

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**February 5, 1993**

**Mr. Chairman:** — Good morning everyone. I call the meeting to order. The discussion will be chapter 24, the Family Foundation. Before I ask for a motion to go *in camera*, just remind all members to get their per diem forms into me at the end of the meeting if possible so that I can sign them and get them under way.

Could someone please move to go *in camera* . . . Ms. Haverstock? Agreed? Carried.

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

**Public Hearing: Family Foundation**

**Mr. Chairman:** — Good morning, Mr. Bogdasavich.

**Mr. Bogdasavich:** — Good morning.

**Mr. Chairman:** — Would you care to introduce your officials to the committee, please?

**Mr. Bogdasavich:** — I'd be pleased to do so, Mr. Chairman. On my right is Keith Rogers, the executive director of the culture and recreation division of the Department of Community Services, responsible for the area under review this morning. And on my left is Don Harazny, the director of administrative services for the Department of Community Services.

**Mr. Chairman:** — Good, thank you. Do you have any comments you wish to make regarding the auditor's comments in chapter 24 of the auditor's report ending March 31, '91, the Family Foundation? Is there anything in there that you wish to comment . . .

**Mr. Cline:** — Excuse me, Mr. Chairman. Are you going to give that standard statement?

**Mr. Chairman:** — All right.

**Mr. Cline:** — You're supposed to give it . . .

**Mr. Chairman:** — Yes, I've got it in my hand. Yes, we'd better dispense with this.

Witnesses should be aware that when appearing before a legislative committee, your testimony is entitled to have the protection of parliamentary privilege.

The evidence you provide to this committee cannot be used against you as the subject of a civil action.

In addition, I wish to advise you that you are protected by section 13 of the Canadian Charter of Rights and Freedoms which provides that:

A witness who testifies in any proceedings has the right not to have any incriminating evidence so given used to incriminate that witness in any other proceedings, except in a prosecution for perjury or for the giving of contradictory evidences.

A witness must answer all questions put by the committee. Where a member of the committee requests written information of your department, I ask that 20

copies be submitted to the committee Clerk who will then distribute the document and record it as a tabled document.

You are reminded to please address all comments through the chair. Thank you.

**Mr. Bogdasavich:** — Thank you, good. By way of general comments, quite briefly for the year under review, chapter 24, the Family Foundation, we will not be . . . the department has not, nor has the minister, challenged any of the findings of the Provincial Auditor for the year under review.

Where we have been able to take remedial action, we have done so. We're prepared to attempt to make that case with you this morning.

Secondly, where it was too late to take remedial action, we will have to note that an error was made and that we understand for the future what is required. And there are one or two incidences of that in this report.

And then finally, there are one or two areas where it's not entirely clear yet which of the actions we will take. But one way or another, when the decisions are made, we are satisfied that we will meet the concerns of the Provincial Auditor.

So this department does not challenge any of the findings of the report other than that.

**Mr. Chairman:** — Thank you. I would entertain a speaking list.

**Mr. Serby:** — I appreciate the overview, Mr. Bogdasavich. It makes my job, in terms of reviewing the questions, a whole lot more simplistic, seeing that the department is in compliance with all the recommendations that have been put forward by the auditor.

I think there are seven recommendations that the auditor has put forward; two of which in our initial review with the auditor, as indicated, have been to some degree corrected. And they're in chapters 16 to 19 . . . or I mean sections .16 to .19 and .29 to .31.

So it'll just be the five other areas within this particular chapter. I just have a couple of questions on them. The first is in the area .05 to .08. The recommendation . . . or the citing that the auditor makes here is in respect to the Sask Sport Inc. and the \$1.5 million that was provided to the Arts Board.

Two issues here: one being the fact funding was provided to an organization that in fact was not a non-profit corporation. The other of course speaks to the point as to whether or not funds in fact can be directed without first going through the Consolidated Fund.

My question first would be: what's the status of that \$1.5 million first.

**Mr. Bogdasavich:** — In terms of action taken today?

**Mr. Serby:** — Yes.

**Mr. Bogdasavich:** — Yes. We have before government now a proposal which will . . . which I have not yet had confirmation on. I expect to this week. We will do . . . propose to do one of two things. The government must do one of two things. Either the Saskatchewan Arts Board, which the government owns — if I may use that language — will be funded through the Consolidated Fund or we would consider changing the interprovincial lottery regulations to make grants through that process to this organization eligible.

My preference is that grants to the Saskatchewan Arts Board be made through the Consolidated Fund. What government owns, government should be held accountable for; legislature ought to be able to review in estimates.

**Mr. Serby:** — Thank you.

**Mr. Van Mulligen:** — The auditor makes the comment that — and this is peripheral — that Saskatchewan Arts Board is not a non-profit organization; it's a double negative. So I guess he's saying, in other words, Saskatchewan Arts Board is a profit corporation. Do they have a history of making profits? I'm just curious about that.

**Mr. Bogdasavich:** — I don't think any government organization can assume the status of a non-profit organization.

**Mr. Van Mulligen:** — Oh, I see.

**Mr. Bogdasavich:** — You see, it's . . . I've never encountered one in my life. I'm not giving you a legal opinion. I have to leave that to others. The Provincial Auditor may find it necessary to comment. But the Saskatchewan Arts Board is a government board, a government entity, and therefore does not qualify under the legislation I'm familiar with as a non-status organization for this purpose or for the purpose of eligibility, for example, for charitable organizations with a tax number from the federal government or whatever. It just doesn't exist.

**Mr. Van Mulligen:** — But it doesn't sort of run profits, I mean . . .

**Mr. Bogdasavich:** — No, no.

**Mr. Van Mulligen:** — Okay. No, it's just someone could read that and if they weren't informed by yourself, they might get a different impression.

**Mr. Strelloff:** — Our wording perhaps is not that good in that sentence. Under that Act there is a specific meaning attached to non-profit corporations. And under that Act and within that meaning the Sask Arts Board is not a non-profit corporation under that Act. It's a government organization; it's a Crown agency. So we didn't mean the double-negative side of the way it's written.

**Mr. Van Mulligen:** — Okay.

**Mr. Serby:** — In sections .09 to .12 I read here that the Provincial Auditor is suggesting, actually recommending, that in the future the Sask Lotteries, Sask Sport dollars, will in fact be audited under The Provincial Auditor Act.

In your early sort of overview and response, I take it then that the department doesn't have any concern about the fact that this new procedure of the auditor auditing the Sask Lotteries, Sask Sport dollars, creates any difficulty for the department or any concern for the department.

**Mr. Bogdasavich:** — The minister responsible for lotteries in the department agrees with the interpretation of the Provincial Auditor and has directed Sask Sport to make its financial statements and books available to the Provincial Auditor. For the first time in history the lotteries portion of Sask Sport will be audited by the Provincial Auditor for fiscal year 1991-92.

We have received another legal opinion from Sask Sport on the subject, which challenges the Provincial Auditor's. We have not accepted that opinion; we have accepted the opinion of the auditor.

**Mr. Serby:** — Thank you. In the section .20 to .25, I read that in the opinion of the auditor the termination of an employee who was the former executive director of the board and a retirement allowance paid on the termination, the lack of authority. Just a couple of questions here, one being: what is the status of the retirement allowance package that was paid to the former executive director of the Arts Board deal? Do you have any information on that?

**Mr. Bogdasavich:** — I don't personally. As the year under review, I was not close. But if you'll entertain a moment while I check to see whether or not Mr. Rogers has that section.

The question was: what is the status of the retirement package?

**Mr. Serby:** — That's right.

**Mr. Bogdasavich:** — Has he received it?

**Mr. Serby:** — Yes.

**Mr. Bogdasavich:** — Yes, it's been paid out.

**Mr. Serby:** — Okay. Could you provide the committee with what the amount of that allowance retirement package might have been? Or do you know that?

**Mr. Bogdasavich:** — We can provide that. I regret that we don't have the information with us this morning.

**Mr. Serby:** — Also, might you be in a position to tell the committee who authorized the package?

**Mr. Bogdasavich:** — I'm informed that the authorization occurred by the board in consultation with the minister responsible for the Saskatchewan Arts Board at that time. As you note, the Provincial Auditor felt that there was a requirement for an order in council to be given

authorizing termination and a termination payment. That did not occur.

**Mr. Serby:** — Could you provide some information for me and the committee as to why the individual might have been terminated?

**Mr. Bogdasavich:** — The only answer I can give you, with respect, is apparently the board was not satisfied with this individual's performance. I have no more elaboration than that and don't feel comfortable in doing so, being ignorant of the facts myself.

**Mr. Serby:** — and who do we have who is in place now, the person who is . . .

**Mr. Bogdasavich:** — Valerie Creighton Wells.

**Mr. Serby:** — Creighton current?

**Mr. Bogdasavich:** — Creighton Wells.

**Mr. Serby:** — Creighton Wells?

**Mr. Bogdasavich:** — Yes. W-e-l-l-s.

**Mr. Serby:** — She's current Wells, not current current? The recent appointment then . . . I would expect that this was an appointment then, an appointment of Miss Wells to this position? Is this an order in council appointment?

**Mr. Bogdasavich:** — Yes.

**Mr. Serby:** — It's my understanding then that in the future, as already has occurred, it will be the practice then that all appointments to the Saskatchewan Arts Board then would be done through order in council.

**Mr. Bogdasavich:** — Yes. The Arts Board has noted this error and they've agreed to follow the correct procedure; they understand an order in council is required both in the appointment of an individual, and therefore in the termination of that individual. Other than that, no specific action was taken.

**Mr. Serby:** — In the area .32 to .33, the auditor indicates there that by law there is a requirement for the Centre to give its report to the Assembly by December 31 — indicated here that in the opinion of the auditor, "the delay in making (the) . . . annual report public impaired the Centre's public accountability for its operations." I'm wondering how the department has attended to this . . . to this matter.

**Mr. Bogdasavich:** — Both for the Saskatchewan Centre of the Arts and the Western Development Museum, the Provincial Auditor notes that there was a late filing. The explanation which we have received in the case of the Saskatchewan Centre of the Arts, which was the question you posed, was that they were in the midst of some changes in their accounting procedures with respect to capital assets. That change caused a delay in preparation of its public financial statements. The process took longer than anticipated. That's the rationale which we sought and received from the Saskatchewan Centre of the Arts.

**Mr. Serby:** — I guess my follow-up to that then would be: have you, through your department, attended to ensure that in future this matter will be at the disposal of the legislature appropriately on time?

**Mr. Bogdasavich:** — Yes. I think we're going to have to look at what sort of problems occur when accounting procedures change, because the Western Development Museum filed late and provided the same rationale. I mean, you ought to be able to predict that that's going to happen; if it's going to happen, you should be able to catch it. All I can do is tell you that we have noted and we expect these to be filed on time, and we will monitor them.

**Mr. Serby:** — With respect to .36 to .40, in our previous discussion with the auditor, he advised us that in fact there has been compliance now with the order in council procedure in ensuring that the board would be in place in time to manage the affairs of the corporation. And I hear you saying that you're supporting the recommendation of the Provincial Auditor. Therefore I have no questions of that section.

I think, Mr. Chairman, that concludes the questions that I would have on the Family Foundation in respect to recommendations of the auditor.

**Mr. Chairman:** — Anyone else? If not, thank you, Mr. Bogdasavich, for coming out this morning.

**Mr. Bogdasavich:** — Thank you.

**Mr. Chairman:** — We have some recommendations to deal with on this particular chapter. Mr. Serby, do you have any comments to make?

**Mr. Serby:** — I think, Mr. Chairman, that the department has indicated that in fact they're in compliance with the sections that have been put forward by the auditor, and maybe I can simply indicate which ones they were — .05 to .08. I might read the recommendation for the record, I suppose, to ensure that the understanding is there that the department is in compliance, the first being that we recommend the minister comply with The Interprovincial Lotteries Act when directing Sask Sport Inc. to make payments out of the lottery trust fund created under the Act.

Compliance as well section .20, .25, recommending that the Saskatchewan Arts Board ensure it obtain an order in council to pay to the executive director. As well as in compliance .32, .33, with the recommendation that the Saskatchewan Centre of the Arts give its annual report to the Legislative Assembly by the date required by The Tabling of Documents Act.

Paragraphs .37, .40, agreeing with the recommendation that the government appoint the directors of a new corporation for operations commenced. And paragraphs .45 to .46, agreeing with recommendation of the auditor that the Western Development Museum give its annual report to the Legislative Assembly by the date required by The Tabling of Documents Act.

In respect to paragraphs .16 and .19 and .29, .31, that the recommendations put forward by the auditor, which were .16 to .19, to recommend the Sask Arts Board keep records of the equipment and furnishings it owns; and .29, .31, with the recommendation that the Saskatchewan Centre of the Arts obtain the Minister of Finance's approval before borrowing money, as required by The Financial Administration Act, have both been attended to and corrected.

I think I can stop there.

**Mr. Chairman:** — Okay. We'll note that on those two points then that the committee notes that those areas have been rectified.

The formal motion then that the hearings of the Family Foundation be adjourned subject to recall if necessary for further questions, is that agreed? You can sign that please, Mr. Serby.

Good, We dealt with STC (Saskatchewan Transportation Company) yesterday — didn't we? — on the fine points. We didn't do the formal motion that the hearings of STC be concluded subject to recall if necessary for further questioning. Is that agreed? Pass that down to Mr. Cline please, if we can move the proposed recommendations.

Perhaps we'll take a five-minute break before we start into cleaning up some of the stuff that we've had left over during the week.

The committee recessed for a period of time.

**Mr. Chairman:** — Perhaps we can reconvene the committee and get on with what we've got left to do here. The Clerk tells me that we're about 30 minutes away from having a draft report completed for all the members of the committee up to the items that we've got yet to deal with so we'll be able to take a look at that this morning.

So perhaps we can get on with the discussion on some of these other areas that we've got left to deal with. Centred around chapters 1 to 10, there was that issue with how the Legislative Assembly discharged its responsibilities as far as overseeing government corporations and their dividends, that whole issue around whether the Consolidated Fund should have it all and turn it back, that type of thing.

And we also had the issue which came up on the chapters on Executive Council about what the overall game plan of government should be and who should present it. And most of the issues were covered quite extensively last Tuesday, very good discussion in my view, with CIC (Crown Investments Corporation) and Finance and then Executive Council going around these issues.

And so we've got to deal with the recommendations as brought forward by the auditor. And I wonder if you have any comments you would like to make to the committee, sort of refresh our minds, if you will, on some of these issues before we actually get into doing the recommendations.

**Mr. Strelloff:** — Okay, Mr. Chair, members, so the recommendations pertain to chapters 1 to 10 in the document dated January 20 that we provided you. And the first recommendation deals with the financial plan for government as a whole, that we're recommending that the Legislative Assembly be provided a financial plan that focuses not only on what activities are going to be carried out through the Consolidated Fund, but that includes the activities that are going to be carried out by other government corporations and agencies.

And you remember that those other government corporations don't just include what's called part II Crown corporations that the Crown Investments Corporation is involved with. They also include tens of corporations and agencies that sometimes are referred to as Treasury Board corporations. And our view is that for the Assembly to better oversee the revenue and spending plans of the government, they need a financial plan that encompasses all government activities.

The level of detail is not really . . . would have to be worked on, but the general notion that the financial plan or the budget brought forward by the government should encompass all activities.

And one of the benefits of the summary financial statements that the new government has recently issued . . . and that certainly is a very remarkable step forward in helping the Legislative Assembly assess what has taken place. Now if those summary financial statements were used as a basis to prepare a financial plan that showed what was being proposed, what was going to happen in the next year, and perhaps alongside a three-year or a four-year plan as well, would in our view help the Legislative Assembly understand what's being proposed and what's going to happen throughout all government organizations.

And then when they get the financial report as set out in the summary financial statements, they would then be able to assess what has happened and ask questions in a more understandable . . . with more background information available to them. So the first recommendation moves that issue along, that the financial plan of the government should include all government organizations.

And on Tuesday we had discussions of why that was good and why it was hard to do and why it might not be what is needed. I still strongly hold the view that a financial plan for all government is essential for the Legislative Assembly and the public to understand the resource allocation choices that are being made with public money, and focusing the financial plan on the Consolidated Fund just does not tell the complete picture. And there's some very difficult decisions that are being made in terms of revenue raising, whether it's being done through income taxes or utility rates or changes in services, whether those services are being provided through government corporations or through government departments or even decisions on which government organizations should carry out a specific program — for example, the lending programs of government — which government organization should carry it out. Should it be a government corporation or a department? It's an

Important decision that needs to be discussed.

And then we also discussed in the past years, particularly in the periods 1988 to 1990, where the Crown Investments Corporation received about \$1.8 billion of public money from the Crown corporation community, the part II Crown corporations, and spent about 1.2 billion of that money in that limited time period. And the proposals or the plans for spending that money never came forward to the Legislative Assembly or never came forward in the context of a budget, but the Legislative Assembly didn't get the information until after the fact. And that's just an example of why it's important to bring forward the financial plan for the government as a whole.

And certainly the Gass Commission itself, when they dealt with this issue, have made a strong case for using the recommendations of the Canadian Institute of Chartered Accountants for preparing the budget, which then moves the budget in the context of the summary financial statements.

**Mr. Van Mulligen:** — Was that a specific recommendation of the Gass Commission? If so, could you point that one out for me? I must have missed that one somehow.

**Mr. Chairman:** — Well there was a number of them in that area.

**Mr. Van Mulligen:** — Yes, but specifically for an annual financial plan for Crown corporations. Where is that one?

It seems to me the Gass Commission says that the Government of Saskatchewan should incorporate as part of this spring's provincial budget a financial plan which includes a strategy to restore the strength to the province's balance sheet. But he didn't go so far as to say that the government should present to the Assembly for approval an annual financial plan showing the proposed revenue-raising and spending programs of all the government organizations, which in this context means the Crowns.

**Mr. Strelloff:** — Mr. Chair, members, in chapter 3, paragraph 18, of the Gass Commission, the commission recommends that the accounting principles and reporting standards recommended by PSAAC (Public Sector Accounting and Auditing Committee) also need to be used to present the March 31 '92 financial results and the results for years thereafter. Therefore that's the financial statement issue.

Then they also say, in addition . . .

**Mr. Van Mulligen:** — Pardon me, is that correct? Financial . . .

**Mr. Strelloff:** — Those are the financial statements.

**Mr. Van Mulligen:** — Statements, after-the-fact reporting?

**Mr. Strelloff:** — Yes.

**Mr. Van Mulligen:** — Okay.

**Mr. Strelloff:** — In addition, as the commission notes, the changes in the accounting principles should also be adopted in the budget so comparisons of budget and actual results are meaningful. And that's in chapter 3, paragraph 18. I can't quite remember the precise phrasing that they . . . Oh, here, so it's page 26 of the — I gave the wrong chapter number, it's chapter 2 — page 26 of the Gass Commission, where the title is "Implications for the Preparation of the Annual Estimates." And it goes through . . . I can read it:

The PSAAC guidelines require that the Province's main financial statements should include the approved budgetary figures for comparative purposes. Therefore, the changes in accounting principles and format, plus the expanded scope of the reporting entity, will also apply to the preparation of the Estimates.

While the Commission has been able to obtain financial statements under the PSAAC guidelines within a relatively short period of time, we are aware that it will not be possible to convert the budgeting process as quickly. Many procedural issues need to be considered, including determining whether there will be any implications on the review procedures of the Legislature's Committee of Finance. The implementation may have to be phased over several years to provide the Members of the Legislature and others who are involved in the preparation, review, and analysis of the annual *Estimates* with an opportunity to become fully familiar with the implications of the various components of these guidelines.

So they recognize that you can't just do it next day, but that moving the budget and the estimates to the same basis as the summary financial statement reporting is a good thing to do.

**Mr. Van Mulligen:** — Summary financial . . . how's this again now? That he's saying that there's . . . you should have something to compare so that when you get to the summary financial statement, you can compare it with the budget at that point?

**Mr. Strelloff:** — No, the . . . let's see. Well the intent is that they've recommended that the financial statements of the province use the recommendations of PSAAC and that you prepare summary financial statements and that should be done as quickly as possible. Those are the financial statements.

**Mr. Van Mulligen:** — We're not doing that? I don't understand this.

**Mr. Strelloff:** — Yes, that part, the financial statements.

**Mr. Van Mulligen:** — We are?

**Mr. Strelloff:** — Yes.

**Mr. Van Mulligen:** — Okay.

**Mr. Streliaff:** — So those are the summary financial statements.

**Mr. Van Mulligen:** — Right.

**Mr. Streliaff:** — And then they've also recommended that to ensure that there's a need for a comparison of what was planned . . .

**Mr. Van Mulligen:** — Right.

**Mr. Streliaff:** — . . . and what was done in the context of the summary financial statements, that the budget and the estimates also be prepared using the same accounting principles and reporting entities, scope of activities. Scope of activities means you'd bring in the plan of the Crown corporations and agencies and everything that's in the summary financial statements and have a comparison within those summary financial statements — those are planned, and actual — so that the Legislative Assembly and others can scrutinize better what took place.

**Mr. Van Mulligen:** — So I just want to get clear then. Your specific recommendation in .05 for a . . . or .06 for an annual financial plan, that is a clear recommendation of PSAAC?

**Mr. Streliaff:** — A clear recommendation of PSAAC? PSAAC recommends that there be a comparison of what was planned with what was done in the summary financial statements.

**Mr. Van Mulligen:** — Oh, okay, now I've got it. You want . . . in the summary financial statements at the end of the year, you want to have something that says here's where the money was spent and here's what was budgeted for that, in the annual financial statements at the end of the year. Is that what PSAAC is saying?

**Mr. Streliaff:** — PSAAC is saying that in the annual financial statements . . .

**Mr. Van Mulligen:** — And the annual financial statements are something that's . . .

**Mr. Streliaff:** — The summary financial statements that you've prepared . . .

**Mr. Van Mulligen:** — At the end of the year . . .

**Mr. Streliaff:** — . . . at the end of the year . . .

**Mr. Van Mulligen:** — At the end of the fiscal year . . .

**Mr. Streliaff:** — At the end of the year. That the same financial statements that came out in October of this year, or November, that . . .

**Mr. Van Mulligen:** — October of this year we had those statements?

**Mr. Streliaff:** — October of last year, I guess.

**Mr. Van Mulligen:** — Okay.

**Mr. Streliaff:** — For '92.

**Mr. Van Mulligen:** — Yes.

**Mr. Streliaff:** — That there should be in those kinds of financial statements a comparison of what was planned and what actually happened.

**Mr. Van Mulligen:** — Oh, okay.

**Mr. Streliaff:** — And that the plan should be prepared using the same accounting principles and reporting scope of organizations reported as is used to prepare the actual results, and that be provided in the summary financial statements. Now that's what PSAAC says. They didn't deal with . . . now what we're recommending here is that the plan also be provided at the beginning of the year to the Legislative Assembly.

**Mr. Van Mulligen:** — Oh, I see. Okay. But that's not something that PSAAC is . . . that's something that you're recommending.

**Mr. Streliaff:** — Yes, PSAAC only dealt with . . . their terms of reference is the financial statements. They didn't deal with how a financial plan should be presented to a Legislative Assembly.

**Mr. Van Mulligen:** — That would definitely put us in at the cutting edge of any and all governments in Canada in that way.

**Mr. Streliaff:** — In what way?

**Mr. Van Mulligen:** — Well to present, as you're suggesting, in addition to what PSAAC is recommending, to also have this annual financial plan put before the Legislative Assembly.

**Mr. Streliaff:** — An annual plan that would encompass all that government is doing. You would be, this province would be, on the leading edge in terms of explaining to the Legislative Assembly what is being proposed by the government.

**Mr. Van Mulligen:** — No one else does this then.

**Mr. Streliaff:** — The Alberta document that I tabled yesterday gives a signal that if there's moves along afoot . . .

**Mr. Van Mulligen:** — Yes, I'd like to deal with that one too, but . . .

**Mr. Streliaff:** — But to varying extents across Canada, the scope of activity provided for in estimates of governments across Canada varies from place to place. So at present you really can't compare one budget of one provincial government with another. Because the scope of activity reported varies from jurisdiction to jurisdiction, and the accounting principles used within budgets vary from jurisdiction to jurisdiction, and sometimes within a jurisdiction, from period to period.

**Mr. Van Mulligen:** — But this specific one that you're outlining in .06 is not an accounting principle as such on the part of the Canadian Institute of Chartered

Accountants and the Public Sector . . . what is PSAAC? That's the Public Sector . . .

**Mr. Strelloff:** — Accounting and Auditing Committee. No, that committee and that institute deals with how financial statements are prepared. They don't deal with . . . at least yet they don't deal with how budgets are prepared on their own, although they do deal with how to present plans or budgets within financial statements.

**Mr. Van Mulligen:** — It's just on this, like you've alluded now a couple of times to Alberta, and at one point you even said, well look, the Premier of Alberta is moving in this direction and wants to do this. I'm really trying to understand where you're coming from on this one.

I've looked at the letter by the Premier of Alberta. He says, in terms of accountability: in addition, ministers will require most provincial — most, okay, can I just underline that, most, not all; so I don't know what he's excluding from that but — most provincial agencies and Crown-controlled organizations to submit three-year corporate plans. Although he didn't say that these would be submitted to the Legislative Assembly which is what you're recommending.

**Mr. Strelloff:** — Mr. Chair, members, I haven't . . . in these recommendations they don't deal with the need for three-year or five-year corporate plans for specific organizations, although in our annual report we did recommend that the government as a whole provide a three-year financial plan so others could assess their activities as a result.

**Mr. Van Mulligen:** — And that would go to the Legislative Assembly.

**Mr. Strelloff:** — The three-year?

**Mr. Van Mulligen:** — Yes, and the one-year.

**Mr. Strelloff:** — For the government as a whole?

**Mr. Van Mulligen:** — Yes.

**Mr. Strelloff:** — Yes. That seems to make sense.

**Mr. Van Mulligen:** — Okay. But that's not what's being planned here in Alberta though.

**Mr. Strelloff:** — Mr. Chair, members, the reason I provided you the information on the Alberta documents — the letter that I had sent out to the Public Accounts Committee earlier and the letter from the Premier to the Auditor General of Alberta — it related to NovAtel and it related to our discussion on Tuesday, that I thought that it would provide some insights into what was happening elsewhere. So when I received the copy of what Alberta plans to do on Wednesday, I thought you would be interested, particularly in the province's plan set out on page 1 of the letter from the Premier that talks about all provincial agencies and Crown-controlled organizations and their subs will be required to submit their budgets to the responsible minister for approval. And summaries of the budgets and major operational agencies will be tabled with the provincial budget which means going to

the Assembly.

But there was also another angle . . .

**Mr. Van Mulligen:** — Summaries.

**Mr. Strelloff:** — Summaries. Yes, I mean, summaries . . . Some of the budgets are, that are presented to the Legislative Assembly, are summaries.

But there was another angle that I thought. There was a president of . . . The president of CIC was expressing concern about the commerciality of some of the corporations, and there seemed to be some solutions or some alternatives to deal with that dilemma or that issue. And the way the Alberta people are thinking about handling this is for those few corporations who sell goods and services in a competitive market, that instead of providing their individual corporate plans to the Legislative Assembly, that you moved to quarterly financial statements for those few organizations or corporations who sell goods and services in a competitive market. And it seemed like an interesting way of perhaps handling the acting president of CIC's concern about the confidentiality of some.

I mean we recommended that the financial planning include all government corporations, and perhaps all you have to do . . . a summary version of that would be just the planned disposition of earnings and the plans to subsidize losses. And then in terms of detailed information related to commercial organizations, maybe go the other way and ask . . . suggest that quarterly financial statements be done for the commercial organizations. And that might be just a way of alleviating the president . . . the acting president of CIC's concerns about commercial confidentiality.

So that was another reason why I provided that letter, because it provided some options. And the issues are important so options should be considered.

**Mr. Van Mulligen:** — Okay. I guess I want to try and relate what's being done in Alberta . . . and again I might sort of add parenthetically that to have assurances by the Premier of Alberta who is trying very desperately to disassociate himself from the activities that he was involved in as part of a cabinet and led by a premier that is now gone in preparation for an election campaign — again you're suggested an annual financial plan showing the proposed revenue-raising and spending programs of all government organizations including . . . and the concern here is of Crowns.

He's saying, well — and that should be submitted to the provincial legislature — he's saying, well these should go to the responsible ministers. And I don't have any argument with that; I agree with that. And he's saying that where this is not already done — and I would ask Alberta why the hell this isn't being done, but — and then he's saying summaries of the major operational agencies will be tabled with the provincial budget.

Okay. Now there's an interesting choice of words here — major operational agencies. Again, does that include all Crown-controlled organizations? Why the use of the

word “major” and summaries?

So I guess I don't know what lessons, you know, other than sort of . . . now in addition to an annual financial statement, summary financial statement that encompasses all government organizations and which, I guess, was done last October, or moves were made in that direction that more is planned to do, he's now saying that there should be a quarterly financial statement. That's an interesting concept.

I don't disagree that a Crown, if it's competing in a competitive market, should be . . . If they're doing that, then there's no reason that the Crowns shouldn't do that, at least that I can ascertain at this point.

I guess I just don't know how what he's saying here relates to your suggestion for an annual financial plan, which also is not a principle of the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants. I just don't understand that. And although it's comforting to know that the Premier of Alberta is responding to concerns of accountability in his province, I just don't know what it . . .

**Mr. Strelieff:** — Well, Mr. Chair, Mr. Van Mulligen, the signal that it provides is that there is a move to present the annual plans, whether it's a summaries of those plans or a specific plans of government corporations, to the Assembly.

And in some part of his letter he's suggesting that those plans be presented as part of the annual budget process so that the Legislative Assembly can assess the impact of the plans of corporations on the plans that are carried out perhaps through the Consolidated Fund. And in some cases he's saying that the financial statements of individual corporations, when they come out at the end of the year, should include the comparison of what was planned in that individual corporation with what happened.

**Mr. Van Mulligen:** — Good stuff. That's good.

**Mr. Strelieff:** — I mean those are good moves forward. And I thought you would be quite interested in seeing how another jurisdiction faced with major concerns in the Crown corporations sector — remember the major concern that they're discussing probably right now is NovAtel . . . and they're concerned about making sure that they're better able to scrutinize the activities of those kinds of corporations.

And they're moving forward the accountability issues pertaining to corporations or agencies of government that normally are not included in the debate and the assessment of what is being planned by the government. And it's good . . . just straightforward, good accountability information that any oversight body would, from what I could think through, would want to see.

**Mr. Van Mulligen:** — I guess I'm hung up here on . . . The Premier of Alberta is promising that summaries . . . First of all he's saying that budgets should go to the responsible ministers for approval by the government, not by the legislature. Big difference, okay? And I heartily commend

that practice to Mr. Klein, especially where this is not already done. I think it's very important for those in government to have a handle on what it is their agencies are proposing to do.

But now as to the manner as presenting that in the Legislative Assembly, as you're suggesting, and your comments related to that would suggest that this be done in some detail; Mr. Klein is saying: summaries. What does that mean? Revenue, expenses, bottom line will be tabled with the provincial budget. But no, that's not what you've been getting at here though. You're saying an annual financial plan showing proposed revenue-raising and spending programs. So a lot more detail than a summary, I would gather.

**Mr. Strelieff:** — Mr. Chair, Mr. Van Mulligen, as we discussed on Tuesday and at other times, the level of detail that would be presented in the financial plan is something that would have to be judiciously discussed, assessed. Perhaps the initial starting point would be, as you suggested, the revenues, the total revenues planned for by SaskPower, the total expenditures planned for SaskPower, the net income that they're anticipating for the year, three lines, and an indication of whether the corporation plans to keep that revenue within the corporation for specific purposes, or they plan to provide that net income or some portion of that income to the Consolidated Fund.

I mean a summary as that, would be, I think, useful information that the Assembly would, I think, value in terms of understanding and assessing the resource allocation priorities that the government is moving forward. And the activities carried out by government corporations . . . and we're not just talking about part II Crown corporations but a whole, wide array of government corporations that sometimes are called Treasury Board corporations. For example, the Ag Credit Corporation, I mean that type of information one would think would be needed by the Assembly to fully understand or better understand what was being proposed, and therefore have a better ability to scrutinize, discuss, debate, and approve.

**Mr. Van Mulligen:** — But I just want to get it clear again. The recommendation that you're making and the level of details of which I guess is now up for debate, is not a recommendation or a principle of the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants. What they suggest is that when you present a report on what the government did for the previous fiscal year, you should, in accordance with that, also present some statement as to what the government had intended to do for all the various components of that plan. So that people can then judge for themselves, did they meet the target, didn't they meet the target.

**Mr. Strelieff:** — Mr. Chair, Mr. Van Mulligen, yes, the Canadian Institute of Chartered Accountants just deals with what should go in the financial statements. And they called for a comparison of planned and actual results using the same basis of accounting and reporting entity.

But again, their mandate only centres on the preparation



of financial statements. They have not addressed the preparation of an annual budget to be presented to the Legislative Assembly.

**Mr. Van Mulligen:** — That's their mandate. What's our mandate?

**Mr. Strelieff:** — Well the operating principles that . . .

**Mr. Van Mulligen:** — That's okay. That's a rhetorical question, I guess.

**Mr. Chairman:** — No, but it is topical because at SUMA (Saskatchewan Urban Municipalities Association) on Wednesday, Cholod said the government is expecting all urban government to present five-year capital expenditure plans that must be updated yearly. Okay? That there's a constant five-year sort of rolling window that's available to urban government in order to assess sort of infrastructural and that type of thing.

And Cholod's remark back was that if a five-year sort of rolling window is expected of urban government, which we plan on doing, then we expect the provincial government to also give us a five-year rolling window so that we can sort of plan our moves too.

So obviously there is some indication the government's moving in this very direction. Because when you're talking about capital expenditure, no one expends more capital in the province than probably the Crown sector, on capital projects, whether they be hospitals or power plants or whatever.

And it would be, I think, urban . . . well Cholod said, what's good for the goose is good for the gander, and he got a big round of applause. Now naturally they have special interests in SUMA. But obviously the provincial government is at least viewing this in some manner or else they wouldn't have required it, because it may be fairly onerous to get into that program.

**Mr. Serby:** — Except that, Mr. Chairman, it's always been a requirement of the municipal governments to provide a five-year . . . This isn't a new revelation that Mr. Cholod has come up with. It's been a requirement of the urban municipalities.

**Mr. Chairman:** — But I don't think it's ever been quite as onerous as what's being proposed.

**Mr. Van Mulligen:** — No, it's always been . . .

**Mr. Serby:** — It has been always very, very good and demanded of the municipalities, to provide a very detailed capital preparatory plan of what the expenditures are going to be for the municipalities. It's been there for a long time. I think all that he was saying . . . I'm hoping he's reinforcing that that should continue to be a requirement on behalf of municipal governments, and was also suggesting, I think, as you put it, that . . .

**Mr. Chairman:** — That it be reciprocated.

**Mr. Serby:** — It should be reciprocated at the provincial level.

**Mr. Van Mulligen:** — I think the reasons that you had five-year capital plans for municipalities is so that the province could better assess its financial needs in terms of providing money to municipalities for capital purposes. And there have been programs from time to time, whether it's a community capital fund or the provincial capital fund, the CCF (Co-operative Commonwealth Federation) or the PC (Progressive Conservative) funds, so that the province can get a better handle on what municipal capital needs are and therefore is in a position to know what kinds of money should be voted for that.

I think this also goes back to concerns about, you know, Saskatchewan municipalities are to some extent rigidly controlled because of concerns of what happened here in the '30s where a number of municipalities were at or near the point of insolvency. So that there's always been a concern that municipalities carefully budget and plan. I don't know if we're at that stage yet for the province as a whole, but maybe we are.

But I just, again . . . you're recommendation then for an annual financial plan, that even though you say as a result programs and services carried out through government corporations — programs and services carried out through government organizations — do not receive the same scrutiny as programs carried out through the government departments.

You're then saying, okay we need an annual financial plan so that in fact we can have that kind of scrutiny. But on the other hand you're saying you're not sure now what level of detail that should be.

On the one hand in your report you're saying, well it should be quite detailed because when you started talking about programs and services, you're talking about every line-by-line expenditure in many ways. But now you're saying that you're open to discussion on that.

**Mr. Strelieff:** — Mr. Chair, Mr. Van Mulligen, of course the reason that we brought this forward is to have this kind of discussion. I've yet to really hear an argument for why some summarized version of the corporate plans of each of the corporations wouldn't be presented to the Legislative Assembly.

The scenario that I could see that would seem to be reasonable, that could be worked towards over the next years, is that each of the corporations table a corporate plan, table for the Assembly's purposes a corporate plan prior to the budgets being moved forward, and that within the plan of the government as a whole there be, say, for the corporations, here's what we plan to earn this year in terms of net income, and here's what we plan to do with that net income. We plan to keep it for capital building, or we plan to provide it to the Consolidated Fund for general purposes.

And then also for those corporations that might be projecting a loss, come to the table in the overall financial plan, would be here's what our projected loss is going to be; here's how we intend to subsidize or to provide for that loss. We will need perhaps a specific grant from the general revenue fund or the Consolidated Fund. And in

that context, here's how the government as a whole is moving the economy, the resources that it has responsibility for, forward.

And then the Legislative Assembly, instead of having to just focus on what's planned to be carried out through the Consolidated Fund only, can also assess how those activities integrate with plans that are carried out through all the different kinds of corporations that exist.

And those corporations aren't just part II Crown corporations. There's a whole series of other kinds of Crown agencies and corporations that would be part of the government's financial plan.

And it just seems reasonable to present that recommendation forward. In moving these kind of recommendations forward I try to assess, the office in general tries to assess, well are there sound, difficult reasons for why that wouldn't be done. And the main one that was presented on Tuesday was the commercial confidentiality. And that to me would relate to perhaps you wouldn't want SGI's (Saskatchewan Government Insurance) insurance programs to actually have a detailed corporate plan being presented to the Legislative Assembly. Maybe all that's needed is the quarterly financial statements as was suggested in Alberta.

So it seemed to provide some middle ground that answered Mr. Ching's concerns about commerciality, at the same time provided the Legislative Assembly with the overview information that certainly it would need to scrutinize and debate resource allocation priorities and decisions of the government.

**Mr. Van Mulligen:** — Mr. Chairman, I would like to move that with respect to this matter . . . First of all, I might point out that my understanding of the previous motion that we had with respect to a multi-year financial plan for the government wasn't for the government as a whole but was for the government.

I would like to move that as to the matter of an annual financial plan showing proposed revenue-raising programs and spending programs . . . Bear with me here. As to the matter of an annual financial plan showing proposed revenue-raising programs and spending programs of all government organizations, this committee recommends that the . . . Oh. And the matter of a three-year plan for all government organizations, this committee recommends that the Office of the Provincial Auditor and the Crown Investments Corporation undertake discussions on this issue and return to this committee with a joint report. During these discussions, the committee ask that the advice of the Institute of Chartered Accountants of Saskatchewan and the provincial audit committee be sought.

**Mr. Chairman:** — So where would that fit exactly, Harry? Under chapter 1?

**Mr. Van Mulligen:** — Under chapter 1.

**Mr. Strelloff:** — Mr. Chair, Mr. Van Mulligen, would you not also want the Department of Finance that oversees a heck of a lot of . . . or a lot of activities of government

involved in that process?

**Mr. Van Mulligen:** — Oh sure. I just assume that they would be, if you're discussing it with CIC.

**Mr. Strelloff:** — They sometimes are quite separate.

**Mr. Van Mulligen:** — Throw that in there. Throw it in there, by all means. Talk to Finance as well.

So for me then the motion . . . in my mind the first recommendation we have . . . or not the first one . . .

**Mr. Chairman:** — Be the second one, wouldn't it?

**Mr. Van Mulligen:** — The second one, that we take out the words "as a whole." That wasn't my understanding. The way I read the auditor's report, it was a three-year plan for government as distinct for an annual plan for all government organizations.

So I think that government should get to the stage of presenting three-year budgets or multi-year budgets. Okay? I don't think there's any question about that.

We agree that the government should move in that direction. That would show, here's the budget for this year, here's our plan related to that budget for the next two years, and where we hope to go. And that's something that should then be updated on an annual basis. I agree. Okay?

But as to the question of incorporating all government organizations in that and for an annual financial plan, I guess we would like to see some study undertaken by those who have an interest in these matters and come back to us with a joint report.

I think there's been a lot of discussion on this point, a lot of concerns raised. We have suggestions that we should be looking at all programs and services in the auditor's report, but also a recognition that we don't necessarily need to have line-by-line ability to review the plans of Crown corporations.

We've had concerns expressed about Crown competitiveness and I think it's . . . you know, I'm reluctant to say to Legislative Assembly, without a great deal more study, here's what you've got to do; or here's our recommendation as to what you should tell government what to do. I guess I would like to see more study on that and they come back to us with some joint report on that.

And I'm also concerned because the recommendation that we have before us is not a recommendation that's being followed anywhere else in Canada I can see, with anyone that has a significant Crown sector. And it's not a principle of the Public Sector Accounting and Auditing Committee or the Canadian Institute of Chartered Accountants.

So in a very real way we're breaking new ground by moving to an annual financial plan that reports on the activities of . . . that would purport to report on activities of all government entities.

So we're breaking new ground, and therefore I'd like to see some discussion with the representatives of that profession here in Saskatchewan and have that incorporated as part of the report that comes back to us.

**Mr. Strelieff:** — Mr. Chairman, Mr. Van Mulligen, do you have a report deadline in mind?

**Mr. Van Mulligen:** — No.

**Mr. Strelieff:** — By the end of . . . by next fall or something?

**Mr. Van Mulligen:** — No, I said in a year and I think . . .

**Mr. Chairman:** — I wonder if we're not putting this in the wrong place here.

**Mr. Van Mulligen:** — No, I didn't even say in a year. I'd said a joint report.

**Mr. Chairman:** — You all have the draft report now in front of you. And it goes through chapter 1, two points. Harry asked in point 2, that "as a whole" be deleted. Maybe the proper place for this thing then is the recommendation as no. 3. The old one is, your committee recommends that government study the implications of issues related to the achievement of this goal, Harry's proposed motion is far more specific than that, It's basically showing how to achieve that goal.

Is that the proper place to delete what's there and insert this then?

**Mr. Van Mulligen:** — No. First of all we agree that the government, in addition to the annual budget that is put forward in the Legislative Assembly, go further than that and present a three-year plan or an annual budget plus, I guess, a two-year plan, or a multi-year plan. Okay?

We agree with that concept, and we think we would recommend that the government study that, and the issues related to the achievement of that goal.

**Mr. Chairman:** — So you're saying instead of a multi-year financial plan, you're saying a three-year financial plan?

**Mr. Van Mulligen:** — Well the auditor's report talks about a three-year plan. You know, I don't want to get necessarily that specific, so . . .

**Mr. Strelieff:** — Three-year just seemed like a reasonable starting point,

**Mr. Van Mulligen:** — Multi-year . . . that could be three years, certainly more than one year.

**Mr. Chairman:** — Right.

**Mr. Van Mulligen:** — So we agree with that. We agree with that concept and we think the government should study the implication of the issues related to the achievement of that goal. In addition thereto, as to the question of a annual financial plan for all government organizations and a multi-year plan or a three-year plan

for all government organizations, we're suggesting that the office of the auditor and the Crown Investments Corporation and the Department of Finance undertake discussions on that issue and return to us with a joint report. And also that during these discussions they ask the advice of the Institute of Chartered Accountants of Saskatchewan, the provincial audit committee.

I guess what we're saying then is that we agree that the auditor has a valid comment and has a valid point of view, even if this is not a point of view that's being espoused necessarily by the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants. And even though this is not something that's been achieved anywhere else in Canada to our knowledge, we think nevertheless that there is a good point of view here, that these further discussions, further examinations, in light of all the discussion that's taken place and the concerns that have been raised with it . . . But nevertheless we want a further report on that.

**Mr. Chairman:** — Okay, but I just . . . I don't want to be bureaucratic about this, I want to get it in the right place here. And you've all got the proposed copy here. You want that under 2, which is financial plan for government as a whole, or do you want it under 3, which is the recommendation, and leave 2 alone.

**Mr. Van Mulligen:** — No, I think this would be a new no. 4.

**Mr. Chairman:** — Oh, this is going to be new no. 4?

**Mr. Van Mulligen:** — This would be a new no, 4, and you should take out in no, 2, the words "as a whole".

**Mr. Chairman:** — Okay, on no. 2 you delete "as a whole".

**Mr. Van Mulligen:** — No. 2, "as a whole" — you delete "as a whole" — and you add a new no. 4.

**Mr. Chairman:** — No. 3 is fine?

**Mr. Van Mulligen:** — Yes.

**Mr. Chairman:** — Okay. And then this would be no. 4.

**Mr. Van Mulligen:** — Yes.

**Mr. Chairman:** — Or 3.1 or whatever. Okay.

Also the matter of an annual financial plan showing proposed revenue-raising programs and spending programs of all government organizations and the matter of a three-year plan for all government organizations, that this committee recommends that the Office of the Provincial Auditor and the Crown Investments Corporation and the Department of Finance undertake discussions on this issue and return to this committee with a joint report. During these discussions the committee ask that the advice of the Institute of Chartered Accountants of Saskatchewan and the provincial audit committee be sought.

**Mr. Van Mulligen:** — Just to be consistent, maybe take

out three-year and make that multi-year as well.

**Mr. Chairman:** — Okay. In the matter of a multi-year . . . Now is there any discussion on the motion by Mr. Van Mulligen? Then is for 3 or 1 or 4 — however the Clerk wishes to letter this thing or enumerate it — is it agreed? Agreed. Carried.

As you note, there's also a recommendation in there from this committee to the Crown Corporations Committee where this committee recommends that the Legislative Assembly instruct the Crown Corporations Committee to study how this recommendation should be implemented. Do you have any problem with that or . . .

**Mr. Van Mulligen:** — What was that?

**Mr. Chairman:** — Well 7 is basically covering some of the same turf.

**Mr. Serby:** — I just wonder, Mr. Chairman, if in the last motion that Harry's made, if 7 isn't really redundant too. Because he's suggesting that the Crown Corporations folks be involved in the . . .

**Mr. Chairman:** — No, a different deal. This is the Crown Corps Committee of the House.

**Mr. Serby:** — Okay.

**Mr. Chairman:** — Where Harry's motion dealt with CIC.

**Mr. Van Mulligen:** — Before we do that, like that's a little bit further down, eh?

**Mr. Chairman:** — Well it's in the same bunch there.

**Mr. Cline:** — It's in the same bunch, but does that . . . like the Provincial Auditor recommends that Treasury Board coordinate and direct the financial activities of all government agencies, which is, you know, a somewhat different issue because it's talking about the role of Treasury Board.

**A Member:** — Right.

**Mr. Cline:** — And I think what this 7 says, Mr. Chairman, is simply that that be referred to the Crown Corporations Committee. Am I right about that?

**Mr. Van Mulligen:** — Before we get that far, like in terms of the auditor's report itself, we're down to paragraph .07, we've gotten that far?

**Mr. Chairman:** — Yes.

**Mr. Van Mulligen:** — Can I just ask, before we go further like into mixed Crowns and so on and investments, can I just deal with a question here on .08 and .09. There's a question of these annual financial statements.

**Mr. Strelloff:** — Mr. Chair, Mr. Van Mulligen, those are the financial statements that were provided by this government in October-November. So when we prepared this report we said that the annual financial statements of the government should reflect all of

government and should be prepared as soon as possible. In a general sense, that was accomplished with the issuing of the summary financial statements for the year ended March 31, '92. The only outstanding issue that we've discussed in previous meetings is the proper reflection of the annual pension costs and the accumulated pension liability.

**Mr. Van Mulligen:** — Right. Okay, this report says: currently the government's annual financial statements and *Public Accounts* report only a portion of the financial activities of the province.

**Mr. Strelloff:** — As the date of that report, yes.

**Mr. Van Mulligen:** — As the date of this report.

**Mr. Strelloff:** — Yes.

**Mr. Van Mulligen:** — But that's changed now then, you're saying.

**Mr. Strelloff:** — Yes.

**Mr. Van Mulligen:** — Okay. Now so what you're saying then, the financial results of all government corporations are then included in these financial statements?

**Mr. Strelloff:** — Mr. Chair, members, yes they are. The summary financial statements of the province include all summaries of the financial results of all government organizations. And I think there's an intention for the government to prepare *Public Accounts* that also includes all the financial statements of all government agencies. So significant moves forward have happened.

**Mr. Van Mulligen:** — So again, like what you're saying then, these summary financial statements, in accordance with the principles of the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants, and with the notable exception of the pensions, that we are in fact then receiving a report on all of the government's financial activities at the end of the year.

**Mr. Strelloff:** — That's correct. I think that's an important step forward. Now what we were discussing earlier . . .

**Mr. Van Mulligen:** — It's what? It's an important step forward?

**Mr. Strelloff:** — A significant step forward.

**Mr. Van Mulligen:** — A significant step forward. Okay.

Now then I . . . So if there was, these financial reports, if there was hundreds of millions sitting in the Liquor Board, hundreds of millions of profit sitting in the Liquor Board, hundreds of millions of profits sitting in Crown corporations, then these financial statements would show that?

**Mr. Strelloff:** — Mr. Chair, Mr. Van Mulligen, the summary financial statements that comes out at the end of the year would show that; would show that if the Liquor Board had X millions of dollars in their coffers, that would

be on the table.

**Mr. Van Mulligen:** — So unlike sort of like previous practice then, where government seemed to be taking Liquor Board's profits and kind of nesting them away somewhere and these miraculously appear in election years and so on — and the public wouldn't necessarily get much of a sense of that from all the financial information that the government put out — with the summary financial statements, especially since these statements should be included in an understandable and concise report, people will then, even those with limited training, would be able to pick up on the fact that the government was doing something like that then.

**Mr. Strelieff:** — Mr. Chair, Mr. Van Mulligen, the summary financial statements bring it all together so that when you compare the total revenues and total expenditures of the government as a whole you can actually see the net, whether it's a surplus or a deficit.

And that's why we're emphasizing the importance of those summary financial statements, but also to use those summary financial statements in a planning sense. Right now the plans of the government focus on the Consolidated Fund. And the Consolidated Fund financial statements were those statements that only reflect a portion of government activities. So if we can move the financial planning part on the same basis as the summary financial statements, you would have a plan and a report that you would be able to have a better understanding of the priorities, the plans, the spending actions of government.

And that's why it's so important to move, at least in my view, to help the Legislative Assembly scrutinize, to move the financial planning process into the broader picture, into the broader picture provided by the summary financial statements. And that's what the Gass Commission was discussing. And that's why the Canadian Institute of Chartered Accountants recommends that there should be a comparison of planned and actual results in the context of the summary financial statements. It all moves it forward very appropriately.

**Mr. Van Mulligen:** — I agree on that. I do. So I'm really confused now. We've made this significant improvement. And people can tell now that you've got this summary statement as to get an overview of all government financial activities, Crowns included.

I don't understand then how you would have a suspicion about there being a hidden agenda for Crown corporation profits. Because there was a statement made on the radio the other day and I got the transcript of it because I nearly drove off the road when I heard it. All this, you know, I know this stuff can get mind numbing and that maybe you're missing something here. The statement was made that the NDP (New Democratic Party) should take the profits of Crown corporations and put them towards the deficit. That's a good idea because right now the Consolidated Fund on this here is putting taxpayers' money into supporting Crown corporation activity on account of the Crowns not having been very healthy.

And this person goes on to accuse the Romanow government of keeping a hidden agenda for those profits. Quote: you can call me cynical but I've even talked with the Provincial Auditor about this hidden agenda. And there's a genuine suspicion here that in two to three years with profits like this, that could make a government look pretty shining in balancing the books around election time.

So in view of the fact the government, in accordance with your recommendations and the recommendations of your office over the years that have been made to this committee and have been discussed in this committee but never quite got out of this committee before in the past as a recommendation to the Legislative Assembly I might point out, and given the recommendation of the Gass Commission which is very clear and emphatic on this point, the government will now prepare, in fact started to last year, prepare an annual financial statement reporting on all government organizations. And again parenthetically take out these pension funds. Using the accounting recommendations set independently by the Public Sector Accounting and Auditing Committee or the Canadian Institute of Chartered Accountants, said statement to be audited by yourself, right, and to be issued publicly as soon as possible after the year end and in a format that's understandable and concise, how will it be possible for the government to have a hidden agenda for Crown corporation profits?

**Mr. Strelieff:** — Mr. Chair, Mr. Van Mulligen, did I say that? Is that what the quote is that I said that on radio or TV or somewhere?

**Mr. Van Mulligen:** — No. The quote is this, and it refers to something that Ms. Haverstock said. The radio said she believes the NDP should take the profits of Crown corporations and put them towards the deficit: Haverstock accuses the Romanow government of keeping a hidden agenda for those profits. I'll repeat that — a hidden agenda for those profits. Then quote: You can call me cynical, but I've even talked with the Provincial Auditor about this — the hidden agenda for profits, I assume — and there's a genuine suspicion here that in two or three years with profits like this, that could make a government look pretty shining in balancing the books around election time.

So I assume from that that you had talked to her about a hidden agenda for Crown corporation profits and that the government could hide those profits somehow.

**Mr. Strelieff:** — Mr. Chair, and Mr. Van Mulligen . . .

**Mr. Van Mulligen:** — And then again in terms of the annual financial statement, I don't understand this. Is there something as a committee that we've missed somewhere?

**Mr. Strelieff:** — Mr. Chair, Mr. Van Mulligen, and members, I think the comments are very much related to what we've just been discussing. The current key-accountability document that the government uses to present their annual budget focuses primarily on the Consolidated Fund and the activities to be carried out through the Consolidated Fund. The budget does not

encompass all the financial activities that are actually being carried out through Crown corporations, government corporations, and a whole series of other agencies and entities.

Now if our recommendation is that the budget, the financial plan, focus on all of government so that all the pieces are on the table at the same time, when you focus on just the activities of the Consolidated Fund and what you choose to do through that Consolidated Fund, there is certainly examples in the past where you, let's see, you don't get the whole story. You need to focus the decision-making process. The key accountability document to me should be related to the scope of activities that are presented in the summary financial statement. Otherwise you're not getting the total picture. And that's in a planning sense.

Now the total picture is being provided, in a financial statement sense, at the end of the year. As I've said many times, that's a very important, significant step forward. And to balance or to put the emphasis on the other syllable, the beginning syllable, I guess, would be to do the same for the financial plan. Otherwise you're not focusing on all that government is doing.

**Mr. Van Mulligen:** — I don't again understand. Like the budget, you can say anything you want in a budget. Right? You can say anything you want in a budget. But it's the report at the end of the year as to how you spent your money and where all the money is that'll give you some idea as to whether you hid any money anywhere.

So I guess I don't understand this. On the one hand you say the annual financial statements — which you now have; we didn't have before — reporting on all government activities, that you can't really hide things in there. But you're saying that we're still hiding profits in there. And you're now saying, well if you only had a budget, then you wouldn't be able to hide. Well in a budget you can say anything — say, well here's what we're going to spend our money on. But's at the end of the year, the annual financial statement that tells you like . . . that reports on where the money was actually spent and what it went for and how much you've got left over at the end of the day and how much you're short and so on.

I don't understand then how you can say that it's possible to hide these Crown corporation profits because . . .

**Mr. Strelloff:** — Mr. Chair, members, there is a set of financial statements that will come out at the end of the year that pertains to the budget. It will be called the Consolidated Fund financial statements. And it will show the comparison of planned and actual, and that comparison will be for the limited amount of activity carried out through the Consolidated Fund.

And you'll get a comparison; you'll get an auditor's report. But you won't get a comparison . . . and that's a key that seems to be used by everyone as a key indicator of performance in a government and also a key indicator of the state of finances of the province.

And you'll get that information but you will not get the plan-versus-actual comparison in the context of the

summary financial statements, which brings it all together. You'll only get the comparison of planned and actual for what's carried out in the Consolidated Fund. And it'll be a comparison of what's planned and what's actual in the context of the Consolidated Fund.

And we're suggesting that a more important performance indicator, a more performance indicator of a government's state of finances, is the summary financial statements. And for the government as a whole, the comparison of planned versus actual is very important.

Now in terms of being able to move corporation profits in and out, for example, in the Consolidated Fund, you may choose in the budget to say, okay we know — and this is just an example — we know that the planned profits for one of our Crown corporations for this year is \$100 million. We know that. But we'll decide that this year in our budget we will include all of that 100 million as part of the revenues of the Consolidated Fund or a portion of it or none of it.

Next year we may do something very similar or different. And therefore without putting the financial planning discussion in the context of the whole, those kinds of decisions are not clear enough for the Legislative Assembly to understand, assess, debate, at least in my opinion.

**Mr. Van Mulligen:** — No, no. But it's one thing to say that look I don't have a Liquor Board annual financial plan here to say what their profit is going to be or to even have that in the context of the financial statement to sort of compare what it is that they plan for profits and what the actual profits were. As I read this, as I understand it, you're talking about that somehow even though we have these financial statements, the annual financial statements, that you can somehow hide these vast pools of capital somehow, that . . . you know, I mean, what difference does it make in terms of understanding what money the government's got at the end of the year, as to whether or not they projected to have certain kinds of money, if the Liquor Board at the end of the fiscal year, at the end of the fiscal year March 31, 1993, and there will be an annual financial statement which will be put in with the *Public Accounts* and which will encompass all government organizations, not just the Consolidated Fund, but also the Liquor Board, right?

**Mr. Strelloff:** — Yes.

**Mr. Van Mulligen:** — Whether or not you had a budget sort of with that from the Liquor Board saying, well here's what we plan in terms of profits and here's what we actually got, well I guess that's one issue. And I don't disagree with you on that, that we should be able to do that, the same as we do for the Consolidated Fund. But the implication here is that notwithstanding whatever you might have budgeted or you thought you were going to get, you'd be able to hide the profits and somehow pull these things out in two or three years. I think the phrase is used another time: fudging the books. How is that possible?

**Mr. Chairman:** — Let me give you an example. I want to give you an example, Harry.

**Mr. Van Mulligen:** — Well I know there's lots of examples from the last 10 years.

**Mr. Chairman:** — No, no, I want to give you one in the future.

**Mr. Cline:** — A point or order, Mr. Chairman. I'm sorry but I'd like . . . Mr. Van Mulligen has asked a question of the Provincial Auditor and I'd like to hear the Provincial Auditor's response and I'd also like to hear your examples. But I would like to hear a response to that question.

**Mr. Chairman:** — Right.

**Mr. Strelloff:** — Mr. Chair, members, at the end of the year, if you use the summary financial statements you get a complete accounting. At the beginning of the year, if you use the Consolidated Fund to understand and debate and discuss what the government plans to do, you don't get a full picture. You only get what's carried out through the Consolidated Fund. That is a significant issue and problem. And I think the complete accounting, complete information, should be on the table at the beginning of the year as well at the end of the year. And moving to a summary financial statement for a financial plan purposes would make sure that that happens,

Right now when members, from what I read and from other people, the public, when they talk about what the annual deficit or the accumulated deficit of the province is, particularly the annual deficit, the projected annual deficit, it's usually focused on the results of the Consolidated Fund, particularly when you are debating that in the context of what is being planned. Well that doesn't tell the whole story. To have the whole story on the table you need the planning document to be done in the context of the government as a whole, which is the summary financial statements and that's . . . without that rigour, the financial plan at the beginning of the year is a hard document to understand and assess because it's incomplete.

**Mr. Van Mulligen:** — Again I don't know how though you can hide profits. How can you hide profits?

**Mr. Strelloff:** — Mr. Chair, members, but the phrase . . .

**Mr. Van Mulligen:** — How can you hide profits if you've got an annual financial statement that in your own words is a significant improvement over anything that's been done before — meets all the requirements of the Canadian Institute of Chartered Accountants, the Public Sector Accounting and Auditing Committee principles thereof, and reports on all government activities, gives the people of Saskatchewan a snapshot at the end of that fiscal year to where all the government's money is — how can you hide profits?

**Mr. Strelloff:** — Mr. Chair, members . . .

**Mr. Van Mulligen:** — Excuse me, you might be able to hide a million here or there I suppose, but how can you hide vast pools of capital? How can you do that?

**Mr. Strelloff:** — Mr. Chair, members, I didn't say those words, but I . . .

**Mr. Van Mulligen:** — Pardon me?

**Mr. Strelloff:** — I didn't say those words . . . Was that from me?

**Mr. Van Mulligen:** — Well no, someone said that you've talked . . . well then did you talk to Ms. Haverstock about a hidden agenda for profits?

**Mr. Strelloff:** — The sense could be that in the context of the annual budget of the province as a financial plan at the beginning of the year, the profits or losses of Crown corporations are not reflected in the context of the financial plan at the beginning of the year for the government, as it stands in past years at least.

The profits or losses of many government corporations are not included because that annual plan focuses on the Consolidated Fund. So maybe in that sense those . . .

**Mr. Van Mulligen:** — But there's nothing hidden about that. There's nothing hidden about what the activities of the final, the bottom line was for the government as a whole.

**Mr. Strelloff:** — That phrase is not mine.

**Mr. Van Mulligen:** — Okay.

**Mr. Strelloff:** — I'm just saying what my understanding of the need for an annual plan is, and that it should be, as we discussed earlier today, having an annual plan in the context of summary financial statements, is a more complete document that would be far . . . would be very useful to the legislature to assess what's going on, what's being proposed at the beginning of the year.

**Mr. Van Mulligen:** — So as I understand it then, you get your annual financial statement, it reports on all the government activities, and if there's 300 million sitting in the Liquor Board, it will show that.

**Mr. Strelloff:** — That's right, it will.

**Mr. Van Mulligen:** — And if there's SaskTel generated profits of 200 million, it will show that.

**Mr. Strelloff:** — That's right.

**Mr. Van Mulligen:** — And if the next budget somehow shows no money coming from the Crown corporations, then people will be able to add that up.

And I guess I don't understand then how there can be some hidden agenda. Maybe there's an agenda.

**Mr. Strelloff:** — Mr. Chair, members, that phrase that you're using and tying back to me, isn't my phrase.

**Mr. Van Mulligen:** — Well no, but she said that you talked . . . She said: but I've even talked with the Provincial Auditor about this, a hidden agenda for those profits.

**Mr. Strelloff:** — But, Mr. Chair, members, I've had many conversations with Ms. Haverstock.

And I can remember trying to explain why an annual financial plan that includes all that government does is an important document for the Legislative Assembly. And then I tried to explain what the difference between an annual financial plan of the whole is, compared to an annual financial plan of only a portion of what government does. And that is . . . well it's still an important issue.

**Mr. Van Mulligen:** — I agree it's an important issue. But again, I don't understand that in light of having an annual financial statement which reports on the financial activities of all of the government, including all the Crown corporations, how you can keep these massive profits hidden.

**Mr. Chairman:** — Do you want an example? I was next on the list and I did want to give an example of what I think the auditor's getting at.

The profitability of a Crown corporation is determined to a great extent by its debt/equity ratio. Okay? Crowns have two sides. They have an operating side and then they have the side where they generate profits which either then are ploughed back into the Crown or can go to CIC which in turn can declare a dividend to the Consolidated Fund. Okay?

Because you don't have a plan, i.e., voting for instance in the legislature through estimates, on the capital borrowing or borrowing side of the Crown corporation, you have the ability to adjust the debt/equity ratio. And we've just seen that for an example in SaskEnergy where certain sums of money were removed from SaskEnergy, moved to SaskPower, and in turn CIC has moved larger sums back into SaskEnergy. How you adjust your debt/equity ratio will determine the profitability of that Crown.

Then you have an agency like SaskEnergy which has no transparency on tolling, on tariff, on the rates that it charges. Because, i.e., you have no plan that is visible; you have no public review agency in place; and you have no agency to determine — the legislature, for instance — the amount of gas pipeline, for instance, that would be installed in a given year under their capital program. Okay? SaskEnergy, through TransGas and through other subsidiaries, does that all the time.

As the auditor said, you can in certain years determine that I'm going to not declare a dividend because I've apportioned it here. But if you have the ability to change the debt/equity ratio in a given year, as has been demonstrated, by OC (order in council) and OCs are public, that the average person cannot determine what subvote (a), (b), (c), (d), and (e) . . . okay? Because those oftentimes are borrowing. They're bonds or whatever.

Because the public can't determine what those are in determining the debt/equity ratio of that Crown, and the legislature has not had purview of its borrowing requirements, they simply requisition Finance to go

borrow X. Then you have the ability to adjust the profitability of that Crown, and particularly when the rates charged by that entity don't have any scrutiny.

There's always a reason given, but because you don't have a plan outlaid, those rates can be, as they were in the case of SaskEnergy . . . they said they had to be increased because of the debt from X. Or in SaskPower's case it was because of the debt that was transferred from SaskEnergy, therefore we need new rates. And I think . . . one of the reasons I think this approach is good, if you had the borrowing requirements of the Crowns purviewed in the legislature.

I don't know if we need to get into anything other than that. That along with those borrowings they would then present a plan — okay? — that said X amount of its capital, X amount will be for several commercial ventures that we're entering into, and X will be with maybe an employee benefit program. You then as a consumer have the ability to track that program and say okay, my rate increases in natural gas then are reasonable because they are tied to this particular borrowing program.

But you don't have that right now, You have no transparency at all. You can have SaskEnergy go in or TransGas, or any one of its subagencies, increase rates. You can give it justification for that, whether it be real or political, and there is no way for the Legislative Assembly or anyone else to say that yes, that's proper for the debt/equity ratio of that particular Crown, which in turn will generate X amount of profit, or it isn't.

Now a summary financial statement at the end of each year doesn't address those issues at all, Only the ability of the legislature to scrutinize the borrowings long term, and the ability of the legislature then to justify, in my view, what can either be proper rate increases or simply another form of taxation. Because if rate increases don't mesh with the capital program or with other things as projected, then they are simply taxes. And the rule of the Legislative Assembly has always been grievance before supply, i.e., before you tax the people you have the right to question that taxation.

And that's what you would find a lot of people have always said about the Crown side., And I think that's why the argument to have some scrutiny at least on what they go to the market to borrow, would make some sense. Because how do I know if I'm being taxed or if I am providing for the Crown as a utility?

**Mr. Van Mulligen:** — Mr. Chairman, all I can say is that if the annual financial statements which the government has put into place, and in accordance with the principles of the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants will not give us a complete overview of the government's financial activities at the end of the year, then I agree with you that we probably need to have more stringent reporting requirements.

Because the reason that we did that, that is as a government move to put those kinds of accounting practices into place, along with a number of others that have been recommended, is because of a great concern



of the financial activities of the last decade or so. And if the improvements we've put into place won't . . . still won't give the people of Saskatchewan an annual financial statement that lets them know just what the government has been doing with their finances at the end of the year, then I'm somewhat concerned that we may need to go further.

I just might say parenthetically that the suggestion that additional resources be now put forward for more public scrutiny, i.e., as we had a few years ago — what was it — a Public Utilities Review Commission, PURC, annual costs of about \$600 million.

**Mr. Chairman:** — Six hundred thousand.

**Mr. Van Mulligen:** — Six hundred thousand dollars. And that given the massive debt that the province has, and given again the tax increases and the cuts in services and programs, and taking it out of all kinds of services and programs that are very popular with people, that now we've been forced to that point that we should now again put additional dollars into an agency such as that in addition to more research help for the Public Accounts Committee.

I don't know, how does one . . . what is the definition of that word, chutzpah? I guess at some point, you know, there's got to be a concession here that in terms of financial reporting that the government, again with the notable exception of the pension funds, has complied or is complying with all of the standards and principles of the public . . . independently set by the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants. And have done that, is committed to more reporting, more accountability, than any other government in Canada.

And it's refreshing to hear you say that it ain't enough. And we agree. And we say that the Provincial Auditor, along with the Crown Investments Corporation, should study this matter of an annual financial plan and a multi-year financial plan.

But again to say that somehow the government is hiding profits, is not something that I understand — in light of all the discussion we've had, all the changes that have taken in accounting and reporting — to say that you can still hide the profits. And I know what you're saying about debt/equity ratios, but my guess is that even an untrained observer won't escape the fact if some Crown is retaining all its earnings and is sitting there like some bloated financial equity waiting to be ripped off in an election year. I know how things went in the last 10 years — I know how things went in the last 10 years. But I . . .

**Mr. Chairman:** — I know how they went in the '70s too, Harry.

**Mr. Van Mulligen:** — I guess I don't, you know . . . I get pessimistic at times. I listen to reports on the radio, like I did this morning, as if there has been no change whatsoever in accounting practices for the Government of Saskatchewan — none. You know, the comment was, well of course they say one thing in opposition and they do something else when they're in government. And the

implication being that there has been no change whatsoever. And sometimes you say to yourself, well what's the point then?

**Mr. Serby:** — Well the comments I was going to make, Mr. Chairman, have been raised and debated at length by Mr. Van Mulligen and so I don't think it's imperative for me to rehash this stuff all over again, and it's to do more with the plan and summary statements and consolidated statements and how those tie together. And we're onto a recommendation now, or have made a recommendation on this particular matter already, so I'm not going to take us through the entire scenario again.

**Mr. Kujawa:** — I have a question for the auditor. If the Liquor Board of Saskatchewan in the next three years makes \$7 billion profit, can that be hidden? And if so, how?

**Mr. Strelieff:** — Mr. Chair, members, as far as I know, it wouldn't be hidden under the practices of the government. I don't know how it would be hidden unless you change your practices.

**Mr. Kujawa:** — Did you say it can be hidden?

**Mr. Strelieff:** — Well under your current practices, it would not be hidden, so I don't think it would be.

**Mr. Kujawa:** — So you're saying they couldn't hide it.

**Mr. Strelieff:** — Mr. Chair, members, you wouldn't be able to hide it if you continue to follow the current practices that you've implemented. Yes.

**Mr. Kujawa:** — Okay. Did you suggest to anyone in any conversation that such things were likely to be hidden?

**Mr. Strelieff:** — Mr. Chair, members, the phrase "hidden" . . .

**Mr. Kujawa:** — Well hidden from public scrutiny and public knowledge.

**Mr. Strelieff:** — The main issue that relates to the phrase "hidden" relates as we discussed earlier. I think the financial plan of the government at the beginning of the year should have all the pieces on the table. At the end of the year, with the summary financial statements, all the pieces are on the table. And therefore in the context of the summary financial statements they're not hidden.

**Mr. Kujawa:** — That's the only answer I was looking for. They're not hidden. Thank you.

**Ms. Haverstock:** — Thank you, Mr. Swenson, Mr. Chair, members. I indeed did have a conversation with the Provincial Auditor on several occasions, and the one to which you're referring was last Monday. I guess I take some offence to the fact that you implied that my words are the Provincial Auditor's words, and the focus was not on the word "hidden"; it was on "hidden agenda," which can mean quite a different thing.

The conversation that we were having, I asked explicitly about the profits of SaskPower, which are \$118 million. I

then asked if indeed it is true that there are profits of between 50 and \$60 million with SaskTel. I wanted to know the implications of having profits in Crown corporations, primarily because of course we know from previous years and not just the last 10 years of administration, that there were ways in which debt was hidden in Crown corporations.

So one of the things that we were interested in — “we” meaning myself and several other people who have raised these concerns — is, is there in fact a way that profits can be used? And the response to me from the Provincial Auditor was, if this in . . . this kind of thing could indeed be accumulated — and I stand to be corrected — so that in two or three years’ time there would be the potential for there being considerable profits there which could look in a particular kind of way.

Now if I misinterpreted that, which I do not think I did, I would stand to be corrected today. But part of what I’m saying is that we do have an extremely cynical public and I think that there are things that can be done differently. I commend the government and I commend it openly and in the legislature when I agree with the things that are being done, unlike anybody else in the place who is not on the government side. I would more than willingly stand up and say that I think that there are these things that are being done in a tremendous way.

But if it’s been raised with me and confirmed with me that there are still ways in which profits can be used in a particular manner which is not being made clear to the public, then I think that it’s completely appropriate to state those things. And that’s part of what I was raising with people, that there are lots and lots of people in the province who are being given a certain kind of piece of information and that in fact maybe what they need to be given is an opportunity for the whole picture.

What you’re claiming here today is somebody with a lack of sophistication could indeed, because of the summary statements, sit down and figure all of this out. Well I’ll tell you, if some of even the sophisticated people in Saskatchewan are not going to take the time or the trouble — nor should they have to in order to ensure that there is good governing going on in the province — there should be some way in which we all have a sense of security about what’s going on because of good governing.

There are suspicions by a lot of people that there are ways, again, for the Crowns to be misused and abused. And I think that that should just be dealt with in a much more concise way from the beginning in an upfront manner.

**Mr. Chairman:** — I’ll give you another example that I think this committee should think about. PSAAC have a very specific set of guidelines in their charter of how and when you should take a write down. There’s three criteria that they attach when you should take a write down on a thing.

And I don’t believe that the difference between the debt of Saskatchewan in the spring of 1991, and the debt of Saskatchewan in the spring of 1992, which almost in whole was changed by a series of write downs being

moved over onto the total debt of the province of Saskatchewan which influenced the amount of public debt there is, the amount of monies that are needed to pay that public debt, I don’t believe those guidelines were entirely followed.

Because you start adding a billion or two dollars once again on . . . And a lot of debt in many cases is tied on the Crown side where it isn’t as visible. And when you apply write downs . . . I think this committee should look, for instance, at write-down criteria. Because as I read the PSAAC guidelines, which are fairly specific, you would almost have to have total bankruptcy in order to force a write down of that amount of money.

Some of the write downs that were taken by the provincial government, albeit some of them at the recommendations of Gass Commission, I think ran counter to PSAAC’s guidelines as I read them. And I think that’s an area that in the future if you’re going to have transparency of issues of when government should take that write down and when it should not, you need some very clear criteria. Because they can affect the bottom line in how you adjust certain things — rate increases for instance — because of the write down. And if you take the write down on an agency in X year, then four years or five years down the road that particular agency has a far better chance of having profitability than it did when the write down was taken.

I’m not saying any of that occurred. I’m just saying there’s some guidelines there that I think this committee would be well advised to look at because I don’t believe some of those guidelines were followed. And that’s just another example of why I believe, particularly on the Crown side, that window that the legislature needs in order to debate the borrowing requirements of it makes some sense.

**Mr. Van Mulligen:** — Well now, the committee has recommended that the government adopt the accounting principles and reporting standards established by the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants, and furthermore we encourage the government to move towards the use of these principles for the preparation of financial plans and budgets.

My guess is if the government ain’t doing that, Mr. Chairman, we’ll soon find out about it. I know how people operated in the last 10 years — or I think I do — but one shouldn’t take that frame of reference and sort of apply it to a new . . .

**Mr. Chairman:** — I also know how proactive the former chairman of the committee was over that period of time. I’m just trying to be proactive like the former chairman was.

We are at point 8. No, actually we haven’t dealt with 5 or 6, have we?

**Mr. Van Mulligen:** — Yes, that’s okay.

**Mr. Chairman:** — And 7 is tied to that. Okay, 8. Well actually we’ve got to . . . I’m sorry, we didn’t officially vote on Mr. Van Mulligen’s proposed motion, and that

would be a new no. 4. Is there any further discussion on it? If not, is the committee agreed? Agreed. Carried.

Is there anything in 7, 8, 9, or 10 now, given the newly adopted motion that you wish changed?

**Mr. Van Mulligen:** — You're referring to this report of the committee, right?

**Mr. Chairman:** — Just the draft. That's all we're doing is working on the draft.

**Mr. Van Mulligen:** — No. 8, I guess that refers to government financial activities managed as a whole. And that's the suggestion by the auditor that we not have a Crown Investments Corporation or I guess a Crown Corporations Committee and that it be a run through the Treasury Board. I don't agree with that at this point.

**Mr. Chairman:** — That's .18 to .22.

**Mr. Van Mulligen:** — Paragraphs .15 through .17 of the auditor's report, government financial . . .

**Mr. Chairman:** — Okay, that's 7; I was on 8. That's 7?

**Mr. Van Mulligen:** — I'm looking at the auditor's report, chapter 1.

**Mr. Chairman:** — Oh, you're in those. I'm sorry, Harry. I'm in this, the draft that he just handed around.

**Mr. Van Mulligen:** — Right. And after no. 7 in this draft, the next item is: government financial activities managed as a whole?

**Mr. Chairman:** — Right, okay.

**Mr. Van Mulligen:** — And that was stood, pending hearings with CIC and Finance?

**Mr. Chairman:** — Yes.

**Mr. Van Mulligen:** — And we don't agree with the auditor's recommendation at this point. So I don't know if you need a motion, you know, on that. We don't have to adopt anything and just . . .

**Mr. Chairman:** — Right.

**Mr. Strelloff:** — Mr. Chair, members, just for my benefit could you explain why?

**Mr. Van Mulligen:** — Oh, because you've got a cabinet and the cabinet's got two committees, and those committees are Treasury Board and CIC. And you're saying, well that Treasury Board should do it all. And having listened to the people who were here — Mr. Wright sits as an observer on the CIC board; Mr. Ching sits as an observer on the Treasury Board; various ministers move between the two — I don't know what . . .

You know, I guess at some point the government's got to take a position on how it wants to coordinate itself. And we may be getting beyond the scope of the Public Accounts Committee to begin to impose on government,

to say, here's how you should structure government and here's how government should run. I mean that's a bit presumptuous of us.

You know at the end of the day I guess you can make some comments' but for us to say, well here's how you should structure government, that's very presumptuous of the committee to do that. That's not the role of the committee either. I mean that . . .

**Mr. Strelloff:** — Mr. Chair, members, where this came from in my report is under The Financial Administration Act that Treasury Board is responsible for all government financial activities. But if the government chooses to readjust and change, that's . . . I mean you're right; they do those kinds of things.

**Mr. Van Mulligen:** — Yes.

**Mr. Sonntag:** — Just on a separate issue, if you've finished here — I'm not sure. Just . . . I'm sorry?

**Mr. Chairman:** — Well I was going to say, Mr. Clark, in his presentation as head of Executive Council, said that Executive Council was doing more coordination all the time in that regard. So maybe it would be appropriate that we let him perhaps visit us again with a report as to how he's doing. I mean he seemed quite serious about that whole thing.

**Mr. Van Mulligen:** — Yes, that's fine. Although again like, you know, I don't know if it's quite the mandate of the committee to be examining how government structures itself and gives direction to its various entities. I'm not sure that's . . . I mean I guess in the final analysis, if it's got some implication for the accounts of the province and the ability of the public to understand the accounts of the province, then I guess you might work your way back up the line and comment on those things.

**Mr. Chairman:** — So the government members wish to have section .15 to .17, have that deleted?

**Mr. Van Mulligen:** — No, I'm not saying we delete anything in the auditor's report. We've just saying the committee chooses not to comment on it.

**Mr. Chairman:** — Not to comment on it. Okay, good.

Paragraph 9, which is .18 to .22.

**Mr. Sonntag:** — Yes. Just a technical . . . just a suggestion. Mr. Van Mulligen's motion that you numbered them before, just a suggestion that we number it 3(a) so there's no confusion on how the voting is. Otherwise later on when the secretary's recording he'll have it . . .

**Mr. Chairman:** — The Clerk tells me he's got it down to 3.1.

**Mr. Sonntag:** — Wonderful. I don't want to be voting for the wrong one here.

**Mr. Van Mulligen:** — The next one, that's also chapter 2, right? So maybe we can just cross that out or whatever. I mean we're dealing with the question of appointed

auditors.

In terms of the next one, .23 to .27, I don't know what else we can say about Financial Management Review Commission. Again it's a separate chapter.

**Mr. Chairman:** — Yes, that's what I'm trying to figure out.

What did you say, Harry, about the question of the auditors? Oh I see, you're saying it should be down in a different chapter rather than where it is.

**Mr. Van Mulligen:** — Well it's all part of chapter 2.

**Mr. Chairman:** — Oh, okay, I see. Okay, move to chapter 2 then.

Yes, you're just saying rather than dealing with it twice we shouldn't have it here, we should have it down there.

And the Clerk says chapter 3 . . . or that no. 10 appears in chapter 3, so the same thing. Rather than repeat it, that we can move it.

Okay, chapter 2 then is the issue of appointed auditors.

**Mr. Van Mulligen:** — Right. Mr. Chairman, we note the auditor's concerns and appreciate the frustration that the auditor has experienced in the past and would therefore move:

That the government work cooperatively with the Provincial Auditor by involving him in the process of choosing appointed auditors, establishing audit plans, maintaining solid communications through frequent audit updates, and ensuring that the Provincial Auditor has sufficient time to comment on the final audit report prior to its public release.

**Mr. Chairman:** — In dealing with this issue, would the committee feel that it would be useful at a further date, for instance, to have, say, the five biggest private sector auditor firms come in to this committee?

**Mr. Van Mulligen:** — Not at this point, Mr. Chairman.

**Mr. Chairman:** — Just to give us a . . . I asked the auditor, the Provincial Auditor in advance so that nobody's nose would get out of joint, but it just twigged me that there's always all these questions that get asked about why this problem is here. And I'm not an accountant; I don't fully understand the niceties of how one's professional and ethical approach to things are handled. And I just thought it might be kind of interesting. I know it's never been done before but I'm not particularly scared of that.

**Mr. Van Mulligen:** — Our view would be, Mr. Chairman, that the recommendation as adopted should begin to provide for a more effective relationship between the Provincial Auditor and private auditors and his ability at the end of the day to hold the government accountable.

And if, you know, in a year or two or whatever, I mean if problems continue to be there, then obviously we'll need to look at it. And if as part of that, in reviewing that — and this is all hypothetical — it's instructive to involve private

sector auditors in some discussion, then we should do that.

But I'm confident that the recommendation that's before us will begin to ease some of the concerns that the auditor has expressed over the years about his relationship with private auditors. And we sincerely hope that and recognize that in addition to whatever the private auditors do, the Provincial Auditor is the one that ultimately is called upon to account for revenue funds.

**Mr. Chairman:** — Mr. Van Mulligen has moved:

That the government work cooperatively with the Provincial Auditor by involving him in the process of choosing appointed auditors, establishing audit plans, maintaining solid communication through frequent audit updates, and ensuring that the Provincial Auditor has sufficient time to comment on the final audit report prior to its public release.

Is there any further discussion on that motion? Is that agreed? Carried.

Chapter 3 deals with the Financial Review Commission item.

**Mr. Van Mulligen:** — I think our report can certainly note, if it doesn't already, that the . . . I mean there are a number of specific recommendations, but the report might note that the committee did a review of the auditor's recommendations and the appropriate Gass committee recommendations side by side.

**Mr. Chairman:** — So you want it noted at the end of this?

**Mr. Van Mulligen:** — I think somewhere in there you might point out to the Legislative Assembly that we did that. I don't care where. I mean we did do that and it . . . We've got to make those other people in the Legislative Assembly think we did something here.

**Mr. Chairman:** — I don't know if it means anything or not, but I was very disappointed that Mr. Gass couldn't come and speak to us . . .

**Mr. Van Mulligen:** — I am too.

**Mr. Chairman:** — . . . personally on his report. I think it provides . . .

**Mr. Van Mulligen:** — Yes, I'm also disappointed,

**Mr. Chairman:** — To simply say that we've dispensed with this thing and shall never visit it again, why . . .

**Mr. Van Mulligen:** — No, I don't think so. I don't think so. I've got a feeling that the Provincial Auditor will keep a keen eye on the recommendations of the Gass Commission, and in fact I think in his report, says that he will do so.

**Mr. Chairman:** — The Clerk tells me that in section .20 of chapter 3 we had stood the final bullet for discussion today, that that was one of the ones that had been . . . And that shows up . . . You've got the first four in paragraph .15

of your update there, that we had stood the final bullet in chapter 3, section 20.

**Mr. Van Mulligen:** — Yes. But I think that one's reported elsewhere as well.

**Mr. Chairman:** — That's why it's not right here.

**Mr. Van Mulligen:** — Yes.

**Mr. Chairman:** — Where else is it? In chapter 4? Oh yes, here we are. Okay, chapter 3 should be all right without that in there then. And that comes up again then in chapter 4 on corporation accountability, down at the bottom of page 5 on the proposed draft. And that refers to sections .24 to .29 of chapter 4.

**Mr. Van Mulligen:** — In any event, Mr. Chairman, we would not agree with that recommendation at this point in time.

**Mr. Chairman:** — This particular issue was raised in November and discussed. And it was decided by the committee that there would be no final comment until after this week's meetings and we had the opportunity to talk to CIC and Finance together. So that has occurred and now we've got to decide what to say on this particular item.

**Mr. Cline:** — Or say nothing,

**Mr. Chairman:** — Or say nothing.

**Mr. Cline:** — Well from where I sit, I would just say nothing because I'm not able to agree with the recommendation.

**Mr. Chairman:** — Well we've got to . . . What do we do, just delete it? Or do we . . . (inaudible interjection) . . . That might be more appropriate, Mr. Cline.

**Mr. Cline:** — I'm sorry. I couldn't hear that.

**Mr. Chairman:** — Well in the past on these issues I guess what we do is the committee notes the observations of the Provincial Auditor but makes no comment or wishes, something to that effect.

**Mr. Van Mulligen:** — What, on all dividends from Crown Corporations?

**Mr. Chairman:** — It's that whole section, Harry — .24 to .29, yes, in chapter 4.

**Mr. Van Mulligen:** — Yes. Well I wouldn't want to leave the impression that somehow we've noted it and sort of taken a benign view of this thing; we just don't agree with it.

**Mr. Chairman:** — Well then I guess you need something more specifically. Sections .24 to .29, the committee does not agree with the recommendations of the auditor, and then we should have a vote on it or something.

**Mr. Van Mulligen:** — On?

**Mr. Chairman:** — Isn't that what you do?

**Mr. Cline:** — When are we . . . We're not on .24 to .29, are we?

**Mr. Chairman:** — Yes.

**Mr. Cline:** — Okay. I thought we were talking about chapter 3, .20 and the five bullets there.

**Mr. Chairman:** — No, Mr. Cline, we had just . . . Because we had agreed on the four of them, the fifth one we had stood because when we were dealing with that in November we said, oh we don't want to deal with that until after we hear from Finance and CIC.

**Mr. Cline:** — Right.

**Mr. Chairman:** — Okay, so we had agreed on the other four there.

**Mr. Cline:** — Okay.

**Mr. Chairman:** — We put them in chapter 3 and decided to move that fifth bullet to chapter 4 because that title was "corporation accountability." And then if you'll notice on a draft there of section 18, it has that at the bottom of the page.

**Mr. Cline:** — But it has . . . yes, I see. I'm looking at page 4, the . . .

**Mr. Chairman:** — Yes. You've got four bullets there.

**Mr. Cline:** — So we are now on .24 to .29?

**Mr. Chairman:** — Right, which in chapter 4, the auditor's report, which basically reflects that one bullet in chapter 3, okay?

**Mr. Cline:** — Okay.

**Mr. Chairman:** — That we didn't . . . we couldn't deal with. The committee didn't feel comfortable with dealing with it so we let it aside. That issue is basically covered off in chapter 4 — same issue, okay, as sections .24 to .29. Same thing.

**Mr. Cline:** — Well, yes. I mean it's related but .24 to .29 do go somewhat beyond, in that, for example, .25 deals with the question of scrutiny by the Legislative Assembly, which we've had considerable discussion about this morning and I certainly won't repeat it. But I mean there are parts of .24 to .29 that I don't really take any exception to, but I simply don't agree with what came out of chapter 3, the fifth bullet under paragraph .20.

**Mr. Chairman:** — Okay. Well maybe we need to divvy things up here then,

**Mr. Van Mulligen:** — Mr. Chairman, I move that:

The committee noted the auditor's concerns, but also noted that in view of the fact that the province now has annual financial statements which report on all government financial activity, the

committee is satisfied that all information concerning Crown corporation dividends in any given year will be fully accounted for;

And the committee further notes that the Provincial Auditor is the auditor for the Crown Investments Corporation.

**Mr. Chairman:** — Would you mind writing that first part down?

**Mr. Van Mulligen:** — Bob didn't get it down, eh?

**Mr. Chairman:** — Did you get that last statement of Harry's?

**Mr. Van Mulligen:** — Do you want a summary in writing? Okay.

**Mr. Chairman:** — The motion by Mr. Van Mulligen dealing with section .24 to .29, the committee notes the auditor's comments but points out that there are now annual financial statements which report on all of government financial activity, therefore enabling legislature to hold the government accountable. Further, the committee notes that the Provincial Auditor is now the appointed auditor for CIC . . . sole auditor would be a better point, I guess, for CIC. Is that agreed, Harry? Should I change . . . The auditor suggested that he would like that the Provincial Auditor is the sole auditor for CIC.

**Mr. Van Mulligen:** — Yes, we noted that the Provincial Auditor is the sole auditor, I guess, for the Crown Investments Corporation.

**Mr. Chairman:** — I'm informed that according to the rules of the committee that I should request that the deputy chairman come and take the chair if I'm to speak and have a recorded vote.

**The Vice-Chair:** — Okay.

**Mr. Swenson:** — Thank you, Mr. Chairman. I have to oppose this motion because the intent that I think it would give anyone in reviewing our report in the public is that all concerns surrounding Crown corporations as far as their accountability have been looked after, and that from now on the reporting process doesn't need improving. And as I have outlined earlier in my remarks from the chair, I believe there are areas where accountability can be improved for Crown corporations. That if this committee gives the impression that everything has been fixed, then we are not fulfilling our mandate as legislators.

I would like to put it on the record that the improvements made by the current administration in public accountability, both on a consolidated and the Crown side as pertaining to Gass Commission report and also the work of our Provincial Auditor and the work of this committee, has strengthened the accountability of the legislative process in Saskatchewan. But I feel that this motion, as worded, would leave the impression that the publishing of summary financial statements is all that needs to occur, and I can't agree with it.

**The Vice-Chair:** — Okay, ready for the question? All

those in favour of the motion, please say aye. Those opposed say no. The motion is carried.

**Mr. Chairman:** — It being close to 12:30, what's the committee's wish here? Do you wish to soldier ahead and finish, or do you want to take a lunch break?

**Mr. Van Mulligen:** — I don't think we've got a lot more to do. It's not my intention that we should go through all the draft report. I'd like to suggest that we just deal with the unresolved matters — and I think there's only one or two more — and then we can deal with the final report, you know, when the legislature reconvenes. We can't really present the report anyway when the Speech from the Throne is on?

**Mr. Chairman:** — Oh yes.

**Mr. Van Mulligen:** — We can?

**Mr. Chairman:** — Yes.

**Mr. Van Mulligen:** — Well we can take, you know, some time early on in the session just to put the official seal on the thing, right? I mean most of this stuff for the departments and all these other things, we've gone over them and there's, you know . . . and it would be nice to get sort of today's discussion incorporated in this and then get a final draft that we can look at and then early in the session say yes, that's it. Or if members are inclined to, I mean start the debates all over again. I guess that opportunity's always there.

**Mr. Chairman:** — I don't know . . . we don't really . . .

**Mr. Van Mulligen:** — There's a couple of other outstanding . . .

**Mr. Chairman:** — There's nothing in 1 to 10 that's left, according to my list here anyway.

**Mr. Van Mulligen:** — I think there's some question about the format and structure of the *Public Accounts* still outstanding, if I remember correctly.

**Mr. Chairman:** — Which section is that?

**Mr. Van Mulligen:** — Well you've got me here, but . . . Chapter 4.

**Mr. Chairman:** — Chapter 4.

**Mr. Van Mulligen:** — Paragraphs .11 through .15, I believe.

**Mr. Chairman:** — Okay.

**Mr. Van Mulligen:** — Or through .11 through .23. The committee previously recommended that *Public Accounts* should include the financial statements for all government corporations; all government departments, agencies, and Crown corporations reporting to Treasury Board provide a list of persons who have received money; and the Legislative Assembly ask the Crown Corporations Committee to consider whether those corporations designated under the part II of The Crown

Corporations Act should report the same kind of information as is required by departments.

And it seems to me there is one other question here and that is the question of whether the *Public Accounts* include in its chapters all the same information for Treasury Board Crowns that we now do for departments, and that would be part of that. I think . . . Is that . . . I forget exactly where that was but it seems to me that was one of the . . . Was it not? Was it?

**Mr. Chairman:** — That's the second item. It's on the draft under recommendations, the second item.

**Mr. Van Mulligen:** — Okay. Well I thought there was a different issue here. The question is not whether SPMC (Saskatchewan Property Management Corporation) provides a list of payees and so on and other Treasury Board Crowns. We agree with that. The question was whether these organizations have their own separate report or that they be included in the *Public Accounts* the same as other departments. I'm not quite sure where that comes up again now and . . .

**Mr. Strelloff:** — Mr. Chair, members, the individual agencies in the corporations would be preparing their own reports, but we thought that the information in the *Public Accounts* should also include the same level of detail as provided for by departments so that this committee, when the *Public Accounts* is referred to you, you have that information. As you know you spend a fair amount of time asking when this is . . . for details of its expenditures, and to have it in the *Public Accounts* just readily available to you seems to be reasonable.

**Mr. Van Mulligen:** — I'm not quite sure where we ended off on this one.

**Mr. Chairman:** — Let's get some . . . we'll get the comptroller's office here.

**Mr. Paton:** — Mr. Chairman, I believe that that is the issue. The Treasury Board Crowns are currently undertaking to provide this information in the same fashion that we do for the *Public Accounts*.

Our compendium of financial statements currently collects all the financial statements of those entities. And what I thought was being suggested last time is that we also collect their schedules of details of payment and include them as part of the *Public Accounts*.

There was a number of concerns that we had over that; one being cost, which I know isn't a major concern of the committee here. But one of the other issues is that by including them in the *Public Accounts* we have a fair amount of difficulty just in terms of process. Their audited financial statements are fairly reliable, complete, and accurate and we're able to take those and photocopy them and include them.

All the systems of the Treasury Board Crowns are separate from our financial system and so whether or not their information that they're supply is accurate or complete, our ability to review and verify that becomes very limited. So I think we preferred that they take the

responsibility for their own details of payments and table them appropriately with the legislature.

**Mr. Van Mulligen:** — So I'm not quite sure where we're at then in terms . . . because that's not particularly addressed here, and I think we kind of left that aside and skated over it.

**Mr. Chairman:** — Do they provide . . . Harry asked the question the other day about the cumulative, you know, and how you list them. Like say a person showed up in several departments, but you've now cumulatively added them up, if they're over \$20,000. Right?

**Mr. Paton:** — We do it for departments. When you're talking about a Treasury Board Crown you have a different situation. They wouldn't be divided into departments. So each Treasury Board Crown would just have one list of payments.

**Mr. Chairman:** — One for that individual?

**Mr. Paton:** — An individual would only show up once in a Treasury Board Crown list.

**Mr. Chairman:** — So there's no way of keeping track where that individual or agency or whatever is popping up all through the Crown sector. Like there's nowhere where a person gets a cumulative tally.

**Mr. Paton:** — No.

**Mr. Chairman:** — Because they all have separate systems.

**Mr. Paton:** — Exactly.

**Mr. Van Mulligen:** — So we've agreed to the *Public Accounts*. We've agreed with the auditor that the *Public Accounts* should include the financial statement for all government corporations.

**Mr. Paton:** — Yes.

**Mr. Van Mulligen:** — Right. As to the question of detailed lists of persons who have received money, we take the position that departments, agencies, and Crown corporations reporting to Treasury Board provide this list. But we don't go so far as to say these then at this point become part, or form . . . that these all become part of the *Public Accounts* at this point.

We left that issue silent and I'm prepared to do that for now and maybe we'd take another look at this one next year.

I think the important thing that we noted was that SPMC is in fact providing the list of these payees. And we agree that those Treasury Board Crowns should provide that same level of detail that is provided by government departments. We agree without question.

Whether that's in view of the comments that Terry's made about their ability to incorporate those into the same format that the *Public Accounts* are now scheduled, I'm prepared to leave that one for another day. If that's still a concern, Wayne, in another year or whatever, then let's

take a look at it.

**Mr. Strelieff:** — Mr. Chair, members, the main concern I have is your ability to get access, and only *Public Accounts* are referred to this committee, not the individual reports. And so therefore you do spend a fair amount of time examining those details of lists, and they're not therefore readily available. And if they were in the *Public Accounts* it would be just a complete document for you.

**Mr. Van Mulligen:** — But they do get referred to the Crown Corporations Committee. Between that committee and this committee, we'll pick up on all those Treasury Board Crowns somewhere. But the point is the information is step number one. Let's take a look at another year in terms of . . .

**Mr. Strelieff:** — Next year we'll probably raise the issue that these individual financial statements should be referred to these committees. You know, for your information purposes so you have them readily available.

**Mr. Van Mulligen:** — Agreed.

**Mr. Strelieff:** — And then you can use them in conjunction with our annual report of the *Public Accounts*.

**Mr. Van Mulligen:** — Agreed.

**Mr. Chairman:** — Okay. So do we delete . . .

**Mr. Van Mulligen:** — So we don't have to delete anything. We just leave it as it stands here — recommendation 18.

**Mr. Chairman:** — Yes. Do you want to just leave it alone then?

**Mr. Van Mulligen:** — Yes. And we continue to take the point of view the question is the detailed list of payees for commercial Crowns, that is, the part II Crowns. Yes, we'd like the Crown Corporations Committee to take a look at that. And then recognizing there was a further recommendation that if they feel a pine to put it in their mandate that they shouldn't do that, well then they've got that right to do that as well.

But here again there's questions about the director of research for SaskTel. Now what are the implications of publishing his salary? I don't know, but maybe the Crown corporation should look at that. In general, in principle, would we agree with it no matter what those people on the Crown Corporations Committee say?

**Mr. Strelieff:** — I'm sure they agree with you too.

**Mr. Van Mulligen:** — I wonder sometimes. It seems they have a different point of view on some of these things but nevertheless I'd like to throw the ball in their court for a while on this one. Who knows if it comes bouncing back here. It may well, And that's it.

**Mr. Chairman:** — Any other ones on the list? Okay. Perhaps what we'll do then is we should have a motion

that a final draft of the committee's report will be determined at a future meeting set by the chairman and vice-chairman in consultation, something to that effect.

**Mr. Van Mulligen:** — Yes, I agree. It need only be a pro forma meeting — what was that word again — a very short meeting. If Bob can give you a draft report and can give Lynda a draft report and we get a draft report, then we can examine it severally and hopefully without any further fuss, agree to it jointly.

**Mr. Chairman:** — Oh yes. We'll have to have a meeting. No question.

**Mr. Van Mulligen:** — So we don't have to . . . There doesn't need to be any long meeting at the beginning of the session for that. When's your report coming out, Wayne, the next one?

**Mr. Strelieff:** — We hope in early April.

**Mr. Van Mulligen:** — Early April, okay. That'll give us a while to . . . Can I just ask, Mr. Chairman, a couple of other things. And that is for the month of April, the auditor's report . . . or for the month of March — the auditor's report is not going to come down until April — whether there would be some value in having another orientation session for members of the Public Accounts Committee in view of the fact that there will be at least two more government members appointed, and I have a feeling that there may opposition members appointed — if not immediately, at some point. And there were people added after we had our first orientation session that maybe there's some value in having some further orientation sessions for the committee and any potential members for the committee, I guess.

**Mr. Chairman:** — That sounds reasonable. I'm sure we can line that up.

There was one other issue that I had neglected to bring up. And that came up in discussion this week and we had sort of left it till this morning too, and that was the suggestion that I had made about having the auditor attend to the pension review commission, the same as he did the Gass Commission. And that was shoved to this morning.

**Mr. Van Mulligen:** — The little bit of information that I've been able to glean suggests that the government may be wanting to move to evaluating these pension concerns and have these evaluated by people who have absolutely no relationship to any existing government pension plan. As I said, people from outside of government. So that would then also include the auditor's staff, because they're also included as part of those pension plans.

So at this point I don't think it would be appropriate . . . I think it's fair to say the government has not clearly thought through how they're going to do a review of pension plans, But this is one of the alternatives that I guess has been looked at.

So I guess again it would be presumptuous just to say that structure your year-round work on this. Let's see what they do.



**Mr. Strelloff:** — Mr. Chair, members, I think that if a commission is established, it would be important to have our office somehow attached to it, depending on the terms of reference and who the commission members are, but just to make sure that the commission is getting advice on key accountability issues that might be of particular concern to the Legislative Assembly. And certainly the understanding of how pension plans and financing and accounting works is an important issue for the future, and I think our office would provide some valuable advice to a commission.

And I would prefer the commission be made up of people outside of government and would welcome the opportunity to participate in some way,

**Mr. Chairman:** — We'll await the government's plan.

**Mr. Strelloff:** — I have one other thing to add. In a general sense I think the work of the committee has been very good in the past year.

And another, I belong to the Institute of Public Administration of Canada which is IPAC for short, And I'm on their executive, and I'm missing a lunch meeting right now on their part.

And part of being on the executive is I'm on their program committee, and part of being on their program committee is to help them organize events. And Bob Linner from the City of Regina and I are organizing a seminar on April 23 in the afternoon from 12 to about 5. The seminar or forum is on the roles and responsibilities of boards of directors of public sector organizations. The luncheon speaker will be the Auditor General of Canada. Mr. Denis Desautels is coming in to talk about challenges facing public boards of directors.

And then the forum is going to discuss four issues. One is legal liability risks facing public boards. And there's a panel and a chair for that; Don Black is the moderator of that session, from the Investment Corporation of Saskatchewan. Mr. Kraus, a lawyer from the Regina Health Board, is going to participate on that panel.

And then the next panel is going to discuss how boards . . . or what expertise is needed on boards, expertise and experience, as well as how do boards manage their relationships with CEOs (chief executive officer) and central agencies. And the panel that's going to discuss that include Don Gass, includes the representative from the Auditor General of Alberta discussing the NovAtel experience, Hewitt Helmsing from the health care industry, and others. And the moderator for that session is Lloyd Barber.

Then the last session is going to be on what information do boards need to know that they're doing a good job. And that session is going to focus on the video that you saw earlier this week. I certainly encourage you to pencil that into your calendars. I think it will be a very interesting event on how boards manage their responsibility and a very topical event with good panels and good participants. And it's all organized under the auspices of the Institute of Public Administration of Canada.

So please mark it in your agenda and try to attend. I think it would be quite useful.

**Mr. Chairman:** — I wonder, could you send the Clerk a copy of that so that all members can get the agenda. The other thing we might consider is that if the House is on during that particular time, that members of the committee receive permission of the House to attend as a function of this committee. I'd hate for us all to be down there sort of listening and learning and somebody pointing fingers, saying why aren't you in the House?

**Ms. Haverstock:** — Is this in Regina?

**Mr. Strelloff:** — Oh yes, sorry. It will be at the Centre of the Arts in Regina, starting at about quarter to 12 that morning and going to about 5.

**Ms. Haverstock:** — And that's April 23?

**Mr. Strelloff:** — April 23, which is a Friday afternoon.

**Mr. Chairman:** — Well that solves the House problem then. Meeting adjourned.

The committee adjourned at 12:49 p.m.