

STANDING COMMITTEE ON PUBLIC ACCOUNTS

April 19, 1994

The Chairperson: — We have a number of things that we need to visit about this morning. I'll raise them as information and then we can discuss them for an agenda.

We have an annual Public Accounts meeting in Prince Edward Island and we need to have a motion to authorize individuals to go. The committee there has asked for input on agenda items, things that would be of interest to be discussed. I think that that is something that we will want to have from you. I have a couple of ideas myself.

Then we have the area of when the Public Accounts Committee will meet to deal with the auditor's report and the various items in the report and how our perceptions are on how they will be dealt with. I want to open the meeting up for discussion on those two items — three items, I suppose.

First of all, we need a discussion and then a motion to authorize people to travel to Prince Edward Island for that meeting. And I'll entertain the discussion and then we can proceed to decide what we're going to do.

The meeting takes place on July 10, 11, and 12, and it's in Charlottetown, Prince Edward Island.

Mr. Cline: — Well I'll say, Mr. Chairman, I certainly felt that the meeting last year was very beneficial in terms of the agenda and the issues that were discussed, and I think it's well worth attending. Of course most, if not all, of the other jurisdictions will be attending.

The Chairperson: — Any other discussion?

I personally learned a lot of important things there in discussions with other members and other members' methods of doing things. And I think it was of significance, and I think it benefited our Public Accounts meeting as we went through the year. And I think it was . . . It was the first time I'd ever been there and I really thought it was worth while attending — lots of very, very well-thought-out topics and well-researched topics, and the discussion was pointed and helpful in many ways.

Mr. Sonntag: — Well I think these conventions most often . . . (inaudible) . . . On the condition that you bring us back each a group photograph, I would be prepared to make a motion:

That this committee authorize the attendance of two members of the committee and the committee Clerk at the annual meeting of the Canadian Council of Public Accounts Committees to be held in Charlottetown, Prince Edward Island, between July 10 to 12, 1994.

The Chairperson: — Any further discussion? All those in favour? Carried.

Topics for the agenda. I have two that I'll start out the thinking process here for us because they've asked us to consider the opportunity for bringing forward some ideas that we would think were significant. They wrote a letter and said:

Topics and presenters for the business sessions are required. If your committee is interested in presenting a topic, please notify the Clerk for Prince Edward Island as soon as possible.

This committee has had significant discussions in two areas, I think, that were focused. And one was pension liabilities and the other was the value of assets in relation to governments and government's involvement in society and what those assets should be valued at, and things like that.

And I think both of them are on the public agenda as well. And I think they'd be good ones to give them as . . .

Ms. Crofford: — There's another area — I may have difficulty even in expressing this quite right — but there's another area that I think is very much on the public's mind, and I think it's probably the area where the public diverges the most from the auditor in terms of their view of how their money gets spent.

And some of this emerged last year with the moving of the wildlife fund into the Consolidated Fund. Because of the hunters paying the fees, they felt that they should have some say in how that money is spent.

Now when you have an independently administered fund, then there's no question, I guess. They administer or are involved in administering it so they have a say in it. But when it moves into the Consolidated Fund, I suppose government can consult with them, but in a way they really lose any real, substantive control over how the funds are spent.

And I think somehow governments have to deal with this issue of some independent influence of the public over monies that they have contributed, and yet satisfy the auditing requirements from the auditor's point of view.

But I mean this issue isn't gone yet. We have other funds like the Sask Sport trust lottery and other things. And for me, if I was there, that would be a thing I would want to discuss. Other people who are there may not have as strong an interest in that, but I still think we have a problem there.

And that issue links a little bit to the whole issue of third-party funding. Because when you, for example, find yourself in a position where you have to cut funds to third parties, you have no control over whether they cut those funds at the service level, at the administrative level.

And I think again, in the whole realm of maybe value auditing or what not, there's some issues of how you can influence without controlling third-party funding

so that responsible decisions are made in terms of still making sure that services that are intended to be provided under those third-party agreements are still provided.

And so those would be some of the things that I'd be interested in.

The Chairperson: — Are there any others that we should maybe raise with them as a kind of a format for them to consider?

Mr. Cline: — Well I would suggest that we make a suggestion to them that all three of those topics may be of interest and any others anyone can think of, and then the people compiling those topics and putting together the agenda could consider all of those.

The Chairperson: — I know that Alberta has moved forward on the pensions thing. If we could suggest to them that their auditor brief the meeting, that might be of some significance.

I think that the chartered accountants or the public accountants . . . chartered accountants — whatever that title for that is — I believe they have some views on how those assets are to be evaluated in terms of infrastructure and all those things. And it might be of some value to have the people from the federal government bring forward some views, or the agencies.

And I just recall off the top of my head how I read in a letter recently that the Public Accounts' chartered accountants or the public auditors' chartered accountants have looked into this to some extent and might give us a broad range of balance so that all the provinces kind of go into it in a similar fashion.

Mr. Cline: — It's a very interesting issue because — I think this was discussed at a previous meeting — there's the question as to how you evaluate the quantum of pension liability, given that it's a sum to be paid in the future over time, and you have to arrive at a way to get a present value of the future payment. And I think that's a very controversial subject. It would be good to hear a bit about that debate in terms of how exactly you arrive at the figure. I mean we arrive at figures, but I think there's not universal agreement on how you arrive at that figure.

The Chairperson: — Actually, to have an actuary presentation on that would give lots of insight into it.

Mr. Sonntag: — With all these interesting topics I'm feeling better and better about having made that motion.

The Chairperson: — Can we leave it at those three and then if I put a topic together, Ms. Crofford, on that value for money on third-party funding . . .

Ms. Crofford: — Third-party funding. And I guess you'd call it special funds.

The Chairperson: — Special interest funds.

Ms. Crofford: — Targeted tax dollars, that's another way of expressing it.

The Chairperson: — We'll draft a letter and put it forward to the committee in Prince Edward Island and we'll, when we come back, see how much they've taken up of our points here.

Mr. Robert: — They may also want you to do it.

The Chairperson: — Yes, they might want us to be part of the presenters, and I was wondering if our auditor's office would be prepared, if they were contacted, to do that. I know that Mr. Strelioff is going to be there, and probably Fred. And we can make that as an observation. We could probably initiate discussion on that ourselves if we're prepared to do that. And I don't think that that would be a problem.

Mr. Cline: — We could volunteer our services.

The Chairperson: — Yes. Okay. Thank you for your consideration of that.

Then meeting as a committee for discussion of the auditor's report and some idea about when we could target dates for meeting in the summer or in the fall. Is there some discussion that we should be focusing our attention on certain days rather than others?

Mr. Cline: — Well I guess to start off, looking at what we did last year, I suppose the first thing we want to do is to give the Provincial Auditor an opportunity to give us kind of an overview of his report. And then it seems to me that at least down to chapter 7, those are subjects I think where the resource person we would have would mainly be the auditor and the Provincial Comptroller and their staff members.

And I think I would suggest that we plan to meet every Tuesday morning perhaps, during the session, and try to get through those chapters or as far as we can. And then when we get into the CIC (Crown Investments Corporation of Saskatchewan) in chapter 8 and the departments . . . well first we'll have to ask the committee members which departments and agencies they want called before the committee.

But depending on how far we get during the session, that would determine the timing of when we ask that question, when people have had an opportunity to study the report in detail. We try to do an assessment of how many we want to call, which ones we want to call, and perhaps set aside a week in September or October to meet and have the Clerk line up those people that we would want.

So I would suggest for the time being, Mr. Chairman, we meet every Tuesday morning for the duration of the session and see whether we can complete chapters 1 to 7. And that we, if we do that, that we plan to take a week in September or October and try to do that balance of the report. Maybe that's a bit optimistic. Maybe we'll need another week later on

The Chairperson: — If I look at the calendar, April has one Tuesday left. May 2, 9, and 16 maybe . . . That's about four meetings left this session, outside five. Could we get that done?

Mr. Cline: — So moved.

The committee adjourned at 9:27 a.m.

Well we can go from what you said earlier. We'll go as far as we get done and then proceed further. Is there more discussion on that issue? We need probably a time and agreement on Tuesdays as a day to do that.

We have caucus meetings usually that start at 10, and that makes it significantly awkward to go in there late. 8:30?

A Member: — That's fine. Sure.

The Chairperson: — 8:30 till 10, 10:15, something like that. Starting at 8:30 and going to 10 o'clock, and there's flexibility with a short time after. Okay, I have a consensus on that. We will ask the auditor to begin that next Tuesday. That's starting at 8:30.

One other item that I want to just mention, and that is that the auditor set . . . you will recall the auditor has set up a task force on the roles, responsibilities, and duties of auditors. And that is made up of an individual from CIC, individual from the Provincial Auditor, then there's an individual from the subsidiary Crowns of CIC and then private sector auditors. And Mr. George Baxter of the University of Saskatchewan is the chairman of that.

And they're having meetings next week from the 25th to the 28th, and they have asked Eric and myself to come to the meeting to give our view of the world from Public Accounts and from legislators.

I would suggest that if there are individuals who have suggestions that we should make to them, that you get in touch with Eric and Bill and I and Lynda. We can visit about the other issues. If there's issues that we think or you think that should be brought forward about functions and roles, we'd like to do that. We have opinions of our own as well but we would like to have input from the committee as to the direction that this group is supposed to take.

That's as a result of his initiative in dealing with that special report that came down, and items 3 and 4 that he set up the committee on that, roles and responsibilities for the Provincial Auditor.

Mr. Cline: — That's great, Mr. Chairman. I think primarily what they want us to address at that meeting as I understand it, is the question of the relationship between the Provincial Auditor and the private auditors or appointed auditors of the Crowns. And this committee had sort of deferred consideration of that issue until that committee had a look at the issue. And I think that's what they want us to address in particular.

The Chairperson: — Okay. Any further discussion? Any topics that anybody wants to raise? I would entertain a motion to adjourn, if not.