

Mr. Chairman: — My apologies for being late. It seems that no matter what time you set the hour, a guy is going to be late — at least in my case.

Did everyone get the claims form? It's been distributed around? Good. I have to sign all those things, and I'd like to get it done today if at all possible.

Gerry, the document that the Clerk has just distributed around, do you want to explain to committee what we're . . .

Mr. Kraus: — Yes, this just confirms what I was trying to explain on Monday. If you recall, you asked for some explanation as to how we provide funds to SPMC (Saskatchewan Property Management Corporation). And it outlines specifically for the three years that there was concern about — '87-88, '88-89, and '89-90 — that funding was provided to SPMC in the *Estimates* as provision for central services to government departments.

In those three years that's what was drawn down by payment requisition requests. And it's drawn down, if you don't want to go through all this material I've attached really . . . But if you'd look on the second page, you'll see where the authorized departmental official — it's on an eight and a half by eleven — Otto Cutts, who was then president, is able to requisition monies as he needs from that subvote.

That's standard procedure. He doesn't have to indicate what he's going to use the money for. That's already been determined during the budget process. In this case he was asking for two-twelfths. Quite often it's only one-twelfth, but it depends on the cash flow. Additional funding of \$300,000 in '89-90 was provided by special warrant. That was for the Buy Saskatchewan program.

I wanted to indicate that we did talk to some of the people in the Treasury Board division and they indicated that there was no reference at all to specific suppliers in the Treasury Board submission for the budget. Budgets are reviewed at a little broader basis than that specifically — the specific programs and services that SPMC might be providing to departments. They did not talk at all about ad agencies. And to the best of their knowledge, there isn't any documentation dealing with these ad agencies.

And further, I've noted that during the years under review, I believe it was communications secretariat for Executive Council that would be involved in approving the communication expense budget. And then that would be passed on to Treasury Board and built into the SPMC budget.

So I guess the long and the short of it is that there is no evidence of those discussions that were mentioned. It doesn't mean the discussions didn't take place, but there's nothing documented that we could find.

Mr. Chairman: — Anyone have a question for Mr. Kraus on the procedure?

Mr. Van Mulligen: — No, but just a comment that all we have is hearsay and indications of discussions with

people in Executive Council but can't recall who specifically as being evidence that this business was in fact authorized by Executive Council. I don't think that the committee should spend any more time trying to pursue this, but if the government should satisfy itself that there was some authority other than Otto Cutts himself for the payment of these sums.

Mr. Chairman: — If there's no other comment, thank you very much, Mr. Kraus, for preparing that for the committee.

Now how does the . . .

Mr. Van Mulligen: — Can I ask you if it's possible to clarify the issues from the introductory chapters that we want to deal with in February. And I kept a list and it seems to me one of the issues that we talked about was the question of reporting for mixed corporations or in a sense the reporting of government investments in outside corporations. And we took the position that that's something that should be . . . we should report to the Legislative Assembly that that's something that the Crown Corporations Committee might look at. But then latterly we talked about the business corporations in which the government might have a 100 per cent and that that's something that we're going to talk about in February.

So my question is, those two are to some extent related, they're government investment in something, and whether we should be dealing with them as one issue in February or whether they should both go to the Crown Corps, I don't know. That's one . . .

Mr. Chairman: — Yes, the issue was point .08 and .09 on page 20, corporate accountability. In the case of the 100 per cent, and I believe the record shows that the committee agreed with that recommendation . . . (inaudible interjection) . . . Yes. And the other one would be back . . . Where was that?

Mr. Anguish: — Page 3, Mr. Chairman.

Mr. Chairman: — Page 3? Was that .14?

Mr. Sonntag: — Yes.

Mr. Chairman: — Point .14, and we came back and kicked that around, and that was the one we were going to kick to . . .

Mr. Anguish: — Crown Corp.

Mr. Chairman: — To Crown Corp. Didn't we have a motion?

Mr. Van Mulligen: — Yes we did.

Mr. Wendel: — Maybe before we go any further, there is a difference between paragraph .14 and paragraph .08 on page 20. Because what we're talking about, paragraph .08, are corporations, where they own the shares between 50 and 100, so they have control over these organizations.

In .14 they're talking about investments where you would have less than 50 per cent ownership. You don't necessarily . . . You may have control but you don't necessarily have control. And there may be different rules you'd want to have for those, like where you have less than 50 per cent, as to what the Legislative Assembly would like to see on those, than you would on those where you have more than 50 per cent and those where you have 100 per cent. There may be different rules you'd want for all of them. And that's the distinction there.

Mr. Van Mulligen: — The point that I would make is that there is some relationship in terms of . . . Does it make sense for us to be discussing one and then asking Crown Corporations to discuss the other, and whether we should discuss both or they should discuss both. I don't know but . . .

Mr. Anguish: — Just because Crown Corporations is discussing it, I see no reason why we can't discuss it as well.

Mr. Van Mulligen: — Well then we should discuss both. And if we still want to still make a further recommendation to the legislature about referral to the Crown Corps., we should do that.

Mr. Hunt: — Well one other thing . . . (inaudible) . . . is that historically all of the less than 100 per cent investments in Crown corporations have not always been held by CIC (Crown Investments Corporation of Saskatchewan). They are now, and that's the policy. But at one time the IPSCO investment was on the balance sheet of the Consolidated Fund, and I think some other investments.

Mr. Van Mulligen: — So can we take from that then that we'll be discussing both the item on page 3 and the item on page 20?

Mr. Vaive: — Mr. Chairman, because we did have a recommendation with respect to .14 to recommend to the Assembly to refer this to the Crown corporations.

Mr. Van Mulligen: — Put that one on hold . . . (inaudible interjection) . . . the one on page 3 on hold.

A Member: — Yes, point .14 on page 3.

Mr. Muirhead: — Fourteen and fifteen? Didn't we have .15 tabled?

Mr. Van Mulligen: — They're separate issues . . .

Mr. Anguish: — Fourteen is the one, Gerry, that specifically refers to Crown corps.

Mr. Chairman: — So the motion that was agreed to before on .14 that the . . .

Mr. Vaive: — The Public Accounts Committee agrees to ask the Legislative Assembly to further consult with the Crown Corporations Committee as to how this recommendation .14 should be implemented . . . should be withdrawn.

Mr. Chairman: — You want that stricken from the record.

Mr. Van Mulligen: — Well just put it on hold for now pending discussions in February by this committee on it.

Mr. Chairman: — Agreed?

Mr. Van Mulligen: — We may see a need to do that, we may not see a need to. We may also want to refer others.

Mr. Chairman: — So then I take it that we'll be discussing both points in February with our various guests.

Mr. Van Mulligen: — Yes.

Mr. Chairman: — Okay, fair enough. Are there any of the other provisions . . . perhaps the Clerk could just review for the committee the other four points again so that we're all very clear on what those sort of four areas were that we wish to review with CIC and Finance.

Mr. Vaive: — Mr. Chairman, in chapter 1 there were paragraphs .15 to .17 which dealt with government financial activities to be managed as a whole. As well in chapter 1, paragraphs .18 to .22, which dealt with appointed auditors, but that is picked up as well in chapter . . . in the whole of chapter 2, which was also stood to discuss with CIC and Finance in February. In chapter 3, paragraph 3.5, Crown corporation dividends paid into Consolidated Fund, was stood to be discussed in February. And again, in chapter 4, Crown corporation dividends, paragraphs .24 to .29.

Mr. Anguish: — What did you refer to for chapter 3?

Mr. Vaive: — Paragraphs 3, there are five points there. The last one.

Mr. Wendel: — Paragraph .20.

Mr. Vaive: — I'm sorry, paragraph .20. Five points there, the last one dealing with Crown corporation dividends.

Mr. Chairman: — On page 16; I think we held that whole section, did we not?

Mr. Vaive: — We had agreed to the first four votes.

Mr. Chairman: — Okay, my mistake.

Mr. Vaive: — The last one was . . .

Mr. Chairman: — It was just the last one? Okay.

Mr. Anguish: — . . . Crown corporations, joint ventures, and other government corporations should pay directly to the Consolidated Fund and not the Crown Management Board.

Mr. Vaive: — And that last one was picked up again in chapter 4, paragraphs .24 to .29, in more detail. And that was stood as well there.

Mr. Muirhead: — Which chapter?

Mr. Chairman: — Page 21 and 22. Those last six points there we stood to a later date.

Mr. Vaive: — Which is the same issue as the last one I mentioned in chapter 3.

Mr. Chairman: — Any other issues that come to mind that should be added to that list?

Mr. Anguish: — Is it specifically Finance and CIC you're talking about?

Mr. Chairman: — Right.

Mr. Vaive: — And in addition to those we just decided this morning, chapter 4, paragraph .9, and chapter 1, paragraph .14.

Mr. Van Mulligen: — Does the report deal with the question of all the accounting for pensions, liabilities?

Mr. Wendel: — In chapter 19.

Mr. Van Mulligen: — Under the Department of Finance.

Mr. Wendel: — In the Department of Finance. That's correct.

Mr. Chairman: — 101 and 102, I believe, was it? No, maybe I'm wrong.

Mr. Wendel: — Page 85. Paragraph .16 and .17 there's some discussion of it. There will be more later.

Mr. Chairman: — Okay.

Mr. Van Mulligen: — That's something that we can get into with Finance.

Mr. Chairman: — I don't think we targeted a hearing because we just decided with Finance that we'd have them in on their own agendas, separate from this sort of special stuff.

Mr. Van Mulligen: — Now the other question I would have, like for example, appointed auditors. We don't need both John Wright and CIC. It's not really a Finance issue, is it?

Mr. Chairman: — According to the auditor, yesterday I asked him, and he said yes it is. So I'm not knowledgeable enough to . . .

Mr. Kraus: — Finance's position on it is that while it's true that there are Treasury Board Crowns, the bigger issue is around the Crown Investments Corporation audits. Finance probably tends to be a bit neutral, and we would expect that most of the discussion would take place with the president of CIC on that issue.

Mr. Van Mulligen: — Reporting from mixed corporations and business corporations, that's not much of a . . . Would that be of interest or concern to John Wright?

Mr. Kraus: — From one perspective, yes, in the broader perspective. But I agree that if someone was going to tackle that, you would expect it be the CIC management.

Mr. Wendel: — There would be some of these business corporations which would fall under the purview of Treasury Board though, that we've listed. So I don't know who wants to take the lead hand in it, but there would be some.

Mr. Kraus: — Again I agree there's probably a few, but the bulk and the important ones are probably in the CIC sector.

Mr. Wendel: — Agreed.

Mr. Kraus: — But you're right. There would be a few. I assume though, again, that we'd probably take their lead . . . or follow their lead. I'm sorry.

Mr. Chairman: — In an ultimate decision-making process there is . . . I mean, the board of . . . or Treasury Board and the board of directors of CIC are basically the same thing. I mean, as far as ultimately deciding that issue, I don't know.

Mr. Anguish: — . . . they're the same thing.

Those are the items then that we're going to . . .

Mr. Chairman: — Yes. The Clerk just reminded me that we had also on that Agdevco thing, because CIC was coming in anyway, we had asked that that be put on; that's chapter 11, page 40 there was an issue there.

Mr. Anguish: — And we want Finance here at the same time?

Mr. Chairman: — Not on this probably. It's just a small thing that we had . . . we're just noting that it was part of the CIC discussion. The question, I guess, we have is in trying to schedule this: what times we think are necessary and what mixes.

Mr. Vaive: — Excuse me. Should CIC be expected to deal with this issue in chapter 11 . . . (inaudible interjection) . . . That'll be part of the items that they'll comment on, okay.

Mr. Chairman: — Yes.

Mr. Anguish: — We have no problem in having Mr. Ching and Mr. Wright appear at the same time. I guess on February 1 we'd like to start with them. Is Agdevco the only other issue that would be dealt with by CIC?

Mr. Chairman: — Separate from the ones that we've already talked about?

Mr. Anguish: — Right.

Mr. Chairman: — Yes, I think so.

Mr. Anguish: — Well then if we could schedule after the meeting of the two parties to go to CIC.

Mr. Chairman: — By itself.

Mr. Anguish: — By itself, which shouldn't take too long if Agdevco is the only issue before them, and then the Department of Finance.

Mr. Chairman: — Afterwards.

Mr. Wendel: — There'll also be the chapter on CIC itself.

Mr. Chairman: — Yes, well they'll want their officials for that, beyond Mr. Ching.

Mr. Muirhead: — Mr. Chairman, when were we thinking of calling in the Financial Management Review Commission — before Finance or after or during? Or when would be the most beneficial?

Mr. Chairman: — Well that's open to discussion. I don't know when that would be most beneficial.

Mr. Muirhead: — Before or after?

Mr. Anguish: — Well I guess to some extent it depends what you want to do with the Financial Management Review Commission as to where it would fit in.

Mr. Muirhead: — I just bring it up for discussion, I won't be here anyways.

Mr. Anguish: — If it's going to take a lot of time, I'd rather not have them at the beginning because I'd like to get CIC and Finance dealt with it. But basically any time after that.

Mr. Chairman: — I don't know which would be the most . . . we're dealing with some fairly weighty questions here of public policy. Where you would get the best bang for your time. I wish the auditor were here.

Mr. Anguish: — In what respect? We basically don't care when you call the Financial Management Review Commission. If you want to try and work it in during that February meeting, that's fine. And if not, I guess it will be some time when the session is on and we start holding our meetings.

Mr. Chairman: — In thinking about it, my personal preference would be perhaps to have, say, Mr. Gass in for the morning before we start — obviously he ranges on a whole bunch of those issues — if he was amenable to that. I don't know. We'd have to check with his schedule.

Mr. Anguish: — On the Monday morning.

Mr. Chairman: — And just . . . we've often done it our other . . . when we've started, we've had someone come in and sort of give us an educational overview of an issue. I mean we can forewarn him. He could give his impression on those issues, how they relate to his report from . . . He's obviously going to come from the institute of, you know . . . and then go into the joint session. And by then we should be fairly well backgrounded on the issues from pretty well all perspectives. Does that sound reasonable to the committee?

Mr. Anguish: — Sure.

Mr. Chairman: — So we'll try and schedule that then.

Mr. Anguish: — Don't you think . . . (inaudible) . . . in the morning?

Mr. Chairman: — And in the afternoon we'll go to the joint session as proposed by Mr. Anguish. To allow ourselves enough time, will a 9 o'clock starting time on that Monday be all right, or is that prohibitive to members coming in?

Prefer 9:30? Okay. Mr. Van Mulligen would appreciate 9:30; is that all right? . . . (inaudible interjection) . . . The outgoing vice-chairman deserves some courtesy in these matters. Okay, great. Done, and we'll try and confirm these dates and times for all members to come in.

Ms. Haverstock: — Mr. Chairman, I would be ever so grateful — and I have made this comment just some five minutes ago in the Standing Committee on Crown Corporations — if there's any way that you can communicate to the chair of Crown Corporations that this is the week in which Public Accounts is meeting. It makes it very difficult for me to be a full participant in both of those standing committees when they are always meeting in conflict.

So I would be very grateful if perhaps the Clerk can communicate to Crown Corporations when these dates are. And it seems to me that since they haven't had that discussion yet, maybe we can lay claim to it for Public Accounts . . .

Mr. Van Mulligen: — Yes, I agree.

Ms. Haverstock: — Because this is getting pretty ridiculous.

Mr. Chairman: — Perhaps, Ms. Haverstock, that this sort of combined meeting is a little bit my responsibility in your case, my fault. Exercising some direction in our caucus, it works very nicely for us to be able to do them both together. I don't know how the government feels about it, but . . .

Mr. Anguish: — It's neither here nor there for us, but I can understand Ms. Haverstock's dilemma . . .

Mr. Chairman: — Yes, I'm open to suggestion.

Ms. Haverstock: — Yes, and if I may, I mean the Provincial Auditor mentioned to me several times this week that he would very much be able to prefer to attend the Crown Corporations deliberations as well, and he can't do that if he's spending an inordinate amount of time in Public Accounts.

Mr. Chairman: — The auditor is up there this morning.

Ms. Haverstock: — I was up there this morning as well. And it just makes it very difficult. I mean as it is now, every time I'm here I'm having to submit my questions in writing to any Crown that's being questioned. And it doesn't . . . I don't think it's an approach that should be encouraged, to simply have them respond in writing.

Mr. Chairman: — Duly noted.

Now does anyone want to review the list of the other agencies of government that we have on the list for that

week? I know some of the members weren't here yesterday.

Mr. Cline: — Well I'd be also very happy to hear that, Mr. Chairman, because I wasn't able to be here.

Mr. Chairman: — Can you run it through for the committee once more so we're all clear as to the other agencies?

Mr. Vaive: — Okay. I'll just run them down. CIC and Finance, jointly and then separately at one point. Agriculture; Education; Energy and Mines; Executive Council.

Mr. Anguish: — Just for clarification. More in particular when you talk about Agriculture, we were concerned about the Agricultural Credit Corporation and counselling assistance for farmers.

Mr. Vaive: — That's right. More specifically both those items, but other points in the report as well.

Mr. Kraus: — When Agriculture comes in — Agriculture may be here because of the counselling assistance for farmers — they will ask me: well do you think they still might ask questions from the backs, rather about payment details and so on? Should they be prepared still for a broader range of questions than just counselling assistance for farmers? Because once you get them here, often that happens, and they'll ask me whether or not they . . .

Mr. Anguish: — Hard to predict.

Mr. Kraus: — What might happen, eh?

Mr. Anguish: — Yes.

Mr. Van Mulligen: — Basically it's in the auditor's report as . . .

Mr. Kraus: — And in the public . . . they might as well be ready for the whole thing.

Mr. Anguish: — Well they should be ready. I mean they come here to account and they should come prepared to account.

Mr. Kraus: — Yes. Okay. The primary focus of these . . .

Mr. Muirhead: — The CAFF no longer exists.

Mr. Anguish: — Can we finish going through the list?

Mr. Vaive: — That is the question you asked me. Which department as well.

I had mentioned Education; Energy and Mines; Executive Council; Department of Health, lower priority; Family Foundation; Investments Corporation of Saskatchewan; and STC (Saskatchewan Transportation Company).

Mr. Van Mulligen: — Sask Housing.

Mr. Vaive: — Sask Housing wasn't included yesterday.

Mr. Van Mulligen: — It wasn't, eh?

Mr. Anguish: — No.

Mr. Vaive: — Community Services will be here under Family Foundation, or . . .

Mr. Anguish: — Why would it be under Department of Community Services?

Mr. Chairman: — Well that Family Foundation doesn't exist any more. The pieces went some place.

Mr. Anguish: — Okay. Yes.

Mr. Wendel: — . . . Sask Housing will be in . . .

Mr. Chairman: — No.

Mr. Vaive: — Mr. Chairman, these will be scheduled according to availability of the heads of those departments.

Mr. Van Mulligen: — Just a suggestion in terms of scheduling, if we can schedule them on Wednesday and Thursday and then leave the Friday free to complete our report. That'll keep you up late on Thursday night, Bob.

Mr. Vaive: — Will it be the intention of the committee on the Friday to consider the full draft report of that week? I'm thinking back of last year . . .

Mr. Van Mulligen: — And this week.

Mr. Vaive: — And then this week as well. So it would be the intention of the committee to consider that report. Last year the report was in fact prepared when committee decided to consider it only at a subsequent meeting for lack of time that morning.

Mr. Anguish: — We'd like to try and consider the report in that week in February, if we can.

Mr. Chairman: — And it may change. Okay?

Mr. Cline: — Mr. Chairman, just so I understand the procedure, these are the departments and agencies that we've now decided we're going to ask to come in. If subsequently we decided there were questions we wanted to ask of another department or agency, would we be foreclosed at some further point?

Mr. Chairman: — No, not at all.

Mr. Cline: — Thank you.

Mr. Chairman: — If we get done in an hour, they can bring their officials. The Clerk was just asking me, he said, you know if the joint meeting doesn't . . . doesn't necessarily have to take all afternoon. I mean when we're done we'll boot right out.

Mr. Vaive: — That afternoon we can carry on with CIC and Finance.

Mr. Chairman: — Right. They better have their folks around.

Mr. Anguish: — We conclude then, bring their officials in and let's go through the regular sections. We will be going through *Public Accounts* as well the auditor's report at this time, is that correct?

So we can when we do our report on Friday — the Friday in February — we'll deal with the auditor's report and the *Public Accounts*.

Mr. Chairman: — Yes. And departments can be questioned on both.

Mr. Anguish: — For 1991, right?

Mr. Chairman: — Same thing in the . . .

Mr. Van Mulligen: — In those departments.

Mr. Chairman: — . . . in the volumes that any one wishes to pick out, well . . .

Any other logistical questions?

Mr. Wendel: — I just have one question, Mr. Chair, for the next meeting we were asked to bring forward a report on matters that had been corrected. Do you want that limited then to the department that's going to be called, or do you want it for the whole report?

Mr. Anguish: — No, just the departments that are being called.

Mr. Van Mulligen: — The other question that I have whether that . . . if you've got it beforehand, whether you can provide it to the chairman and to the vice-chairman. Because they might say, well one of these departments we've got on here, everything's resolved, so is there a need to continue to continue to have them on the agenda; and they can make that determination.

Mr. Wendel: — So, Mr. Chairman, we'll make that available in January then, so it will give us a chance to finish up more of our work so there's less . . . (inaudible) . . . So sometime mid-January, and I'll discuss it with Gerry before . . .

Mr. Van Mulligen: — Because then you can always cancel somebody off the agenda if necessary.

Mr. Chairman: — Yes. There's only, on some of those lesser ones, there's only one recommendation or in some cases two, and if that is out of the way there's no sense dealing with it.

Mr. Kraus: — I think there was an undertaking by me that I provide something additional, but I'm going to cross-check with the auditor's work.

Mr. Anguish: — . . . in any event when you're doing a status report like that that you would check with each other?

Mr. Kraus: — Not necessarily. But we'd like . . .

Mr. Anguish: — Maybe note yourselves in the next auditor's report.

Yes, I think rather than you do something and the auditor's office do something, check with each other and compile it together.

Mr. Kraus: — And only if we have something that he may not agree with, would I . . . I might submit some supplementary information if he . . . to say that, well here's where we don't agree with them. But for the most part I would expect that he could cover it off in a report.

Mr. Chairman: — I don't have anything else in the way of a formal agenda, other than it was suggested if you wish to go through some of the comparisons prepared by the auditor on the Financial Management Review Commission. However, with Mr. Gass coming in the first morning, that may be a little redundant. I don't know.

Entirely up to the committee. It's 11 o'clock. We've got one hour left before our scheduled adjournment time.

Mr. Anguish: — Well I think if we could review . . . That's the cross-reference that's done. I think that if we can review it and be prepared for questions for the Gass Commission based on those references, I don't feel any need to go through right now unless some of the committee members want to.

Mr. Chairman: — I think with the auditor up in Crown Corporations, not that his able assistant here can't . . . I'm sure he'd carry the load.

Mr. Anguish: — I viewed this more as a guide so members could follow those recommendations that overlapped. Is it not the intent of that document? Or is there another reason that that was prepared?

Mr. Wendel: — It was at the request of the committee as a foreword.

Mr. Chairman: — And we can do with it as we wish.

Well with that, if there's no other questions or issues before the committee, we'll declare the committee adjourned. And if you can't get the forms to me this morning, try and get them up to my office this afternoon.

Yes, adjourned. You can go back to Crown Corporations now, Ms. Haverstock.

The committee adjourned at 10:55 a.m.