

Bill No. 41 — An Act respecting the Financial Administration of the Government of Saskatchewan

The Vice-Chairperson: — I'm going to call this meeting to order. This is the continuation of the consideration of Bill No. 41, An Act respecting the Financial Administration of the Government of Saskatchewan.

We have with us as a witness, Mr. John Wright. Thank you, Mr. Wright, for coming. And I should refer members to a motion of the Public Accounts Committee, September 10, 1987 — since there's no quorum present yet — which indicates:

... That the Committee authorizes the Chairman pursuant to Rule 90(2) to hold meetings to conduct hearings and receive evidence when a quorum is not present provided that a full quorum shall be required whenever a vote, resolution or other decision is taken by the Committee.

So I think at this point I'll continue and entertain questions of Mr. Wright and the other officials present. I believe that at the last meeting we had got to section 12. So I'll entertain a speakers' list at this point.

Okay, any questions on section 12?

Mr. Boyd: — Mr. Chairman, I was unaware that we couldn't ask questions. I thought Mr. Martens was simply asking questions up till section 12. Are we not allowed to go back to sections prior to section 12?

The Vice-Chairperson: — Oh yes, certainly. if you wish to ask questions on previous sections, I think that would be quite in order.

Clause 9

Mr. Boyd: — Good, thank you. I wanted to start with section 9.

9(1) The Lieutenant Governor in Council may appoint a Provincial Comptroller.

We touched on that a little bit the previous meeting. The government of the day has basically promised that appointments of higher officials within the government should be subject to the scrutiny of the Assembly. Certainly while we have a extremely competent comptroller today and hopefully for a long, long time into the future, one can never comment on the, I guess, the competence of the future comptroller. And while I think it ... So I just wanted your thoughts on whether or not Mr. Wright feels it would be appropriate that the Assembly should have some input into the Provincial Comptroller or whether he feels that it is within his responsibility only to hire into that position.

Mr. Wright: — I think, Mr. Chairman, as the situation currently stands, that it is the responsibility of the

deputy minister through the Public Service Commission to do the hiring process. However in fairness and in balance, I would like to think that it may be appropriate that the deputy minister of Finance, through his minister or through other mechanisms, is so requested to consult with the Public Accounts Committee and lay before the Public Accounts Committee, perhaps as a suggestion, the short list of individuals. But ultimately the decision, I believe, remains mine.

Mr. Boyd: — You're not, Mr. Chairman, I presume you're not prepared to relinquish that responsibility in any respect.

Mr. Wright: — At this point in time, in fairness no.

Mr. Boyd: — Mr. Chairman, Mr. Wright, so just to be clear here, essentially we have no tenure for the public auditor but we would have ... in all due respect we have tenure for the comptroller.

Mr. Wright: — You have tenure for the comptroller as you do for other public servants of his stature. That's correct. He is treated in accordance with the Public Service Commission regulations dealing with hiring process and he is treated no differently than anyone else of his stature consistency.

Mr. Boyd: — In light of the Premier's comments with respect to basically higher officials within the government — his commitment was that it should be subject to the approval of the Assembly — How do you view those comments?

Mr. Wright: — I'm not familiar to be honest and to be sure with respect to the Premier's comments about that. I'm not aware currently that deputy ministers are subject to the approval and scrutiny of the Legislative Assembly. Given that context I think it would be appropriate that if we were to move in that regard, that you begin at the top and then we could consider perhaps the comptroller.

Mr. Boyd: — The top being?

Mr. Wright: — The deputy ministers.

Mr. Boyd: — Do you think that that would be an appropriate thing that a government should be addressing?

Mr. Wright: — I think that that's subjective and beyond my capability to answer.

Mr. Boyd: — Okay. That concludes anything I had up till that section 12, if you want to start ...

The Vice-Chairperson: — Mr. Van Mulligen, did you have any questions on sections preceding section 12?

Mr. Van Mulligen: — No, not really. No I don't. But I just want to say that unlike the Crown Corporations Committee where it's the practice of members to be given the floor and to exhaust the whole list of

questions that members have, that the practice in this committee is for all members to . . . that we move along step by step, and at each step of the way that all members are given an opportunity to make their contribution, unlike the practice in Crown Corporation.

The Vice-Chairperson: — Is it your suggestion that we do this section by section?

Mr. Van Mulligen: — Well we're doing that now, and all I'm saying is that we don't have to wait for each member to go through the Act and raise their concerns about the sections and then go through it again from the beginning. But you know, if there's any other . . . I don't know what section we're on but . . .

The Vice-Chairperson: — I think what Mr. Boyd was . . . that Mr. Martens had the floor last time and had gone through several sections, but he didn't have an opportunity to go through the sections that Mr. Martens had covered.

But I take it we're agreed that what we're going to do is deal with this section by section. So we're on section 12, and I'll take the speakers' list with respect to anyone that has questions respecting that section.

Any questions on section 12?

Clause 12

Mr. Boyd: — Mr. Chairman, thank you: Section:

12(1) The minister shall prepare the estimates in any form that the board may direct and shall present the estimates to the Legislative Assembly.

I'm just wondering . . . I don't think that this board exists . . . or I mean the information exists just for the board, but should be certified by the Provincial Auditor and gone through by the Provincial Auditor as well. Do you, Mr. Wright, have any thoughts on that?

Mr. Wright: — I do not agree. That is well beyond the purview in my professional opinion of the role of the Provincial Auditor.

Mr. Boyd: — In section 12(3), should financial statements be prepared for each public agency? Another section added, essentially. You know, another clause added?

Mr. Kraus: — Are you saying, or is your question, should there be a budget for all of the other agencies?

Mr. Boyd: — Yes.

Mr. Wright: — Could you elucidate upon that? Expand, please.

Mr. Boyd: — Well I guess it's my feeling that there isn't enough information available within a number of departments and whether or not there should be financial statements issued for each one of the public

agencies.

Mr. Wright: — What, Mr. Chairman, if I may, what his section deals with is the *Estimates* of the province, not the financial statements *per se* of the province. I think there's a distinction here.

Certainly with respect to the financial statements of the province, clearly if you are suggesting should there be a role for the Provincial Auditor, clearly there is. He is the auditor of many, if not most, if not all, of the financial statements pertaining to the General Revenue Fund of the province.

With respect to the *Estimates*, I believe I made a commitment, Mr. Chairman, previously at the last session that we had — last week, I believe — that certainly the Department of Finance is more than prepared to entertain any thoughts and means and mechanisms to improve the quality of the information that is provided in the *Estimates*. And that I welcome, as I indicated previously, the media to make those comments and suggestions, and I have done that to the media.

And again, I welcome the members of the Public Accounts Committee, either through this forum today to make their suggestions . . . We would want to contemplate each very carefully. And certainly we would respond more. We want to fulfil a very important role, which is to meet the needs of the members of the Legislative Assembly. Suggestions are more than welcome.

The Vice-Chairperson: — Okay. Any further questions on section 12?

Clause 13

The Vice-Chairperson: — Section 13, any questions?

Mr. Boyd: — Section 13(1), I'm not sure I quite understand this. That:

. . . the minister may, by virement, authorize and direct the transfer of sums from one subvote to another subvote in the same vote to the extent that these sums have not been previously committed or expended.

Does that mean, Mr. Wright, that within the total context of the statement that they could move money around in any way they want between, you know, complete different areas of that department?

Mr. Wright: — No, it does not mean that. It means that a virement process — and again let me deal with the process, if I may; I believe we touched upon it very, very quickly last time — the virement process is one of . . . a department may find that it has surplus funds for whatever reason in a certain area within its overall vote structure and a deficiency for whatever reason elsewhere.

The virement then goes forward to the Department of Finance for processing because it may want to move

funds from one subvote to another. The Department of Finance then scrutinizes this, scrutinizes the rationale, and if appropriate in the view of the Department of Finance, a request for a virement goes forward and is signed by the Minister of Finance, or it can be delegated. And in most cases, to be fair and frank again, it is signed by myself on behalf of the minister.

So a department cannot willy-nilly go about and do its own business. There is a scrutiny, there is a process. And all virements, in the final analysis, copies are provided clearly to the Provincial Auditor immediately, and clearly as well to the Provincial Comptroller. So there is a scrutiny process. It's not a willy-nilly process. And I'm sure you didn't mean to imply that it was, or suggest that.

Mr. Boyd: — No, certainly not. I just wondered that whether it can between subvote to subvote be . . . money be exchanged.

Mr. Wright: — Yes it can be. Yes.

Mr. Boyd: — Between subvote to subvote?

Mr. Wright: — That is correct. Within the overall vote structure money can be moved from subvote to subvote. It cannot be transferred or moved from vote to vote.

Mr. Boyd: — Within the department.

Mr. Wright: — Assuming the department constitutes one vote. That's correct.

Mr. Boyd: — Okay. So essentially I guess what my question is — I can't think of an example, but I'll just try and pick one out — supposing there was a million dollars allocated for salaries and \$2 million allocated for capital purchases, we'll say, not within the same subvote. Now supposing for one reason or another there's been a decision made not to go ahead with some capital purchase. You could move a million dollars out of that capital purchase budget into salaries if you chose.

Mr. Wright: — Strictly speaking, that's correct. Yes.

Mr. Boyd: — In your opinion, is there any need for a strengthening within that provision?

Mr. Wright: — No. Within my professional opinion, I think, and this is just my opinion, is that every deputy minister requires, or every manager, let's say, of a vote, requires certain flexibility in order to manage appropriately within that. I will use some examples and these are just hypothetical examples.

Within the Department of Finance it may be the case that we have not been able to purchase certain equipment for whatever reasons, or the demands over time change within one area of the Department of Finance. For example, in Mr. Kraus's area, he may have planned on making certain acquisitions. And he finds that the acquisitions, that he doesn't require them over the course of the year. Yet because

of demands elsewhere in the department, perhaps in the revenue division, that we notice an anomaly, or, gee, we need to get on with an improvement in the computers or in the audit practices as dealing with the revenue division and the collection. I require that flexibility as the deputy minister of Finance to move the monies. And to the extent that you hamstringing that, I believe, on a professional basis and on a personal basis that you reduce good management within a vote.

Mr. Boyd: — Does it also not lessen the role of the members in the legislature for their ability to hold accountable the department for spending in one area or another?

Mr. Wright: — No, I don't believe it does because I believe that is what this august group is all about. That at the end of the day when a manager such as myself does move money from one area to another, that I am called before the Public Accounts Committee, and upon the presentation of the *Public Accounts* audited by the Provincial Auditor and in conjunction with the auditor's report, I am called on the carpet, shall we say, to account for my actions as manager. And I'm quite pleased to do that, and I say that honestly and straightforward.

Mr. Sonntag: — Just a question as well. In the *Public Accounts* as well, does it not clearly show the virements?

Mr. Wright: — Yes it does.

Mr. Sonntag: — Okay.

Mr. Kraus: — In my orientation, not this year but several times, I've often indicated that one of the questions that you should entertain is asking why monies have been vired between the subvotes.

just as a matter of interest — we're I think just discussing this somewhat openly here — that it's not uncommon to see some monies vired into some subvotes more regularly than others. And I know I would ask a question as to why is there some difficulty in budgeting for a particular subvote.

Although I notice in this particular page I have open here for the '92 *Public Accounts* that . . . I won't mention the subvote, but in one department the subvote in question had excess monies and it was vired to a program area or another administrative area, And in another case, again this particular area was a bit short.

But you certainly have the information here to ask questions. And I think that's what this committee is empowered to do in part, is question how the monies have been spent and moved about.

The Vice-Chairperson: — Mr. Boyd, you have the floor. Do you have further questions with respect to section 13?

Mr. Boyd: — Yes. Does that . . . That's after the fact

though. The budgeting process is in advance of the fact. And so the members are able to basically hold the government accountable to knowing that this money is only going to be spent in this one area of the department. The checks that you mention are after the fact. The money's been spent and then you'll be able to see where it's been spent.

I just wonder whether there is a concern about moving it within the department like that after the fact or whether we should have some way of addressing that in advance of the fact.

Mr. Wright: — Virements are used for a whole variety of purposes. There may be situations that may arise from time to time while the legislature is in session, dealing with interim supply; that it is necessary to move money from one area to another area on a temporary basis and then to reverse that virement later on, once The Appropriation Act comes through.

As well, over the course of the year it may be necessary to do what I'll call reversible virements that you know right now that you need during this time period, be it that short, certain funds or what have you.

Virements come up for a variety of reasons. I guess if you wanted to — and I'm not suggesting it's right or wrong — if you wanted to strengthen the virement situation, I would caution on the downside that, one, you're hamstringing a manager to manage and to manage effectively, and I want you to know that.

Secondly, I think that what you're doing, in my view, is putting into place a whole new process that you may in the extreme require the legislature sitting 365 days of the year — which may be appropriate; I'm not here to judge that — because virements are an ongoing part of the equation.

On the up side, I leave it to you to be the judge of the political and the accountability merits associated with that. You would hamstring managers.

Mr. Boyd: — Mr. Chairman, Mr. Wright, well maybe we could use an example. Right now in northern Saskatchewan they're experiencing some difficulties with fires, forest fires. Within that department, supposing the budget isn't adequate to deal with that, how does that . . . Is there a virement used to transfer money from another area within that department, or is there some discretionary money available, or how does that work?

Mr. Wright: — Well strictly speaking, the Department of Finance in conjunction with the Department of Environment and Resource Management would scrutinize the budget and look for areas and ways and means to which that overexpenditure, should it be required, could be deferred . . . or not deferred but could be accommodated within the overall budget of Environment and Resource Management, necessitating a virement process but not a special warrant process. Our recommendations of course on this matter would go forward to Treasury Board and ultimately to cabinet to scrutinize and to see.

It may be of course the case that this is not possible, that there are no other savings within the department over the course of the year available and it may require, with due process, a special warrant over the course of the year in order to enable the available funds to be made to the department to undertake that.

Mr. Boyd: — Mr. Chairman, Mr. Wright, is that the way it's done normally then? Is the virement done first of all within the department to try and address the situation and then after that you look at a special warrant, or is there any . . .

Mr. Wright: — In the generics that's correct; that what the Department of Finance will do in conjunction with the department, is take a look at available dollars within the internal operations of the department, see what can be done over the course of the year to defray the incremental expenditures, and if appropriate, use a virement. That is a far preferred route; good financial management I believe would be the key phrase there.

If it is not possible to do so, for whatever reason, that even good management within the department can't defray the overall costs — fire-fighting is a good one because it can become extremely expensive over time — then a special warrant would be requested.

Mr. Boyd: — Is it the department deputy minister's level where the decision is made on a virement or is it the ministerial level, or where is the decision made?

Mr. Wright: — The decision for a request for virement comes from the deputy minister responsible. I always trust the deputy minister does so in consultation with his or her minister. It then comes forward to the Department of Finance for scrutiny. The Department of Finance then will process the virement, and I believe it's the chairman of Treasury Board on behalf of Treasury Board that signs it, although I do point out that authority for virements has been delegated . . . signing authority for virements, I should say, has been delegated to the deputy minister of Finance to approve.

Mr. Boyd: — So each and every virement within any department has to be scrutinized by the Department of Finance. May we ask questions of the auditor as well?

The Vice-Chairperson: — I don't see why not.

Mr. Boyd: — Do you have any concerns about virements that you would care to share with us? Is there anything that you feel needs to be addressed with respect to them?

Mr. Strelieff: — Mr. Chairman, and Mr. Boyd, I think what Mr. Wright has . . . the views that Mr. Wright has expressed are good, sound views, and I also agree with his comments on having managers provided the necessary flexibility to make those kind of decisions and note the comptroller's comments that they are reported publicly. And we get, as Mr. Wright said, we get them right away. So we're making sure that they

are following the process, but I think it makes sense.

Mr. Van Mulligen: — I just want to make a few comments. The member had some concerns about that somehow there should be greater accountability in the process, or the Legislative Assembly should have more of a role in determining what funds are voted and whether there should be any transferring of money between subvotes.

The Legislative Assembly does not vote specific amounts *per se* for subvotes. The vote that is put to the members in the final analysis is the total amount for a vote, or let's say for a department, and not for a subvote.

There is agreement that money be spent, I guess by way of convenience or way of progressing through the estimates, is agreement called for on items. And although the dollar amount may be given, that isn't necessarily required. So it's not a matter of members giving legislative approval to each subvote and each item; what members do is give approval to all of the monies for a vote. And so virements in my view, having said that, don't then diminish the rights of the Legislative Assembly to vote money to the government.

Also my experience on the committee is that the question of virements has, I think, only once been raised and then that was superseded by a whole host of other concerns coming out of the '86-87 *Public Accounts*, which was the fiscal year that enveloped the 1986 election campaign where there was this gross miscalculation on the part of the government of the day between the estimate that was put forward for the deficit and the deficit at the end of the year.

I think there was some concerns raised, if memory serves me correctly, about virements in those *Public Accounts*, but not since that time. And you know, the extent of the virements has never really been an issue since that time and even then it was only a minor concern.

The Vice-Chairperson: — All right. Any other comments or questions with respect to section 13? Hearing none, section 14. Any questions with respect to that section?

Clause 14

Mr. Boyd: — Thank you, Mr. Chairman. 14(b) where it says,

... and that the expense is urgently and immediately required for the public good;

I'm wondering whether the minister should have to essentially document what harm will occur if that warrant is not issued. Would that be a reasonable thing to ask?

Mr. Wright: — I'm sorry, Mr. Chairman, I really have no opinion on that. I believe currently the case is that through the supplementary estimates, for example, to

be debated, again after the fact, the members of the Legislative Assembly have the opportunity to question the minister as to the nature and the extent of that special warrant. Indeed it is after the fact. Beyond that I don't know if I can provide any more insight.

The Vice-Chairperson: — Any other questions on section 14? Hearing none, section 15. Any questions?

Clause 15

Mr. Boyd: —

15(1) The financial statements of the general revenue fund for each fiscal year shall be prepared by the Provincial Comptroller in accordance with the accounting policies established by the board.

Should it also be at the approval of the Provincial Auditor as well?

Mr. Kraus: — Somewhere in here, 17, it says:

The Provincial Auditor shall audit and issue a report on:

(a) the general revenue fund financial statements (which are those identified in 15); and

Then the next part, 17(b), also requires he issue a report on the financial statements produced as described in section 16 which are now known as the summary financial statements. So yes, that is addressed.

Mr. Van Mulligen: — They also say that the last time that we looked at the *Public Accounts* and the structure of the *Public Accounts*, that was done by this committee at the request of the Department of Finance. That is to say they asked the committee to review the *Public Accounts* and the financial statements as they were constructed and put forward a number of proposals to improve those.

And the committee, you might say it was by ... I think all the changes were ultimately made by agreement by both sides of the committee as to how the *Public Accounts* should be constructed, and that was then reflected in the *Public Accounts*.

So I certainly think that there's a role for a committee of the legislature to be consulted on this. You know, they're the people ultimately responsible.

The Vice-Chairperson: — Okay. Anything else on section 15?

Clause 16

The Vice-Chairperson: — Section 16?

Mr. Strelloff: — Could I just make another comment?

The Vice-Chairperson: — Yes. The Provincial Auditor

would just make a comment on 16.

Mr. Strelieff: — Mr. Chair, members, our office continues to recommend that the financial statements of the Government of Saskatchewan be required by law to be prepared in accordance with the recommendations of the Canadian Institute of Chartered Accountants. And that of course was also recommended by the Financial Management Review Commission. And section 16 would be a place to put that in.

Mr. Van Mulligen: — I'd like to ask the auditor something about that. Not that many months ago the committee had a very extensive discussion on that very point as to whether or not the government should, on the one hand, simply adopt the accounting principles and standards of the Public Sector Accounting and Auditing Committee of the Canadian institute of Chartered Accountants, or whether the government should go to the step of adopting those or putting that into law that they follow those.

The committee had a discussion on that and the committee then made a recommendation to the Legislative Assembly to the effect that the government should adopt those standards but not go the step of putting that into law.

And without going back into the reasons for that and there's good reasons why one may not want to put that into law — the question I have for the auditor is: that recommendation having been made by the committee, that recommendation then having been adopted by the Legislative Assembly that it wants to go that way, at what point does the auditor say, well that's the direction of the Legislative Assembly?

Or does the auditor feel that new information has arisen since the last time the committee discussed this and the last time that the Legislative Assembly formally adopted and took the position the government should adopt the accounting standards as opposed to putting them into law. I'm just curious. At what point does the auditor accept the results of a discussion here and a vote to the Legislative Assembly saying well, this is the policy that we recommend as opposed to saying, well I don't really care what the committee has said, and I don't care what the Legislative Assembly has adopted. I continue to espouse my point of view. I'm just curious on that. I don't frankly understand that.

Mr. Strelieff: — Mr. Chairman, and members, the financial statements of the province at present are not prepared in accordance with the recommendations of the Canadian Institute of Chartered Accountants. Now you've noted that this committee has recommended that they do, so I think it's important for me to note that and then to point out that perhaps, since the recommendation of the committee hasn't been followed completely, that perhaps the more prudent path is to put it in law, following a similar practice that is normally required in the private sector where by law they are required to follow the recommendations of the Canadian Institute of

Chartered Accountants.

As a result I thought it was reasonable for my office to continue to point out that, particularly since the recommendations have not been fully adopted to date.

Mr. Van Mulligen: — Well like you didn't point that out. You just simply said you continue to recommend that it should be enshrined in legislation. We said that, you know, and the Legislative Assembly agreed, that we encourage the government to move towards the use of these principles for the preparation of financial plans and budgets. And I guess I would like to know as a member of the committee if you see that the government hasn't been taking steps in that direction or in what ways the government isn't moving or doing that, then I'd like to know that so the committee can continue to discuss that.

But I guess I'd like to know that, as a result of what we agreed to here as opposed to simply saying, well I continue to recommend that it should be in law. You know, you're moving from your own perception of the problem to the solution without sort of coming back to the committee and saying well here's your discussion and here's my report on how the government has behaved and how the government has responded to the policy of the Legislative Assembly. I don't . . .

Mr. Strelieff: — So, Mr. Chairman, Mr. Van Mulligen, when I make that recommendation, would you rather that I go through the step . . . the history of it, that . . .

Mr. Van Mulligen: — The committee took the point of view that it didn't want the government to enshrine in law . . . it was a recommendation that Gass had made and you had made. And the committee said no, we think the government should adopt these, and the government should move towards the use of these principles for the preparation of financial plans and budgets. That's the position the committee took and the Legislative Assembly took.

I guess I would like to know as a member of the committee at some point in your reports how you see the government living up to that particular recommendation. I'd also like to hear from the government within 120 days from the tabling or the acceptance of the report in the Legislative Assembly as to how they see the government responding to that. But I'd like to get your comments on that so at some future time the committee then might discuss it.

I haven't been given any evidence to suggest that, notwithstanding our discussion some few months ago, having been given evidence that the government is seriously falling back in terms of moving towards these principles, that there's been serious problems that have arisen, notwithstanding what the Legislative Assembly has had to say. And that therefore suggested the committee might want to take a different approach or make some different recommendations to the Legislative Assembly.

I guess I rely on you to do that, but I haven't seen that.

All you simply said, well I continue to maintain my position I took earlier, without coming back to the committee with benefit of any analysis of why the committee might want to change its position.

Mr. Strelieff: — Mr. Chair, members, then my understanding of that is that when the financial statements of the province are issued, say, for '92-93 and if after our analysis it looks like there hasn't been movement forward towards adopting more fully the recommendations of the Canadian Institute of Chartered Accountants, at that stage you would want me to come back and say, here's what's happened and here's some alternatives that you may want to consider.

Mr. Van Mulligen: — I think that would be a good idea.

Mr. Strelieff: — Okay. I shall do that then.

Mr. Van Mulligen: — You know, as opposed to simply saying, well here's the position I took before and I want you to, you know, just put it into law again. I mean, like that's . . . the committee went through some discussion, some process, and I'm saying the committee will, regardless, say, I want you to change your mind on this. I don't quite follow the sequence.

Mr. Strelieff: — Okay, I understand.

The Vice-Chairperson: — Okay. Anything else on section 16? Section 17? Hearing nothing, section 18?

Clause 18

Mr. Boyd: — Mr. Chairman, thank you. 18(5)(a):

. . . Clerk of the Legislative Assembly shall:

(a) cause copies of the public accounts to be delivered to all members of the Standing Committee on Public Accounts of the Legislative Assembly;

And I wonder if we shouldn't also make those copies available to any MLA (Member of the Legislative Assembly) who so requests at that time.

Ms. Ronyk: — Thank you, Mr. Chairman, Mr. Boyd. The first time that this provision actually did take place was last October and indeed when the *Public Accounts* were delivered to the Clerk's office, they were distributed to all members at the same time and not just the Public Accounts Committee members, for the reasons I'm sure that you're interested in them.

Mr. Kraus: — Just a question of the Clerk. That is a practice that you would automatically follow given the wording of this section? That if it was to be distributed to the Public Accounts Committee it would normally be just as well distributed to other all MLAs?

Ms. Ronyk: — Yes it would be our practice. Because this section I think makes them a public document and

therefore we would always give them to all MLAs first or at least at the very same time that they were made public.

Mr. Van Mulligen: — I strongly support this section and what it's intended to do and that is to make sure that notwithstanding anything else, that members of the Legislative Assembly are going to get the *Public Accounts* by a certain time. And that was only a few years ago that you had ministers of Finance playing silly games with the *Public Accounts*, just sitting on them, even though they're ready, refusing to release them for no good, apparent reason, simply saying, well we don't have to. As soon as it's practical for me, I can do it. And I don't care what it means. And if that means then you sort of end up reviewing those *Public Accounts* later rather than sooner, it doesn't matter. And this puts an end to those kind of silly games, and I think it's about time.

The Vice-Chairperson: — Okay, anything else on section 18?

Mr. Boyd: — Well then you wouldn't have any problem with just adding the: as any MLA so requests.

The Vice-Chairperson: — Well as I understand it, what Ms. Ronyk said — and correct me if I'm wrong — if this provision is worded as it is, it automatically means that every member would get it even though it says it goes to the members of the committee. It is a public document of a nature which automatically goes to each MLA because of the way this is worded?

Ms. Ronyk: — Mr. Chairman, I think because of the way this is worded, it is making it a public document. It's also a sessional paper which is required by law to be tabled. And our practice invariably with sessional papers is that they are distributed and made available to all members prior to being distributed to the press or anyone else. And so we would treat it the same way here. But I think it . . . you may want to ensure that by clarifying that it be released to all members, in this section.

The Vice-Chairperson: — Okay. Then perhaps what I would suggest, Mr. Boyd, is when we review this section by section after the general discussion, you may have an amendment to put forward at that point if you think it should be clarified.

Mr. Kraus: — just one small point here, and it's very technical. But it was our understanding that (5)(b), which wouldn't necessarily mean anything to anyone else, but that we were advised that that wording forced it to be distributed to all MLAs. Even though it doesn't say it, that's what it means. Is that not actually the case, Gwenn?

Ms. Ronyk: — Well that is the section I think that makes it a public document, and therefore our policy kicks in that we would give it first to all members prior to the public. But that maybe relies on our policy more than you may wish.

Mr. Sonntag: — Thank you, Mr. Chair. I just give

notice that I would move a motion of amendment that would in (5)(a) delete the words "of the Standing Committee on Public Accounts" so it would read "cause copies of the *Public Accounts* to be delivered to all members of the Legislative Assembly."

The Vice-Chairperson: — Okay. I'll just get that motion written out then.

Okay, maybe I'll just make a suggestion that we move on. And we will deal with the amendment, but so it can be prepared we'll continue with discussion. Anything else on section 18 other than the fact that we have to deal with the amendment? Okay, the Provincial Auditor has a question.

Mr. Strelloff: — Thank you, Mr. Chair. I note that now the *Public Accounts* do include all the financial statements of all the government organizations. And that's what's going to be happening. And I'm wondering if it might be reasonable to include that as part of 18 too, that the *Public Accounts* do include ... they're moving towards them on a recommendation of the Public Accounts Committee, and perhaps it might be reasonable to include a provision that ensures that all financial statements of all government organizations are included in the *Public Accounts* to ensure that it happens on an ongoing basis.

The Vice-Chairperson: — Do you have any comment on that, Mr. Wright?

Mr. Wright: — No, I have no comment at this time. We have no comment.

The Vice-Chairperson: — Okay, anything else on section 18?

Mr. Boyd: — I just wanted to know what other committee members feel about what the auditor just said. That seems like a fairly reasonable request that could be added to this.

The Vice-Chairperson: — Well if anybody has any comment, they're certainly free to make it when I invite them to make any comments or ask any questions on section 18, and all of the committee members are free to propose an amendment if they feel that that's appropriate. Is there in fact any comment or amendment with respect to section 18?

Mr. Boyd: — Well I'd be prepared to make an amendment at a later date on that one.

The Vice-Chairperson: — Okay, why don't we move along, and if you want to prepare an amendment, Mr. Boyd, you could do so, and we'll come back to that.

Section 19, are there any questions or comments with respect to section 19?

Mr. McPherson: — Are we dealing with section 18?

The Vice-Chairperson: — We're dealing with section 19, but if you have a question ...

Mr. McPherson: — All right, I'll come back ...

The Vice-Chairperson: — Section 18?

Mr. McPherson: — Right.

The Vice-Chairperson: — Certainly.

Mr. McPherson: — Of the auditor, how will that tabling of other financial statements with *Public Accounts* affect the timing of the tabling of *Public Accounts*?

Mr. Strelloff: — Mr. Chairman, members, I think it shouldn't affect the timing. I know this past year, we got the October 31 *Public Accounts* out for the first time, and I think it's the intention of the government you may want to ask them this — but I think it's the intention of the government to put in the *Public Accounts* all the financial statements of the government for this year so that would just bring to life what the intention is.

And my understanding of the ones that ... and it's this committee's recommendation too that ...

Mr. Wright: — Mr. Chairman, if I may just provide certainly from the Department of Finance's perspective, is that pursuant to I believe The Tabling of Documents Act and other pieces of legislation dealing with various financial statements, all the financial statements of the government in its size must be tabled in some form or fashion in the House. And in many ways, as a layperson ... I'm not an accountant by trade; I'm equally from a very subjective science called economics.

What the Provincial Auditor may be suggesting — and I hope not — is what I would call duplication, duplication of effort. These financial statements are available in the House to the members of the Legislative Assembly, are available in libraries to the members of the public, and are made available wherever they're requested throughout the world. If you included in the *Public Accounts* the tabling of all of this, I'm afraid I would call it duplication of effort at an incremental cost to the public, to the taxpayer.

And I would question in my own professional judgement here why this is necessary when the information is already there. I would ask members of the committee not to put this onus upon the Department of Finance through an amendment of this nature. There is a hard dollar-and-cent cost with reproducing this information every time. And I guess what I'd like to say is producing information for the sake of producing it, I guess I question the value of that when it's already available in other forms.

So I guess I disagree with the Provincial Auditor. I look at it as a layperson, as we all should from time to time, and the *Public Accounts* sit approximately 8 to 12 inches thick as it is right now. To add another several inches to this, I question the value of that, both from a financial perspective and from a public information perspective when it's currently available already. This

is clear duplication.

Mr. Strelloff: — Mr. Chair, members, my recollection of the discussion in the Public Accounts Committee when they recommended or when you recommended this was that the *Public Accounts* is the document that gets referred to this committee and not the individual financial statements. So that to have a complete set of information referred to you, you wanted to make sure that the *Public Accounts* were complete and then the *Public Accounts* get referred to this committee for study. And I think that underlied — underlied? — your recommendation that all government financial statements be included in the *Public Accounts* so that they can be referred to you for study and examination.

Mr. Kraus: — On principle, we're trying to follow in this Act — one that we've talked a bit about with some of our federal colleagues — is to try to move as much administrative detail from the Act as possible. I think what you do is you hamstringing the government and the Department of Finance in terms of improving accountability.

If I might say, the more detailed requirements you put in the Act . . . the legislature isn't like a Treasury Board or a board of directors that you can go to every month at least. As you know, it's very difficult to change legislation or amend legislation, and so that's why we really feel that there's a lot of merit in leaving the format of the *Public Accounts* with the Treasury Board.

I don't think you can manage . . . or rather legislate good management and good accountability. I mean you can give obviously some strong guidelines in the legislation.

But to some degree I think you have to leave it up to the Treasury Board and the Department of Finance to keep improving as required without having to come back and change specific requirements. And whether every financial statement should be in those two thick volumes or not at any time is a matter of opinion, and certainly we have quite a few of them in there; more are going to move in. Whether each and every one should be there is a matter of academic, I suppose, and professional debate.

The Vice-Chairperson: — Okay, I'm going to make a suggestion here. Since we have had discussion of one amendment that I have before me and another one that I believe Mr. Boyd may want to move, perhaps we should deal with those amendments now that we're on this section while the discussion is in our minds. Is that agreeable?

I have a motion by Mr. Sonntag:

That clause 18 of the printed Bill be amended by deleting the words "of the Standing Committee on Public Accounts" where they appear in clause 5(a) thereof.

We've had discussion on the amendment. Is there any further discussion.

Mr. Van Mulligen: — This clause has no sort of practical concerns whatsoever, I guess, save for the Clerk's office.

Ms. Ronyk: — As long as it isn't interpreted too strictly. These are tabled in October, and members aren't here. We find that members need to have their copies here, not out in their constituencies. So what we did last October was we sent the members' copies to their caucus offices and had the caucus offices check with the members to see whether they wanted to have them here in their offices for them or whether they wanted to have them sent out to them in their homes or constituencies. And if that remains satisfactory, and that's how we would interpret "delivered," that then doesn't pose any problem for us.

Mr. Van Mulligen: — Yes, it's okay.

The Vice-Chairperson: — Okay. Are you ready for the question? All those in favour? And it's carried unanimously.

We'll assume that the amendment is made, but we won't adopt the clause as amended until we go through it clause by clause.

Mr. Boyd, do you have an amendment with respect to section . . . is it subsection 2?

Mr. Boyd: — Yes, 18(2):

That Clause 18 of the printed Bill be amended by adding immediately after clause (2)(b) thereof the following clause:

"(b.1) the financial statements of all Crown corporations;"

The Vice-Chairperson: — Okay. Mr. Boyd has made a motion. There has been some discussion on the motion. Is there further discussion, or are you ready for the question?

Mr. Van Mulligen: — When I look at the recommendation that the committee made before . . . and we had some discussion on it. I've got to admit that we didn't spend as much time on it as we probably would have liked because we did spend a great deal of time discussing other issues. I certainly wouldn't be opposed to looking at this question again at some future time. Whether I'd want to put into law at this point is not something that I would, you know, want to do. But I'd be open to looking at the question again at some future time and exploring it in some greater detail.

Frankly it hasn't had the kind of priority in the last year with the committee that perhaps it deserves. The committee's had a lot of other things on its plate that we've discussed, that we've made progress on. But I'd be open to looking at it again at some future time, but I wouldn't want to go so far as to say well, this is it; you got to put it in law, and you got to comply. I guess I'd

like to understand all the nuances and all the arguments for and against and have a broader-ranging discussion on it than I think the time we've got here tonight to do that.

So I would at this point respectfully, you know, vote against the amendment but leave it open for the committee to look at it again.

Ms. Crofford: — I just want to be clear on what it is. It's the Crown corporations that you're suggesting is added? I think I would feel the same way. If we're going to make a decision about that, I'd like to have someone represented from that area to get their view of the pros and cons of the whole thing. I mean I'm not against it, but I don't like to make a quick decision in an area that I don't really know enough about, and so I would appreciate having a little bit longer to discuss this at a later date myself.

The Vice-Chairperson: — Any further discussion?

Mr. Boyd: — I'm having trouble understanding what you mean by a further date, amending it as total legislation in another session. Is that what your thoughts are?

Ms. Crofford: — Are you asking me? Because I can answer that. Basically it seems to me that the steady improvement of this area has been an incremental improvement that keeps moving year by year. And I don't think there is a problem with, on the next go-round, addressing the issues we haven't addressed this time. I don't have a problem with that.

Mr. Van Mulligen: — I mean we get a list of items every year that the auditor brings to our attention or that otherwise is brought to our attention and that requires our consideration. And we try to give all of them some due regard. But the reality of the matter is that we end up concentrating on a few items, on the ones that are the most important I guess in our view, and we deal with those. We make our recommendations and we move things along.

This didn't get quite the discussion that it might have this last time. Maybe it will next year; I don't know. It all depends on, you know, what we've got on our plate.

Again, I'm not opposed to looking at it, but I guess I'd like a broader-ranging discussion of what all the implications of it are, including things like differing fiscal years and all that stuff. But I wouldn't want to say, well, gee, you know, it's a good idea and therefore I'm going to put it into law. Maybe at some point that's appropriate; I don't know. But I wouldn't want to do that now without a great deal more discussion and understanding what the issues are.

The Vice-Chairperson: — Any further discussion? Hearing none, I'll put the question. The motion is:

That clause 18 of the printed Bill be amended by adding immediately after clause 2(b) thereof the following clause:

"(b.1) the financial statements of all Crown corporations;"

Those in favour of the motion? Those opposed? The motion is defeated.

Any further discussion with respect to section 18? Hearing none, section 19, questions or comments? Hearing none, section 20? Section 21 ?

Clause 21

Mr. Sonntag: — Thank you, Mr. Chairman. This is to Mr. Wright, and I don't know if this is fair to ask him to interpret the minister's statements or remarks on this. But in her remarks as it pertained to this section, she said that this section now allows for also the inclusion of trust companies as financial institutions. And with my heart still with the credit unions, does that also include credit unions?

Mr. Wright: — Yes, it does.

Mr. Sonntag: — Okay. Thank you. I thought it did, but it doesn't specifically say that.

Mr. Wright: — Of course it does.

Mr. Sonntag: — Thank you very much.

The Vice-Chairperson: — And I see that financial institution is defined in clause 20(i), Mr. Sonntag, and you'll be pleased to see that The Credit Union Act is specifically referred to.

Anything else on section 21? Section 22? 23?

Clause 23

Mr. Strelieff: — Mr. Chair, members, paragraph 23 uses the phrase "reserves" in the General Revenue Fund, but it doesn't define what a reserve is. And I was wondering if the officials could explain what exactly is a reserve and whether perhaps a definition of what a reserve is should be provided.

Mr. Wright: — Mr. Chairman, if I may, pursuant to the wind-up of the Heritage Fund last year, there were a number of reserves within the Heritage Fund. And I'm not sure of the exact phrase: the energy security reserve and the environmental protection reserve. This is to ensure the continuance of reserves of that nature. When we wound up the Heritage Fund, we moved the reserves to be part of at that time the Consolidated Fund and now the General Revenue Fund.

So when the Provincial Auditor asks what are they, those are clear examples.

Mr. Strelieff: — Mr. Chair, Mr. Wright, does that mean in your example that when the title of something has the name reserve in it, that's what this refers to, that where something has . . .

Mr. Wright: — Well no, of course not.

Mr. Strelloff: — Because you could put the title of a reserve into just about anything.

Mr. Wright: — Okay.

Mr. Strelloff: — Is there a live example now of a reserve?

Mr. Wright: — I just gave you two live examples: the environmental protection reserve and the energy security reserve. Again when we blew up . . . sorry. When we terminated the Heritage Fund, there were two reserves within there that we continued into the Consolidated Fund. Those are two clear examples of money that had been set aside for specific purposes.

The Vice-Chairperson: — Anything else on section 23? Section 24? Section 25?

Clause 26

Mr. Boyd: — Section 26(1):

(a) make regulations prescribing the amount of and requiring the payment of fees or charges for:

Should that not also require to be subject to approval of the Legislative Assembly?

Mr. Kraus: — The idea here is that these aren't revenue generating endeavours *per se* as much as they may be to at least recover some of the costs of some of the things that we produce and others would like.

And I'll give you an example. While we don't charge for our *Public Accounts*, the federal government does. We provide them as you may note at regional libraries. All of you people, certain financial institutions get at least the first couple of volumes of the *Public Accounts*, the financial statements, and some of the detail. We provide probably the provincial auditors across the land. The department of finances across the land all get a copy and so on, but we've always provided them for free.

There may come a time though when some of these parties, who we would argue are not from Saskatchewan and perhaps aren't entitled or they're not financial institutions, should be paying something at least to cover off some of the costs because it's expensive to produce. If the decision is made, yes we'll charge, not the cost necessarily as much as maybe just a bit of a nuisance fee. We'll charge a hundred bucks for the set. If they want them, they will pay it. Otherwise it just saves us printing these copies.

An Hon. Member: — A deterrent fee.

Mr. Kraus: — A deterrent fee, yes. That's what I think we might call it. And I think that's the idea.

You know, from time to time departments have charged for something of this sort in the past. And I

can't recall the examples, but the auditor has rightfully criticized the department in question, whoever it might be, because they didn't have an authority. And this to give a general authority where they can go to the Lieutenant Governor in Council when it seems appropriate to set a fee for something of that nature.

Other examples are program brochures or statistical documents or something of that sort. But I don't think they'd be considered to be revenue generating schemes *per se*.

Ms. Crofford: — I guess my comment on that is when we're involving places where there's large numbers of people affected and large sums of money involved, such as in the Crown corporations or the utilities, that discussion is had in the Crown Corporations Committee. And if there's anything that's troubled me about the debate in the legislature since I've been elected, it's the dwelling on the minutiae of government and not being able to see the forest for the trees.

So I would prefer to leave the trees within the department and as legislators deal a little bit more with the forest. So I kind of like this the way it is actually.

The Vice-Chairperson: — Okay. Anything else on section 26? Hearing nothing, section 27? Section 28? 29? 30? 31? 32? 33? 34?

Clause 32

Mr. Van Mulligen: — If I could just ask — 32 — I know we had this discussion a few years ago where you went from, I guess, satisfying yourself as to every payment being in accordance with the votes and so on, to where you establish procedures that they . . . you know, to satisfy yourself that a payment is lawful and proper in a charge and so on. Any report on that, Gerry? Is it . . .

Mr. Kraus: — Well so far my auditing staff are quite pleased with the results because they're able to look at things they feel are important in more detail. And in some cases, it's meant we're able to spend some time in departments, where we were doing everything from our desk before. At least then — we're talking about my payment people, not people in Terry's area, but in the accounting area — they're able to go out and look in some detail in areas where a lot of money is spent and satisfy themselves that the people are following, have adequate control, and where they don't, making specific recommendations.

That's for approving internal control. Now that's as opposed to being forced to look at approximately 70,000 payment requisitions. And you know what happens. You're just pushing paper through to get them through.

I'm not saying that my auditors haven't done a pretty good job, but you're still pushing paper. And by focusing on the important items — that's payments in excess of \$5,000 — it's hard to believe but most of the

payments are probably 2 or \$300 or less. And so you can take a low number like 5,000 and you're covering the majority of the payments, business expenses, advertising expenses; the things that we think are important, sensitive, whatever — grants of a non-reoccurring nature. I'm still having my auditors look at all of those things prior to payment.

But again because they get fewer of them, and they're only looking at the important ones, we think we're doing a better job in that regard too. So so far it's working out extremely well and I think it's been a morale boost for my staff; they feel they're doing a much better job than they were before, but ironically they're actually looking at less. But what they look at, they look at better.

Mr. Van Mulligen: — Is this something like . . . You expressed your support for this move when it was made and I wonder, is this something that you would then report on at some point, that this . . .

Mr. Strelloff: — Mr. Chair, members, we did have discussions with the comptroller's office when they were proposing to move this way, and we thought it was a good thing to do, and still do.

Mr. Van Mulligen: — It's not something you would then sort of comment on after the fact as to whether or not their procedures and so on were . . . Is this something you would review, whether his procedures are appropriate and so on?

Mr. Strelloff: — Mr. Chair, members, we do then look at how they handle that process to make sure that they are looking at . . . For example, over 5,000 seems to make sense.

The Vice-Chairperson: — Okay. Anything else on section 32? Section 33? Section 34?

Clause 34

Mr. Boyd: — Mr. Chairman, I wonder if Mr. Wright would take a few minutes to explain section 34(l)(b):

"net operating loss" means net operating loss as determined by the minister.

Mr. Wright: — Sorry, Mr. Chairman. I was just seeking some clarification on this.

The example here is best typified by the Crown Investments Corporation where, as a result of dividends drawn in but own source expenses, it may incur a net operating loss over the course of the year. This provision would enable us to make a payment to cover off that loss. It may be desirable to pay 100 per cent of the loss; alternatively it may be desirable for certain reasons to pay less than 100 per cent.

So when it says "net operating loss," in general terms what that means to the lay person is the . . . I believe for '92-93 the net operating loss for CIC (Crown Investments Corporation of Saskatchewan) is illustrated in the *Estimates*. The revised forecast was

around \$4 million, and that's what it's referring to.

Mr. Boyd: — Would it be appropriate then that we could set out the meaning of "net operating loss" in the front section — the meaning section — of the Bill to, you know, sort of clarify . . .

The Vice-Chairperson: — Well if I could make this comment, Mr. Boyd. I understand your question, that this may not be a good definition. But I think that, if I'm correct, these subclauses (a) and (b) are designed to be definition sections with respect to section 34. So I'm not sure it would make any difference if you moved them to the front. The question is whether 34(l)(b) is an adequate definition or not. And I think that's what you're concerned about.

Mr. Boyd: — Yes, that's the question.

The Vice-Chairperson: — Whether it's a full enough definition.

Mr. Wright: — I guess from our perspective it's intended to be a full definition in the sense that it provides . . . because it does say "as determined by the minister." There maybe cash losses versus other forms of losses in this. To be honest and to be sure, we're looking for some flexibility in this. Net operating loss is a general definition that we found adequate. I'm not sure, Gerry, do you want to . . .

Mr. Kraus: — Yes, and I guess that was what we were just talking about here. I think sometimes these losses are not . . . they aren't going to result in a cash deficiency and the minister may want the right to hand the money over to properly record the loss in the books of the province . . . in the books of the General Revenue Fund.

But then you really have the right to just take it back as well. And then again it may be determined that he wouldn't necessarily, or she wouldn't necessarily want to completely fund the loss as well because of the nature of what it is that caused the loss to occur.

The Vice-Chairperson: — With your permission, Mr. Boyd, may I ask a question?

Mr. Boyd: — Sure.

The Vice-Chairperson: — Are you meaning to say that what you're trying to attempt is that the minister may pay that portion of the net operating loss that he or she may wish to pay as opposed to the entire operating loss?

Mr. Kraus: — Yes.

The Vice-Chairperson: — But I think what Mr. Boyd is saying is, why don't we say that as opposed to trying to say that the net operating loss is as determined by the minister, which implies that the minister can decide in his or her discretion what the net operating loss is. In other words, would it meet your objective if the Bill said, net operating loss means such portion of the net operating loss as the minister wishes to pay.

Mr. Wright: — From our perspective, that would be acceptable.

The Vice-Chairperson: — That's what you mean to say.

Mr. Wright: — That's correct.

The Vice-Chairperson: — Well if someone wishes to make that amendment, then I think that might be agreeable to everybody. I can't do that because I'm in the chair.

Mr. Boyd: — Well I would move that amendment then. I forget the exact words he said there, but they sounded good enough to me.

The Vice-Chairperson: — Okay. So Mr. Boyd moves:

That section 340(1)(b) be amended to read:

"net operating loss means that portion of the net operating loss as the minister determines the minister wishes to pay."

Is what is intended.

Mr. Boyd: — Yes, something like that, anyway.

The Vice-Chairperson: — But I think what Mr. Boyd is moving is that it read, net operating loss means net operating loss as the . . . it means, such portion of the net operating loss as the minister wishes to pay.

Mr. Wright: — Mr. Chairman, if I may just provide you with an observation, which is you're saying the same thing as what we're trying to say here, and I know you're trying to get greater clarity, but it does come down with the same thing.

And so I'm just wondering, I just pose the question rhetorically, do you really want to amend it?

The Vice-Chairperson: — Well that's up to the committee.

Mr. Wright: — Yes, I'm sorry. Of course. I apologize.

The Vice-Chairperson: — Mr. Boyd has made a motion and is there discussion on that motion?

Mr. Van Mulligen: — If Mr. Wright wants to get some legal opinion, if that's what you're concerned about . . .

The Vice-Chairperson: — May I suggest that we move on until Mr. Cosman returns and he can have a look at it from a drafting point of view.

Mr. Wright: — I would appreciate that.

The Vice-Chairperson: — And we'll return to it. And in the meantime, are there other questions or comments with respect to section 34?

Mr. Van Mulligen: — Just that any such payments, it

seems to me, or any such grants if not anticipated in the *Estimates*, as they are I guess with, what, respect to CIC?

Mr. Wright: — That's correct.

Mr. Van Mulligen: — It would have to be reported as a supplement, supplementary estimate?

Mr. Wright: — Yes, it would. If it was in excess of the amount voted within the legislature, it would require a special warrant.

Mr. Van Mulligen: — Or if no such grant was anticipated?

Mr. Wright: — It would still require special warrant; an opening of a vote potentially, or a new subvote. That's what this Act would require in general is that, for example, STC (Saskatchewan Transportation Company) required a subsidy; the government deemed that it was appropriate. It would go through the normal channels: we would have to open up a subvote or a vote, as appropriate, through an order in council, and then we would have to provide a special warrant to that subvote in the amount required.

Mr. Van Mulligen: — The question I have then, what opportunity exists then for the Legislative Assembly to question the minister on that?

Mr. Wright: — During the supplementary estimates.

Mr. Van Mulligen: — Okay. That's good.

Mr. Strelloff: — Mr. Van Mulligen asked my question.

The Vice-Chairperson: — Anything else on section 34? Okay. Section 35? Section 36? Mr. Boyd?

Mr. Boyd: — 37.

The Vice-Chairperson: — Oh, 37.

Clause 37

Mr. Boyd: — 37(2):

After the end of a fiscal year, a payment may be made against a liability incurred before the end of the fiscal year if the liability is recorded by the Provincial Comptroller . . .

Should there, in the department's view, be any spending limit placed on that?

Mr. Kraus: — The spending limits are still the same as they've always been. It's just that under accrual accounting, we would now charge the appropriation for any expenses where the goods and services were received up to March 31. And if departments have received goods and services up to March 31, there will be a charge against the appropriation.

Now payment may not take place for some time, and therefore at March 31 what you do is you set this

charge up again. It's an expense. It's a charge against the appropriation. They still have to have monies in their appropriation. And we would set up a liability on our books. And when the payment is then made which might be in April; it might be in May. It might be in June; hopefully we're not paying that late — but then the payment would actually then be charged against the liability because when we set up the liability, we charge the appropriation in the first place. It's accounting for expenses the way you would account for expenses if you had your own company.

Mr. Boyd: — Is there a limit?

Mr. Kraus: — Oh yes, the limit is the monies that are appropriated by the legislature. This doesn't give departments one extra inch of spending.

Mr. Wright: — The comptroller would like that.

The Vice-Chairperson: — Okay. Anything else on section 37? Hearing none, I will move on to section 38.

Clause 38

Mr. Boyd: — Section 38(c):

any class of investments, in addition to those described in clauses (a) and (b), that the Lieutenant Governor in Council may authorize.

Shouldn't it also provide that a list of all such investments is included in the *Public Accounts*? Is that done currently?

Mr. Wright: — Excuse me, Mr. Chairman, we're just consulting here. I thought we're providing the schedule already in the *Public Accounts* that did list this, and I am just seeking clarification.

Mr. Chairman, we have all of our debt currently listed within the *Public Accounts* for clarification. A lot of the, what we could consider short-term investments, we don't. This may be . . . And I do apologize; I'd want to consult with my associate deputy minister in charge of treasury and debt management because this may be a very exhaustive list of short-term investments that may be just for 24 hours. I have this feeling that you would potentially come out with a 600-page volume because we do a tremendous number of transactions in any one day, and these transactions may be for periods even less than 24 hours.

And by way of example, we may trade an investment in the morning, move from one bond to another, purchase a bond and then because of the changes in the market by the afternoon have switched it three times. Now perhaps that's a rarity, but I think you're dealing with an incredible amount of information.

I would certainly, certainly make available that information to any member of the Legislative Assembly or member of the public that requested that. But to produce it each year, if we were to go that far,

Mr. Chairman, I would want to consult with one of my associate deputy ministers to find out the volume of that material.

Mr. Kraus: — If I could just add to John's comments. The description on the balance sheet is cash and short-term investments, and the reason it's with cash is because typically those short-term investments, as Mr. Wright has said, are very short duration. There's just notes probably . . . well some of them might be over the weekend, some of them might be 30, 60 days, but as you can appreciate we don't have a lot of money to invest *per se* in long term.

The job of the associate deputy is more one of raising debt. So these are just . . . would be temporary cash that we have and would be invested really in short-term bank notes and so on.

Mr. Wright: — And as a consequence, the volume of that I expect is quite substantial.

Mr. Boyd: — So the same would apply for 38(2) then with the disposal obviously of those.

Mr. Wright: — Indeed. A transaction requires the purchase of an investment and the disposal of an investment. So you're dealing with both sides. That's correct.

Mr. Boyd: — We're talking about significant sums then obviously?

Mr. Wright: — Well the sums can range quite substantially. On a cash management basis — and just by way of example, a fictitious example — we may have at a certain point in time cash of \$40 million to which we will divide up into a hundred different transactions. That would be what, approximately — I'd better watch myself — of \$400,000 per transaction. They can vary from nothing on a particular day, because there is no cash available for a short-term investment, through to substantial sums over the course of the year.

It's cash management and it depends upon payments by the federal government, payments, taxes. It equally so can depend upon certain transactions within our sinking funds and so on.

Mr. Boyd: — So this would refer only to very short-term investments.

Mr. Wright: — Generally that's correct. That's the general intention and that is correct.

It's predominantly related, Mr. Chairman, to short-term investments for cash management purposes, although there may be longer-term holds that we may have.

Mr. Van Mulligen: — I just want to suggest that if . . . I'm assuming that it will, and when the Department of Finance appears before the Public Accounts Committee, whether that might be in the fall and so on, that you could maybe have somebody along to

provide some written explanation of the cash management and how that works and how you administer this section and so on.

Mr. Wright: — Indeed, certainly, Mr. Chairman. My good associate deputy minister, who unfortunately could not be here, because we sort of sensed we were going to get into some of this tonight or the possibility, and I requested of him . . . we have several guests from the investment community from Europe over to visit with us, and it's very important that he had to be there tonight to discuss with them certain things. I do apologize but I had to send him there. I will ensure . . . and he would be delighted, Mr. Jones, to attend.

The Vice-Chairperson: — Okay. Anything else on section 38? Section 39?

Clause 39

Mr. Boyd: — With respect to section 39, is an appropriation required for this?

Mr. Kraus: — No, they do not need an appropriation for that. Those are just . . . well generally advances of relatively short period or expected to be a short period to Crown entities.

Mr. Wright: — Perhaps an example could be an advance to the Saskatchewan Crop Insurance Corporation pending repayment by the federal government of monies owing, that it may be a period of a deficiency for 30 days.

Mr. Boyd: — Are there any examples where it could be substantially longer than that?

Mr. Wright: — Well in the case of Crop Insurance it . . . in recent years it has been longer. Several years back Ottawa refused for what it considered good reasons to pay monies owing to the Government of Saskatchewan immediately. So it can vary. But the intention as I understand it — and Gerry, please help me out — is for just short-term.

Mr. Van Mulligen: — This is probably of no interest to anyone here, because if it was we wouldn't be here, but L.A. (Los Angeles) beat Toronto 3-2.

Mr. McPherson: — L.A. beat Toronto 3-2.

The Vice-Chairperson: — I can hardly imagine that someone would find that more interesting than what is occurring here.

Mr. Van Mulligen: — I knew no one would find it interesting.

The Vice-Chairperson: — But if you insist on bringing that kind of trivia to this meeting, I suppose there's nothing I can do about it.

Mr. Van Mulligen: — No you can't.

Mr. Sonntag: — I just ask that you don't bring that to a vote, Mr. Chair.

Mr. McPherson: — I think we should take an amendment to the score.

The Vice-Chairperson: — Okay. Anything else on section 39? Hearing nothing — section 40? Section 41 ? Section 42? Section 43? Section 44? Section 45?

Clause 46

Mr. Boyd: — Mr. Chairman, I wonder whether, under section 46(1), whether there should be another clause added to —no action taken or may be taken without the approval of the legislature if an amount of a loan guarantee exceeds a certain figure — we'll say, I don't know, half a million dollars or something.

Mr. Wright: — If I may, Mr. Chairman, that was in part a recommendation, very similar coming out of the Financial Management Review Commission.

Within the Department of Finance we have been pursuing this and exploring this. Loan guarantees are something that because of the very nature of them as a contingent liability of the Crown are extremely important.

We had reviewed internally within the department and had made a recommendation to my minister and ultimately to cabinet not to do it this year. We felt that internally to the department that there was much more work that needed to be done. just setting the dollar amount, trying to get that right, in and by itself, is a very tricky issue. What is appropriate? What isn't appropriate?

We are doing interprovincial comparisons, doing an analysis on that basis. In fact because of the nature of this, we're trying to do international. I would ask that . . . I would suggest first off that it is indeed very important, and all I would ask is that indulgence of the Department of Finance to pursue this over the next short while to make sure that whatever we put into law we get right and has a full hearing and explanation for all members of the Legislative Assembly.

So today if you wanted to propose an amendment, I guess I would pose rhetorically the question: what is the correct amount? And there is no truly correct amount. But we want to see how other jurisdictions are looking at this and I just ask for time on that.

Mr. Boyd: — Do other jurisdictions have that type of legislation? What kind of amounts do they . . .

Mr. Wright: — Not that I'm aware of at this point in time. And that's why we've moved beyond many of the provinces at this point. We're asking people to take a look at it.

Again, the Financial Management Review Commission recommended it, but if you're going to do something, do it right. So we do want to look at this.

Mr. Boyd: — What kind of thoughts do you have on what kind of amounts we would be looking at? Is that

half a million figure in the ballpark?

Mr. Wright: — Well let me give you an example of a half a million dollar figure — community bonds. We have community bonds under the previous administration and under the current administration that quite often did, have, and probably will exceed 500,000. So should that require — I say rhetorically the legislature's approval? So 500,000 is a tricky figure in and by itself.

Again I don't hold any personal view. I believe very importantly as we go through this, the appropriate process is to seek outside what is going on in the world elsewhere, to take a look at it, to make sure that, while 500,000 may be appropriate for program XYZ, it may be totally inappropriate for program ABC. And this is something that we have found over the last little while, that there isn't an awful lot of literature on this, nor are there a lot of examples to guide us through this.

And the debate within the Department of Finance has been one of: we don't know what the appropriate amount is at this point.

Mr. Boyd: — So it's not a question of should or shouldn't; it's a question of trying to pick out a figure that's appropriate.

Mr. Wright: — No, it's also a question of should or shouldn't as well. I think that again, that's part of it. I'm not saying I have a professional opinion at this point. I've asked for reports be undertaken and studies to be undertaken within the department to explore this.

So I think it would be fair to say as professionals we don't hold a viewpoint on should or shouldn't, nor do we hold a viewpoint on 500,000 versus a million versus 10 million versus 100 million at this point. We're trying to our job and trying to do it correctly such that when we do come before the Legislative Assembly we have all the i's dotted and the t's crossed.

Mr. Boyd: — How many guarantees are out there currently that would be in excess of \$500,000?

Mr. Wright: — We have the guarantees listed at the back of the *Public Accounts* in general terms, and then you can break down some of those guarantees to lesser amounts.

Again I use the community bonds as an example. While I believe we have approximately \$30 million worth of guarantees out there under that program, quite a substantial number of them, and I wouldn't want to speculate here, but quite a substantial number are less than 500,000.

Mr. Van Mulligen: — I think there's a broader question here of . . . At the point that the government departs significantly from the expenditures or the monies that were voted it, that there has to be some means of reporting or in some cases I guess even recall of the legislature to give approval or even some form of committee that can publicly question significant departures from the budget — not just borrowing *per*

se but any major departure.

And the question is, well how do you do that? I think as a committee we had a brief discussion on this in the context of your report from the financial management

Mr. Strelloff: — On loan guarantees.

Mr. Van Mulligen: — No, no. Not just loan guarantees; just transactions. We did make a recommendation that says, to enable legislators to better assess the relative merits of transactions or commitments before they are entered into by the government, the committee recommends that the government set up clearly specific objectives, criteria . . . (inaudible) . . . to determine whether those objectives are being achieved. Expected cost, management plan . . .

But it seemed to me we got sort of into the question of if there's going to be tremendous, huge, significant departures from what you got in your budget, then maybe there should be some opportunity to come back to the legislature or some committee of the legislature. And so it's not just a question of borrowing, but it's a question of any major departure.

The question is, what are the limits? I mean if your budget for fire fighting is \$27 million and you find that fire-fighting cost is going to go to \$54 million, should you recall the legislature to get approval for that? And most people would say, well no you shouldn't. On the other hand, a half a million dollar item somewhere else might be extremely significant.

There's a question here that if you depart significantly from what you budgeted, then the whole set of estimates that you provided that were voted upon by the Assembly, the monies that are voted, perhaps should go back to the Assembly or some appendage of that Assembly for some further discussion.

The concept is there but I don't know how the heck you would ever put that one into practice. But it's worthy of discussion, you know, by the committee.

The Vice-Chairperson: — Okay. Anything else on section 46? Hearing nothing, then anything on section 47?

Clause 47

Mr. Boyd: — 47(4) Is security here being defined differently than it is in the section at the front definitions? What's the reason . . . (inaudible interjection) . . . No it isn't. Oh yes, securities . . .

The Vice-Chairperson: — If I could make a comment. As I read it, this definition of security is only applicable with respect to section 3(e) which immediately precedes subsection (4) there. It is a different definition. It means security as defined earlier plus any additional security.

Anything else on section 47? Section 48?

Clause 48

Mr. Boyd: — Section 48(1):

Subject to any terms and conditions that the minister may set, the minister may advance to any Crown corporations any amounts borrowed pursuant to clause 47(3)(g) and that the Lieutenant Governor in Council may approve, without any further appropriation by the Legislative Assembly.

Why without any further appropriation from the Legislative Assembly? Where do you go?

Mr. Kraus: — Could you repeat the question? I'm sorry. Could you just repeat the question?

Mr. Boyd: — 48(1):

... without any further appropriation by the Legislative Assembly.

Shouldn't there be a further appropriation?

Mr. Wright: — No there ... sorry. In my professional opinion, Mr. Chairman, I do not believe that there should be. This is a statutory ... the intent is to make it statutory in nature. And I believe that this involves the repayment of debt that the province has incurred from time to time, for whatever purposes.

One of the key elements dealing with the investment community is to ensure that the statutory provision is there; that in fact we will honour in all cases and immediately our debt obligations.

So dealing with payment of borrowed monies, or repayment, I believe that this is intended to be statutory in nature and would, in my opinion — and I may have it wrong because I'm sort of scrambling here, Mr. Chairman — be extremely problematic for the credit rating of this province and be extremely problematic for those individuals and corporations who choose to invest.

I would urge the committee not to make any changes to this section.

The Vice-Chairperson: — Okay. Anything else on section 48? Section 49? Section 50?

Clause 50

Mr. Boyd: — Section 50(1)(b):

to sell those securities by private sale or by public tender, on any terms and conditions, to any person or persons and at any price that the minister may determine at the time or times of sale.

That seems to leave a lot of discretion to the minister. Should there also be a ... where terms and conditions or are prices less than the fair market value, should

they be reported in *Public Accounts*?

Mr. Wright: — That last phrase technically would be incorrect. If I may, Mr. Chairman, let me try to explain what it is that we do in private placement.

Private placement, all administrations that I've been involved in — previous administrations and current administrations — do from time to time what we call private placements. A private placement is whereby a certain firm or an individual, for whatever reason he or she may have, wishes to purchase securities tendered by the province of Saskatchewan.

Some examples in the past that we have maintained an excellent relationship with is Nippon Life. Nippon Life prefers to come directly, purchase our bonds, avoid commissions by so doing that would be paid to the intermediary or an investment agency. It is the role and the obligation of the Department of Finance, through the minister and through the Crown, to ensure that in all cases we are getting the best value for the money humanly possible and to protect the taxpayer of this province. To put any limitations on this could, depending upon how worded, significantly impede our ability to do private placements.

In addition it may be, because of the nature of bonds and the issuance of bonds, that fair market value is a very difficult concept when you're dealing with bonds. Often you may sell a bond for less than its face market value, \$100; you may sell that bond for \$99. In fact that is a common occurrence because in a bond there are two aspects that an investor can make money off of. One is the coupon on the bond, which is to say, the interest paid on that amount; and secondly is the capital gain associated with it.

So when an individual may for ... in a private placement may have particular reasons that he or she may want to purchase the bond at, say, \$80, but in turn because of the inverse relationship, have a — the lower the bond price, the higher the coupon value — may have what may seem like an inordinately high coupon value to it, 12 per cent; but when you equate it, it's the same as a normal market value.

Consequently your phraseology, fair market value, is a difficult one to determine from a legal viewpoint. Is it the face value of the bond? Is it the coupon on the bond, or is it the yield of the bond, that's the important facet?

I would encourage the members of the committee not to make a change to this section, but I do recognize what you're saying. I guess on any deal or on any issue, be it a private placement or a public offering through our normal investment syndicates either here, in the United States, or in Europe, or in Japan, one could always call it into question. And I believe the opposition have called into question from time to time and/or sought clarification on specific bond issues recently within the legislature.

Not to go on and on about this, but there were a number of questions asked about a recent

Deutschmark issue, that the coupon rate was 11 per cent which seemed very inordinate; but by the nature and the structure of the deal, in fact, in my professional opinion, we received a very good value for money with an overall yield — which is different than the coupon — of 9.08 per cent for 10-year money.

So if you make the changes here and if you should so choose, you would have to be extremely careful, and it would inhibit good management by all administrations — past, present, and into the future — dealing with private placements.

The Vice-Chairperson: — Okay. Anything else on section 50? All right.

I want to go back now to section 34(l)(b) where Mr. Boyd had made an amendment and we were waiting for Mr. Cosman to consider the amendment, which he's now done, and he's also had an opportunity to speak to Mr. Paton. And I want to ask Mr. Cosman and Mr. Paton for their comments, but not necessarily in that order. So who wants to go first?

Clause 34

Mr. Cosman: — Thank you, Mr. Chairman. In consultation with yourself and Mr. Paton, I've attempted to draft an amendment to this section but it's problematic in the sense that there are other references to "net operating loss" throughout the section.

We were attempting to perhaps delete the definition "net operating loss" in 34(l)(b) and add in at subsection (2) words to the effect that, "or such portion thereof as the minister may determine" where the words "net operating loss" were used.

But Mr. Paton points out that — and he may explain it better — that sometimes it's not just a portion of the net operating loss, that there may indeed be greater than or more than the net operating loss.

My fear here is that with my limited knowledge and resources as a draftsman here now, that it would be unwise for me to actually try to draft an amendment without proper consultation with the Department of Justice draftspersons, the legal adviser, and the financial advisers in the Department of Finance.

Mr. Paton: — We had a fair amount of discussion with our lawyer before we arrived at this wording, and we thought at that time it was appropriate. I think we understand the concern that's being raised, that there is some discretion being left to the Minister of Finance. I don't think that's what's intended. I think we can undertake to review and see if there is some more appropriate wording.

Because of the implications that there is throughout the Act, I think we'd hesitate to simply make a change here tonight and believe that it's solved all the problems.

The Vice-Chairperson: — Could I ask that once you've had an opportunity to . . . depending on what the committee wants to do here, that you communicate with the chair of the committee, with Mr. Martens, and perhaps with a copy to Mr. Boyd because it's his amendment. Because it's possible that, I suppose, an amendment could come forward at Committee of the Whole. And in the meantime I don't know if we want to . . . I'll ask Mr. Boyd if we want to table his amendment, or whether you wish to withdraw it at this time and consider it in Committee of the Whole in light of what the department may advise us.

Mr. Boyd: — I think we could withdraw it and deal with it further in the Committee of the Whole.

The Vice-Chairperson: — Okay. Is that acceptable to everyone? Did you want to make a comment, Mr. Sonntag?

Mr. Sonntag: — Oh, the only point was I don't think it was moved at all.

The Vice-Chairperson: — I think it was.

Mr. Sonntag: — Oh, excuse me, Mr. Chairman.

The Vice-Chairperson: — But in any event . . .

Mr. Van Mulligen: — Well just to clarify then, Department of Finance is going to check the wording on this then. If they see a need for improvements in light of the discussion here, then they'll communicate that to Mr. Martens and Mr. Boyd and suggest the appropriate amendment?

The Vice-Chairperson: — Okay, yes. Now at this point I want to get some guidance from the committee. We are at section 51. Mr. Martens indicated to me that he would be back from Ottawa this evening and would come to this committee. But of course with travel it's always possible that he could be detained, and he's not late at the moment.

But what I want to get your guidance about is, if we finish going through this Bill tonight, then I would think with Monday being a holiday perhaps we would not meet Tuesday morning, subject to what the committee says, because people may wish to travel from their homes that morning. If we do not finish this this evening — I'm in the committee's hands — but I would suggest that in view of the legislative agenda we probably would want to continue Tuesday morning with this Bill to attempt to try to finish it at that time.

And I wonder if we could have a brief discussion as to what the members wish to do. Do you wish to take a small break now and continue this evening and try to finish this, or do you wish to take a break, go on for a while but also sit as a committee on Tuesday morning?

Mr. Van Mulligen: — My personal preference would be to keep going — I think we are making good progress — just to get it done, as opposed to having

members having to drive in on Monday night.

Mr. Boyd: — Yes, well I certainly don't . . . I'm not really enthused about driving in on Monday evening to be here early enough for a Tuesday meeting. But on the other hand, I know Mr. Martens has concerns about a couple of these areas. I expected him at 8:30, was my understanding of when he was going to be arriving here this evening. So you know, I guess my concern is he has some concerns about certain clauses in the Bill and wouldn't want him to be excluded from the discussion.

The Vice-Chairperson: — Yes. Just to be clear, I should have said that I don't . . . if we continue and try to get the general discussion completed with respect to the Bill, I don't think I wish to put the clause-by-clause vote on the sections beyond section 12 because Mr. Martens has asked his questions with respect to them. So if we got to that point and he wasn't here, we would then stop, I think, so that he could be present to raise any concerns that he had.

Mr. Van Mulligen: — I wonder if we can agree to simply keep going and then to do the clause by clause and to entertain any further amendments that members of the committee might have and to agree that we await Mr. Martens either tonight and failing tonight . . . and to give him the opportunity to enter into the debate on any of the clauses that we may have covered or to propose any amendments that he feels are necessary, either tonight or by arrangements, maybe give him an hour at 11 o'clock on Tuesday morning or something like that.

The Vice-Chairperson: — Is that acceptable?

Mr. Van Mulligen: — So that we do what we can, but give him the opportunity either tonight if he shows up in time or to give him an hour later on, on Tuesday morning, you know, to deal with his specific concerns on the Bill.

Mr. Boyd: — Well I don't have a great deal of problem with that, I don't think. The meeting doesn't have to be Tuesday incidentally. I mean it's at the call of the chair, is it not?

Mr. Van Mulligen: — No.

Mr. Boyd: — This meeting was, wasn't it?

The Vice-Chairperson: — Yes. But I think we're scheduled to sit Tuesday normally during the session.

Mr. Boyd: — Can't there be a meeting called at any time?

Mr. Van Mulligen: — No. The committee has taken a position that it meets Tuesday mornings and between sessions at the call of the chair, but with the arrangement of the various members and the vice-chair and Ms. Haverstock. So we can always charge him to call another meeting. That's appropriate. I mean, we could do it Wednesday morning for an hour or something.

But then you don't know, like there's all kinds of other committees that, you know, the Clerk's office is quite anxious that they get going.

The Vice-Chairperson: — Okay. Well I think the consensus is that we're going to move on. And my question is: do you want to take a short break before we move on or do you wish to . . . (inaudible interjection) . . . Okay.

Then section 51. Any questions or comments?

Section 51

Mr. Boyd: — Mr. Chairman, Mr. Wright, section 51(a):

one dollar of the United States of America is deemed to be the equivalent of one Canadian dollar;

I'm just wondering about that, if you could explain that to me. Maybe that's wishful thinking, but it isn't the reality. And I just wondered what the thought was behind that.

Mr. Kraus: — That's for the purpose of calculating the borrowing limit, but it wouldn't follow through to the accounting of it; I mean, on the financial statements of the province. If there are foreign borrowings, they're converted to Canadian dollars for financial reporting purposes. But this is for the purpose of calculating borrowing limits.

Mr. Boyd: — Does that mean that if you went into the United States to borrow money you could borrow effectively 25 per cent more than if you were borrowing from Canadian institutions because of the difference in the relationship between the Canadian and American dollar?

Mr. Wright: — I'm sorry, Mr. Chairman, I'm just reviewing this, if you could bear with me for a couple of seconds. I'm sorry, Mr. Chairman, I just simply don't have an answer to that at this point in time. This portion of it is fairly complex, and I do apologize; I just don't have an answer. I'd have to seek that out for the good member of the committee.

The Vice-Chairperson: — Perhaps it would be in order to . . . well we can consider this further. And, Mr. Wright, if you could perhaps undertake to attempt to get an answer to the chair, with a copy to Mr. Boyd, and if that was done before we complete consideration of this Bill in this committee, then if there was an amendment arising or further questions, Mr. Boyd could ask them. And if the explanation was satisfactory, then that would be the end of it.

And if it was not answered before we complete consideration of the Bill, then Mr. Boyd would have an opportunity to return to it in Committee of the Whole. Would that be acceptable? Okay.

Mr. Boyd: — Yes, agreed.

The Vice-Chairperson: — Anything else on section 51? Section 52? Section 53, 54, 55, 56, 57, 58, 59, 60 — and if anybody shouts bingo . . . 61,62,63,64,65, 66?

Clause 66

Mr. Boyd: — Mr. Chairman, 66(l)(b):

The minister may cause a notice to be served on a person or that person's personal representative where the minister has reason to believe that the person:

(b) has received public money for which the person is accountable and has not duly accounted for it;

The Vice-Chairperson: — That's 66(l)(b)?

Mr. Boyd: — 66(l)(b), right. And I guess the question arising out of that, does this have implications for situations like the court case that's ongoing right now with Judy Bellay out at Swift Current where the government is contending that she has received money from a department that she wasn't supposed to be receiving money from?

Mr. Wright: — I'm sorry, I'm not familiar with the court case out there. Gerry?

Mr. Kraus: — I don't believe I . . . we wouldn't be familiar with what law or whatever that justice was . . . or whatever was being used to make those charges. I couldn't speak to that.

Mr. Paton: — No, I can't speak to this specific case either. But this does refer to the accounting for public money and I don't believe that lady was in receipt of public money. She was in receipt of a salary or a wage, if I'm not mistaken, that's being disputed whether or not she should have received it. I don't believe that would constitute public money.

The Vice-Chairperson: — I have a question, then I'll recognize you, Mr. Van Mulligen.

My recollection of The Financial Administration Act, the present Act, is that it contains a section very similar to this one. Am I right?

Mr. Kraus: — Oh, yes. This Act is very, very similar. There's the odd word's been changed, but section 62 in the old Act . . . Like this particular part you're talking about, 66(l)(a) and (b) and (c), is identical to section 62(l) in the current Act. Identical.

The Vice-Chairperson: — Okay. Thank you.

Mr. Van Mulligen: — I just want to caution the committee to not enter into a discussion of legal proceedings and to speculate on these proceedings lest the comments that are made in this committee and which are transcribed, may in any way implicate those proceedings.

The Vice-Chairperson: — Okay. Any further questions or discussion on section 66? Hearing none, section 67, 68, 69, 70, 71, 72, 73, 74, 75, 76?

Mr. Van Mulligen: — Mr. Chairman, I think we're, starting at about section 18, that we started to accept amendments; whereas the process prior to that had been that . . . just generally raising concerns. I might suggest that if members now have any amendments with respect to sections 1 through up until 18, I guess, or any other amendments that we deal with those at this point, recognizing that Mr. Martens and I guess Ms. Haverstock too will have an opportunity to also make those at some point. But if any other member has them now, then let's deal with them.

The Vice-Chairperson: — I would prefer to deal with sections 1 to 12. I think Mr. Martens has had an opportunity to ask questions and make any comments with respect to 1 to 12. I don't believe he has any amendments with respect to them. Do you know, Mr. Boyd?

Mr. Boyd: — No, I don't. He may have as a result of the discussion. I don't know, but . . .

The Vice-Chairperson: — Yes, I would not want to vote any of the clauses off beyond section 12 in any event. And I wonder — because I think Mr. Martens may have some questions or amendments or comments -and I wonder therefore whether we should even bother voting off 1 to 12 because there is 76 sections.

Mr. Van Mulligen: — No, no I'm not suggesting necessarily that we vote them off although that's an alternative for the committee to consider. But what I'm saying is that if . . . the discussion as I understood it or the structure of the discussion, the format, was that we got into a general discussion on these clauses, and we didn't entertain any amendments. So I don't know if anybody else in the committee has any amendments on those clauses.

The Vice-Chairperson: — You're talking about clauses 1 to 18.

Mr. Van Mulligen: — Yes.

The Vice-Chairperson: — Okay. Well then let's put that question. Does anyone here — this doesn't preclude Mr. Martens or Ms. Haverstock from proposing amendments when we meet again — have any amendments with respect to clauses 1 to 17 inclusive, I guess, that you wish to have dealt with by the committee? If so we could deal with those now.

And I don't see any, so I assume that there are none from the members here, but Ms. Haverstock or Mr. Martens may have some. And I would suggest that perhaps this is as far as we really need to go this evening. I had told Mr. Martens that we would wait for his arrival, but perhaps we should just leave matters until we meet again.

Except I would like an agreement that when we do consider the Bill clause by clause that we agree that we will be dealing with the clauses as amended. Is that agreed?

Mr. Van Mulligen: — To deal with all clauses.

The Vice-Chairperson: — No. We'll deal with all clauses, but if we deal with a clause with respect to which there has been an amendment so far, we'll be dealing with the clause as amended. Does the committee agree with that?

If somebody would say agreed, so that the *Hansard* could pick it up.

A Member: — Agreed.

The Vice-Chairperson: — Thank you. Now the question is: when are we going to meet again?

Mr. Van Mulligen: — Well why don't we just leave it to you and Mr. Martens and Ms. Haverstock to kind of sort through that one and . . .

The Vice-Chairperson: — And advise you all prior to Friday?

Mr. Van Mulligen: — Yes. You might check the members now, like you know, if 11 o'clock on Tuesday is a good time, or Wednesday morning, or . . .

The Vice-Chairperson: — I'm looking for any guidance that you wish to give me, if you do; if you don't, fine. Are there any comments in that regard?

Ms. Crofford: — Well, Mr. Chair, I think we'd need to know how much time the remaining people who haven't had a chance to ask their questions need. Because maybe it won't be enough time — 11 o'clock on Tuesday morning. So I think you're going to have to work that out a little bit depending on how much time they need.

But personally, Wednesday and Thursday aren't good because there's other committee meetings. So I would prefer either the Tuesday morning or a supper or something like that — a supper time.

The Vice-Chairperson: — Any other comments?

Mr. Sonntag: — Well first . . . yes, sorry, Mr. Chair, two points, I guess. First of all, if anybody's going to wait for Mr. Martens, I suggest we nominate you to sit here and wait until he arrives. And secondly . . .

The Vice-Chairperson: — And what do you suggest that I do with Mr. Martens when he gets here?

Mr. Sonntag: — The second point is that Tuesday morning is not favourable for me, although I would accommodate if everybody else so wished. I just have a long way to travel in Tuesday morning.

The Vice-Chairperson: — I guess we can excuse the witness, Mr. Wright, unless you have a desire to stay.

I'd like to thank you very much for your assistance. And obviously we'll have to notify you when we are reconvening.

Any other comments in that regard? Well hearing none, I take it you simply wish me to discuss it with Mr. Martens, and Mr. Martens will then advise you through the Clerk in due course. Is that correct?

Mr. Wright: — Correct.

The Vice-Chairperson: — Okay, thank you very much. I guess we will adjourn.

The committee adjourned at 9:17 p.m.