of this substance concerning the company be made available to the committee.

And I say this not simply because of criminal proceedings that have taken place in the last number of years and criminal proceedings that are pending, but the financial picture of the corporation — that is to say, the Saskatchewan Transportation Company — has suffered significantly over the last number of years, and that may well be due to the administration and management of that corporation. And I think that it's high time that this committee and perhaps others of the Assembly too had a look at that matter and reviewed it and made some public comment on it.

Mr. Chairman: — Any more discussion on the motion? All in favour?

Agreed

Mr. Chairman: — The fourth item on the agenda is a motion by Mr. Van Mulligen. Do you wish to go through the substance of that again, Mr. Van Mulligen?

Mr. Van Mulligen: — Yes. Mr. Chairman, I would move the motion at this time. And the motion that I'm moving is one of which I gave notice yesterday, and if I might paraphrase at this point. I've provided a copy of the motion to the chair.

Basically, it's requesting the Provincial Auditor to review this matter of government departments, organizations, requiring their employees to perform services solely for the benefit of other organizations.

To review this practice of the government organizations making payments to some advertising companies, i.e., Dome Advertising, Roberts & Poole, for which no specific services were apparently being provided.

The practice of government organizations providing goods and/or services without charge to ministers of the Crown; and the practice of government organizations providing goods and/or services without charge to government organizations counter to their stated mandates.

And to report all instances where these practices are observed for the fiscal years ending March 31, 1990 and March 31, 1991; and to offer his opinions in these matters to the committee.

Mr. Chairman: — I wonder if, because it's a formal motion, Mr. Van Mulligen, I know it's time consuming but if we shouldn't read the entire thing into the record just to be absolutely sure on the verbatim. If you would please.

Mr. Van Mulligen: — Mr. Chairman, I would move:

That the Standing Committee on Public Accounts request the Provincial Auditor to review:

- (a) the reported practice of government organizations (departments and corporations) requiring their employees to perform services solely for the benefit of other government organizations and other organizations or individuals. (This review would not include arrangements commonly called "secondment." These are arrangements whereby government organizations require their employees to perform services solely for the benefit of other government organizations and the employer organization is reimbursed for the remuneration expenses related to the "seconded" employees); and
- (b) the reported practice of government organizations making payments to Dome Advertising, Roberts & Poole Communications, and other advertising agencies for which no specific services were provided; and
- (c) the reported practice of government organizations providing goods and/or services without charge to ministers of the Crown; and
- (d) the reported practice of government organizations providing goods and/or services without charge to other government organizations, counter to their stated mandates; and

to report all instances where these practices are observed for the fiscal years ending March 31, 1990, and March 31, 1991, and whether in his opinion:

- (a) an officer or employee of the government has wilfully or negligently omitted to collect or receive money belonging to the Crown;
- (b) public money was applied to a purpose or in a manner not authorized by the legislature;
- (c) an expenditure was made for which there was no authority or which was not properly vouchered or certified; or
- (d) the rules and procedures applied were not sufficient:
 - (i) to safeguard and control public money;
 - (ii) to effectively check the assessment, collection, and proper allocation of public money; or
 - (iii) to ensure expenditures were made only as authorized

and any other comments which may be relevant in these matters.

Mr. Chairman: — Thank you. Is there any discussion on the motion by Mr. Van Mulligen?

Mr. Van Mulligen: — I hope no one wants it read again and just take it as read.

Mr. Chairman: — Is it appropriate for the chair to comment from here, or would you prefer that I would assume a different chair?

Mr. Anguish: — No, you can sit there.

Mr. Chairman: — In speaking to the motion by Mr. Van Mulligen, I took the opportunity last night to go back through a couple of auditor's reports, and also to look at the verbatim from past committee meetings of this committee to ascertain whether the things that are mentioned in the motion by Mr. Van Mulligen have been beyond the purview of the Provincial Auditor in the past.

And it was interesting to note that many of these questions have been asked in committee in other years — as a matter of fact, for some time — not always commented upon by the Provincial Auditor. Certainly there were motions put forward which were voted down by the majority on the committee in other years, but certainly areas that the Provincial Auditor has not been prohibited from exploring, has those powers.

The only place that I could see a problem was the Provincial Auditor has not had access to the books of SaskEnergy since 1989, I believe, in his reports, and would not be able to comment on that particular Crown organization because of that inability to come to some type of agreement with the private sector auditor.

Certainly the private sector auditor in many cases would not specifically make comment in regards to some of these things necessarily, but the fact that the expenditure would be noted by the auditor, and certainly the Provincial Auditor would have every opportunity to explore that expenditure further if wishes.

Certainly I've noted in the verbatim of past committee meetings that a number of members have commented on these items before and that certainly the auditor, being in the room at the time, would have noted some of those comments vis-a-vis advertising contracts and certain employees of the past government.

I don't philosophically disagree with any of the points brought forward by Mr. Van Mulligen at all, but I would like to get on the record that it does seem that a good deal of the substance of this motion in my view — and it's only in my view, but I do wish it on the record — is perhaps more for a certain amount of political gratification than actually opening up new areas for the Provincial Auditor. And as I said, that is only my view.

I will be very interested as the years go by to ascertain the diligence of these matters in future reports of the auditor by members of the committee, would be my comment.

Mr. Van Mulligen: — If I might, Mr. Chairman, I think that your final comment is in fact what will be happening in

future reports, in that the auditor will be in subsequent fiscal years paying attention to these very matters. I don't think that the auditor was aware that these things were happening because the auditor reviews certain financial transactions and will not be party to unwritten verbal agreements between parties as to what these transactions mean.

But having been raised, I think that the auditor will in future years, I would venture to say, be wanting to make sure that reported financial transactions, management practices, are on the face straightforward and purport to represent what they are, and they'll be bringing instances to our attention where this isn't taking place.

And also, my guess is we'll be asking some questions from here on in of departments and agencies about whether in the opinion of the employees and so on, the reported transactions are in fact accurate and the like. That's my guess. Now the auditor may want to . . . has something further to say on that, but that would be my guess.

Mr. Chairman: — Are there any other members of the committee wishing to make a comment.

Mr. Muirhead: — Mr. Chairman, I don't know whether I agree with this motion or not. To give this mandate to the Provincial Auditor to look into these type of things may be all right, but in my opinion, that's what the legislature is for. There's other ways of leasing these kind of things. I don't like some of the things that's maybe here that's happening, but I'm not so sure that it happened. I don't think it's up to an auditor to be a policeman for a government on these kind of positions, on these kind of items. He never had that mandate before.

And I may be wrong, but my opinion is that I wouldn't at this time be voting for the motion because I believe there's other ways and means for these corrective measures to happen — in the legislature, through estimates, through questioning in the House, through many other avenues. Because I believe like our chairman believes, that there's some political motivation here.

Mr. Anguish: — I support the motion. I take a point of view that by the auditor becoming involved in these things, it makes it less political. The Provincial Auditor is an officer of the . . . or a servant, I guess, of the Legislative Assembly not serving any government or any individual member or any political party. The Provincial Auditor is there to serve collectively the members of the Legislative Assembly as the watch-dog of the public purse. And I would hope that this does continue over into future years in that the Provincial Auditor would be able to point out items that are not in the best interests of the public purse, and it would then be up to politicians if they wished to put a political spin on it. If that's what they wanted to do.

But the Provincial Auditor has never, and I hope never would in the future, make political comments in terms of any report that the Office of the Provincial Auditor would put forward to the Legislative Assembly.

So I think if it works properly as is outlined in the motion, it removes politics from it because the auditor does not look at it in a political nature. He looks at it in terms of the

expenditures that were made and to make sure that they had the due authority and they don't violate The Financial Administration Act or any other Act that's been put through the Legislative Assembly.

So I support the motion and again stress that I take a contrary viewpoint that it makes it much less political in terms of getting this information out and before the committee and ultimately before the floor of the Legislative Assembly.

Mr. Kraus: — I'm not a member of the committee but I've talked to the auditor about this. I think there are times when staff may be transferred on a short-time period that may happen — I can't give you an example.

But for example, if Justice had some difficulties and they wanted some staff for four weeks or six weeks, we may from time to time decide that we could spare those resources. If it was for a short term or something like that it might be in everybody's best interest for us to do that, let them get caught up, and then take the person back, but not get into a formal secondment arrangement.

On the other hand, within a department like Finance or Agriculture or someplace else, you might find as well they might move one resource or two from one division to the other to help out in a time of whatever. And again they may or may not arrange for a formal secondment where one subvote is compensating the other one within a department.

So the point I wanted to make I guess is that the auditor take that into consideration. And not necessarily, if this is going to go through, that he reports everything where perhaps an organization is receiving some benefit from another one, not to report it without giving some thought to whether or not it's really a violation of the law.

There's such a thing, I guess, as violating the spirit of the law. And I would think that some of these things aren't really in violation of what one might call trying to do a job in the best interests of everyone — taxpayer, government, etc.

Now I wonder whether the auditor would call in . . . because what I'm afraid of is there could be a long list of things, some of which quite frankly would have been good arrangements even though one organization didn't pay the other for the services provided.

Mr. Chairman: — I'd just like, before the auditor speaks to that point, I would like to respond to Mr. Anguish.

And it says that the intent of this is to depoliticize this particular committee. And I think perhaps the intent of the motion could have done that with a few more words.

But what intrigued me was in the second subsection which is very similar to many of the undertakings of a new government. And I refer to the Gass Commission, for instance, which has limited itself to a very specific time period, a very specific number of deals.

And in here it says to report on all instances where these practices are observed for the fiscal years ending March

31, '90, March 31, '91. And then whether in his opinion it had simply said, and any current years that the auditor is reviewing. It would've in effect — I agree with you — depoliticized the process because it would've meant that this was an ongoing process.

And yet what the motion does is it specifically singles out only areas handled by the former government. And that's very similar to other undertakings by this government that quite frankly I can only believe engender to some type of political gratification.

Mr. Anguish: — Mr. Chairman, if I could respond to that. I believe the intent for placing it in a restrictive sense, if you want to refer to it as that, I don't think it is restrictive. But March 31, 1990, and March 31, 1991, for those fiscal years ending, are the two fiscal years where we have the *Public Accounts* just recently. The March 31, 1990, we've been dealing with and March 31, 1991, is available but we have not dealt with yet.

If you want to go back to further years, I don't think the auditor should feel restricted. I don't know that we want to amend this motion. One concern I would have about going back too many years is that . . .

Mr. Chairman: — Oh no, no, no. I said, into the future.

Mr. Anguish: — We have, Mr. Chairman, on this side of the committee . . . the government members in committee have no objection to this going on into the future. We don't mean for this to be restrictive to those years.

And I'm sorry if you feel that it is too restrictive, but at this point if there was a motion brought forward when I think the 1992 *Public Accounts* are ready, we would accept that. Or if you have a separate motion that you have in mind today that you want to place before us, if it's in the parameters that we've just talked about, I think you would find that we would accept that, Mr. Chairman.

Mr. Van Mulligen: — Mr. Chairman, can we ask the auditor whether it would be his intention in any event to do this in subsequent years, and any other comments he might have on this.

Mr. Strelieff: — Mr. Chairman, Mr. Van Mulligen, when I heard the department officials say that they were paying when they were not aware of specific services being provided to their various departments or organizations, that concerned me. And right away we decided to build this kind of situation into our plans for future audits.

So the work that you're asking us to do for us is something that we'd like to do anyway. The request to me is that you want me to do this specific examination and report back to you in April or thereabouts. And therefore it will not be . . . we will have to adjust some of our audit scheduling and we would not be rolling it into our normal process. We'll have to move it forward and try to get the work done as quickly as possible.

The request is quite consistent with what we do now. As you notice in the last part of the motion where it starts "in his opinion," well that's taken right out of our Act and that's what we do regardless. So you're asking us to do

something that is what we normally do, but you're asking us to do something quite specific and quickly.

Now normally we request additional funding to do these kind of tasks. My understanding is that we're planning to do it within our existing resources. If we find that on the initial assessment of the task that the work is far more . . . or more work is required than initially anticipated, we would like the permission to come back to the chairman and vice-chairman and report that, and suggest alternative ways to handle the assignment.

Mr. Johnson: — Mr. Chairman, I would like the auditor to answer if there is any area in this motion that he is not already . . . that would mean an increase. I recognize the increase in the fact that we're asking for an expanded one, but that it is not already being done or going to be done. Is there any area in this motion where the motion is asking for something that does not fall under normal accounting in that? Is there any particular one section? Because it's a 10-section item here.

Mr. Strelloff: — Mr. Chairman, Mr. Johnson, the request is something that we were planning to build into our future audit work, to ask questions about whether the department has paid for any goods or services that they didn't receive, for example, and just make that part of our regular investigation. The request here is to move that work up in a tighter time frame and make it a specific assignment. That's where the variance exists.

Mr. Chairman: — And that, if I might, may cost us extra money.

Mr. Strelloff: — Mr. Chairman, if we find that the assignment takes on a life of itself and becomes bigger than we initially anticipate, we would like to come back to the chairman and vice-chairman and say, here's what we've found. Here's a situation that looks like we're going to have to do quite a bit of work and do you still want us to proceed? If you do, we'll need additional funding. Or here's another way of handling it. For example, we will fold it into our regular work in the next year and just add on a couple years to it or something like that.

Mr. Muirhead: — Thank you, Mr. Chairman. Just a word of caution to the auditor. I want naturally to get to the bottom or you to question any department in government that is perhaps . . . have charges without services. That is wrong, and I agree. But you said something here a moment ago that bothered me just a little bit — that you said you asked department heads and they weren't aware of the spending.

You know, be very careful that all department heads don't always know exactly what's being spent. And if they were asked, then I'd like to know, and when you get to the year under review for example, did the department heads authorize the \$300,000 trek to Ottawa, and also a new committee just now is being put together to study the farm debt for the next three months. You might go to somebody in a department and say was that authorized? — not to my knowledge. You've got to find out for sure.

So I just caution you that just don't go telling the public and telling this committee that, to the best of my

knowledge. I just caution you to be very careful of that because all department heads or people in departments don't have to be — it never has been in this government, or any government past or future, will not be able to spend money just by the minister saying we are going to Ottawa on a trek and we're going to spend it. I have nothing against that. I think that should happen. They have to have that right. But don't bring into the public because they get the wrong opinions in a hurry. I just caution you that, Mr. Auditor.

Mr. Chairman: — I'm wondering, given Mr. Van Mulligen's comments earlier on the motion on the funding of research capability through the Legislative Library which would have to go to the Board of Internal Economy because they are officers of the Legislative Assembly, the same as the auditor is, that if it's too tight to have research capability, how tight will it be to a hurry-up report on these matters? Should the auditor make that call or is that a call this committee makes or is that a call that the Board of Internal Economy would make?

Mr. Anguish: — I think we make that call at this point. I think reflecting to the intervention that the auditor just made, is that the resources that are required are too large to roll into the capabilities that the auditor's office has now. That the auditor will report back to you as chair and the vice-chair and say this is not workable; we'll either maybe need more money for it, or we can second people from Mr. Kraus's operation, or here's an alternate way of doing it.

I think that if the auditor comes back with that at that point in time, then refer to the Board of Internal Economy. But I think now it is not necessary to refer to the Board of Internal Economy. I think we should deal with it now.

Mr. Chairman: — Those costs ultimately would have to go through the Board of Internal Economy if there was an increase in costs.

Mr. Anguish: — Yes, but we don't know if there are going to be additional costs.

Mr. Chairman: — Yes, correct.

Mr. Anguish: — If there are going to be additional costs, the auditor will come back and talk to you and the vice-chairman. And at that time, if in fact the auditor does come back to you and the vice-chairman, then I can see what you're saying, it would have to go to the Board of Internal Economy.

Mr. Chairman: — Any other comments on the motion?

Mr. Van Mulligen: — Can I just get it clear from the auditor that in future reports subsequent to the specific fiscal years which are mentioned and where in large part he has already concluded his work, a substantive amount of work, certainly for 1990 it's done because it's here, and for 1991 my guess is that it's substantially completed pending the write-up of the report — that in addition to these years that he will now make it a matter of normal practice to in fact be asking questions about these types of practices.

Mr. Strelloff: — Mr. Chairman, Mr. Van Mulligen, we do plan on adjusting our audit programs to cover off these kind of transactions. The first thing we have to do is to find out exactly what's happening and then adjust accordingly. I'm not sure how we're going to adjust but we'll see as we go along. That's why I'm not sure how large the task is.

Mr. Johnson: — Mr. Chairman, I wonder if the mover of the motion would accept an amendment which says, just simply says, in a manner that does not increase the auditor's . . . does not demand the auditor a need for funding.

Mr. Van Mulligen: — No, I'd rather have the auditor come back to us and to sit down with the chair and the vice-chair and report to us and see how . . .

Mr. Johnson: — Put that in there?

Mr. Anguish: — No, no, there's always . . . there's agreement. The auditor has said to us that if this is not workable within the resources that the auditor has, the auditor will come back to the chairman and the vice-chairman and say look, I can't do this; we've got to make some adjustments to enable me to do it. So that's agreed and understood and it's on the record. So I don't think we should be amending the motion.

Mr. Strelloff: — Mr. Chairman, Mr. Anguish, and Mr. Van Mulligen, in our letter of acceptance for this assignment, we'll write that coming back to the chairman and vice-chairman right in it.

Mr. Chairman: — I guess we'll just put it to the committee then. On the motion by Mr. Van Mulligen, agreed?

Agreed

Mr. Kraus: — Could I ask you, Chairman, that I might have some input from the auditor, be allowed to have some input if . . . again I would just come back to my concern that while this might work very easily, if you get too particular within departments themselves you might end up creating a lot of additional procedure and red tape that may not be to the benefit of anyone.

And that's all I really ask. If the auditor would be good enough to at least let me see what it is . . . where he thinks he's going to be going with this.

Mr. Anguish: — If the auditor won't work with you, I think that you should report that back to the committee. But I think that the auditor would like to give you his assurance that he would work with you. If he doesn't, then I think you should report it back to us that he's not working with you.

Mr. Kraus: — I'll be pleased to do that.

Mr. Strelloff: — Mr. Chairman, and Mr. Anguish, on that, yes we will consult with the comptroller's office and we'll be needing to consult with them to do . . . how to focus it across government and also looking within his department.

Mr. Kraus: — Sure. Okay, good.

Mr. Chairman: — This thing seems to be growing. And it's fine for the auditor to comment specifically to the chairman and the vice-chairman on things such as the expenditure of funds, but what we're getting into now is something that involves the entire committee. And to keep this as open as possible to all members, I'm wondering what the proper procedure is here. If we're meeting in March as a committee should these discussions between the auditor and the comptroller and others be open to all of us?

Mr. Serby: — Mr. Chairman, I guess what I'm hearing from the discussion that we've had is that the authority to proceed with the review of the years that are in question here, 1990-91 and 1989-90, have already been . . . this committee has sanctioned for that to begin unless there's a financial problem in the auditor's office. And if that's an issue, then that discussion will be coming back to the chairman and vice-chairman for review and then back to this committee again in March, is how I view that.

Mr. Anguish: — Could I make a suggestion? I understand your concern about it being between you and the vice-chairman but I'd suggest this: let the auditor have a look at this. If there's a problem with it in terms of his resources, that he report back to you and to the vice-chairman in consultation with the other member of the committee that's not represented by any caucus. And if you can't come to an agreement between you, then you have the option of: one, either waiting till the committee comes back in, in say the month of March; or calling an earlier meeting for the purpose of dealing with this issue. And I think it would be unlikely that we'd have to call a special meeting to deal with this issue.

Mr. Chairman: — All those options are certainly there, Mr. Anguish, and I guess . . .

Mr. Anguish: — Well I guess I ask you to utilize those options. I have some confidence in Mr. Van Mulligen representing our interest. And if you can't come to agreement with Mr. Van Mulligen, it's got to come back to the committee. But I think you should also keep in mind that you consult with the other member of the committee that's not represented by any caucus.

Mr. Chairman: — Well I think that would be expected. And I guess my final comment would be if the auditor wished to expand the terms of the motion beyond what is here, then it would be right and proper, I think, that the committee as a whole would want to look at that. Would that not be correct?

Mr. Anguish: — Yes. Unless if it's something that's covered by the Act, The Provincial Auditor Act, but I don't think he really has to consult with this committee.

Mr. Chairman, I would view it as more of a courtesy if he wanted to expand this role, as long as it follows . . .

Mr. Chairman: — Mr. Anguish, everything in here, as I understand it, is covered by the auditor's Act already.

Mr. Anguish: — Okay.

Mr. Chairman: — Okay. So I mean if you were just going on that criteria why would you have a motion? Because the Act, I think, covers all of this sufficiently.

Mr. Anguish: — Well I suppose some of these were being overlooked. I appreciate your point.

Mr. Chairman: — Integrating any expansion's probably in the Act anyway, so . . .

Mr. Serby: — Mr. Chairman, what I heard the auditor say, I believe, is that what they're planning on doing in the future reviews is exactly what we've already encompassed in this particular motion. What this committee is asking him to do is to apply what he's planning on doing in the future in two previous years, is how I understand this. So that this committee can be appraised of the particular issues that we need to be in respect to the two years that are under review by this committee. That's my understanding of it.

Mr. Strelloff: — Mr. Chairman, Mr. Serby, there was one comment made earlier that if we decide to do something additional to what's set out in the motion, if we were to include that additional . . . if we wanted to include that additional information in our report, we would again come back to the chairman and vice-chairman to discuss that.

Mr. Van Mulligen: — Mr. Chairman, may I move:

That the committee meet again during the month of March to consider the mandate of the committee, the final report of the committee, and such other matters as may be identified by the chair and vice-chair and the member for Saskatoon Greystone, in consultation with the Clerk of the committee.

And if I might . . .

Mr. Chairman: — Mr. Van Mulligen, speak to the motion.

Mr. Van Mulligen: — If I might, the guide-lines from public accounts committees in Canada suggest that public accounts committees shall prepare a written description of their mandate. This description should contain general statements of the purpose and function of the committee as well as outline the things that the committee's responsible for.

Mr. Kelly, when he met with us yesterday, said that one of the things that you might consider now that it's early in your mandate is in fact a statement of your mission and your objectives and your mandate that could be presented to the House with appropriate discussions and agreement by House leaders and whips and so on, to be sanctioned by the House, to be approved by the House.

I believe that the last time that the committee in fact sat down to really consider the mandate of the committee and the responsibilities of the committee was in 1982, following the election of 1982. At that point the committee did substantial work in terms of defining what it was and what it wanted to do, and presented that to the

House for its support.

A number of significant changes were made, I believe, at that point to the function of the committee or the roles and responsibilities of the committee, or at least they were clarified as they were never done before. We had one time in the last number of years where the committee also looked at some of its procedures, that is as to how witnesses should be questioned, the matter of a motion following the conclusion of a department, that political partisan debate should be limited to the motions, and the like. That came on the heels of a great deal of dispute and confrontation in the committee.

I think that it's time that the committee sat down, in fact looked at its mandate again, and to refine that for the approval of the House. A great deal of work has been done since 1982 in the form of guide-lines for public accounts committees in Canada to help us understand how public accounts committees perhaps should be operating, and to help us also do a better job for the people of Saskatchewan.

I think at that point too in March, that rather than dealing with the final report today, that you and I can sit down and review the final report and present it to the committee at that time for their approval prior to it being sent off to the House.

Mr. Chairman: — Anyone else wish to comment on the motion by Mr. Van Mulligen?

Mr. Strelloff: — Mr. Chairman, the second part of the motion in terms of finalizing the report — would the committee allow me the opportunity to consider the draft report and submit my comments to the chairman and vice-chairman on what specific recommendations I would like the committee to consider included in the final report and for discussion in March.

And the recommendations that I'm thinking of pertain to issues in the report that if they're not resolved, I end up reporting on every year. For example, the motion, or the recommendation, on NewGrade Energy is an example like that; the Sask Power Corporation's financial statements, where there's a reservation of opinion.

And I need some support in terms of getting the changes done so that our office just doesn't have to report it over and over again. And there are several items like that.

Mr. Anguish: — At what stage are you asking to sit down with the report?

Mr. Strelloff: — Well what I'd like to do is . . . that there's a draft report on the table now. Would you give me the opportunity to review the draft report and submit some comments on what specific recommendations you could consider including in the report for discussion or approval in March?

Mr. Anguish: — So the vice-chairman and the chairman would look at this concern of yours and then they would prepare a final report for a meeting in March?

Mr. Strelloff: — Yes.

Mr. Anguish: — Yes, that's acceptable.

Mr. Van Mulligen: — Yes. We may not agree with all the things you say. I think there's one with respect to CIC (Crown Investments Corporation of Saskatchewan) where there was one matter where he said, well I'm looking at this, I'm leaning that way.

I don't know if at this point we need to be making a report to the Legislative Assembly. I might recognize it and they'll come back in April or whatever. If it's still there, then we'll deal with it at that point.

But yes. No, that's fine.

Mr. Chairman: — Is the motion agreed to?

Agreed

Mr. Van Mulligen: — I might ask if Mr. Kraus also has any . . . might have any comments to make on the interim report.

Mr. Kraus: — Do you mean with respect to what would be in it?

Mr. Van Mulligen: — Yes.

Mr. Kraus: — There will be some things I guess that as a result of the discussions today that we like to see resolved. Now are you suggesting that I would be looking at the auditor's report before the draft report, or just . . .

Mr. Van Mulligen: — No. What I'm talking about is the final report of the committee and on the recommendations that we have so far . . .

Mr. Kraus: — Oh yes. Yes.

Mr. Van Mulligen: — . . . whether you have any additional comments that perhaps didn't pick up during the discussions we had here that you think that the committee might want to look at yet.

Mr. Kraus: — Maybe what I should do is go through the report and look at the issues that were discussed and provide those comments to the Clerk.

Mr. Van Mulligen: — Sure.

Mr. Chairman: — Thank you, Mr. Kraus.

Before I entertain any motion to adjourn, I would just like to thank the auditor and his staff for their diligence over the last five days; the same to Mr. Kraus and his staff; the Clerk; the legislative Law Clerk; and people from the Legislative Assembly that have assisted us. It's been a fairly . . . I don't know how to describe it. You sort of feel like you've gone the full nine innings and maybe pitched another one besides.

And also to the committee members for making my job as chairman — realizing that I've never been in this committee before and had some learning to do — fairly easy. So thank you.

Mr. Anguish: — Before you close off, we thought it was a very good week committee meeting to introduce you to the committee and also to the chair, Mr. Chairman.

Mr. Van Mulligen: — And we want to thank you for your good work.

Mr. Chairman: — Could I have a motion to adjourn?

Mr. Van Mulligen: — I'll move it.

Mr. Chairman: — Carried.

The committee adjourned at 12:10 p.m.