

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**MARCH 23, 1993**

**The Vice-Chair:** — There being no chair, as vice-chair I would point out the first item on the agenda would be the election of a chair. And if someone is prepared to make a motion in that regard . . . Mr. Boyd?

**Mr. Boyd:** — Thank you, Mr. Vice-Chair. I would move:

That the name of Harold Martens, the member for Morse, be nominated as the chairman of Public Accounts Committee.

**The Vice-Chair:** — Okay. Mr. Boyd has moved Mr. Martens. Are we agreed with the motion? Agreed. It's carried. Congratulations, Mr. Martens. And the chair is yours.

**The Chairperson:** — I want to just begin by saying that this isn't the first time that I have been involved with Public Accounts, and till now it's always been as a member. And I have been involved with that on a number of occasions and I consider it an honour to be asked to be the chairman of this committee.

I first of all want to say that Rick would like to have a few . . . make a few comments and I will allow him to do that, if you don't mind. And then we'll proceed with the agenda that has been outlined by the Clerk's office.

**Mr. Swenson:** — Thank you, Mr. Chairman. I'd just like to say thank you to all of the staff and the committee members that have been with me in our joint endeavours since the fall of 1991. We've covered a lot of ground in Public Accounts and it certainly was a tremendous learning experience for me personally.

I think if one approaches the job of elected representative as one of a learning experience on a sort of day-by-day basis, that it helps you get through some of those days when it seems rather mundane or rather . . . in political life there are down days, shall we put it. And this committee certainly helped me in understanding the role of government and how government interacts. And I just wanted to say thank you to everyone who was here.

I welcome new members and just say to them, you'll get out of this what you put into it. And I've really enjoyed it and I really want to express special gratitude to Mr. Van Mulligen for, as a long-standing member and long-time chairman of this committee, for giving me some insight how to do the job.

And I say to the new chairman of the committee that even though we in here represent different political parties, there's a lot to be learned from each other. And I think if you all keep that vein in mind, that the taxpayer will be better served. So thank you for allowing me the opportunity.

**The Chairperson:** — Thanks a lot, Rick. I too want to just say that I think it probably would be proper if I would move out of the chair for the discussion

purposes of this meeting and take my seat there and let the vice-chairman run the meeting, because we're dealing with basically a study format. And I would, I think, make that as a first observation that I would like.

And, Harry, would you mind coming and telling us how this committee works and organize that for us and start this thing off.

**The Vice-Chair:** — I would hope that we could run through the two documents that have been circulated and just have a round-table format of discussion.

If anything you know raises any question whatsoever, don't be afraid to ask it. There's more nuances and explanation than is available in the document itself and it's bound to raise questions for members. And so don't hesitate to stop and say, well what does that mean, or what are the implications of that, or how is that working practice in the committee? Just don't hesitate to stop.

I might begin with just a brief bit of history before we deal with the question of the mandate. And I'm quoting liberally from a document called *Guidelines for Public Accounts Committees in Canada* which was prepared in 1988, '87-88, by a group of Public Accounts Committee members from across Canada to pull together some of the experience in Canada.

And we'll see if the Clerk's office can make photocopies of this document available to you at a later time so that you have it for your own reference. It's a valuable document, at least in terms of describing what does happen or what could happen in public accounts committees.

And just in terms of background, I don't want to go back as far as they do, as to Runny Meade in 1215 in which they say:

The hallmark in the development of the Parliamentary system was the wresting of the public purse from the Crown, which occurred centuries ago (1215) at Runny Meade.

I just might point out that in Canada the House of Commons had a standing Public Accounts Committee since 1852 and in Westminster they had one in 1861.

And these committees eventually evolved because the hallmark of our system of government is that parliament has control over the public purse, not the government. It's parliament that gives expenditure approval or approval to the government to expend monies.

And it was then also deemed to be necessary to not only give government the effective control of spending money from the public purse or to give them the authority to spend from the public purse, but then also to judge how the government actually expended the money authorized by parliament, and that is, did they do it in keeping with the purposes for which parliament granted the money? And so eventually

public accounts committees evolved to make sure that the governments were accountable for their stewardship of the public purse.

Again, the reasons that public accounts committees are appointed is that our politicians feel the need to ensure the observance of two underlying principles that are essential to the practice of parliamentary control of finance: (1) the executive should have no income which is not granted to it or otherwise sanctioned by parliament; and (2) the executive should have no expenditures except those approved by parliament in ways approved by parliament.

So that, a bit of background in terms of the public accounts. They also say there have been significant changes since the first public accounts committees were established in the 1850s to the present day. Their primary role was that money was spent in exactly the way that parliament intended it to be spent. But since that time, given the impact that government dollars have and the ever-increasing amount of taxpayers' dollars that have been spent by governments, there's also been increasing concern to ensure that money has been spent wisely, that there has been due regard for economy, and also that high standards of public morality are maintained in all financial matters.

So having said that, return to our document, the mandate. And our mandate is derived from the Legislative Assembly. We can only consider the matters that are given to us by the Legislative Assembly, and we're not at liberty to depart from the orders of reference. Essentially that means that we can examine and inquire into all such matters and things that may be referred to it by the Assembly. More specifically in our case, it means that we review the Public Accounts which are automatically referred to the committee, and the Report of the Provincial Auditor which are automatically referred to it by the committee. And we can basically conduct such inquiries as we feel are necessary within the context of that mandate and those orders of reference.

The other major departure that is of interest, especially to new members and is one that's gradually learned, is that it's not the committee's role to be concerned with policy. Okay? And I'm trying to think of an example of an expenditure. Let's say the GRIP (gross revenue insurance program) program. We may have, in the Public Accounts, expenditures related to GRIP. Okay? GRIP '91 or GRIP '92 or GRIP '93 or whatever.

It's not the job of the committee to question why did the government change from GRIP '91 to GRIP '92, or why did the government set up GRIP in the first place. That's something that's debated and argued and ultimately decided upon in the Legislative Assembly. Those are the people that make the policy and, you know, admittedly it's with the majority, the government, who set that policy. This is the direction we want to go.

Having said that, we have an obligation to make sure that the expenditures under GRIP, if they're reported in the Public Accounts — and I don't know how

exactly they're reported — but that the expenditures for GRIP were in fact done in accordance with what the Legislative Assembly wanted done. And I guess it's also incumbent upon us to ask questions if the money was spent economically. There are other ways in which, given the direction of the Legislative Assembly, that the money could have been spent more effectively. But it's not our job to question policy.

Related to that — and we'll get into that later — the committee invariably calls before it the deputy ministers and high officials to answer to us our questions about how it is that you spent the money, given the policies and given the framework that was set and established by the Legislative Assembly.

The Legislative Assembly said, look, you've got 15 million to spend on this program; that's in the budget; that's in the Estimates; that's what we voted off in subvote such-and-such. You've got legislation that says that money shall be spent in a certain way. You've got auditor's legislation that says you've got to make sure that there's no great incidence of abuse that can take place, that there's no corruption — and I don't know if it says it exactly in those words — but it's then our job to ask those officials that, look, the Estimates said 15 million; somehow you went over budget on this. How did that happen? Why did that happen? What events led to that? Or you spent the 15 million but you spent it in a certain way as opposed to this. Is this what the legislature intended? Wasn't there a better way of spending the money that the legislature voted you?

And so it's . . . we have the officials come before us to answer questions as opposed to the ministers trying to explain why it is that they set up the policy in the first place. So that's an important distinction between this body and the Legislative Assembly, and that is that they're the ones that deal with policy; we're the ones that deal with the administration of that policy and how it is that the dollars actually got spent and whether they were spent in accordance with the wishes of the Legislative Assembly.

There's another important thing that happens, and that is that inasmuch as we're trying to hold officials accountable for what it is they do, recognizing that, you know, that ultimately it's the politicians that are responsible; nevertheless we hold administrative officials accountable for their expenditures.

It then also puts an onus on the government members of the committee to hold those officials accountable. It's generally accepted now, generally accepted that even if a minister is responsible for things that happen in his department, we hold officials here accountable for how the expenditures were actually made. And that a minister, or the government, need not feel compelled to assume immediate accountability for everything that the officials do just because of the span of control and what we expect from ministers is so great. It's an accepted principle.

I think there is . . . you know, if we point out that there's

a problem in a department and we point this out to the government and then the government chooses to ignore that, then it raises questions of well, you're not paying attention to the problems that we've identified.

As a government member I don't necessarily feel that if, for example — we've had instances, I think, of fraud in the Department of Justice as an example — that some of these potential frauds were pointed out . . . or we've had instances pointed out of where the department is discharging its responsibilities for certain kinds of funds — prisoner funds and the like. And where the bookkeeping of those funds was something less than acceptable from the viewpoint of the Provincial Auditor and probably something less than acceptable from the viewpoint of the Provincial Comptroller, well the auditor points that out to us.

You know I don't feel as a government member that by asking the officials or being critical of the officials about how that was done that that necessarily then implies some criticism immediately of the government. I mean those things occur, it seems like, no matter who's, you know, who's in control in the legislature. The bureaucracy has its own life. The bureaucracy has its own way of doing things. It's our job to make sure that the bureaucrats are held accountable for the money that's given them.

And by pointing out shortcomings in the way that they do things or suggesting improvements in the way that they do things, to me does not necessarily imply disapproval of the way that the government is doing things or imply some immediate criticism of the way that the government is doing things.

I think that if we do find things that the bureaucrats are doing wrong and we point these out to the Legislative Assembly or in other ways bring these to the attention of the minister and say, look there's a problem here that you should be dealing with and they choose to ignore that, then it seems to me that that's fair grist for the mill for an opposition party to go after that minister or to go after the government on that. That's fair ball.

And maybe I'll just stop that. Those are, you know, those are provocative statements, I'm sure, given the experience in the House. But that's something I feel.

I mean my experience in the committee was that when we were going after officials, when I was in opposition, on things over which they had control and authority then it seemed to me that the party lines became blurred on the committee. And it didn't much matter what party you were with. You're just interested in the same thing — to make sure that the money that they were granted that they were spending wisely and effectively.

There always will be debate over larger issues and issues of policy that the auditor brings before us, in terms of how the government generally approaches its accounting and issues of accountability. But when it comes to dealing with the bureaucrats and how they look after the funds that they're given, the party lines become very blurred.

Can I just stop there and maybe invite other people to get into it? I didn't want to get into a monologue or anything like that. My voice can't stand up to it.

**Mr. Serby:** — Well I might make one comment or two, Harry, in regards to sort of picking up where you were at. And I think the comment that Rick made, just having been on the committee for the first time, sort of the importance of ensuring that we had the role of this committee clearly defined. And we spent a good deal of time over the first month or month and a half really, I think, reviewing what the role of the committee was and is, and ensuring that we really don't let the . . . I think the political agendas get in the way of doing our work. I think Rick indicated that in his sort of farewell comments.

And I guess we did accomplish a great deal of work over the past year, or past year and a half, and I guess there are a number of other issues that we need to review yet in terms of measuring accountability of government, that we're hoping that we can address over the next couple of months.

So I certainly look forward to that whole process, but hope that we can focus, I think, and direct our attention to really measuring more the direction in which government is accounting for its work as opposed to getting involved in the issues that are going to separate our work from . . . with the political agendas.

**The Vice-Chair:** — Having said that, you've got to recognize that I mean the politicians around the table are politicians and there always will be differences, and the opposition will look hard to find differences and to bring those to the attention of the public. I mean they wouldn't be doing their job if they didn't do that.

But I agree, let's recognize too that there's a lot of common ground that we have, you know. Inasmuch as there will be differences on issues and differences of approach, there's a lot of common ground that we need to be cognizant of.

One of the . . . just to make a related point to something I was saying is that in terms of development of public accounts committees, I guess the 1980s is probably seeing a tremendous evolution in the development of public accounts committees across Canada. There's more work being done in terms of role and function, mandate, and changes that have been made since the late '70s than in any prior period to that.

And in part that is because of a . . . the Lambert Commission on financial management and accountability which described that a state of affairs of becoming obvious to people that . . . and that is that the assumption that departments can be managed and directed by ministers no longer held, and concluded that additional means were required to hold officials accountable. And that ministers, given their responsibilities, could no longer be held accountable for all of the ways in which the monies which were

expended, that they wouldn't necessarily be accountable in all ways for all the monies which were expended. Ultimately they are responsible, but on a day-to-day basis they couldn't be held accountable. And that was the role of the bureaucracy and the bureaucrats.

Therefore public accounts committees increasingly have moved to fill that void to hold the bureaucrats responsible.

**Mr. Martens:** — Mr. Chairman, I want just to add to that that there are I think four other areas that need to be put into perspective in relation to this, and one is the Clerk's office and helping the committee to determine its agenda on the basis of what's the proper thing to do and the components that lead to that. There's the role of the comptroller, and I think that's significant. We have the role of the auditors and also the role of the Law Clerk. In relating to the kind of the order of reference or the mandate is including all of those people too. And I think that that's an important part of the Public Accounts Committee.

I think it's a part of the committee that individuals have the freedom to be in a position where they can access information from these individuals on a non-partisan basis. And I think that that's important to have this committee know and understand that, that that's . . . that has not to do with partisanship; it has to do with what their role is and whether it's right or wrong or whether their perception of how things are conducted, whether it's the Clerk or the auditor, the Law Clerk or the comptroller. And I think that that's something that also needs to be understood as a part of an order of reference for this committee.

**The Vice-Chair:** — I agree.

Just carrying on. The mandate indicates that we review the *Public Accounts* for reliability and appropriations, matters raised in the Provincial Auditor's report and the audit report on the Office of the Provincial Auditor.

The normal practice in the committee — I don't know if the *Operating Principles/Practice* deal with this specific item — suggest that we wait for both sets of documents to be available to us before we begin the proceeding. And at this point the *Public Accounts* for a specific year precede the receipt of the auditor's report — as the *Public Accounts* for the last fiscal year were available last October?

**Mr. Kraus:** — Yes, October 31.

**The Vice-Chair:** — October 31. But the auditor's report won't be completed until the middle of April for that same fiscal year. But we wait for the auditor's report before we begin consideration.

And our primary function, like even though we get the *Public Accounts*, is really to deal with the auditor's report unless the auditor's comments on the *Public Accounts* are of such a nature to cause us to look at the *Public Accounts* in great detail. That is, I can think of

one case where that might have happened, but I think the election intervened, where the auditor essentially said that he couldn't rely on the . . . I forget what the exact words were at that time.

**Mr. Wendel:** — It was on the combined fund financial statements.

**The Vice-Chair:** — Yes.

**Mr. Wendel:** — It said that they did not present fairly financial position, results of operations . . .

**The Vice-Chair:** — Yes. I guess if that happened again, then that by itself becomes an issue for the committee to deal with because we're supposed to make sure that the *Public Accounts* are reliable. But invariably what the committee ends up doing is that we structure our work around what it is that the auditor reports to us, and make sure that in consideration of all departments that come before us that we deal with the issues raised by the auditor before we deal with *Public Accounts*.

It's tough sometimes. I remember when I was chair that, you know, my colleagues would be wanting to ask questions about some . . . what they thought was sure to be some embarrassing tidbit of political patronage that was going to bring down the government, and it never did.

But you know, like to hold them back from getting into that in the *Public Accounts* before you dealt with the issues that the auditor had before us. I mean the legislature does ask us to deal with the report. The auditor has a number of recommendations and we've got some responsibility to make sure that those are dealt with before we indulge in our own agendas of this tidbit of information or that tidbit of information.

So over time it's just accepted that we make sure that the auditor's recommendations on a department are . . . the auditor's recommendations generally are dealt with before we kind of tail off into our own agendas.

The audit report on the Office of the Provincial Auditor is something that I don't think we've ever really spent any time on. It's distributed to the members.

**Mr. Cline:** — Does it every have any criticisms of the Provincial Auditor or is it a fairly glowing report?

**The Vice-Chair:** — Well it's not glowing; there's no criticism either.

**Mr. Wendel:** — It was about 1983 the Act was changed to call for an audit of our office and so that we are audited the same way that we go out and audit every other government organization. That was a change that was made in '83. Before that we use to audit ourselves.

**Mr. Cline:** — Sounds fair to me. Who does the audit now?

**Mr. Wendel:** — Arscott & Partners.

**Mr. Cline:** — Is that put out to tender or how were they selected?

**Mr. Wendel:** — We wouldn't be involved in that. I believe that was done by the Department of Finance, I think. How did we handle that back in 1983?

**Mr. Kraus:** — Probably, yes. It's not far enough back; I can't recall. They're relatively . . . they're one of the smaller firms, local firms.

**The Vice-Chair:** — In terms of examination, one of the issues that's raised from time to time about, well we've got the *Public Accounts* and the auditor's report for a certain year under review, but members want to ask questions about a different year or they want to ask about expenditures this year.

The position that's been taken on the committee is that what we have referred to us are the *Public Accounts* and the auditor's report for a specific year that we're reviewing, and that's what we should stick to.

Having said that, sometimes it's difficult to understand what happened that year unless you also have an explanation of the years proceeding it and if possible, the years following that, to help put it into context. But it's been also accepted that we don't then dwell on the preceding year's finances or spending as the focus for our examinations or that the present expenditures become the focus, it's still the year under review. But again, it's sometimes helpful to put things in a context.

We've had many challenges over the years about, well the member can't ask that question because strictly speaking it's not related to the year under review. It's my feeling that look, if you can relate your question of a different year to the year under review, then that should be allowed, that's legitimate.

It's especially legitimate if the opposition is asking for that. I mean, the onus is on them more so than other members of the committee to hold the government accountable. And so that if they can make a good case that, yes, we're looking at the *Public Accounts* for '91-92 but I want to ask some questions about '90-91 because I don't understand how this works in '91-92 without you telling me what happened here in '90-91, then the committee . . . then it seems to me that the chair should be able to rule about, no that's legitimate grounds for inquiry and we need to understand that to understand what happened in a fiscal year.

And again the chair is expected to make those rulings but I think that without, you know, before the government members say, well, you know, that's not the right kind of ruling and . . . we should understand that to understand one year, you have to probably know what happened in other years. So having said that, the majority of the committee decides what shall and shall not be examined into it.

The committee will also evaluate the activities of all Crown corporations and agencies. That's a difficult one. It's always been. There's always the charge that,

how come we're looking at Crown corporation activities and the Crown Corporations Committee, you know, when it's their job to look after Crown corporations. And I don't know if there's ever any clear delineation or . . .

Generally we look at activities of Crown corporations if the auditor chooses to report on them, recognizing the members also have a right to ask questions if expenditures are noted in the *Public Accounts*. But normally, if the auditor chooses not to make comments on a Crown corporation, we wouldn't normally ask questions in the committee. But if the auditor raises concerns about a certain Crown corporation then it's . . . you know, that report has been sent to us by the Legislative Assembly, then we should be prepared to review that.

Now one of the things that . . . I'm not quite clear on this whether we actually did or not, but it seems to me that we could also ask the Crown Corporations Committee to look at matters on our behalf. There were some issues that the auditor raised last time. I think one of them was reporting for mixed corporations. Is that the one, Gerry? Where you said that, you know, if the governments got ownership in something, taxpayers have a stake in a certain enterprise, even if you don't own the majority and it's not a Crown corporation. Well there's no reporting on that. And therefore the taxpayers have the right to expect an accounting of what the government is doing with those funds. What is the purpose of those funds? How are those funds being spent?

So the committee said, well okay. We agree in principle with that but how does that work now? Does this mean that every little economic development venture that SEDCO (Saskatchewan Economic Development Corporation) starts up should then be reported on; or is this intended to ensure that major economic development initiatives by the government are in some ways reported back to the Legislative Assembly?

So in that case I think the committee took the position on a report to the Legislative Assembly that we would ask the Crown Corporations Committee to look at that inasmuch as they have hopefully more and more relevant experience in dealing with some of those issues. Maybe not, but . . .

So it seems to me that if we're concerned about duplication and overlap that we could ask the Crown Corporations Committee to look at some matters on our behalf. And especially now that the Provincial Auditor also attends at the Crown Corporations Committee meetings and the Crown Corporations Committee involves the auditor in establishing an agenda, maybe not in setting an agenda, but at least in determining lines of inquiry and questions that might be asked of witnesses that come before the Crown Corporations Committee. And also since the Crown Corporations Committee, from what I understand, is now taking the approach that they may at times just focus questions on officials as opposed to ministers. Am I right on that?

So increasingly over time we'll have to judge this. There may come a time that we will want increasingly to ask the Crown Corporations Committee to conduct inquiries on our behalf and to report to the Assembly.

**Mr. Martens:** — I think, Mr. Chairman, that the role of the legislature cannot be ignored in assigning the responsibility of what each of these committees is supposed to do. The legislature will assign the responsibility of this committee. It will also assign the responsibility of the Crown Corporations Committee.

I can see where the role of the Crown Corporations Committee has moved in the direction that it becomes almost a public accounts committee of Crown corporations. And if that is the role and officials are allowed to be the participants rather than the minister, I think it probably will end up being a public accounts committee of the Crown corporations. And then it also has to then take the . . . assume the responsibility that the Legislative Assembly assigns it. And until that happens I don't think that we can assume that the Crown Corporations will do that.

I guess it would be your responsibility or members of the government side to initiate this kind of a role change if that was what they would like to do. But I think that that's what the difference is. And it might be a very narrow one, but I think as long as they have the minister answering the questions and only sometimes allowing the people in charge, the chief executive officers in charge, only sometimes allowing them to answer the questions, then I think it's not a public accounts committee and therefore it has those kinds of barriers.

But it has changed over the past 10 years and it can change some more, and I think that's the direction it needs to go. But until that happens, then this committee has a responsibility, as you mentioned earlier, of dealing with the areas of assignment. The Assembly assigns us the responsibility to deal with the auditor's report; it doesn't assign them the responsibility of dealing with the auditor's report.

**The Vice-Chair:** — And I just might point out that we have not, to my knowledge, established any formal process for interacting with the Crown Corporations Committee directly — the recommendations that we made that they, for example, look at the question of mixed corporations and accountability and reporting went back as a recommendation to the Legislative Assembly in our report, which the Legislative Assembly adopted. And I assume now is then some direction for the Crown Corporations Committee to in fact look at that. But there's no format at this point for a direct relationship between the two.

But that's something that we should monitor. I know that charges have been made over time though that, you know, the duplication overlap . . . I don't know if it's a big concern, but it's something that we should monitor to see if there's, you know, some room in the future to avoid that.

**Mr. Martens:** — There's one other thing I think that has to be kept in mind and that is that the *Public Accounts* really are an overview of individual spending by departments. There's really only one Crown corporation that has allowed itself to be exposed in the same way that *Public Accounts* has in the departments and that's SPMC (Saskatchewan Property Management Corporation) where they have a public accountability with names and agencies attached to it that receive and purchase services or give services for money to the government.

And I think that that's another thing that has to be identified there before it becomes a real public accounts committee of Crown corporations. That has to be addressed too.

But I think it's working in that direction and it just has to keep on going that way.

**The Vice-Chair:** — Also,

The Committee will evaluate:

the value for money obtained through the divestiture of any crown corporation or agency;

the systems and practices to determine whether transfer payments are used for purposes intended;

We haven't done much on the latter two. The question of transfer payments is an issue more that the federal government is more interested in than we're interested in. The federal government transfers billions of dollars annually to the provinces, some for . . . under equalization with no strings attached, some with certain strings attached, such as the established programs financing; some for specific purposes, but purposes which may not be clearly articulated. I'm thinking of monies that went to Nova Scotia, I think, a year or two ago.

The federal government was sending money to Nova Scotia in aid of specific economic development initiatives, and the province of Nova Scotia was supposedly using this money to do a number of normal operating and maintenance things. So the Provincial Auditor was saying, well you shouldn't be spending that way and the Nova Scotia auditor was saying, well no that's quite appropriate.

It really hasn't been raised in this context of, is the money that's being transferred to the universities being spent in the manner that we think they're supposed to be spent, or the money that's going to municipalities are . . . you know, are municipalities taking capital dollars and putting them towards operating? It's not something that we've put any sort of real time or emphasis into. I don't even know if it's something that the auditor's office has particularly concerned itself with either, and I'm not sure whether it will become an issue.

I know we went through this discussion in Ottawa a

few years ago, Fred.

**Mr. Wendel:** — That's right. There was a lot of discussion on the Nova Scotia affair.

Part of our work, we go into departments and if they've got a specific grant program, let's say the Department of Education, and they have a specific grant program that requires an agency to spend the money a certain way, we would then look at the department's procedures to monitor that. And if we weren't happy with the procedures they had to monitor that money, we would bring that forward to you in our report and then you could question the department on how they were managing that.

**Mr. Cline:** — That sounds like the most appropriate way to handle it, because I mean obviously there are important questions of autonomy of the third parties. And to look at the monitoring system and see if the monitoring system is working effectively and is an effective system, it would seem to me probably be as far as he would want to go.

**Mr. Martens:** — There's one area — I think this is a good point to raise — we've got a number of agreements that we have with the federal government. And one of those would be . . . that I'm familiar with is our agreement with Economic Development as it relates to water. We've done quite a few of those through Sask Water and through the provincial government. It's now the departments, different departments, will be initiating some of those responses. And I think it's in the interests of our taxpayers to know whether the funds have been used legitimately by the departments for those expenditures for which they were assigned by the federal government.

My question then would be to the auditor: do you give a clear enough signal to the Auditor General in Ottawa that those funds have been appropriately spent; or is that his responsibility then to come in and check to see whether they're appropriately spent?

**Mr. Wendel:** — I think from our perspective, Mr. Martens, we would think that the department in the federal government would be responsible to do what we're calling on our departments to do here, is to go out and make sure that money's used for the purpose intended.

Having said that, we do cooperate with the Auditor General of Canada. If he asks us to do some procedures on a particular program, we will do that for him. Does that help you with that or . . .

**Mr. Kraus:** — Mr. Chairman, you know, many of these programs require claims to be sent in as well, or some do — not all, but some of the cost-sharing programs require claims to be sent to the federal government. And in some cases, I think in the case of the welfare arrangement, I still think there's a federal auditor that comes out and examines it. Although I have several staff who audit these claims as well, and under some of the agreements where they're required to be

audited, we audit them and then the claims are sent in as audited claims.

They do rely on our objectivity. I mean we . . . it's not in our best interests to let departments send claims in that aren't appropriate. We certainly try to make sure that the departments understand the agreements fully so that they're claiming everything they should. But for many years now, as I say, we have audited some of these cost-shared claims and it seems to have worked out fairly well.

I don't think there are many situations where we have federal auditors as well. I mean it gets to a point where you don't want provincial audit staff or my people looking at something and then the federal auditors looking at it. You know, you can only afford so many audits. But I think it works fairly well. I don't know if the Provincial Auditor's office has anything that has alarmed them at all in that regard but it seems to work fairly well.

**Mr. Wendel:** — I think on the cost-sharing claims there were some problems many, many years ago and your office took them over.

**Mr. Kraus:** — Probably close. I hate to say it, but it was even before I got here. But it must be at least 20 years ago. And some of it went back to some of those early winter works programs that were managed. I think some of the initial expenditures were through RMs (rural municipality) and towns and villages. And I know about that because at that time I was in the private sector and I was auditing what was going on out there.

And I think somehow some of the claims were considered to be inappropriate. Do you remember that? Where they used the people . . . I think people in some of the communities would actually provide the labour and then they'd get paid for it by the community but then they'd refund it back to the community. But the community would say, well we paid for it so we're going to claim it. Do you recall that? That's a long time ago, at least 20 years ago.

And I recall . . . I think that's when the auditing became something of an issue.

**Mr. Martens:** — I just kind of raise it from this perspective then too. Would it be possible for the auditor and the comptroller to give us examples of that and the type of thing that happened as we come into meeting each one of the different departments? If it's the same for everyone, then it is difficult to assess. But if it's different for every one of them, the role that each one of you have, then it needs to probably be explained to us when we deal with each of the departments that we come into. That would be, I think, an asset to the committee. Do you follow me?

**Mr. Wendel:** — I think so. Are you talking just about the cost-sharing claims then, Mr. Martens?

**Mr. Martens:** — Yes. And who's doing the audit. If the comptroller is doing the audit through that, then tell

us. If you're doing the audit, then tell us and then we'll know what the . . .

**The Vice-Chair:** — On the other hand, from a different perspective, the confusion in Nova Scotia created a mini-boom in the hospitality industry as Ken Dye and all the national media flew into town. But I guess that's not our objective here.

**Mr. Martens:** — No, that's wasn't my objective. I think we just need to know whether it's being done. I know that PFRA (Prairie Farm Rehabilitation Administration) does a lot of work with water. You could have . . . Social Services have a lot of it. And where that audit takes place I think we would like to know. I'm not questioning whether it's going to show something that's wrong, but we just need to know who to ask and what to determine.

**Mr. Hunt:** — I think the kinds of audits that we're talking about here, that Gerry's referred to, are associated with the reporting practice that's part of a federal-provincial agreement, and so that's part of the systems and practices under which the whole program is being administered. And then probably from the federal Auditor General's perspective, they would look at the system as a whole for that department and how it's being implemented.

Many of those . . . the federal-provincial agreements would call for a senior financial officer in a particular department of the implementing province to certify statements of program expenditures and so on. But that's a determination they make at the time the program is implemented. And so they determine that's the level of assurance they want. And the extent of objectivity that can be provided by a finance officer within a provincial department is as much as they want at that point, but they may want more independent assurance in other cases. And so it will vary from agreement to agreement I think. is that not fair?

**Mr. Kraus:** — I think that's fair, yes. In some cases they're quite satisfied that someone like ourselves would certify. You could say well it's not quite the same as having an independent auditor come in, but they're prepared to accept it. And it's built right into the agreements.

**Mr. Hunt:** — Based on the risk and the dollars.

**Mr. Kraus:** — Yes, that's right.

**Mr. Martens:** — I recall the program that dealt with federal money coming in to help fund soil conservation and things like that. That was one that just happened recently where the federal auditor had some concerns about whether the money was spent in exactly the way it should have been. And I recall that and I think that that's the kind of thing that we need to know whether . . . who's running the limited audit, if you want to put it that way, or the control of the audit.

And if nothing is happening, then maybe it needs to, even though there isn't . . . if it isn't stipulated in the

agreement.

**Mr. Cline:** — just for clarification, Mr. Vice-Chair, when I was speaking before Mr. Martens, we may be talking about apples and oranges here in the sense that there are two situations I think where we would be looking at transfer payments. The first is where the federal government gives our government money to administer a program. And in that regard I agree with what Mr. Martens is saying that you need an audit of what our department or agency is doing with the money that they get from Ottawa.

The second situation, which is what I actually intended to refer to, is where our government makes a transfer payment to another body such as a university or a school board or a hospital. And I think it's that situation that you were referring to in terms of that we would not actually audit the third party but we would . . . the Provincial Auditor would ensure that there was an appropriate monitoring mechanism in place at the departmental level.

So I guess when we talk about transfer payments, I think there's those two situations and the one which I intended to refer to is you need some . . . to make sure the monitoring is in place. The other I think Mr. Martens is correct in what he says but it's a different situation.

**The Vice-Chair:** — Can we move on?

The Committee will evaluate:

the efficiency, economy and effectiveness and value for money in implementation of government programs and in their achievement of stated goals in the operation and acquisition of goods and services;

So in addition:

whether expenditures are within the limits and for purposes authorized by the Legislature and in . . . compliance with legislative authority;

We'll also look to see whether or not the government got value for money. And that's a legitimate grounds of inquiry for the committee and its members to undertake in any and all issues that come before us. It's only in the last year or so that the auditor has begun to develop that mandate within his office but the committee has always taken a position that that's fair grounds of inquiry for the committee and has for some many years. So that will continue.

In carrying out its role the Committee will seek to:

work with the Provincial Auditor to . . .

obtain all financial information and documents necessary for the Committee's work except for records which are privileged in the narrowest sense such as



Cabinet papers;

And also from time to time the auditor will have access to information that the auditor will not necessarily give to this committee, and is not obliged to give to the committee, because the auditor in order to fulfil his function must have complete access to all documents and records of agencies. But that then does not mean that the auditor will then give us those records and make those . . . and in that way make those records public.

Because if the auditor were to do that it may circumscribe the auditor's activities in future years, as agencies who would otherwise call upon the auditor to do an audit, say, well I don't want to have you do the audit if every minute or every record that's of extreme importance to us is going to be made public by your office. So bear that in mind as well.

Avoid matters strictly of government policy and, etc., etc.

Can I turn . . . like I'm just looking at the clock. Can I just speed ahead and go into this next document: *Operating Principles/Practice*.

The Chair plays a leading role . . . participates in the questioning of witnesses and in other Committee deliberations, presides at meetings. . . (etc.)

I took the point when I was chair that I wanted to make sure that the items that were referred . . . if we had departments before us, that the items that were referred to in the auditor's report were in fact dealt with.

And if I saw the committee beginning to stray into items that the auditor wasn't commenting on, I would take the prerogative of the chair to make sure and interject myself in the speaking order to make sure that those items were in fact dealt with in one way or another.

And you know, from time to time, if I was interested in an item, I would sort of begin the questioning of certain witnesses in areas, if I wanted to do that. Or if other members . . . if members of the committee didn't seem interested in asking questions of witnesses about items in the auditor's report, I felt free to do so.

The chair shall remember the Official Opposition.

it's somewhat of a strange position. The opposition chairs the committee, even though the government members form the majority of the committee. It doesn't mean that the chair can sort of, you know, make rulings that consistently, that consistently favour the opposition side of the committee and rulings that can't be sustained by the majority of the committee.

If the chair, the opposition chair, decides to exhibit favouritism and bias in running the chair, then it doesn't take very long for that bias to be

communicated to the media and to the public. We can understand, well the chair is acting in a biased way. Then the chair creates a credibility problem for the chair and it's difficult for the chair to be effective.

On the other hand, the government members cannot willy-nilly and at every opportunity overrule the chair. They say, oh we don't like this ruling; let's just overrule him. And because the media and the opposition then begin to pick up on the fact that the government is using its power to overrule what are reasonable rulings of the chair . . . So there's an interesting relationship that builds up over time and there's a powerful onus on the chair to be an effective chair that's impartial and even-handed.

But there's also an onus on the government members not to use their power and their majority to overrule, you know, good rulings of the chair, even if from time to time they don't like the rulings of the chair. So it's an interesting position and you're welcome to it.

There's no substitution on the committee. You're members and you're members for life. It's basically to ensure that . . . Substitution doesn't lend itself to trying to keep politics out of the committee to the extent that it's possible. You want members on the committee who are familiar not only with the issue that's before you and the specific department that's before you, but also has some tradition in the committee and have a sense of why the committee operates in the ways that it does. To have members fly in for a meeting to raise hell about a particular topic without any knowledge of that we're not here concerned about policy — we're here concerned about the administration of the policy and so on — could over time destroy the committee.

And I think the committee is probably unique in that way in that there's no substitution. On Crown Corps substitution is allowed but not here. And also because there's no substitution, we get our picture taken once during our term.

The meetings, sufficient meetings to discharge its responsibilities. Invariably we meet during the session and intersessionally. The last little while there have been more intersessional meetings because work backed up. I'm not sure what it's going to be like this session. We get the auditor's report in the middle of April. Some opposition members are suggesting we may be out of this place by the middle of May . . . (inaudible interjection) . . . No? End of May? Whether that will allow us sufficient time to complete all the work, I'm not sure.

But it's not unreasonable to think that at the conclusion of the legislative session that we may have to find a week at some point between now and the next session to complete the work of the committee. But you know, we're free to do that. It's up to us. We don't have to ask anybody whether we want to do that. Although we should consult with, I guess, the House leaders in terms of timing so we don't conflict with the Crown Corporations Committee. I know that's been a problem in the past too. We should try and avoid that.

An important thing is we don't need to have a quorum to receive evidence. Can't take any votes, but we don't need a quorum to question witnesses, although as long as both sides of the Assembly are represented. Okay? For votes for sure you've got to have a quorum. Questioning, no, but both sides should always be represented. And that's to avoid some point where especially now with a relatively small opposition, that if they can't make a meeting, for the government to carry on. And you know, I think that's important.

Provincial Auditor attends all meetings. The comptroller attends all meetings.

... the Committee should strive to develop a consensus approach in researching issues as a means to maintaining a non-partisan spirit.

Just in terms of ... No, I'll get into that later. No:

photography, recording or broadcasting of the ... proceedings as this authority lies with the Assembly.

Having said that, I guess that if the media were to ask us to ... say if the media were to ask us: well can we send in photographers to take pictures? Even though that's within the purview of the Assembly, I guess the question arises whether the committee should be in a position to make a recommendation or a special report to the Legislative Assembly, saying: look, we've had this request from the media saying can we take pictures or can somebody have their tape recorder going. I guess it's incumbent on the committee then to decide whether it wants to sent a special report to the Legislative Assembly. We'd say: we've had this request, and we'd make the following recommendation. Right?

**A Member:** — That's right.

**The Vice-Chair:** —

All committee meetings are open ... except in camera (of course).

In camera matters (in a) police investigation ... intrusion into privacy of individuals ... competitive position of a company ... (items) dealing with ... national security.

I don't think we've ever dealt with that one here.

Discussion of the Committee's draft reports ... are in camera but final approval ... will be in public.

(And) Briefings by the ... Auditor and the Comptroller on subjects the Committee will review will be in camera.

That's to avoid any situation where it might be possible for the media to begin to play off the ... or to get into a situation of trying to find some confrontation between the comptroller and auditor on the one hand, and departments on the other. I don't know if that's a

major concern, but nevertheless we've always followed the principle and the practice that before departments come in, we're entitled to an in camera briefing by the comptroller and then by the Provincial Auditor.

And it may well be that from time to time that we'll question that and say: well you know maybe that's not effective. Or the media will cause us to want to question that and you know, we need to be prepared to do that. But generally this is how the practice has gone. This is the position that we've taken.

Again, like these are guidelines and ... or are principles and practice. You know we may need to question those from time to time.

"Briefing Process and Operation — Preparation".

One of the items like that's came out of the last go around:

The Committee should spend more time identifying issues raised in the Provincial Auditor's reports prior to deciding on the witnesses to be invited to the hearings.

The Committee will play a role in setting the Committee's agenda when considering proposals made by the Steering Committee.

The Committee will seek to obtain a thorough briefing from the Provincial Auditor on the background and substance related to the appearance of specific witnesses and to assure that any necessary related documents are available.

And:

... will request any available responses or updates prepared by an audited department prior to its appearance.

And also:

Motions for major items should be deferred to the next meeting ...

Just in terms of identifying issues that ... one of the things that we may want to do is spend more time in discussion with the auditor and the comptroller when the auditor's report comes down, because the auditor may have 30 departments that he comments on, and do we want to call all 30.

Normally it's been a matter of discussion between, you know ... essentially the opposition says, look, here's the departments that we want, but the committee feels that it would be more valuable, at least in terms of some substantive work, if we spent more time discussing with the auditor and the comptroller which departments or what issues represented in all those departments are ones that we might want to key in on for the coming year.

We don't have a researcher to help us sort of separate the wheat from the chaff. And it may well be that the committee will want to spend more time as a group identifying: well, what are the major issues? I mean you've got 30 departments, you know. Are all of them major issues?

Well which ones have the greatest significance both in terms of whether the items that are reported are an affront to the questions — of authority or present significant problems in terms of the magnitude of dollars involved, or are interesting to us because they represent new ground that perhaps we want to look at.

You know maybe when we get the auditor's report, we get right into the first chapter, the preliminary discussions and so on, and then into the departments. But maybe before we get into the departments, we may want to spend some time discussing which departments we really want to call, recognizing that in the final analysis the opposition should be able to call whatever department they want. Okay? And if they want to call some minor department in which the auditor, you know, has really nothing to say, or they want to call a department in which the auditor has nothing to say but it's reported in the *Public Accounts*, the committee members, and especially the opposition, have the right to call whoever they want.

**Mr. Kraus:** — Yes. I just wanted to support what you're saying there, that on occasion there . . . you may decide you want to call a department in based on what's reported in the auditor's report.

And if you discuss it with the auditor and myself, you may decide that what's transpired since he made his visit is enough to satisfy you; you say, well we don't want to call these people in. It may not happen very often but once in a while it does. And you probably don't want to call any more departments in than you have to. There are always some that have quite a few difficulties and you want to focus on those anyway.

**The Vice-Chair:** — There's some that for a number of years we had real problems every year reported to us — about the student aid. And we might have been better off early on to, you know, to take some meetings to review this one with Education, why these problems always kept cropping up. You know there may be others like that, that from a historical perspective, you know, from both the auditor and comptroller may help us sort of pinpoint those.

I know the one that's always gotten to me over the years is the Department of Justice. I could never understand how a department which is so populated by people with professional degrees and a mandate to uphold the law, presented so many potential problems in terms of fraud and, you know, disregard for the law. I could never understand it. And you know if that happens again . . . (inaudible interjection) . . . I didn't say anything about lawyers . . . (inaudible interjection) . . . The Law Clerk did? But if it comes up again this year, like I for one would say, well let's spend some time looking at the Department of Justice and really going at that one too. And maybe, you

know, the time has come that it gets raised as an issue for the Assembly, you know, and say, Minister of Justice, smarten up. You've got to grab a hold of these things. I mean it's gone on too long. The bureaucrats are not running the things in the way that they should be run. But you know, I guess I'd like to see more time spent on identifying some of those.

The other thing to bear in mind is that the auditor makes a comment one year about a department not doing things in, you know, in the way that they should be done, given sort of legislative authority. If it's still a problem in the mind of the auditor and if the department is still exhibiting that problem, it'll come back to us the next year, okay? We don't have to feel that this year we have to make the final determination on every department. I mean if the problem continues, then we'll be in a position to pick up on it and begin to deal with it.

But again, like the major amount of time, at least during the session, seems to be spent on the introductory chapters of the auditor, where the auditor comments generally on the government's accounting methods and accountability issues — you know, accountability in Crown corporations or the way the government's . . . accounting methods and so on. But a lot of time is spent on that and I think importantly so. I mean those are significant issues, and I think that's where some of the best discussions in the committee have occurred over the years.

Witnesses. When witness is before us, the chair explains to the witnesses their legal position, that is that they have . . . no legal action can be taken against them on the basis of the comments that they make in this committee. They have the same privilege that members have. But by the same token, they're obliged to also give us the truth, the whole truth, and nothing but the truth.

We call deputy ministers and senior officials. We also have the right to call people before us who were officials. If, for example, we're looking at a specific department and we call the deputy minister in to explain certain things to us and if the deputy minister is a new deputy minister and from his comments or his officials we cannot get a full understanding of what happened and we need to call before us a previous deputy minister or previous official, we have the right to do that. Okay? And we can do that.

It doesn't happen very often. I think maybe on this special report of the auditor we called in a former official of the Property Management Corporation. But we do have the right to do that.

Ministers being invited to the committee. I think it happened once when there was a change to the auditor's Act and we called the minister before the committee; that the committee dealt with a clause-by-clause review of the Act and the minister of Finance appeared before the committee.

Public servants should be treated fairly. Yes, I mean like we're not here to pick fights with them. It's sort of

an uneven battle if you decide to attack them. And the chair will step in under those circumstances and try to protect them.

Questioning . . .

**Mr. Cline:** — Oh, on this question of witnesses. I note that we have the power to examine witnesses under oath, but when we have people come — I believe they're not usually sworn — what criteria is used to decide if you want a witness to be sworn before the committee?

**A Member:** — None of them have been sworn.

**Mr. Vaive:** — Mr. Chairman, not in my experience here. But the committee can decide to have . . . I was talking; I didn't hear the beginning of your question.

**Mr. Cline:** — Oh I just said, we have the power to examine witnesses under oath, but in my brief time here we have never done so. They've come and the standard warning is read to them and then they give their evidence. And I wondered if there was any criteria as to when they were examined under oath and when they weren't.

**Mr. Vaive:** — I would think that it's, you know, if the committee warrants the necessity of examining a witness under oath — maybe the witness might have shown recalcitrant behaviour or something like that and then the committee might decide on its own as a group to swear the witness in.

**Mr. Cline:** — It may simply be that we have the power to examine people under oath so that we can subpoena people who are not our employees or no longer our employees as well. Maybe that's the reason.

**Mr. Vaive:** — Or perhaps a witness that, you know, is reluctant to appear before the committee, that witness is subpoenaed and upon appearing then would probably be . . . could be sworn in — not necessarily.

**The Vice-Chair:** — I'm not even sure what form this oath would take.

**Mr. Vaive:** — There's a formal oath of . . . as in a court of law.

**Mr. Cline:** — Yes, there's a standard oath I think in the evidence Act.

**Mr. Vaive:** — I had experience in Ottawa with the House of Commons. The Justice Committee had been visiting penitentiaries and had decided to swear some witnesses, you know, just as a decision to do so and it was just a formal oath as administered in the court.

**The Vice-Chair:** — Questioning of witnesses. The committee should designate a lead questioner for each issue. Usually what happens is that both sides of the table will have a lead questioner but we may . . . Like if we spend more time researching the departments we want to have called and what

issues we want to explore, then we may as a group decide that one person or another is going to take the lead and, you know, in questions for that department.

The committee should establish a standard series of introductory questions. We don't have any now but that's something that we may want to work on with the departments this time around. We don't have any at this point. But maybe this go-around with the committee we can begin to identify the questions that we want to ask all departments.

I know that when I was in opposition, my colleagues had a list of questions they would always ask: what wild and exotic travel adventures have you taken lately? You know, things of that nature. And, you know, what kinds of expenditures did you incur on this, on this, and what kind of research and advertising expenditures, and those kinds of questions.

And I took the position — it was my point of view -that if you're going to ask the same questions of officials all the time, then why don't you get them down in writing and give them to those people beforehand and let them know, well those are the questions that are going to be asked. It was helpful, like when we looked at the special report, we had pretty much a standard set of questions that were going to be asked of officials and the people that appeared before us, you know. In fact we sent questions to all the departments from here and said, you know, here's the questions we've got. And people that came before us knew the questions that we had asked of them.

So again we don't have a standard set of questions, but maybe that's something the committee wants to work on, and especially for the opposition I mean, like if there's a, you know, standard set of questions you want to ask each time of departments, then maybe you should get them, you know, bring them to the committee and have the committee take a look at them and agree, yes, those are legitimate questions. I mean it may not be the questions that I would want to ask but nevertheless they're, you know, legitimate questions given sort of the mandate of the committee.

And better off to put them down on paper and let all the officials know, those are the questions that would come up, so you might as well get them prepared beforehand and save everybody a lot of time later on and hassle later on. You know that would be helpful. I think that in estimates that's also happening. You submit a list of questions beforehand to the ministers and I guess by and large they come up with the answers to those. So the same here in the committee.

I can't think of any standard questions at this point that I would want to ask officials.

But if you can come up with a set, Harold, you know, then let's have the committee take a look at them and say, yes those are legitimate questions to be put down on paper and given to any and all departments that appear before us, before they appear. "Scope of Examination:"

... the committee may review past and committed expenditures insofar as they relate directly to and have an impact on matters failing within the year under review, to assist the Committee in understanding the context of these matters.

We may request the Provincial Auditor to perform specific reviews, such as we did with the special report. I can't think of any other. There may have been sort of some detailed questions that we've asked the auditor, that the auditor has come back to us, but I don't think we've ever asked the auditor for a special report before on the issues. I don't think.

And,

... from time to time request the Assembly to refer to the Committee legislation dealing with the *The Provincial Auditor Act* or other legislative initiatives relevant to the Committee's mandate.

So I expect that if, you know, the auditor Act comes before the Legislative Assembly again, that if the House leaders don't understand it, that we should make them understand that, you know, we'd be interested to have the legislation come before us.

And by the same token, if there's legislation come before the Assembly, that, you know, touches on our mandate, then we should ask for that to also be brought before us.

Reports: "... report at least annually ...". And we also ... like the last report, it's very clear at the beginning that we want a report back from the government.

Or in fact the Legislative Assembly in adopting the report of the committee said to the government that the Legislative Assembly wants a report back within 120 days. And that's something that we may want to monitor. You know, like if there's no report coming back that the committee will want to raise that publicly somehow. You know, I mean it's ... I guess it could be some small embarrassment for the government, but well that's ... if they choose to embarrass themselves, then they choose to embarrass themselves.

We've discussed that at some length, and we felt that we've got a right to 120 days — that's like four months — to get some response back to the Legislative Assembly. We're not saying that they have to have a definite sort of yes/no, black/white answer on every issue; but the government should be able to indicate to the Legislative Assembly that, look you adopted this report from the committee, here's their recommendations, here's the action that we've taken so far on those recommendations. That's fair ball. I think that ...

And if the government doesn't do that this time around, that the committee keeps tabs on that, and maybe we can ask the Clerk to fix a point 120 days

from now, and if there is no report that's, you know, tabled with the Clerk at that point, that the committee may want to ask some questions about that and raise that issue publicly.

We don't include minority reports, dissenting opinions, or reservations. We've never done that. It puts a lot more onus on the committee to thrash it out and to come to some agreement on things. Generally people feel that if you have minority reports, it just sets up a situation where you don't come to agreement. It encourages politics. It also encourages then the majority to make recommendations that are of little or no substance, or of little or no consequence, and for the minority then to put forward positions that are sure to be ignored; as opposed to, you know, having the committee sort of say, well what's reasonable under the circumstances.

The question of a financial plan I guess is one example of where, if the committee had minority reports and majority reports, my guess is the majority might have said, well we don't need the financial plans. And the minority would have said, well we need financial plans. As it turns out, the committee said, well, you know, I guess the concept is reasonable and it needs further looking at and the government should do that. So in which method are you further ahead?

I tend to believe that the latter where you have to ... the committee has to make one recommendation. And then the onus is on the committee to act reasonably and to be seen to be promoting accountability, will in the long run prevail and add to what the taxpayers want, and that's people working together to improve accountability.

The Committee may refer to any reviews of confidential evidence which it has conducted but shall not include the content of such evidence in its report.

I don't know if that's ever happened.

The Chair will table all committee reports in the Assembly.

And,

There shall be a systematic review by the Committee of government action and formal responses to the Committee's recommendation in order to complete the accountability cycle ...

I think we should do that. I think we should ask the Clerk to find out what date is 120 days after, you know, the last report or when the report was tabled in the legislature, adopted by the Legislative Assembly.

There's another question. In "Reports to the Assembly," it says: the committee shall report at least annually; the government to table a comprehensive report. And it doesn't sort of specifically state how that response is to be tabled. But I assume that if the Legislative Assembly is not in session, that the

government will table a response with the Speaker. is that in the same way that the *Public Accounts* . . . if the Legislative Assembly is not sitting, the *Public Accounts* are tabled with the Speaker?

**Mr. Kraus:** — Yes, to the Clerk. I believe the wording . . . I think the wording is "the Clerk." Through the Clerk we table it, yes.

**The Vice-Chair:** — Yes. Well I think that's reasonable then for, you know, this follow-up report from the government. What do you think, Gerry?

**Mr. Kraus:** — Yes, I would think so. I wonder would the Clerk then distribute it to all the MLAs (Member of Legislative Assembly)?

**The Vice-Chair:** — Yes.

**Mr. Kraus:** — That would seem reasonable. Because I think if you completed your report in the fall in prior years or in January or something, it would seem to me you would just hang onto it until the House came back. You're suggesting you'd just finalize it and distribute it to the Clerk and be done with it.

**The Vice-Chair:** — Yes. Well I think, like this last report, it was tabled with the Assembly just a few days ago. So I don't know what 120 days from there is, but four months — July sometime?

**A Member:** — Yes.

**The Vice-Chair:** — So in July then the government should be tabling a report with the Clerk on the follow-up on its response and its recommendations?

**Mr. Kraus:** — Yes. And as you say, it doesn't necessarily mean it's a yes/no, at least not an indication of its position and progress.

**The Vice-Chair:** — Or we don't agree with your recommendation or . . . You know?

**Mr. Kraus:** — Yes.

**The Vice-Chair:** — Verbatims. We prepare a verbatim for all committee meetings, and:

For *in camera* meetings, the committee will decide on the advisability of having confidential and unpublished verbatim transcripts and minutes.

So we can decide that even if we're meeting in camera, that nevertheless we want to have a verbatim.

Minutes for in camera meetings should record only attendance, subject-matter discussed . . .

So I guess there's two questions. I mean, if you meet in camera, do you also want a verbatim? And do you want a public verbatim or do you want a regular verbatim or do you want a confidential?

**Mr. Vaive:** — If the committee meets in camera and

especially, for instance, discusses the draft report in camera, it's probably a good idea to have a non-published verbatim to have something factual to refer to when drafting the report then. And it is kept confidential in the Clerk's office.

**The Vice-Chair:** — "Media relations."

The Committee will ensure that good working relations with the media are maintained.

But it's not something that the committee's really ever going to . . . discussed. I question, for example, whether this draft agenda . . . Is that circulated to the media?

**Mr. Vaive:** — It has.

**The Vice-Chair:** — It has. Which is why they're probably here in overwhelming numbers.

I suppose we might also ask the media if . . . I assume that these have been circulated to them?

**Mr. Vaive:** — No.

**The Vice-Chair:** — No? We could ask that the mandate and the *Operating Principles/Practice* be sent to the chair of the press gallery — I don't know how one would do this, but whoever is chairing the press gallery here — and say, look, this is something that's been adopted by the committee and there is some . . . especially where it talks about verbatims and so on — these are in camera meetings, these are issues that are of interest to the media.

If any of the reporters who normally cover the committee have any comments and questions on that, certainly get them to the Clerk or to the chair. I think that's not an unreasonable thing to do. And generally ask them if there's any other comments or concerns that they have about the operation of the committee that would facilitate their being able to cover the activities of the committee.

It's a strange thing — it seems like every time we go in camera they want to come in, and every time we hold public meetings they're nowhere to be found. But someday we'll figure this out, I guess . . . (inaudible interjection) . . . No, I think maybe we'll just . . . if there's things that we really, really don't want them in here for, then when we hold public meetings they won't show up. No comment?

**Mr. Vaive:** — Any documents that are public, then we can endeavour to make sure . . . that are distributed to all the members, make sure . . . and are public, make sure that the media also receives those.

**The Vice-Chair:** — "Resources":

The Committee will endeavour to obtain all necessary resources, including research support, to efficiently fulfil its role and responsibilities in an effective manner.

We've taken the point of view in the past that we would like to have more research support for the committee. It would be helpful to have someone work with the auditor's office and the members of the committee to identify sort of lines of inquiry that the committee might want to pursue, to zero in on some subjects. I know this is a valuable assistance that's provided to those committees that do have research, public accounts committees that do have research support, to help members develop lines of inquiry on certain subject areas.

But there's very few public accounts committees that . . . having granted the resources to be able to do that. Canada has that, and Ontario, and it may be some time before we have the resources to be able to do that. But nevertheless I continue to hold the point of view that it would be desirable to have that.

Now inasmuch as we don't have that, you know, then there's an onus on us to spend more time than we have in the past, I guess, to do the thing that a researcher might do. And that is to, you know, prioritize the issues at least in terms of departments that we want to zero in on.

And also, you know, if members have ideas as to how we might be able to get research support that doesn't call upon great and additional resources from the government, then we should look at that. Whether it's, you know, the Faculty of Administration co-op program or, I don't know, maybe some institute somewhere that wants to put somebody to work for a period of time doing this kind of work, or whether it's some accounting student that . . . I don't know, whether it's a journalism student that's got to do a field placement or a practicum placement, I don't know. If you have any ideas on resources that we might be able to use in that way, then let's take a look at them.

**Mr. Cline:** -There are certainly a number of students in the co-op program who become chartered accountants, and there are a fair number of them at the Faculty of Administration, I guess.

**Mr. Vaive:** — Mr. Chairman, I had verified a couple of years ago at the University of Regina in the student co-op program, and they would have students available but they're at the beginning of their university career. As well, the time parameters in which they make the students available are pretty strict in that, you know, September . . . by semester in September to January, and January to June and so forth, and doesn't really coincide with the time lines that the committee follows and fall intercession meetings and so forth. There would be a lack of continuity there.

**Mr. Kraus:** — We're talking about resources for the committee? I'd wonder, too, whether you would be better off with someone that had experience and who would feel comfortable addressing the committee.

Some of these young people have a lot of potential but they don't know anything, if you know what I mean, as a student. To have the experience and maturity and be able to put things in perspective, sometimes it's better if you've been around a little bit.

I'd wonder whether there would be people at the university that aren't students that might be available. I guess that probably isn't the case, is it . . . (inaudible interjection) . . . Yes, sabbatical people.

**The Vice-Chair:** — Well if you guys, through your association, can find anybody, let us know.

**Mr. Kraus:** — In these days there are a considerable number of people that aren't necessarily employed either. There might be more people available than you would think to do something like this.

**The Vice-Chair:** — But again, like, you know, I think it stands that if anyone of us at any point can identify something like that, then bring it back to the committee and let's talk about it.

**A Member:** — Retired deputy ministers.

**The Vice-Chair:** — Retired deputy ministers, yes.

**Ms. Crofford:** — I don't know, Harry. It seems that when something we're really going to do, someone — either the chairs or the vice-chair — should take a look at it. Because if you leave it just from the point of view of anybody could do it, it's not likely to happen.

And I don't know. I have a bit of faith in students. I mean they do work under the supervision or the direction of their professors. And we've got that little group of commerce students who did the budget exercise this year.

So it seems to me that they have the capability to do investigative work and certainly do in other areas of practicum, so I don't see why this would be any different really. But someone would have to pursue that. I don't think it'll happen just by accident.

**The Vice-Chair:** — Okay. But again, like, if you've got suggestions for follow up, then get hold of Harold and/or myself and we can certainly get the Clerk to put the wheels in motion to do some work on that.

"Professional Development," we're doing now. And:

The Steering Committee will be composed of the Chair and the Vice-Chair and the Members as the Committee deems necessary . . . meet in camera at the call of the Chair to propose to the Committee agencies and witnesses to be called, to assist in finalizing reports . . .

I guess some of that happens. It's not as formal as that, you know. It's a much more informal undertaking than that, but I guess you could call it a steering committee.

That's it. Bob tells me that we had CIC (Crown Investments Corporation) set down here to come on the 6th. And if they can't make that, there's a possibility they could come either next week on

Tuesday, March 30, or I guess three weeks hence on Tuesday, April 13, so that there may be a rotation of the order. Does that create problems for anyone? No?

**The Vice-Chair:** — Yes. That's it. We're adjourned.

The committee adjourned at 11 a.m.

**Mr. Kraus:** — Did you say that Don Ching could appear next Tuesday?

**The Vice-Chair:** — Maybe.

**Mr. Kraus:** — Possibly Don would be happy to change positions with him, because they're both setting the stage, aren't they?

**The Vice-Chair:** — That's it. And we'll be back here next week with somebody. Hopefully they won't be as long-winded as I am.

**Mr. Cline:** — I'd like to say, Mr. Chairman, that I found the presentation to be extremely useful and very well done.

**The Vice-Chair:** — That's good.

**Mr. Kraus:** — Mr. Chairman, just further to my discussions, would you and the new chairman be prepared to come to financial management council on April 7 and talk a little bit about the operating principles and the mandate?

It wouldn't have to be a long presentation. But I think I'd really like to see these directors or executive directors of administration have a chance to hear directly from you how you see the committee operating, and maybe more importantly, just a frank discussion on the kind of information you're expecting from them and their deputies.

These people are the ones that prepare an awful lot of the answers that you get in committee or any committee or in the legislature. And maybe just sort of a face to face . . .

**The Vice-Chair:** — Is that in the morning of April? What day is that?

**Mr. Kraus:** — Yes. I think that's a Wednesday. Is that a day that's open to you people? It's very difficult to find days when legislators are free or some of these offices aren't used by committees. And I think the 7th seemed to be one day that would work in the morning.

**The Vice-Chair:** — I'm not sure yet, Gerry, on that day.

**Mr. Kraus:** — Okay. We usually meet pretty early, like start it off at about 8 o'clock, unless you would prefer 9. I leave it to you people. We can certainly move it to 9 o'clock if you'd like that.

**The Vice-Chair:** — Well, no. That might be okay because then I could do my other thing on Wednesday morning.

**Mr. Kraus:** -Yes. We kind of get things out of the way by meeting early. Okay. I will confirm that with you people, maybe by phone and by letter both.